$21,000,000*
Decorah Community School District, Iowa
General Obligation School Bonds
Series 2026

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

DATE:	Monday November 23, 2026
TIME:	1:00 PM CST
PLACE:	District Office 1732 Old Stage Road. Decorah, IA 52101

Moody's Rating: "Aa3"

* Preliminary, subject to change

PIPER | SANDLER

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

OFFICIAL BID FORM

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

Re: $21,000,000* General Obligation School Bonds, Series 2026, dated the date of delivery, of the Issuer (the "Bonds")

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

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

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

Principal Amount	Month and Year (Inclusive)	Maturity Month and Year
$_____	_____ to _____	_____
$_____	_____ to _____	_____
$_____	_____ to _____	_____
$_____	_____ to _____	_____
$_____	_____ to _____	_____
$_____	_____ to _____	_____

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

_____ We will not elect to have any bonds issued as term bonds

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

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

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

According to our computations (the correct computation being controlling in the award), we compute the following (to the dated date):

NET INTEREST COST: $_____ TRUE INTEREST COST _____%
(Computed from the dated date)

_____ _____
Account Manager Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the Board of Directors of the Decorah Community School District, in the Counties of Allamakee and Winneshiek, State of Iowa, this 23rd day of November, 2026.

ATTEST: _____ _____
District Secretary Board President

_____
* Preliminary, subject to change

OFFICIAL TERMS OF OFFERING

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

The Bonds to be offered are the following:

GENERAL OBLIGATION SCHOOL BONDS, **SERIES 2026**, in the principal amount of $21,000,000* dated the date of delivery in the denomination of $5,000 or multiples thereof, and maturing as shown on the front page of the official statement.

ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the Issuer or its designee after the determination of the Successful Bidder. The Issuer may increase or decrease each maturity in increments of $5,000. Interest rates specified by the Successful Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the Issuer. Par Amount shall not exceed $22,000,000.

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

Optional Redemption: The Bonds maturing after June 1, 2034, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Interest: Interest on said Bonds will be payable beginning on June 1, 2027 and semiannually on the 1st day of June and December thereafter. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

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

Good Faith Deposit: A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire in the amount of $210,000* for the Bonds, payable to the order of the Issuer, is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. The Municipal Advisor or the Issuer will provide the apparent winning bidder (the "Purchaser") with wiring instructions, by email, within 10 minutes of the stated time when bids are due. If the wire is not received at the time indicated above, the Issuer will abandon its plan to award to the Purchaser, and will contact the next highest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

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* Preliminary, subject to change

Form of Bids: All bids shall be unconditional for the entire issue of Bonds for a price of not less than 100% of par, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid, facsimile facilities or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

No bid will be received after the time specified herein. The time as maintained by the Internet Bid System shall constitute the official time with respect to all Bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Confidential information sent via secured portal: All confidential information exchanged between the Issuer and the Purchaser (including but not limited to closing details and good faith wire details) must be sent via a secure portal. As a condition to closing, the winning bidder will cooperate with the Issuer, its legal counsel and its municipal advisor to ensure that all confidential information is sent via a secure portal.

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Superintendent, Decorah Community School District, 1732 Old Stage Road, Decorah, IA.

Internet Bidding: Internet bids must be submitted through Parity® ("the Internet Bid System"). Information about the Internet Bid System may be obtained by calling 212-849-5000.

Each bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purpose of submitting its internet bid in a timely manner and in compliance with the requirements of the Official Terms of Offering. The Issuer is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the internet bidding and the Internet Bid System is not an agent of the Issuer. Provisions of the Official Terms of Offering shall control in the events of conflict with information provided by the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the Internet Bid System. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

Electronic Facsimile Bidding: Electronic Facsimile Bids will not be accepted.

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

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

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

No rate bid may be higher than 8%.

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

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

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

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

reasonably designed to reach potential underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) the Issuer may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Official Terms of Offering.

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

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

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

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

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

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

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

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

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

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

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

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

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

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

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

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

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

of the Final Official Statement to each participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Issuer, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

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

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

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

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

For more information see the Continuing Disclosure section herein.

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

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

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

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 17, 2026

NEW ISSUE - DTC BOOK ENTRY ONLY Rating: "Aa3"

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

$21,000,000*
Decorah Community School District, Iowa
General Obligation School Bonds
Series 2026

Dated: Date of Delivery

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

Interest on the Bonds is payable on June 1, and December 1 in each year, beginning June 1, 2027 to the registered owners thereof. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

The Bonds maturing after June 1, 2034 may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

MATURITY SCHEDULE

Bonds Due	Amount*	Rate *	Yield *	Cusip #'s **	Bonds Due	Amount*	Rate *	Yield *	Cusip #'s **
June 1, 2027	1,695,000			243613 FD3	June 1, 2037	1,460,000			243613 FP6
June 1, 2028	200,000			243613 FE1	June 1, 2038	1,530,000			243613 FQ4
June 1, 2029	1,005,000			243613 FF8	June 1, 2039	540,000			243613 FR2
June 1, 2030	1,055,000			243613 FG6	June 1, 2040	560,000			243613 FS0
June 1, 2031	1,110,000			243613 FH4	June 1, 2041	590,000			243613 FT8
June 1, 2032	1,165,000			243613 FJ0	June 1, 2042	620,000			243613 FU5
June 1, 2033	1,220,000			243613 FK7	June 1, 2043	650,000			243613 FV3
June 1, 2034	1,285,000			243613 FL5	June 1, 2044	685,000			243613 FW1
June 1, 2035	1,350,000			243613 FM3	June 1, 2045	720,000			243613 FX9
June 1, 2036	1,405,000			243613 FN1	June 1, 2046	2,155,000			243613 FY7

$_____ _____% Term bond due Priced to yield CUSIP # _____

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel. Ahlers & Cooney, P.C. is also serving as Disclosure Counsel to the Issuer in connection with the issuance of the Bonds. Piper Sandler & Co. is serving as Municipal Advisor to the Issuer in connection with the issuance of the Bonds. Certain legal matters will be passed upon for the Municipal Advisor by Dorsey & Whitney LLP, It is expected that the Bonds in the definitive form will be available for delivery through the facilities of DTC on or about December 22, 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

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* *Preliminary, subject to change*

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

No dealer, salesperson or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

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

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

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

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

FORWARD-LOOKING STATEMENTS

This Official Statement, including appendices attached hereto, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "anticipated," "plan," "expect," "estimate," "budget," "pro forma," "forecast," "intent," or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS TO DIFFER. THE DISTRICT DOES NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE.

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

OFFICIAL STATEMENT
DECORAH COMMUNITY SCHOOL DISTRICT, IOWA
$21,000,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Decorah Community School District, Iowa (the "District" or the "Issuer"), in connection with the sale of the Issuer's General Obligation School Bonds, Series 2026 (the "Bonds"). The Bonds are being issued to provide funds to: (i) build, furnish, and equip a new elementary school building, including site improvements, and (ii) pay costs of issuance for the Bonds (the "Project"). See "**SOURCES AND USES OF FUNDS**" herein. The Bonds will be issued pursuant to a Resolution authorizing the issuance of Bonds expected to be adopted on or about December 14, 2026 (the "Resolution" or the "Bond Resolution").

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

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

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

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

THE BONDS

General

The Bonds are dated as of the date of delivery and will bear interest at the rates to be set forth on the cover page herein, interest payable on June 1 and December 1 in each year, beginning on June 1, 2027, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable by electronic means, check, or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

Authorization for the Issuance

The Bonds are being issued pursuant to Chapter 296 of the Code of Iowa, 2025, as amended, approval of the District voters for the issuance of not to exceed $38,000,000 General Obligation Bonds to fund the Project at an election held on November 5, 2024, and the Resolution.

Book Entry Only System

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

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

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* Preliminary, subject to change

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

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit 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 depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

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

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

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

Transfer and Exchange

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

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

Prepayment

Optional Prepayment: The Bonds maturing after June 1, 2034, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

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

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

____ Term Bond

Mandatory Sinking Fund Date	Principal Amount
	$

(maturity)

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

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

Source of Security for the Bonds

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

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

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

BONDHOLDERS' RISKS

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

Tax Levy Procedures

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

(consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

Changes in Property Taxation

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

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

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

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

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

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

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

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

Secondary Market

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

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

Pension

The Issuer contributes to the Iowa Public Employees' Retirement System ("IPERS"), which is a state-wide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the Issuer are required to participate in IPERS. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the Issuer being required to make monthly contributions to IPERS. Contribution amounts are set by State statute. The IPERS Annual Comprehensive Financial Report for its fiscal year ended June 30, 2025 (the "IPERS ACFR"), indicates that as of June 30, 2025, the date of the most recent actuarial valuation for IPERS, the funded ratio of IPERS was 92.17%, and the unfunded actuarial liability was approximately $3.841 billion. The IPERS ACFR identifies the IPERS Net Pension Liability at June 30, 2025, at approximately $2.323 billion (market value), while its net pension liability at June 30, 2024, was approximately $3.641 billion (market value). The IPERS ACFR is available on the IPERS website, or by contacting IPERS at 7401 Register Drive, Des Moines, IA 50321. See "**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER**" for additional information on IPERS.

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

In fiscal year ended June 30, 2025, the Issuer's IPERS contribution totaled approximately $1,300,090. 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 $5,271,624. While the Issuer's contributions to IPERS are controlled by state law, there can be no assurance the Issuer will not be required by changes in State law to increase its contribution requirement in the future, which may impact the finances of the Issuer. See "**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER**" for additional information on pension and liabilities of the Issuer.

Rating Loss

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

Forward-Looking Statements

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

Legislative Change Related to School Choice

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

The annual amount per account in the Fund is determined by the State Cost Per Pupil (SCPP) for that fiscal year and changes each year based on the State Percent of Growth (SPG). For fiscal year ending June 30, 2027, the SCPP is $8,148, which amount

will be deposited into the Fund, instead of being sent to the Issuer, for each qualifying student within the Issuer attending a nonpublic school. HF68 provides that a District is funded in an amount of $1,176 per student for resident pupils who attend a nonpublic school. According to the Department of Education, there were 132 students who resided within the boundaries of the Issuer but attended non-public schools for the 2022-23 school year; 146 for the 2023-24 school year; 170 for 2024-25 school year and 182 for the 2025-26 school year. It is unknown how many additional students, if any, will attend nonpublic schools in future years. If a significant number of eligible students in the Issuer transition to nonpublic schools, it could have an adverse impact on the Issuer's finances given the reduction in per student funding the Issuer would otherwise receive. The Bonds are general obligations of the Issuer. See "**THE BONDS – Source of Security for the Bonds"** herein.

Proposed Federal Tax Legislation

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

DTC-Beneficial Owners

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

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

Risks as Employer

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

Cybersecurity

The Issuer relies on its information systems to provide security for processing, transmission and storage of confidential and other sensitive information. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the Issuer and the services it provides, or the unauthorized access to or disclosure of personally identifiable information and other confidential or sensitive information. Despite security measures, the Issuer may remain vulnerable to attacks by outside or internal hackers, or breaches caused by employee error, negligence or malfeasance. Any failure to maintain proper functionality and security of the Issuer's information systems could interrupt the Issuer's operations, damage its reputation, subject it to significant costs, liability claims or regulatory penalties, and could have a material adverse effect on the operations and financial condition of the Issuer. The Issuer has a cybersecurity insurance policy. The Issuer cannot predict whether this policy will be sufficient in the event of a cyberattack.

Debt Payment History

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

Redemption Prior to Maturity/Loss of Premium from Redemption

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

Clean up Costs and Liens under Environmental Statutes

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

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.

General Liability Claims

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

Project Completion; Risks of Construction

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

Damage or Destruction to District's Facilities

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

Financial Condition of the Issuer from time to time

No representation is made as to the future financial condition of the Issuer. Certain risks discussed herein could adversely affect the financial condition and/or operations of the Issuer in the future. For fiscal year ending June 30, 2025, the auditor noted a significant deficiency in internal controls regarding segregation of duties, which is described in more detail in the audited financial statements attached as Appendix D. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the "**THE BONDS – Source of Security for the Bonds**" herein.

Enrollment Trends

The Issuer has experienced a decline in its certified student population over the last five years, negatively impacting its certified enrollment and the amount of revenue received. See **APPENDIX A – General Information About the Issuer – Enrollment**. However, the Bonds are secured by an unlimited ad valorem property tax, as described more fully in "**THE BONDS – Source of Security for the Bonds**" herein.

Continuing Disclosure

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

Suitability of Investment

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

Bankruptcy and Insolvency

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

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

Tax Matters, No Bank Qualified, and Loss of Tax Exemption

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

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

It is possible that legislation will be proposed or introduced that could result in changes in the way that tax exemption is calculated, or whether interest on certain securities are exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding any pending or proposed federal income tax legislation. The likelihood of any pending or proposed federal income tax legislation being enacted or whether the proposed terms will be altered or removed during the

legislative process cannot be reliably predicted.

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

Factors Beyond Issuer's Control

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

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

Risk of Audit

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

Summary

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

LITIGATION

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

ACCOUNTANT

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

UNDERWRITING

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

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

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

THE PROJECT

The Bonds are being issued to provide funds to: (i) build, furnish, and equip a new elementary school building, including site improvements, and (ii) pay costs of issuance for the Bonds.

SOURCES AND USES OF FUNDS *

Sources of Funds		
	Bond Principal	$21,000,000
	Reoffering Premium	TBD
Total Sources of Funds		TBD
Uses of Funds		
	Deposit to Project fund	TBD
	Costs of Issuance	TBD
	Underwriter's Discount	TBD
Total Uses of Funds		

* Preliminary, subject to change

Future Debt

The Issuer expects to issue the remaining amount of voter-approved General Obligation School Bonds, approximately $7,000,000, and an amount of School Infrastructure Sales, Services, and Use Tax Revenue Bonds in calendar year 2027 as part of the financing for the Project.

TAX EXEMPTION AND RELATED TAX MATTERS

Tax Exemption

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

Subject to the Issuer's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, the interest on the Bonds is excludable from gross income for federal income tax purposes 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; however, such interest may be taken into account in computing the alternative minimum tax imposed on certain corporations.

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

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

NOT Qualified Tax Exemption Obligations

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

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

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

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

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

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

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

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

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

Bond Counsel's opinion is not a guarantee of a result, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Issuer described in this section. No ruling

has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel's opinion is not binding on the Service, nor does the rendering of the opinion guarantee the outcome of any legal dispute that may arise out of the transaction. Bond Counsel assumes no obligation to update its opinion after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

Enforcement

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

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

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

LEGAL MATTERS

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

Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements, or data contained in this Preliminary Official Statement and will express no opinion with respect thereto. Bond Counsel has not participated in the preparation of this Preliminary Official Statement other than to review or prepare information describing the terms of the Bonds, Iowa and Federal law pertinent to the validity of the Bonds, and the tax status of interest on the Bonds which can be found generally under the sections "**THE BONDS**", "**THE BONDS - Source of Security for the Bonds**", and "**TAX EXEMPTION AND RELATED CONSIDERATIONS**". 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 of, completion or fairness of such information and data in the Official Statement. The Municipal Advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

CONTINUING DISCLOSURE

The Issuer will covenant in a Continuing Disclosure Certificate (the "Undertaking") for the benefit of the Owners and Beneficial Owners of the Bonds to provide annually certain financial information and operating data relating to the Issuer (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the Issuer

no later than April 15 after the close of each fiscal year, commencing with the fiscal year ending June 30, 2027, with the Municipal Securities Rulemaking Board, at its internet repository named "Electronic Municipal Market Access" ("EMMA"). The Issuer has also agreed to file its audited financial statements for fiscal year ending June 30, 2026, when available. The notices of events, if any, are also to be filed with EMMA. See "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE." The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the "Rule").

A failure by the District to comply with the Undertaking will not constitute a default under the Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. Any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under the Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default thereunder. If the District fails to comply with any provision of the Disclosure Certificate, the sole remedy available shall be an action to compel performance. A failure by the District to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Issuer provides the following information in accordance with the reporting requirement of paragraph (f)(3) of the Rule. For the previous five (5) year period, the Issuer believes it has complied with the Rule in all material respects, except as provided herein. The Issuer's audited financial statements and annual financial information for fiscal year ending June 30, 2025 were due on March 27, 2026. The Issuer did not file the required information until April 9, 2026 and did not provide notice of failure to file. A notice of failure to file was filed on November 10, 2026.

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

MISCELLANEOUS

Brief descriptions or summaries of the Issuer, the Bonds, and statutes are included in this Official Statement. The summaries or references herein to the Bonds and statutes referred to herein, and the description of the Bonds included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their 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.

DECORAH COMMUNITY SCHOOL DISTRICT, IOWA

/s/Denise Gulrud
Board Secretary

APPENDIX A – GENERAL INFORMATION ABOUT THE ISSUER

DECORAH COMMUNITY SCHOOL DISTRICT, IOWA

DISTRICT OFFICIALS

PRESIDENT	Cindy Goodner
BOARD MEMBERS	Aaron Zander Brad Darling Carole Sand Lilly Jensen
SUPERINTENDENT	Tim Cronin
DISTRICT SECRETARY	Denise Gulrud
DISTRICT TREASURER	Janet Grafft
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 Decorah Community School District is headquartered in the City of Decorah, Iowa, the Winneshiek County Seat, which is located in the northeastern part of the State of Iowa in Winneshiek and Allamakee Counties. The District is approximately 150 miles southeast of the Minneapolis/St. Paul, MN metropolitan area, 115 miles north from the City of Cedar Rapids, IA and approximately 80 miles northeast of the Cedar Falls/Waterloo metropolitan area. The District encompasses an area of approximately 175 square miles for the historical Decorah Community School District and approximately 135 square miles for the historical North Winneshiek Community School District.

District Facilities (1)

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

Building	Construction Date	Grades Served
High School	1953, 1962 1968, 1974, 1991	9-12
Middle School	2006	5-8
Carrie Lee Elementary	1922, 1935, 1953, 1974, 2006	3-4
John Cline Elementary	1962, 1968, 1991	K-2
West Side Elementary	1935, 1962, 1968, 1991	Pre-K

Enrollment (3)

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

Count Date	Fiscal Year effective	Certified (Resident) (4) (5)	Open Enroll In (6)	Open Enroll Out (6)	Total Served (6)
October-25	2026-27	1,427.90	120.70	55.00	1,493.60
October-24	2025-26	1,450.40	119.20	47.00	1,522.60
October-23	2024-25	1,508.60	125.50	41.00	1,593.10
October-22	2023-24	1,522.60	123.70	35.00	1,611.30
October-21	2022-23	1,530.50	121.90	33.00	1,619.40

Staff (1)

Presented below is a list of the Issuer's 287 employees.

Administrators:	9	Media Specialists:	2
Teachers:	134	Nurses:	2
Teacher Aids:	71	Guidance:	4
Custodians:	14	Secretaries:	6
Food Service:	25	Transportation:	22
Other:	1	Maintenance:	10

Population (2)

Presented below are population figures for the periods indicated for the city of Decorah

Year	Population
2020	7,587
2010	8,127
2000	8,172
1990	8,063
1980	8,068
1970	7,237

(1) Source: the Issuer
(2) Source: U.S. Census Bureau
(3) Source: Iowa Department of Education
(4) Used for Sales Tax distribution
(5) Used for State Aid distribution
(6) 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	6
Active employees	248
Total	254

Total OPEB Liability – The Issuer's total OPEB liability of $1,206,626 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions – the total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement:

Rate of inflation (effective 6/30/25)	3.00%
Rates of salary increase (effective 6/30/25) including inflation	3.25%
Discount rate (effective 6/30/25) including inflation	3.65%
Healthcare cost trend rate (effective 6/30/25)	6.25% initial rate decreasing by .25% annually to an ultimate rate of 5.00%

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

Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational project of future mortality improvement.

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

Changes in the Total OPEB Liability:

Total OPEB obligation – beginning of year		$1,137,942
Changes for the year		
	Service Cost	103,758
	Interest	43,881
	Benefit Payments	(78,955)
Net Changes		68,684
Net OPEB obligation – end of year		$1,206,626

Changes of assumptions reflect a change in the discount rate from 3.65% in fiscal year 2024 to 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.

	Issuer Contribution		Issuer Employees' Contribution	
Fiscal Year	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2021	1,176,576	9.44	783,969.87	6.29
2022	1,210,851	9.44	806,700.13	6.29
2023	1,231,487	9.44	820,451.68	6.29
2024	1,261,006	9.44	840,225.64	6.29
2025	1,300,090	9.44	866,268.57	6.29

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

Table 2 – Recent returns of IPERS (1)

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

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

(1) SOURCE: The Issuer

The following table sets forth certain information about the funding status of IPERS that has been extracted from the 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]]
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 $5,271,624 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 (2)

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

Type of Investment	Amount Invested
Local Bank Money Market	$2,244,839.49
Local Bank Deposit Accounts	12,376,135.65
Local Bank Time CD's	0
ISJIT Money Market	46,767.53
ISJIT Time CD's	0

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(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 (1)

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

Employer	Business	Approximate Employees
Stanley Engfast Decorah	Industrial fasteners	500-999
Bruening Rock Products	Crushed rock	250-499
Deco Products Co	Nonferrous die castings	250-499
Winnmed	Hospital	250-499
Decorah CSD	Education	250-499
Collins Aerospace	Aircraft components	100-249
Toppling Goliath Brewing	Brewery	100-249
Winneshiek County	Government	100-249
Hy-vee	Grocery store	100-249
Wal-Mart	Retail store	100-249
Decorah Parks & Rec	Parks	100-249
Decorah Bank & Trust	Banking	100-249
Aase Haugen Senior Services	Nursing home	100-249
Rockwell Collins	Search detection/navigation	50-99
Mabe's Pizza	Restaurant	50-99
McDonalds	Restaurant	50-99
Seed Savers Exchange	Seed farm	50-99
Wicks Construction	Concrete contractor	50-99
Gunderson Health Systems	Mental health	50-99
Helping Services for Youth	Crisis intervention	50-99
NE IA Community Action	Social services	50-99
Spectrum Painting	Vocational rehab	50-99
Barthell Eastern Star Nursing	Non profit	50-99
J Ashlyn	Non profit	50-99
Opportunity Homes	Non profit	50-99
Fareway	Grocery store	50-99
Oneota Food Co-Op	Grocery store	50-99
Quillians Food Ranch	Grocery store	50-99
Grizzly Coolers	Beverage coolers	50-99

Property Tax Assessment (2) (3)

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

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

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

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

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

(2) Source: Iowa Department of Revenue

(3) 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 Fiscal Year	2025 2026-27	2024 2025-2026	2023 2024-2025	2022 2023-2024	2021 2022-2023
Residential:	1,405,388,348	1,203,872,508	1,184,214,067	1,006,977,924	918,068,740
Agricultural Land:	288,587,700	213,207,220	213,344,750	172,070,380	172,289,890
Ag Buildings:	18,014,810	13,696,560	13,407,150	11,016,140	12,732,440
Commercial:	211,699,844	192,086,138	188,618,408	156,407,925	155,627,329
Industrial:	24,755,590	23,547,200	22,720,850	17,694,060	17,142,510
Multi-Residential	0	0	0	0	21,462,261
Reserved	0	0	0	0	0
Railroads:	0	0	0	0	0
Utilities:	11,081,532	6,715,845	6,854,388	6,548,419	7,815,607
Other:	0	0	0	0	0
Total Valuation:	1,959,527,824	1,653,125,471	1,629,159,613	1,370,714,848	1,305,138,777
Less Military:	2,012,000	2,088,000	2,112,000	961,188	1,022,304
Less Homestead:	7,910,500	7,676,500	3,497,000	0	0
Net Valuation:	1,949,605,324	1,643,360,971	1,623,550,613	1,369,753,660	1,304,116,473
TIF Valuation:	12,190,939	7,615,406	6,678,357	4,926,962	5,236,921
Utility Replacement:	86,840,412	84,406,190	68,371,227	64,713,991	60,235,098

Taxable Valuation Valuation as of January Fiscal Year	2025 2026-27	2024 2025-2026	2023 2024-2025	2022 2023-2024	2021 2022-2023
Residential:	625,882,665	571,016,048	548,797,937	550,314,432	496,952,389
Agricultural Land:	171,536,817	157,469,513	153,260,475	157,690,435	153,409,008
Ag Buildings:	10,708,022	10,115,945	9,631,299	10,095,515	11,337,119
Commercial:	166,379,661	150,340,142	146,815,081	123,222,898	139,540,913
Industrial:	21,436,147	20,402,367	19,572,956	15,284,743	15,428,259
Multi-Residential	0	0	0	0	13,682,202
Reserved	0	0	0	0	0
Railroads:	0	0	0	0	0
Utilities:	10,608,675	6,715,845	6,854,388	6,548,419	7,815,607
Other:	0	0	0	0	0
Total Valuation:	1,006,551,987	916,059,860	884,932,136	863,156,442	838,165,497
Less Military:	2,012,000	2,088,000	2,112,000	961,188	1,022,304
Less Homestead:	7,910,500	7,676,500	3,497,000	0	0
Net Valuation:	996,629,487	906,295,360	879,323,136	862,195,254	837,143,193
TIF Valuation:	11,537,476	7,615,406	6,678,357	4,926,962	5,236,921
Utility Replacement:	10,738,129	10,718,318	8,421,852	8,626,861	8,284,209

Valuation Year	Fiscal Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation DS / PPEL	% Change in Taxable Valuation
2025	2027	2,048,636,675	18.05%	1,018,905,092	10.20%
2024	2026	1,735,382,567	2.17%	924,629,084	3.38%
2023	2025	1,698,600,197	18.01%	894,423,345	2.13%
2022	2024	1,439,394,613	5.10%	875,749,077	2.95%
2021	2023	1,369,588,492	5.53%	850,664,323	3.17%

(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:

Fiscal Year	Operating Fund	Management Fund	Board PPEL	Voter PPEL	Play Ground	Debt Service	School House	Amana Library	Total Levy Rate
2027	8.88862	0.14891	0.33000	1.34000	0.00000	2.52314	0.00000	0.00000	13.23067
2026	8.85214	0.70338	0.33000	1.34000	0.00000	1.94738	0.00000	0.00000	13.17290
2025	9.01906	1.18277	0.33000	1.34000	0.00000	0.44107	0.00000	0.00000	12.31290
2024	8.62895	1.41820	0.33000	1.34000	0.00000	0.63945	0.00000	0.00000	12.35660
2023	8.14073	1.12369	0.33000	1.34000	0.00000	1.42465	0.00000	0.00000	12.35907
2022	8.79056	0.48799	0.33000	1.34000	0.00000	1.46709	0.00000	0.00000	12.41564

Historic Tax Rates (1)

Presented below are the tax rates by taxing entity for residents of the City of Decorah.

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy Rate
2027	15.52157	13.23067	1.04413	0.00000	0.41642	0.18404	1.08000	7.35645	0.00000	38.83328
2026	16.17306	13.17290	0.94143	0.00000	0.44583	0.19748	0.00000	7.67564	0.00000	38.60634
2025	16.27935	12.31290	0.94143	0.00180	0.45996	0.19985	0.00000	7.72000	0.00000	37.91529
2024	16.40184	12.35660	0.92871	0.00180	0.37071	0.19745	0.00000	6.79000	0.00000	37.04711
2023	15.90594	12.35907	0.90520	0.00240	0.44458	0.20074	0.00000	6.69000	0.00000	36.50793
2022	15.26203	12.41564	0.90520	0.00260	0.33469	0.20029	0.00000	6.55642	0.00000	35.67687

Tax Collection History (2)

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

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2027	$13,377,197	In collection	N/A
2026	12,107,400	$11,945,174	98.66%
2025	10,945,111	10,944,195	99.99%
2024	10,771,933	10,771,356	99.99%
2023	10,465,223	10,461,694	99.97%
2022	10,162,907	10,158,769	99.96%

(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.

Taxpayer	2025 Taxable Valuation	Percent of Total
Wal-Mart Stores, Inc.	12,293,347	1.207%
Gundersen Clinic, Ltd	7,409,849	0.727%
Iowa Rotocast Plastics Inc.	6,530,358	0.641%
Alliant Energy Corp.	6,457,525	0.634%
Dairyland Power Cooperative	6,237,851	0.612%
Rush Holdings LLC	6,159,544	0.605%
Kwik Trip Inc.	6,073,237	0.596%
Aase Haugen Properties Inc.	5,715,753	0.561%
Decorah Hotel Partners LP	5,368,324	0.527%
Infastech Decorah LLC	5,245,384	0.515%
	Total	6.62%

(1) Source: Winneshiek County

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

Direct Debt

General Obligation School Bonds (Debt Service) (1)

Presented below are the principal and interest payments due on the Issuer's General Obligation School Bonds, including the Bonds, presented by fiscal year and issue:

Fiscal Year	12/18/25	12/22/26*	Gross Principal	Total Principal	Total Interest	Total P&I
6/30/27		1,695,000	1,695,000	1,695,000	870,116	2,565,116
6/30/28		200,000	200,000	200,000	1,274,392	1,474,392
6/30/29		1,005,000	1,005,000	1,005,000	1,264,392	2,269,392
6/30/30		1,055,000	1,055,000	1,055,000	1,214,142	2,269,142
6/30/31		1,110,000	1,110,000	1,110,000	1,161,392	2,271,392
6/30/32		1,165,000	1,165,000	1,165,000	1,105,892	2,270,892
6/30/33		1,220,000	1,220,000	1,220,000	1,047,642	2,267,642
6/30/34		1,285,000	1,285,000	1,285,000	986,642	2,271,642
6/30/35		1,350,000	1,350,000	1,350,000	922,392	2,272,392
6/30/36		1,405,000	1,405,000	1,405,000	866,772	2,271,772
6/30/37		1,460,000	1,460,000	1,460,000	807,481	2,267,481
6/30/38		1,530,000	1,530,000	1,530,000	741,781	2,271,781
6/30/39	1,060,000	540,000	1,600,000	1,600,000	670,636	2,270,636
6/30/40	1,105,000	560,000	1,665,000	1,665,000	602,586	2,267,586
6/30/41	1,150,000	590,000	1,740,000	1,740,000	531,002	2,271,002
6/30/42	1,195,000	620,000	1,815,000	1,815,000	455,561	2,270,561
6/30/43	1,245,000	650,000	1,895,000	1,895,000	376,327	2,271,327
6/30/44	1,290,000	685,000	1,975,000	1,975,000	293,182	2,268,182
6/30/45	1,345,000	720,000	2,065,000	2,065,000	206,031	2,271,031
6/30/46		2,155,000	2,155,000	2,155,000	114,431	2,269,431
Totals:	8,390,000	21,000,000	29,390,000	29,390,000	15,512,791	44,902,791

* Preliminary, subject to change

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

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

Anticipatory Warrants (1)

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

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

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

Fiscal Year	3/25/21	Total Principal	Total Interest	Total Obligations
6/30/27	430,000	430,000	68,500	498,500
6/30/28	460,000	460,000	47,000	507,000
6/30/29	480,000	480,000	24,000	504,000
Totals:	1,370,000	1,370,000	193,500	1,509,500

(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:

Actual Valuation:	2,048,636,675
X	5%
Statutory Debt Limit:	102,431,833
Total General Obligation Debt:	29,390,000
Total Lease Purchases:	280,816
Capital Leases:	0
Total Debt Subject to Limit:	29,670,316
Percentage of Debt Limit Obligated:	28.97%

The constitutional debt limit calculation does not include the Issuer's School Infrastructure Sales, Services and Use Tax Revenue Bonds. If the Issuer's School Infrastructure Sales, Services and Use Tax Revenue Bonds are included in the constitutional debt limit calculation, the "Total Debt Subject to Limit" would increase $1,370,000 to be $31,040,316, or 30.30% of the constitutional debt limit.

(1) Direct debt source: the Issuer
(2) Valuation data source: Iowa Department of Management
(3) Preliminary, subject to change
(4) Utility Property Tax Replacement

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

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

Overlapping & Underlying Debt (1) (3)

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

Taxing Authority	GO Debt Outstanding	Taxable Valuation	Valuation Within Issuer	Percentage Applicable	Amount Applicable
City Of Decorah	5,810,000	433,580,389	433,580,389	100.00%	5,810,000
Winneshiek County	0	1,478,631,531	924,387,866	62.52%	0
Allamakee County	2,725,000	1,021,420,832	241,218	0.02%	644
Northeast Iowa Cc	45,895,000	15,424,865,423	924,629,084	5.99%	2,751,133
Keystone Aea	0	15,284,945,386	924,629,084	6.05%	0
				Total:	8,561,776

Financial Summary (1) (2) (3) (4) (5)

Actual Value of Property, 2025	2,048,636,675
Taxable Value of Property, 2025	1,018,905,092
Direct General Obligation Debt:	29,390,000
Overlapping Debt:	8,561,776
Direct & Overlapping General Obligation Debt:	37,951,776
Population, 2020 US Census:	13,154
Direct Debt per Capita:	2,234
Total Debt per Capita:	2,885
Direct Debt to Taxable Valuation:	2.884%
Total Debt to Taxable Valuation:	3.725%
Direct Debt to Actual Valuation:	1.435%
Total Debt to Actual Valuation:	1.853%
Actual Valuation per Capita:	155,742
Taxable Valuation per Capita:	77,460

_____

(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 Decorah Community School District in the Counties of Winneshiek and Allamakee, State of Iowa, and acts of administrative officers of the School District (the "Issuer"), relating to the issuance of General Obligation School Bonds, Series 2026, by said Issuer, dated the date of delivery, in the denominations of $5,000 or multiples thereof, in the aggregate amount of $_____ (the "Bonds").

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

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

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

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.

2. The Bonds are valid and binding general obligations of the Issuer.

3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

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

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

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

AHLERS & COONEY, P.C.

APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE

DRAFT

CONTINUING DISCLOSURE CERTIFICATE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"State" shall mean the State of Iowa.

Section 3. Provision of Annual Financial Information.

a. The Issuer shall, or shall cause the Dissemination Agent to, not later than April 15 after the end of the Issuer's fiscal year, commencing with information for the 2027 fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Financial Information filing and later than the date required

above for the filing of the Annual Financial Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

b. If the Issuer is unable to provide to the National Repository the Annual Financial Information by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibit A.

c. The Dissemination Agent shall:
   i. each year file Annual Financial Information with the National Repository; and
   ii. (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

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

a. The last available audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements for the preceding years are not available by the time Annual Financial Information is required to be filed pursuant to Section 3(a), the Annual Financial Information filing shall contain unaudited financial statements of the type included in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Financial Information when they become available.

b. A table, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the captions "Property Valuations," "Tax Rates," "Historic Tax Rates," "Tax Collection History," "Direct Debt," "Debt Limit," and "Financial Summary."

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

Section 5. Reporting of Significant Events.

a. Pursuant to the provisions of this Section, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than 10 Business Days after the day of the occurrence of the event:

i. Principal and interest payment delinquencies;
ii. Non-payment related defaults, if material;
iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
iv. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
v. Substitution of credit or liquidity providers, or their failure to perform;
vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series Bonds, or material events affecting the tax-exempt status of the Bonds;
vii. Modifications to rights of Holders of the Bonds, if material;
viii. Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;
ix. Defeasances of the Bonds;
x. Release, substitution, or sale of property securing repayment of the Bonds, if material;
xi. Rating changes on the Bonds;
xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;
xiii. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
xv. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
xvi. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

b. Whenever the Issuer obtains the knowledge of the occurrence of a Listed Event, the Issuer shall determine if the occurrence is subject to notice only if material, and if so shall as soon as possible determine if such event would be material under applicable federal

securities laws.

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

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

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

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

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

a. If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

b. The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

c. The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

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

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

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

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers

and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

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

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

Date: Date of Delivery

DECORAH 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: Decorah Community School District, Iowa.

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

Dated Date of Issue: the date of delivery

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___.

DECORAH 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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DECORAH COMMUNITY SCHOOL DISTRICT
DECORAH, IOWA

FINANCIAL REPORT

JUNE 30, 2025

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DECORAH COMMUNITY SCHOOL DISTRICT

BOARD OF EDUCATION AND SCHOOL OFFICIALS

Name	Title	Term Expires
	Board of Education	
Cindy Goodner	**President**	**2025**
Ronald Fadness	**Vice President**	**2025**
Brian Petersburg*	**Board Member**	**2027**
Brad Darling**	**Board Member**	**2027**
Carole Sand	**Board Member**	**2027**
Aaron Zander	**Board Member**	**2027**
	School Officials	
Tim Cronin	**Superintendent**	
Cathy Dietzenbach***	**Director of Business Services/Treasurer**	
Joan Loew******	**Interim Director of Business Services/Treasurer**	
Kristi Roffman******	**Deputy Director of Business Services**	
Abby Halderson******	**Assistant Director of Business Services**	
Darlene Woodhouse	**Board Secretary**	

***Resigned effective November 12, 2024**
****Appointed effective November 18, 2024**
*****Retired effective July 21, 2025**
******Appointed effective August 11, 2025**

Hacker Nelson & Co., CPAs

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the 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 Decorah Community School District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Decorah Community School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 22 to the financial statements, Decorah Community School District adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, 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 Decorah Community School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, the budgetary comparison information, the schedule of the District's proportionate share of the net pension liability, the schedule of District contributions and the schedule of changes in the District's total OPEB liability, related ratios and notes on pages 5 through 5h and pages 38 through 43 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 U.S. generally accepted auditing standards, 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 Decorah Community School District's June 30, 2025 basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2024 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements.

The supplementary information shown on Schedules 1 through 6, including the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 U.S. generally accepted auditing standards. In our opinion, the supplementary information shown on Schedules 1 through 6, including the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the years ended June 30, 2016 through 2025 basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2026, on our consideration of the Decorah Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Decorah Community School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Decorah Community School District's internal control over financial reporting and compliance.

Hacker, Nelson + Co., CPAs

Decorah, Iowa
January 29, 2026

Management of the Decorah 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.

The intent of this discussion and analysis is to look at Decorah Community School District's financial performance as a whole with comparisons to the previous fiscal year activities. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

2025 FINANCIAL HIGHLIGHTS

The District implemented Governmental Accounting Standards Board Statement (GASBS) No. 101, *Compensated Absences*, during fiscal year 2025. The implementation of this standard revised the recognition and measurement criteria for compensated absences, requiring liabilities to be recorded when leave is earned rather than when it becomes payable. This restatement resulted in an increase to the beginning compensated absences liability and a corresponding decrease to beginning net position in the government-wide and proprietary fund financial statements.

In total, net position increased by $2,211,184 or 6.43% from fiscal year 2024. Net position in governmental activities increased $2,377,566, which represented an 7.04% increase from fiscal year 2024. The District's expenses were up 5.73% from fiscal year 2024. The District's revenues increased 1.16% from fiscal year 2024. Net position in the business-type activities, which represents the District's food service operations and Viking Café, decreased $166,382, which represented a 27.54% decrease from fiscal year 2024.

General fund revenues (which include the instructional support fund) accounted for $24,121,102 in revenue or 80.42% of all governmental revenues. General fund expenditures (which include the instructional support fund) accounted for $24,215,428 in expenditures or 87.68% of all governmental expenditures.

USING THIS ANNUAL REPORT

These statements are organized so the reader can understand Decorah Community School District as a financial whole or as an entire operating entity. The annual report consists of a series of financial statements, notes to those 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 Decorah Community School District as a whole and present an overall view of the District's finances.

The fund financial statements tell how governmental and business-type activities services were financed in the short term as well as what remains for future spending. Fund financial statements report Decorah Community School District's operations in more detail than the government-wide financial statements by providing information about the most significant funds with all other nonmajor funds presented in total in a single column.

USING THIS ANNUAL REPORT (Continued)

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

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

Other supplementary information provides detailed information about the nonmajor funds and compares governmental fund activity to prior years. In addition, the schedule of expenditures of federal awards provides details of various federal programs benefiting the District.

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

- **Governmental activities: most of the District's programs and services are reported here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.**

- **Business-type activities: the District charges fees to help cover the costs of certain services it provides. The District's school nutrition program and the Viking Café are included here.**

Fund Financial Statements

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

Some funds are required by state law and by bond covenants. The District uses different funds in accordance with the Uniform Financial Accounting for Iowa LEA's, as required by the Iowa Department of Education, to record its financial transactions. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to show it is properly using certain revenues, such as federal grants.

However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds for fiscal year 2025 are the general fund, the statewide sales, services and use tax-capital project fund, the physical plant and equipment levy-capital project fund and the debt service fund.

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES (Continued)

Fund Financial Statements (Continued)

The District has two kinds of funds:

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

   The District's governmental funds include the general fund, the special revenue funds, the debt service fund, and the capital project funds.

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

2) **Proprietary funds*: s*ervices for which the District charges a fee are generally reported in the proprietary funds and are reported in the same way as the government-wide financial statements. The District's enterprise funds, one type of proprietary fund, is the same as its business-type activities but provides more detail and additional information, such as cash flows. The District's enterprise funds are the school nutrition fund and the Viking Café fund.**

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. The District's net position at the end of fiscal year 2025 for governmental activities was $36,151,048 and for business-type activities was $437,727.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following is a summary perspective of the statement of net position of the District as a whole for the fiscal years ended June 30, 2025 and 2024.

Condensed Statement of Net Position
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024*	2025	2024*	2025	2024*
Current and other assets	$ 25,505	$ 23,100	$ 554	$ 713	$ 26,059	$ 23,813
Capital assets	37,349	37,775	157	169	37,506	37,944
Total assets	62,854	60,875	711	882	63,565	61,757
Deferred outflows of resources	1,844	2,514	76	97	1,920	2,611
Current liabilities	4,448	3,870	163	107	4,611	3,977
Noncurrent liabilities	10,346	10,218	153	115	10,499	10,333
Total liabilities	14,794	14,088	316	222	15,110	14,310
Deferred inflows of resources	13,753	12,885	33	41	13,786	12,926
Net position:						
Net investment in capital assets	34,869	34,107	157	169	35,026	34,276
Restricted	6,753	5,729	41	41	6,794	5,770
Unrestricted (deficit)	(5,471)	(3,420)	240	506	(5,231)	(2,914)
Total net position	$ 36,151	$ 36,416	$ 438	$ 716	$ 36,589	$ 37,132

*Not restated

The District's total net position at June 30, 2025 was $36,588,775. The largest portion of the District's net position is invested in capital assets (e.g., land, buildings, equipment, right-to-use equipment/building, and right-to-use IT subscription), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased approximately $1,024,000 or 17.87%, over the prior year. This is primarily due to an increase in the capital project funds.

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 approximately $2,317,000 or 79.51%. This is primarily due to the implementation of GASBS No. 101.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

As shown below, the following analysis shows the change in net position for the years ended June 30, 2025 and 2024.

Changes in Net Position
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024*	2025	2024*	2025	2024*
REVENUES						
Program revenue:						
Charges for service	$ 3,620	$ 3,313	$ 708	$ 668	$ 4,328	$ 3,981
Operating grants	4,684	4,184	338	512	5,022	4,696
Capital grants			135	129	135	129
General revenue:						
Property taxes	11,791	11,792			11,791	11,792
Sales tax and surtax	1,995	2,006			1,995	2,006
Unrestricted state grants	7,432	7,019			7,432	7,019
American Rescue Plan Act	28	517			28	517
Unrestricted investment earnings	226	263	24	30	250	293
Gain (loss) on the sale of capital assets	(2)	244			(2)	244
Transfers	76	35	(76)	(35)	-	-
Other revenue	145	89			145	89
Total revenues	29,995	29,462	1,129	1,304	31,124	30,766
PROGRAM EXPENSES						
Instruction	16,015	15,617			16,015	15,617
Student support	9,008	8,611			9,008	8,611
Non-instructional programs			1,295	1,215	1,295	1,215
Other expenses	2,594	1,904			2,594	1,904
Total expenses	27,617	26,132	1,295	1,215	28,912	27,347
Change in net position	2,378	3,330	(166)	89	2,212	3,419
NET POSITION, beginning of year	33,773	33,086	604	627	34,377	33,713
NET POSITION, end of year	$ 36,151	$ 36,416	$ 438	$ 716	$ 36,589	$ 37,132

*Not restated

In fiscal year 2025, property tax, statewide sales, services and use tax, income surtax and unrestricted state grants accounted for 70.74% of the revenue from governmental activities while charges for services and operating grants accounted for 100% of the revenue from business-type activities.

The District's total revenues were approximately $31.1 million, of which approximately $30.0 million was for governmental activities and approximately $1.1 million was for business-type activities.

The District as a whole experienced an 1.16% increase in revenues and an 5.72% increase in expenses. The increase in expenses is primarily related to the increase in the facilities acquisition.

INDIVIDUAL FUND ANALYSIS

The Decorah Community School District uses fund accounting on the modified accrual basis of accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds Highlights

As the District completed the year, its governmental funds reported a fund balance of $9,826,139, an $974,722 increase from the prior year end balance of $8,851,417.

- **The general fund received approximately $1,093,000 more revenue during fiscal year 2025 than in the prior year. Overall expenditures increased by approximately $817,000. The ending fund balance showed a decrease of $14,443 compared to a decrease of $355,927 in the prior year.**

- **The statewide sales, services and use tax generated less revenue during fiscal year 2025. Overall expenditures decreased due to the purchase of the Heivly property for the new elementary building location in fiscal year 2024. The ending fund balance showed a decrease of $76,080 from the prior year, with the ending balance of $2,676,799.**

- **The capital project fund physical plant and equipment levy expenditures decreased due to more equipment purchases in the prior year. Overall expenditures decreased by $774,624 compared to the prior year. The ending fund balance showed an increase of $686,020 from the prior year, with the ending balance of $1,033,480.**

- **The debt service fund received less revenue during fiscal year 2025 through property taxes. The debt service fund expenditures decreased due to paying off more general obligation debt in fiscal year 2024. The ending fund balance showed an increase of $25,096 to $431,683.**

Proprietary Funds Highlights

For the fiscal year 2025, the school nutrition fund net position decreased $166,162, representing a decrease of approximately 27.62%. The District's school nutrition fund revenues decreased from the prior fiscal year, primarily due to federal funding received for the Healthy Kids equipment grant funds in fiscal year 2024. This was offset with a minimal increase in operating expenses.

BUDGETARY HIGHLIGHTS

The District's Board of Education annually adopts a budget as required by Iowa law. Proper public notice and a required public hearing are held before final approval of the budget. State statute requires approval of the budget on or before April 15 of each year. The budget document presents functional expenditures by fund and the legal level of control is at the expense level by total instruction, total support services, total non-instructional programs, total other expenditures, and total expenditures. The District amends the budget, as allowed by Iowa law, generally once per year to reflect the additional revenues and expenditures that may occur during the school year. Over the course of the year, Decorah Community School District adopted one budget amendment to reflect additional expenditures throughout the District.

The District's total revenues were $763,781, more than total budgeted revenues, a variance of 2.52%. The most significant variance resulted from the District receiving more in state sources, causing the total amount received to be more than originally anticipated.

Total expenditures were less than budgeted, due primarily to the District's budget for instruction and support services. It is the District's practice to budget expenditures within the authorized spending authority for the general fund. The District then manages or controls general fund and other fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

BUDGETARY HIGHLIGHTS (Continued)

The following chart shows the original and final budget for fiscal year 2025 as well as the actual revenues and expenditures for the year:

	Budgetary Comparison Schedule (Expressed in Thousands)			
	Actual Basis	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Local sources	$ 16,452	$ 15,782	$ 15,782	$ 670
Intermediate sources		1,009	1,009	(1,009)
State sources	13,340	12,467	12,467	873
Federal sources	1,334	10,104	1,104	230
Total revenues	$ 31,126	$ 39,362	$ 30,362	$ 764
Expenditures/Expenses:				
Instruction	$ 16,718	$ 16,739	$ 17,690	$ 972
Support services	8,994	5,142	10,945	1,951
Non-instructional programs	1,295	1,079	1,341	46
Other expenditures	3,315	3,552	5,032	1,717
Total expenditures/expenses	$ 30,322	$ 26,512	$ 35,008	$ 4,686

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025, the District's governmental activities had invested $37,348,683 (net of accumulated depreciation/amortization) in a broad range of capital assets, including land, buildings, vehicles, technology (including computer equipment), media/audio visual equipment and classroom equipment.

The District's governmental activities had depreciation/amortization expense of $2,378,053 for fiscal year 2025 and total accumulated depreciation/amortization of $33,642,139 as of June 30, 2025.

The District's business-type activities had invested $156,884 (net of accumulated depreciation) in capital assets of equipment. The District's business-type activities had depreciation expense of $36,474 for fiscal year 2025 and total accumulated depreciation of $1,185,124 as of June 30, 2025.

More detailed information about capital assets is available in Note 6 to the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

The following chart shows the comparison in capital assets for 2025 and 2024.

	Capital Assets (Net of Depreciation) (Expressed in Thousands)					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 2,684	$ 2,684			$ 2,684	$ 2,684
Construction in progress	820	1,181			820	1,181
Land improvements	1,651	1,762			1,651	1,762
Buildings	28,360	28,264			28,360	28,264
Furniture and equipment	3,834	3,874	$ 157	$ 169	3,991	4,043
Right-to-use IT subscription		10			-	10
Total	$ 37,349	$ 37,775	$ 157	$ 169	$ 37,506	$ 37,944

As of June 30, 2025, the District had $5,585,165 in long-term debt and other liabilities outstanding compared to $5,763,624 from the prior year. More detailed information about the District's long-term debt can be found in Note 7 to the financial statements.

The following chart shows the debt comparison between 2025 and 2024.

	Long-term Debt Obligations			
	Balance June 30, 2024 As Restated*	Additions	Reductions	Balance June 30, 2025
Bonds:				
General obligation bonds	$ 390,000		$ 390,000	$ -
Tax revenue bonds	2,145,000		375,000	1,770,000
Total bonds	2,535,000	$ -	765,000	1,770,000
Other Liabilities:				
Equipment purchase agreements	1,122,832		413,086	709,746
IT subscription liability	10,111		10,111	-
Compensated absences	2,914,472	305,517		3,219,989
Termination benefits	38,750		27,500	11,250
Total other liabilities	4,086,165	305,517	450,697	3,940,985
Total long-term debt	$ 6,621,165	$ 305,517	$ 1,215,697	$ 5,710,985

*** Beginning debt was restated to implement GASB Statement No. 101, *Compensated Absences***

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

Current Issues

At the time 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 District is heavily dependent on supplemental state aid to fund its educational programs. The state legislature approves this amount which is subject to change annually.**

- **Certified enrollment for 2025-2026 was down 23 students. This will affect the funding the District receives in the 2026-27 school year. Coupled with decreased enrollment of 52 students the previous year, the District will need to continue to implement general fund budget reductions.**

- **General inflation is expected to negatively affect the 2025-26 budget.**

- **The Board will issue $10,000,000 in general obligation bonds December 22, 2025. This is the first issue of the $38,000,000 bond approved on November 5, 2024.**

- **The District has realized operating cost savings with the purchase of two propane school buses.**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, and creditors with a general overview of Decorah Community School District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Ms. Joan Loew, Interim Director of Business Services/Treasurer, Decorah Community School District, 1732 Old Stage Road, Decorah, Iowa 52101.

EXHIBIT A

DECORAH COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 11,663,022	$ 580,642	$ 12,243,664
Receivables:			
Property tax:			
Delinquent	29,119		29,119
Succeeding year	11,966,210		11,966,210
Accounts	570,221		570,221
Due from other funds	49,862	(49,862)	-
Due from other governments	1,227,362		1,227,362
Inventories		23,215	23,215
Capital assets, non-depreciable	3,504,147		3,504,147
Capital assets, net of accumulated depreciation/amortization	33,844,536	156,884	34,001,420
Total assets	62,854,479	710,879	63,565,358
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related deferred outflows	125,146	3,803	128,949
Pension related deferred outflows	1,718,422	71,988	1,790,410
Total deferred outflows of resources	1,843,568	75,791	1,919,359
Total assets and deferred outflows of resources	$ 64,698,047	$ 786,670	$ 65,484,717
LIABILITIES			
Accounts payable	$ 327,472		$ 327,472
Salaries and benefits payable	2,380,096	$ 85,836	2,465,932
Unearned revenues	87,299	32,162	119,461
Accrued interest payable	8,262		8,262
Long-term liabilities:			
Portion due within one year:			
Bonds payable	400,000		400,000
Equipment purchase agreements	352,231		352,231
Compensated absences	881,120	44,642	925,762
Termination benefits	11,250		11,250
Portion due after one year:			
Bonds payable	1,370,000		1,370,000
Equipment purchase agreements	357,515		357,515
Compensated absences	2,213,049	81,178	2,294,227
Net pension liability	5,235,896	35,728	5,271,624
Total OPEB liability	1,170,119	36,507	1,206,626
Total liabilities	14,794,309	316,053	15,110,362
DEFERRED INFLOWS OF RESOURCES			
Succeeding year property tax	11,966,210		11,966,210
Pension related deferred inflows	372,779	16,651	389,430
OPEB related deferred inflows	495,121	16,239	511,360
Other	918,580		918,580
Total deferred inflows of resources	13,752,690	32,890	13,785,580
NET POSITION			
Net investment in capital assets	34,868,937	156,884	35,025,821
Restricted for:			
Debt service	423,421		423,421
School infrastructure	2,676,952		2,676,952
Management levy purposes	1,651,735		1,651,735
Student activities	343,469		343,469
Physical plant and equipment	1,033,480		1,033,480
Categorical funding	624,522		624,522
Nutrition meal donations		41,244	41,244
Unrestricted (deficit)	(5,471,468)	239,599	(5,231,869)
Total net position	36,151,048	437,727	36,588,775
Total liabilities, deferred inflows of resources and net position	$ 64,698,047	$ 786,670	$ 65,484,717

See Notes to Financial Statements.

EXHIBIT B

DECORAH COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Functions and Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Program Revenues: Capital Grants	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
GOVERNMENTAL ACTIVITIES							
Instruction:							
Regular	$ 7,472,954	$ 995,915	$ 2,943,334		$ (3,533,705)		$ (3,533,705)
Special	4,857,344	1,909,924	431,122		(2,516,298)		(2,516,298)
Other	3,685,046	694,604	81,758		(2,908,684)		(2,908,684)
	16,015,344	3,600,443	3,456,214	$ -	(8,958,687)	$ -	(8,958,687)
Support services:							
Student	1,201,070	7,315			(1,193,755)		(1,193,755)
Instructional staff	1,318,888				(1,318,888)		(1,318,888)
Administration	2,023,084	12,594			(2,010,490)		(2,010,490)
Operation and maintenance plant	2,926,170				(2,926,170)		(2,926,170)
Transportation	1,538,586		572,313		(966,273)		(966,273)
	9,007,798	19,909	572,313	-	(8,415,576)	-	(8,415,576)
Other:							
Long-term debt interest	133,713				(133,713)		(133,713)
Facilities acquisition	787,706				(787,706)		(787,706)
AEA flowthrough	655,573		655,573		-		-
Depreciation/amortization (unallocated)*	1,017,357				(1,017,357)		(1,017,357)
	2,594,349	-	655,573	-	(1,938,776)	-	(1,938,776)
Total governmental activities	27,617,491	3,620,352	4,684,100	-	(19,313,039)	-	(19,313,039)
BUSINESS-TYPE ACTIVITIES							
Non-instructional programs:							
Nutrition services	1,294,522	708,059	338,191	134,243		(114,029)	(114,029)
Viking Café	800	580				(220)	(220)
Total business-type activities	1,295,322	708,639	338,191	134,243	-	(114,249)	(114,249)
Total	$ 28,912,813	$ 4,328,991	$ 5,022,291	$ 134,243	(19,313,039)	(114,249)	(19,427,288)
GENERAL REVENUES							
Property taxes levied for:							
General purposes					8,851,588		8,851,588
Management levy purposes					1,050,401		1,050,401
Physical plant and equipment					1,493,978		1,493,978
Debt service					394,580		394,580
Statewide sales, services and use tax					1,995,413		1,995,413
Unrestricted state grants					7,432,516		7,432,516
American Rescue Plan Act					27,501		27,501
Unrestricted investment earnings					225,523	23,622	249,145
Transfer in (out)					75,755	(75,755)	-
Loss on sale of capital assets					(1,934)		(1,934)
Other					145,284		145,284
Total general revenues					21,690,605	(52,133)	21,638,472
Change in net position					2,377,566	(166,382)	2,211,184
NET POSITION, beginning of year, as restated					33,773,482	604,109	34,377,591
NET POSITION, end of year					$ 36,151,048	$ 437,727	$ 36,588,775

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

See Notes to Financial Statements.

EXHIBIT C

DECORAH COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General	Capital Project Funds: Statewide Sales, Services and Use Tax	Capital Project Funds: Physical Plant and Equipment Levy	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 5,608,092	$ 2,577,206	$ 1,050,992	$ 430,640	$ 1,996,092	$ 11,663,022
Receivables:						
Property tax:						
Delinquent	21,330		3,949	1,043	2,797	29,119
Succeeding year	8,022,777		1,526,231	1,779,732	637,470	11,966,210
Accounts	570,221					570,221
Due from other funds	49,862					49,862
Due from other governments	1,018,109	209,253				1,227,362
Total assets	$ 15,290,391	$ 2,786,459	$ 2,581,172	$ 2,211,415	$ 2,636,359	$ 25,505,796
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 192,819	$ 109,660	$ 21,461		$ 3,532	$ 327,472
Salaries and benefits payable	2,380,096					2,380,096
Unearned revenues	87,299					87,299
Total liabilities	2,660,214	109,660	21,461	$ -	3,532	2,794,867
Deferred inflows of resources:						
Unavailable revenues:						
Succeeding year property tax	8,022,777		1,526,231	1,779,732	637,470	11,966,210
Other	918,580					918,580
Total deferred inflows of resources	8,941,357	-	1,526,231	1,779,732	637,470	12,884,790
Fund balances:						
Restricted for:						
Debt service				431,683		431,683
Categorical funding	624,522					624,522
Management levy purposes					1,651,735	1,651,735
Student activities					343,469	343,469
Physical plant and equipment			1,033,480			1,033,480
School infrastructure		2,676,799			153	2,676,952
Unassigned	3,064,298					3,064,298
Total fund balances	3,688,820	2,676,799	1,033,480	431,683	1,995,357	9,826,139
Total liabilities, deferred inflows of resources and fund balances	$ 15,290,391	$ 2,786,459	$ 2,581,172	$ 2,211,415	$ 2,636,359	$ 25,505,796

See Notes to Financial Statements.

DECORAH COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO NET POSITION		
Total governmental fund balances		$ 9,826,139
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, net of accumulated depreciation/amortization of: $31,353,652.		37,348,683
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:		
Deferred outflows of resources	$ 1,843,568	
Deferred inflows of resources	(867,900)	975,668
Some liabilities, including bonds payable, equipment purchase agreements, IT subscription liability, accrued interest, compensated absences payable, total OPEB liability and net pension liability, are not due and payable in the current year and, therefore, are not reported as liabilities in the governmental funds:		
Bonds payable	(1,770,000)	
Equipment purchase agreements	(709,746)	
Accrued interest	(8,262)	
Compensated absences	(3,094,169)	
Termination benefits	(11,250)	
Net pension liability	(5,235,896)	
Net OPEB liability	(1,170,119)	(11,999,442)
Net position of governmental activities per Exhibit A		$ 36,151,048

See Notes to Financial Statements.

EXHIBIT D

DECORAH COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General	Capital Project Funds: Statewide Sales, Services and Use Tax	Capital Project Funds: Physical Plant and Equipment Levy	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Local sources:						
Local property tax	$ 8,851,588		$ 1,493,978	$ 394,580	$ 1,050,401	$ 11,790,547
Tuition	1,737,609					1,737,609
Other	1,387,788	$ 81,355	10,609	16,801	694,881	2,191,434
State sources	11,276,527	1,995,413	31,493	8,318	22,305	13,334,056
Federal sources	867,590					867,590
Total revenues	24,121,102	2,076,768	1,536,080	419,699	1,767,587	29,921,236
EXPENDITURES						
Current:						
Instruction:						
Regular	7,891,229	149,839			58,027	8,099,095
Special	4,857,344					4,857,344
Other	2,893,245		236,848		631,314	3,761,407
	15,641,818	149,839	236,848	-	689,341	16,717,846
Support services:						
Student	1,088,783					1,088,783
Instructional staff	1,278,319	10,495	42,750			1,331,564
Administration	1,959,815	5,077	17,582		25,690	2,008,164
Operation and maintenance plant	2,449,715	17,700	44,240		524,931	3,036,586
Transportation	1,141,405	271,642			115,386	1,528,433
	7,918,037	304,914	104,572	-	666,007	8,993,530
Other:						
Long-term debt:						
Principal				1,178,089		1,178,089
Interest and fiscal charges				139,869		139,869
Facilities acquisition		900,038	441,813			1,341,851
AEA flowthrough	655,573					655,573
	655,573	900,038	441,813	1,317,958	-	3,315,382
Total expenditures	24,215,428	1,354,791	783,233	1,317,958	1,355,348	29,026,758
(DEFICIENCY) EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	(94,326)	721,977	752,847	(898,259)	412,239	894,478
OTHER FINANCING SOURCES (USES)						
Operating transfers in	75,755			923,355		999,110
Operating transfers (out)		(798,057)	(67,178)		(58,120)	(923,355)
Proceeds from sale of capital assets	4,138		351			4,489
	79,893	(798,057)	(66,827)	923,355	(58,120)	80,244
Change in fund balances	(14,433)	(76,080)	686,020	25,096	354,119	974,722
FUND BALANCES, beginning of year	3,703,253	2,752,879	347,460	406,587	1,641,238	8,851,417
FUND BALANCES, end of year	$ 3,688,820	$ 2,676,799	$ 1,033,480	$ 431,683	$ 1,995,357	$ 9,826,139

See Notes to Financial Statements.

DECORAH COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances - total governmental funds		$ 974,722
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, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation/amortization expenses in the statement of activities. This is the amount by which depreciation/amortization exceeds capital outlays in the current year, as follows:		
Depreciation/amortization	$ (2,378,053)	
Capital outlays	1,958,501	(419,552)
Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		1,188,197
The net effect of disposal of capital assets.		(6,423)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due.		3,159
The current year District IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the statement of net position.		1,259,369
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	(292,545)	
Termination benefits	27,500	
Pension expense	(328,712)	
OPEB expense	(28,149)	(621,906)
Change in net position of governmental activities per Exhibit B		$ 2,377,566

See Notes to Financial Statements.

EXHIBIT E

DECORAH COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	School Nutrition Fund	Viking Café Fund	Total Proprietary Funds
ASSETS			
CURRENT ASSETS			
Cash	$ 578,455	$ 2,187	$ 580,642
Inventories	23,215		23,215
Total current assets	601,670	2,187	603,857
NONCURRENT ASSETS			
Furniture and equipment	1,236,719	105,289	1,342,008
Less accumulated depreciation	(1,079,835)	(105,289)	(1,185,124)
Total noncurrent assets	156,884	-	156,884
Total assets	758,554	2,187	760,741
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related deferred outflows	3,803		3,803
Pension related deferred outflows	71,988		71,988
Total deferred outflows of resources	75,791	-	75,791
Total assets and deferred outflows of resources	$ 834,345	$ 2,187	$ 836,532
LIABILITIES			
CURRENT LIABILITIES			
Due to other funds	$ 49,862		$ 49,862
Salaries and benefits payable	85,836		85,836
Unearned revenues	32,162		32,162
Compensated absences	44,642		44,642
Total current liabilities	212,502	$ -	212,502
NONCURRENT LIABILITIES			
Net pension liability	35,728		35,728
Total OPEB liability	36,507		36,507
Compensated absences	81,178		81,178
Total noncurrent liabilities	153,413	-	153,413
Total liabilities	365,915	-	365,915
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	16,651		16,651
OPEB related deferred inflows	16,239		16,239
Total deferred inflows of resources	32,890	-	32,890
NET POSITION			
Net investment in capital assets	156,884		156,884
Restricted for meal donations	41,244		41,244
Unrestricted	237,412	2,187	239,599
Total net position	435,540	2,187	437,727
Total liabilities, deferred inflows of resources and net position	$ 834,345	$ 2,187	$ 836,532

See Notes to Financial Statements.

EXHIBIT F

DECORAH COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	School Nutrition Fund	Viking Café Fund	Total Proprietary Funds
OPERATING REVENUES			
Local sources:			
Charges for services	$ 708,059	$ 580	$ 708,639
OPERATING EXPENSES			
Non-instructional programs:			
Food service operations:			
Salaries and benefits	605,003		605,003
Purchased services	6,612		6,612
Supplies	646,433	800	647,233
Depreciation	36,474		36,474
Total operating expenses	1,294,522	800	1,295,322
Operating loss	(586,463)	(220)	(586,683)
NONOPERATING REVENUES			
Interest income	23,622		23,622
State sources	6,470		6,470
Federal sources	465,964		465,964
Total nonoperating revenues	496,056	-	496,056
Loss before transfers	(90,407)	(220)	(90,627)
TRANSFER OUT	(75,755)	-	(75,755)
Change in net position	(166,162)	(220)	(166,382)
NET POSITION, beginning of year, as restated	601,702	2,407	604,109
NET POSITION, end of year	$ 435,540	$ 2,187	$ 437,727

See Notes to Financial Statements.

EXHIBIT G

DECORAH COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	School Nutrition Fund	Viking Café Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sale of lunches and breakfasts	$ 707,606		$ 707,606
Cash received from miscellaneous operating activities		$ 580	580
Cash paid to employees for services	(430,815)		(430,815)
Cash paid to suppliers for goods or services	(515,381)	(800)	(516,181)
Cash paid on employees' behalf	(179,090)		(179,090)
Other payments	(6,612)		(6,612)
Net cash used in operating activities	(424,292)	(220)	(424,512)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer out	(75,755)		(75,755)
State and federal grants received	376,520		376,520
Net cash provided by noncapital financing activities	300,765	-	300,765
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of equipment	(23,860)	-	(23,860)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	23,622	-	23,622
Net decrease in cash	(123,765)	(220)	(123,985)
CASH AND CASH EQUIVALENTS, beginning of year	702,220	2,407	704,627
CASH AND CASH EQUIVALENTS, end of year	$ 578,455	$ 2,187	$ 580,642
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	$ (586,463)	$ (220)	$ (586,683)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	36,474		36,474
Commodities used	102,678		102,678
Change in assets and liabilities:			
Inventories	1,335		1,335
Due to other funds	27,039		27,039
Salaries and benefits payable	11,316		11,316
Unearned revenues	(453)		(453)
Compensated absences	12,971		12,971
Pension liability	(44,866)		(44,866)
OPEB liability	2,150		2,150
Deferred outflows of resources	21,657		21,657
Deferred inflows of resources	(8,130)		(8,130)
Net cash used in operating activities	$ (424,292)	$ (220)	$ (424,512)
Non-cash, noncapital financing activities:			
During the year ended June 30, 2025, the District received commodities valued at:	$ 102,678		

See Notes to Financial Statements.

1. Nature of Operations and Significant Accounting Policies

a. Nature of Operations

The Decorah Community School District (the District) is a political subdivision of the State of Iowa. The District's primary purpose is to provide education from grades kindergarten through twelve, including special education and pre-kindergarten. The geographic area served includes the City of Decorah, Iowa, and the predominate agricultural territory in a portion of Winneshiek County. It is supported financially by local property taxes, state aid and state and federal grants for special projects. The District is governed by a five-member Board of Education whose members are elected on a non-partisan basis. The District has taxing authority and fundraising capabilities of its own. Final approval of the District's annual program and budget plans rests with the local Board of Education.

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

b. Significant Accounting Policies

Scope of Reporting Entity

For financial reporting purposes, Decorah 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; or the organization is fiscally dependent on the primary government. Also, any other organizations that due to the nature or significance of their relationship with the District should be included in the financial statements as component units. The District has no component units which meet the Governmental Accounting Standards Board criteria.

Joint Ventures

The District participates in jointly governed organizations that provide services to the District and meets the criteria of a joint venture since there is ongoing financial interest or responsibility by the participating governments. The District is a member of the Northeast Iowa Conference Schools 28E Retention Pool Trust and Decorah MetroNet.

Jointly Governed Organizations

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

Government-wide Financial Statements

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

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

Government-wide Financial Statements (Continued)

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

Fund Financial Statements

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The general fund, the statewide sales, services and use tax-capital project fund, the physical plant and equipment levy-capital project fund and the debt service fund are the major governmental funds for the District. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The major funds of the financial reporting entity are described below:

Governmental

General Fund

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

Capital Project Funds

The capital project funds are utilized to account for all resources used in the acquisition and construction of capital facilities and other capital assets, with the exception of those that are financed through enterprise funds. The major funds in this category are the statewide sales, services and use tax, and the physical plant and equipment levy.

The statewide sales, services and use tax are used to account for the purchase of capital assets using statewide sales tax and use tax proceeds.

The physical plant and equipment levy fund is used to account for the purchase of capital assets using property tax revenue.

Debt Service Fund

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

Proprietary Funds

Enterprise Funds

The District's proprietary funds are the school nutrition fund and Viking Café fund. These funds are used to account for the food service operations and catering program of the District.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

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

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, 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 equipment purchase agreements and IT subscription liability are reported as other financing sources.

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

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

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 principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to customers for sales and services. Operating expenses for the 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.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

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

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

Cash and Cash Equivalents

The District maintains one primary demand deposit account for each fund through which the cash resources are processed. All investment activity is carried on by the District in each individual fund. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at amortized cost.

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

Property Tax Receivable

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1 1/2% per month penalty for delinquent payments; is based on 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.

Interfund Transactions

During the course of its operations, the District has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2025, balances of interfund amounts receivable or payable have been recorded in the fund financial statements. Most of the interfund transactions have been eliminated on the government-wide statements.

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.

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.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

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

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

Capital Assets

Capital assets are tangible and intangible assets, which include property, furniture and equipment are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. Capital assets are recorded at historical cost (except for intangible right-to-use IT subscription assets, the measurement of which is discussed below), if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair which do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years:

Asset Class	Amount
Land	$ 2,000
Buildings	2,000
Improvements other than buildings	2,000
Intangibles	100,000
Right-to-use IT subscription assets	2,000
Furniture and equipment:	
School nutrition fund equipment	500
Other furniture and equipment	2,000

Land and construction in progress are not depreciated. Capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50 years
Improvements other than buildings	20 - 50 years
Intangibles	5 - 10 years
Right-to-use IT subscription assets	2 - 15 years
Furniture and equipment	5 - 15 years

Subscription-Based Information Technology Arrangements (SBITA)

Decorah Community School District has entered into a contract that conveys control of the right to use information technology software. The District has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements. The District recognized IT subscription liabilities with an initial, individual value of $2,000 or more.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

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

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

Subscription-Based Information Technology Arrangements (SBITA) (Continued)

At 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 Decorah Community School District determines the discount rate it uses to discount the expected payments to present value, term and payments.

Decorah Community School 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.

Deferred Outflows of Resources

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

Salaries and Benefits Payable

Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities. Also, wages for hourly employees earned in June and paid in July have been accrued as liabilities. The rate in effect at June 30, 2025 was used to calculate the salaries payable.

Unearned Revenues

Government-wide and proprietary funds defer revenue recognition in connection with resources that have been received but not earned. Unearned revenues consist primarily of hot lunch proceeds and student fees collected for the next school year.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

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

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

Compensated Absences

District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded in the government-wide and proprietary fund financial statements when each of following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries over 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 compensated absences liability has been computed based on rates of pay in effect at June 30, 2025.

Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net position. Termination benefits liability has been paid primarily by the nonmajor governmental management levy fund.

Pensions

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

Total OPEB Liability

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

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets which have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the fund financial statements consist of succeeding year property tax receivable, income surtax and other unavailable receivables.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

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

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

Deferred Inflows of Resources (Continued)

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

Fund Balance

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

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

Unassigned - is the remaining fund balance, which is not included in other restricted classifications.

Net Position

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

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

Restricted net position consists of net position with constraints placed on the use either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position. Restricted net position is used first when an expense is incurred for purposes for both restricted and unrestricted net position.

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

Budgets and Budgetary Accounting

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

Management Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

The District's deposits in banks at June 30, 2025 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

At June 30, 2025, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) as follows:

	Amortized Cost
Diversified portfolio	$ 4,712,900
Direct government obligations portfolio	566,008
Total	$ 5,278,908

There were no limitations or restrictions on withdrawals of the ISJIT investments. The investments in ISJIT were rated AAAm by Standard & Poor's Financial Services.

The District had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

3. Due from Other Governments

Due from other governments consist of the following at June 30, 2025:

Governmental:	
General fund:	
Title I	$ 53,231
Non-public transportation	45,640
Income surtax	918,580
Various programs	658
	1,018,109
Capital project fund:	
Statewide sales, services and use tax	209,253
Total due from other governments	$ 1,227,362

4. Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2025 is as follows:

	Due from Other Funds	Due to Other Funds
General fund	$ 49,862	
School nutrition fund		$ 49,862
Total	$ 49,862	$ 49,862

The interfund receivables and payables are for school nutrition fund reimbursing the general fund for indirect costs.

5. Interfund Transfers

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

	Transfers In	Transfers Out
General fund	$ 75,755	
Debt service fund	923,355	
Capital project funds:		
Statewide sales, services and use tax fund		$ 798,057
Physical plant and equipment levy fund		67,178
Special revenue funds:		
Management levy		47,670
Student activity		10,450
Business-type activities:		
School nutrition fund		75,755
Total	$ 999,110	$ 999,110

The transfer to the general fund from the school nutrition fund was for administrative costs.

Transfers from:

Statewide sales, services and use tax fund and physical plant and equipment levy fund-capital project funds to the debt service fund were to move resources to help pay bond expenses.

Student activity fund to the debt service fund was to move resources to pay the right-to-use IT subscription.

Management levy-special revenue fund to the debt service fund was to move resources to pay for the device insurance coverage portion of equipment purchase agreements.

School nutrition fund to the general fund were for administrative costs.

6. Capital Assets

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

Governmental Activities	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets not being depreciated:				
Land	$ 2,684,051			$ 2,684,051
Construction in progress	1,181,182	$ 490,244	$ 851,330	820,096
Total capital assets not being depreciated	3,865,233	490,244	851,330	3,504,147
Capital assets being depreciated:				
Land improvements	4,114,769	4,327		4,119,096
Buildings and improvements	46,877,521	1,115,522		47,993,043
Furniture and equipment	14,240,442	1,199,738	95,989	15,344,191
Total capital assets being depreciated	65,232,732	2,319,587	95,989	67,456,330
Less accumulated depreciation for:				
Land improvements	2,353,221	115,237		2,468,458
Buildings	18,614,282	1,018,986		19,633,268
Furniture and equipment	10,365,919	1,233,715	89,566	11,510,068
Total accumulated depreciation	31,333,422	2,367,938	89,566	33,611,794
Total capital assets being depreciated, net	33,899,310	(48,351)	6,423	33,844,536
Intangible right-to-use subscription	30,345			30,345
Less accumulated amortization	20,230	10,115		30,345
Intangible right-to-use subscription, net	10,115	(10,115)	-	-
Governmental activities:				
Capital assets, net	$ 37,774,658	$ 431,778	$ 857,753	$ 37,348,683

Capital assets activity for the business-type activities for the year ended June 30, 2025 is as follows:

Business-type Activities	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Furniture and equipment	$ 1,318,148	$ 23,860		$ 1,342,008
Less accumulated depreciation	1,148,650	36,474		1,185,124
Business-type activities:				
Capital assets, net	$ 169,498	$ (12,614)	$ -	$ 156,884

6. Capital Assets (Continued)

Depreciation/amortization expense was charged to the governmental functions of the District as follows:

Governmental activities:	
Instruction:	
Regular	$ 575,132
Other	186,745
Support services:	
Instructional staff services	112,287
Administration services	14,920
Operation and maintenance plant services	39,977
Transportation services	431,635
Unallocated depreciation/amortization	1,017,357
Total depreciation/amortization expense:	
Governmental activities	$ 2,378,053
Business-type activities:	
Food services	$ 36,474

7. Long-term Debt Obligations

Long-term liability activity for the year ended June 30, 2025 is as follows:

	Balance June 30, 2024 As Restated	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
General obligation bonds	$ 390,000		$ 390,000	$ -	$ -
Tax revenue bonds	2,145,000		375,000	1,770,000	400,000
Termination benefits	38,750		27,500	11,250	11,250
Compensated absences	2,914,472	$ 305,517 *		3,219,989	925,762
Equipment purchase agreements	1,122,832		413,086	709,746	352,231
IT subscription liability	10,111		10,111	-	-
Total long-term liabilities	$ 6,621,165	$ 305,517	$ 1,215,697	$ 5,710,985	$ 1,689,243

*The change in compensated absences liability is presented as a net change.

Bond Indebtedness

$390,000 General Obligation School Refunding Bond, Series 2021A, due annually in varying installments June 1, 2024 through June 1, 2025 plus interest semiannually with interest rate of 1.00%.

$2,145,000 School Infrastructure Sales, Services and Use Tax Revenue Refunding Bonds, Series 2021, with principal due June 1, 2024 through June 1, 2029 plus interest semiannually with interest rate of 5.00%.

7. Long-term Debt Obligations (Continued)

Bond Indebtedness (Continued)

Interest costs incurred and charged to expenses was $111,150 for the year ended June 30, 2025. A summary of the bond principal and interest maturities is as follows:

Year Ending June 30,	Tax Revenue Bonds Principal	Tax Revenue Bonds Interest
2026	$ 400,000	$ 88,500
2027	430,000	68,500
2028	460,000	47,000
2029	480,000	24,000
Total	$ 1,770,000	$ 228,000

The District has pledged future statewide sales, services and use tax revenue to repay the $2,145,000 bonds issued in February 2021. The bonds were issued for the purpose of providing funds for the items listed within the revenue purpose statement. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenue received by the District. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 18% of the statewide sales, services and use tax revenue. The total principal and interest remaining to be paid on the bonds is $1,998,000. For the current year, principal of $390,000 and interest of $107,250 was paid on the bonds and total statewide sales, services and use tax revenue was $1,995,413.

The resolution providing for the issuance of the School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2021, includes the following provisions:

a) $377,620 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The balance of the proceeds shall be deposited to the project account. This amount is reported in the capital project funds and is restricted.

b) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.

c) Monies in the revenue account shall be disbursed into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.

d) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

The District complied with all the revenue bond provisions during the year ended June 30, 2025. The required reserve account was established by the District and required transfers were made to the sinking account.

At June 30, 2025, the debt issued by the District did not exceed its legal debt margin compiled as follows:

Total assessed valuation	$ 1,704,209,197
Debt limit - 5% of total assessed valuation	$ 85,210,460
Debt applicable to debt limit:	
Tax revenue bonds	(1,770,000)
Equipment purchase agreements	(709,746)
Legal debt margin	$ 82,730,714

7. Long-term Debt Obligations (Continued)

Termination Benefits

The District offered a voluntary early retirement plan to its certified employees. Eligible employees must be at least age fifty-five and the sum of the employee's age and the total number of years of public-school employment must equal at least eighty years on August 15, 2019. Employees must complete an application, which is subject to approval by the Board of Education. The early retirement incentive for each eligible certified employee age fifty-five or over is 50% of the employee's current regular salary schedule. The District is obligated to pay between $630 and $730 per month of health insurance for eight years or until the employee reaches the age sixty-five, whichever comes first.

Termination benefits will be paid in three equal installments over a three-year period beginning in January following the start of retirement, with subsequent payments each January for two more years.

At June 30, 2025, the District has obligations to three participants with a total liability of $11,250. Actual termination benefits expenditures for the year ended June 30, 2025 totaled $27,500.

Equipment Purchase Agreements

On October 21, 2021, the District entered into an equipment purchase agreement for computers. An initial liability was recorded in the amount of $262,087. The agreement requires annual payments of $67,178 over four years with an implicit interest rate of 1.67% and final payment made October 2024.

On June 20, 2023, the District entered into an additional equipment purchase agreement for computers. An initial liability was recorded in the amount of $1,418,773. The agreement requires annual payments of $362,877 over four years with an implicit interest rate of 1.50% and final payment due July 5, 2026.

During the year ended June 30, 2025, principal and interest paid were $413,086 and $16,968, respectively.

The following is a schedule by year of future payments:

Year Ending June 30,	Principal	Interest	Total
2026	$ 352,231	$ 10,646	$ 362,877
2027	357,515	5,363	362,878
Total	$ 709,746	$ 16,009	$ 725,755

IT Subscription Liability

On May 19, 2022, the District entered into an IT subscription license and services information technology agreement with Hudl for extra-circular activities broadcasting. An initial IT subscription liability was recorded in the amount of $30,345. The agreement requires annual payments of $10,450 over three years with an initial payment made July 22, 2022 for $10,450, with an implicit interest rate of 3.4% and final payment made July 2024.

8. Pension Plan

Plan Description

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

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

8. Pension Plan (Continued)

Pension Benefits

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

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

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

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

Disability and Death Benefits

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

Contributions

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

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

The District's contributions to IPERS for the year ended June 30, 2025 totaled $1,300,090.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the District reported a net pension liability of $5,271,624 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total net pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2024, the District's proportion was 0.144765%, which was a decrease of 0.003763% from its proportion measured as of June 30, 2023.

8. Pension Plan (Continued)

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

For the year ended June 30, 2025, the District recognized pension expense of $339,179. 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	$ 419,468	$ 3,275
Changes of assumptions		74
Net difference between projected and actual earnings on IPERS' investments	65,931	
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	4,921	386,081
District contributions subsequent to the measurement date	1,300,090	
Total	$ 1,790,410	$ 389,430

$1,300,090 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2026	$ (863,962)
2027	1,199,579
2028	(19,607)
2029	(209,424)
2030	(5,696)
Total	$ 100,890

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions

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

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

8. Pension Plan (Continued)

Actuarial Assumptions (Continued)

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

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric 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	100.0%	

Discount Rate

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

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 12,936,471	$ 5,271,624	$ (1,147,726)

IPERS' Fiduciary Net Position

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

8. Pension Plan (Continued)

Payables to IPERS

At June 30, 2025, the District had no payables to report for the defined benefit pension plan for legally required District contributions and legally required employee contributions, which had been withheld from employee wages but not yet remitted to IPERS.

9. Other Postemployment Benefits (OPEB)

Plan Description

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

OPEB Benefits

Individuals who are employed by the District and are eligible to participate in the group medical and dental plans are eligible to continue healthcare benefits upon retirement after attaining at least age 55. Coverage during retirement continues in the group medical and dental plans up to age 65. The group medical benefits are provided through a fully insured plan with partial self-funding to a lower deductible. Retirees covered by the plan make contributions toward the plan premiums.

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

Inactive employees or beneficiaries currently receiving benefit payments	6
Active employees	248
Total	254

Total OPEB Liability

The District's total OPEB liability of $1,206,626 was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2025)	3.00% per annum.
Rates of salary increase (effective June 30, 2025)	3.25% per annum, based on general wage growth assumption of IPERS actuarial valuation.
Discount rate (effective June 30, 2025)	3.65% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2025)	6.25% initial rate decreasing by .25% annually to an ultimate rate of 5.00%.

Discount Rate

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

Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement.

9. Other Postemployment Benefits (OPEB) (Continued)

Discount Rate (Continued)

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	$ 1,137,942
Changes for the year:	
Service cost	103,758
Interest cost	43,881
Benefit payments	(78,955)
Net change	68,684
Total OPEB liability end of year	$ 1,206,626

Changes of assumptions reflect no change in the discount rate of 3.65% in fiscal year 2024 to fiscal year 2025.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	$ 1,085,073	$ 1,206,626	$ 1,349,407

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

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

	1% Decrease (5.25%)	Healthcare Cost Trend Rate (6.25%)	1% Increase (7.25%)
Total OPEB liability	$ 1,304,598	$ 1,206,626	$ 1,116,051

9. Other Postemployment Benefits (OPEB) (Continued)

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

For the year ended June 30, 2025, the District recognized OPEB expense of $29,058. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	$ 33,254	$ 404,793
Changes in assumptions	95,695	106,567
Total	$ 128,949	$ 511,360

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

Year Ending June 30,	Amount
2026	$ (39,626)
2027	(39,626)
2028	(41,501)
2029	(48,978)
2030	(48,978)
Thereafter	(163,702)
Total	$ (382,411)

10. Employee Insurance Plan

Monthly payments of service fees and plan contributions are recorded as expenditures in the general fund at the time of payment to the Northeast Iowa Schools Insurance Trust (trust) maintained by Midwest Group Benefits Consultants, Inc. The trust offers 2 Blue POS, 1 Blue HMO, and 2 Wellmark PPO plans to the member schools. Deductibles and out of pocket maximums vary with each of the plans.

The District may be contingently liable for any claims in excess of funds available at June 30, 2025, since the pool arrangement allows the trust to make additional assessments to members. The District's share of the trust's liability for any unreported claim or assessment on June 30, 2025 was unavailable as of January 29, 2026. The District's contributions to the trust for the years ended June 30, 2025, 2024, and 2023 were $2,662,118, $2,448,857, and $2,401,833, respectively, which equaled the required contributions each year. The employees paid $74,282 in dental insurance for the year ended June 30, 2025.

The District does not report a liability for losses in excess of stop loss insurance unless it is deemed probable that such losses have occurred and the amount of such a loss can be reasonably estimated. Accordingly, at June 30, 2025, no liability has been recorded in the District's financial statements. As of June 30, 2025, settled claims have not exceeded the risk pool or reinsurance company coverage.

11. Flexible Fringe Benefit Plan

The District sponsors a flexible fringe benefit plan as a part of its contractual obligation with its employees. The benefit available under the plan is insurance and dependent care. Participating employees can choose among medical and dental insurance, health insurance, HSA, vision insurance and dependent care. The District contributes $660 per month for full time staff and administration staff. The difference between the District's contribution and the amount of programs selected by the employee is added or subtracted from the employee's salary. There were 9 participants in the plan for the year ended June 30, 2025.

12. Risk Management

Decorah 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.

13. 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 $655,573 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.

14. Facility Use Agreement

In September 2023, the District entered into a facility use agreement with Kingpin Entertainment for use of the bowling lanes for the sport of bowling which expired June 2025, which was extended to a year-to-year lease.

Total facility use expense for the year ended June 30, 2025 was $15,750.

15. Joint Venture

The District participates in Decorah MetroNet, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. The District appoints a member to the MetroNet Board and has access to the broadband service provided by MetroNet. MetroNet's audited financial statements are included in the City of Decorah's financial statements and are available from the City of Decorah at City Hall, Decorah, Iowa 52101.

16. Contingencies

Grant Funding - The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants were subjected to local audit but still remain open to audit by the appropriate grantor government. If expenditures are disallowed by the grantor government due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2025, significant amounts of grant expenditures have not been audited by granting authorities but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

Insurance Plan - As discussed in Note 10, the District is contingently liable for any unreported claim or assessment in excess of their balance in the insurance pool.

17. Commitments

The total outstanding construction and other commitments of the District at June 30, 2025 amounted to $989,162.

18. Categorical Funding

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

18. Categorical Funding (Continued)

The following is a schedule of the categorical funding restricted in the general fund at June 30, 2025.

Program	Amount
Teacher Leadership	$ 162,271
Home School Assistance Program	226,620
Professional Development	8,494
Therapeutic Classroom	225,023
Successful Progression for Early Readers	2,114
Total	$ 624,522

19. Net Position Deficit

The governmental unrestricted fund has a deficit net position as of June 30, 2025. This deficit was incurred due to the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of* GASB No. 27 and Statement No. 101, *Compensated Absences*.

20. Tax Abatements

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

Tax Abatements of Other Entities

Other entities within the District provide tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the City of Decorah offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the District were reduced by the following amount for the year ended June 30, 2025 under an agreement entered into by the following entity:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Decorah	Urban renewal and economic development projects	$ 64,834

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 $102,967.

21. Change in Area Education Agency Funding

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

22. Accounting Change/Restatement

During fiscal year 2025, the District implemented Governmental Accounting Standards Board Statement No. 102, *Certain Risk Disclosures*. This statement requires disclosure of significant concentrations or constraints that could expose the District to substantial risk. If such risks are present and associated events have occurred, begun to occur, or are likely to occur within twelve months of the financial statement issuance date, the District must disclose the nature of the risk, related events, and any mitigating actions taken. Implementation of this statement did not have a significant impact on the District.

During the fiscal year 2025, the District implemented Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. This standard establishes revised recognition and measurement criteria for liabilities related to compensated absences, including vacation, sick leave, and other forms of paid time off. Under this standard, compensated absences are recognized when the benefits are earned, rather than when they become payable. As a result, certain leave types previously excluded from liability calculations are now included, and the timing of recognition has been modified. The cumulative effect of implementing the standard has been recorded as an adjustment to beginning net position in the government-wide and proprietary fund financial statements for the fiscal year ended June 30, 2025. The impact of the restatement is as follows:

	Government-Wide		Proprietary Funds
	Governmental Activities Net Position	Business-type Activities Net Position	School Nutrition Net Position
Balances June 30, 2024, as previously reported	$ 36,416,077	$ 716,958	$ 714,551
Compensated absences, as previously reported	159,028	-	-
Compensated absences, after implementation of GASBS No. 101	(2,801,623)	(112,849)	(112,849)
Balances July 1, 2024, as restated	$ 33,773,482	$ 604,109	$ 601,702

23. New Governmental Accounting Standards Board (GASB) Standards

The Governmental Accounting Standards Board (GASB) has issued two statements not yet 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 fiscal year ending June 30, 2026. The primary 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.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, issued September 2024, will be effective for the fiscal year ending June 30, 2026. The primary objective of this statement is to enhance transparency and usefulness of financial statements by requiring separate disclosures for certain capital assets, including intangible assets and assets held for sale.

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

24. Subsequent Events

During December 2024, voters approved the issuance of a $15 million general obligation bond to fund the construction of a new elementary school. Construction is scheduled to start in spring 2026, with a projected completion in summer 2027. Management has evaluated subsequent events through January 29, 2026, the date on which the financial statements were available to be issued.

Required Supplementary Information

DECORAH COMMUNITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN BALANCES-
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance-Positive (Negative)
REVENUES						
Local sources	$ 15,719,590	$ 732,261	$ 16,451,851	$ 15,782,134	$ 15,782,134	$ 669,717
Intermediate sources				1,008,916	1,008,916	(1,008,916)
State sources	13,334,056	6,470	13,340,526	12,467,161	12,467,161	873,365
Federal sources	867,590	465,964	1,333,554	1,103,939	1,103,939	229,615
Total revenues	29,921,236	1,204,695	31,125,931	30,362,150	30,362,150	763,781
EXPENDITURES/EXPENSES						
Instruction	16,717,846		16,717,846	16,738,780	17,690,000	972,154
Support services	8,993,530		8,993,530	5,142,283	10,945,070	1,951,540
Non-instructional programs		1,295,322	1,295,322	1,078,983	1,341,340	46,018
Other expenditures	3,315,382		3,315,382	3,551,938	5,031,977	1,716,595
Total expenditures/expenses	29,026,758	1,295,322	30,322,080	26,511,984	35,008,387	4,686,307
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	894,478	(90,627)	803,851	3,850,166	(4,646,237)	5,450,088
OTHER FINANCING SOURCES (USES), NET	80,244	(75,755)	4,489	382,502	382,502	(378,013)
Change in balances	974,722	(166,382)	808,340	4,232,668	(4,263,735)	5,072,075
FUND BALANCES, beginning of year, as restated	8,851,417	604,109	9,455,526	8,031,641	8,031,641	1,423,885
FUND BALANCES, end of year	$ 9,826,139	$ 437,727	$ 10,263,866	$ 12,264,309	$ 3,767,906	$ 6,495,960

See Notes to Required Budgetary Information and Independent Auditor's Report.

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs, and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the general fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment, increasing the budgeted expenditures by $8,496,403.

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

See Independent Auditor's Report.

DECORAH COMMUNITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
For the Last Ten Years*
(In Thousands)

	2025	2024	2023	2022	2021	2020	2019**	2018**	2017**	2016**
District's proportion of the net pension liability	0.144765%	0.148528%	0.159239%	-0.062352%	0.152371%	0.170781%	0.169981%	0.168003%	0.174537%	0.175703%
District's proportionate share of the net pension liability	$ 5,272	$ 6,704	$ 6,016	$ 215	$ 10,704	$ 9,889	$ 10,757	$ 11,191	$ 10,984	$ 8,681
District's covered payroll	$ 13,358	$ 13,044	$ 12,825	$ 12,464	$ 12,093	$ 12,995	$ 12,769	$ 12,542	$ 12,520	$ 12,040
District's proportionate share of the net pension liability as a percentage of its covered payroll	39.47%	51.40%	46.91%	1.72%	88.51%	76.10%	84.24%	89.23%	87.73%	72.10%
IPERS' net position as a percentage of the total pension liability	92.30%	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

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

****Amounts shown for the District's proportionate share of net pension liability and the District's covered payroll reflect the sum of those amounts for the former Decorah Community School District and North Winneshiek Community School District. These Districts reorganized to form Decorah Community School District on July 1, 2019.**

See Notes to Required Pension Liability Information and Independent Auditor's Report.

DECORAH COMMUNITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
For the Last Ten Years
(In Thousands)

	2025	2024	2023	2022	2021	2020	2019*	2018*	2017*	2016*
Statutorily required contribution	$ 1,300	$ 1,261	$ 1,231	$ 1,211	$ 1,176	$ 1,142	$ 1,227	$ 1,140	$ 1,120	$ 1,118
Contributions in relation to the statutorily required contribution	(1,300)	(1,261)	(1,231)	(1,211)	(1,176)	(1,142)	(1,227)	(1,140)	(1,120)	(1,118)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 13,772	$ 13,358	$ 13,044	$ 12,825	$ 12,464	$ 12,093	$ 12,995	$ 12,769	$ 12,542	$ 12,520
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%

* Amounts shown for fiscal year 2019 and prior years reflect the sum of those amounts for the former Decorah Community School District and North Winneshiek Community School District. These Districts reorganized to form Decorah Community School District on July 1, 2019.

See Notes to Required Pension Liability Information and Independent Auditor's Report.

Changes of Benefit Terms:

There are no significant changes in benefit terms.

Changes of Assumptions:

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

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

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

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

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

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

See Independent Auditor's Report.

DECORAH COMMUNITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES
For the Last Eight Years

	2025	2024	2023	2022	2021	2020	2019*	2018*
Service cost	$ 103,758	$ 100,492	$ 116,707	$ 113,033	$ 104,533	$ 101,243	$ 88,418	$ 86,014
Interest cost	43,881	40,922	30,821	30,002	55,065	53,711	55,492	53,723
Difference between expected and actual experiences		(243,722)		(338,559)		(71,806)		23,676
Changes in assumptions		(130,515)		119,863		5,629	(379)	148,011
Benefit payments	(78,955)	(48,241)	(104,038)	(112,822)	(128,693)	(110,401)	(101,668)	(83,774)
Net change in total OPEB liability	68,684	(281,064)	43,490	(188,483)	30,905	(21,624)	41,863	227,650
Total OPEB liability beginning of year	1,137,942	1,419,006	1,375,516	1,563,999	1,533,094	1,554,718	1,512,855	1,285,205
Total OPEB liability end of year	$ 1,206,626	$ 1,137,942	$ 1,419,006	$ 1,375,516	$ 1,563,999	$ 1,533,094	$ 1,554,718	$ 1,512,855
Covered-employee payroll	$ 11,937,544	$ 11,561,786	$ 11,800,838	$ 11,429,383	$ 11,039,719	$ 10,692,222	$ 11,138,371	$ 10,841,422
Total OPEB liability as a percentage of covered-employee payroll	10.11%	9.84%	12.02%	12.03%	14.17%	14.34%	13.96%	13.95%

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

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

Changes in Benefit Terms:
There were no significant changes in benefit terms.

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

Year Ended June 30, 2025	3.65%
Year Ended June 30, 2024	3.65%
Year Ended June 30, 2023	2.14%
Year Ended June 30, 2022	2.14%
Year Ended June 30, 2021	3.50%
Year Ended June 30, 2020	3.50%
Year Ended June 30, 2019	3.58%
Year Ended June 30, 2018	3.58%

*Amounts shown for fiscal year 2019 and prior years reflect the sum of those amounts for the former Decorah Community School District and North Winneshiek Community School District. These Districts reorganized to form Decorah Community School District on July 1, 2019.

See Independent Auditor's Report.

Other Supplementary Information

SCHEDULE 1

DECORAH COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	Special Revenue Funds		Capital Project Fund	Total Nonmajor Funds
	Management Levy	Student Activity	High School	
ASSETS				
Cash and cash equivalents	$ 1,648,938	$ 347,001	$ 153	$ 1,996,092
Receivables:				
Property tax:				
Delinquent	2,797			2,797
Succeeding year	637,470			637,470
Total assets	$ 2,289,205	$ 347,001	$ 153	$ 2,636,359
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 3,532	$ -	$ 3,532
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	637,470	-	-	637,470
Fund balances:				
Restricted for:				
Student activities		343,469		343,469
Management levy purposes	1,651,735			1,651,735
School infrastructure			153	153
Total fund balances	1,651,735	343,469	153	1,995,357
Total liabilities, deferred inflows of resources and fund balances	$ 2,289,205	$ 347,001	$ 153	$ 2,636,359

See Independent Auditor's Report.

SCHEDULE 2

DECORAH COMMUNITY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	Special Revenue Funds		Capital Project Fund	Total Nonmajor Funds
	Management Levy	Student Activity	High School	
REVENUES				
Local sources:				
Local property tax	$ 1,050,401			$ 1,050,401
Other	43,215	$ 651,666		694,881
State sources	22,305			22,305
Total revenues	1,115,921	651,666	$ -	1,767,587
EXPENDITURES				
Current:				
Instruction:				
Regular	58,027			58,027
Other		631,314		631,314
Support services:				
Administration	25,690			25,690
Operation and maintenance plant	524,931			524,931
Transportation	115,386			115,386
Total expenditures	724,034	631,314	-	1,355,348
EXCESS OF REVENUES OVER EXPENDITURES	391,887	20,352	-	412,239
TRANSFER OUT	(47,670)	(10,450)	-	(58,120)
Change in fund balances	344,217	9,902	-	354,119
FUND BALANCES, beginning of year	1,307,518	333,567	153	1,641,238
FUND BALANCES, end of year	$ 1,651,735	$ 343,469	$ 153	$ 1,995,357

See Independent Auditor's Report.

SCHEDULE 3

DECORAH COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND
STUDENT ACTIVITY ACCOUNTS
For the Year Ended June 30, 2025

	Balance June 30, 2024	Revenues and Transfers	Expenditures and Transfers	Balance June 30, 2025
High School Football	$ 5,686	$ 56,220	$ 49,619	$ 12,287
High School Basketball	280	38,309	37,115	1,474
High School Wrestling	1,656	32,587	29,666	4,577
High School Baseball	6,305	15,918	18,467	3,756
High School Golf	1,458	3,568	4,496	530
High School Track	4,988	26,922	24,430	7,480
High School Softball	5,175	6,261	7,168	4,268
High School Volleyball	8,618	13,721	16,624	5,715
High School Tennis	5,417	5,271	5,321	5,367
High School Cross Country	1,424	21,019	20,422	2,021
High School Student Council	1,794			1,794
High School Community Club	300			300
High School Bowling	3,451	8,676	8,433	3,694
High School Swimming	172	16,791	12,340	4,623
High School Soccer	9,887	11,988	14,593	7,282
"D" Club	1,112	130	908	334
Art Club	3,927	1,221	150	4,998
Culture Club	231	446	677	-
Science Club	56			56
Future Farmers of America	52,129	80,215	77,720	54,624
Horticulture Club	633	2,533	2,040	1,126
Student Assistance	5,607	4,777	1,593	8,791
High School Music	355	25,408	21,141	4,622
High School Instrumental Music	-	72,017	71,919	98
High School Yearbook	29,011	15,285	13,349	30,947
High School Speech	-	24,172	23,736	436
High School Dramatics	10,984	201	9,076	2,109
High School Madrigal	11,537	7,435	3,702	15,270
High School Fire Squad	-	2,501	2,204	297
High School Cheerleading	3,315	5,725	5,914	3,126
Class 2024	3,777		2,175	1,602
Class 2025	3,460	1,330	2,646	2,144
Class 2026	-	7,156	5,151	2,005
High School General	13,137	30,698	33,686	10,149
First Lego League	42	1,763	1,805	-
FBLA for Business	-	24,446	15,920	8,526
Middle School Football	-	2,624	2,624	-
Middle School Cross Country	-	797	797	-
Middle School Basketball	250	4,304	4,504	50
Middle School Wrestling	-	1,214	1,214	-
Middle School Track	130	2,347	2,279	198
Middle School Volleyball	84	1,924	2,008	-
Middle School Cheerleading	85			85
Middle School Yearbook	15,956	3,628	4,043	15,541
Scholarships	5,980	5,900	5,980	5,900
Middle School General	614	490	490	614
Middle School Fundraising	42,717	977	15,879	27,815
Middle School Mock Trial	-	300		300
Middle School Student Council	1,857	574	94	2,337
Middle School Summer Tag	2,646		160	2,486
Middle School Arts	565			565
Investments	6,400	2,366	2,558	6,208
Subtotals	273,208	592,155	586,836	278,527

See Independent Auditor's Report.

DECORAH COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND
STUDENT ACTIVITY ACCOUNTS
For the Year Ended June 30, 2025

	Balance June 30, 2024	Revenues and Transfers	Expenditures and Transfers	Balance June 30, 2025
Subtotals	$ 273,208	$ 592,155	$ 586,836	$ 278,527
Vocational Ag	234			234
Vocational	1,256			1,256
A/P Exam Testing	5,505	22,169	18,442	9,232
West Side Yearbook	210		27	183
DVABC	-	64,422	63,297	1,125
Decorah Craft Show	205	8,430	8,525	110
DHS Wall of Fame	155	250	333	72
District Speech	1,401	645	100	1,946
Elementary Playground	305			305
Wellness	1,052			1,052
Youth Marketplace	2,439			2,439
First Tech Challenge	24,098	10,000	7,238	26,860
West Side Elementary General	23,499	1,853	7,169	18,183
Band Instrument Assistance	-	2,000	165	1,835
Water 2 Thrive	-	6,344	6,234	110
Totals	$ 333,567	$ 708,268	$ 698,366	$ 343,469

See Independent Auditor's Report.

SCHEDULE 4

DECORAH COMMUNITY SCHOOL DISTRICT
COMPARATIVE SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUNDS
For the Years Ended June 30,

	Modified Accrual Basis									
	2025	2024	2023	2022	2021	2020	2019*	2018*	2017*	2016*
REVENUES										
Local sources:										
Local property tax	$11,790,547	$11,791,875	$11,436,278	$11,035,808	$10,804,937	$10,778,647	$11,289,480	$10,889,755	$11,335,310	$ 10,942,214
Tuition	1,737,609	1,544,016	1,591,669	1,430,392	1,460,916	1,648,002	4,333,822	4,082,656	4,017,019	4,186,885
Other	2,191,434	2,055,100	1,997,265	2,125,090	1,623,504	1,752,331	1,418,841	1,457,086	1,590,291	1,318,633
State sources	13,334,056	12,580,569	12,484,029	12,033,467	11,930,220	11,813,700	11,094,909	10,664,483	10,914,926	10,851,559
Federal sources	867,590	1,211,280	1,038,937	1,537,243	715,633	528,844	596,894	601,286	509,074	425,831
Total revenues	$29,921,236	$29,182,840	$28,548,178	$28,162,000	$26,535,210	$26,521,524	$28,733,946	$27,695,266	$28,366,620	$ 27,725,122
EXPENDITURES										
Current:										
Instruction:										
Regular	$ 8,099,095	$ 8,202,621	$ 9,023,450	$ 7,488,067	$ 7,568,498	$ 7,200,712	$ 9,328,932	$ 8,631,311	$ 8,486,031	$ 9,082,310
Special	4,857,344	4,561,557	3,951,172	3,972,741	3,724,342	3,720,856	3,658,229	4,005,009	3,926,739	4,125,848
Other	3,761,407	3,418,937	3,143,836	3,973,450	3,095,714	3,143,836	3,075,466	3,446,241	3,366,364	2,916,648
Support services:										
Student	1,088,783	1,012,761	1,151,801	1,054,928	957,013	1,009,399	613,426	602,000	606,884	595,092
Instructional staff	1,331,564	1,100,964	1,141,089	2,298,325	1,279,884	1,307,035	1,609,301	1,442,684	1,430,149	1,420,000
Administration	2,008,164	2,021,503	1,938,306	1,886,192	2,065,277	1,793,872	2,295,784	2,306,130	2,122,505	1,968,068
Operation and maintenance plant	3,036,586	2,580,204	2,586,545	2,316,259	2,145,031	2,165,591	2,183,956	1,987,025	2,378,874	2,002,314
Transportation	1,528,433	1,772,846	1,773,954	1,666,541	1,357,196	1,174,199	1,258,613	1,293,850	1,328,048	1,060,512
Non-instructional									9,373	7,465
Other:										
Facilities acquisition	1,341,851	2,848,529	2,145,526	126,482	566,788	437,886	2,021,452	301,028	426,369	538,443
Long-term debt:										
Principal	1,178,089	1,886,568	2,571,922	2,486,864	11,361,497	2,482,948	2,063,764	2,388,716	2,396,804	2,486,748
Interest and fiscal charges	139,869	160,840	187,862	261,963	372,249	417,885	453,408	507,302	528,296	595,012
AEA flowthrough	655,573	754,266	761,541	761,221	761,858	739,390	732,374	727,729	716,363	717,545
Total expenditures	$29,026,758	$30,321,596	$30,377,004	$28,293,033	$35,255,347	$25,593,609	$29,294,705	$27,639,025	$27,722,799	$ 27,516,005

* Amounts shown for fiscal year 2019 and prior years reflect the sum of those amounts for the former Decorah Community School District and North Winneshiek Community School District. These Districts reorganized to form Decorah Community School District on July 1, 2019.

See Independent Auditor's Report.

DECORAH COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

Part I: Summary of the Independent Auditor's Results:

1. **The auditor's report expresses unmodified opinions on whether the financial statements of Decorah Community School District were prepared in accordance with U.S. generally accepted accounting principles.**

2. **One significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements. No material weaknesses are reported.**

3. **No instances of noncompliance material to the financial statements of Decorah Community School District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.**

4. **One significant deficiency in internal control over the major federal award program was disclosed by the audit of the financial statements. No material weaknesses are reported.**

5. **The auditor's report on compliance for the major federal award program for Decorah Community School District expresses an unmodified opinion on the major federal program.**

6. **The audit disclosed no audit findings which are required to be reported in accordance with 2 CFR Section 200.516(a).**

7. **The program tested as a major program was as follows:**
   Coronavirus State and Local Fiscal Recovery Funds:
   Federal Assistance Listing Number 21.027: School Safety Improvement Fund

8. **The threshold used for distinguishing between Type A and B programs was $750,000.**

9. **Decorah Community School District was determined to be a low-risk auditee.**

See Independent Auditor's Report.

DECORAH COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

Part II: Findings Related to the Financial Statements:

Instances of noncompliance: no matters were noted.

Internal control deficiency:

Finding 2025-001 **Overlapping Duties**

Condition: The District's offices are not large enough to permit an adequate segregation of duties for effective internal controls. Management has not separated incompatible activities of personnel, thereby creating risks related to the safeguarding of cash and the accuracy of the financial statements.

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

Cause: The concentration of closely related duties and responsibilities such as the recording and processing of cash receipts, preparing grant expenditure reports, preparing financial information for posting and analyzing financial information by a small staff makes it impossible to establish an adequate system of automatic internal checks on the accuracy and reliability of the accounting records.

Effect: This deficiency results in a reasonable possibility that the District would not be able to detect misstatements that would be material in relation to the financial statements and/or federal award programs in a timely period by employees in the normal course of performing their assigned functions.

Recommendation: The District should review the operating procedures of the District offices to obtain the maximum internal control possible under the circumstances utilizing currently available staff. While we do recognize that the District is not large enough to permit a segregation of duties for effective internal controls, we believe it is important the Board be aware that this condition does exist.

Repeat Finding: Yes.

Views of Responsible Officials and Planned Corrective Actions: Management is cognizant of this limitation and will implement additional procedures where possible.

See Independent Auditor's Report.

DECORAH COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

Part III: Findings and Questioned Costs for Federal Awards:

Instances of noncompliance: no matters were noted.

Internal control deficiency:
Coronavirus State and Local Fiscal Recovery Funds:
Federal Assistance Listing Number 21.027: School Safety Improvement Fund

Federal Award Year: 2025
Passed through the Iowa Department of Education
See 2025-001 above.

Part IV: Other Findings Related to Required Statutory Reporting:

See management letter dated January 29, 2026.

See Independent Auditor's Report.

DECORAH COMMUNITY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2025

Comment Reference	Comment Title	Status	If Not Corrected, Provide Planned Corrective Action or Other Explanation
2024-001 2023-001	Overlapping duties	Partially corrected	District's offices are not large enough to prevent overlapping duties, will implement procedures where possible to obtain maximum internal controls utilizing current staff.

See Independent Auditor's Report.

DECORAH COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Expenditures
U.S. Department of Agriculture:			
Indirect:			
Passed through Iowa Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	FY25	$ 44,017
National School Lunch Program	10.555	FY25	413,117 *
Total Child Nutrition Cluster			457,134
Local Food for Schools	10.185	FY25	2,426
Passed through Action for Healthy Kids:			
School Lunch Equipment Grant Stabilization	10.579	FY25	6,404
Total U.S. Department of Agriculture			465,964
U.S. Department of Treasury:			
Passed through Iowa Department of Education:			
Coronavirus State and Local Fiscal Recovery Funds:			
School Safety Improvement Fund	21.027	FY25	250,000
U.S. Department of Education:			
Passed through Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY25	139,971
Supporting Effective Instruction State Grant	84.367	FY25	29,135
Student Support and Academic Enrichment Program	84.424	FY25	10,303
Passed through Keystone Area Education Agency:			
Career and Technical Education - Basic Grants to States	84.048	FY25	9,547
Subtotal U.S. Department of Education			188,956
Passed through Keystone Area Education Agency:			
Special Education Cluster (IDEA):			
Special Education Grants to States (IDEA, Part B)	84.027	FY25	68,589
Passed through Iowa Department of Education:			
Education Stabilization Fund (ESF):			
Discretionary Grants: Rethink K-12 Education Models Grant (ARP)	84.425B	FY25	27,501
Total U.S. Department of Education			285,046
Total Federal Financial Assistance			$ 1,001,010

*Includes $102,678 of non-cash awards.

See Independent Auditor's Report.

DECORAH COMMUNITY SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

Basis of Presentation:

- **The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Decorah 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* (CFR) 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 Decorah Community School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Decorah Community School District.**

Summary of Significant Accounting Policies:

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

- **Pass-through entity identifying numbers are presented where available.**

Indirect Cost Rate:

- **Decorah Community School District has elected not to use the 15% de minimis indirect cost rate as allowed under the Uniform Guidance.**

Subrecipients:

- **There were no awards passed through to subrecipients.**

See Independent Auditor's Report.



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
Decorah Community School District
Decorah, Iowa

We have audited, in accordance with the U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Decorah Community School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Decorah Community School District's basic financial statements and have issued our report thereon dated January 29, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Decorah Community School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Decorah Community School District's Response to Finding

***Government Auditing Standards* requires the auditor to perform limited procedures on the Decorah Community School District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Decorah Community School District's response was 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.

Hacker, Nelson + Co., CPAs

Decorah, Iowa
January 29, 2026

Hacker Nelson & Co., CPAs

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Decorah Community School District's 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 the Decorah Community School District's major federal program for the year ended June 30, 2025. Decorah Community School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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 Decorah Community School 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 the major federal program. Our audit does not provide a legal determination of Decorah Community School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Decorah Community School 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 Decorah Community School 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 generally accepted auditing standards, *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 Decorah Community School District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Decorah Community School 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 Decorah Community School 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 Decorah Community School District's internal control over compliance. Accordingly, no such opinion is expressed.**

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

Report on Internal Control over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

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

Report on Internal Control over Compliance (Continued)

Government Auditing Standards **requires the auditor to perform limited procedures on Decorah Community School District's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Decorah Community School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.**

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

Hacker, Nelson + Co., CPAs

Decorah, Iowa
January 29, 2026

Hacker Nelson & Co., CPAs

MANAGEMENT LETTER

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

In planning and performing our audit of the basic financial statements of Decorah Community School District for the year ended June 30, 2025, we considered the District's internal control to determine our auditing procedures for the purpose of expressing opinions on the financial statements and not to provide assurance on internal control or state statutory compliance matters, accordingly, we provide no such assurance.

In accordance with Chapter 11 of the Code of Iowa, we are required to report on the District's compliance with certain sections of the Iowa Code, Attorney General's Opinions, and other matters. Items 1 through 13 below are compliance comments required by the Iowa Auditor of State. A separate report dated January 29, 2026, contains our report on the District's internal control over financial reporting. This letter does not affect our report dated January 29, 2026, on the basic financial statements of the Decorah Community School District. Comment number 1 is an unresolved comment from the prior year. All other prior year comments have been resolved. These comments are not intended to and do not constitute legal opinions. We did not audit the District's responses and, accordingly, we express no opinion on them.

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.

1. **Certified Budget**

   Expenditures for the year ended June 30, 2025, did not exceed the amended certified budget amounts. However, we did notice transfers exceeded the amount budgeted for transfers made during the year.

   Recommendation

   We recommend the District approve all transfers in the budget and amending budget process.

   Response and Corrective Action Planned

   Management will include all transfers in the budget process.

   Conclusion

   Response accepted.

2. **Questionable Expenditures**

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

3. **Travel Expense**

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

4. **Business Transactions**

We noted no business transactions between the District and District officials and/or employees for the year ended June 30, 2025.

5. **Restricted Donor Activity**

During our audit, we identified an instance where a former District employee accepted gifts or redeemed vendor reward program benefits for personal use. In addition, the District's accounts were used to process personal purchases in a manner that avoided applicable sales tax.

Recommendation

The District should recover the estimated personal benefit from the individual involved and develop or reinforce existing policies governing the use of District purchasing accounts and vendor reward programs. Policies should clearly prohibit personal use and define acceptable practices. The District should also consider increasing the frequency of monitoring purchasing account activity and vendor reward usage to ensure compliance with established policies. Enrollment in vendor reward programs should require an approval process involving more than one authorized individual.

Response and Corrective Action Planned

The District has terminated the employment of the individual involved, disabled the account access, and initiated an internal review of previous purchasing card transactions. In addition, the District is evaluating potential misuse of vendor reward programs. The matter has been reported to the appropriate authorities for further consideration.

Conclusion

Response accepted.

6. **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 the coverage is adequate for current operations.

7. **Board Minutes**

We noted no transactions requiring Board approval which had not been approved by the Board. We also noted no minutes and bills that had not been published as required.

8. **Certified Enrollment**

No variances in the basic enrollment data certified to the Iowa Department of Education were noted.

9. **Supplementary Weighting**

No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

10. **Deposits and Investments**

Instances of noncompliance with the deposit and investment provisions of the Code of Iowa and the District's investment policy were noted. The depository resolution amount was exceeded in April 2025. Chapter 12C.2 requires that, by resolution, the District specify the maximum amount which may be kept on deposit in each depository.

Recommendation

The District should increase the depository resolution to ensure compliance with Chapter 12C.2 of the Code of Iowa in relation to depository resolutions.

Response and Corrective Action Planned

The District will look into increasing the depository resolution.

Conclusion

Response accepted.

11. Certified Annual Report

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

12. Categorical Funding

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

13. Statewide Sales, Services and Use Tax

No instances of noncompliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted. Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education.

For the year ended June 30, 2025, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		**$ 2,752,879**
Revenues/transfers in:		
Statewide sales, services and use tax	**$ 1,995,413**	
Other	**81,355**	**2,076,768**
Expenditures/transfers out:		
Instruction	**149,839**	
Support services	**304,914**	
Facilities acquisition	**900,038**	
Transfers to other funds:		
Debt service fund	**798,057**	**2,152,848**
Ending balance		**$ 2,676,799**

For the year ended June 30, 2025, the District reduced the following levies as a result of the moneys received under Chapters 423E or 423F of the Code of Iowa:

	Rate of Levy Reduction Per $1,000 of Taxable Valuation	Property Tax Dollars Reduced
Debt service levy	**$ .89**	**$ 798,057**
Physical plant and equipment levy (PPEL)	**1.34**	**1,197,356**
Total		**$ 1,995,413**

14. Student Activity Fund

For the items tested, no instances of noncompliance with Chapter 298A.8 of the Code of Iowa and Iowa Administrative Rule 281-12.6(1), for moneys in the student activity fund which should be used to support only the extracurricular and co-curricular activities offered as part of the District's educational program were noted.

However, as of June 30, 2025, we noted the 2024 senior class had a remaining balance in their student activity account.

Recommendation

The District should investigate alternative uses for the senior class activity accounts upon graduation of that class.

Response and Corrective Action Planned

We will investigate other uses for the Class of 2024's activity account balance and in the future will take extra care to ensure the senior class activity account is closed out upon graduation.

Conclusion

Response accepted.

We have also provided you under separate cover a listing of general steps that you should review and consider implementing to strengthen controls. This list is not all inclusive. You should review all aspects of your operations and implement appropriate controls as deemed necessary. Some of these items may not be applicable or you may have already implemented them.

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

Hacker, Nelson + Co., CPAs

Decorah, Iowa
January 29, 2026

APPENDIX E – FORM OF ISSUE PRICE CERTIFICATE

USE FOR HTP/10% COMBO – PUBLIC OR NEGOTIATED SALE

EXHIBIT A

DECORAH COMMUNITY SCHOOL DISTRICT

$_____ GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026

ISSUE PRICE CERTIFICATE

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

1. Sale of the General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. Initial Offering Price of the Hold-the-Offering-Price Maturities.

a. Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

b. As set forth in the Terms of Offering, Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms.

a. General Rule Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

b. Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

c. Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (December 1, 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 Decorah 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 November 23, 2026.

h. Underwriter means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the

Bonds, and by Ahlers & Cooney, P.C., Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By:_____

Name:_____

Dated: Date of Delivery

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

USE FOR COMPETITIVE SALES – 3 BIDS RECEIVED

EXHIBIT A

DECORAH COMMUNITY SCHOOL DISTRICT

$_____ GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026

ISSUE PRICE CERTIFICATE

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

1. Reasonably Expected Initial Offering Price.

a. As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by Purchaser to purchase the Bonds.

b. Purchaser was not given the opportunity to review other bids prior to submitting its bid.

c. The bid submitted by Purchaser constituted a firm offer to purchase the Bonds.

2. Defined Terms.

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

b. Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

c. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is November 23, 2026.

d. Underwriter means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents 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: Date of Delivery

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)