

\$15,000,000*
Corning Community School District, Iowa
General Obligation School Bonds Series 2023

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

DATE: Monday, October 2, 2023
TIME: 11:00 AM
PLACE: Office of the Superintendent
904 8th St.
Corning, Iowa 50841
Telephone: (641) 322-4245

S&P's Rating: "A"

* Preliminary, subject to change

PIPER | SANDLER

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

OFFICIAL BID FORM

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

Re: \$15,000,000* General Obligation School Bonds, Series 2023, dated the date of delivery, of the Issuer (the "Bonds")

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

<u>Coupon</u>	<u>Yield</u>	<u>Due</u>	<u>Coupon</u>	<u>Yield</u>	<u>Due</u>
_____	_____	May 1, 2024	_____	_____	May 1, 2034
_____	_____	May 1, 2025	_____	_____	May 1, 2035
_____	_____	May 1, 2026	_____	_____	May 1, 2036
_____	_____	May 1, 2027	_____	_____	May 1, 2037
_____	_____	May 1, 2028	_____	_____	May 1, 2038
_____	_____	May 1, 2029	_____	_____	May 1, 2039
_____	_____	May 1, 2030	_____	_____	May 1, 2040
_____	_____	May 1, 2031	_____	_____	May 1, 2041
_____	_____	May 1, 2032	_____	_____	May 1, 2042
_____	_____	May 1, 2033	_____	_____	May 1, 2043

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

<u>Principal Amount</u>	<u>Month and Year (Inclusive)</u>	<u>Maturity Month and Year</u>
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____

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

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

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

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

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

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 Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (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, 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, 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.

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 RATE _____ %
 (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 Corning Community School District, in the Counties of Adams and Taylor, State of Iowa, this 2nd day of October, 2023.

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 2023, in the principal amount of \$15,000,000* 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. Total Series 2023 par amount will not exceed \$15,000,000.

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

Optional Redemption: The Bonds maturing after May 1, 2031, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Interest: Interest on said Bonds will be payable on May 1, 2024 and semiannually on the 1st day of May and November thereafter. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

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

Good Faith Deposit: A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire in the amount of \$150,000* for the Bonds, payable to the order of the Issuer, is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. The Municipal Advisor or the Issuer will provide the apparent winning bidder (the "Purchaser") with wiring instructions, by email, within 10 minutes of the stated time when bids are due. If the wire is not received at the time indicated above, the Issuer will abandon its plan to award to the Purchaser, and will contact the next highest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

* Preliminary, subject to change

Form of Bids: All bids shall be unconditional for the entire issue of Bonds for a price of not less than 100.5% 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 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, Corning Community School District.

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: Facsimile Bidding 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%.

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) In order to provide the Issuer with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986 (the "Code"), as amended, and the Treasury Regulations promulgated thereunder, the Purchaser will be required to assist the Issuer in establishing the issue price of the Bonds and shall complete, execute, and deliver to the Issuer prior to the closing date, a written certification acceptable to the Issuer, and Bond Counsel (the "Issue Price Certificate") in substantially the form attached hereto in Appendix E containing the following for each maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. Any documentation to be received by the Issuer pursuant hereto may be received on behalf of the Issuer by the Financial Advisor.

(b) The Issuer intends that the sale of the Bonds pursuant to this Official Terms of Offering shall constitute a "competitive sale" as defined in the Regulations based on the following:

(i) the Financial Advisor shall cause this Official Terms of Offering to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;

- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the Issuer reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and
- (iv) the Issuer anticipates awarding the sale of the Bonds to the bidder who provides a bid with the lowest true interest cost (TIC), as set forth in this Official Terms of Offering.

(c) 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. The bidder shall constitute an “underwriter” as said term is defined in the Regulation. By submitting its bid, the bidder confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Bonds.

(d) If all of the requirements of a “competitive sale” are not satisfied, the Issuer shall advise the Purchaser of such fact prior to the time of award of the sale of the Bonds to the Purchaser. In such event, any bid submitted will not be subject to cancellation or withdrawal. Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Purchaser shall advise the Issuer and its Financial Advisor if a “substantial amount” (as defined in the Regulation) of any maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which such substantial amount was sold. The Issuer will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-maturity basis. The Issuer will not require the Purchaser to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the Purchaser shall notify the Financial Advisor, and the Issuer will apply the initial offering price to the public provided in the Purchaser’s bid as the issue price for such maturities and shall 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:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) 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.

(e) The winning bidder shall promptly advise the Issuer when the underwriters have 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, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(f) If the Purchaser does not exercise the “hold-the-offering-price” option, it shall thereafter promptly provide the Issuer and the Financial Advisor the prices at which a substantial amount of such maturities are sold to the public; provided such determination shall be made and the Issuer and Financial Advisor notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Bonds or until all of the Bonds of a maturity have been sold.

(g) The Issuer acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, 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 Securities to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Securities to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail 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 hold-the-offering-price rule 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 retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Securities.

(h) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Securities 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 retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Securities of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Securities of that maturity or all Securities of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters

relating to the initial sale of the Securities to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Securities to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Securities of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Securities of that maturity or all Securities of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(i) Sales of any Securities to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(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 Securities 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 Securities 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 Securities to the public),

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

(iv) “sale date” means the date that the Securities 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 will Bond Counsel review or express any opinion of the correctness of such numbers, and incorrect numbers on said Bonds shall not be cause for the Purchaser to refuse to accept delivery of the Bonds. The fee will be paid for by the Issuer.

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

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

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

For more information see the Continuing Disclosure section herein.

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

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

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 22, 2023

NEW ISSUE - DTC BOOK ENTRY ONLY

Rating: "A"

Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excludable from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. 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 CONSIDERATIONS" section herein for a more detailed discussion.

\$15,000,000*
Corning Community School District, Iowa
General Obligation School Bonds, Series 2023

Dated: Date of Delivery

The Corning Community School District (the "Issuer") is issuing its General Obligation School Bonds, Series 2023 described above (the "Bonds") 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 the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, Indirect Participants or the persons for whom they act as nominee with respect to the Bonds.

Interest on the Bonds is payable on May 1, and November 1 in each year, beginning May 1, 2024 to the registered owners thereof. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

The Bonds maturing after May 1, 2031 may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

MATURITY SCHEDULE

<u>Bonds Due</u>	<u>Amount*</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip #'s **</u>	<u>Bonds Due</u>	<u>Amount*</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip #'s **</u>
May 1, 2024	\$675,000			219363 CP1	May 1, 2034	\$795,000			219363 CZ9
May 1, 2025	230,000			219363 CQ9	May 1, 2035	820,000			219363 DA3
May 1, 2026	240,000			219363 CR7	May 1, 2036	855,000			219363 DB1
May 1, 2027	275,000			219363 CS5	May 1, 2037	885,000			219363 DC9
May 1, 2028	565,000			219363 CT3	May 1, 2038	920,000			219363 DD7
May 1, 2029	645,000			219363 CU0	May 1, 2039	960,000			219363 DE5
May 1, 2030	675,000			219363 CV8	May 1, 2040	995,000			219363 DF2
May 1, 2031	705,000			219363 CW6	May 1, 2041	1,040,000			219363 DG0
May 1, 2032	740,000			219363 CX4	May 1, 2042	1,085,000			219363 DH8
May 1, 2033	765,000			219363 CY2	May 1, 2043	1,130,000			219363 DJ4

\$ _____ % 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 Bonds. Piper Sandler & Co., is serving as Municipal Advisor to the Issuer in connection with the issuance of the Bonds. It is expected that the Bonds in the definitive form will be available for delivery through the facilities of DTC on or about November 1, 2023. 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 _____, 2023

* Preliminary, subject to change

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

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

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

This Official Statement, including Appendix A, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "projected," "intend," "forecast", or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS TO DIFFER. THE ISSUER DOES NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

OFFICIAL STATEMENT
CORNING COMMUNITY SCHOOL DISTRICT, IOWA
\$15,000,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2023

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Corning Community School District, Iowa (the “Issuer”), in connection with the sale of the Issuer’s General Obligation School Bonds, Series 2023 (the “Bonds”). Proceeds of the Bonds, along with the remaining balance of voter-approved Bonds (to be issued in 2024 or 2025 will: i) provide funds to build, furnish, and equip an addition to the elementary school with related improvements, to remodel, improve, furnish, and equip the elementary school, and to improve the site, and ii) pay costs of issuance for the Bonds (the “Project”). See “**SOURCES AND USES OF FUNDS**” herein.

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

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

This Introductory Statement is only a brief description of the Bonds and certain other matters. Such description is qualified by reference to the entire 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 May 1 and December 1 in each year, beginning on May 1, 2024, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

Authorization for the Issuance

The Bonds are being issued pursuant to the Code of Iowa, 2023, as amended, (the “Iowa Code”) Chapter 296, and the bond resolution, expected to be adopted by the Issuer on October 16, 2023 (the “Bond Resolution” or “Resolution”). Voters in the Issuer authorized the issuance of not to exceed \$19,200,000 General Obligation School Bonds at the special election held on March 7, 2023.

* Preliminary, subject to change

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.

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

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

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

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

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

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

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

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

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

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

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

The Issuer cannot and does not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal of or interest and premium, if any, on the Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in the Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities 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 Indenture to be given to owners of Bonds; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (5) any consent given or other action taken by DTC as a Bondholder.

Transfer and Exchange

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

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

Prepayment

Optional Prepayment: The Bonds maturing after May 1, 2031, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Notice of Prepayment. Prior to the redemption of any Bonds under the provisions of the 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 and _____ in each of the years _____ through _____ at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date in the following principal amounts:

_____ Term Bond	
<u>Mandatory Sinking Fund Date</u>	<u>Principal Amount</u>
	\$
(maturity)	

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

If less than all of a maturity is called for redemption, the Issuer will direct the Registrar to 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 interest in such maturity to be redeemed. If DTC is no longer providing services with respect to the Bonds, the Registrar shall by random selection of the names of the registered owners of the entire annual maturity select the Bonds to be redeemed until the total amount of Bonds to be called has been reached. All prepayments shall be at a price of par plus accrued interest.

Source of Security for the Bonds

The Bonds are general obligations of the Issuer. Per Iowa Code section 76.2, prior to issuing general obligation debt the governing authority of an Iowa political subdivision shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution must be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full. Upon issuance of the Bonds, the Issuer will levy taxes for the years and in amounts sufficient to provide 100% of annual principal and interest due on the Bonds. If, however, the amount credited to the debt service fund for payment of the Bonds is insufficient to pay principal and interest, whether from transfers or from original levies, the Issuer must use funds in its treasury and is required to levy ad valorem taxes upon the taxable, real property within the boundaries 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, real property located within the boundaries of 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 located 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 Bond Resolution) may have to be enforced from year to year.

Changes in Property Taxation

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

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Such alterations could affect the Issuer’s financial condition and/or the property tax revenues available to pay the Bonds. Historically, the Iowa General Assembly has applied changes in property taxation structure on a prospective basis; however, there is no assurance that future changes in property taxation structure by the Iowa General Assembly will not be retroactive. It is impossible to predict the outcome of future property tax changes by the Iowa General Assembly or their potential impact on the Issuer’s financial position. As noted in “**THE BONDS - Source of Security for the Bonds,**” under Iowa Code section 76.2 the Issuer will by resolution provide for the assessment of an annual levy upon all the taxable, real property located within the boundaries of the Issuer sufficient to pay the interest and principal of the Bonds within a period named not exceeding twenty years.

Legislative Change Related to School Choice

The Legislature enacted and the Governor signed House File 68 (HF68) during its 2023 legislative session. HF68 establishes 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 non-public school tuition, textbooks, software, fees, curriculum materials, and other similar expenses. HF68 is effective on July 1, 2023, for fiscal year ending June 30, 2024 and expands eligibility for the program each year with all students attending a non-public school becoming eligible beginning in fiscal year ending June 30, 2026.

The annual amount per account in the Fund is determined by the State Cost Per Pupil (SCPP) for that fiscal year and changes each year based on the State Percent of Growth (SPG). For fiscal year ending 2024, the SCPP is \$7,598, which amount will be deposited into the Fund, instead of being sent to the Issuer, for each qualifying student within the Issuer attending a non-public school. HF68 provides that a District is funded in an amount of \$1,176 per student for resident pupils who attend a non-public school. According to the Department of Education, there were 2 students who reside within the boundaries of the Issuer but attended non-public schools for the 2022-23 school year. It is unknown how many additional students, if any, will attend non-public schools in future years as HF68 is implemented. If a significant number of eligible students in the Issuer transition to non-public schools, it could have an adverse impact on the Issuer’s finances given the reduction in per student funding the Issuer would otherwise receive. See “**THE BONDS – Source of Security for the Bonds**” herein.

Matters Relating to Enforceability of Agreements

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

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Bond Resolution. The remedies available to the owners of the Bonds upon an event of default under the Bond Resolution, in certain

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

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

Secondary Market

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

Pension

The Issuer contributes to the Iowa Public Employees' Retirement System ("IPERS"), which is a state-wide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the Issuer are required to participate in IPERS. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the Issuer being required to make annual contributions to IPERS. Contribution amounts are set by State statute. The IPERS Annual Comprehensive Financial Report for its fiscal year ended June 30, 2022 (the "IPERS ACFR"), indicates that as of June 30, 2022, the date of the most recent actuarial valuation for IPERS, the funded ratio of IPERS was 89.50%, and the unfunded actuarial liability was approximately \$4.616 billion. The IPERS ACFR identifies the IPERS Net Pension Liability at June 30, 2022, at approximately \$3.778 billion, while its net pension asset at June 30, 2021, was approximately \$345.2 million. 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 Financial Advisor, the Financial Advisor's Counsel 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, 2022, the Issuer's IPERS contribution totaled approximately \$348,431. 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, 2022, at approximately \$61,798. While the Issuer's contributions to IPERS are controlled by state law, there can be no assurance the Issuer will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the Issuer. See "**APPENDIX D — AUDITED FINANCIAL STATEMENTS OF THE ISSUER**" for additional information on pension and liabilities of the Issuer.

The Issuer operates a single-employer benefit plan, which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Individuals who are employed by the District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability. Retired participants must be age 55 or older at retirement. As of June 30, 2022, there were 64 active employees and 11 inactive employees or beneficiaries in the plan. For the fiscal year ended June 30, 2022, the unfunded actuarial accrued liability was \$790,551 and was determined by an actuarial valuation as of that date. See "**APPENDIX D — AUDITED FINANCIAL STATEMENTS OF THE ISSUER**" for additional information on OPEB obligations of the Issuer.

Bankruptcy and Insolvency

The rights and remedies provided in the Resolution may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditor's rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State of Iowa. The various opinions of counsel to be delivered

with respect to the Bonds and the Resolution, including the opinion of Bond Counsel, will be similarly qualified. If the Issuer were to file a petition under Chapter Nine of the Federal Bankruptcy Code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Resolution. In the event the Issuer fails to comply with its covenants under the Resolution or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

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

Tax Matters, No Bank Qualification and Loss of Tax Exemption

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

The Issuer 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 is 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.

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.

Damage or Destruction to Issuer's Facilities

Although the Issuer will be required to obtain and maintain certain kinds of insurance as set forth in the Resolution, there can be no assurance that the Issuer will not suffer uninsured losses in the event of damage to or destruction of the Issuer's facilities, due to fire or other calamity or in the event of other unforeseen circumstances.

Redemption Prior to Maturity

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."

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 financial condition.

Risks as Employer

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

Limitation or Delay of Remedies

There is no bond trustee or similar person to monitor or enforce the provisions of the Bond Resolution. The owners of the Bonds should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. In the event of a default in the payment of principal of or interest on the 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 Bond Resolution) may have to be enforced from year to year.

The remedies available to the owners of the Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds and the delivery of the Resolution will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Cleanup 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 site. However, there can be no assurance that an enforcement action or actions will not be instituted under such statutes at a 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 were to be initiated, a lien superior to the Bondholders' lien 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.

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 cyber-insurance policy. The Issuer cannot predict whether this policy will be sufficient in the event of a cyberattack.

Rating Loss

S&P Global Ratings a division of Standard and Poor's Financial Services LLC ("S&P") has assigned a rating of "A" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies

and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Rating agencies are currently not regulated by any regulatory body. Future regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Bonds.

Forward-Looking Statements

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

Proposed Federal Tax Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals 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.**”

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 issuance of the remainder of the General Obligation School Bonds authorized by voters in March 7, 2023 for issuance in calendar year 2024 or 2025, 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.

Financial Condition of the Issuer from time to time

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

Continuing Disclosure

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

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a 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.

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.

Potential Reorganization / Merger

The Issuer currently has a whole grade sharing agreement with the Villisca Community School District ("Villisca"). The Issuer sends its students in grades 6-8 to Villisca and Villisca sends its students in grades 9-12 to the Issuer. In 2019, the Issuer studied and discussed reorganization with Villisca. The Issuer has not taken the formal step of preparing a petition to initiate the reorganization process and does not have any current plan to do so

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 Issuer 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 these Bonds.

ACCOUNTANT

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

UNDERWRITING

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

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

stated on the cover page. The initial public offering prices of the Bonds may be changed, from time to time, by the Underwriter.

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

THE PROJECT

Proceeds of the Bonds, along with the remaining balance of voter-approved Bonds to be issued in 2024 or 2025 will i) provide funds to build, furnish, and equip an addition to the elementary school with related improvements, to remodel, improve, furnish, and equip the elementary school, and to improve the site, and ii) pay costs of issuance for the Bonds (the “Project”)

SOURCES AND USES OF FUNDS *

Sources of Funds		
	Bond Proceeds	\$15,000,000*
	Reoffering Premium	
Total Sources of Funds		\$
Uses of Funds		
	Deposit to Project fund	\$
	Costs of Issuance	
	Underwriter’s Discount	
Total Uses of Funds		\$

* Preliminary, subject to change

TAX EXEMPTION AND RELATED CONSIDERATIONS

Tax Exemption

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

Subject to the Issuer’s compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, the interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on certain corporations for tax years beginning after December 31, 2022.

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 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”).

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 the TCJA, as well as 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.

Bond Counsel Review

Bond Counsel has approved the language included in this "Tax Exemption and Related Considerations" Section but has not otherwise participated in the preparation of this Preliminary Official Statement and will not pass upon its accuracy, completeness or sufficiency. 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.

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).

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 information 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 "Continuing Disclosure Certificate" or 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, 2024, with the Municipal Securities Rulemaking Board, at its internet repository named "Electronic Municipal Market Access" ("EMMA"). The notices of events, if any, are also to be filed with EMMA. See "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE." The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the "Rule").

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

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

In accordance with the reporting requirements of paragraph (f)(3) of the Rule, for the five-year period beginning September 18, 2018 through September 18, 2023, inclusive, the Issuer believes it has complied with the Rule in all material respects.

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

MISCELLANEOUS

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

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

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

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

The District 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 District.

CORNING COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/ Jodi Lyddon
Board Secretary

APPENDIX A - INFORMATION ABOUT THE ISSUER

CORNING COMMUNITY SCHOOL DISTRICT, IOWA

DISTRICT OFFICIALS

PRESIDENT	Amy Grau
BOARD MEMBERS	Howard Anderson Adam Boswell Staci Venteicher Gwen Larsen
SUPERINTENDENT	Chris Fenster
DISTRICT SECRETARY	Jodi Lyddon
DISTRICT TREASURER	Jodi Lyddon
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 Corning Community School District is located in southwestern Iowa. Included within the District's 960 square miles are the cities of Corning and Carbon, the unincorporated communities of Brooks and Mount Etna and unincorporated portions of Adams and Taylor Counties. Corning, county seat of Adams County, services as the judicial and commercial center for the surrounding agricultural area. Transportation facilities are provided by U.S. Highway 34, Iowa Primary Highway 34 and an excellent network of paved county roads. In addition, Corning is also serviced by the main line of the Burlington Northern Santa Fe with AMTRAK passenger service in nearby Creston. Access to U.S. Interstates 80 and 35 are each approximately 35 minutes from Corning.

The Corning Community School District shares educational programming with the Villisca Community School District. Middle school students of both districts are educated at facilities in Villisca, and high school students of both districts are educated at facilities in Corning. While the shared education program uses the name Southwest Valley Community School District, each district operates as a separate entity with its own board of directors. The District plans to hold public meetings related to a reorganization/merger during the 2020-21 fiscal year. Reorganization must be approved by the voters. If approved, it is anticipated that the merger will be effective for the 2022-23 fiscal year.

District Facilities

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

<u>Building</u>	<u>Construction Date</u>	<u>Grades Served</u>
High School	1926	9-12
Elementary		PK-5

Source: the Issuer

Enrollment

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

<u>Count Date</u>	<u>Fiscal Year effective</u>	<u>Certified (Resident) (1)</u>	<u>Open Enroll In</u>	<u>Open Enroll Out</u>	<u>Total Served (2)</u>
October-22	2023-24	382.1	37.0	26.0	393.1
October-21	2022-23	412.4	25.0	23.0	414.4
October-20	2021-22	408.4	32.0	22.0	418.4
October-19	2020-21	405.6	27.0	31.0	401.6
October-18	2019-20	413.8	26.3	28.0	412.1

Source: Department of Education

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

Staff

Presented below is a list of the District's 80 employees.

Administrators:	3	Media Specialists:	1
Teachers:	38	Nurses:	1
Teacher Aids:	17	Guidance:	2
Custodians:	3	Secretaries:	3
Food Service:	5	Transportation:	5
Other:	1	Maintenance:	1

Source: the Issuer

Other Post-Employment Benefits (OPEB)

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

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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
<u>Active employees</u>	<u>64</u>
Total	75

Total OPEB Liability – The District’s total OPEB liability of \$790,551 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – the total OPEB liability in the June 30, 2022 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 6/30/22)	2.25%
Rates of salary increase (effective 6/30/22) including inflation	0.00%
Discount rate (effective 6/30/22) including inflation	3.69%
Healthcare cost trend rate (effective 6/30/22)	6.70% initial rate decreasing by 0.5% annually to an ultimate rate of 4.00%

Discount Rate – The discount rate used to measure the total OPEB liability was 3.69%, 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 mortality table fully generational using Scale MP-2017. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2022 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		\$958,459
Changes for the year		
	Service Cost	94,948
	Interest	19,547
	Change of Assumptions	(211,608)
	<u>Benefit Payments</u>	<u>(70,795)</u>
Net Changes		(167,908)
Net OPEB obligation – end of year		\$790,551

Source: the Issuer’s Independent Audited Financial Statement

Employee Pension Plan

Plan Description. Iowa Public Employees’ Retirement System (“IPERS”) membership is mandatory for employees of the Issuer. The Issuer’s employees are provided with pensions through a cost-sharing multiple employer defined pension plan administered by IPERS. IPERS benefits are established under Iowa Code, Chapter 97B and the administrative rules thereunder. The Issuer’s employee who completed seven years of covered service or has reached the age of 65 while in IPERS covered employment becomes vested. If the Issuer’s employee retires before normal retirement age, the employees’ monthly retirement benefit will be permanently reduced by an early-retirement reduction. IPERS provides pension benefits as well as disability benefits to Issuer employees and benefits to the employees’ beneficiaries upon the death of the eligible employee. See “**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS**” for additional information on IPERS.

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 actuarial contribution rates. As a result, while the contribution rate in the fiscal year ended June 30, 2019 equaled the actuarially required rate, there is no guarantee, due to this statutory limitation on rate increases, that the contribution rate will meet or exceed the actuarially required

rate in the future.

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

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

Table 1 – Issuer and Employees Contribution to IPERS.

Fiscal Year	Issuer Contribution		Issuer Employees' Contribution	
	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2018	308,823	8.93	205,766.95	5.95
2019	320,349	9.44	213,452.98	6.29
2020	336,603	9.44	224,283.35	6.29
2021	337,738	9.44	225,039.14	6.29
2022	348,431	9.44	232,164.37	6.29

SOURCE: The Issuer

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

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

Table 2 – Funding Status of IPERS

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) % [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
2018	31,827,755,864	32,314,588,595	38,642,833,653	6,815,077,789	82.36	6,328,245,058	83.62	7,983,219,527	79.27
2019	33,324,327,606	34,010,680,731	39,801,338,797	6,477,011,191	83.73	5,790,658,066	85.45	8,151,043,468	71.04
2020	34,485,656,745	34,047,692,112	41,072,427,540	6,586,770,795	83.96	7,024,735,428	82.90	8,391,856,350	78.49
2021	37,584,987,296	42,889,875,682	42,544,648,750	4,959,661,454	88.34	-345,226,932	100.81	8,648,783,536	57.35
2022	39,354,232,379	40,186,392,289	43,969,714,606	4,615,482,227	89.50	3,783,322,317	91.40	9,018,019,950	51.18

Source: IPERS Actuarial Reports

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

Table 3 – Recent returns of IPERS

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

Fiscal Year Ended June 30	Investment Return %
2018	7.97
2019	8.35
2020	3.39
2021	29.63
2022	-3.90

Net Pension Liabilities.

At June 30, 2022, the Issuer reported a liability of \$61,798 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2021 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. However, the information presented in such reports or on such website is not incorporated into this Official Statement by any reference.

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

Investment of Public Funds

The Issuer invests its funds pursuant to Chapter 12B of the Code. Presented below is the District's investing activities as of July 31, 2023.

<u>Type of Investment</u>	<u>Amount Invested</u>
Local Bank Money Market	\$0
Local Bank Deposit Accounts	676,954.23
Local Bank Time CD’s	0
ISJIT Money Market	3,197,445.77
Cash held Fiscal Agent	935,000.00

Source: the Issuer

Population

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

<u>Year</u>	
2020	1,564
2010	1,635
2000	1,783
1990	1,806
1980	1,939
1970	2,095

Total District population is estimated to be 2,750.

Source: U.S. Census Bureau

Major Employers

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

<u>Employer</u>	<u>Business</u>	<u>Approximate Employees</u>
CHI Health Mercy	Healthcare	100-249
Corning Specialty Care	Nursing home	50-99
Corning CSD	Education	50-99
Adams Co Speedway	Race track	20-49
POET Biorefining	Ethanol	20-49
Hy-Vee	Grocery store	20-49
Godfathers Pizza	Restaurant	20-49
Casey's General Store	Convenience store	20-49
Feeders Grain & Supply	Feed dealers	20-49
Precision Pulley	Pulley manufacturer	20-49
Happy Hollow Country Club	Golf course	10-19
Comerstone Commercial Construction	General Contractor	10-19
EOHCO Concrete, LLC	Concrete contractor	10-19
Southern Hills Vet Services	Animal Hospital	10-19
Southwest Iowa REC	Electric company	10-19
Real Deals	Home Décor	5-9
Choice	Mental Health Residential Placement Agency	5-9

Source: Iowa Workforce Development/employer database

Property Tax Assessment

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

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

<u>Fiscal Year</u>	<u>Residential</u>	<u>Ag. Land & Bldgs</u>	<u>Commercial</u>	<u>Sm Commercial</u>	<u>Multi-residential</u>	<u>Railroad</u>	<u>Sm Railroad</u>	<u>Utilities</u>	<u>Industrial</u>
2023-24	54.6501	91.6430	90.0000	54.6501	NA	90.0000	54.6501	100.0000	90.0000
2022-23	54.1302	89.0412	90.0000	90.0000	63.7500	90.0000	90.0000	100.0000	90.0000
2021-22	56.4094	84.0305	90.0000	90.0000	67.5000	90.0000	90.0000	98.5489	90.0000
2020-21	55.0743	81.4832	90.0000	90.0000	71.2500	90.0000	90.0000	100.0000	90.0000
2019-20	55.6209	54.4480	90.0000	90.0000	75.0000	90.0000	90.0000	100.0000	90.0000

Source: Iowa Department of Revenue

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2021 are used to calculate tax liability for the tax year starting July 1, 2022 through June 30, 2023. Presented below are the historic property valuations of the Issuer by class of property.

Property Valuations

Actual Valuation					
Valuation as of January	2022	2021	2020	2019	2018
<u>Fiscal Year</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Residential:	136,725,071	111,559,920	99,953,037	99,077,012	96,939,555
Agricultural Land:	138,138,200	138,060,930	148,464,040	148,438,150	198,877,279
Ag Buildings:	12,115,490	9,676,200	11,080,720	12,049,465	13,875,541
Commercial:	15,296,929	11,276,840	11,260,826	12,079,709	11,715,302
Industrial:	95,080,000	84,494,467	75,805,527	47,798,813	39,083,270
Multiresidential:	0	870,196	871,876	518,446	547,810
Personal RE:	0	0	0	0	0
Railroads:	14,802,145	13,495,681	13,269,563	12,517,276	11,397,559
Utilities:	6,702,408	7,740,439	7,565,237	7,875,460	7,190,893
Other:	0	0	0	0	0
Total Valuation:	418,860,243	377,174,673	368,270,826	340,354,331	379,627,209
Less Military:	275,408	288,912	307,432	328,026	340,768
Net Valuation:	418,584,835	376,885,761	367,963,394	340,026,305	379,286,441
TIF Valuation:	1,763,500	1,452,800	0	19,432,926	17,685,900
Utility Replacement:	33,442,729	27,417,001	27,567,172	28,332,154	28,741,881
Taxable Valuation					
Valuation as of January	2022	2021	2020	2019	2018
<u>Fiscal Year</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Residential:	74,720,439	60,387,636	56,382,934	54,565,945	55,176,070
Agricultural Land:	126,593,997	122,931,146	124,755,096	120,952,135	111,634,574
Ag Buildings:	11,103,014	8,615,777	9,311,170	9,818,279	7,788,682
Commercial:	9,510,729	10,090,758	10,134,755	10,871,750	10,543,790
Industrial:	84,162,705	76,045,021	68,224,975	42,938,858	35,094,861
Multiresidential:	0	554,753	588,521	369,395	410,864
Personal RE:	0	0	0	0	0
Railroads:	13,293,904	12,146,113	11,942,607	11,265,548	10,257,805
Utilities:	6,702,408	7,740,439	7,455,457	7,875,460	7,190,893
Other:	0	0	0	0	0
Total Valuation:	326,087,196	298,511,643	288,795,515	258,657,370	238,097,539
Less Military:	275,408	288,912	307,432	328,026	340,768
Net Valuation:	325,811,788	298,222,731	288,488,083	258,329,344	237,756,771
TIF Valuation:	1,592,535	1,365,930	0	17,569,710	15,997,387
Utility Replacement:	10,250,552	10,543,465	10,125,336	11,070,066	11,746,294

Valuation	Fiscal	Actual	% Change in	Taxable	% Change in
<u>Year</u>	<u>Year</u>	<u>Valuation</u>	<u>Actual</u>	<u>Valuation</u>	<u>Taxable</u>
		<u>w/Utilities</u>	<u>Valuation</u>	<u>w/Utilities</u>	<u>Valuation</u>
2022	2024	453,791,064	11.84%	337,654,875	8.87%
2021	2023	405,755,562	2.59%	310,132,126	3.86%
2020	2022	395,530,566	2.00%	298,613,419	4.06%
2019	2021	387,791,385	-8.91%	286,969,120	8.09%
2018	2020	425,714,222	4.54%	265,500,452	7.62%

Source: Iowa Department of Management

Tax Rates

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

Fiscal	Operating	Management	Board	Voter	Play	Debt	School	Total
<u>Year</u>	<u>Fund</u>	<u>Fund</u>	<u>PPEL</u>	<u>PPEL</u>	<u>Ground</u>	<u>Service</u>	<u>House</u>	<u>Levy</u>
2024	7.43744	0.41659	0.33000	0.67000	0.00000	4.05000	0.00000	12.90403
2023	7.94753	1.29548	0.33000	0.67000	0.00000	2.70000	0.00000	12.94301
2022	8.47881	1.50697	0.33000	0.67000	0.00000	2.68508	0.00000	13.67086
2021	9.58074	2.19006	0.33000	0.67000	0.00000	2.21683	0.00000	14.98763
2020	11.74760	1.06011	0.33000	0.67000	0.00000	1.62825	0.00000	15.43596

Source: Iowa Department of Management

Historic Tax Rates

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Total Levy Rate
2024	18.18150	12.90403	0.97447	0.00180	0.57595	0.30000	0.00000	7.59710	40.53485
2023	18.70341	12.94301	0.91729	0.00240	0.58844	0.30000	0.00000	7.67659	41.13114
2022	19.11671	13.67086	0.90791	0.00260	0.66747	0.30000	0.00000	7.88677	42.55232
2021	19.47492	14.98763	0.89730	0.00270	0.66875	0.30000	0.00000	8.10544	44.43674
2020	17.71445	15.43596	0.89752	0.00280	0.66901	0.30000	0.00000	7.90886	42.92860

Source: Iowa Department of Management

Tax Collection History

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

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2024	\$4,407,657	In collection	N/A
2023	4,002,477	In collection	N/A
2022	4,082,301	\$4,096,084	100.34%
2021	4,098,274	4,244,595	103.57%
2020	3,898,341	4,079,359	104.64%
2019	3,597,071	3,604,715	100.21%
2018	3,324,348	3,350,792	100.80%

Source: the Issuer

Largest Taxpayers

Set forth in the following table are the persons or entities which represent the 2022 largest taxpayers within the Issuer, as provided by the Auditors Offices of each of said counties. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District. The District’s tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the District from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.

Taxpayer	2022 Taxable Valuation	Percent of Total
Midamerican Energy Co	\$71,742,331	21.25%
POET Biorefining - Corning LLC	17,360,715	5.14%
Burlington Northern R R	13,293,904	3.94%
Natural Gas Pipeline Of Amer	6,702,408	1.98%
NFP of Iowa, LLP	3,869,076	1.15%
Precision Inc	3,208,275	0.95%
Kiburz, Kent	2,423,724	0.72%
Central Iowa Power Coop	1,805,786	0.53%
Morales, Rodolfo \$ Sally Dee	1,728,781	0.51%
Corning Hotel LLC	1,592,535	0.47%
Total		36.64%

Source: County Auditor’s Office

(1) Utility Property Tax Replacement

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

State.

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

Direct Debt

General Obligation School Bonds (Debt Service)

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

<u>Fiscal Year</u>	<u>Remaining 5/1/20</u>	<u>11/1/23</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total P&I</u>
2024	305,000	675,000	980,000	385,885	1,365,885
2025	310,000	230,000	540,000	639,493	1,179,493
2026	315,000	240,000	555,000	622,368	1,177,368
2027	325,000	275,000	600,000	585,968	1,185,968
2028	55,000	565,000	620,000	566,405	1,186,405
2029	0	645,000	645,000	538,468	1,183,468
2030	0	675,000	675,000	507,830	1,182,830
2031	0	705,000	705,000	475,768	1,180,768
2032	0	740,000	740,000	442,280	1,182,280
2033	0	765,000	765,000	416,380	1,181,380
2034	0	795,000	795,000	388,840	1,183,840
2035	0	820,000	820,000	359,425	1,179,425
2036	0	855,000	855,000	328,265	1,183,265
2037	0	885,000	885,000	295,775	1,180,775
2038	0	920,000	920,000	261,260	1,181,260
2039	0	960,000	960,000	224,460	1,184,460
2040	0	995,000	995,000	185,100	1,180,100
2041	0	1,040,000	1,040,000	143,310	1,183,310
2042	0	1,085,000	1,085,000	98,590	1,183,590
2043	0	1,130,000	1,130,000	50,850	1,180,850
Totals:	1,310,000	15,000,000	16,310,000	7,516,717	23,826,717

Source: the Issuer

General Obligation School Capital Loan Notes (PPEL)

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

Anticipatory Warrants

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

School Infrastructure Sales, Services & Use Tax Revenue Bonds

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

<u>Fiscal Year</u>	<u>4/30/20</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total P&I</u>
2024	107,000	107,000	12,533	119,533
2025	109,000	109,000	10,125	119,125
2026	111,000	111,000	7,673	118,673
2027	114,000	114,000	5,175	119,175
2028	116,000	116,000	2,610	118,610
Totals:	557,000	557,000	38,115	595,115

Source: the Issuer

Debt Limit

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

1/1/2022 Actual Valuation:	\$453,791,064
X	0.05
<hr/>	
Statutory Debt Limit:	22,689,553
Total General Obligation Debt:	16,310,000
Total Lease Purchases:	
Total Loan Agreements:	
Capital Leases:	11,884
<hr/>	
Total Debt Subject to Limit:	16,321,884
Percentage of Debt Limit Obligated:	71.93%

The constitutional debt limit calculation does not include the District's Sales Tax Revenue Bonds. If the District's Sales Tax Revenue Bonds are included in the constitutional debt limit calculation, the "Total Debt Subject to Limit" would increase \$557,000 to be \$16,878,884 or 74.39% of the statutory debt limit.

Source: Iowa Department of Management

(1) Utility Property Tax Replacement

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

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

Overlapping & Underlying Debt

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

<u>Taxing Authority</u>	<u>Outstanding Debt</u>	<u>2022 Taxable Valuation</u>	<u>Taxable Value Within Issuer</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
CITY OF CORNING	\$614,948	\$42,010,799	\$42,010,799	100.00%	\$614,948
CITY OF CARBON	0	860,318	860,318	100.00%	0
ADAMS COUNTY	1,930,000	506,491,791	318,584,204	62.90%	1,213,973
TAYLOR COUNTY	1,610,000	431,544,927	19,070,671	4.42%	71,149
SOUTHWESTERN CC	3,945,000	4,053,936,170	337,654,875	8.33%	328,582
Green Hills AEA	0	16,190,078,544	337,654,875	2.09%	0

Total Overlapping & Underlying Debt: \$2,228,651

Source: Iowa Department of Management

Financial Summary

Actual Value of Property, 2022:	\$453,791,064
Taxable Value of Property, 2022:	337,654,875
Direct General Obligation Debt:	\$16,310,000
Overlapping Debt:	2,228,651
Direct & Overlapping General Obligation Debt:	\$18,538,651
Population, 2020 US Census:	2,750
Direct Debt per Capita:	\$5,930.91
Total Debt per Capita:	\$6,741.33
Direct Debt to Taxable Valuation:	4.83%
Total Debt to Taxable Valuation:	5.49%
Direct Debt to Actual Valuation:	3.59%
Total Debt to Actual Valuation:	4.17%
Actual Valuation per Capita:	\$165,015
Taxable Valuation per Capita:	\$122,784

Source: Iowa Department of Management

APPENDIX B – FORM OF LEGAL OPINION

DRAFT

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Directors of the Coming Community School District in the Counties of Adams and Taylor, State of Iowa, and acts of administrative officers of the School District (the "Issuer"), relating to the issuance of General Obligation School Bonds, Series 2023, 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 and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, 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 included 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 hereafter come to our attention, or any changes in law that may hereafter 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 Corning Community School District, State of Iowa (the "Issuer"), in connection with the issuance of \$ _____ General Obligation School Bonds, Series 2023 (the "Bonds") dated the date of delivery. The Bonds are being issued pursuant to a Resolution of the Issuer approved on October 16, 2023 (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 _____, 2023.

"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 of each year following the close of the Issuer's fiscal year (presently June 30th), commencing with information for the 2024 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.

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.

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, 2023 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

CORNING COMMUNITY SCHOOL
DISTRICT, STATE OF IOWA

By: _____
President of the Board of Directors

ATTEST:

By: _____
Secretary of the Board of Directors

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE
TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: Corning Community School District, Iowa.

Name of Bond Issue: \$ _____ General Obligation School Bonds, Series 2023

Dated Date of Issue: 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__.

CORNING COMMUNITY SCHOOL
DISTRICT, STATE OF IOWA

By: _____
Its: _____

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER

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

This Appendix contains the entire 2022 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, which can be found at the following link <https://www.auditor.iowa.gov/reports/audit-reports>

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CORNING COMMUNITY SCHOOL DISTRICT

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

June 30, 2022

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**Corning Community School District
Board Of Education and School District Officials
Year Ended June 30, 2022**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Gwen Larsen	President	2023
Amy Grau	Vice President	2023
Howard Anderson	Board Member	2025
James Houck	Board Member	2025
Staci Venteicher	Board Member	2025
School District Officials		
Chris Fenster	Superintendent	2022
Jodi Lyddon	District Secretary/Treasurer	2022
Ahlers & Cooney, PC	Attorney	Indefinite



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Van Maanen, Sietstra, Meyer & Nikkel, PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Corning Community School District, Corning Iowa, as of and for the year ended June 30, 2022, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the major respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Corning Community School District as of June 30, 2022 and the respective changes in financial position, and, where applicable, cash flows thereof for the year ended in accordance with U.S. general accepted accounting principles.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 14 to the financial statements, Corning Community School District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, Leases. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability (Asset), the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 5 through 13 and 40 through 45 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Corning Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2021, (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 8, including the Schedule of Expenditures of Federal Awards by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost of Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted by the United States of America. In our opinion, the supplementary information in Schedules 1 through 8 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Governmental Auditing Standards, we have also issued our report dated January 13, 2023, on our consideration of the Corning 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 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 Corning Community School District's internal control over financial reporting and compliance.

Van Maanen, Sietstra, Meyer & Nikkel PC

Van Maanen, Sietstra, Meyer & Nikkel, PC
Certified Public Accountants

January 13, 2023

Corning 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, 2022. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

Financial Highlights

- General Fund revenues decreased from \$7,515,833 in fiscal 2021 to \$7,145,876 in fiscal 2022, while General Fund expenditures increased from \$6,912,995 in fiscal 2021 to \$6,982,419 in fiscal 2022. This resulted in an increase in the District's General Fund balance from \$1,772,130 in fiscal 2021 to \$1,947,387 in fiscal 2022, a 9.9 percent increase from the prior year.
- The decrease in General Fund revenues was mostly attributable to American Rescue Plan Act funding and reduced cash reserve levy.
- Overall, the District's net position in the governmental activities increased by \$2,216,000 and increased by \$8,000 in the business-type activities.

Overview of the Financial Statements

This report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *Government-wide Financial Statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *Fund Financial Statements* that focus on individual parts of the District, reporting the District's operations in more detail than the Government-wide statements.
- The statements for *governmental funds* explain how basic services, such as regular and special education, were financed in the short term as well as what remains for future spending.
- The statements for *proprietary funds* offer short-term and long-term financial information about the activities the District operates like businesses, such as food services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

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

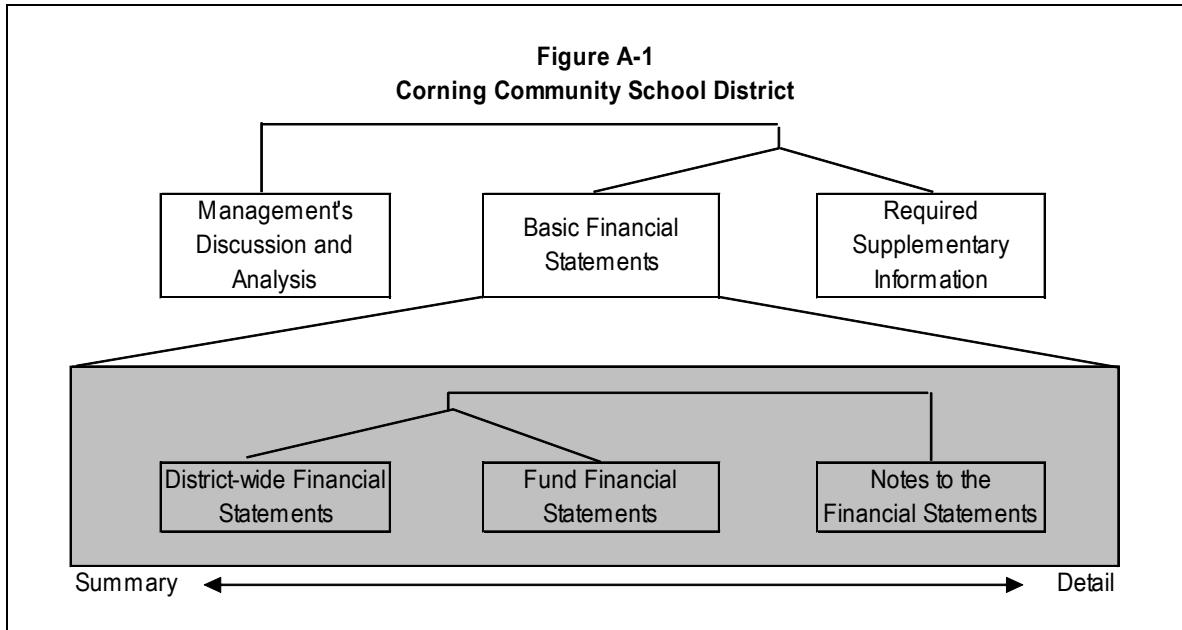


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2 Major Features of the District-Wide and Fund Financial Statements				
	District-wide	Fund Statements		
	Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: · food services	Instances in which the district administers resources on behalf of someone else, such as scholarship programs
Required financial statements	· Statement of Net Position · Statement of activities	· Balance sheet · Statement of revenues, expenditures, and changes in fund balances	· Statement of Net Position · Statement of revenues, expenses and changes in Net Position · Statement of cash flows	· Statement of fiduciary Net Position · Statement of changes in fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of deferred outflow / inflow information	Consumption / acquisition of net position that is applicable to a future reporting period	Consumption / acquisition of fund balance that is applicable to a future reporting period	Consumption / acquisition of net position that is applicable to a future reporting period	Consumption / acquisition of net position that is applicable to a future reporting period
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Government-wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflow of resources, liabilities and deferred inflow 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.

**Corning Community School District
Management's Discussion and Analysis
Year ended June 30, 2022**

The two District-wide 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 position.

- Over time, increases or decreases in the District's net position is an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental fund statements explains the relationship or differences between the two statements.
 - The District's governmental funds include the General Fund, Capital Projects Fund, Special Revenue Funds, and Debt Service Fund.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements.
 - The District's enterprise fund, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District currently has two enterprise funds, the School Nutrition Fund and Early Childhood Education Center Fund.

Government-Wide Financial Analysis

Net assets - Figure A-3 below provides a summary of the District's net position at June 30, 2021 compared to June 30, 2022.

Figure A-3
Condensed Statement of Net Position
(Expressed in Thousands)

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2022	2021	2022	2021	2022	2021	2021-2022
Current and other assets	\$ 9,529	8,555	256	148	9,785	8,703	12.4%
Capital assets	10,030	10,050	7	10	10,037	10,060	-0.2%
Total assets	19,559	18,605	263	158	19,822	18,763	5.6%
Deferred outflows of resources	743	955	58	52	801	1,007	-
Long-term liabilities	4,120	7,675	91	182	4,211	7,857	-46.4%
Other liabilities	1,180	1,100	23	15	1,203	1,115	7.9%
Total liabilities	5,300	8,775	114	197	5,414	8,972	-39.7%
Deferred inflows of resources	6,659	4,657	196	9	6,855	4,666	46.9%
Net Position:							
Invested in capital assets, net of related debt	6,769	6,411	7	10	6,776	6,421	5.5%
Restricted	2,277	1,464	-	-	2,277	1,464	55.5%
Unrestricted	(703)	(1,747)	4	(6)	(699)	(1,753)	-60.1%
Total Net Position	\$ 8,343	6,128	11	4	8,354	6,132	36.2%

**Corning Community School District
Management's Discussion and Analysis
Year ended June 30, 2022**

Changes in net assets – Figure A-4 shows the changes in net position for the year ended June 30, 2022 compared to the year ended June 30, 2021.

Figure A-4 Changes in Net Position (Expressed in Thousands)							
	Governmental Activities		Business Type Activities		Total District		Total Change
	Year ended June 30,		Year ended June 30,		Year ended June 30,		June 30,
	2022	2021	2022	2021	2022	2021	2021-2022
Revenues:							
Program revenues:							
Charges for service	\$ 1,402	\$ 1,284	186	162	1,588	1,446	9.8%
Operating grants, contributions and restricted interest	1,147	1,717	461	369	1,608	2,086	-22.9%
General revenues:							
Property tax	4,265	4,408	-	-	4,265	4,408	-3.2%
Statewide sales, service and use tax	492	405	-	-	492	405	21.5%
Unrestricted state grants	1,671	1,730	-	-	1,671	1,730	-3.4%
Unrestricted investment earnings	4	-	-	-	4	-	-
American rescue plan act	318	-	-	-	318	-	-
Other	57	127	5	4	62	131	-52.7%
Total revenues	9,356	9,671	652	535	10,008	10,206	-1.9%
Program expenses:							
Governmental activities:							
Instruction	4,233	4,999	-	-	4,233	4,999	-15.3%
Support services	2,371	2,702	-	-	2,371	2,702	-12.3%
Non-instructional programs	1	-	644	440	645	440	46.6%
Other expenses	535	402	-	-	535	402	33.1%
Total expenses	7,140	8,103	644	440	7,784	8,543	-8.9%
Transfers in (out)	-	(17)	-	17	-	-	
Change in net position	2,216	1,551	8	112	2,224	1,663	33.7%
Net position beginning of year, as restated	6,127	4,576	3	(109)	6,130	4,467	37.2%
Net position end of year	\$ 8,343	\$ 6,127	11	3	8,354	6,130	36.3%

Property tax and unrestricted state grants account for 59.3 percent of the total revenue. The District's expenses primarily relate to instruction and support services, which account for 84.8 percent of the total expenses.

Governmental Activities

Revenues for governmental activities were \$9,356,000 and expenses were \$7,140,000.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses, for the year ended June 30, 2022 compared to the year ended June 30, 2021.

Figure A-5
Total and Net Cost of Governmental Activities
(Expressed in Thousands)

	Total Cost of Services		Change 2021- 2022	Net Cost of Services		Change 2021- 2022
	2022	2021		2022	2021	
Instruction	\$ 4,233	\$ 4,999	-15.3%	2,154	2,546	-15.4%
Support services	2,371	2,702	-12.3%	2,093	2,343	-10.7%
Non-instructional programs	1	-	-	1	-	-
Other expenses	535	402	33.1%	344	213	61.5%
Totals	\$ 7,140	\$ 8,103	-11.9%	4,592	5,102	-10.0%

For the year ended June 30, 2022:

- The cost financed by users of the District's programs was \$1,401,439.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$1,146,723.
- The net cost of governmental activities was financed with \$4,265,378 in property tax, \$491,460 in local option sales and service tax, \$1,670,887 in state foundation aid, \$3,390 in interest income, \$318,359 in American Rescue Plan Act, and \$57,542 in other general revenues.

Business Type Activities

Revenues of the District's business-type activities during the year ended June 30, 2022, were \$651,848 and expenses were \$644,227. The District's business-type activities include the School Nutrition Fund and Early Child Education Center. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

Individual Fund Analysis

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

As the District completed the year, its governmental funds reported combined fund balances of \$4,202,212, above last year's ending fund balances of \$3,188,600. The primary reason for the increase in combined fund balances in fiscal 2021 was due to increase in property tax through cash reserve levy.

Governmental Fund Highlights

- The General Fund balance increased from \$1,772,130 to \$1,947,387. The District's increasing General Fund financial position is the product of many factors. The district increase in general fund revenues was due to cash reserve levy and American Rescue Plan Act.
- The Debt Service Fund balance increased from \$187,900 in fiscal year 2021 to \$684,397 in fiscal 2022.
- The Physical Plant and Equipment Levy (PPEL) Fund balance decreased from \$42,358 in fiscal 2021 to \$5,231 in fiscal 2022.
- The Statewide Sales, Services and Use Tax balance increased from \$517,788 in fiscal 2021 to \$651,821 in fiscal 2022.

**Corning Community School District
Management's Discussion and Analysis
Year ended June 30, 2022**

- The Management Fund balance increased from \$583,242 in fiscal year 2021 to \$818,022 in fiscal 2022.
- The Activity Fund balance increased from \$85,182 in fiscal year 2021 to \$95,354 in fiscal 2022.

Proprietary Fund Highlights

The School Nutrition Fund net position increased from \$3,346 in fiscal 2021 to \$10,967 in fiscal 2022, representing an increase of 69.4%.

Budgetary Highlights

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

Legal Budgetary Highlights

The District's total actual receipts were \$676,789 more than the total budgeted receipts, a variance of 6.7%.

Total expenditures were less than budgeted due primarily to the District's budget for the General Fund. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed the actual expenditures during the year.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2021, the District had invested \$10,082,895, as restated, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) More detailed information about capital assets is available in Note 4 to the financial statements. Depreciation expense for the year was \$564,121.

The original cost of the District's capital assets were \$16,751,382. Governmental funds account for \$16,587,751 with the remainder of \$163,631 in the Proprietary, School Nutrition Fund.

**Figure A-6
Capital Assets, net of Depreciation
(Expressed in Thousands)**

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2022	2021, as restated	2022	2021	2022	2021, as restated	2021-2022
Land	\$ 194	\$ 194	-	-	194	194	0.0%
Construction in progress	-	-	-	-	-	-	-
Buildings	7,657	7,873	-	-	7,657	7,873	-2.7%
Improvements other than buildings	785	786	-	-	785	786	-0.1%
Furniture and equipment	1,371	1,197	7	10	1,378	1,207	14.2%
Right-to-use	22	32	-	-	22	32	-31.3%
Totals	\$ 10,029	\$ 10,082	7	10	10,036	10,092	-0.6%

Long-Term Debt

At June 30, 2022, the District had \$2,545,000 in general obligation bonds, \$661,000 in revenue bonds and \$53,000 for an early-retirement plan. This represents a decrease of approximately 47% from last year, including the pension and OPEB liability. More detailed information about the District's long-term liabilities is available in Note 5 to the financial statements.

Figure A-7			
Outstanding Long-Term Obligations			
(Expressed in Thousands)			
	Total District		Total Change
	June 30,		June 30,
	2022	2021, as restated	2021-2022
General obligation bonds	\$ 2,545	2,840	-10.4%
General obligation bonds discount	(9)	(11)	-18.2%
General obligation bonds premium	41	47	-12.8%
Revenue bonds	661	763	-13.4%
Early retirement	53	104	-49.0%
Lease obligation	23	33	-30.3%
Net pension liability	62	3,156	-98.0%
Net OPEB liability	791	958	-17.4%
Totals	<u>\$ 4,167</u>	<u>7,890</u>	<u>-47.2%</u>

Economic Factors Bearing on the District's Future

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

- Historically, the District has entered into annual contracts with its collective bargaining unit. Settlements in excess of new money or allowable growth in state funding will have an adverse effect on the District's General Fund budget and related fund balance. Corresponding cost reductions will be made to offset the cost of negotiated settlements and other cost increases.
- Increased health insurance cost, transportation costs, and decrease in state aid due to decreased enrollment have and will continue to impact the District.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jodi Lyddon, District Secretary/Treasurer and Business Manager, Corning Community School District, PO Box 229, Corning, Iowa, 50841.

Basic Financial Statements

Corning Community School District
Statement of Net Position
June 30, 2022

	Governmental Activities	Business Type Activities	Total
Assets			
Cash, cash equivalents and pooled investments	\$ 4,587,990	227,652	4,815,642
Receivables:			
Property tax:			
Delinquent	48,565	-	48,565
Succeeding year	4,002,477	-	4,002,477
Income surtax	140,318	-	140,318
Accounts	329	23,335	23,664
Due from other governments	750,182	-	750,182
Inventories	-	4,815	4,815
Right to Use, net of accumulated amortization	21,839	-	21,839
Capital assets, net of accumulated depreciation	10,007,533	7,371	10,014,904
Total assets	19,559,233	263,173	19,822,406
Deferred Outflow of Resources			
Pension related deferred outflows	742,334	57,705	800,039
Liabilities			
Accounts payable	664,910	7,033	671,943
Salaries and benefits payable	507,165	16,033	523,198
Accrued interest payable	8,483	-	8,483
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	304,457	-	304,457
Revenue bonds	104,000	-	104,000
Early retirement	22,607	15,071	37,678
Lease Liability	11,261	-	11,261
Portion due after one year:			
Net OPEB liability	748,943	41,608	790,551
Net pension liability	57,341	4,457	61,798
General obligation bonds	2,271,742	-	2,271,742
Revenue bonds	557,000	-	557,000
Early retirement	30,142	30,142	60,284
Lease Liability	11,662	-	11,662
Total liabilities	5,299,713	114,344	5,414,057
Deferred Inflows of Resources			
Unavailable property tax revenue	4,002,477	-	4,002,477
Unavailable income surtax revenue	140,318	-	140,318
Pension related deferred inflows	2,515,802	195,567	2,711,369
Total deferred inflows of resources	6,658,597	195,567	6,854,164
Net Position			
Net investment in capital assets	6,769,249	7,371	6,776,620
Restricted for:			
Categorical funding	18,189	-	18,189
Internal service	12,779	-	12,779
Management levy purposes	818,022	-	818,022
Physical plant and equipment levy	5,231	-	5,231
Capital projects	651,821	-	651,821
Student activities	95,354	-	95,354
Debt service	675,914	-	675,914
Unrestricted	(703,302)	3,596	(699,706)
Total net position	\$ 8,343,257	10,967	8,354,224

See notes to financial statements.

**Corning Community School District
Statement of Activities
Year ended June 30, 2022**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	
Governmental activities:						
Instruction:						
Regular	\$ 2,796,827	833,560	668,896	(1,294,371)	-	(1,294,371)
Special	839,672	236,223	155,199	(448,250)	-	(448,250)
Other	596,526	185,377	139	(411,010)	-	(411,010)
	<u>4,233,025</u>	<u>1,255,160</u>	<u>824,234</u>	<u>(2,153,631)</u>	<u>-</u>	<u>(2,153,631)</u>
Support Service:						
Student	85,909	-	-	(85,909)	-	(85,909)
Instructional staff	411,121	-	-	(411,121)	-	(411,121)
Administration	627,139	-	-	(627,139)	-	(627,139)
Operating and maintenance of plant	549,575	-	-	(549,575)	-	(549,575)
Transportation	697,332	146,279	132,226	(418,827)	-	(418,827)
	<u>2,371,076</u>	<u>146,279</u>	<u>132,226</u>	<u>(2,092,571)</u>	<u>-</u>	<u>(2,092,571)</u>
Non-instructional programs	683			(683)		(683)
Other expenditures:						
Facilities acquisition	273,029	-	-	(273,029)	-	(273,029)
Long-term debt interest	60,353	-	-	(60,353)	-	(60,353)
AEA flowthrough	190,263	-	190,263	-	-	-
Amortization	10,919			(10,919)		
	<u>534,564</u>	<u>-</u>	<u>190,263</u>	<u>(344,301)</u>	<u>-</u>	<u>(344,301)</u>
Total governmental activities	<u>7,139,348</u>	<u>1,401,439</u>	<u>1,146,723</u>	<u>(4,591,186)</u>	<u>-</u>	<u>(4,591,186)</u>
Business type activities:						
Non-instructional programs:						
Food service operations	319,801	41,798	320,941	-	42,938	42,938
Child care service operations	324,426	144,023	139,835	-	(40,568)	(40,568)
	<u>644,227</u>	<u>185,821</u>	<u>460,776</u>	<u>-</u>	<u>2,370</u>	<u>2,370</u>
Total primary government	<u>\$ 7,783,575</u>	<u>1,587,260</u>	<u>1,607,499</u>	<u>(4,591,186)</u>	<u>2,370</u>	<u>(4,588,816)</u>
Totals continued from previous pages	<u>\$ 7,783,575</u>	<u>1,587,260</u>	<u>1,607,499</u>	<u>(4,591,186)</u>	<u>2,370</u>	<u>(4,588,816)</u>
General Revenues:						
Property tax levied for:						
General purposes				3,162,120	-	3,162,120
Debt service				803,873	-	803,873
Capital outlay				299,385	-	299,385
Statewide sales, services and use tax				491,460	-	491,460
Unrestricted state grants				1,670,887	-	1,670,887
Unrestricted investment earnings				3,390	-	3,390
American rescue plan act				318,359	-	318,359
Other				95,661	-	95,661
Contributions not restricted to specific programs				21,391	5,251	26,642
Loss on sale of assets				(59,510)	-	(59,510)
Total general revenues				<u>6,807,016</u>	<u>5,251</u>	<u>6,812,267</u>
Change in net position				2,215,830	7,621	2,223,451
Net position beginning of year, as restated				6,127,427	3,346	6,130,773
Net position end of year				<u>\$ 8,343,257</u>	<u>10,967</u>	<u>8,354,224</u>

See notes to financial statements.

**Corning Community School District
Balance Sheet
Governmental Funds
June 30, 2022**

	General	Debt Service	Capital Projects	Management Levy	Non-major Student Activity	Total
Assets						
Cash, cash equivalents and pooled investments	\$ 2,352,153	674,858	636,166	812,892	99,142	4,575,211
Receivables:						
Property tax:						
Delinquent	30,121	9,539	3,552	5,353	-	48,565
Succeeding year	2,454,987	837,357	310,133	400,000	-	4,002,477
Income surtax	140,318	-	-	-	-	140,318
Accounts	119	-	-	-	210	329
Due from other governments	715,657	-	34,526	-	-	750,183
Total assets	\$ 5,693,355	1,521,754	984,377	1,218,245	99,352	9,517,083
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 643,498	-	17,192	223	3,998	664,911
Salaries and benefits payable	507,165	-	-	-	-	507,165
Total liabilities	1,150,663	-	17,192	223	3,998	1,172,076
Deferred inflows of resources:						
Unavailable revenues:						
Succeeding year property tax	2,454,987	837,357	310,133	400,000	-	4,002,477
Income surtax	140,318	-	-	-	-	140,318
Total deferred inflows of resources	2,595,305	837,357	310,133	400,000	-	4,142,795
Fund balances:						
Restricted for:						
Categorical funding	18,189	-	-	-	-	18,189
Debt service	-	684,397	-	-	-	684,397
Management levy purposes	-	-	-	818,022	-	818,022
Student activities	-	-	-	-	95,354	95,354
School infrastructure	-	-	651,821	-	-	651,821
Physical plant and equipment	-	-	5,231	-	-	5,231
Unassigned	1,929,198	-	-	-	-	1,929,198
Total fund balances	1,947,387	684,397	657,052	818,022	95,354	4,202,212
Total liabilities, deferred inflows of resources and fund balances	\$ 5,693,355	1,521,754	984,377	1,218,245	99,352	9,517,083

See notes to financial statements.

Exhibit D

**Corning Community School District
Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
June 30, 2022**

Total fund balances of governmental funds (Exhibit C) \$ 4,202,212

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. 10,007,533

Right to Use 21,839

The Internal Service Fund is used by management to track flexible spending accounts. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position 12,779

Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds. (8,483)

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	\$ 742,334	
Deferred inflows of resources	(2,515,802)	(1,773,468)

Long-term liabilities, including bonds payable, bond discounts, early retirement, compensated absences, other postemployment benefits and net pension liability are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Those liabilities consist of:

General obligations bonds payable	\$ (2,545,000)	
Lease obligations payable	\$ (22,923)	
Revenue bonds payable	(661,000)	
Bond discount, net	9,413	
Bond premium, net	(40,612)	
Early retirement	(52,749)	
Other postemployment benefits	(748,943)	
Net pension liability	(57,341)	(4,119,155)

Net position of governmental activities (Exhibit A) **\$ 8,343,257**

See notes to financial statements.

Exhibit E

Corning Community School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2022

	General	Debt Service	Capital Projects	Management Levy	Non-major Student Activity	Total
Revenues:						
Local sources:						
Local tax	\$ 2,710,956	803,873	299,385	451,164	-	4,265,378
Tuition	831,508	-	-	-	-	831,508
Other	408,319	-	737	1,003	184,984	595,043
State sources	2,658,751	18,724	498,433	10,509	-	3,186,417
Federal sources	536,342	-	-	-	-	536,342
Total revenues	7,145,876	822,597	798,555	462,676	184,984	9,414,688
Expenditures:						
Current:						
Instruction:						
Regular	3,136,860	-	-	91,128	-	3,227,988
Special	941,843	-	-	-	-	941,843
Other	457,522	-	-	-	174,812	632,334
	4,536,225	-	-	91,128	174,812	4,802,165
Support services:						
Student	95,082	-	-	-	-	95,082
Instructional staff	341,546	-	66,611	-	-	408,157
Administration	738,670	-	-	35,025	-	773,695
Operation and maintenance of plant	663,430	-	-	58,535	-	721,965
Transportation	417,203	-	136,700	42,525	-	596,428
	2,255,931	-	203,311	136,085	-	2,595,327
Non-instructional programs:						
Food Service	-	-	-	683	-	683
Other expenditures:						
Facilities acquisition	-	-	360,180	-	-	360,180
Long-term debt:						
Principal	-	397,000	-	-	-	397,000
Interest and fiscal charges	-	76,668	-	-	-	76,668
AEA flowthrough	190,263	-	-	-	-	190,263
	190,263	473,668	360,180	-	-	1,024,111
Total expenditures	6,982,419	473,668	563,491	227,896	174,812	8,422,286
Excess (deficiency) of revenues over (under) expenditures	163,457	348,929	235,064	234,780	10,172	992,402
Other financing sources (uses):						
Proceeds from disposal of assets	11,800	-	9,410	-	-	21,210
Transfers in	-	147,568	-	-	-	147,568
Transfers out	-	-	(147,568)	-	-	(147,568)
Total other financing sources (uses)	11,800	147,568	(138,158)	-	-	21,210
Change in fund balances	175,257	496,497	96,906	234,780	10,172	1,013,612
Fund balances beginning of year	1,772,130	187,900	560,146	583,242	85,182	3,188,600
Fund balances end of year	\$ 1,947,387	684,397	657,052	818,022	95,354	4,202,212

See notes to financial statements.

**Corning Community School District
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds to the Statements of Activities
 Year ended June 30, 2022**

Net change in fund balances - total governmental funds (Exhibit E) \$ 1,013,612

**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. These costs are not reported in the Statement of Activities, but they are allocated over the estimated useful lives of the capital assets as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital outlays	\$	588,482	
Gain (loss) on disposal of assets		(80,720)	
Depreciation expense		(550,367)	
Amortization expense		(10,919)	(53,524)

The Internal Service Fund is used by management to track flexible spending accounts. The change in Net Position of the Internal Service Fund is reported with governmental activities 390

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

Bond principal repaid	\$	397,000	
Amortization of bond premium		5,801	
Amortization of bond discount		(1,344)	
Lease payments		10874	412,331

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. 984

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. 323,297

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:

Early retirement		51,672	
Pension expense		307,998	
OPEB expense		159,070	518,740

Change in net position of governmental activities (Exhibit B) \$ 2,215,830

See notes to financial statements.

Corning Community School District
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business Type Activities Enterprise Funds	Governmental Activities Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 227,652	12,779
Accounts receivable	23,335	-
Inventories	4,815	-
Total current assets	<u>255,802</u>	<u>12,779</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	<u>7,371</u>	<u>-</u>
Total assets	<u>263,173</u>	<u>12,779</u>
Deferred Outflows of Resources		
Pension related deferred outflows	<u>57,705</u>	<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable	7,033	-
Salaries and benefits payable	16,033	-
Early retirement payable	15,071	-
Total current liabilities	<u>38,137</u>	<u>-</u>
Noncurrent liabilities:		
Early retirement payable	30,142	-
Net pension liability	4,457	-
Net OPEB liability	41,608	-
Total noncurrent liabilities	<u>76,207</u>	<u>-</u>
Total liabilities	<u>114,344</u>	<u>-</u>
Deferred Inflows of Resources		
Pension related deferred inflows	195,567	-
Total deferred inflows of resources	<u>195,567</u>	<u>-</u>
Net Position		
Net investment in capital assets	7,371	-
Restricted for:		
Flexible benefits	-	12,779
Unrestricted	<u>3,596</u>	<u>-</u>
Total net position	<u>\$ 10,967</u>	<u>12,779</u>

See notes to financial statements.

Exhibit H

Corning Community School District
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year ended June 30, 2022

	Business Type Activities	Governmental Activities
	Enterprise Funds	Internal Service Fund
Operating revenues:		
Local sources		
Charges for service	\$ 185,821	14,840
Operating expenses:		
Support services:		
Administrative services:	-	14,450
Services	-	14,450
Non-instructional programs:		
Food service operations:		
Salaries	142,866	-
Benefits	27,410	-
Supplies	146,690	-
Depreciation	2,835	-
Community service operations:		
Salaries	172,871	-
Benefits	91,662	-
Services	70	-
Supplies	59,823	-
Total operating expenses	644,227	14,450
Operating gain (loss)	(458,406)	390
Non-operating revenues:		
State sources	1,825	-
Federal sources	458,951	-
Contributions	5,251	-
Transfers in	0	-
Total non-operating revenues	466,027	-
Change in net position	7,621	390
Net position beginning of year	3,346	12,389
Net position end of year	\$ 10,967	12,779

See notes to financial statements.

Exhibit I

**Corning Community School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2022**

	Business Type Activities	Governmental Activities
	Enterprise Funds	Internal Service Fund
Cash flows from operating activities:		
Cash received from sales and services	\$ 182,903	14,840
Cash payments to employees for services	(344,783)	-
Cash payments to suppliers for goods or services	(177,217)	(14,450)
Net cash used by operating activities	<u>(339,097)</u>	<u>390</u>
Cash flows from non-capital financing activities:		
State grants received	1,825	-
Federal grants received	434,772	-
Transfers from (to) other funds	0	-
Net cash provided by non-capital financing activities	<u>436,597</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Contributions	<u>5,251</u>	<u>-</u>
Net increase in cash and cash equivalents	102,751	390
Cash and cash equivalents at beginning of year	<u>124,901</u>	<u>12,389</u>
Cash and cash equivalents at end of year	<u>\$ 227,652</u>	<u>12,779</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating gain (loss)	\$ (458,406)	390
Adjustments to reconcile operating loss to net cash used by operating activities:		
Commodities used	24,179	-
Depreciation	2,835	-
(Increase) in inventories	(254)	-
(Increase) in accounts receivable	(2,918)	-
Increase in accounts payable	5,441	-
(Decrease) in accounts payable	(1,967)	-
Increase in salaries and benefits payable	2,477	-
Increase in early retirement payable	45,213	-
(Decrease) in net pension liability	(127,322)	-
(Increase) in deferred outflows of resources	(5,687)	-
Increase in deferred inflows of resources	186,150	-
(Decrease) in other postemployment benefits	(8,838)	-
Net cash used by operating activities	<u>\$ (339,097)</u>	<u>390</u>
Reconciliation of cash and cash equivalents at year end to specific assets included on Statement of Net Position:		
Current assets:		
Cash and investments	\$ 227,652	12,779
Cash and cash equivalents at year end	<u>\$ 227,652</u>	<u>12,779</u>

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2022, the District received \$24,179 of federal commodities.

See notes to financial statements.

(1) **Summary of Significant Accounting Policies**

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

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

A. Reporting Entity

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

Jointly Governed Organization – The District participates in a jointly governed organization that provides services to the District but 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 Adams County Assessor's Conference Board.

B. Basis of Presentation

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.

The Statement of Net Position presents the District's non-fiduciary 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 and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

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

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

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

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

The District reports the following major governmental funds:

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

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

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

Management Fund: The Management Fund is used to account for revenues derived from specific sources which are usually required by law or regulation to be accounted for in a separate fund.

The other governmental funds of the District are considered non-major and are as follows:

The Special Revenue Funds account for the revenue sources that are legally restricted to expenditures for specific purposes. These funds consist of the following:

Student Activity Funds: This fund accounts for transactions that occur due to student-related activities from groups and organizations such as athletic and activity events, fundraising and other extra-curricular or co-curricular activities.

The District reports the following proprietary non-major funds:

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

The Enterprise, Early Childhood Education Fund is used to account for the childcare service operations of the District.

C. 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 capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net 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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating 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.

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

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

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2021.

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.

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

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 1,000
Buildings	1,000
Improvements other than buildings	1,000
Furniture and equipment:	
School Nutrition Fund equipment	1,000
Other furniture and equipment	1,000
Right-to-use-leased assets	1,000

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

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50
Improvements other than buildings	20-50
Furniture and equipment	5-15
Right-to-use-leased assets	5-15

Leases- Corning Community School District is the lessee for a noncancellable lease of equipment. The District has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes leases with an initial, individual value of \$1,000 or more.

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

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

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

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

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

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

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position applicable to a future year(s) and 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.

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.

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

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

Deferred inflows of resources in the Statement of Net Position consists of succeeding year property tax receivable and income surtax receivable that will not be recognized until the year for which it is levied 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.

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

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2021, expenditures exceeded budgeted amounts in the non-instructional programs.

(2) **Cash, Cash Equivalents and Pooled Investments**

The District’s deposits in banks at June 30, 2022 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure 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, 2022, the District had investments as follows:

Iowa Schools Joint Investment Trust (ISJIT):	
Diversified Portfolio (amortized cost)	\$ 1,252,973
	<u>\$ 1,252,973</u>

At June 30, 2022, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Government Obligations Portfolio which are valued at an amortized cost of \$1,252,973. 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.

(3) **Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2022 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Capital Projects, SAVE	\$ 147,568
Total		<u>\$ 147,568</u>

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

Corning Community School District
Notes to Financial Statements
June 30, 2022

(4) Capital Assets

Capital assets activity for the year ended June 30, 2022 was as follows:

	Balance beginning of year, as restated	Increases	Decreases	Balance end of year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 193,489	-	-	193,489
Total capital assets not being depreciated	193,489	-	-	193,489
Capital assets being depreciated:				
Buildings	11,725,802	-	-	11,725,802
Improvements other than buildings	1,645,061	69,004	-	1,714,065
Furniture and equipment	2,748,138	519,479	(345,980)	2,921,637
Right-to-use	32,758	-	-	32,758
Total capital assets being depreciated	16,151,759	588,483	(345,980)	16,394,262
Less accumulated depreciation for:				
Buildings	3,852,317	216,598	-	4,068,915
Improvements other than buildings	859,048	69,464	-	928,512
Furniture and equipment	1,550,988	264,305	(265,260)	1,550,033
Right-to-use	-	10,919	-	10,919
Total accumulated depreciation	6,262,353	561,286	(265,260)	6,558,379
Total capital assets being depreciated, net	9,889,406	27,197	(80,720)	9,835,883
Governmental activities capital assets, net	\$ 10,082,895	27,197	(80,720)	10,029,372
Business type activities:				
Furniture and equipment	\$ 163,631	-	-	163,631
Less accumulated depreciation	153,425	2,835	-	156,260
Business type activities capital assets, net	\$ 10,206	(2,835)	-	7,371

Depreciation expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	\$ 248,230
Special	21,558
Other	29,066
Support services:	
Student	964
Instructional staff	33,439
Administration	34,428
Operation and maintenance of plant	56,416
Transportation	137,185
Total depreciation expense - governmental activities	\$ 561,286
Business type activities:	
Food service operations	\$ 2,835

**Corning Community School District
Notes to Financial Statements
June 30, 2022**

(5) Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2022 are summarized as follows:

	Balance Beginning of Year, as restated	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 2,840,000	-	295,000	2,545,000	300,000
General obligation bonds discount	(10,757)	-	(1,344)	(9,413)	-
General obligation bonds premium	46,413	-	5,801	40,612	-
Revenue bonds	763,000	-	102,000	661,000	104,000
Early retirement	104,421	60,284	111,956	52,749	22,607
Lease obligation	33,797	-	10,874	22,923	11,261
Net pension liability	3,024,426	-	2,967,085	57,341	-
Net OPEB liability	908,013	-	159,070	748,943	-
Total	\$ 7,709,313	60,284	3,650,442	4,119,155	437,868
Business type activities:					
Early retirement	\$ -	45,213	-	45,213	15,071
Net pension liability	131,779	-	127,322	4,457	-
Net OPEB liability	50,446	-	8,838	41,608	-
Total	\$ 182,225	45,213	136,160	91,278	15,071

General Obligation Bonds Payable

Details of the District's June 30, 2022 general obligation bonded indebtedness are as follows:

Bond Issue of May 1, 2020				
Year ending June 30,	Interest Rates	Principal	Interest	Total
2023	2.000%	300,000	50,900	350,900
2024	2.000%	305,000	44,900	349,900
2025	2.000%	310,000	38,800	348,800
2026	2.000%	315,000	32,600	347,600
2027	2.000%	325,000	26,300	351,300
2028	2.000%	330,000	19,800	349,800
2029	2.000%	335,000	13,200	348,200
2030	2.000%	325,000	6,500	331,500
Total		\$ 2,545,000	233,000	2,778,000

On May 1, 2020, the District issued \$3,400,000 in General Obligation Refunding Bonds to currently refund bonds issued May 1, 2010. The bonds bear an interest rate of 2.0% per annum. During the year ended June 30, 2022, principal and interest paid were \$295,000 and \$56,800, respectively.

Corning Community School District
Notes to Financial Statements
June 30, 2022

Revenue Bonds

Details of the District's June 30, 2022 statewide sales, services and use tax revenue bonded indebtedness are as follows:

Bond Issue of April 30, 2020				
Year ending June 30,	Interest Rates	Principal	Interest	Total
2023	2.250%	104,000	14,872	118,872
2024	2.250%	107,000	12,533	119,533
2025	2.250%	109,000	10,125	119,125
2026	2.250%	111,000	7,672	118,672
2027	2.250%	114,000	5,175	119,175
2028	2.250%	116,000	2,610	118,610
Total		\$ 661,000	52,987	713,987

The District has pledged future statewide sales, services and use tax revenues to repay the \$860,000 of bonds issued in April, 2020. The bonds were issued for the purpose of refinancing a prior revenue bond issue. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2028. 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 50% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$713,987. For the current year, \$119,168 of principal and interest was paid on the bonds and total statewide sales, services and use tax revenues were \$491,460.

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

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

The District did comply with all revenue bond provisions during the year ended June 30, 2022. The required reserve account was established by the District.

Early Retirement

The District offered a voluntary early retirement plan to its certified employees. Eligible employees must have been at least age fifty-nine and employees must have completed fifteen years of continuous service to the District. Employees must complete an application which is required to be approved by the Board of Education. The early retirement incentive for each eligible employee is equal to 25% of the District's base salary calculated by using the current year regular salary schedule. Early retirement benefits paid during the year ended June 30, 2022, totaled \$111,956.

Lease Obligations

The District has entered into lease arrangements for the purchases of office equipment. An initial lease liability of \$33,797 was recorded per Accounting Change/Restatement Note 14. The office equipment lease agreement requires a monthly payment of \$991.31 over 60 months with an implicit interest rate of 3.5% and final payment due June 30, 2024. During the year ended June 30, 2022, principal and interest paid were \$10,874 and \$1,010, respectively. The following is a schedule of the future minimum payment required under the leases together with their present value as of June 30, 2022.

Year Ending, June 30	Office Equipment Lease Payment
2023	11,884
2024	11,884
Total minimum lease payments	23,768
Less amount representing interest	845
Present value of minimum lease payments	\$ 22,923

(6) Pension Plan

Plan Description – IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees’ Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 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.

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, anytime after reaching age 62 with 20 or more years of covered employment, or when the member’s years of service plus the member’s age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member’s first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member’s monthly IPERS benefit includes:

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

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

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

Disability and Death Benefits – A vested member who is awarded 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.

Corning Community School District
Notes to Financial Statements
June 30, 2022

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

In the fiscal year 2022, 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, 2022 were \$348,431.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the District reported a liability of \$61,798 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the District's proportion was 0.044081%, which was a decrease of 0.001164% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the District recognized pension expense of \$464,159. At June 30, 2022, 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	\$ 47,020	47,211
Changes of assumptions	40,421	-
Net difference between projected and actual earnings on IPERS' investments	319,272	2,558,324
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	44,895	105,834
District contributions subsequent to the measurement date	348,431	-
Total	\$ 800,039	2,711,369

\$348,431 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 ended June 30, 2023. 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	
2023	\$ (558,164)
2024	(566,631)
2025	(518,572)
2026	(615,093)
2027	(1,301)
	\$ (2,259,761)

There were no non-employer contributing entities to IPERS.

**Corning Community School District
Notes to Financial Statements
June 30, 2022**

Actuarial Assumptions - The total pension liability in the June 30, 2021 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 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, 2022 valuation were based on the results of an actuarial experience study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0%	4.43%
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	3.0	2.87
Total	<u>100%</u>	

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	\$ 2,187,241	\$ 61,798	\$ (1,719,458)

Corning Community School District
Notes to Financial Statements
June 30, 2022

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

Payables to IPERS - At June 30, 2022, the District reported payables to IPERS of \$28,554 for legally required District contributions and \$19,016 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

(7) Other Post-Employment Benefits (OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
Active employees	64
	<u>75</u>

Total OPEB Liability - the District's total OPEB liability of \$790,551 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2022 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, 2022)	2.25% per annum.
Rates of salary increase (effective June 30, 2022)	0.00% per annum including inflation
Discount rate (effective June 30, 2022)	3.69% compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2022)	6.70% initial rate decreasing annually to an ultimate rate of 4.0%

Discount Rate - The discount rate used to measure the total OPEB liability was 3.69% 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 mortality tables fully generational using Scale MP-2017. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience studies with dates corresponding to those listed above.

<u>Changes in the Total OPEB Liability</u>	<u>Total OPEB Liability</u>
Total OPEB liability beginning or year	\$ 958,459
Changes for the year:	
Service cost	94,948
Interest	19,547
Change of assumptions	(211,608)
Benefit payments	(70,795)
Net changes	(167,908)
Total OPEB liability end of year	<u>\$ 790,551</u>

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 (2.69%) or 1% higher (4.69%) than the current discount rate.

	1% Decrease (2.69%)	Discount Rate (3.69%)	1% Increase (4.69%)
Total OPEB liability	\$ 854,677	790,551	731,322

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 liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.70%) or 1% higher (7.70%) than the current healthcare cost trend rates.

	1% Decrease (5.70%)	Healthcare Cost Trend Rate (6.70%)	1% Increase (7.70%)
Total OPEB liability	\$ 702,148	790,551	895,681

OPEB Expense and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2022, the District recognized OPEB expense of (\$168,338).

(8) Risk Management

Corning 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.

(9) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$190,263 for the year ended June 30, 2022 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(10) Whole Grade Sharing Agreement

Effective July 1, 2013, the District entered into a whole grade sharing agreement with Villisca Community School district. The agreement allows for both Districts to maintain separate Pre-K through 5th grade programs. Villisca Community School District will serve students of both Districts in grades 6-8. Corning Community School District will serve students of both Districts in grades 9-12. This agreement shall continue for five years unless earlier terminated by mutual agreement of both Districts. It will continue thereafter for additional one-year terms unless either District delivers written notice to terminate eighteen months in advance. The District plans to hold public meetings related to a reorganization/merger during the 2021-22 fiscal year with an eventual public vote leading towards a complete merger by the 2023-24 fiscal year.

(11) Deficit Net Position

A net position deficit of \$88,138 exists in the Enterprise, Early Childhood Education Center.

(12) Tax Abatements

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

The District was not impacted by any tax abatements of other entities for the year ended June 30, 2022.

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, 2022, the District did not receive any reimbursement.

(13) 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.

The following is a scheduled of the categorical funding restricted in the General Fund at June 30, 2022.

Program	Amount
Professional development	\$ 2,079
Teacher salary supplement	10,890
Four-year old preschool state aid	5,220
	<u>\$ 18,189</u>

(14) Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 87, Leases, was implemented during fiscal year 2022. The new requirements require the reporting of certain lease liabilities which were previously not reported. The result of these changes are listed below.

	Capital Assets	Lease Liability	Net Position
Balances June 30, 2021, as previously reported	\$ 10,060,343	-	6,131,812
Change to implement GASBS No. 87	32,758	33,797	(1,039)
Balances July 1, 2021, as restated	<u>\$ 10,093,101</u>	<u>33,797</u>	<u>6,130,773</u>

(15) Commitments and Contingencies:

The District has been named as a defendant in a civil rights complaint and in a wrongful termination lawsuit. At this time, it is unknown what, if any, effect this will have on the District's financial position.

Required Supplementary Information

Corning Community School District
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances
Budget and Actual - All Governmental Funds and Proprietary Funds
Required Supplementary Information
Year ended June 30, 2022

	Governmental Funds Actual	Proprietary Fund Actual	Total Actual	Budgeted Amounts		Final to Actual Variance- Positive (Negative)
				Original	Final	
Revenues:						
Local sources	\$ 5,691,929	185,821	5,877,750	5,705,423	5,710,269	167,481
State sources	3,186,417	1,825	3,188,242	3,307,511	3,299,227	(110,985)
Federal sources	536,342	458,951	995,293	497,000	375,000	620,293
Total revenues	9,414,688	646,597	10,061,285	9,509,934	9,384,496	676,789
Expenditures/Expenses:						
Instruction	4,802,165	-	4,802,165	4,785,000	4,985,000	182,835
Support services	2,595,327	-	2,595,327	2,602,000	2,902,000	306,673
Non-instructional programs	683	644,227	644,910	370,000	620,000	(24,910)
Other expenditures	1,024,111	-	1,024,111	1,380,556	1,880,556	856,445
Total expenditures/expenses	8,422,286	644,227	9,066,513	9,137,556	10,387,556	1,321,043
Excess (deficiency) of revenues over (under) expenditures/expenses	992,402	2,370	994,772	372,378	(1,003,060)	1,997,832
Other financing sources, net	21,210	5,251	15,959	-	-	15,959
Change in fund balance	1,013,612	7,621	1,010,731	372,378	(1,003,060)	2,013,791
Balances beginning of year	3,188,600	3,346	3,191,946	2,122,694	1,719,795	1,472,151
Balances end of year	\$ 4,202,212	10,967	4,202,677	2,495,072	716,735	3,485,942

See accompanying independent auditor's report.

Corning Community School District
Notes to Required Supplementary Information- Budgetary Reporting
Year Ended June 30, 2022

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

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Private Purpose Trust and Agency 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 budgeted expenditures by \$1,250,000.

During the year ended June 30, 2022, expenditures exceeded budgeted amounts in the non-instructional programs function.

Coming Community School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Iowa Public Employee's Retirement System
For the Last Eight Years* (In Thousands)
Required Supplementary Information

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.044081%	0.045245%	0.044293%	0.046027%	0.045601%	0.044865%	0.046548%	0.049456%
District's proportionate share of the net pension liability	\$ 62	3,156	2,582	2,912	3,010	2,798	2,314	2,002
District's covered-employee payroll	\$ 3,578	3,566	3,394	3,458	3,373	3,191	3,209	3,302
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	1.73%	88.50%	76.08%	84.21%	89.24%	87.68%	72.11%	60.63%
IPERS' net position as a percentage of the total pension liability	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

See accompanying independent auditor's report.

**Corning Community School District
Schedule of District Contributions
Iowa Public Employees' Retirement System
For the Last 10 Years (In Thousands)
Required Supplementary Information**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 348	338	337	320	309	301	285	287	295	272
Contributions in relation to the statutorily required contribution	(348)	(338)	(337)	(320)	(309)	(301)	(285)	(287)	(295)	(272)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 3,689	3,578	3,566	3,394	3,458	3,373	3,191	3,209	3,302	3,133
Contributions as a percentage of covered-employee payroll	9.45%	9.45%	9.45%	9.43%	8.94%	8.92%	8.93%	8.94%	8.93%	8.68%

See accompanying independent auditor's report.

Corning Community School District
Notes to Required Supplementary Information- Pension Liability
Year Ended June 30, 2022

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

Corning Community School District
Schedule of Changes in the District's
Total OPEB Liability, Related Ratios and Notes
For the Last Five Years
Required Supplementary Information

	2022	2021	2020	2019	2018
Service cost	\$ 94,948	80,343	22,848	22,848	22,848
Interest cost	19,547	22,921	8,178	8,986	8,359
Difference between expected and actual experiences	(62,487)	-	604,840	-	-
Changes in assumptions	(149,121)	37,835	97,764	-	-
Recognition of deferred inflows/outflows	-	-	-	(13,606)	(10,313)
Benefit payments	(70,795)	(75,667)	(75,161)	(4,388)	(3,511)
Net change in total OPEB liability	(167,908)	65,432	658,469	13,840	17,383
Total OPEB liability beginning of year	958,459	893,027	234,558	220,718	203,335
Total OPEB liability end of year	\$ 790,551	958,459	893,027	234,558	220,718
Covered-employee payroll	\$ 3,279,476	3,248,283	3,174,866	3,144,775	2,934,643
Total OPEB liability as a percentage of covered-employee payroll	24.11%	29.51%	28.13%	7.46%	7.52%

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, 2021	1.92%
Year ended June 30, 2020	2.45%
Year ended June 30, 2019	3.72%
Year ended June 30, 2018	3.72%
Year ended June 30, 2017	2.50%

See accompanying independent auditor's report.

Supplementary Information

Corning Community School District
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year ended June 30, 2022

Account	Balance Beginning of Year	Revenues	Expenditures	Intra-fund Transfers	Balance End of Year
Other Unreserved Fund Balance	\$ 1,129	-	-	760	1,889
High School Drama	2,796	1,014	944	-	2,866
Musical/Madrigal	2,774	1,476	1,769	-	2,481
Cross Country	1,117	65	90	300	1,392
Tennis	1,957	-	669	150	1,438
Golf	358	-	236	300	422
Dance Team	4,402	2,074	2,108	(227)	4,141
Boys Basketball	648	579	438	150	939
Football	2,296	14,431	12,770	300	4,257
Baseball	-	6,017	1,349	150	4,818
Boys Track	804	-	280	-	524
Wrestling	1,005	1,760	1,378	-	1,387
Girls Basketball	1,036	435	1,137	150	484
Volleyball	1,872	2,313	1,897	150	2,438
Cheerleaders	879	297	99	17	1,094
Softball	960	450	1,426	900	884
Girls Track	3,550	227	235	300	3,842
Athletics-General	5,331	46,415	47,629	(755)	3,362
FBLA	6,169	8,378	7,886	-	6,661
Art	218	-	-	-	218
K-6 Bookfair	250	-	-	-	250
FFA	11,757	33,817	34,241	-	11,333
FCCLA	6,945	18,238	20,984	-	4,199
T-Wolf Café	1,604	66	103	-	1,567
ELP	253	-	-	-	253
K-12 Special Needs	13	-	-	-	13
Foreign Language Club	546	-	-	-	546
Concessions	139	16,881	12,623	(4,397)	-
Senior Class	1,458	1,704	2,344	4,356	5,174
Junior Class	-	3,642	2,269	(1,373)	-
Student Council	2,032	1,266	1,259	227	2,266
Y-Teens	6,591	1,500	236	-	7,855
Yearbook	-	5,085	4,311	-	774
Elementary Yearbook	212	720	694	-	238
Preschool Fundraiser	1,449	-	-	-	1,449
School Pictures	674	281	196	-	759
High School Pop Fund	-	2,216	2,273	57	-
PLTW - Robotics	248	-	-	-	248
K-6 Student Council	114	-	-	-	114
FCA	55	-	-	-	55
K-6 Pop	162	104	172	-	94
High School Horticulture	7,940	1,924	1,273	-	8,591
K-6 Box Top	216	1,607	1,430	-	393
John Harris Tourney	3,223	10,002	8,064	(1,515)	3,646
Total	\$ 85,182	184,984	174,812	-	95,354

See accompanying independent auditor's report.

**Corning Community School District
Combining Balance Sheet
Capital Projects Fund Accounts
June 30, 2022**

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash, cash equivalents and pooled investments	\$ 632,207	3,959	636,166
Receivables:			
Property tax:			
Delinquent	-	3,552	3,552
Succeeding year	-	310,133	310,133
Due from other governments	34,526	-	34,526
Total assets	\$ 666,733	317,644	984,377
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 14,912	2,280	17,192
	14,912	2,280	17,192
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	310,133	310,133
Total deferred inflows of resources	-	310,133	310,133
Fund balances:			
Restricted for:			
School infrastructure	651,821	-	651,821
Physical plant and equipment	-	5,231	5,231
Total fund balances	651,821	5,231	657,052
Total liabilities, deferred inflows of resources and fund balances	\$ 666,733	317,644	984,377

See accompanying independent auditor's report.

Corning Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund Accounts
Year ended June 30, 2022

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	299,385	299,385
Other	717	20	737
State sources	491,460	6,973	498,433
Total revenues	<u>492,177</u>	<u>306,378</u>	<u>798,555</u>
Expenditures:			
Support Services:			
Instructional staff	24,801	41,810	66,611
Transportation	-	136,700	136,700
Other expenditures			
Facilities acquisition	185,775	174,405	360,180
Total expenditures	<u>210,576</u>	<u>352,915</u>	<u>563,491</u>
Excess (deficiency) of revenues over (under) expenditures	281,601	(46,537)	235,064
Other financing sources (uses):			
Proceeds from disposals of assets	-	9,410	9,410
Transfers out	(147,568)	-	(147,568)
Total other financing sources (uses)	<u>(147,568)</u>	<u>9,410</u>	<u>(138,158)</u>
Change in fund balances	134,033	(37,127)	96,906
Fund balances beginning of year	<u>517,788</u>	<u>42,358</u>	<u>560,146</u>
Fund balances end of year	<u>\$ 651,821</u>	<u>5,231</u>	<u>657,052</u>

See accompanying independent auditor's report.

Corning Community School District
Combining Statement of Net Position
Proprietary Funds
June 30, 2022

	Business Type Activities			Governmental Activities	
	Enterprise Funds			Internal Service Fund	
	School Nutrition	Early Childhood Education Center	Total	Flexible Benefits	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 201,865	25,787	227,652	12,779	12,779
Accounts receivable	6,040	17,295	23,335	-	-
Inventories	4,815	-	4,815	-	-
Total current assets	212,720	43,082	255,802	12,779	12,779
Non-current assets:					
Machinery and equipment	163,631	-	163,631	-	-
Accumulated depreciation	(156,260)	-	(156,260)	-	-
	7,371	-	7,371	-	-
Total assets	220,091	43,082	263,173	12,779	12,779
Deferred Outflows of Resources					
Pension related deferred outflows	20,663	37,042	57,705	-	-
Liabilities					
Current liabilities:					
Accounts payable	2,584	4,449	7,033	-	-
Salaries and benefits payable	1,421	14,612	16,033	-	-
Early retirement payable	15,071	-	15,071	-	-
Total current liabilities	19,076	19,061	38,137	-	-
Noncurrent liabilities:					
Early retirement payable	30,142	-	30,142	-	-
Net pension liability	1,596	2,861	4,457	-	-
Net OPEB liability	20,804	20,804	41,608	-	-
Total noncurrent liabilities	52,542	23,665	76,207	-	-
Total liabilities	71,618	42,726	114,344	-	-
Deferred Inflows of Resources					
Pension related deferred inflows	70,031	125,536	195,567	-	-
Net position					
Net investment in capital assets	7,371	-	7,371	-	-
Restricted for:					
Flexible benefits	-	-	-	12,779	12,779
Unrestricted	91,734	(88,138)	3,596	-	-
Total net position	\$ 99,105	(88,138)	10,967	12,779	12,779

See accompanying independent auditor's report.

Corning Community School District
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year ended June 30, 2022

	Business Type Activities			Governmental Activities	
	Enterprise Funds			Internal Service Fund	
	School Nutrition	Early Childhood Education Center	Total	Flexible Benefits	Total
Operating revenue:					
Local sources:					
Other local sources:					
Food service sales	\$ 41,798	-	41,798	-	-
Child care services	-	144,023	144,023	-	-
Other services	-	-	-	14,840	14,840
Total operating revenues	41,798	144,023	185,821	14,840	14,840
Operating expenses:					
Support services:					
Administrative services:					
Services	-	-	-	14,450	14,450
	-	-	-	14,450	14,450
Non-instructional programs:					
Operations:					
Salaries	142,866	172,871	315,737	-	-
Benefits	27,410	91,662	119,072	-	-
Services	-	70	70	-	-
Supplies	146,690	59,823	206,513	-	-
Depreciation	2,835	-	2,835	-	-
Total operating expenses	319,801	324,426	644,227	-	-
Total operating expenses	319,801	324,426	644,227	14,450	14,450
Operating income (loss)	(278,003)	(180,403)	(458,406)	390	390
Non-operating revenues:					
State sources	1,825	-	1,825	-	-
Federal sources	319,116	139,835	458,951	-	-
Contributions	-	5,251	5,251	-	-
Total non-operating revenues	320,941	145,086	466,027	-	-
Change in net position	42,938	(35,317)	7,621	390	390
Net position beginning of year	56,167	(52,821)	3,346	12,389	12,389
Net position end of year	\$ 99,105	(88,138)	10,967	12,779	12,779

See accompanying independent auditor's report.

Corning Community School District
Combining Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2022

	Business Type Activities			Governmental Activities	
	Enterprise Funds			Internal Service Fund	
	School Nutrition	Early Childhood Education Center	Total	Flexible Benefits	Total
Cash flows from operating activities:					
Cash received from sale of lunches and breakfasts	\$ 41,070	-	41,070	-	-
Cash received from childcare services	-	141,833	141,833	-	-
Cash received from miscellaneous operating activities	-	-	-	14,840	14,840
Cash payments to employees for services	(133,037)	(211,746)	(344,783)	-	-
Cash payments to suppliers for goods or services	(121,193)	(56,024)	(177,217)	(14,450)	(14,450)
Net cash provided (used) by operating activities	(213,160)	(125,937)	(339,097)	390	390
Cash flows from non-capital financing activities:					
State grants received	1,825	-	1,825	-	-
Federal grants received	294,937	139,835	434,772	-	-
Net cash provided by non-capital financing activities	296,762	139,835	436,597	-	-
Cash flows from capital and related financing activities:					
Contributions	-	5,251	5,251	-	-
	-	5,251	5,251	-	-
Net increase (decrease) in cash and cash equivalents	83,602	19,149	102,751	390	390
Cash and cash equivalents at beginning of year	118,263	6,638	124,901	12,389	12,389
Cash and cash equivalents at end of year	\$ 201,865	25,787	227,652	12,779	12,779
Reconciliation of operating income (loss) to net cash used by operating activities:					
Operating income (loss)	\$ (278,003)	(180,403)	(458,406)	390	390
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Commodities received	24,179	-	24,179	-	-
Depreciation	2,835	-	2,835	-	-
Decrease (increase) in inventories	(254)	-	(254)	-	-
Decrease (increase) in accounts receivable	(728)	(2,190)	(2,918)	-	-
Increase (decrease) in accounts payable	1,572	3,869	5,441	-	-
Increase (decrease) in due to other funds	-	(1,967)	(1,967)	-	-
Increase (decrease) in early retirement payable	45,213	-	45,213	-	-
Increase (decrease) in salaries and benefits payable	(828)	3,305	2,477	-	-
Increase (decrease) in net pension liability	(65,407)	(61,915)	(127,322)	-	-
Decrease (increase) in deferred outflows of resources	884	(6,571)	(5,687)	-	-
Increase(decrease) in deferred inflows of resources	61,796	124,354	186,150	-	-
Increase (decrease) in other postemployment benefits	(4,419)	(4,419)	(8,838)	-	-
Net cash provided (used) by operating activities	\$ (213,160)	(125,937)	(339,097)	390	390
Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:					
Current assets:					
Cash and investments	\$ 201,865	25,787	227,652	12,779	12,779
Cash and cash equivalents at year end	\$ 201,865	25,787	227,652	12,779	12,779

Non-cash investing, capital and financing activities:

During the year ended June 30, 2022, the District received \$24,179 of federal commodities.

See accompanying independent auditor's report.

**Corning Community School District
 Schedule of Revenues by Source and Expenditures by Function
 All Governmental Funds
 For the Last Ten Years**

	Modified Accrual Basis									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Local sources:										
Local tax	\$ 4,265,378	4,408,027	4,079,359	3,765,738	3,523,196	3,237,390	2,982,356	2,860,990	2,735,879	2,936,479
Tuition	831,508	827,805	783,216	923,200	808,283	839,837	829,653	815,640	910,222	296,395
Other	595,043	480,045	508,933	430,609	706,319	525,355	515,022	495,443	582,434	321,588
State sources	3,186,417	3,234,635	3,151,148	2,987,026	2,940,893	3,018,811	2,829,134	2,736,218	2,577,323	2,318,502
Federal sources	536,342	704,337	219,228	226,192	176,537	155,690	171,759	170,167	178,370	208,821
Total	\$ 9,414,688	9,654,849	8,741,884	8,332,765	8,155,228	7,777,083	7,327,924	7,078,458	6,984,228	6,081,785
Expenditures:										
Instruction:										
Regular	\$ 3,227,988	2,452,264	2,453,722	2,397,501	2,313,364	2,469,782	2,788,757	2,790,281	2,929,478	2,385,365
Special	941,843	1,023,213	1,075,349	1,015,609	939,312	942,065	872,174	775,958	985,407	765,166
Other	632,334	1,141,931	1,087,621	1,106,267	1,216,195	968,380	567,834	532,971	618,255	576,420
Support services:										
Student	95,082	105,426	114,517	71,806	129,019	151,465	134,731	81,936	20,633	5,780
Instructional staff	408,157	600,024	375,465	352,117	507,211	364,901	312,878	293,881	288,868	278,570
Administration	773,695	754,158	849,037	771,168	786,534	770,593	674,336	671,123	678,748	649,796
Operation and maintenance of plant	721,965	711,127	559,307	570,908	535,549	501,666	527,390	571,337	550,954	545,411
Transportation	596,428	469,536	594,610	646,447	482,366	503,705	495,572	520,578	446,204	399,571
Non-instructional programs	683	-	-	-	-	-	-	-	-	-
Other expenditures:										
Facilities acquisition	360,180	222,511	410,373	265,403	120,149	422,829	473,295	552,357	220,554	309,437
Long-term debt:										
Principal	397,000	657,000	4,845,000	360,000	350,000	340,000	325,000	315,000	285,000	250,000
Interest and other charges	76,668	91,829	254,087	215,669	230,331	240,431	251,713	264,081	272,869	280,494
AEA flowthrough	190,263	188,401	187,801	185,250	187,085	181,527	182,744	183,337	181,682	175,744
Total	\$ 8,422,286	8,417,420	12,806,889	7,958,145	7,797,115	7,857,344	7,606,424	7,552,840	7,478,652	6,621,754

See accompanying independent auditor's report

Corning Community School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2022

Grantor/Program	Pass-Through		Expenditures
	Assistance Listing Number	Entity Identifying Number	
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	FY 22	\$ 61,232
National School Lunch Program	10.555	FY 22	237,023
COVID-19 - National School Lunch Program	10.555	FY 22	2,000
Program Total			<u>239,023</u>
Summer Food Service Program For Children	10.559	FY 22	4,446
Fresh Fruit and Vegetable Program	10.582	FY 22	13,801
Cluster Total			<u>318,502</u>
Child and Adult Care Food Program	10.558	FY 22	<u>34,352</u>
Pandemic EBT Administrative Costs Program	10.649	FY 22	<u>614</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 22	<u>95,813</u>
Rural Education Achievement Program	84.358	FY 22	<u>33,580</u>
Supporting Effective Instruction State Grant	84.367	FY 22	<u>13,160</u>
Student Support and Academic Enrichment Program	84.424	FY 22	<u>10,000</u>
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act (CARES) and the American Rescue Plan of 2021 (ARP):			
Education Stabilization Fund(Governor's Emergency Education Relief Fund II)	84.425C	FY 22	18,400
American Rescue Plan Elementary and Secondary Emergency Relief (ARP ESSER III) (Teacher Retention Bonus)	84.425U	FY 22	44,137
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER III - Learning Loss)	84.425U	FY 22	57,233
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER III)	84.425U	FY 22	<u>198,589</u>
Cluster Total			<u>318,359</u>
Area Education Agency:			
Special Education - Grants to States	84.027	FY 22	<u>22,004</u>
U.S. Department of Health and Human Services			
Iowa Department of Education			
Child Care Development Block Grants	93.575	FY 22	<u>105,483</u>
Total			<u>\$ 951,867</u>

See Notes to Schedule of Expenditures of Federal Awards.

Corning Community School District
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Corning Community School District under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost of Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule only presents a portion of the operations of Corning Community School District, it is not intended to and does not present the financial position, changes in financial position or cash flows of Corning Community School District.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

Corning Community School District uses a federally negotiated indirect cost rate as allowed under the Uniform Guidance.

Note 4. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of \$24,179 related to USDA Commodities grants provided by the U.S. Department of Agriculture passed through the Iowa Department of Education, Assistance Listing No. 10.555.



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CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Education of Corning Community School District:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Corning Community School District, Corning Iowa, as of and for the year ended June 30, 2022, and the related Notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 13, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in Part II the accompanying Schedule of Findings and Questioned Costs as item 2022-001 that we consider may be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Corning 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, non-compliance 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 non-compliance or other matters which are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2022 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.

Corning Community School District's Responses to Findings

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

Purpose of this Report

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Corning 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.

Van Maanen, Sietstra, Meyer & Nikkel PC

Van Maanen, Sietstra, Meyer & Nikkel, PC
Certified Public Accountants

January 13, 2023



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Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Education of Corning Community School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Corning Community School District's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of Corning Community School District's major federal programs for the year ended June 30, 2022. Corning Community School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Corning Community School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Corning Community School District and meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Corning 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 Corning 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 Corning 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 GAAS, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgement made by a reasonable user of the report on compliance about Corning Community School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement 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 Corning Community School District's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of Corning 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 Corning 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 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 weakness or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2022-002, to be a material weakness.

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

Government Auditing Standards requires the auditor to perform limited procedures on Corning Community School District's response to the internal control over compliance finding identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Corning Community School District's response was not subjected to the 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.

Van Maanen, Sietstra, Meyer & Nikkel PC

Van Maanen, Sietstra, Meyer & Nikkel, PC
Certified Public Accountants

January 13, 2023

Part I: Summary of the Independent Auditor's Results

- a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- c) The audit did not disclose any non-compliance which is material to the financial statements.
- d) A material weakness in internal control over major programs was disclosed by the audit of the financial statement.
- e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- f) The audit disclosed an audit finding which is required to be reported in accordance with the Uniform Guidance, Section 200.516a.
- g) Major programs were as follows:
 - Child Nutrition Cluster:
 - Assistance Listing Number 10.553: School Breakfast Program
 - Assistance Listing Number 10.555: National School Lunch Program
 - Assistance Listing Number 10.559: Summer Food Service Program for Children
 - Assistance Listing Number 10.582: Fresh Fruit and Vegetable Program
 - Assistance Listing Number 84.010- Title I Grant to Local Educational Agencies
- h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- i) Corning Community School District did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

2022-001 Segregation of Duties- The limited number of office personnel prevents a proper segregation of accounting functions necessary to assure adequate internal control. This is not unusual in Districts your size, but the Board should constantly be aware of this condition and realize that concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Under these conditions, the most effective controls lie in the Board's knowledge of matters relating to the District's operations.

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

Response- We will continue to review our procedures and implement additional controls where possible.

Conclusion- Response accepted.

Part III: Findings and Questioned Costs for Federal Awards

INSTANCES OF NON- COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

Assistance Listing Number 10.553- School Breakfast Program
Assistance Listing Number 10.555- National School Lunch Program
Assistance Listing Number 10.559- Summer Food Service Program for Children
Assistance Listing Number 10.582- Fresh Fruit and Vegetable Program
Pass-through Entity Identifying Number: N/A
Federal Award Year: 2022
Prior Year Finding Number: III-A-21
U.S. Department of Agriculture
Passed through the Iowa Department of Education

AL Number 84.010-: Title I Grants to Local Educational Agencies
Pass-Through Entity Identifying Number: 2807-40
Federal Award Year: 2022
Prior Year Finding Number: III-A-21
Passed through the Iowa Department of Education

2022-002 Segregation of Duties: The District did not properly segregate custody, record- keeping and reconciling function revenues, including those related to federal programs. See 2022-001

Part IV: Other Findings Related to Required Statutory Reporting

2022-A Certified Budget – Expenditures for the year ended June 30, 2022, exceeded budgeted amounts in the non-instructional programs function.

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

Response – Future budgets will be amended in sufficient amounts – to ensure the certified budget is not exceeded

Conclusion – Response accepted.

2022-B Questionable Expenditures - No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

- 2022-C Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- 2022-D Business Transactions – No business transactions between the District and District officials or employees were noted.
- 2022-E Restricted Donor Activity – No transactions were noted between the District, District officials or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa
- 2022-F Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- 2022-G Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- 2022-H Certified Enrollment – Variances in the basic enrollment date certified to the Iowa Department of Education were noted.
Recommendation-The certified enrollment data should be corrected.

Response- The Iowa Department of Education and the Iowa Department of Management will be notified of the error.

Conclusion- Response accepted.
- 2022-I Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- 2022-J Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy were noted.
- 2022-K Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.
- 2022-L Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.
- 2022-M Deficit Balance – The Early Childhood Education Center had a deficit balance at June 30, 2022.

Recommendation: The District should continue to investigate alternatives to eliminate the deficit.

Response: The District is continuing to investigate alternatives to eliminate the deficit at the end of the fiscal year.

Conclusion: Response accepted

2022-N Statewide Sales, Services and Use Tax – No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, 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, 2022, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$	517,788
Revenues/transfers in:			
Sales tax revenues	\$	491,460	
Other local revenues		717	
Revenue bond proceeds		-	
Transfers from other funds		-	492,177
			<u>1,009,965</u>
Expenditures/transfers out			
Instructional staff		24,801	
Facilities acquisition		185,775	
Transfers to other funds:			
Debt service funds		147,568	358,144
			<u>651,821</u>
Ending balance		\$	<u>651,821</u>

For the year ended June 30, 2022, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

APPENDIX E – FORM OF ISSUE PRICE CERTIFICATE

**[FORM OF ISSUE PRICE CERTIFICATE TO BE USED IF
COMPETITIVE SALE REQUIREMENTS ARE MET]**

**CORNING COMMUNITY SCHOOL DISTRICT
\$ _____ GENERAL OBLIGATION SCHOOL BONDS, SERIES 2023
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 October 2, 2023.
 - 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 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: [ISSUE DATE]

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

**[FORM OF ISSUE PRICE CERTIFICATE TO BE USED IF
COMPETITIVE SALE REQUIREMENTS ARE NOT MET]
CORNING COMMUNITY SCHOOL DISTRICT
\$ _____ GENERAL OBLIGATION SCHOOL BONDS, SERIES 2023**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (["Purchaser"])[the "Representative"]], on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the "Underwriting Group"), 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][The Underwriting Group] 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 Official Terms of Offering and bid award, [Purchaser][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.
3. Defined Terms.
 - a. General Rule Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."
 - b. Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."
 - c. Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (October 9, 2023), or (ii) the date on which [Purchaser][the Underwriters] [has][have] 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 Corning 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 October 2, 2023.
 - 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][the Representative'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 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][REPRESENTATIVE]

By:

Name:

Dated: [ISSUE DATE]

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