$11,835,000*
Pella Community School District, Iowa
General Obligation School Bonds
Series 2024

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

DATE:	Monday, May 13, 2024
TIME:	11:00 AM
PLACE:	High School Conference Room 212 E. University St. Pella, IA 50219

Moody's Rating: "Aa3"

* Preliminary, subject to change

PIPER | SANDLER

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

OFFICIAL BID FORM

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

Re: $11,835,000* General Obligation School Bonds, Series 2024, dated the date of delivery, of the Issuer (the "Bonds")

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

Coupon	Yield	Due	Coupon	Yield	Due
________	________	December 1, 2024	________	________	June 1, 2035
________	________	June 1, 2025	________	________	June 1, 2036
________	________	June 1, 2026	________	________	June 1, 2037
________	________	June 1, 2027	________	________	June 1, 2038
________	________	June 1, 2028	________	________	June 1, 2039
________	________	June 1, 2029	________	________	June 1, 2040
________	________	June 1, 2030	________	________	June 1, 2041
________	________	June 1, 2031	________	________	June 1, 2042
________	________	June 1, 2032	________	________	June 1, 2043
________	________	June 1, 2033	________	________	June 1, 2044
________	________	June 1, 2034			

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

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

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

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

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

______ We will elect to utilize bond insurance from company ___________ at a premium of $__________

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

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

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

____________________________ ____________________________________
Account Manager Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the Board of Directors of the Pella Community School District, in the Counties of Marion, Mahaska and Jasper of Iowa, State of Iowa, this 13th day of May, 2024.

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 2024**, in the principal amount of $11,835,000* dated the date of delivery in the denomination of $5,000 or multiples thereof, and maturing as shown on the front page of the official statement.

ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the Issuer or its designee after the determination of the Successful Bidder. The Issuer may increase or decrease each maturity in increments of $5,000. Interest rates specified by the Successful Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the Issuer. The total par amount will not exceed $11,835,000.

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

Optional Redemption: The Bonds maturing after June 1, 2032, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

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

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

Good Faith Deposit: A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire in the amount of $118,350* 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.

Form of Bids: All bids shall be unconditional for the entire issue of Bonds for a price of not less than 99.00% of par, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid

* Preliminary, subject to change

System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid, facsimile facilities or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

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

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

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Superintendent, Pella Community School District, 212 E. University St., Pella, IA.

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

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

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

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

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

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

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

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

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

(1) the Issuer shall disseminate this Official Term of Offering to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
(2) all bidders shall have an equal opportunity to bid;
(3) the Issuer may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<u>Official Statement:</u> 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.

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

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

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

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or 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 MAY 1, 2024

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

Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), 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 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 MATTERS" section for a more detailed discussion.

$11,835,000*
Pella Community School District, Iowa
General Obligation School Bonds
Series 2024

Dated: Date of Delivery

The General Obligation School Bonds, Series 2024 described above (the "Bonds") are issuable as fully registered Bonds in the denomination of $5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by UMB Bank, n.a., as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Bonds.

Interest on the Bonds is payable on June 1, and December 1 in each year, beginning December 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 June 1, 2032 may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

MATURITY SCHEDULE

Bonds Due	Amount*	Rate *	Yield *	Cusip #'s **	Bonds Due	Amount*	Rate *	Yield *	Cusip #'s **
December 1, 2024	$230,000			706048 KQ7	June 1, 2035	$230,000			706048 LB9
June 1, 2025	230,000			706048 KR5	June 1, 2036	235,000			706048 LC7
June 1, 2026	80,000			706048 KS3	June 1, 2037	245,000			706048 LD5
June 1, 2027	85,000			706048 KT1	June 1, 2038	255,000			706048 LE3
June 1, 2028	90,000			706048 KU8	June 1, 2039	265,000			706048 LF0
June 1, 2029	95,000			706048 KV6	June 1, 2040	270,000			706048 LG8
June 1, 2030	95,000			706048 KW4	June 1, 2041	280,000			706048 LH6
June 1, 2031	200,000			706048 KX2	June 1, 2042	295,000			706048 LJ2
June 1, 2032	210,000			706048 KY0	June 1, 2043	3,925,000			706048 LK9
June 1, 2033	215,000			706048 KZ7	June 1, 2044	4,085,000			706048 LL7
June 1, 2034	220,000			706048 LA1					

$________________ ______% 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 district in connection with the issuance of the Bonds. Piper Sandler & Co. is serving as Municipal Advisor to the Issuer in connection with the issuance of the Bonds. It is expected that the Bonds in the definitive form will be available for delivery through the facilities of DTC on or about June 13, 2024. 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 ______, 2024

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* *Preliminary, subject to change*

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

No dealer, 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 Exchange Commission. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

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

FORWARD-LOOKING STATEMENTS

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

OFFICIAL STATEMENT
PELLA COMMUNITY SCHOOL DISTRICT, IOWA
$11,835,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Pella Community School District, Iowa (the "Issuer"), in connection with the sale of the Issuer's General Obligation School Bonds, Series 2024 (the "Bonds"). The Bonds, along with the previously issued General Obligation School Bonds, Series 2022 and School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2023, are being issued to provide funds to: (i) construct, furnish, and equip an Early Childhood Center and improve the site; (ii) construct, furnish, and equip a classroom addition that connects Jefferson Intermediate and the Middle School buildings; (iii) remodel, repair, improve, furnish and equip portions of Jefferson Intermediate and the Middle School buildings, and improve the parking; (iv) improve and replace the HVAC system in the High School building, including the gymnasiums; (v) improve, remodel, and repair the athletic stadium and baseball/softball fields and to improve those sites; and to construct new tennis courts; and (vi) pay costs of issuance for the Bonds (the "Project"). See "**SOURCES AND USES OF FUNDS**" herein. The Bonds will be issued pursuant to a Resolution authorizing the issuance of Bonds expected to be adopted on or about May 28, 2024 (the "Resolution" or the "Bond Resolution").

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

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

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

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

THE BONDS

General

The Bonds are dated as of the date of delivery and will bear interest at the rates to be set forth on the cover page herein, interest payable on June 1 and December 1 in each year, beginning on December 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 Chapter 296 of the Code of Iowa, 2023, as amended, approval of the District voters for issuance of $40,000,000 General Obligation Bonds to fund the Project (of which $28,165,000 were issued in 2022) at an election held on November 2, 2021, and a resolution of the Board of Directors expected to be adopted by the Issuer on May 28, 2024.

Book Entry Only System

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

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

* Preliminary, subject to change

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

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

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

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

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

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

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

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

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

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

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

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

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

Transfer and Exchange

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

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

Prepayment

<u>Optional Prepayment</u>: The Bonds maturing after June 1, 2032, 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.

<u>Notice of Prepayment.</u> 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.

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

____ Term Bond	
Mandatory Sinking Fund Date	Principal Amount
	$
(maturity)	

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

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

Source of Security for the Bonds

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

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

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

BONDHOLDERS’ RISKS

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

Tax Levy Procedures

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

Changes in Property Taxation

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

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

Matters Relating to Enforceability of Agreements

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

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

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

Secondary Market

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

Pension

The Issuer contributes to the Iowa Public Employees' Retirement System ("IPERS"), which is a state-wide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the Issuer are required to participate in IPERS. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the Issuer being required to make annual contributions to IPERS. Contribution amounts are set by State statute. The IPERS Annual Comprehensive Financial Report for its fiscal year ended June 30, 2023 (the "IPERS ACFR"), indicates that as of June 30, 2023, the date of the most recent actuarial valuation for IPERS, the funded ratio of IPERS was 89.70%, and the unfunded actuarial liability was approximately $4.707 billion. The IPERS ACFR identifies the IPERS Net Pension Liability at June 30, 2023, at approximately $4.514 billion, while its net pension liability at June 30, 2022, was approximately $3.783 billion. The IPERS

ACFR is available on the IPERS website, or by contacting IPERS at 7401 Register Drive, Des Moines, IA 50321. See "**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER**" for additional information on IPERS.

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

In fiscal year ended June 30, 2023, the Issuer's IPERS contribution totaled approximately $1,734,200. 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, 2023, at approximately $8,491,550. While the Issuer's contributions to IPERS are controlled by state law, there can be no assurance the Issuer will not be required by changes in State law to increase its contribution requirement in the future, which may impact the finances of the Issuer. See "**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER**" for additional information on pension and liabilities of the Issuer.

Rating Loss

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

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.

Legislative Change Related to School Choice

In 2023 the State of Iowa adopted Legislation ("HF68") that establishes a general fund appropriation for an Education Savings Account Fund ("Fund") under the control of the Department of Education. The Fund must be used to establish individual accounts for participating pupils and to make qualified education savings account payments on behalf of parents and guardians, including payment for nonpublic school tuition, textbooks, software, fees, curriculum materials, and other similar expenses. HF68 is effective beginning in fiscal year ending June 30, 2024 and expands eligibility for the program each year with all students attending a nonpublic school becoming eligible beginning 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 June 30, 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 nonpublic school. HF68 provides that a District is funded in an amount of $1,176 per student for resident pupils who attend a nonpublic school. According to the Department of Education, there were 562 students who resided within the boundaries of the Issuer but attended non-public schools for the 2022-23 school year and 625 students in the 2023-24 school year. It is unknown how many additional students, if any, will attend non-public schools in future years, as HF68 is implemented. If a significant number of eligible students in the Issuer transition to non-public schools, it could have an adverse impact on the Issuer's finances given the reduction in per student funding the Issuer would otherwise receive. The Bonds are general obligations of the Issuer. See "**THE BONDS – Source of Security for the Bonds**" herein.

Proposed Federal Tax Legislation

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

DTC-Beneficial Owners

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

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

Risks as Employer

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

Cybersecurity

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

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

Debt Payment History

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

Redemption Prior to Maturity

In considering whether the Bonds might be redeemed prior to maturity, Bondholders should consider the information included in this Official Statement under the heading "**THE BONDS - Prepayment**."

Clean up Costs and Liens under Environmental Statutes

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

General Liability Claims

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

Project Completion; Risks of Construction

A delay in completion of the Project may arise from any number of other causes, including but not limited to, adverse weather conditions, unavailability of subcontractors, and negligence on the part of subcontractors, labor disputes, or unanticipated costs of construction, equipping or renovation. Any of these events or occurrences, separately or in combination, could have a material adverse effect on the Issuer's ability to complete the Project, or to complete it as planned and on schedule. The Issuer believes that the proceeds of the Bonds plus the proceeds of the previously issued General Obligation School Bonds, Series 2022 and the School Infrastructure Sales, Services and Use Tax Revenue Bonds Series 2023, will be sufficient to complete the Project; however, the cost of construction of the Project may be affected by factors beyond the control of the Issuer, including strikes, material shortages, adverse weather conditions, trade tariffs, subcontractor defaults, delays, and unknown conditions.

Damage or Destruction to District's Facilities

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

Financial Condition of the Issuer from time to time

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

Continuing Disclosure

A failure by the Issuer to comply with the continuing disclosure obligations (see "Continuing Disclosure" herein) will not constitute an event of default on the Bonds. 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.

Bankruptcy and Insolvency

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

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

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

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

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

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

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

Factors Beyond Issuer's Control

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

Risk of Audit

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

Summary

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

LITIGATION

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

ACCOUNTANT

The accrual-basis financial statements of the Issuer included as APPENDIX D to this Official Statement have been examined by 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

The Bonds along with the previously issued General Obligation School Bonds, Series 2022 and the School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2023, are being issued to provide funds to (i) to construct, furnish, and equip an Early Childhood Center and improve the site; (ii) to construct, furnish, and equip a classroom addition that connects Jefferson Intermediate and the Middle School buildings; (iii) to remodel, repair, improve, furnish and equip portions of Jefferson Intermediate and the Middle School buildings, and improve the parking; (iv) to improve and replace the HVAC system in the High School building, including the gymnasiums; (v) to improve, remodel, and repair the athletic stadium and baseball/softball fields and to improve those sites; and to construct new tennis courts and (vi) pay costs of issuance for the Bonds.

SOURCES AND USES OF FUNDS *

Sources of Funds		
	Bond Proceeds	$
	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 on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain 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.

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

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

NOT Qualified Tax Exemption Obligations

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

Discount and Premium Bonds

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

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

Other Tax Advice

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

Audits

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

Reporting and Withholding

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

Tax Legislation

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

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

The Opinion

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

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

Enforcement

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

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

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, completion or fairness of such information and data in the Official Statement. The Municipal Advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

CONTINUING DISCLOSURE

The Issuer will covenant in a Continuing Disclosure Certificate (the “Undertaking”) for the benefit of the Owners and Beneficial Owners of the Bonds to provide annually certain financial information and operating data relating to the Issuer (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the Issuer no later than April 15 after the close of each fiscal year, commencing with the fiscal year ending June 30, 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 District to comply with the Undertaking will not constitute a default under the Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. Any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under the Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default thereunder. If the District fails to comply with any provision of the Disclosure Certificate, the sole remedy available shall be an action to compel performance. A failure by the District to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

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

For the previous five (5) year period beginning May 28, 2019, the Issuer believes it has complied with the Rule in all material respects. However, the following disclosure is being provided by the Issuer for the sole purpose of assisting the Underwriters in complying with the Rule. The Issuer failed to link the operating information and audited financial statements for fiscal year ending June 30, 2022 to the CUSIP numbers associated with the outstanding General Obligation Bonds, Series 2015A, dated June 1, 2015 (“2015A Bonds”). The Issuer has linked the information to the CUSIP numbers for the 2015A Bonds on August 8, 2023 and filed a Notice of Failure to Link on August 15, 2023. Further, the Issuer failed to link 2 CUSIP numbers for 2 separate series (706048 JT3 and 706048 HW8) to the operating information for fiscal year ending June 30, 2022. The Issuer has not linked the operating information to the CUSIP numbers since they are no longer outstanding as of June 1, 2023 and did not file a Notice of Failure to Link.

MISCELLANEOUS

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

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

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

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

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

PELLA COMMUNITY SCHOOL DISTRICT, IOWA

/s/ Katelyn Bierl
Board Secretary

APPENDIX A - INFORMATION ABOUT THE ISSUER

PELLA COMMUNITY SCHOOL DISTRICT, IOWA

DISTRICT OFFICIALS

PRESIDENT	Joan Corbin
BOARD MEMBERS	Elisa Klahsen – Vice President Travis Thompson Paul Weesner Jesse Peterson
SUPERINTENDENT	Greg Ebeling
DISTRICT SECRETARY	Ashley Kraber
DISTRICT TREASURER	Katelyn Bierl
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 Pella Community School District is located in central Iowa, approximately 40 miles southeast of Des Moines. Included within the District's 192.9 square miles are portions of Marion, Mahaska and Jasper Counties, the incorporated cities of Pella and Leighton as well as unincorporated communities of Otley and Peoria. The District is approximately 16 miles wide east to west and 15 miles long north to south. Red Rock Lake, a U.S. Corp of Engineers flood protection impoundment of the Des Moines River, is located adjacent to the District's southern boundary offering excellent recreational opportunities to the area. Transportation facilities are provided to the District by Iowa Highways 163 and 102 and numerous paved county roads. U.S. Interstate 80 is located only 20 miles north of the District. Commercial airline service is available in nearby Des Moines. Private aircraft is served by the Pella Municipal Airport.

The largest community within the District is the city of Pella, a community called "Oasis in the 20th Century" by the New Yorker Magazine due to the charm and unique character of this city and the residents. The community was settled in 1847 by a band of 700 Hollanders under the leadership of Rev. Hendrik Pieter Scholte, who sought a new home and religious freedom in Iowa. They came from Holland in four sailing vessels and landed in Baltimore, Maryland. From there they sailed down the Ohio River to St. Louis, up the Mississippi River to Keokuk, Iowa, and made their way from Keokuk on foot and by wagon to a spot they called Pella, meaning "City of Refuge" in Dutch. Reverence for God and habits of thrift characterized the founding fathers. Today Pella retains much of its unique heritage, drawing strength from the wholesome values espoused by those first sturdy settlers . . . old-fashioned virtues like hard work, thrift, honesty and integrity.

The community pride is easily evident in the clean, well-kept homes and lawns and the annual celebration of Tulip Time. Tulip Time is a festival established in 1935 to commemorate the sacrifices of the founders and to rededicate the community to those principles. The festival is characterized by brightly decorated costumes, wooden shoes, thousands and thousands of tulips, Dutch pastries and meats, Dutch singing and dancing, and parades. From all over the United States, thousands journey to Pella to enjoy the celebration.

For all of its old world charm, Pella is also very progressive. Its major industries are international in scope . . . its products range from Pella Windows and Doors to Vermeer industrial equipment . . . from industrial pulleys to famous Pella meats, bologna and pastries. All of these products are characterized by the quality that is a long-time Pella trademark.

In addition to being the home for industrial and commercial concerns, Pella has been the home of Central College since 1853. Central College provides excellent cultural advantages to the community and offers to the 1,400 students the best possible learning environment for a liberal arts education. Central College also provides an international flavor to the community with overseas programs in Mexico and six European metropolitan centers. Other continuing education opportunities within commuting distance include: Drake University, Grand View College, Des Moines University and Des Moines Area Community College, located in Des Moines; Simpson College, Indianola; Grinnell College, Grinnell; and William Penn, Oskaloosa.

District Facilities

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

Building	Construction Date	Grades Served
High School	1962,1973,1976,1983,1991,1997,2006, 2018	9-12
Middle School	1975,1997,2014	7-8
Jefferson Elementary	1992, 2017	4-6
Lincoln Elementary	1961,1966,1980,1984,1998, 2016	K-3
Madison Elementary	2007	Pk-3
Career Academy	2015	9-12

Source: the Issuer

Enrollment

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

Count Date	Fiscal Year effective	Certified (Resident) (1)(2)	Open Enroll In (3)	Open Enroll Out (3)	Total Served
October-23	2024-25	2,135.9	258.8	45.0	2,349.7
October-22	2023-24	2,179.7	252.4	45.6	2,386.5
October-21	2022-23	2,174.2	217.5	44.2	2,347.5
October-20	2021-22	2,139.2	213.7	43.4	2,309.5
October-19	2020-21	2,187.0	194.3	21.0	2,360.3

Source: Department of Education
1 Used for Sales Tax distribution
2 Used for State Aid distribution
3 For each fiscal year, the school district into which any student open-enrolls, sends an invoice to the home-district in the amount of regular district cost per pupil, which is equal to the amount of State Aid the home-district receives from the State.

Staff

Presented below is a list of the District's 431 employees.

Administrators:	18	Media Specialists:	2
Teachers:	177	Nurses:	6
Teacher Aids:	119	Guidance:	6
Custodians:	25	Administrative Assistants:	12
Food Service:	28	Transportation:	25
Other:	8	Maintenance:	5

Source: the Issuer

Other Post-Employment Benefits (OPEB)

Plan Description - The District operates 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.

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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	22
Active employees	280
Total	302

Total OPEB Liability – The District's total OPEB liability of $694,755 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

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

Rate of inflation (effective 6/30/23)	3.00% per annum
Rates of salary increase (effective 6/30/23) including inflation	0.00% per annum
Discount rate (effective 6/30/23) including inflation	2.37% compounded annually, including inflation
Healthcare cost trend rate (effective 6/30/23)	6.00% per annum

Discount Rate – The discount rate used to measure the total OPEB liability was 2.37%, 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 with projected mortality improvements based on 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, 2023 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		$673,408
Changes for the year		
	Service Cost	57,276
	Interest	16,936
	Recognition of deferred inflows/outflows	(21,044)
	Demographic changes	-
	Change in assumption	-
	Benefit Payments	(31,821)
Net Changes		21,347
Net OPEB obligation – end of year		$694,755

Source: the Issuer's Independent Audited Financial Statement

Employee Pension Plan

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

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

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

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

Table 1 – Issuer and Employees Contribution to IPERS.

	Issuer Contribution		Issuer Employees' Contribution	
Fiscal Year	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2019	1,531,695	9.44	1,020,589	6.29
2020	1,530,859	9.44	1,020,032	6.29
2021	1,531,320	9.44	1,020,339	6.29
2022	1,710,636	9.44	1,139,820	6.29
2023	1,734,200	9.44		6.29

SOURCE: the Issuer

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

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

Table 2 – Funding Status of IPERS

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) % [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
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
2023	41,012,524,216	41,206,314,259	45,719,979,439	4,707,455,223	89.70	4,513,665,180	90.13	9,588,339,000	49.10

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 %
2019	8.35
2020	3.39
2021	29.63
2022	-3.90
2023	5.41

Net Pension Liabilities.

At June 30, 2023, the Issuer reported a liability of $8,491,550 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7%. The Issuer's proportion of the net pension liability was based on the Issuer's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. See "**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS**" for additional information related to the Issuer's deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

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

Bond Counsel, Disclosure Counsel, Municipal Advisor, Municipal Advisor's Counsel, and the Issuer 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 March 31, 2024.

Type of Investment	Amount Invested
Local Bank Money Market	$17,521,911
Local Bank Deposit Accounts	13,634,575
Local Bank Time CD's	0
ISJIT Money Market	0
ISJIT Time CD's	0

Source: the Issuer

Population(1)

Presented below are population figures as officially reported by the U.S. Census for the periods indicated for the Cities of Pella and Leighton.

Year	Pella	Leighton
2020	10,464	158
2010	10,352	162
2000	9,832	153
1990	9,270	142
1980	8,349	137
1970	6,668	140
1960	5,198	167
1950	4,427	118
1940	3,638	128

Major Employers(2)

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

Employer	Business	Approximate Employees
Pella Corporation	Window and doors	2,405
Vermeer Corporation	Agricultural and construction equipment	2,200
Precision Pulley	Pulleys and idlers	1,200
Pella Regional Health Center	Hospital	757
Central College	Education	535
Pella CSD	Education	431
Hearthstone	Senior care	171
Hy-vee	Grocery store	171
City of Pella	Government	150
Wal-Mart	Discount store	139
DeVries Electric	Commercial electrical contractor	136
Christian Opportunity Center	Vocational opportunities for the disabled	124
Pella Christian Grade School	Elementary education	71
Vam Gorp Corporation	Conveyor pulleys, take-up frames and motor bases	60

(1) Source: U.S. Census Bureau
(2) Source: Pella Chamber of Commerce.com

Property Tax Assessment (1)

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

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

Fiscal Year	Residential	Ag. Land & Bldgs	Commercial	Sm Commercial	Multi-residential	Railroad	Sm Railroad	Utilities	Industrial
2024-25	46.3428	71.8370	90.0000	46.3428	NA	90.0000	46.3428	100.0000	90.0000
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

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, 2022 are used to calculate tax liability for the tax year starting July 1, 2023 through June 30, 2024. Presented below are the historic property valuations of the Issuer by class of property.

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(1) Source: Iowa Department of Revenue

Property Valuations (1)

Actual Valuation					
Valuation as of January	2023	2022	2021	2020	2019
Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21
Residential:	1,604,179,538	1,308,926,373	1,257,624,687	1,128,131,338	1,114,871,492
Agricultural Land:	155,869,996	120,225,068	120,374,588	129,877,875	129,598,663
Ag Buildings:	13,591,680	8,445,430	8,372,130	10,303,080	10,592,210
Commercial:	223,767,573	189,510,862	185,056,963	187,599,788	181,623,527
Industrial:	64,563,173	53,862,806	54,885,616	54,765,796	54,765,926
Multiresidential:	0	0	32,952,599	33,040,465	32,853,136
Personal RE:	0	0	0	0	0
Railroads:	1,401,517	1,285,734	1,172,253	1,152,612	1,087,267
Utilities:	20,406,757	20,473,734	20,188,915	22,254,898	21,723,422
Other:	7,269	7,269	7,269	7,269	7,269
Total Valuation:	2,083,787,503	1,702,737,276	1,680,635,020	1,567,133,121	1,547,122,912
Less Military:	1,432,000	677,832	703,760	731,540	733,392
Less Homestead:	3,116,750				
Net Valuation:	2,079,238,753	1,702,059,444	1,679,931,260	1,566,401,581	1,546,389,520
TIF Valuation:	84,683,599	77,141,475	48,811,723	31,963,979	26,226,751
Utility Replacement:	406,554,887	415,440,233	414,103,542	19,457,306	19,149,748

Taxable Valuation					
Valuation as of January	2023	2022	2021	2020	2019
Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21
Residential:	740,057,112	714,677,038	680,344,519	636,338,653	614,007,661
Agricultural Land:	111,958,166	110,173,266	107,176,489	109,121,928	105,583,656
Ag Buildings:	9,763,858	7,739,606	7,454,605	8,657,454	8,630,548
Commercial:	178,218,221	152,367,682	165,588,764	168,004,060	162,645,672
Industrial:	55,950,220	46,232,197	48,594,217	48,562,886	48,950,777
Multiresidential:	0	0	20,816,404	22,111,659	23,220,857
Personal RE:	0	0	0	0	0
Railroads:	1,259,365	1,155,541	1,055,028	1,037,351	978,540
Utilities:	20,406,757	20,473,734	20,188,915	21,931,955	21,723,422
Other:	7,269	7,269	7,269	7,269	7,269
Total Valuation:	1,117,620,968	1,052,826,333	1,051,226,210	1,015,773,215	985,748,402
Less Military:	1,432,000	677,832	703,760	731,540	733,392
Less Homestead:	3,116,750				
Net Valuation:	1,113,072,218	1,052,148,501	1,050,522,450	1,015,041,675	985,015,010
TIF Valuation:	59,267,582	59,357,478	42,139,378	30,244,859	24,832,813
Utility Replacement:	9,176,287	6,709,889	6,221,862	5,773,353	6,219,874

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2023	2,570,477,239	17.13%	1,181,516,087	5.66%
2022	2,194,641,152	2.42%	1,118,215,868	1.76%
2021	2,142,846,525	32.45%	1,098,883,690	4.55%
2020	1,617,822,866	1.64%	1,051,059,887	3.44%
2019	1,591,766,019	10.57%	1,016,067,697	13.32%

(1) Source: Iowa Department of Management

Tax Rates (1)

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

Fiscal Year	Operating Fund	Management Fund	Board PPEL	Voter PPEL	Play Ground	Debt Service	School House	Total Levy
2024	9.43993	0.56665	0.33000	0.67000	0.00000	3.60000	0.00000	14.60658
2023	8.83416	1.17091	0.33000	0.67000	0.00000	3.60000	0.00000	14.60507
2022	8.95611	1.47921	0.33000	0.67000	0.00000	3.16673	0.00000	14.60205
2021	9.63293	0.69106	0.33000	0.67000	0.00000	3.27720	0.00000	14.60119
2020	10.26547	0.73587	0.33000	0.67000	0.00000	2.70573	0.00000	14.70707

Historic Tax Rates (1)

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Total Levy Rate
2024	10.20000	14.60658	0.74410	0.00180	0.15329	0.17295	0.00000	5.83003	31.70875
2023	10.19991	14.60507	0.69448	0.00240	0.14967	0.17026	0.00000	5.93702	31.75881
2022	10.20000	14.60205	0.67789	0.00260	0.15574	0.17312	0.00000	6.53320	32.34460
2021	10.20000	14.60119	0.63533	0.00270	0.15735	0.17394	0.00000	6.68808	32.45859
2020	10.20000	14.70707	0.65249	0.00280	0.19263	0.18877	0.00000	6.77706	32.72082
2019	10.20000	15.18634	0.69468	0.00290	0.25414	0.19819	0.00000	6.74309	33.27934

Tax Collection History (2)

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

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2024	$15,757,653	In collection	N/A
2023	15,643,041	$15,639,354	99.98%
2022	15,043,209	15,036,440	99.96%
2021	14,587,537	14,643,127	100.38%
2020	13,045,519	13,034,484	99.92%
2019	12,368,875	12,396,648	100.22%

(1) Source: Iowa Department of Management
(2) 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. 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
Vermeer Mfg Co	25,930,665	2.32%
Dakota Access LLC	20,473,734	1.83%
Pella Corporation	18,917,310	1.69%
MDP LLC	8,086,397	0.72%
163 Properties Corp	7,140,161	0.64%
View Pointe Estates LLC	6,566,467	0.59%
Welltower Iowa HoldCo LLC	5,246,907	0.47%
Wal-Mart Property Tax Dept	5,116,152	0.46%
G I Warehouse Corp	4,242,001	0.38%
CD & MJ LLC	4,063,134	0.36%
	Total of Top 10 Taxpayers:	9.46%

Source: Marion 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, including an estimate of the Bonds, presented by fiscal year and issue:

Fiscal Year	Series A 1-Jun-15	20-Apr-21	2022A 10-May-22	2022B 28-Jun-22	2024 13-Jun-24*	Principal Total	Interest Total	P&I Total
2025	245,000	1,370,000	245,000	165,000	460,000	2,485,000	2,147,836	4,632,836
2026	1,105,000	420,000	385,000	180,000	80,000	2,170,000	2,082,249	4,252,249
2027	1,140,000	435,000	390,000	185,000	85,000	2,235,000	2,016,474	4,251,474
2028	1,180,000	440,000	400,000	190,000	90,000	2,300,000	1,953,074	4,253,074
2029	1,160,000	450,000	450,000	210,000	95,000	2,365,000	1,889,674	4,254,674
2030	1,195,000	460,000	455,000	225,000	95,000	2,430,000	1,823,874	4,253,874
2031		470,000	1,690,000	140,000	200,000	2,500,000	1,754,605	4,254,605
2032		130,000	1,530,000	705,000	210,000	2,575,000	1,679,505	4,254,505
2033			1,530,000	920,000	215,000	2,665,000	1,587,355	4,252,355
2034			2,210,000	335,000	220,000	2,765,000	1,486,855	4,251,855
2035				2,625,000	230,000	2,855,000	1,395,005	4,250,005
2036				2,735,000	235,000	2,970,000	1,280,805	4,250,805
2037				2,845,000	245,000	3,090,000	1,162,005	4,252,005
2038				2,960,000	255,000	3,215,000	1,038,405	4,253,405
2039				3,080,000	265,000	3,345,000	909,805	4,254,805
2040				3,205,000	270,000	3,475,000	776,005	4,251,005
2041				3,340,000	280,000	3,620,000	632,999	4,252,999
2042				3,475,000	295,000	3,770,000	484,024	4,254,024
2043					3,925,000	3,925,000	328,851	4,253,851
2044					4,085,000	4,085,000	168,711	4,253,711
Totals:	6,025,000	4,175,000	9,285,000	27,520,000	11,835,000	58,840,000	26,598,113	85,438,113

* Preliminary, subject to change

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

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

Anticipatory Warrants (1)

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

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(1) Source: the Issuer

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

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

Fiscal Year	20-Apr-21	12-Oct-23	Principal Total	Interest Total	P&I Total
2025	768,000	100,000	868,000	998,138	1,866,138
2026	783,000	105,000	888,000	977,778	1,865,778
2027	799,000	115,000	914,000	956,868	1,870,868
2028	815,000	120,000	935,000	935,138	1,870,138
2029	831,000	125,000	956,000	912,838	1,868,838
2030	694,000	290,000	984,000	883,028	1,867,028
2031		1,005,000	1,005,000	861,588	1,866,588
2032		1,055,000	1,055,000	811,338	1,866,338
2033		1,110,000	1,110,000	758,588	1,868,588
2034		1,165,000	1,165,000	703,088	1,868,088
2035		1,225,000	1,225,000	644,838	1,869,838
2036		1,285,000	1,285,000	583,588	1,868,588
2037		1,335,000	1,335,000	532,188	1,867,188
2038		1,390,000	1,390,000	478,788	1,868,788
2039		1,445,000	1,445,000	423,188	1,868,188
2040		1,505,000	1,505,000	363,581	1,868,581
2041		1,565,000	1,565,000	301,500	1,866,500
2042		1,635,000	1,635,000	231,075	1,866,075
2043		1,710,000	1,710,000	157,500	1,867,500
2044		1,790,000	1,790,000	80,550	1,870,550
Totals:	4,690,000	20,075,000	24,765,000	12,595,179	37,360,179

(1) Source: the Issuer

Debt Limit (1) (2) (3)

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:

	FY24	FY25
1/1/2023 Actual Valuation:	$2,194,641,152	$2,570,477,239
X	0.05	0.05
Statutory Debt Limit:	109,732,058	128,523,862
Total General Obligation Debt:	58,840,000	58,840,000
Total Loan Agreements:	0	0
Capital Leases:	0	0
Total Debt Subject to Limit:	58,840,000	58,840,000
Percentage of Debt Limit Obligated:	53.62%	45.78%

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 $24,765,000 to be $83,605,000, or 76.19% of the statutory debt limit.

(1) Direct debt source: the Issuer
(2) Valuation data source: Iowa Department of Management
(3) Utility Property Tax Replacement

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

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

Overlapping & Underlying Debt (1) (3)

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

Taxing Authority	Outstanding Debt	2022 Taxable Valuation	Taxable Value Within Issuer	Percentage Applicable	Amount Applicable
City Of Pella	3,650,000	689,794,181	689,794,181	100.00%	3,650,000
City Of Leighton	9,615	3,577,712	3,577,712	100.00%	9,615
Marion County	15,415,000	1,960,230,406	986,200,947	50.31%	7,755,358
Mahaska County	15,270,000	1,351,143,140	116,532,311	8.62%	1,316,995
Jasper County	4,810,000	2,185,992,591	15,482,610	0.71%	34,068
Des Moines Area Cc	90,855,000	62,389,305,642	1,118,215,868	1.79%	1,628,412
Heartland Aea	0	62,389,305,642	1,118,215,868	1.79%	0
				Total:	14,394,447

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

Actual Value of Property, 2023:	2,570,477,239
Taxable Value of Property, 2023:	1,181,516,087
Direct General Obligation Debt:	58,840,000
Overlapping Debt:	14,394,447
Direct & Overlapping General Obligation Debt:	73,234,447
Population, 2020 US Census:	15,764
Direct Debt per Capita:	3,732.56
Total Debt per Capita:	4,645.68
Direct Debt to Taxable Valuation:	4.98%
Total Debt to Taxable Valuation:	6.20%
Direct Debt to Actual Valuation:	2.29%
Total Debt to Actual Valuation:	2.85%
Actual Valuation per Capita:	163,060
Taxable Valuation per Capita:	74,950

(1) Valuation source: Iowa Department of Management
(2) Direct debt source: the Issuer
(3) Overlapping debt outstanding source: Treasurer, State of Iowa; where available, EMMA.MSRB.ORG
(4) Population source: U.S. Census Bureau

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 Pella Community School District in the Counties of Marion, Mahaska and Jasper, State of Iowa, and acts of administrative officers of the School District (the "Issuer"), relating to the issuance of General Obligation School Bonds, Series 2024, by said Issuer, dated June 13, 2024, 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 Pella Community School District, State of Iowa (the "Issuer"), in connection with the issuance of $____________ General Obligation School Bonds, Series 2024 (the "Bonds") dated June 13, 2024. The Bonds are being issued pursuant to a Resolution of the Issuer approved on __________________, 2024 (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 ______________, 2024.

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

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

“State” shall mean the State of Iowa.

Section 3. Provision of Annual Financial Information.

a. The Issuer shall, or shall cause the Dissemination Agent to, not later than the 15th day of April of each year following the close of the Issuer's fiscal year (currently June 30), commencing with information for the 2023/2024 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 of the type contained in the final Official Statement under the caption "Property Valuations", "Tax Rates", "Historic Tax Rates", "Tax Collection History", "Direct Debt", "Debt Limit", and "Financial Summary".

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

Section 5. Reporting of Significant Events.

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

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

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

Section 6. 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 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

a. 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 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual 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 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner 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 11. 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 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Rescission Rights. The Issuer hereby reserves the right to rescind this Disclosure Certificate without the consent of the Holders in the event the Rule is repealed by the S.E.C. or is ruled invalid by a federal court and the time to appeal from such decision has expired. In the event of a partial repeal or invalidation of the Rule, the Issuer hereby reserves the right to rescind those provisions of this Disclosure Certificate that were required by those parts of the Rule that are so repealed or invalidated.

Date: __________ day of _______________, 2024.

PELLA COMMUNITY SCHOOL DISTRICT,
STATE OF IOWA

By: ____
President

ATTEST:

By: ____
Secretary of the Board of Directors

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF
FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: Pella Community School District, Iowa.

Name of Bond Issue: $____________ General Obligation School Bonds, Series 2024

Dated Date of Issue: June 13, 2024

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___.

PELLA COMMUNITY SCHOOL DISTRICT,
STATE OF IOWA

By: ____
Its: ____

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER

This Appendix contains the entire 2023 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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PELLA COMMUNITY SCHOOL DISTRICT

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

June 30, 2023

Table of Contents

Pella Community School District
Board of Education and School District Officials
Year Ended June 30, 2023

Name	Title	Term Expires
	Board of Education	
Joan Corbin	President	2025
Elisa Klahsen	Vice President	2025
Gary Coppock	Board Member	2023
Timothy Tripp	Board Member	2023
Jesse Peterson	Board Member	2025
	School District Officials	
Greg Ebeling	Superintendent	2023
Katelyn Bierl	Business Manager	2023
Ahlers & Cooney	Attorney	Indefinite

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Pella, IA 50219
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Van Maanen, Sietstra, Meyer & Nikkel, PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Pella Community School District, Pella, Iowa, as of and for the year ended June 30, 2023, 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 respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Pella Community School District as of June 30, 2023 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 Pella Community School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pella 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 Pella 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 Pella 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 51 through 57 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 Pella 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, 2022, (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 7, 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 7 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 2, 2024, on our consideration of the Pella 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 Pella 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 2, 2024

Management Discussion and Analysis

The Pella 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, 2023. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

Financial Highlights

- General Fund revenues for FY23 were $29,448,334 compared to $27,816,459 for FY22. This was an increase of $1,631,875 or 5.87%.
- General Fund expenditures for FY23 were $30,488,103 compared to $28,687,744 for FY22. This was an increase of $1,800,359 or 6.28%.
- The District's General Fund unassigned fund balance for FY23 was $3,500,394 compared to $4,099,870 for FY22. This was a decrease of $599,476 or 14.62%.
- The Financial Solvency Ratio is an accepted measure of the district's financial health and is calculated by taking the undesignated, unreserved fund balance divided by the total revenues. This ratio decreased from 15.30% in FY22 to 12.14% in FY23. The District attempts to target a solvency ratio between 7% and 17%.
- The District ended FY23 with a special education deficit of $901,876. This compares to $624,042 for FY22, an increase of $277,834.
- The 2022-2023 school year was a more difficult one financially. While the financial measures of the district remain at healthy levels, lower revenues and increased expenses will require management to remain diligent in managing future budgets and resources. Measures have already been taken to improve the financial position of the district for the next fiscal year and beyond. Decreasing trends in Supplemental State Aid and near steady enrollment trends will need to be continually monitored. While the on-going stability and predictability of future funding remains somewhat questionable, the District continues to be well positioned to withstand these challenges.
- A ten-year comparison of the District's assessed valuations, tax increment financing and total tax rates are as follows:

Year	Assessed Valuation	Tax Increment Financing	Total Tax Rate - %
2022-2023	$ 1,056,744,312	42,139,378	14.60507
2021-2022	1,020,815,028	30,244,859	14.60205
2020-2021	991,234,884	24,832,813	14.60104
2019-2020	883,304,079	13,323,398	14.70707
2018-2019	799,725,390	55,926,812	15.18634
2017-2018	813,041,033	30,281,727	15.18562
2016-2017	785,881,761	34,940,168	15.18672
2015-2016	745,349,974	25,222,224	14.70000
2014-2015	741,898,237	23,496,071	14.70030
2013-2014	708,484,429	15,028,484	14.36515

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 *District-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 District-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 statements for *fiduciary funds* provide information about the financial relationships in which the District acts solely as a trustee, or fiduciary, for assets that belong to others.

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-1
Pella Community School District
Annual Financial Report

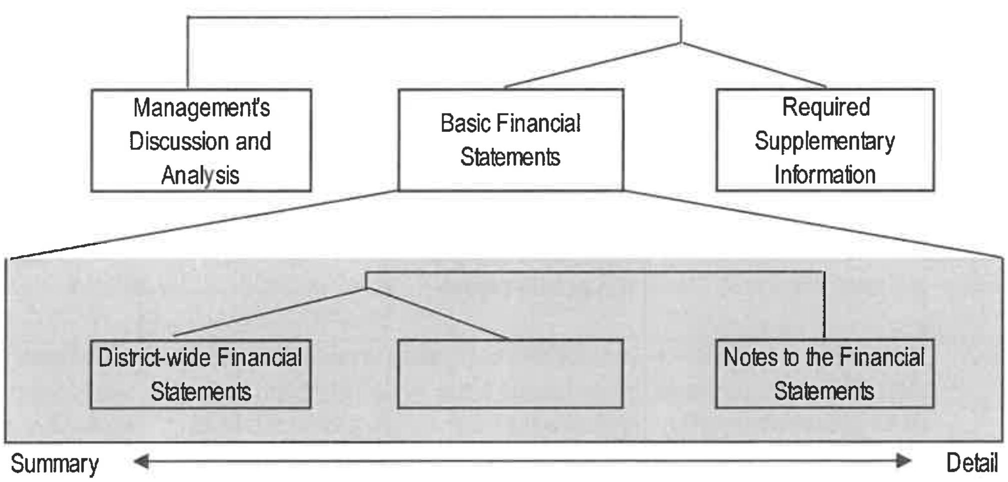

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents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

Figure A-2
Major Features of the District-wide and Fund Financial Statements

		Fund Statements		
	District-wide 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 the special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	Student Activity	General	* Statement of revenues, expenses and changes in fund net position * Statement of cash flows	* Statement of fiduciary net position * Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year; or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of 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
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
Common names of district funds included	All funds with the exception of scholarship funds	General, PPEL, Management, Student Activity, Debt Service, Capital Projects	Nutrition Fund, Community Services	Private Purpose Trust Fund

District-wide Statements

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

The two 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 are an indicator of whether financial position is improving or deteriorating, respectively.

- To asses 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 food service program would be included here.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.

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

The District has three kinds of funds:

Governmental funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial 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, Special Revenue Funds, Debt Service Fund and Capital Projects 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 funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

Fiduciary funds: The District is the trustee, or *fiduciary*, for assets that belong to others, such as a scholarship fund. The District accounts for outside donations to specific District schools for specific purposes in this fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

Net position – Figure A-3 below provides a summary of the District's net position at June 30, 2023 compared to 2022.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business type activities		Total		Total Change
	June 30,		June 30,		June 30,		June 30,
	2023	2022	2023	2022	2023	2022	2022-2023
Current assets	$ 43,731,990	57,456,774	1,852,034	1,819,525	45,584,024	59,276,299	-23.1%
Noncurrent assets	85,796,054	70,834,628	196,232	155,108	85,992,286	70,989,736	21.1%
Total assets	129,528,044	128,291,402	2,048,266	1,974,633	131,576,310	130,266,035	1.0%
Deferred outflows of resources	10,549,619	4,259,184	262,353	105,338	10,811,972	4,364,522	147.7%
Current liabilities	9,143,079	8,114,072	49,914	104,021	9,192,993	8,218,093	11.9%
Noncurrent liabilities	64,272,857	59,908,759	241,046	41,451	64,513,903	59,950,210	7.6%
Total liabilities	73,415,936	68,022,831	290,960	145,472	73,706,896	68,168,303	8.1%
Deferred inflows of resources	25,951,403	29,207,979	228,161	312,310	26,179,564	29,520,289	-11.3%
Net Position:							
Invested in capital assets, net of related debt	37,354,951	34,737,134	196,232	155,108	37,551,183	34,892,242	7.6%
Restricted	7,140,739	6,084,530	-	-	7,140,739	6,084,530	17.4%
Unrestricted	(3,785,366)	(5,501,888)	1,595,266	1,467,081	(2,190,100)	(4,034,807)	-45.7%
Total Net Position	$ 40,710,324	35,319,776	1,791,498	1,622,189	42,501,822	36,941,965	15.1%

The District's combined net position increased by 15.1% from $36,941,965 to $42,501,822.

Changes in net position – Figure A-4 shows the changes in net position for the year ended June 30, 2023 compared to the year ended June 30, 2022.

Figure A-4
Changes in Net Position

	Governmental activities		Business type activities		Total District		Total Change
	Year ended June 30,		Year ended June 30,		Year ended June 30,		June 30,
Revenues:	2023	2022	2023	2022	2023	2022	2022-2023
Program revenues:							
Charges for services	$ 4,006,055	3,177,871	816,108	189,191	4,822,163	3,367,062	43.22%
Operating grants and contributions	5,550,069	5,591,843	739,045	1,650,260	6,289,114	7,242,103	-13.16%
General Revenues:							
Local taxes	16,662,293	16,220,375	-	-	16,662,293	16,220,375	2.72%
Statewide sales, services and use tax	2,970,566	2,582,733	-	-	2,970,566	2,582,733	15.02%
Unrestricted state grants	10,387,823	9,628,617	-	-	10,387,823	9,628,617	
Investment earnings	599,017	25,062	10,514	3,040	609,531	28,102	2069.00%
Other	680,198	217,487	-	-	680,198	217,487	212.75%
Transfers	-	-	-	-	-	-	0.00%
Total revenues	40,856,021	37,443,988	1,565,667	1,842,491	42,421,688	39,286,479	7.98%
Expenses:							
Program expenses:							
Instruction	21,158,759	21,497,019	-	-	21,158,759	21,497,019	-1.57%
Support services - students & staff	2,675,323	2,648,956	-	-	2,675,323	2,648,956	1.00%
Support services - administration	2,748,266	2,649,193	-	-	2,748,266	2,649,193	3.74%
Operations and maintenance	4,452,800	3,268,234	-	-	4,452,800	3,268,234	36.24%
Transportation	1,489,211	1,417,721	-	-	1,489,211	1,417,721	5.04%
Non-instructional activities	1,548	-	1,396,358	1,391,022	1,397,906	1,391,022	0.49%
Other expenditures	2,939,566	2,573,094	-	-	2,939,566	2,573,094	14.24%
Total expenses	35,465,473	34,054,217	1,396,358	1,391,022	36,861,831	35,445,239	4.00%
Change in Net Position	$ 5,390,548	3,389,771	169,309	451,469	5,559,857	3,841,240	44.74%

Governmental Activities

Local taxes and unrestricted state grants account for 73.48% of the total governmental activities revenue. The District's expenses primarily relate to instruction and support services, which account for 74.95% of the total expenses.

Revenues for governmental activities were $40,856,021 and expenses were $35,465,473, resulting in a net increase of $5,390,548.

Figure A-5 presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses.

Figure A-5
Total and Net Cost of Governmental Activities

	Total Cost of Services		Change	Net Cost of Services		Change
	2023	2022	2022-2023	2023	2022	2022-2023
Instruction	$ 21,158,759	21,497,019	-1.6%	12,899,641	13,989,973	-7.8%
Support services	11,365,600	9,984,104	13.8%	11,142,969	9,759,493	14.2%
Non-instructional programs	1,548	-	#DIV/0!	1,548	-	#DIV/0!
Other expenses	2,939,566	2,573,094	14.2%	1,865,191	1,535,037	21.5%
Totals	$ 35,465,473	34,054,217	4.1%	25,909,349	25,284,503	2.5%

- The cost financed by users of the District's programs was $4,006,055.

- Federal and state governments subsidized certain programs with grants and contributions totaling $5,550,069.

- The net cost of governmental activities was financed with $16,662,293 in local taxes, $10,387,823 in unrestricted state grants, $2,970,566 in local option sales and services tax, $599,017 in interest income and $680,198 in other income.

Business-Type Activities

Revenues of the District's business-type activities were $1,565,667 and expenses were $1,396,358. The District's business-type activities include the School Nutrition Fund. Revenues were comprised of $816,108 in charges for service, $739,045 for federal and state reimbursements and investment income of $10,514. The net position for business-type activities increased by $169,309.

Financial Analysis of the District's Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of $19,732,615. This compares to $34,994,264 last year, a decrease of $15,261,649.

Governmental Fund Highlights

- The General Fund balance decreased $581,319 from $4,637,787 to $4,056,468.

- The Activity Fund balance decreased $106,555 from $367,911 to 261,356.

- The Management Fund balance increased $282,207 from $2,133,437 to $2,415,644.

- The Physical Plant & Equipment Levy (PPEL) Fund balance decreased $205,348 from $593,908 to $388,560.

- The Statewide Sales, Services and Use Tax Fund balance increased $960,660 from $2,349,425 to $3,310,085. The Statewide Sales, Services and Use Tax generated $2,970,566. The District receives money from Marion County.

- The Debt Service Fund balance increased $112,499 from $241,510 to $354,009.

Proprietary Fund Highlights

The District's Proprietary Funds include the School Nutrition Fund.

- The School Nutrition Fund net position increased $169,309 from $1,622,189 to $1,791,498.

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. 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. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for the General Fund and major Special Revenue Funds are not presented in the budgetary comparison on pages 51 and 52.

Legal Budgetary Highlights

The District's total actual receipts were $2,330,217 more than the total budgeted receipts, a variance of 5.88%. Total expenditures were $13,796,854 less than the total budgeted expenditures, a variance of 19.35%.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2023, the District had invested $85,992,286 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, musical instruments, 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 $2,822,286.

The original cost of the District's capital assets was $124,909,139. Governmental funds account for $123,601,714 with the remaining $1,307,425 in the School Nutrition Fund.

Figure A-6
Capital Assets, net of Depreciation

	Governmental Activities		Business Type activities		Total School District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2023	2022	2023	2022	2023	2022	2022-2023
Land	$ 1,949,558	1,949,558	-	-	1,949,558	1,949,558	0.0%
Construction in progress	20,149,701	3,503,689	-	-	20,149,701	3,503,689	
Buildings	60,783,607	62,222,892	-	-	60,783,607	62,222,892	-2.3%
Improvements other than buildings	1,344,104	1,592,000	-	-	1,344,104	1,592,000	-15.6%
Furniture and equipment	1,569,084	1,566,489	196,232	155,108	1,765,316	1,721,597	2.5%
Totals	$ 85,796,054	70,834,628	196,232	155,108	85,992,286	70,989,736	21.1%

Long-Term Debt

At June 30, 2023, the District had $49,437,318 in general obligation bonds and $7,950,278 in revenue bonds. This is a decrease of $3,380,184 from last year. (See Figure A-7) 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, net of premiums and discounts

	June 30,		Total
	2023	2022	Change
General obligation bonds	$ 49,437,318	51,696,319	-4.4%
Revenue bonds	7,950,278	9,071,461	-12.4%
Early retirement	1,619,938	2,194,758	-26.2%
Compensated absences	149,426	120,923	23.6%
Net pension liability	8,285,951	299,471	2666.9%
Net OPEB liability	659,308	673,408	-2.1%
Totals	$ 68,102,219	64,056,340	6.3%

The District had total outstanding bonded indebtedness at June 30, 2023 of $56,658,000. This represents four separate G.O. bond issues and two revenue bond issues. The six bond issues are being used to finance infrastructure improvements approved by the voters in 2013 and November 2021.

The District also has a long-term debt obligation for its early retirement plan, which was $1,619,938 at June 30, 2023, down from $2,194,758 on June 30, 2022. An early retirement incentive was offered in 2021-22 which included district paid health insurance benefits for certified employees until age 65. This obligation is paid from the District's Management Fund. The District long-term debt obligation for other postemployment benefits total $659,308.

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:

- The October 2023 certified enrollment decreased by 43.75 students. This decrease will decrease funding for the 2024-2025 school year. Supplemental State Aid has not been set for 2024-2025, so any additional future funding is unknown at this time.

- The District's transportation fleet remains in good shape overall. This past year, two buses were purchased.

- Pella is home to the corporate headquarters of Pella Corporation and Vermeer Manufacturing. The current economic environment seems to have stabilized. The property tax base remains solid and housing starts remain steady.

- The Pella Community School District is very unique in that it does not have a collective bargaining agreement with its teachers. There continues to be a very amicable relationship between management and labor.

- There were no significant changes in leadership during the past year.

- All in all, the 2022-2023 school-year was a good year financially. The 2023-2024 school year is projected to absorb a significant deficit spend; however, the District has already taken steps to reduce spending for the 2024-25 school year. The district also remains cautious about any potential adverse action by the Legislature including low Supplemental State Aid; or a trend of decreased enrollment that could negatively impact funding.

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 Katelyn Bierl, Business Manager, Pella Community School District, 212 E. University, P.O. Box 468, Pella, Iowa, 50219.

Exhibit A

Pella Community School District
Statement of Net Position
Year ended June 30, 2023

	Governmental Activities	Business Type Activities	Total
Assets			
Current assets:			
Cash, cash equivalents and pooled investments	$ 25,374,197	1,826,545	27,200,742
Receivables:			
Property tax:			
Delinquent	41,172	-	41,172
Succeeding year	15,757,653	-	15,757,653
Income surtax	872,644	-	872,644
Accounts	2,560	-	2,560
Due from other governments	1,673,053	-	1,673,053
Inventories	10,711	25,489	36,200
Total current assets	43,731,990	1,852,034	45,584,024
Noncurrent assets:			
Capital assets:			
Capital assets, non-depreciable	22,099,259	-	22,099,259
Capital assets, depreciable, net	63,696,795	196,232	63,893,027
Total noncurrent assets	85,796,054	196,232	85,992,286
Total assets	129,528,044	2,048,266	131,576,310
Deferred Outflows of Resources			
Pension related deferred outflows of resources	10,486,796	258,975	10,745,771
OPEB related deferred outflows of resources	62,823	3,378	66,201
Total deferred outflows of resources	10,549,619	262,353	10,811,972
Liabilities			
Current liabilities:			
Accounts payable	2,777,368	2,023	2,779,391
Medical claims payable	150,249	-	150,249
Salaries and benefits payable	2,241,111	3,102	2,244,213
Deposits payable	-	44,789	44,789
Accrued interest payable	144,989	-	144,989
General obligation bonds payable	1,954,000	-	1,954,000
Revenue bonds payable	1,141,183	-	1,141,183
Early retirement	584,753	-	584,753
Compensated absences	149,426	-	149,426
Total current liabilities	9,143,079	49,914	9,192,993
Noncurrent liabilities:			
General obligation bonds payable	47,483,318	-	47,483,318
Revenue bonds payable	6,809,095	-	6,809,095
Early retirement	1,035,185	-	1,035,185
Net pension liability	8,285,951	205,599	8,491,550
Net OPEB liability	659,308	35,447	694,755
Total noncurrent liabilities	64,272,857	241,046	64,513,903
Total liabilities	73,415,936	290,960	73,706,896

Exhibit A

Pella Community School District
Statement of Net Position
Year ended June 30, 2023

Deferred Inflows of Resources			
Unavailable property tax revenues	15,757,653	-	15,757,653
Unavailable income surtax revenues	872,644	-	872,644
Pension related deferred inflows	9,185,979	220,896	9,406,875
OPEB related deferred inflows	135,127	7,265	142,392
Total deferred inflows of resources	25,951,403	228,161	26,179,564
Net Position			
Net investment in capital assets	37,354,951	196,232	37,551,183
Restricted for:			
Categorical funding	545,363	-	545,363
Debt service	209,020	-	209,020
School infrastructure	3,310,085	-	3,310,085
Management levy purposes	2,415,644	-	2,415,644
Student activities	261,356	-	261,356
Physical plant and equipment levy	388,560	-	388,560
Purpose restricted	10,711	-	10,711
Unrestricted	(3,785,366)	1,595,266	(2,190,100)
Total net position	$ 40,710,324	1,791,498	42,501,822

See notes to financial statements.

Exhibit B

Pella Community School District
Statement of Activities
Year ended June 30, 2023

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Functions/Programs						
Governmental activities:						
Instruction:						
Regular instruction	$ 11,306,958	1,842,593	3,168,311	(6,296,054)	-	(6,296,054)
Special instruction	4,776,190	1,110,743	645,479	(3,019,968)	-	(3,019,968)
Other instruction	5,075,611	1,005,349	486,643	(3,583,619)	-	(3,583,619)
	21,158,759	3,958,685	4,300,433	(12,899,641)	-	(12,899,641)
Support services:						
Student	601,222	-	-	(601,222)	-	(601,222)
Instructional staff	2,074,101	-	-	(2,074,101)	-	(2,074,101)
Administration	2,748,266	-	-	(2,748,266)	-	(2,748,266)
Operating and maintenance of plant	4,452,800	35,387	-	(4,417,413)	-	(4,417,413)
Transportation	1,489,211	11,983	175,261	(1,301,967)	-	(1,301,967)
	11,365,600	47,370	175,261	(11,142,969)	-	(11,142,969)
Non-instructional programs	1,548	-	-	(1,548)	-	(1,548)
Other expenditures:						
Facilities acquisition	-	-	-	-	-	-
Long-term debt interest	1,865,191	-	-	(1,865,191)	-	(1,865,191)
AEA flowthrough	1,074,375	-	1,074,375	-	-	-
	2,939,566	-	1,074,375	(1,865,191)	-	(1,865,191)
Total governmental activities	35,465,473	4,006,055	5,550,069	(25,909,349)	-	(25,909,349)
Business type activities:						
Non-instructional programs:						
Food service operations	1,396,358	816,108	739,045	-	158,795	158,795
Total business type activities	1,396,358	816,108	739,045	-	158,795	158,795
Total	$ 36,861,831	4,822,163	6,289,114	(25,909,349)	158,795	(25,750,554)

Exhibit B

Pella Community School District
Statement of Activities
Year ended June 30, 2023

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Totals continued from previous pages	$ 36,861,831	4,822,163	6,289,114	(25,909,349)	158,795	(25,750,554)
General Revenues:						
Property tax levied for:						
General purposes				11,608,634	-	11,608,634
Debt service				3,955,023	-	3,955,023
Capital outlay				1,098,636	-	1,098,636
Statewide sales, services and use tax				2,970,566	-	2,970,566
Unrestricted state grants				10,387,823	-	10,387,823
Unrestricted investment earnings				599,017	10,514	609,531
Other				680,198	-	680,198
Total general revenues				31,299,897	10,514	31,310,411
Change in net position				5,390,548	169,309	5,559,857
Net position beginning of year				35,319,776	1,622,189	36,941,965
Net position end of year				$ 40,710,324	1,791,498	42,501,822

See notes to financial statements.

Exhibit C

Pella Community School District
Balance Sheet
Governmental Funds
June 30, 2023

	General	Debt Service	Capital Projects	Non-major	Total
Assets					
Cash, cash equivalents and pooled investments	$ 5,383,395	343,861	14,587,660	2,720,357	23,035,273
Receivables:					
Property tax:					
Delinquent	24,904	10,148	2,819	3,301	41,172
Succeeding year	10,013,858	4,025,577	1,118,216	600,002	15,757,653
Income surtax	872,644	-	-	-	872,644
Accounts	-	-	-	2,560	2,560
Due from other governments	1,451,821	-	209,557	-	1,661,378
Inventories	10,711	-	-	-	10,711
Total assets	$ 17,757,333	4,379,586	15,918,252	3,326,220	41,381,391
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	$ 574,224	-	2,154,898	48,246	2,777,368
Salaries and benefits payable	2,240,139	-	-	972	2,241,111
Total liabilities	2,814,363	-	2,154,898	49,218	5,018,479
Deferred inflows of resources					
Unavailable revenues:					
Succeeding year property tax	10,013,858	4,025,577	1,118,216	600,002	15,757,653
Income surtax	872,644	-	-	-	872,644
Total deferred inflows of resources	10,886,502	4,025,577	1,118,216	600,002	16,630,297
Fund balances:					
Non-spendable for:					
Inventory	10,711	-	-	-	10,711
Restricted for:					
Categorical funding	545,363	-	-	-	545,363
Debt service	-	354,009	-	-	354,009
Management levy purposes	-	-	-	2,415,644	2,415,644
Student activities	-	-	-	261,356	261,356
School infrastructure	-	-	12,256,578	-	12,256,578
Physical plant and equipment	-	-	388,560	-	388,560
Unassigned	3,500,394	-	-	-	3,500,394
Total fund balances	4,056,468	354,009	12,645,138	2,677,000	19,732,615
Total liabilities, deferred inflows of resources and fund balances	$ 17,757,333	4,379,586	15,918,252	3,326,220	41,381,391

See notes to financial statements.

Exhibit D

Pella Community School District
Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
June 30, 2023

Total fund balances of governmental funds (Exhibit C)		$ 19,732,615
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.		85,796,054
The Internal Service Fund is used by management to charge the costs of partial self funding of the District's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		2,200,350
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.		(144,989)
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	$ 10,549,619	
Deferred inflows of resources	(9,321,106)	1,228,513
Long-term liabilities, including bonds and notes payable, compensated absences payable, other postemployment benefits payable and net pension liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds. Those liabilities at year-end consist of:		
General obligation bonds payable	(48,905,000)	
Revenue bonds payable	(7,753,000)	
Bond discounts, net	510,922	
Bond premiums, net	(1,240,518)	
Early retirement	(1,619,938)	
Compensated absences	(149,426)	
Net pension liability	(8,285,951)	
Net OPEB liability	(659,308)	(68,102,219)
Net position of governmental activities (Exhibit A)		$ 40,710,324

See notes to financial statements.

Exhibit E

Pella Community School District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended June 30, 2023

	General	Debt Service	Capital Projects	Non-major	Total
Revenues:					
Local sources:					
Local tax	$ 10,371,528	3,955,023	1,098,636	1,237,106	16,662,293
Tuition	2,754,113	-	-	-	2,754,113
Other	377,388	12,852	561,233	1,079,267	2,030,740
State sources	14,659,950	588	2,970,729	191	17,631,458
Federal sources	1,285,355	-	-	-	1,285,355
Total revenues	29,448,334	3,968,463	4,630,598	2,316,564	40,363,959
Expenditures:					
Current:					
Instruction:					
Regular	10,518,711	-	764,582	592,581	11,875,874
Special	4,848,445	-	-	-	4,848,445
Other	4,086,797	-	-	1,173,402	5,260,199
	19,453,953	-	764,582	1,765,983	21,984,518
Support services:					
Student	610,069	-	-	436	610,505
Instructional staff	2,013,423	-	73,924	436	2,087,783
Administration	2,513,813	-	312,474	14,165	2,840,452
Operation and maintenance of plant	3,638,855	-	661,204	294,574	4,594,633
Transportation	1,183,615	-	135,582	65,318	1,384,515
	9,959,775	-	1,183,184	374,929	11,517,888
Other expenditures:					
Facilities acquisition	-	-	16,300,925	-	16,300,925
Long-term debt:					
Principal	-	3,298,000	-	-	3,298,000
Interest and fiscal charges	-	1,941,964	-	-	1,941,964
AEA flowthrough	1,074,375	-	-	-	1,074,375
	1,074,375	5,239,964	16,300,925	-	22,615,264
Total expenditures	30,488,103	5,239,964	18,248,691	2,140,912	56,117,670

Exhibit E

Pella Community School District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended June 30, 2023

	General	Debt Service	Capital Projects	Non-major	Total
Excess (deficiency) of revenues over (under) expenditures	(1,039,769)	(1,271,501)	(13,618,093)	175,652	(15,753,711)
Other financing sources(uses):					
Proceeds from sale of assets	458,450	-	33,612	-	492,062
Transfers in	-	1,384,000	-	-	1,384,000
Transfers out	-	-	(1,384,000)	-	(1,384,000)
Total other financing sources (uses)	458,450	1,384,000	(1,350,388)	-	492,062
Change in fund balances	(581,319)	112,499	(14,968,481)	175,652	(15,261,649)
Fund balances beginning of year	4,637,787	241,510	27,613,619	2,501,348	34,994,264
Fund balances end of year	$ 4,056,468	354,009	12,645,138	2,677,000	19,732,615

See notes to financial statements.

Exhibit F

Pella Community School District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds to the Statement of Activities
Year ended June 30, 2023

Net change in fund balances - total governmental funds (Exhibit E)		$ (15,261,649)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Position and are allocated over the estimated useful lives of the capital assets as deprecia		
Capital outlays	$ 17,763,021	
Less current year depreciation	(2,801,595)	14,961,426
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt liabilities is an expenditure in the governmental fund		
Repayments of bond and note principal	3,298,000	
Amortization of discounts	(36,823)	
Amortization of premiums	119,007	3,380,184
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as t		(5,411)
The current year District employers share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.		1,692,178
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.		
Early retirement	574,820	
Compensated absences	(28,503)	
Pension (expense) benefit	12,392	
OPEB expense	(31,999)	526,710
The Internal Service Fund is used by management to charge the costs of employee health benefits to individual funds. The change in Net Position of the Internal Service Fund is reported with governmental activities.		97,110
Change in net position of governmental activities (Exhibit B)		$ 5,390,548

See notes to financial statements.

Exhibit G

Pella Community School District
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business Type Activities	Governmental Activities
	Enterprise, School Nutrition	Internal Service Fund
Assets		
Current assets:		
Cash and investments	$ 1,826,545	2,338,924
Due from other governments	-	11,675
Inventories	25,489	-
Total current assets	1,852,034	2,350,599
Noncurrent assets:		
Property and equipment:		
Machinery and equipment	1,307,425	-
Accumulated depreciation	(1,111,193)	-
Total noncurrent assets	196,232	-
Total assets	2,048,266	2,350,599
Deferred Outflows of Resources		
Pension related deferred outflows	258,975	-
OPEB related deferred outflows	3,378	-
Total deferred inflows of resources	262,353	-
Liabilities		
Current liabilities:		
Accounts payable	2,023	150,249
Salaries and benefits payable	3,102	-
Unearned revenues	44,789	-
Total current liabilities	49,914	150,249
Noncurrent liabilities:		
Net pension liability	205,599	-
Net OPEB liability	35,447	-
Total noncurrent liabilities	241,046	-
Total liabilities	290,960	150,249

Exhibit G

Pella Community School District
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business Type Activities	Governmental Activities
	Enterprise, School Nutrition	Internal Service Fund
Deferred Inflows of Resources		
Pension related deferred inflows	220,896	-
OPEB related deferred inflows	7,265	-
Total deferred inflows of resources	228,161	-
Net Position		
Net investment in capital assets	196,232	-
Unrestricted	1,595,266	2,200,350
Total net position	$ 1,791,498	2,200,350

See notes to financial statements.

Exhibit H

Pella Community School District
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2023

	Business Type Activities Enterprise, School Nutrition	Governmental Activities Internal Service Fund
Operating revenues:		
Local sources:		
Other local sources:		
Charges for service	$ 816,108	1,837,479
Total operating revenues	816,108	1,837,479
Operating expenses:		
Instructional programs:		
Support services:		
Administrative services:		
Services	-	1,753,972
	-	1,753,972
Food service operations:		
Salaries	456,124	-
Benefits	104,066	-
Services	44,803	-
Supplies	770,674	-
Depreciation	20,691	-
	1,396,358	-
Total operating expenses	1,396,358	1,753,972
Operating income (loss)	(580,250)	83,507
Non-operating revenues:		
Interest income	10,514	13,603
State sources	5,908	-
Federal sources	733,137	-
Total non-operating revenues	749,559	13,603
Change in net position	169,309	97,110
Net position beginning of year	1,622,189	2,103,240
Net position end of year	$ 1,791,498	2,200,350

See notes to financial statements.

Exhibit I

Pella Community School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023

	Business Type Activities	Governmental Activities
	Enterprise, School Nutrition	Internal Service Fund
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	$ 945,395	-
Cash received from miscellaneous operating activities	-	1,849,494
Cash paid to employees for services	(600,591)	(1,745,482
Cash paid to suppliers for goods or services	(692,724)	-
Net cash provided (used) by operating activities	(347,920)	104,012
Cash flows from non-capital financing activities:		
State grants received	5,908	-
Federal grants received	588,973	-
Net cash provided by operating activities	594,881	-
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(61,815)	-
Net cash used by capital and related financing activities	(61,815)	-
Cash flows from investing activities:		
Interest on investments	10,514	13,603
Net cash provided by investing activities	10,514	13,603
Net increase (decrease) in cash and cash equivalents	195,660	117,615
Cash and cash equivalents at beginning of year	1,630,885	2,221,309
Cash and cash equivalents at end of year	$ 1,826,545	2,338,924

Exhibit I

Pella Community School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023

		Business Type Activities	Governmental Activities
		Enterprise, School Nutrition	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$	(580,250)	83,507
Adjustments to reconcile operating loss to net cash used by operating activities:			
Commodities		144,164	-
Depreciation		20,691	-
Decrease in inventories		11,707	-
Decrease in accounts receivable		151,444	12,015
(Decrease) in accounts payable		(33,118)	-
(Decrease) in unearned revenue		(22,157)	-
Increase in medical claims payable		-	8,490
Increase in salaries and benefits payable		1,168	-
Increase in net pension liability		198,506	-
(Increase) in deferred outflows of resources		(157,015)	-
(Decrease) in deferred inflows of resources		(84,149)	-
Increase in Other postemployment benefits		1,089	-
Net cash provided (used) by operating activities	$	(347,920)	104,012
Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:			
Current assets:			
Cash and investments	$	1,826,545	2,338,924
Cash and cash equivalents at year end	$	1,826,545	2,338,924

Non-cash investing, capital and financing activities:

During the year ended June 30, 2023, the District received federal commodities valued at $144,164.

See notes to financial statements.

Exhibit J

Pella Community School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Private Purpose Trust	
	Scholarship	Custodial
Assets		
Cash, cash equivalents and pooled investments	$ 58,089	749
Total assets	58,089	749
Liabilities		
Accounts payable	1,055	-
Total liabilities	1,055	-
Net Position		
Restricted for scholarships	57,034	-
Restricted for other organizations	-	749
Total net position	$ 57,034	749

See notes to financial statements.

Exhibit K

Pella Community School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2023

	Private Purpose Trust	
	Scholarship	Custodial
Additions:		
Local sources:		
Gifts and contributions	$ 56,341	2,055
Interest income	394	-
Total additions	56,735	2,055
Deductions:		
Instruction:		
Supplies	67,808	1,516
Total deductions	67,808	1,516
Change in net position	(11,073)	539
Net position beginning of year	68,107	210
Net position end of year	$ 57,034	749

See notes to financial statements.

Basic Financial Statements

(1) Summary of Significant Accounting Policies

Pella Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades pre-kindergarten through twelve. The geographic area served includes the City of Pella, Iowa. 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, Pella 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. Pella Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations – The District participates in a jointly governed organization that provides services to the District but 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 Marion 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 that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - 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 non-major governmental funds. Combining schedules are also included for the Capital Project Fund accounts.

Fund accounting - The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, deferred inflows/outflows, fund balance/net position, revenues and expenditures or expenses, as appropriate. The District has the following funds:

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 that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

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

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

The 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.

Management Fund: This fund is authorized by Iowa Code Section 298.4 and accounts for transactions related to unemployment, early retirement, judgments and settlements and the cost of liability insurance as it relates to property and casualty.

The District reports the following major proprietary fund:

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

Internal Service Funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The District has the following internal service fund:

Partial Self-Insurance Fund: This fund accounts for transactions for self-insured health insurance received by District employees in which the District is responsible for paying all claims and administrative costs attributable to the insurances listed above.

The District also reports fiduciary funds which focus on net position and change in net position. The District's fiduciary funds include the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements for scholarship awards, with funds given by individuals, private organizations and other governments.

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

C. Measurement Focus and Basis of Accounting

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

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, 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 District maintains a cash and investment pool used by all funds. The cash and investment pool has the same characteristics as demand deposits. Each fund type's portion of this pool is displayed in the financial statements as cash and cash equivalents in that fund. The District utilizes a financial institution to service bonded debt as principal and interest payments come due. The monies are either maintained in a central bank account or used to purchase legal investments.

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

Property Tax Receivable – Property tax in 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, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2022.

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 expense when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost 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 repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	$ 2,500
Buildings	2,500
Improvements other than buildings	2,500
Furniture and equipment:	
School Nutrition Fund equipment	2,500
Other furniture and equipment	2,500

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings	50
Improvements other than buildings	20-50
Furniture and equipment	5-15

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 amortized 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.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2023. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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 of resources related to OPEB and OPEB expense, information has been determined based on the Pella 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 and the Enterprise, School Nutrition Fund.

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

Deferred inflows of resources in the Statement of Net Position consists of succeeding year property tax and income surtax receivable that will not be recognized as revenue until the year for which it is levied and unrecognized items not yet charged to pension and OPEB expense.

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 an 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, 2023, expenditures exceeded the amounts budgeted in the instruction and support services functions.

(2) Cash, Cash Equivalents and Pooled Investments

The District's deposits in banks at June 30, 2023 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.

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2023 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	$ 1,384,000
		$ 1,384,000

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

(4) Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,949,558	-	-	1,949,558
Construction in progress	3,503,689	16,786,762	140,750	20,149,701
Total capital assets not being depreciated	5,453,247	16,786,762	140,750	22,099,259
Capital assets being depreciated:				
Buildings	86,470,339	542,042	-	87,012,381
Improvements other than buildings	5,148,882	17,600	-	5,166,482
Furniture and equipment	9,250,631	557,367	484,406	9,323,592
Total capital assets being depreciated	100,869,852	1,117,009	484,406	101,502,455
Less accumulated depreciation for:				
Buildings	24,247,447	1,981,327	-	26,228,774
Improvements other than buildings	3,556,882	265,496	-	3,822,378
Furniture and equipment	7,684,142	554,772	484,406	7,754,508
Total accumulated depreciation	35,488,471	2,801,595	484,406	37,805,660
Total capital assets being depreciated, net	65,381,381	(1,684,586)	-	63,696,795
Governmental activities capital assets, net	$ 70,834,628	15,102,176	140,750	85,796,054
Business type activities:				
Furniture and equipment	$ 1,245,610	61,815	-	1,307,425
Less accumulated depreciation	1,090,502	20,691	-	1,111,193
Business type activities capital assets, net	$ 155,108	41,124	-	196,232

Depreciation expense was charged by the District as follows:

Governmental activities:	
Instruction:	
Regular	$ 1,728,582
Special education	224,128
Other	140,080
Support services:	
Student support	28,016
Instructional staff	112,064
Administration	148,485
Operation and maintenance of plant	140,080
Transportation	280,160
Total depreciation expense - governmental activities	$ 2,801,595
Business type activities:	
Food services	$ 20,691

(5) Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2023 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	$ 51,110,000	-	2,205,000	48,905,000	1,900,000
General obligation bond discounts, net	(547,745)	-	(36,825)	(510,920)	(36,825)
General obligation bond premiums, net	1,134,064	-	90,825	1,043,239	90,825
Revenue bonds	8,846,000	-	1,093,000	7,753,000	1,113,000
Revenue bond premiums, net	225,461	-	28,183	197,278	28,183
Subtotal	60,767,780	-	3,380,183	57,387,597	3,095,183
Early retirement	2,194,758	49,107	623,927	1,619,938	584,753
Compensated absences	120,923	149,426	120,923	149,426	149,426
Net pension liability	292,378	7,993,573	-	8,285,951	-
Other postemployment benefits	639,050	20,258	-	659,308	-
Total governmental activities	$ 64,014,889	8,212,364	4,125,033	68,102,220	3,829,362
Business type activities:					
Net pension liability	$ 233,984	-	28,385	205,599	-
Other postemployment benefits	35,719	-	272	35,447	-
Total business type activities	$ 269,703	-	28,657	241,046	-

General Obligation Bonds

Details of the District's June 30, 2023 general obligation bonded indebtedness are as follows:

Bond Issue of June 1, 2015				
Year ending June 30,	Interest Rates	Principal	Interest	Total
2024	2.00%	$ 215,000	155,194	370,194
2025	2.00%	245,000	150,894	395,894
2026	2.50%	1,105,000	145,994	1,250,994
2027	2.50%	1,140,000	118,369	1,258,369
2028	2.50%	1,180,000	89,869	1,269,869
2029	2.50%	1,160,000	60,369	1,220,369
2030	2.63%	1,195,000	31,369	1,226,369
	Subtotal	$ 6,240,000	752,058	6,992,058

General Obligation Bonds (continued)

Bond Issue of April 20, 2021				
Year ending June 30,	Interest Rates	Principal	Interest	Total
2024	3.00%	$ 1,350,000	141,900	1,491,900
2025	3.00%	1,370,000	101,400	1,471,400
2026	3.00%	420,000	60,300	480,300
2027	2.00%	435,000	47,700	482,700
2028	2.00%	440,000	39,000	479,000
2029	2.00%	450,000	30,200	480,200
2030	2.00%	460,000	21,200	481,200
2031	2.00%	470,000	12,000	482,000
2032	2.00%	130,000	2,600	132,600
	Subtotal	$ 5,525,000	456,300	5,981,300

Bond Issue of May 10, 2022				
Year ending June 30,	Interest Rates	Principal	Interest	Total
2024	3.00%	$ 235,000	285,600	520,600
2025	3.00%	245,000	278,550	523,550
2026	3.00%	385,000	271,200	656,200
2027	3.00%	390,000	259,650	649,650
2028	3.00%	400,000	247,950	647,950
2029	3.00%	450,000	235,950	685,950
2030	3.00%	455,000	222,450	677,450
2031	3.00%	1,690,000	208,800	1,898,800
2032	3.00%	1,530,000	158,100	1,688,100
2033	3.00%	1,530,000	112,200	1,642,200
2034	3.00%	2,210,000	66,300	2,276,300
	Subtotal	$ 9,520,000	2,346,750	11,866,750

General Obligation Bonds (continued)

Bond Issue of June 28, 2022				
Year ending June 30,	Interest Rates	Principal	Interest	Total
2024	6.000%	$ 100,000	1,157,175	1,257,175
2025	6.000%	165,000	1,151,175	1,316,175
2026	6.000%	180,000	1,141,275	1,321,275
2027	6.000%	185,000	1,130,475	1,315,475
2028	5.000%	190,000	1,119,375	1,309,375
2029	5.000%	210,000	1,109,875	1,319,875
2030	5.000%	225,000	1,099,375	1,324,375
2031	5.000%	140,000	1,088,125	1,228,125
2032	5.000%	705,000	1,081,125	1,786,125
2033	5.000%	920,000	1,045,875	1,965,875
2034	5.000%	335,000	999,875	1,334,875
2035	4.000%	2,625,000	983,125	3,608,125
2036	4.000%	2,735,000	878,125	3,613,125
2037	4.000%	2,845,000	768,725	3,613,725
2038	4.000%	2,960,000	654,925	3,614,925
2039	4.000%	3,080,000	536,525	3,616,525
2040	4.125%	3,205,000	413,325	3,618,325
2041	4.125%	3,340,000	281,119	3,621,119
2042	4.125%	3,475,000	143,344	3,618,344
	Subtotal	$ 27,620,000	16,782,938	44,402,938

Total			
Year ending June 30,	Principal	Interest	Total
2024	$ 1,900,000	1,739,869	3,639,869
2025	2,025,000	1,682,019	3,707,019
2026	2,090,000	1,618,769	3,708,769
2027	2,150,000	1,556,194	3,706,194
2028	2,210,000	1,496,194	3,706,194
2029	2,270,000	1,436,394	3,706,394
2030	2,335,000	1,374,394	3,709,394
2031	2,300,000	1,308,925	3,608,925
2032	2,365,000	1,241,825	3,606,825
2033	2,450,000	1,158,075	3,608,075
2034	2,545,000	1,066,175	3,611,175
2035	2,625,000	983,125	3,608,125
2036	2,735,000	878,125	3,613,125
2037	2,845,000	768,725	3,613,725
2038	2,960,000	654,925	3,614,925
2039	3,080,000	536,525	3,616,525
2040	3,205,000	413,325	3,618,325
2041	3,340,000	281,119	3,621,119
2042	3,475,000	143,344	3,618,344
Total	$ 48,905,000	20,338,046	69,243,046

On June 1, 2015, the District issued $10,105,000 of general obligation bonds for High School renovations. The bonds bear interest rates ranging from 2.0% to 3.0%. During the year ended June 30, 2023, the principal and interest paid were $210,000 and $158,764, respectively.

On April 20, 2021 the District issued $8,140,000 of general obligation refunding bonds. The bonds bear interest rates ranging from 2.0% to 3.0%. During the year ended June 30, 2023, the principal and interest paid were $1,320,000 and $181,500, respectively.

On May 10, 2022, the District issued $9,650,000 of general obligation refunding bonds. The bonds bear an interest rate of 3.0%. During the year ended June 30, 2023, the principal or interest paid were $130,000 and $306,388, respectively.

On June 28, 2022, the District issued $28,165,000 of general obligation bonds for capital improvements. The bonds bear interest rates ranging from 4.0% to 6.0%. During the year ended June 30, 2023, the principal and interest paid were $545,000 and $1,100,634, respectively.

Revenue Bonds

Details of the District's June 30, 2023 statewide sales, services and use tax revenue bonded indebtedness are as follows:

	Bond Issue of February 14, 2017			
Year ending June 30,	Interest Rates	Principal	Interest	Total
2024	2.46%	$ 360,000	57,519	417,519
2025	2.46%	370,000	48,555	418,555
2026	2.46%	380,000	39,342	419,342
2027	2.46%	390,000	29,880	419,880
2028	2.46%	400,000	20,169	420,169
2029	2.46%	410,000	10,209	420,209
	Total	$ 2,310,000	205,674	2,515,674

	Bond Issue of April 20, 2021			
Year ending June 30,	Interest Rates	Principal	Interest	Total
2024	2.00%	$ 753,000	108,860	861,860
2025	2.00%	768,000	93,800	861,800
2026	2.00%	783,000	78,440	861,440
2027	2.00%	799,000	62,780	861,780
2028	2.00%	815,000	46,800	861,800
2029	2.00%	831,000	30,500	861,500
2030	2.00%	694,000	6,940	700,940
	Total	$ 5,443,000	428,120	5,871,120

Revenue Bonds (continued)

		Total		
Year ending June 30,	Interest Rates	Principal	Interest	Total
2024		$ 1,113,000	166,379	1,279,379
2025		1,138,000	142,355	1,280,355
2026		1,163,000	117,782	1,280,782
2027		1,189,000	92,660	1,281,660
2028		1,215,000	66,969	1,281,969
2029		1,241,000	40,709	1,281,709
2030		694,000	6,940	700,940
	Total	$ 7,753,000	633,794	8,386,794

The District has pledged future statewide sales, services and use tax revenues to repay the $4,300,000 of bonds issued in February 2017. The bonds were issued for the purpose of financing an addition to the existing high school building. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2029. The bonds are not a general obligation of the District, however, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 50% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is $2,515,674. For the current year, $355,000 of principal and $66,359 of interest was paid on the bonds and total statewide sales, services and use tax revenue were $2,970,566.

The District has pledged future statewide sales, services and use tax revenues to repay the $6,880,000 of bonds issued in April 2021. The bonds were issued for the purpose of refunding 10,000,000 of bonds issued in April of 2016. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 50% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is $5,871,120. For the current year, $738,000 of principal and $123,620 of interest was paid on the bonds and total statewide sales, services and use tax revenues were $2,970,566.

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes 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 disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
c) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

Early Retirement

The District offers a voluntary early retirement plan to its employees. Eligible employees must have completed at least ten years of full-time service to the District and must have reached the age of fifty-five on or before June 30 in the calendar year in which early retirement commences. The application for early retirement is subject to approval by the Board of Education.

The early retirement incentive for each eligible employee is based on a percentage of the employee's final year's salary. The percentage used for calculation is based on years of service to the District. The percentage varies from 38% for 10 years of service to 57% for 15 or more years of experience.

Early retirement benefits are paid monthly over the number of months until the employee turns 65. If the retiree is of an age that these monthly payments would exceed 36 months, the retiree may request payment over 36 months.

At June 30, 2023, the District has obligations to 40 participants with a total liability of $1,619,938. Actual early retirement expenditures for the year ended June 30, 2023 totaled $623,927.

(6) 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 Pella 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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	22
Active employees	280
Total	302

Total OPEB Liability – the District's total OPEB liability of $694,755 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.
Actuarial Assumptions – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of Inflation (effective June 30, 2023)	3.00% per annum
Rates of salary increase (effective June 30, 2023)	0.00% per annum
Discount rate (effective June 30, 2023)	2.37% compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2023)	6.00% per annum

Discount Rate – The discount rate used to measure the total OPEB liability was 2.37% 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 with projected mortality improvements based on 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, 2023 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

		Total OPEB Liability
Total OPEB liability beginning of year	$	673,408
Changes for the year:		
Service cost		57,276
Interest cost		16,936
Changes in assumptions		-
Demographic changes		-
Recognition of deferred inflows/outflows		(21,044)
Benefit payments		(31,821)
Net changes		21,347
Total OPEB liability end of year	$	694,755

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 it were calculated using a discount rate that is 1% lower (1.37%) or 1% higher (3.37%) than the current discount rate.

		1% Decrease (1.37%)	Discount Rate (2.37%)	1% Increase (3.37%)
Total OPEB Liability	$	766,678	694,755	630,591

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 it were calculated using healthcare cost trend rates that are 1% lower (5.00%) or 1% higher (7.00%) than the current healthcare cost trend rates.

		1% Decrease (5.00%)	Healthcare Cost Trend Rate (6.00%)	1% Increase (7.00%)
Total OPEB Liability	$	596,824	694,755	813,711

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2023, the District recognized OPEB expense of $33,719. At June 30, 2023, the District reported deferred inflows of resources related to OPEB from the following resources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Demographic and economic gains and losses	$	44,276	(80,259)
Changes of assumptions		21,925	(62,133)
Net difference between projected and actual investments		-	-
Total	$	66,201	(142,392)

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

Year Ended June, 30		
2024	$	(8,673)
2025		(8,673)
2026		(8,673)
2027		(8,673)
2028		(8,673)
Thereafter		(32,826)
	$	(76,191)

(7) 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.

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 2023, 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, 2023 were $1,734,200.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the District reported a liability of $8,491,550 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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 0.213942%, which was an increase of 0.000325% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension benefit of $1,747,859. At June 30, 2023, 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	$ 376,429	116,315
Changes of assumptions	7,205	203
Net difference between projected and actual earnings on IPERS' investments	8,221,754	9,130,747
Changes in proportion and differences between District contributions and proportionate share of contributions	406,183	159,610
District contributions subsequent to the measurement date	1,734,200	-
Total	$ 10,745,771	9,406,875

$1,734,200 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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 Ended June, 30	
2024	$ (714,222)
2025	(562,145)
2026	(1,037,510)
2027	1,899,422
2028	19,151
	$ (395,304)

There are no non-employer contributing entities to IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, as follows:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the Pub G-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	100%	

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.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 15,820,780	8,491,550	2,032,485

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

Payables to IPERS - At June 30, 2023, the District reported payables to IPERS of $180,158 for legally required District contributions and $120,042 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

(8) Risk Management

Pella 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 $1,074,375 for the year ended June 30, 2023 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(10) Tax Abatements

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

Tax Abatements of Other Entities

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

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2023 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Pella	Urban renewal and economic development projects	$ 69,442

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, 2023, this reimbursement amounted to $38,898.

(11) Categorical Funding

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

The following is a scheduled of the categorical funding restricted in the General Fund at June 30, 2023.

Program		Amount
Gifted & talented programs	$	32,063
Teacher leadership		398,803
Professional development		114,497
	$	545,363

(12) Construction Commitment

The District entered into contracts totaling $56,417,297 for various construction projects. As of June 30, 2023 costs of $20,149,701 had been incurred against the contracts. The estimated balance of $36,267,596 remaining at June 30, 2023, will be paid as work on the projects progress.

(13) Subsequent Event

On August 28, 2023, the District approved a resolution supporting the proposed issuance of approximately $20,175,000 in school Infrastructure, Sales, Services, and Use Tax Revenue and Refunding Bonds.

Required Supplementary Information

Pella Community School District
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Change in Balances
Budget and Actual - All Governmental Funds and Proprietary Fund
Required Supplementary Information
Year ended June 30, 2023

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original and Final	Final to Actual Variance
Revenues:					
Local sources	$ 21,447,146	826,622	22,273,768	20,221,402	2,052,366
State sources	17,631,458	5,908	17,637,366	17,253,007	384,359
Federal sources	1,285,355	733,137	2,018,492	2,125,000	(106,508)
Total revenues	40,363,959	1,565,667	41,929,626	39,599,409	2,330,217
Expenditures/Expenses:					
Instruction	21,984,518	-	21,984,518	21,520,000	(464,518)
Support services	11,517,888	-	11,517,888	10,795,000	(722,888)
Non-instructional programs	-	1,396,358	1,396,358	1,600,000	203,642
Other expenditures	22,615,264	-	22,615,264	37,395,882	14,780,618
Total expenditures/expenses	56,117,670	1,396,358	57,514,028	71,310,882	13,796,854
Excess (deficiency) of revenues over (under) expenditures/expenses	(15,753,711)	169,309	(15,584,402)	(31,711,473)	16,127,071
Other financing sources, net	492,062	-	492,062	60,000	432,062
Change in fund balance	(15,261,649)	169,309	(15,092,340)	(31,651,473)	16,559,133
Balances beginning of year	34,994,264	1,622,189	36,616,453	44,692,881	(8,076,428)
Balances end of year	$ 19,732,615	1,791,498	21,524,113	13,041,408	8,482,705

See accompanying independent auditor's report.

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

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds 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 ended June 30, 2023, expenditures exceeded the amounts budgeted in the instruction and support services programs.

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

	2023	2022	2021	2020	2019
District's proportion of the net pension liability	0.213942%	0.213617%	0.205833%	0.211692%	0.207409%
District's proportionate share of the net pension liability	$ 8,492	299	14,358	12,341	13,121
District's covered-employee payroll	$ 18,121	17,369	16,222	16,223	15,584
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	46.86%	1.72%	88.51%	76.07%	84.20%
IPERS' net position as a percentage of the total pension liability	91.40%	100.81%	82.90%	85.45%	83.62%

presented for each fiscal year were determined as of June 30 of the preceding year.

See accompanying independent auditor's report.

2018	2017	2016	2015
0.200112%	0.214782%	0.212364%	0.205978%
13,211	13,394	10,558	8,336
14,806	15,282	14,642	13,753
89.23%	87.65%	72.11%	60.61%
82.21%	81.82%	85.19%	87.61%

Pella Community School District
Schedule of District Contributions
Iowa Public Employees' Retirement System
Last 10 Fiscal Years (In Thousands)
Required Supplementary Information

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 1,734	1,710	1,640	1,531	1,531	1,392	1,322	1,365	1,308	1,228
Contributions in relation to the statutorily required contribution	(1,734)	(1,710)	(1,640)	(1,531)	(1,531)	(1,392)	(1,322)	(1,365)	(1,308)	(1,228)
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	$ 18,371	18,121	17,369	16,222	16,223	15,584	14,806	15,282	14,642	13,753
Contributions as a percentage of covered-employee payroll	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%

See accompanying independent auditor's report.

Changes of benefit terms:

There are no significant changes in benefit terms

Changes of assumptions:

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

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

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

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

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

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rated 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 rated 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.

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

		2023	2022	2021	2020	2019	2018
Service cost	$	57,276	57,290	49,111	49,152	38,567	38,581
Interest cost		16,936	16,427	22,475	21,690	20,957	20,211
Assumption changes		-	(24,022)	-	29,429	-	-
Demographic changes		-	(23,857)	-	70,820	-	-
Recognition of deferred inflows		(21,044)	(17,770)	(16,868)	(11,396)	(12,231)	(9,484)
Benefit payments		(31,821)	(34,756)	(34,270)	(34,632)	(31,257)	(25,389)
Net change in total OPEB liability		21,347	(26,688)	20,448	125,063	16,036	23,919
Total OPEB liability beginning of year		673,408	700,096	679,648	554,585	538,549	514,630
Total OPEB liability end of year	$	694,755	673,408	700,096	679,648	554,585	538,549
Covered-employee payroll	$	16,391,310	15,164,452	13,827,361	13,776,125	13,881,259	13,347,365
Total OPEB liability as a percentage of covered-employee payroll		4.24%	4.44%	5.06%	4.93%	4.00%	4.03%

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 rage each period. The following are the discount rates used in each period:

Year ended June 30, 2023	2.37%
Year ended June 30, 2022	2.37%
Year ended June 30, 2021	2.37%
Year ended June 30, 2020	3.15%
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

Schedule 1

Pella Community School District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Special Revenue Funds			
		Management	Student Activity	Total
Assets				
Cash, cash equivalents and pooled investments	$	2,418,983	301,374	2,720,357
Receivables:				
Property tax:				
Delinquent		3,301	-	3,301
Succeeding year		600,002	-	600,002
Accounts		-	2,560	2,560
Total assets	$	3,022,286	303,934	3,326,220
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$	6,640	41,606	48,246
Salaries and benefits payable		-	972	972
Total liabilities		6,640	42,578	49,218
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax		600,002	-	600,002
Total deferred inflows of resources		600,002	-	600,002
Fund balances:				
Restricted for:				
Management levy purposes		2,415,644	-	2,415,644
Student activities		-	261,356	261,356
Total fund balances		2,415,644	261,356	2,677,000
Total liabilities, deferred inflows of resources and fund balances	$	3,022,286	303,934	3,326,220

See accompanying independent auditor's report.

Schedule 2

Pella Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds		
	Management	Student Activity	Total
Revenues:			
Local sources:			
Local tax	$ 1,237,106	-	1,237,106
Other	12,420	1,066,847	1,079,267
State sources	191	-	191
Total revenues	1,249,717	1,066,847	2,316,564
Expenditures:			
Current:			
Instruction:			
Regular	592,581	-	592,581
Other	-	1,173,402	1,173,402
Support services:			
Student	436	-	436
Instructional staff	436	-	436
Administration	14,165	-	14,165
Operation and maintenance of plant	294,574	-	294,574
Transportation	65,318	-	65,318
Total expenditures	967,510	1,173,402	2,140,912
Excess (deficiency) of revenues over (under) expenditures	282,207	(106,555)	175,652
Change in fund balances			
Fund balances beginning of year	2,133,437	367,911	2,501,348
Fund balances end of year	$ 2,415,644	261,356	2,677,000

See accompanying independent auditor's report.

Schedule 3

Pella Community School District
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year ended June 30, 2023

Account	Balance Beginning of Year	Revenues	Expenditures	Intra-Fund Transfers	Balance End of Year
Booster/PTO Concessions	$ 6,525	132,915	121,985	-	17,455
HS Speech/Drama	6,787	12,938	12,771	-	6,954
HS Speech Trip	-	8,449	8,449	-	-
HS Debate	349	200	70	-	479
HS Vocal	49,208	82,708	97,267	-	34,649
Vocal Music Trip Account	335	700	-	-	1,035
HS Instr. Music	9,464	39,550	41,631	-	7,383
Marching Dutch Invitational	34,706	73,118	92,115	-	15,709
HS Instr. Music Fundraiser-Band Trip	67,844	84,665	145,984	-	6,525
Band Uniform	10,955	24,183	13,934	-	21,204
Orchestra	3,993	3,029	1,545	-	5,477
Orchestra Trip Account	293	725	-	-	1,018
HS Spring Showcase	1,059	3,624	4,396	-	287
Athletics	-	23,253	88,545	65,292	-
HS Boys Basketball	-	13,149	13,092	(57)	-
HS Football	-	45,580	43,680	(1,900)	-
HS Boys Soccer	-	3,248	9,100	5,852	-
HS Baseball	-	12,820	16,540	3,720	-
HS Track	-	12,279	12,082	(197)	-
HS Boys Cross Country	-	2,144	2,775	631	-
HS Boys Tennis	-	2,904	6,759	3,855	-
HS Boys Golf	-	3,700	8,696	4,996	-
HS Boys Swimming	-	-	5,038	5,038	-
HS Bowling	-	150	640	490	-
HS Wrestling	-	5,797	8,952	3,155	-
HS Girls Basketball	-	9,617	6,470	(3,147)	-
HS Volleyball	-	7,097	13,975	6,878	-
HS Girls Soccer	-	8,856	9,275	419	-
HS Softball	-	4,084	5,747	1,663	-
HS Girls Track	-	6,974	5,317	(1,657)	-
HS Girls Cross Country	-	1,574	2,041	467	-
HS Girls Tennis	-	444	1,390	946	-
HS Girls Golf	-	317	5,318	5,001	-
HS Girls Swimming	-	-	1,798	1,798	-
Girls Wrestling	-	7,543	6,245	(1,298)	-
HS Activity Tickets	-	49,120	1,473	(47,647)	-
HS Miscellaneous Activity	31,023	73,546	18,127	(86,442)	-
Boys Basketball Club	4,159	2,984	3,553	-	3,590
HS Football Club	12,187	5,150	3,149	-	14,188

Schedule 3

Pella Community School District
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year ended June 30, 2023

Account	Balance Beginning of Year	Revenues	Expenditures	Intra-Fund Transfers	Balance End of Year
Boys Soccer Club	500	1,163	419	-	1,244
Baseball Club	12,582	20,134	15,672	-	17,044
Boys Track Club	138	1,161	-	-	1,299
Cross Country Club	6,144	8,673	8,889	-	5,928
HS Boys Tennis Club	2,533	214	499	-	2,248
HS Girls Tennis Club	1,519	214	734	-	999
Boys Golf Club	1,195	649	250	-	1,594
Swimming Club	-	35	-	-	35
Wrestling Club	531	3,714	2,968	-	1,277
Girls Basketball Club	3,241	9,004	5,936	-	6,309
Volleyball Club	975	883	741	-	1,117
Girls Soccer Club	1,149	1,453	2,742	140	-
Softball Club	7,609	12,240	9,595	-	10,254
Girls Track Club	2,208	968	701	-	2,475
Bowling Club	1,610	161	1,227	-	544
Girls Golf Club	1,140	144	585	-	699
Drill Team-Forte	5,139	22,638	17,685	-	10,092
HS Cheerleaders	1,913	3,722	15,182	9,547	-
FFA	26,950	40,332	45,086	(12,499)	9,697
Girls Wrestling Club	-	1,646	2,237	591	-
FFA Tractor Restoration	1,382	1,000	1,570	9,000	9,812
FFA Sheep Farm	186	1,428	3,130	3,500	1,984
FCS	3,788	1,870	2,315	-	3,343
Esports Club	55	2,891	9,812	6,866	-
HS Robotics	1,797	4,322	5,586	-	533
HS TSA	500	-	-	-	500
Earth Day	212	-	-	-	212
National Honor Society	1	607	608	-	-
PAAC	5	-	-	-	5
HS Vending	1,554	1,457	2,124	4,509	5,396
HS Testing	1,079	114	-	-	1,193
HS Student Council	3,448	3,226	2,614	-	4,060
Class of 2024	2,050	14,510	14,526	-	2,034
Class of 2027	2,418	-	-	(2,418)	-
Class of 2028	4,623	-	-	(4,623)	-
Class of 2029	6,271	2,740	6,154	(2,857)	-
Publications	760	8,020	8,780	-	-
HS Digital Media Club	-	3,478	1,187	-	2,291

Schedule 3

Pella Community School District
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year ended June 30, 2023

Account	Balance Beginning of Year	Revenues	Expenditures	Intra-Fund Transfers	Balance End of Year
HS Yearbook	-	31,175	33,864	2,689	-
HS Weight Club	-	4,956	2,050	-	2,906
After Prom Club	5,347	12,213	15,922	-	1,638
Football Parents	4,130	1,000	-	-	5,130
MS Vocal Music	674	4,455	2,612	-	2,517
MS Instrumental Music	1,538	642	798	-	1,382
MS General Athletics	-	-	9,301	9,301	-
MS Boys Basketball	-	4,632	8,304	3,672	-
MS Football	-	3,655	9,535	5,880	-
MS Boys Track	-	1,765	752	(1,013)	-
MS Cross Country	-	-	190	190	-
MS Wrestling	-	1,682	3,568	1,886	-
MS Girls Basketball	-	2,194	2,001	(193)	-
MS Volleyball	-	3,604	1,812	(1,792)	-
MS Softball	-	-	1,039	1,039	-
MS Girls Track	-	2,112	841	(1,271)	-
MS Library/Book Fair	1,399	-	-	-	1,399
MS Publications	6,181	6,630	12,155	-	656
MS Student Council	8	8,729	7,233	-	1,504
MS Activity	214	4,576	3,873	-	917
MS Social Studies	272	-	-	-	272
MS Concessions	265	7,200	7,390	-	75
Lincoln Elementary	95	4,304	4,240	-	159
Madison Elementary	753	7,134	6,447	-	1,440
Jefferson Elementary	943	10,244	9,997	-	1,190
Totals	$ 367,911	1,066,847	1,173,402	-	261,356

See accompanying independent auditor's report.

Schedule 4

Pella Community School District
Combining Balance Sheet
Capital Projects Fund Accounts
June 30, 2023

	Capital Projects			
	Statewide Sales, Services and Use Tax	Other Capital Projects	Physical Plant and Equipment Levy	Total
Assets				
Cash, cash equivalents and pooled investments	$ 3,100,528	11,061,882	425,250	14,587,660
Receivables:				
Property tax:				
Delinquent	-	-	2,819	2,819
Succeeding year	-	-	1,118,216	1,118,216
Due from other governments	209,557	-	-	209,557
Total assets	$ 3,310,085	11,061,882	1,546,285	15,918,252
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts Payable	$ -	2,115,389	39,509	2,154,898
Total liabilities	-	2,115,389	39,509	2,154,898
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	-	1,118,216	1,118,216
Total deferred inflows of resources	-	-	1,118,216	1,118,216
Fund balances:				
Restricted for:				
School infrastructure	3,310,085	8,946,493	-	12,256,578
Physical plant and equipment	-	-	388,560	388,560
Total fund balances	3,310,085	8,946,493	388,560	12,645,138
Total liabilities, deferred inflows of resources and fund balances	$ 3,310,085	11,061,882	1,546,285	15,918,252

See accompanying independent auditor's report.

Schedule 5

Pella Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund Accounts
Year ended June 30, 2023

	Capital Projects			
	Statewide Sales, Services and Use Tax	Other Capital Projects	Physical Plant and Equipment Levy	Total
Revenues:				
Local sources:				
Local tax	$ -	-	1,098,636	1,098,636
Other	15,903	541,517	3,813	561,233
State sources	2,970,566	-	163	2,970,729
Total revenues	2,986,469	541,517	1,102,612	4,630,598
Expenditures:				
Current:				
Instruction	648,550	-	116,032	764,582
Instructional staff	-	-	73,924	73,924
Administration	-	-	312,474	312,474
Operation and maintenance of plant	-	-	661,204	661,204
Transportation	-	-	135,582	135,582
Facilities acquisition	26,871	16,265,310	8,744	16,300,925
Total expenditures	675,421	16,265,310	1,307,960	18,248,691
Excess (deficiency) of revenues over (under) expenditures	2,311,048	(15,723,793)	(205,348)	(13,618,093)
Other financing sources (uses):				
Proceeds from disposal of property	33,612	-	-	33,612
Transfers out	(1,384,000)	-	-	(1,384,000)
	(1,350,388)	-	-	(1,350,388)
Change in fund balances	960,660	(15,723,793)	(205,348)	(14,968,481)
Fund balances beginning of year	2,349,425	24,670,286	593,908	27,613,619
Fund balances end of year	$ 3,310,085	8,946,493	388,560	12,645,138

See accompanying independent auditor's report.

Schedule 6

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

	Modified Accrual Basis									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Local sources:										
Local tax	$ 16,662,293	15,913,429	15,493,786	13,929,830	13,199,568	13,252,240	13,042,092	11,801,859	11,950,722	11,128,270
Tuition	2,754,113	2,020,069	1,949,179	1,842,929	1,828,698	1,646,076	1,423,187	1,143,510	867,199	863,556
Other	2,030,740	1,372,553	910,286	1,134,821	1,305,416	1,114,117	1,094,567	1,292,369	1,332,582	1,314,524
State sources	17,631,458	16,570,231	16,326,409	16,065,422	15,736,589	15,406,111	15,441,385	14,894,251	14,600,546	13,769,315
Federal sources	1,285,355	1,542,345	1,390,955	641,781	684,569	610,768	570,477	674,019	708,064	717,096
Total	$ 40,363,959	37,418,627	36,070,615	33,614,783	32,754,840	32,029,312	31,571,708	29,806,008	29,459,113	27,792,761
Expenditures:										
Instruction:										
Regular	$ 11,875,874	11,331,530	11,081,016	10,226,426	10,137,102	10,131,034	9,534,231	10,432,856	10,014,187	9,651,743
Special	4,848,445	4,092,880	3,789,913	3,685,645	3,773,318	3,470,605	3,232,934	3,259,929	3,169,338	3,013,007
Other	5,260,199	4,852,968	4,437,155	4,221,825	4,325,675	4,173,529	3,751,892	3,668,440	3,532,806	3,376,859
Support services:										
Student	610,505	581,044	626,371	548,401	503,789	560,411	483,528	523,287	506,778	495,077
Instructional staff	2,087,783	2,220,580	1,853,436	1,767,553	1,807,796	1,929,370	2,082,427	1,281,872	1,422,171	1,315,534
Administration	2,840,452	2,627,355	2,708,825	2,361,643	2,257,010	2,215,188	1,951,709	1,998,375	1,942,312	1,799,779
Operation and maintenance of plant services	4,594,633	3,291,947	3,025,197	3,019,087	3,083,233	2,693,017	2,619,382	2,399,670	2,414,815	2,260,583
Transportation	1,384,515	1,436,765	1,336,675	1,303,845	1,221,197	1,098,206	1,066,240	1,248,307	1,202,589	1,167,440
Other expenditures:										
Facilities acquisition	16,300,925	4,285,935	93,321	741,321	471,183	3,673,042	12,882,275	13,412,792	15,935,766	4,514,930
Long-term debt:										
Principal	3,298,000	13,694,000	20,230,000	2,580,000	2,530,000	1,735,000	1,515,000	1,759,012	11,023,822	2,838,744
Interest and other charges	1,941,964	1,239,766	1,415,915	1,157,437	1,206,799	1,232,135	1,134,243	1,043,475	1,227,004	958,370
AEA flowthrough	1,074,375	1,038,057	1,039,112	997,214	961,857	955,412	922,651	895,760	887,018	868,667
Total	$ 56,117,670	50,692,827	51,636,936	32,610,397	32,278,959	33,866,949	41,176,512	41,923,775	53,278,606	32,260,733

See accompanying independent auditor's report.

Schedule 7

Pella Community School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Passed through Iowa Department of Education:			
Local Food For Schools	10.185	FY 23	$ 3,961
Child Nutrition Cluster:			
School Breakfast Program	10.553	FY 23	54,103
National School Lunch Program	10.555	FY 23	560,363
Supply Chain Assistance Funds	10.555	FY 23	114,710
			729,176
Total U.S. Department of Agriculture			733,137
U.S. Department of Education:			
Passed through Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 23	140,942
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	FY 23	177,187
Career and Technical Education - Basic Grants to States	84.048	FY 23	17,481
English Language Acquisition State Grants	84.365	FY 23	1,378
Supporting Effective Instruction State Grants	84.367	FY 23	39,722
Student Support and Academic Enrichment Program	84.424	FY 23	9,998
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act (CARES) Cluster:			
COVID-19 Elementary and Secondary School Relief (ESSER) Funds	84.425D	FY 23	1,363
American Rescue Plan COVID-19 Elementary and Secondary School Emergency Relief (ARP ESSER III) - Learning Loss	84.425U	FY 23	75,484
American Rescue Plan COVID-19 Elementary and Secondary School Emergency Relief (ARP ESSER III)	84.425U	FY 23	271,734
			347,218
American Rescue Plan COVID-19 Elementary and Secondary School Emergency Relief (ARP ESSER III) - Homeless Children and Youth	84.425W	FY 23	4,998
			353,579

Schedule 7

Pella Community School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
Passed through Area Education Agency (AEA 11):			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	FY 23	116,789
Total U.S. Department of Education			857,076
Total			$ 1,590,213

See Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Pella Community School District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Pella Community School District, it is not intended to and does not present the financial position, changes in financial position or cash flows of Pella 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 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

Pella 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 $144,164 related to USDA Commodities grants provided by the U.S. Department of Agriculture passed through the Iowa Department of Education, Assistance Listing Number 10.555.

Note 5. Pass-through Funding

Of the federal expenditures presented in the Schedule, the District provided federal awards to subrecipients as follows:

Program Title	Assistance Listing Number	Amount Provided to subrecipients
Career and Technical Education- Basic Grants to States	84.048	6,787

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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 Pella 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 Pella Community School District as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 2, 2024

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pella 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 Pella Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Pella 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pella Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 noncompliance or other matters which are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2023 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.

Pella School District's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of 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 Pella 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 2, 2024

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CERTIFIED PUBLIC ACCOUNTANTS

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 Pella Community School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pella 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 Pella Community School District's major federal programs for the year ended June 30, 2023. Pella Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Pella 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, 2023.

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 Pella 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 Pella 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 Pella 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 Pella 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 Pella 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 Pella 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 Pella 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 Pella 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

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

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

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 2, 2024

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) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.

(c) The audit did not disclose any non-compliance which is material to the financial statements.

(d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.

(e) An unmodified opinion was issued on compliance with requirements applicable to each major program.

(f) The audit did not disclose any audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.

(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 10.555 – Supply Chain Assistance Funds

(h) The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

(i) Pella Community School District qualified as a low-risk auditee.

Part II: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Part IV: Other Findings Related to Required Statutory Reporting

2023-A Certified Budget- Expenditures for the year ended June 30, 2023 exceeded the certified budget amounts in the instruction and support services programs.

Recommendation – The certified budget should have been amended in accordance with Chapter 24.9 of the Iowa Code 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.

2023-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.

2023-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.

2023-D Business Transactions - No business transactions between the District and District officials or employees were noted.

2023-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.

2023-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 the coverage is adequate for current operations.

2023-G Board Minutes - No transactions requiring Board approval which had not been approved by the Board were noted.

2023-H Certified Enrollment - Variances in the basic enrollment data 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.

2023-I Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

2023-J Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

2023-K Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.

2023-L Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.

2023-M 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, 2023, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		$ 2,349,425
Revenues/transfers in:		
Sales tax revenues	$ 2,970,566	
Other local revenues	15,903	
Proceeds from disposal of property	33,612	3,020,081
		5,369,506
Expenditures/transfers out:		
Instruction	648,550	
Construction services	26,871	
Transfers to other funds:		
Debt service funds	1,384,000	2,059,421
Ending balance		$ 3,310,085

For the year ended June 30, 2023, 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

EXHIBIT A
PELLA COMMUNITY SCHOOL DISTRICT, IOWA
$11,835,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024

ISSUE PRICE CERTIFICATE

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

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

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

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

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

3. Defined Terms.

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

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

c. Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (May 20, 2024), or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

d. Issuer means Pella 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 May 13, 2024.

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

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

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

[UNDERWRITER]

By:________________________________
Name:______________________________

Dated: June 13, 2024

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

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

EXHIBIT A
PELLA COMMUNITY SCHOOL DISTRICT, IOWA
$11,835,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024

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 May 13, 2024.

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

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

[UNDERWRITER]

By:____________________________________
Name:__________________________________

Dated: June 13, 2024

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)