$15,190,000*

Independence Community School District, Iowa

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

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

DATE:	Monday, October 19, 2026
TIME:	12:30 PM CDT
Place:	District Office 1207 1st St W. Independence, IA 50644

Standard & Poor's Rating: "Applied for"

* preliminary, subject to change

PIPER | SANDLER

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

OFFICIAL BID FORM

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

Re: $15,190,000* School Infrastructure Sales, Services and Use Tax Revenue & Refunding Bonds, Series 2026 dated the date of delivery, of the Issuer (the "Bonds")

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

Coupon %	Yield %	Bonds due	Coupon %	Yield %	Bonds due
_____	_____	June 1, 2031	_____	_____	June 1, 2041
_____	_____	June 1, 2032	_____	_____	June 1, 2042
_____	_____	June 1, 2033	_____	_____	June 1, 2043
_____	_____	June 1, 2034	_____	_____	June 1, 2044
_____	_____	June 1, 2035	_____	_____	June 1, 2045
_____	_____	June 1, 2036	_____	_____	June 1, 2046
_____	_____	June 1, 2037	_____	_____	June 1, 2047
_____	_____	June 1, 2038	_____	_____	June 1, 2048
_____	_____	June 1, 2039	_____	_____	June 1, 2049
_____	_____	June 1, 2040	_____	_____	June 1, 2050

_____ 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 _____	_____
$_____	_____ to _____	_____

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

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

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

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

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

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

NET INTEREST COST: $_____ TRUE INTEREST COST _____%

_____ _____

Account Manager Authorized Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the Independence Community School District in the Counties of Benton and Buchanan, State of Iowa, this 19th day of October 2026.

ATTEST: _____ _____

Board Secretary President

_____

* Subject to change

OFFICIAL TERMS OF OFFERING

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

The Bonds: The Bonds to be offered are the following:

SCHOOL INFRASTRUCTURE SALES, SERVICES AND USE TAX REVENUE & REFUNDING BONDS in the principal amount of $15,190,000 (See Adjustment paragraph immediately below)*, dated the date of delivery (the "Dated Date") in the denomination of $5,000 or multiples thereof, and maturing as shown on the front cover of the official statement.

* Adjustment to Principal Amount After Determination of Best Bid Each scheduled maturity of the Bonds is subject to increase or decrease. Such adjustments shall be made promptly after the sale and prior to the award of bids by the issuer and shall be in the sole discretion of the Issuer. The Issuer shall only make such adjustments in order to size the Bonds to provide enough funds to match actual known project costs received at bid on same date and to assure reasonable debt service coverage is met. To cooperate with any adjustment in the principal amounts, the Successful Bidder is required, as a part of its bid, to indicate its Initial Reoffering Yield and Initial Reoffering Price on each maturity of the Bonds (said price shall be calculated to the date as indicated by the Issuer). The total par amount of this issue cannot exceed $15,500,000.

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.

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

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

Interest: Interest on said Bonds will be payable semiannually on each June 1 and December 1, beginning June 1, 2027 calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or a such other address as is furnished to the Paying Agent in writing by a registered owner.

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

Good Faith Deposit: A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire in the amount of $151,900 for the Bonds, payable to the order of the Issuer is required. If a check is used, it must accompany each bid. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. The Municipal Advisor or the Issuer will provide the apparent winning bidder (the "Purchaser") with wiring instructions, by facsimile or email, within 10 minutes after the stated time when bids are due. If the wire is not received at the time indicated above, the Issuer will abandon its plan to award to the Purchaser ("Purchaser"), and will contact the next highest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

Form of Bids: All bids shall be unconditional for the entire issue of Bonds for a price of not less than 98.10% of par, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid, facsimile facilities or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

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

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

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

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

Electronic Facsimile Bidding: Facsimile Bids will not be accepted.

Sealed Bidding: Sealed bids may be submitted and will be received in the office of the Superintendent, Independence Community School District, 1207 1st St W, Independence, IA.

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

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

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

No rate for maturities 2031-2036 may be more than 2% greater than any other rate.

Rates for maturities 2037-2050 must be in level or ascending order only, with 2037 as base year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

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

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

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

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

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

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

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

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

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

Continuing Disclosure: In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of the Rule, the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Series 2026 Resolution, to provide on annual basis, annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

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

is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the Issuer to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

For more information on this see Continuing Disclosure herein.

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

Requested modifications to the Series 2026 Resolution or other issuance documents shall be accommodated by the Issuer at its sole discretion. In no event will modifications be made regarding the investment of funds created under the Series 2026 Resolution or other issuance documents without prior Issuer consent, in its sole discretion. Either the purchaser or the insurer must agree, in the insurance commitment letter or separate agreement acceptable to the Issuer in its sole discretion, to pay any future continuing disclosure costs of the Issuer associated with any rating changes assigned to the municipal bond insurer after closing (for example, if there is a rating change on the municipal bond insurer that require a material event notice filing by the Issuer, the purchaser or the municipal bond insurer must agree to pay the reasonable costs associated with such filing). Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 9, 2026

NEW ISSUE - DTC BOOK ENTRY ONLY S & P's Rating: "Applied for"

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

$15,190,000*

Independence Community School District, Iowa

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

Dated: Date of delivery

The School Infrastructure Sales, Services and Use Tax Revenue & Refunding Bonds, Series 2026 (the "Bonds") are issued by the Independence Community School District, Iowa (the "Issuer") pursuant to Iowa Code Chapter 423F, as amended, (the "Act") and a resolution authorizing the issuance of the Bonds expected to be adopted by the Board of Directors of the Issuer on November 16, 2026 to finance school infrastructure projects. The Bonds are issued as fully registered Bonds in the denomination of $5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by UMB Bank, n.a., West Des Moines, Iowa, as Registrar and Paying Agent (the "Registrar" or the "Paying Agent"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Paying Agent will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Bonds.

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

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

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

MATURITY SCHEDULE *

Bond Due	Amount *	Rate *	Yield *	Cusip Num.**	Bonds Due	Amount *	Rate *	Yield *	Cusip Num.**
June 1, 2031	$470,000			453474 AT5	June 1, 2041	$750,000			453474 BD9
June 1, 2032	495,000			453474 AU2	June 1, 2042	785,000			453474 BE7
June 1, 2033	515,000			453474 AV0	June 1, 2043	825,000			453474 BF4
June 1, 2034	540,000			453474 AW8	June 1, 2044	860,000			453474 BG2
June 1, 2035	570,000			453474 AX6	June 1, 2045	905,000			453474 BH0
June 1, 2036	595,000			453474 AY4	June 1, 2046	945,000			453474 BJ6
June 1, 2037	625,000			453474 AZ1	June 1, 2047	990,000			453474 BK3
June 1, 2038	655,000			453474 BA5	June 1, 2048	1,040,000			453474 BL1
June 1, 2039	685,000			453474 BB3	June 1, 2049	1,085,000			453474 BM9
June 1, 2040	715,000			453474 BC1	June 1, 2050	1,140,000			453474 BN7

$ % Term bond due June 1 Yield Cusip Num.**

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

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel. Ahlers & Cooney, P.C. is also serving as Disclosure Counsel to the Issuer in connection with the issuance of the Bonds. Piper Sandler & Co. is serving as Municipal Advisor to the Issuer in connection with the issuance of the Bonds. Certain legal matters will be passed upon for the Municipal Advisor by Dentons Davis Brown PC. It is expected that the Bonds in definitive form will be available for delivery on or about December 3, 2026. The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

The Date of this Official Statement is _____, 2026

** Preliminary, subject to change*

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

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

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

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

OFFICIAL STATEMENT

INDEPENDENCE COMMUNITY SCHOOL DISTRICT, IOWA

$15,190,000* SCHOOL INFRASTRUCTURE SALES, SERVICES AND USE TAX REVENUE & REFUNDING BONDS, SERIES 2026

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Independence Community School District, Iowa (the "Issuer"), in connection with the sale of the Issuer's School Infrastructure Sales, Services and Use Tax Revenue & Refunding Bonds, Series 2026 (the "Bonds"). Proceeds of the Bonds will be used to provide funds to i) build, furnish, and equip an addition to East Elementary School; to remodel, repair, improve, and equip East and West Elementary Schools and improve the sites; and to currently refund a portion of the outstanding $9,950,000 School Infrastructure Sales, Services and Use Tax Revenue and Refunding Bonds, Series 2020, dated June 15, 2020 (the "Series 2020 Bonds") and ii) to establish and fund a Debt Service Reserve Fund, and iii) to pay costs of issuance for the Bonds (the "Project"). See "**THE PROJECT**" herein. The Bonds will be issued pursuant to a resolution authorizing the issuance of the Bonds expected to be adopted by the Board of Directors (the "Board") of the Issuer on or about November 16, 2026 (the "Series 2026 Resolution") which supplements the resolution authorizing the Outstanding Bonds (hereinafter defined) (the "Prior Bond Resolution" and, together with the Series 2026 Resolution, the "Resolutions").

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

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

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

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

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

The Bonds are being issued on a parity basis with the outstanding amount of the Series 2020 Bonds, which remain outstanding as of the date of the Series 2026 Resolution and are secured by a lien on the Tax Revenues (the "Outstanding Bonds"), in particular:

Series	Dated Date	Outstanding Balance
$9,950,000 School Infrastructure Sales, Services and Use Tax Revenue and Refunding Bonds, Series 2020	June 15, 2020	$4,221,000*

**A portion of the outstanding Series 2020 bonds will be currently refunded by the Series 2026 Bonds to assure that the prior 1.20x ABT covenant can be met. The amount needed to be refunded is subject to the actual interest rates assigned to the Series 2026 bonds, but it is currently estimated that approximately $1,206,000 may need to be refunded, leaving approximately $3,015,000 outstanding.*

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.

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* Preliminary, subject to change

CERTAIN BONDHOLDERS' RISKS

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

Limited Obligations

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

Estimated Tax Revenues

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

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

Enrollment Trends

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

Economic Conditions

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

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

The Revenue Purpose Statement

The Act provides that a school corporation may use Tax Revenues for school infrastructure purposes, as authorized pursuant to a Revenue Purpose Statement (the "RPS") which must be approved by the voters at a special election held for such purpose. The voters of the Issuer approved the RPS at

an election held on March 3, 2020. The RPS describes the permitted uses of the Tax Revenue and is effective until January 1, 2071 unless repealed or amended. The RPS may be amended from time to time by the voters in the Issuer's boundaries. However, the RPS may not be amended in a way that would cause the school corporation to be unable to use Tax Revenues to repay validly issued School Infrastructure Sales, Services & Use Tax Revenue Bonds, including the Bonds.

Legislative Revisions of the Act

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

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

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

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

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

Legislative Change Related to School Choice

In 2023 the State of Iowa adopted Legislation ("HF68") that establishes a general fund appropriation for an Education Savings Account Fund (the "Fund") under the control of the Iowa Department of Education (the "Department of Education"). The Fund must be used to establish individual accounts for participating pupils and to make qualified education savings account payments on behalf of parents and guardians, including payment for nonpublic school tuition, textbooks, software, fees, curriculum materials, and other similar expenses. As of July 1, 2025, all students attending a nonpublic school are eligible for participation.

The annual amount per account in the Fund is determined by the State Cost Per Pupil (SCPP) for that fiscal year and changes each year based on the State Percent of Growth (SPG). For fiscal year ending June 30, 2027, the SCPP is $8,148, which amount will be deposited into the Fund, instead of being sent to the Issuer, for each qualifying student within the Issuer attending a nonpublic school. HF68 provides that a school district is funded in an amount of $1,176 per student for resident pupils who attend a nonpublic school. According to the Department of

Education, there were 125 students who resided within the boundaries of the Issuer but attended non-public schools for the 2022-23 school year; 121 students for the 2023-24 school year; 137 students for the 2024-25 school year and 133 students for the 2025-26 school year. It is unknown how many additional students, if any, will attend non-public schools in future years. If a significant number of eligible students in the Issuer transition to non-public schools, it could have an adverse impact on the Issuer's finances given the reduction in per student funding the Issuer would otherwise receive. See "**SECURITY AND SOURCE OF PAYMENT FOR THE BONDS**" and "**ESTIMATED FUTURE SALES, SERVICES AND USE TAX RECEIPTS**" herein.

Additional Debt and Parity Bonds

The Resolutions permits the Issuer to incur additional indebtedness under certain circumstances, including bonds, notes or other obligations payable solely from the Tax Revenues on an equal basis as the Outstanding Bonds, the Bonds, and any Additional Bonds (as defined herein) as authorized to be issued under the terms of the Resolutions that could have a lien on the Tax Revenues on a parity basis with the lien securing the Outstanding Bonds and the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Additional Obligations – Prior Lien and Parity Bonds" herein. Such additional debt could increase the Issuer's debt service and repayment requirement in a manner which would adversely affect debt service coverage on the Bonds and the Outstanding Bonds. The Bonds are expected to be issued as Parity Bonds.

Debt Payment History

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

Secondary Market for the Bonds

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

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

Ratings

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

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

There is no Bond trustee or similar person to monitor or enforce the provisions of the Series 2026 Resolution 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 Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the Series 2026 Resolution for the Bonds) may have to be enforced from year to year. Holders of the Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Series 2026 Resolution.

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

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

Pension and OPEB Information

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

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

In fiscal year ended June 30, 2025, the Issuer's IPERS contribution totaled approximately $1,132,636. The Issuer is current in its obligations to IPERS. Pursuant to Governmental Accounting Standards Board Statement No. 68, IPERS has allocated the net pension liability among its members, with the Issuer's identified portion at June 30, 2025, at approximately $4,555,214. While the Issuer's contributions to IPERS are controlled by state law, there can be no assurance the Issuer will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the Issuer. See "**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER**" for additional information on pension and liabilities of the Issuer.

Forward-Looking Statements

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

Tax Matters, No Bank Qualification and Loss of Tax Exemption

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

The Issuer will 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.

DTC-Beneficial Owners

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

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

Redemption Prior to Maturity/Loss of Premium from Redemption

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

Cybersecurity

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

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

Environmental and Climate-Related

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

Financial Condition of the Issuer from time to time

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

Continuing Disclosure

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

Bankruptcy and Insolvency

The rights and remedies provided in the Series 2026 Resolution may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State of Iowa. The various opinions of counsel to be delivered with respect to the Bonds and the Series 2026 Resolution, including the opinion of Bond Counsel, will be similarly qualified. If the Issuer were to file a petition under Chapter Nine of the Federal Bankruptcy Code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Series 2026 Resolution. In the event the Issuer fails to comply with its covenants under the Series 2026 Resolution or fails to make payments on the Bonds,

there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

Under sections 76.16 and 76.16A of the Iowa Code, a city, county, or other political subdivision may become a debtor under Chapter Nine of the Federal Bankruptcy Code, if it is rendered insolvent, as defined in 11 U.S.C. §101(32)(c), as a result of a debt involuntarily incurred. As used therein, "debt" means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted Series 2026 Resolution of each of the following: (1) that all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) that such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) that as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) that the debt is not an obligation to pay money to a city, county, entity organized pursuant to Chapter 28E of the Iowa Code, or other political subdivision.

Project Completion/Risks of Construction

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

Damage or Destruction to Issuer's Facilities

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

General Liability Claims

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

Suitability of Investment

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

Risks as Employer

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

Proposed Federal Tax Legislation

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

Risk of Audit

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

Factors Beyond Issuer's Control

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

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

Summary

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

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

The Tax; Collection and Remittance of the Tax

Authorization

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

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

On March 3, 2020, voters in the school district approved the current RPS. The RPS describes the permitted uses of the Tax Revenue and is effective until repealed or amended. The Project is an authorized school infrastructure project under the RPS.

Issuance of Bonds

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

The hearing on the Bonds was held on August 10, 2026. No petitions were received requesting an election on the issuance of the Bonds.

Imposition and Collection

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

The Tax is collected by the retailers in the State and remitted at the end of each calendar month to the State. The Department remits the Tax to the school corporations on the last day of the next month. The Act requires the Department to, annually prior to August 15, estimate the amount of revenue that would be remitted to the school corporations for the fiscal year beginning each July l. The Department transfers monthly to each school corporation the actual amount of Tax Revenue remitted to the Department attributable to the school corporation from the preceding

month.

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

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

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

HISTORICAL AND ESTIMATED STATEWIDE RECEIPTS OF THE TAX

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

Fiscal Year	Total Collections	Allocated to PTR	Allocated to Career Academies	Allocated to schools
2026	$754,656,839	$94,332,105	$5,000,000	$655,324,734
2026	733,388,570	52,070,588	5,000,000	676,317,971
2025	694,062,710	49,278,452	5,000,000	639,784,258
2024	687,794,332	41,930,132	5,000,000	640,864,200
2023	626,759,000	38,232,299	5,000,000	583,526,701
2022	632,076,590	32,235,906	5,000,000	594,840,684

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

Fiscal Year	Original State Estimate	Statewide Disbursements (1)	Statewide Enrollment (2)	Average Revenue per Student
2021	$499,356,865	$544,786,628	490,094	$1,111.60
2022	540,481,659	594,840,684	484,159	1,228.61
2023	598,208,742	583,526,701	485,630	1,201.59
2024	600,005,449	640,864,200	486,476	1,317.36
2025	661,436,255	639,784,258	483,699	1,322.69
2026	652,679,943	676,317,971	480,665	1,407.05
2027	655,324,734	655,324,734	473,329	1,384.50

(1) Historical Payments through Fiscal Year 2025 as provided by the Department
(2) Statewide Enrollment count is from the Prior October Count (i.e. the October 1, 2025 count is used for distributing Tax Revenues in Fiscal Year 2027)
(3) Revenue calculations are provided on an accrual basis

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

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

Fiscal Year (1)	Total SAVE Revenues (2)	Amount to Career Academies	Amount to "PTR" Fund	Amount of School Distribution	Statewide Certified Enrollment (3)	Average Revenue Per Student (4)(5)
6/30/27	754,656,839	5,000,000	94,332,105	655,324,734	473,329	1,384.50
6/30/28	754,656,839	5,000,000	113,198,526	636,458,313	473,329	1,344.64
6/30/29	754,656,839	5,000,000	132,064,947	617,591,892	473,329	1,304.78
6/30/30	754,656,839	5,000,000	169,797,789	579,859,050	473,329	1,225.06
6/30/31 & thereafter	754,656,839	5,000,000	188,664,210	560,992,629	473,329	1,185.21

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

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

Fiscal Year	Total SAVE Revenues	Amount to Career Academies	Amount To PTR	Amount To Schools (1)	Total Enrollment (3)	Average Per Student (5)
6/30/27	754,656,839	5,000,000	94,332,105	655,324,734	473,329	1,384.50
6/30/28	773,070,465	5,000,000	115,960,570	652,109,896	473,329	1,377.71
6/30/29	791,933,385	5,000,000	138,588,342	648,345,042	473,329	1,369.75
6/30/30	811,256,559	5,000,000	182,532,726	623,723,833	473,329	1,317.74
6/30/31	831,051,219	5,000,000	207,762,805	618,288,415	473,329	1,306.25
6/30/32	851,328,869	5,000,000	212,832,217	633,496,652	473,329	1,338.38
6/30/33	872,101,294	5,000,000	218,025,323	649,075,970	473,329	1,371.30
6/30/34	893,380,565	5,000,000	223,345,141	665,035,424	473,329	1,405.02
6/30/35	915,179,051	5,000,000	228,794,763	681,384,288	473,329	1,439.56
6/30/36	937,509,420	5,000,000	234,377,355	698,132,065	473,329	1,474.94
6/30/37	960,384,650	5,000,000	240,096,162	715,288,487	473,329	1,511.19
6/30/38	983,818,035	5,000,000	245,954,509	732,863,526	473,329	1,548.32
6/30/39	1,007,823,195	5,000,000	251,955,799	750,867,396	473,329	1,586.35
6/30/40	1,032,414,081	5,000,000	258,103,520	769,310,561	473,329	1,625.32
6/30/41	1,057,604,985	5,000,000	264,401,246	788,203,738	473,329	1,665.23
6/30/42	1,083,410,546	5,000,000	270,852,637	807,557,910	473,329	1,706.12
6/30/43	1,109,845,764	5,000,000	277,461,441	827,384,323	473,329	1,748.01
6/30/44	1,136,926,000	5,000,000	284,231,500	847,694,500	473,329	1,790.92
6/30/45	1,164,666,995	5,000,000	291,166,749	868,500,246	473,329	1,834.87
6/30/46	1,193,084,869	5,000,000	298,271,217	889,813,652	473,329	1,879.90
6/30/47	1,222,196,140	5,000,000	305,549,035	911,647,105	473,329	1,926.03
6/30/48	1,252,017,726	5,000,000	313,004,431	934,013,294	473,329	1,973.28
6/30/49	1,282,566,958	5,000,000	320,641,740	956,925,219	473,329	2,021.69
6/30/50	1,313,861,592	5,000,000	328,465,398	980,396,194	473,329	2,071.28
6/30/51	1,345,919,815	5,000,000	336,479,954	1,004,439,861	473,329	2,122.07
6/30/52	1,378,760,259	5,000,000	344,690,065	1,029,070,194	473,329	2,174.11
6/30/53	1,412,402,009	5,000,000	353,100,502	1,054,301,507	473,329	2,227.42
6/30/54	1,446,864,618	5,000,000	361,716,154	1,080,148,463	473,329	2,282.02
6/30/55	1,482,168,115	5,000,000	370,542,029	1,106,626,086	473,329	2,337.96
6/30/56	1,518,333,017	5,000,000	379,583,254	1,133,749,762	473,329	2,395.27
6/30/57	1,555,380,342	5,000,000	388,845,086	1,161,535,257	473,329	2,453.97
6/30/58	1,593,331,622	5,000,000	398,332,906	1,189,998,717	473,329	2,514.10
6/30/59	1,632,208,914	5,000,000	408,052,229	1,219,156,686	473,329	2,575.70
6/30/60	1,672,034,812	5,000,000	418,008,703	1,249,026,109	473,329	2,638.81
6/30/61	1,712,832,461	5,000,000	428,208,115	1,279,624,346	473,329	2,703.45
6/30/62	1,754,625,573	5,000,000	438,656,393	1,310,969,180	473,329	2,769.68
6/30/63	1,797,438,437	5,000,000	449,359,609	1,343,078,828	473,329	2,837.51
6/30/64	1,841,295,935	5,000,000	460,323,984	1,375,971,951	473,329	2,907.01
6/30/65	1,886,223,556	5,000,000	471,555,889	1,409,667,667	473,329	2,978.20
6/30/66	1,932,247,410	5,000,000	483,061,853	1,444,185,558	473,329	3,051.12
6/30/67	1,979,394,247	5,000,000	494,848,562	1,479,545,685	473,329	3,125.83
6/30/68	2,027,691,467	5,000,000	506,922,867	1,515,768,600	473,329	3,202.35
6/30/69	2,077,167,139	5,000,000	519,291,785	1,552,875,354	473,329	3,280.75
6/30/70	2,127,850,017	5,000,000	531,962,504	1,590,887,513	473,329	3,361.06
6/30/71	2,179,769,557	5,000,000	544,942,389	1,629,827,168	473,329	3,443.33

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

CALCULATIONS OF FISCAL YEAR TOTAL COLLECTIONS

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

HISTORICAL RESIDENT ENROLLMENT IN THE SCHOOL DISTRICT

Count Date October 1	Fiscal Year	Enrollment	Count Date October 1	Fiscal Year	Enrollment
2001	2002-03	1,574.50	2014	2015-16	1,404.80
2002	2003-04	1,536.70	2015	2016-17	1,430.40
2003	2004-05	1,507.20	2016	2017-18	1,412.00
2004	2005-06	1,505.60	2017	2018-19	1,430.50
2005	2006-07	1,481.30	2018	2019-20	1,437.50
2006	2007-08	1,458.90	2019	2020-21	1,426.60
2007	2008-09	1,445.40	2020	2021-22	1,390.70
2008	2009-10	1,398.00	2021	2022-23	1,406.70
2009	2010-11	1,405.80	2022	2023-24	1,383.76
2010	2011-12	1,369.00	2023	2024-25	1,377.72
2011	2012-13	1,381.70	2024	2025-26	1,354.80
2012	2013-14	1,381.10	2025	2026-27	1,335.30
2013	2014-15	1,391.20			

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

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

Fiscal Year	Total Revenues	Approximate Per Student
2005	$674,600	$448
2006	$763,221	$507
2007	$794,302	$536
2008	$860,467	$590
2009	$769,098	$532
2010	$879,530	$629
2011	$991,628	$705
2012	$1,019,785	$745
2013	$1,136,442	$822
2014	$1,246,854	$903
2015	$1,283,517	$923
2016	$1,324,691	$943
2017	$1,344,175	$940
2018	$1,373,297	$973
2019	$1,423,662	$995
2020	$1,490,400	$1,037
2021	$1,585,809	$1,112
2022	$1,708,628	$1,229
2023	$1,689,220	$1,201
2024	$1,822,910	$1,317
2025	$1,822,296	$1,323
2026	$1,906,271	$1,407

(1) Source: Iowa Department of Revenue

ESTIMATED FUTURE SALES, SERVICES & USE TAX RECEIPTS

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

Fiscal Year	Estimated Collection Without Growth (1)	Estimated Collection With Growth (2)
2027	1,849,153	1,849,153
2028	1,795,917	1,840,081
2029	1,742,680	1,829,458
2030	1,636,208	1,759,983
2031	1,582,972	1,744,646
2032	1,582,972	1,787,559
2033	1,582,972	1,831,520
2034	1,582,972	1,876,554
2035	1,582,972	1,922,686
2036	1,582,972	1,969,943
2037	1,582,972	2,018,354
2038	1,582,972	2,067,946
2039	1,582,972	2,118,749
2040	1,582,972	2,170,790
2041	1,582,972	2,224,102
2042	1,582,972	2,278,714
2043	1,582,972	2,334,659
2044	1,582,972	2,391,969
2045	1,582,972	2,450,677
2046	1,582,972	2,510,818
2047	1,582,972	2,572,426
2048	1,582,972	2,635,538
2049	1,582,972	2,700,189
2050	1,582,972	2,766,418

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

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

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ESTIMATED DEBT SERVICE AND COVERAGE ON THE BONDS (2)

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

				No Growth Assumed		Growth Assumed	
Fiscal Year	Existing P&I Payments (Balance)	Estimated New P&I Payments Series 2026	Combined P&I Payments	Estimated Collections	Estimated Coverage	Estimated Collections	Estimated Coverage
	(1)	(1)	(1)	(2) (3)		(2) (4)	
2027	1,097,196	390,104	1,487,301	1,849,153	1.24	1,849,153	1.24
2028	670,465	788,975	1,459,440	1,795,917	1.23	1,840,081	1.26
2029	624,268	788,975	1,413,243	1,742,680	1.23	1,829,458	1.29
2030	535,790	788,975	1,324,765	1,636,208	1.24	1,759,983	1.33
2031		1,198,975	1,198,975	1,582,972	1.32	1,744,646	1.46
2032		1,201,425	1,201,425	1,582,972	1.32	1,787,559	1.49
2033		1,202,500	1,202,500	1,582,972	1.32	1,831,520	1.52
2034		1,202,200	1,202,200	1,582,972	1.32	1,876,554	1.56
2035		1,200,525	1,200,525	1,582,972	1.32	1,922,686	1.60
2036		1,202,475	1,202,475	1,582,972	1.32	1,969,943	1.64
2037		1,197,775	1,197,775	1,582,972	1.32	2,018,354	1.69
2038		1,201,700	1,201,700	1,582,972	1.32	2,067,946	1.72
2039		1,198,700	1,198,700	1,582,972	1.32	2,118,749	1.77
2040		1,199,050	1,199,050	1,582,972	1.32	2,170,790	1.81
2041		1,202,475	1,202,475	1,582,972	1.32	2,224,102	1.85
2042		1,198,700	1,198,700	1,582,972	1.32	2,278,714	1.90
2043		1,198,000	1,198,000	1,582,972	1.32	2,334,659	1.95
2044		1,200,100	1,200,100	1,582,972	1.32	2,391,969	1.99
2045		1,199,725	1,199,725	1,582,972	1.32	2,450,677	2.04
2046		1,201,875	1,201,875	1,582,972	1.32	2,510,818	2.09
2047		1,201,275	1,201,275	1,582,972	1.32	2,572,426	2.14
2048		1,197,925	1,197,925	1,582,972	1.32	2,635,538	2.20
2049		1,201,825	1,201,825	1,582,972	1.32	2,700,189	2.25
2050		1,197,425	1,197,425	1,582,972	1.32	2,766,418	2.31
	2,927,719	26,761,679	29,689,398	38,683,405		51,652,933	

(1) Represents estimated Debt Service on the Bonds, and estimated adjusted Debt Service on the outstanding Bonds. Preliminary, subject to change

(2) Future revenue estimates assume no enrollment decline or increase of students per year from October 1, 2025 count used for Fiscal Year 2027. Fiscal Year 2027 revenue estimates are based upon the October 1, 2025 count.

(3) Assumes revenue per pupil as outlined in "ESTIMATED RECEIPTS OF THE TAX AVAILABLE FOR DISTRIBUTION – PER PUPIL BASIS – Table I" herein and District receipt estimates as outlined in "ESTIMATED FUTURE SALES, SERVICES & USE TAX RECEIPTS"

(4) Assumes revenue per pupil as outlined in "ESTIMATED RECEIPTS OF THE TAX AVAILABLE FOR DISTRIBUTION – PER PUPIL BASIS – Table II" herein and District receipt estimates as outlined in "ESTIMATED FUTURE SALES, SERVICES & USE TAX RECEIPTS"

Summary of Bond Resolution

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

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

Registration Books maintained by the Registrar in the name of DTC or its nominee.

- "DTC" shall mean The Depository Trust Company, New York, New York, a limited purpose trust company, or any successor book-entry securities depository appointed for the Bonds.
- "Economic Refunding" shall mean the sale and issuance of refunding bonds issued to discharge and satisfy all or a part of the Bonds or the Outstanding Bonds in accordance with Section 20 of this Resolution, and to pay costs of issuance. The refunding must (i) produce annual debt service on the refunding bonds not greater than the total (remaining) debt service on the refunded bonds; (ii) shall not have a payment in any Fiscal Year (through maturity of the new bonds) that is greater than the payment on the Bonds or Outstanding Bonds being refunded, and (iii) shall not extend the final maturity of the refunded bonds.
- "Escrow Fund" shall mean the fund required to be established by this Resolution for the deposit of proceeds of the Refunding Portion of the Bonds.
- "Fiscal Year" shall mean the twelve-month period beginning on July 1 of each year and ending on the last day of June of the following year, or any other consecutive twelve-month period adopted by the Governing Body or by law as the official accounting period of the Issuer. Requirements of a Fiscal Year as expressed in this Resolution shall exclude any payment of principal or interest falling due on the first day of the Fiscal Year and include any payment of principal or interest falling due on the first day of the succeeding Fiscal Year, except to the extent of any conflict with the terms of the Outstanding Bonds while the same remain outstanding.
- "Governing Body" shall mean the Board of Directors of the School District.
- "Independent Auditor" shall mean an independent firm of Certified Public Accountants, an independent financial consultant, placement agent representing the Issuer, Municipal Advisor, or the Auditor of State.
- "Issuer" and "School District" shall mean the Independence Community School District, counties of Buchanan And Benton, State of Iowa.
- "New Money Portion" shall mean $_____ of the Bonds authorized by this Resolution to provide funds to pay the cost to build, furnish, and equip an addition to East Elementary School; to remodel, repair, improve, and equip East and West Elementary Schools and improve the sites.
- "Original Purchaser" shall mean _____, _____.
- "Outstanding Bonds" shall mean the $9,950,000 School Infrastructure Sales, Services and Use Tax Revenue and Refunding Bonds dated June 15, 2020, issued in accordance with the Prior Bond Resolution, of which $4,221,000 of the bonds are still outstanding and unpaid and remain a lien on the School Infrastructure Tax Revenues, and which a portion of are being currently refunded.
- "Parity Bonds" shall mean School Infrastructure Sales, Services and Use Tax Revenue Bonds, notes or other obligations payable solely from the School Infrastructure Tax Revenues on an equal basis with the Outstanding Bonds, the Bonds and shall include Additional Bonds as authorized to be issued under the terms of this Resolution.
- "Participants" shall mean those broker-dealers, banks and other financial institutions for which DTC holds Bonds as securities depository.
- "Paying Agent" shall mean UMB Bank, N.A., or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein as Issuer's agent to provide for the payment of principal of and interest on the Bonds as the same shall become due.
- "Permitted Investments" shall mean any investments permitted in Iowa Code Chapter 12B or Section 12C.9. All interim investments must mature before the date on which the moneys are required for payment of principal and interest on the Bonds or project costs.
- "Prior Bond Resolution" shall mean a certain resolution adopted by the Issuer on June 1, 2020 authorizing the issuance of the Outstanding Bonds.
- "Project" shall mean a school infrastructure project as authorized by the electors at the election held March 3, 2020 and the Act, including build, furnish, and equip an addition to East Elementary School; to remodel, repair, improve, and equip East and West Elementary Schools and improve the sites; and to currently refund a portion of the outstanding $9,950,000 School Infrastructure Sales, Services and Use Tax Revenue and Refunding Bonds, Series 2020, dated June 15, 2020.
- "Project Fund" shall mean the fund required to be established by this Resolution for the deposit of the proceeds of the New Money Portion of the Bonds.
- "Rebate Fund" shall mean the rebate fund so defined in and established pursuant to the Tax Exemption Certificate and as provided in Section 21 of this Resolution.
- "Refunded Bonds" means $_____of the $9,950,000 School Infrastructure Sales, Services and Use Tax Revenue and Refunding Bonds issued June 15, 2020, as set forth in Schedule A attached to this Resolution.
- "Refunding Bonds" shall mean the Bonds.
- "Refunding Portion" shall mean $_____ of the Bonds authorized to be issued by this Resolution to currently refund the Refunded Bonds.
- "Registrar" shall mean UMB Bank, N.A. of West Des Moines, Iowa, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein with respect to maintaining a register of the owners of the Bonds. Unless otherwise specified, the Registrar shall also act as Transfer Agent for the Bonds.
- "Representation Letter" shall mean the Blanket Issuer Letter of Representations executed and delivered by the Issuer to DTC on file with DTC.
- "Reserve Fund" shall mean the reserve fund established in Section 16 of this Resolution.
- "Reserve Fund Requirement" shall mean the Series 2026 Reserve Fund Requirement and, for any future Parity Bonds secured by the Reserve Fund, an amount equal to the lesser of (a) the maximum amount of the principal and interest coming due on the Bonds and Additional Bonds secured by the Reserve Fund; (b) 10% of the stated principal amount of the Bonds and Additional Bonds

secured by the Reserve Fund (for issues with original issue discount the issue price as defined in the Tax Exemption Certificate shall be substituted for the stated principal amount) or (c) 125% of the average principal and interest coming due on the Bonds and Additional Bonds secured by the Reserve Fund. For purposes of this definition: (1) "issue price" shall be substituted for "stated principal amount" for issues with original issue discount or original issue premium of more than a de minimus amount and (2) stated principal amount shall not include any portion of an issue refunded or advance refunded by a subsequent issue.

- "Revenue Estimating Conference" shall mean the state revenue estimating conference established pursuant to Iowa Code 8.22A, as amended.
- "Revenue Fund" shall mean the revenue fund established in Section 16 of this Resolution.
- "School Infrastructure Tax" shall mean the one percent (1%) sales, services and use tax imposed by the State of Iowa for school infrastructure purposes which must be deposited into the State Secure an Advanced Vision for Education Fund and distributed to the School District pursuant to Iowa Code Section 423F.2, as amended.
- "School Infrastructure Tax Revenues" shall mean all of the revenues received by the School District in each Fiscal Year from the imposition of the School Infrastructure Tax (including, without limitation, any revenues received by the School District from interest and penalties on delinquent collections of the School Infrastructure Tax).
- "Secretary" shall mean the Secretary of the Board of Directors of the School District, or such other officer of the successor Governing Body as shall be charged with substantially the same duties and responsibilities.
- "Series 2026 Reserve Fund Requirement" means an amount equal to $_____, which is an amount equal to the lesser of (a) the maximum amount of the principal and interest coming due on the Bonds; (b) 10% of the stated principal amount of the Bonds (for issues with original issue discount the issue price as defined in the Tax Exemption Certificate shall be substituted for the stated principal amount) or (c) 125% of the average principal and interest coming due on the Bonds. For purposes of this definition: (1) "issue price" shall be substituted for "stated principal amount" for issues with original issue discount or original issue premium of more than a de minimus amount and (2) stated principal amount shall not include any portion of an issue refunded or advance refunded by a subsequent issue.
- "Sinking Fund" shall mean the sinking fund established in Section 16 of this Resolution.
- "State" shall mean the State of Iowa.
- "Statewide Sales Tax Revenues" shall mean either (a) all revenue received by the State from the one percent (1%) sales, services and use tax imposed by the State of Iowa for school infrastructure purposes for the most recent full fiscal year, or (b) the estimate (i) provided by the Iowa Department of Revenue to Iowa school districts as the total revenue from such sales, services and use tax, which estimate is currently scheduled to be shared with Iowa school districts on or around August 31 of each year, for the fiscal year ending the following June 30 or (ii) if the bonds are to be dated not less than six months after the start of the current fiscal year, based on the most recent Revenue Estimating Conference report.
- "Statutory Reductions" shall mean the amount of any current or future statutory reductions, transfers or diversions from the Statewide Sales Tax Revenues, including without limitation amounts diverted to career academies and scheduled transfer to the State's Property Tax Equity Relief Fund.
- "Tax Exemption Certificate" shall mean the Tax Exemption Certificate executed by the Treasurer and delivered at the time of issuance and delivery of the Bonds.
- "Treasurer" shall mean the Treasurer of the School District or such other officer as shall succeed to the same duties and responsibilities with respect to the recording and payment of the Bonds issued hereunder.
- "Yield Restricted" shall mean any amount required to be invested at a yield that is not materially higher than the yield on the Bonds under Section 148(a) of the Internal Revenue Code or regulations issued thereunder.

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

- An amount sufficient to meet the Reserve Fund Requirement shall be deposited in the Reserve Fund.
- There is hereby created an Escrow Fund, to be held by the Issuer, into which $_____ of the Bond Proceeds shall be deposited. The Issuer shall 1) hold Bond Proceeds in a special and irrevocable fund, 2) invest proceeds only in cash or direct obligations of the United States, and 3) apply Bond Proceeds and earnings to pay when due, all of the principal and interest due on the Refunded Bonds and only in accordance with the terms and conditions of this Resolution, and 4) apply remaining Bond Proceeds to pay costs of issuance allocated to the Refunding Portion of the Project, with any surplus deposited in the Bond Fund to be used to pay a portion of the interest accruing on the Bonds on the first interest date. All liability for interest on the Refunded Bonds shall cease, terminate, and be completely discharged as of December 3, 2026, as provided in the Prior Bond Resolution authorizing the issuance of the Refunded Bonds.
- Any amounts on hand in the Escrow Fund shall be available for the payment of the principal of or interest on the Bonds at any time that other School Infrastructure Tax Revenues shall be insufficient to the purpose, in which event such funds shall be repaid to the Escrow Fund at the earliest opportunity. Any balance on hand in the Escrow Fund and not immediately required for its purposes may be invested not inconsistent with limitations provided by law, the Internal Revenue Code and this Resolution.
- There is hereby created a Project Fund, to be held by the Issuer, into which the balance of the Bond Proceeds shall be deposited and expended therefrom for the purposes of the New Money Portion of the Project and to pay costs of issuance allocated to the New Money Portion. Any amounts on hand in the Project Fund shall be available for the payment of the principal of or interest on the Bonds at any time that other School Infrastructure Tax Revenues shall be insufficient to the purpose, in which event such funds shall be repaid to the Project Fund at the earliest opportunity. Any balance on hand in the Project Fund and not immediately required for

its purposes may be invested not inconsistent with limitations provided by law, the Internal Revenue Code and this Resolution.

Application of Revenues.

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

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

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

2. Reserve Fund. Money in the Revenue Fund shall next be disbursed to maintain a debt service reserve in an amount equal to the Reserve Fund Requirement which shall be held by or on behalf of the Issuer. Such fund shall be known as the School Infrastructure Sales, Services and Use Tax Revenue Debt Service Reserve Fund (the "Reserve Fund"). In each month there shall be deposited in the Reserve Fund an amount equal to one hundred percent of the amount required by this Resolution and any future resolutions for Parity Bonds secured by the Reserve Fund to be deposited in such month in the Reserve Fund; provided, however, that when the amount on deposit in the Reserve Fund shall be not less than the Reserve Fund Requirement, no further deposits shall be made into the Reserve Fund except to maintain such level, and when the amount on deposit in the Reserve Fund is greater than the balance required above, such additional amounts shall be withdrawn and paid into the Revenue Fund. Money in the Reserve Fund shall be used solely for the purpose of paying principal at maturity of or interest on the Bonds and future Parity Bonds for the payment of which insufficient money shall be available in the Sinking Fund. Whenever it shall become necessary to so use money in the Reserve Fund, the payments required above shall be continued or resumed until it shall have been restored to the required minimum amount. On the Closing Date, _____ of the Bond Proceeds shall be deposited in the Reserve Fund. On the Closing Date, the School District shall establish a subaccount within the Reserve Fund to secure only the Bonds known as the "Series 2026 Bond Subaccount" and shall deposit an amount equal to the Series 2026 Reserve Fund Requirement from the Bond Proceeds into the Series 2026 Bond Subaccount.

The School District may establish other subaccounts within the Reserve Fund upon the issuance of future Parity Bonds which are required to be secured by the Reserve Fund. The money deposited into the Revenue Fund shall be disbursed on a parity basis to make deposits into the various subaccounts of the Reserve Fund for all future Parity Bonds secured thereby. The subaccounts in the Reserve Fund shall be segregated from all other funds, accounts and subaccounts established by this Resolution and any future resolution for Parity Bonds secured by the Reserve Fund, and each subaccount shall be segregated and shall not be commingled. The Series 2026 Bond Subaccount shall not be pledged to any future Parity Bonds.

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

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

Money in the Revenue Fund shall be allotted and paid into the various funds and accounts hereinbefore referred to in the order in which said funds are listed, on a cumulative basis on or before the 15th day of each month, or on the next succeeding business day when the 15th shall not be a business day; and if in any month the money in the Revenue Fund (including the Sinking Fund or the Reserve Fund), shall be insufficient

to deposit or transfer the required amount in any of said funds or accounts, the deficiency shall be made up in the following month or months after payments into all funds and accounts enjoying a prior claim to the revenues shall have been met in full. The Issuer may establish various subaccounts within each fund established by the Prior Bond Resolution or this Resolution.

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

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

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

Prior Lien and Parity Bonds; Subordinate Obligations. The Issuer will issue no other Additional Bonds or obligations of any kind or nature payable from or enjoying a lien or claim on the School Infrastructure Tax Revenues having priority over the Bonds or Parity Bonds.

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

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

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

c. the Additional Bonds must provide contributions to the Sinking Fund to pay principal and interest on the Additional Bonds on the same basis as such contributions to the Sinking Fund are made for the Bonds.
d. for the purposes of this Section, principal and interest falling due on the first day of a Fiscal Year shall be deemed a requirement of the immediately preceding Fiscal Year.
e. the Reserve Fund, including all subaccounts within the Reserve Fund, for the Bonds and the Additional Bonds, if required, must be fully funded as of the date of issue of the Additional Bonds.

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

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

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

e. to subject to the lien and pledge of this Resolution additional pledged revenues as may be permitted by law.

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

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

Whenever the Issuer shall propose to amend this Resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be filed with the Original Purchaser and to be mailed by certified mail to each registered owner of any Bond as shown by the records of the Registrar. Such notice shall set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory Resolution is on file in the office of the Secretary.

Whenever at any time within one year from the date of the mailing of said notice there shall be filed with the Secretary an instrument or instruments executed by the holders of at least two-thirds in aggregate principal amount of the Bonds then outstanding as in this Section defined, which instrument or instruments shall refer to the proposed amendatory Resolution described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the governing body of the Issuer may adopt such amendatory Resolution and such Resolution shall become effective and binding upon the holders of all of the Bonds and Parity Bonds.

Any consent given by the holder of a bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the instrument evidencing such consent and shall be conclusive and binding upon all future holders of the same bond during such period. Such consent may be revoked at any time after six months from the date of such instrument by the holder who gave such consent or by a successor in title by filing notice of such revocation with the Secretary.

The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

The amount and numbers of the bonds held by any person executing such instrument and the date of his holding the same may be proved by an affidavit by such person or by a certificate executed by an officer of a bank or trust company showing that on the date therein mentioned such person had on deposit with such bank or trust company the bonds described in such certificate.

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

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

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

THE PROJECT

Proceeds of the Bonds will be used to provide funds to i) build, furnish, and equip an addition to East Elementary School; to remodel, repair, improve, and equip East and West Elementary Schools and improve the sites; and to currently refund a portion of the outstanding $9,950,000 School Infrastructure Sales, Services and Use Tax Revenue and Refunding Bonds, Series 2020, dated June 15, 2020 (the "Series 2020 Bonds") and ii) to establish and fund a Debt Service Reserve Fund, and iii) to pay costs of issuance for the Bonds (the "Project").

Estimated Sources & Uses of Funds*

SOURCES OF FUNDS		
	Bond Proceeds	$15,190,000*
	Original Reoffering Premium	
TOTAL SOURCES		
USES OF FUNDS		
	Project Costs	
	Refunding Portion	
	Issuance Costs	
	Debt Service Reserve Fund	
	Underwriters Discount	
TOTAL USES OF FUNDS		

* Preliminary, subject to change

Future Debt

The District has no plans to issue additional debt for the completion of this current project. They do, however, have a General Obligation School Bond on the November 3, 2026 ballot in the amount of $24,990,000 which will require a 60% supermajority approval for success. If that issue receives sufficient voter approval the bonds issued will be repaid from an unlimited ad valorem property tax and not from the same Tax Revenues from which the Bonds are repaid.

THE BONDS

General

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

Authorization for the Issuance

The Bonds are being issued pursuant to the Act and the Series 2026 Resolution expected to be adopted by the Board on or about November 16, 2026. See "**SECURITY AND SOURCE OF PAYMENT FOR THE BONDS**" herein.

Book Entry Only System

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S equity, corporate and municipal debt issues and money market instrument (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC").

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

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

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

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

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

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

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

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

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

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

The Issuer cannot and does not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal of or interest and premium, if any, on the Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in the Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its

nominee, as the Registered Owner of the Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

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

Transfer and Exchange

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

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

Redemption *

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

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

____ 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.

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

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

_____
* preliminary, subject to change

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

LITIGATION

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

UNDERWRITING

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

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

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

TAX EXEMPTION AND RELATED TAX MATTERS

Tax Exemption

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

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

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

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

NOT Qualified Tax Exemption Obligations

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

Discount and Premium Bonds

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

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

Other Tax Advice

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

Audits

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

Reporting and Withholding

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

Tax Legislation

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

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

The Opinion

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

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

Enforcement

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

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

constitutionally applicable, to the exercise of judicial discretion in appropriate cases and to the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

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

LEGAL MATTERS

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

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

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

MUNICIPAL ADVISOR

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

CONTINUING DISCLOSURE

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

A failure by the Issuer to comply with the Undertaking will not constitute a default under the Series 2026 Resolution and Beneficial Owners of the Bonds are limited to the remedies described in the Undertaking. Any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Continuing Disclosure Certificate. Direct, indirect, consequential, and punitive damages shall not be recoverable by any person for any default thereunder.

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

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

For the previous five (5) year period, the Issuer has not been subject to disclosure covenants.

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

MISCELLANEOUS

Brief descriptions or summaries of the Issuer, the Bonds, the Series 2026 Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Bonds, the Series 2026 Resolution and other documents, agreements and statutes referred to herein, and the description of the Bonds included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entireties by reference to such documents, and the description herein of the Bonds is qualified in its entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the Issuer.

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

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

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

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

INDEPENDENCE COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/Janet Grafft
Board Secretary

APPENDIX A – GENERAL INFORMATION ABOUT THE ISSUER

INDEPENDENCE COMMUNITY SCHOOL DISTRICT, IOWA
DISTRICT OFFICIALS

PRESIDENT	Kim Hansen
BOARD MEMBERS	Jake Bass Charlie McCardle Jeremy Adams Erika Schmitt
SUPERINTENDENT	Cynthia Phillips
DISTRICT SECRETARY	Janet Grafft
DISTRICT TREASURER	Janet Grafft
DISTRICT ATTORNEY	Ahlers & Cooney, P.C.

CONSULTANTS

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

General Information

The Independence Community School District (195 sq. miles) is located in Buchanan & Benton Counties in northeast Iowa. The District includes portions of the Cities of Independence, Brandon and Rowley as well as unincorporated land within both counties.

District Facilities (1)

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

Building	Construction Date	Grades Served
Junior/Senior High School	2013	7-12
East Elementary	1958	K-2
West Elementary	1970	3-6
Early Childhood Center	2006	PK

Enrollment (3)

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

Count Date	Fiscal Year effective	Certified (Resident) (4)	Open Enroll In	Open Enroll Out	Total Served (5)
October-25	2026-27	1,335.3	124.0	150.5	1,308.8
October-24	2025-26	1,354.8	122.0	141.9	1,334.9
October-23	2024-25	1,377.7	125.0	125.7	1,377.0
October-22	2023-24	1,383.7	124.0	126.5	1,345.2
October-21	2022-23	1,406.7	118.0	128.9	1,395.8

Staff (1)

Presented below is a list of the Issuer's 207 employees.

Administrators:	13	Media Specialists:	3
Teachers:	99	Nurses:	3
Teacher Aids:	35	Guidance:	4
Custodians:	10	Secretaries:	7
Food Service:	14	Transportation:	11
Other:	7	Maintenance:	1

Population (2)

Presented below are population figures as officially reported by the U.S. Census for the periods indicated for the city of Independence, Brandon and Rowley.

Year	Independence	Brandon	Rowley
2020	6,064	341	270
2010	5,966	309	264
2000	6,014	311	290
1990	5,972	320	272
1980	6,392	337	275
1970	5,910	432	241

(1) Source: the Issuer
(2) Source: U.S. Census Bureau
(3) Source: Iowa Department of Education
(4) Used for Sales Tax distribution and state aid distribution
(5) For each fiscal year, the school district into which any student open-enrolls, sends an invoice to the home-district in the amount of regular district cost per pupil, which is equal to the amount of State Aid the home-district receives from the State.

Other Post-Employment Benefits (OPEB) (1)

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	11
Active employees	197
Total	208

Total OPEB Liability – The Issuer's total OPEB liability of $765,433 was measured as of June 30, 2025, and was determined by an actuarial valuation as of that date.

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

Rate of inflation (effective 6/30/25)	3.00%
Rates of salary increase (effective 6/30/25) including inflation	3.25%
Discount rate (effective 6/30/25) including inflation	5.20%
Healthcare cost trend rate (effective 6/30/25)	8.00%

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

Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational project of future mortality improvement. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability:

Total OPEB obligation – beginning of year		$810,294
Changes for the year		
	Service Cost	60,698
	Interest	33,721
	Difference between expected & actual experiences	(21,592)
	Change in assumption	(74,060)
	Benefit Payments	(43,628)
Net Changes		(44,861)
Net OPEB obligation – end of year		$765,433

Changes of assumptions reflect a change in the discount rate from 3.97% in fiscal year 2024 to 5.20% in fiscal year 2025.

(1) Source: the Issuer

Employee Pension Plan (1)

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

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

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

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

Table 1 – Issuer and Employees Contribution to IPERS.

	Issuer Contribution		Issuer Employees' Contribution	
Fiscal Year	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2021	$949,948	9.44	$923,756	6.29
2022	949,007	9.44	954,460	6.29
2023	975,363	9.44	1,026,550	6.29
2024	1,037,735	9.44	1,062,616	6.29
2025	1,132,636	9.44	1,106,416	6.29

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

Table 2 – Recent returns of IPERS (1)

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

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

(1) SOURCE: The Issuer

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

Table 3 – Funding Status of IPERS (1)

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) % [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
2020	34,485,656,745	34,047,692,112	41,072,427,540	6,586,770,795	83.96	7,024,735,428	82.90	8,391,856,350	78.49
2021	37,584,987,296	42,889,875,682	42,544,648,750	4,959,661,454	88.34	-345,226,932	100.81	8,648,783,536	57.35
2022	39,354,232,379	40,191,566,259	43,969,714,606	4,615,482,227	89.50	3,778,148,347	91.40	9,018,019,950	51.18
2023	41,012,524,216	41,206,314,259	45,719,979,439	4,707,455,223	89.70	4,513,665,180	90.13	9,588,339,000	49.10
2024	42,927,257,062	43,661,123,300	47,302,619,657	4,375,362,595	90.75	3,641,496,357	92.30	10,002,034,974	43.74
2025	45,222,324,002	46,740,552,175	49,063,230,575	3,840,906,573	92.17	2,322,678,400	95.27	10,525,039,254	36.49

Net Pension Liabilities (2)

At June 30, 2025, the Issuer reported a liability of $4,555,214 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7%. The Issuer's proportion of the net pension liability was based on the Issuer's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. See "**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS**" for additional information related to the Issuer's deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

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

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

Investment of Public Funds (2)

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

Type of Investment	Amount Invested
Local Bank Money Market	$9,737,197.16
Local Bank Deposit Accounts	490,966.67
Local Bank Time CD's	0
ISJIT Money Market	33,157.47
ISJIT Time CD's	0

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

Major Employers (1)

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

Employer	Business	Approximate Employees
Geater Manufacturing	Sheet metal fabricators	250-499
Buchanan County Health Center	Hospital	100-249
Independence CSD	Education	100-249
Pries Enterprises	Aluminum Extruded Products	100-249
Independence Mental Health	Hospital	100-249
Wal-Mart Supercenter	Retail store	100-249
Dollar Fresh	Grocery store	50-99
Fareway	Grocery store	50-99
Buchanan County	Government	50-99
Wapsie Creamery	Cheese processors	50-99
McDonalds	Fast food restaurant	50-99
B & D Svc Inc.	Vocational rehabilitation services	50-99
Four Oaks of Iowa	Social services and welfare organization	50-99
Independence Skilled Nurse	Nursing home	50-99
Jensen Transport	Trucking	50-99
H & R Masonry	Masonry contractor	20-49
Iowa Wall Sawing	Garbage collection	20-49
Superior Cleaning Svc	Janitor service	20-49
Heartland Acres Agribition Ctr	Museum	20-49
Bloom Manufacturing	Metal good manufacturer	20-49
Buchanan County Fair Association	Non profit organization	20-49
Cy & Charley's Firestone Inc	Tire repair	20-49
Independence Appliance Repair	Appliance repair	20-49
Dunlap Motors	Car dealer	20-49
Kwik Star	Convenience store	20-49
Burco Sales Inc	Tractor dealer	20-49
Waste Management	Recycling center	20-49

Property Tax Assessment (2) (3)

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

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

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

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

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

(2) Source: Iowa Department of Revenue

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

Property Valuations (1)

Actual Valuation					
Valuation as of January	2025	2024	2023	2022	2021
Fiscal Year	2027-26	2026-25	2025-24	2024-23	2023-24
Residential:	752,565,455	653,410,870	640,094,607	517,176,024	505,644,580
Agricultural Land:	227,843,067	184,768,090	184,739,570	145,823,240	145,922,200
Ag Buildings:	12,059,330	12,556,510	12,474,610	8,284,420	8,288,910
Commercial:	103,869,885	93,062,560	90,698,763	73,643,461	77,663,452
Industrial:	23,158,624	23,057,202	22,519,393	19,950,038	18,044,696
Multi-Residential	0	0	0	0	13,719,245
Reserved	0	0	0	0	0
Railroads:	2,984,069	2,816,681	2,774,034	2,321,529	2,120,292
Utilities:	4,876,718	6,309,584	7,195,883	6,263,724	7,942,571
Other:	0	0	0	0	0
Total Valuation:	1,127,357,148	975,981,497	960,496,860	773,462,436	779,345,946
Less Military:	1,518,650	1,594,267	1,649,327	788,952	824,140
Less Homestead:	6,155,500	6,279,000	3,074,500	0	0
Net Valuation:	1,119,682,998	968,108,230	955,773,033	772,673,484	778,521,806
TIF Valuation:	33,639,749	31,138,212	35,340,721	29,001,990	15,100,798
Utility Replacement:	48,574,024	49,981,479	49,315,812	47,915,767	47,563,397

Taxable Valuation					
Valuation as of January	2025	2024	2023	2022	2021
Fiscal Year	2027-26	2026-25	2025-24	2024-23	2023-24
Residential:	325,106,779	301,279,296	286,556,131	275,734,657	270,235,400
Agricultural Land:	135,427,389	136,465,065	132,711,343	133,636,818	129,930,869
Ag Buildings:	7,168,082	9,273,905	8,961,384	7,592,093	7,380,544
Commercial:	74,876,915	67,081,139	64,415,776	53,542,032	69,357,042
Industrial:	18,942,881	18,943,665	18,444,093	16,399,230	16,078,407
Multi-Residential	0	0	0	0	8,559,367
Reserved	0	0	0	0	0
Railroads:	2,659,848	2,510,845	2,471,844	2,069,306	1,908,263
Utilities:	4,779,183	6,309,584	7,195,883	6,263,724	7,827,357
Other:	0	0	0	0	0
Total Valuation:	568,961,077	541,863,499	520,756,454	495,237,860	511,277,249
Less Military:	1,518,650	1,594,267	1,649,327	788,952	824,140
Less Homestead:	6,155,500	6,279,000	3,074,500	0	0
Net Valuation:	561,286,927	533,990,232	516,032,627	494,448,908	510,453,109
TIF Valuation:	33,639,749	31,138,212	35,340,721	29,001,990	15,100,798
Utility Replacement:	5,820,546	5,966,480	6,308,378	6,552,030	6,684,830

Valuation Year	Fiscal Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation DS / PPEL	% Change in Taxable Valuation
2025	2027	1,201,896,771	14.55%	600,747,222	5.19%
2024	2026	1,049,227,921	0.85%	571,094,924	2.41%
2023	2025	1,040,429,566	22.46%	557,681,726	5.22%
2022	2024	849,591,241	1.00%	530,002,928	-0.42%
2021	2023	841,186,001	8.07%	532,238,737	7.22%

(1) Source: Iowa Department of Management

Tax Rates (1)

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

Fiscal Year	Operating Fund	Management Fund	Board PPEL	Voter PPEL	Play Ground	Debt Service	School House	Total Levy Rate
2027	10.11201	1.85207	0.33000	0.67000	0.00000	0.00000	0.00000	12.96408
2026	9.06307	1.57420	0.33000	0.67000	0.00000	1.68671	0.00000	13.32398
2025	9.10216	1.43584	0.33000	0.67000	0.00000	1.78819	0.00000	13.32619
2024	9.12653	1.33732	0.33000	0.67000	0.00000	1.87780	0.00000	13.34165
2023	9.34062	1.45029	0.33000	0.40000	0.00000	1.87351	0.00000	13.39442
2022	10.28508	0.89503	0.33000	0.40000	0.00000	1.99935	0.00000	13.90946

Historic Tax Rates (1)

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy Rate
2027	19.01225	12.96408	1.35537	0.00000	0.54247	0.20995	1.08000	6.06940	0.00000	41.23352
2026	19.63340	13.32398	1.28567	0.00000	0.34330	0.21539	1.08000	6.35507	0.00000	42.23681
2025	19.53649	13.32619	1.23407	0.00180	0.33205	0.21659	1.08000	6.22252	0.00000	41.94971
2024	17.25896	13.34165	1.21183	0.00180	0.33992	0.23091	1.08000	6.24213	0.00000	39.70720
2023	16.97055	13.39442	1.18571	0.00240	0.32991	0.20648	1.06150	5.73210	0.00000	38.88307
2022	17.26023	13.90946	1.17640	0.00260	0.35005	0.21772	1.06150	6.32369	0.00000	40.30165

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy Rate
2027	8.31153	12.96408	1.35537	0.00000	0.54247	0.20995	1.08000	6.06940	0.00000	30.53280
2026	8.99469	13.32398	1.28567	0.00000	0.34330	0.21539	1.08000	6.35507	0.00000	31.59810
2025	8.71593	13.32619	1.23407	0.00180	0.33205	0.21659	1.08000	6.22252	0.00000	31.12915
2024	9.30766	13.34165	1.21183	0.00180	0.33992	0.23091	1.08000	6.24213	0.00000	31.75590
2023	7.86248	13.39442	1.18571	0.00240	0.32991	0.20648	1.06150	5.73210	0.00000	29.77500
2022	7.93557	13.90946	1.17640	0.00260	0.35005	0.21772	1.06150	6.32369	0.00000	30.97699

Tax Collection History (2)

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

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2027	7,423,279	In collection	NA
2026	7,293,153	In collection	NA
2025	7,078,266	$7,409,342	104.68%
2024	6,772,004	6,819,899	100.71%
2023	6,970,615	6,972,745	100.03%
2022	6,665,314	6,663,723	99.98%
2021	7,040,415	7,101,636	100.87%

(1) Source: Iowa Department of Management
(2) Source: the Issuer

Largest Taxpayers (1) (2)

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

Taxpayer	2025 Taxable Valuation	Percent of Total
Pries Enterprises INC	8,488,997	1.413%
Wapsie Valley Creamery INC	8,289,458	1.380%
Wal-Mart Real Estate Business Wal-Mart Stores	6,625,102	1.103%
Northern Natural GAS CO	4,779,183	0.796%
Independence Investments LLC	3,999,640	0.666%
G & S Grover Family Farms LLC	3,433,612	0.572%
Lara LLC	3,087,343	0.514%
Krob, F J & CO	2,673,446	0.445%
Chicago Centil Pacific Railboom	2,659,848	0.443%
StealGard INC	2,611,884	0.435%
	Total	7.77%

(1) Source: Benton and Buchanan County Auditors' offices

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

Direct Debt

General Obligation School Bonds (Debt Service)

The Issuer retired the final outstanding G.O. Bond principal amount May 1, 2026 and currently has no G.O. Bond debt outstanding.

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

Presented below is the principal and interest due on the Issuer's outstanding General Obligation School Capital Loan Notes, presented by issue and fiscal year.

Fiscal Year	6/15/26	Total Principal	Total Interest	Total P&I
6/30/27	298,000	298,000	78,608	376,608
6/30/28	305,000	305,000	71,866	376,866
6/30/29	313,000	313,000	61,404	374,404
6/30/30	320,000	320,000	50,355	370,355
6/30/31	328,000	328,000	38,739	366,739
6/30/32	337,000	337,000	26,505	363,505
6/30/33	346,000	346,000	13,598	359,598
Totals:	2,247,000	2,247,000	341,076	2,588,076

Anticipatory Warrants (1)

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

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

Presented below is the principal and interest due on the Issuer's outstanding School Infrastructure Sales, Services and Use Tax Revenue bonds, including an estimate on the Bonds, presented by issue and fiscal year.

Fiscal Year	6/15/20	12/3/26	Partial Ref (2) 6/15/20	Total Principal	Total Interest	Total Obligations
6/30/27	1,032,000			1,032,000	455,301	1,487,301
6/30/28	1,056,000		-425,000	631,000	828,440	1,459,440
6/30/29	1,079,000		-480,000	599,000	814,243	1,413,243
6/30/30	1,054,000		-530,000	524,000	800,765	1,324,765
6/30/31		470,000		410,000	788,975	1,198,975
6/30/32		495,000		435,000	766,425	1,201,425
6/30/33		515,000		460,000	742,500	1,202,500
6/30/34		540,000		485,000	717,200	1,202,200
6/30/35		570,000		510,000	690,525	1,200,525
6/30/36		595,000		540,000	662,475	1,202,475
6/30/37		625,000		565,000	632,775	1,197,775
6/30/38		655,000		600,000	601,700	1,201,700
6/30/39		685,000		630,000	568,700	1,198,700
6/30/40		715,000		665,000	534,050	1,199,050
6/30/41		750,000		705,000	497,475	1,202,475
6/30/42		785,000		740,000	458,700	1,198,700
6/30/43		825,000		780,000	418,000	1,198,000
6/30/44		860,000		825,000	375,100	1,200,100
6/30/45		905,000		870,000	329,725	1,199,725
6/30/46		945,000		920,000	281,875	1,201,875
6/30/47		990,000		970,000	231,275	1,201,275
6/30/48		1,040,000		1,020,000	177,925	1,197,925
6/30/49		1,085,000		1,080,000	121,825	1,201,825
6/30/50		1,140,000		1,135,000	62,425	1,197,425
Totals:	4,221,000	15,190,000	-1,435,000	17,131,000	12,558,398	29,689,398

(1) Source: the Issuer

(2) Preliminary, subject to change. The Issuer will use approximately $1,435,000 of the Bonds to currently refund a portion of the outstanding Series 2020 Bonds.

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

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

	7/1/26
Actual Valuation:	1,201,896,771
X	5%
Statutory Debt Limit:	60,094,839
Total General Obligation Bond Debt:	0
Total General Obligation Note Debt:	2,247,000
Total Lease Purchases:	0
Pending Prepayment Levys:	0
Capital Leases:	
Total Debt Subject to Limit:	2,247,000
Percentage of Debt Limit Obligated:	3.74%

It has not been determined whether the Issuer's Sales Tax Revenue Bonds do or do not count against the constitutional debt limit. If the Bonds do count against the constitutional debt limit, the amount of debt subject to the debt limit would increase $17,131,000* to be $19,378,000*, or 32.24% * of the statutory debt limit.

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

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

Overlapping & Underlying Debt (1) (3)

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

Taxing Authority	GO Debt Outstanding	Taxable Valuation	Valuation Within Issuer	Percentage Applicable	Amount Applicable
City Of Independence	9,975,000	277,075,041	277,075,041	100.00%	9,975,000
City Of Rowley	0	9,254,671	9,254,671	100.00%	0
City Of Brandon	0	7,315,627	7,315,627	100.00%	0
Buchanan County	4,600,000	1,396,753,765	570,122,737	40.82%	1,877,614
Benton County	3,221,502	1,929,468,151	972,187	0.05%	1,623
Hawkeye Cc	35,590,000	12,664,628,157	571,094,924	4.51%	1,604,885
Central Rivers Aea	3,765,766	29,657,903,529	571,094,924	1.93%	72,514
				Total:	13,531,636

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

Actual Value of Property, 2025	1,201,896,771
Taxable Value of Property, 2025	600,747,222
Direct General Obligation Debt:	2,247,000
Overlapping Debt:	13,531,636
Direct & Overlapping General Obligation Debt:	15,778,636
Population, 2020 US Census:	9,041
Direct Debt per Capita:	248
Total Debt per Capita:	1,745
Direct Debt to Taxable Valuation:	0.374%
Total Debt to Taxable Valuation:	2.627%
Direct Debt to Actual Valuation:	0.187%
Total Debt to Actual Valuation:	1.313%
Actual Valuation per Capita:	132,938
Taxable Valuation per Capita:	66,447

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

APPENDIX B – FORM OF LEGAL OPINION

DRAFT

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

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

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

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

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

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

2. The Resolution has been duly adopted by the Issuer and constitutes a valid and binding agreement of the Issuer.

3. The Resolution creates a valid lien on the School Infrastructure Tax Revenues pledged by the Resolution (and defined therein) for the security of the Bonds and the Parity Bonds. The lien of the Bonds ranks on a parity as to the pledge of revenues with respect to other Outstanding Bonds and Additional Bonds (as defined in the Resolution). The right to issue Additional Bonds is reserved upon conditions set forth in the Resolution..

4. The Bonds have been duly authorized and executed by the Issuer and are valid and binding limited obligations of the Issuer, payable solely from the sources provided therefor in the Resolution.

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

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

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

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

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

Ahlers & Cooney, P.C.

APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE

DRAFT

CONTINUING DISCLOSURE CERTIFICATE

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

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

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

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

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

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

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

"Holders" shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.
"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

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

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

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

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

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

"State" shall mean the State of Iowa.

Section 3. Provision of Annual Financial Information.

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

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

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

c. The Dissemination Agent shall:

   i. each year file Annual Financial Information with the National Repository; and

   ii. (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

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

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

b. A table, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the captions "Current Statewide Receipts of the Tax-Average Per Pupil Receipts," "Actual Historic Sales, Services & Use Tax," "Estimated Future Sales, Services, and Use Tax Revenue Receipts," "Historic Resident Enrollment in the School District," "Estimated Debt Service and Coverage on the Bonds."

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

Section 5. Reporting of Significant Events.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Date: Date of Delivery

INDEPENDENCE 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: Independence Community School District, Iowa.

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

Dated Date of Issue: the date of delivery

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

Dated: _____ day of _____, 20___.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

By: _____

Its: _____

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER

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

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INDEPENDENCE COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2025

INDEPENDENCE COMMUNITY SCHOOL DISTRICT
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INDEPENDENCE COMMUNITY SCHOOL DISTRICT
Officials
June 30, 2025

Name	Title	Expires
	Board of Education	
Kim Hansen	Board President	Nov. 2027
Gina Trimble	Board Vice President	Nov. 2025
Audrey Hill	Board Member	Nov. 2027
Charlie McCardle	Board Member	Dec. 2025
Ray Dostal	Board Member	Nov. 2025
	School Officials	
Cynthia Phillips	Superintendent	Indefinite
Janet Graft	School Business Official	Indefinite
Ahlers & Cooney, P.C.	Attorney	Indefinite

Kay L. Chapman, CPA PC

116 Harrison Street
Muscatine, Iowa 52761
563-264-1385
kchapman@cpakay.com

Independent Auditor's Report

To the Board of Education of Independence Community School District:

Report on the Audit of the Financial Statements

Opinions

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

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Independence Community School District as of June 30, 2025 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Basis for Disclaimer of Opinion

The financial statements of the Mustang Foundation have not been audited, and I was not engaged to audit the Foundation financial statements as part of my audit of the Independence Community School District's basic financial statements. The Foundation's

financial statements are included in the District's financial statements as a discretely presented component unit. Because I was not engaged to audit the Foundation's financials statements and because I did not apply any auditing procedures to the Foundation's financial statements, I do not express an opinion on the discretely presented component unit.

Disclaimer of Opinion

Because the Foundation's financial statements have not been audited, the scope of my work was not sufficient to enable me to express, and I do not express, an opinion on the financial statements of the discretely presented component unit of the Independence Community School District, as of and for the year ended June 30, 2025.

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Independence 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

My 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- 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 Independence 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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Independence Community School District's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 6 through 14 and 50 through 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. I have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Independence Community School District's basic financial statements. The financial statements for the nine years ended June 30, 2024 (which are not presented herein) were audited by other auditors in accordance with the standards referred to in the third paragraph of this report who expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), 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 GAAS. In my opinion, the supplementary information in Schedules 1 through 5 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 Government Auditing Standards, I have also issued my report dated March 25, 2026 on my consideration of Independence Community School District's internal control over financial reporting and on my 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 my 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 Independence Community School District's internal control over financial reporting and compliance.

Kay Chapman

Kay L. Chapman, CPA PC
March 25, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

2025 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from $19,550,879 in fiscal 2024 to $19,993,396 in fiscal 2025, and General Fund expenditures increased from $19,963,688 in fiscal 2024 to $21,408,570 in fiscal 2025. The District's General Fund balance decreased from $6,022,840 in fiscal 2024 to $4,639,073 in fiscal 2025, a 22% decrease.

- The increase in General Fund revenues was largely attributable to the increase in state funding revenue received compared to the previous year. The increase in expenditures was primarily attributable to a increase in regular instruction expenditures and support services compared to the prior year.

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Independence Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental and business type activities services were financed in the short term as well as what remains for future spending. Fund financial statements report Independence Community School District's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Independence Community School District acts solely as an agent or custodian for the benefit of those outside of the District.

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related

contributions, as well as presenting the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes.

Supplementary Information provides detailed information about the nonmajor governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities*: The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.
- *Component Unit*: This includes the activities of the Mustang Foundation. The District receives significant financial benefits from the Foundation although they are legally separate entities.

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

The District has three kinds of funds:

1) *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (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.

The District's governmental funds include the General Fund, Non-fiduciary Scholarship Fund, the Special Revenue Funds and Capital Projects Funds.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

2) *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Fund, one type of proprietary fund, is the same as its business type activities but provides more detail and additional information, such as cash flows. The District has one Enterprise Fund, the School Nutrition Fund. Internal service funds, the other type of proprietary fund, are optional and available to report activities that provide supplies and services for other District programs and activities. The District's internal service fund is used to account for partially self-funded health insurance.

   The required financial statements for proprietary funds include a Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

3) *Fiduciary fund:* The District is the trustee, or fiduciary, for assets that belong to others. This fund consists of the Custodial Fund.

   Custodial Fund - This is a fund through which the District administers and accounts for certain assets belonging to outside organizations.

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

   The required financial statements for fiduciary funds include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-1 below provides a summary of the District's net position at June 30, 2025 compared to June 30, 2024.

Figure A-1

Condensed Statement of Net Position

	Governmental Activities June 30,		Business Type Activities June 30,		Total District June 30,		Total Change June 30,
	2025	Restated 2024	2025	2024	2025	Restated 2024	2024-2025
Current and other assets	$ 18,339,618	$ 18,026,454	$ 444,588	$ 658,948	$ 18,784,206	$ 18,685,402	0.53%
Capital assets	33,092,520	33,985,856	142,435	177,614	33,234,955	34,163,470	-2.72%
Total assets	51,432,138	52,012,310	587,023	836,562	52,019,161	52,848,872	-1.57%
Deferred outflows of resources	1,682,515	2,026,900	43,164	86,626	1,725,679	2,113,526	-18.35%
Long-term liabilities	12,479,158	15,548,463	115,454	129,206	12,594,612	15,677,669	-19.67%
Other liabilities	2,935,283	3,257,750	79,841	129,384	3,015,124	3,387,134	-10.98%
Total liabilities	15,414,441	18,806,213	195,295	258,590	15,609,736	19,064,803	-18.12%
Deferred inflows of resources	7,406,751	7,741,375	2,915	42,401	7,409,666	7,783,776	-4.81%
Net position							
Net investment in capital assets	26,916,520	25,861,856	142,435	177,614	27,058,955	26,039,470	3.92%
Restricted	1,801,442	1,761,050	-	-	1,801,442	1,761,050	2.29%
Unrestricted	1,575,499	(131,284)	289,542	444,583	1,865,041	313,299	495.29%
Total net position	$ 30,293,461	$ 27,491,622	$ 431,977	$ 622,197	$ 30,725,438	$ 28,113,819	9.29%

The District's total net position increased by 9%, or $2,611,619 over the prior year.

The largest portion of the District's net position is the restricted net position. One portion of net position is invested in capital assets (e.g., land, infrastructure, buildings, equipment and right-to-use lease asset), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased $40,392, or 2% over the prior year. The increase was primarily due to an increase in categorical funds in the General Fund.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased $1,551,742, or approximately 495%. This increase in unrestricted net position was primarily the result of a decrease in net pension liability and bonds payable.

Figure A-2 shows the changes in net position for the year ended June 30, 2025 compared to the year ended June 30, 2024.

Figure A-2

Change in Net Position

	Governmental Activities		Business Type Activities		Total District		Total Change
	Restated				Restated		
Revenues	2025	2024	2025	2024	2025	2024	2024-2025
Program revenues							
Charges for service	$ 2,181,404	$ 2,162,979	$ 397,310	$ 605,312	$ 2,578,714	$ 2,768,291	-6.85%
Operating grants	4,203,070	4,043,860	439,729	503,641	4,642,799	4,547,501	2.10%
General revenues							
Property tax	7,733,732	7,570,033	-	-	7,733,732	7,570,033	2.16%
Income surtax	631,472	-	-	-	631,472	-	100.00%
Statewide sales, services and use tax	1,822,272	1,822,833	-	-	1,822,272	1,822,833	-0.03%
Unrestricted state grants	8,378,189	8,176,536	-	-	8,378,189	8,176,536	2.47%
Contributions and donations	35,231	13,096	-	-	35,231	13,096	169.02%
Unrestricted investment earnings	314,787	370,246	17,959	23,447	332,746	393,693	-15.48%
Other	12,349	26,665	-	31,103	12,349	57,768	-78.62%
Total revenues	25,312,506	24,191,661	854,998	1,163,503	26,167,504	25,355,164	3.20%
Program expenses							
Governmental activities							
Instruction	13,232,712	14,113,813	-	-	13,232,712	14,113,813	-6.24%
Support services	6,953,484	7,046,773	-	-	6,953,484	7,046,773	-1.32%
Non-instructional programs	-	-	1,013,811	1,069,300	1,013,811	1,069,300	-5.19%
Other expenses	2,135,373	2,163,648	-	-	2,135,373	2,163,648	-1.31%
Total expenses	22,321,569	23,324,234	1,013,811	1,069,300	23,335,380	24,393,534	-4.34%
(Loss) on disposal of capital asset	(220,505)	-	-	-	(220,505)	-	-100.00%
Transfers	31,407	-	(31,407)	-	-	-	0.00%
Change in net position	2,801,839	867,427	(190,220)	94,203	2,611,619	961,630	171.58%
Net position beginning of year, as restated	27,491,622	27,612,363	622,197	527,994	28,113,819	28,140,357	-0.09%
Net position end of year	$ 30,293,461	$ 28,479,790	$ 431,977	$ 622,197	$ 30,725,438	$ 29,101,987	5.58%

In fiscal 2025, property tax and unrestricted state grants account for approximately 62% of governmental activities revenue while charges for service and operating grants account for almost 100% of business type activities revenue. The District's total revenues were $26,167,504 of which $25,312,506 was for governmental activities and $854,998 was for business type activities.

As shown in Figure A-2, the District as a whole experienced a 3% increase in revenues and a 4% decrease in expenses. All functions experienced a decrease in expenditures.

Governmental Activities

Revenues for governmental activities for the year ended June 30, 2025 were $25,312,506 and expenses were $22,321,569. The program revenues increased overall and the general revenues increased in property tax and other tax, as well as

unrestricted state grants. Expenses were less than the previous year in all functional areas.

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

Figure A-3

Total and Net Cost of Governmental Activities

	Total Cost of Services			Net Cost of Services		
	2025	2024	Change 2024-2025	2025	2024	Change 2024-2025
Instruction	$ 13,232,712	$ 14,113,813	-6.2%	$ 7,760,506	$ 8,863,548	-12.4%
Support services	6,953,484	7,046,773	-1.3%	6,846,436	6,782,711	0.9%
Other expenses	2,135,373	2,163,648	-1.3%	1,330,153	1,458,040	-8.8%
Total expenses	$ 22,321,569	$ 23,324,234	-4.3%	$ 15,937,095	$ 17,104,299	-6.8%

For the year ended June 30, 2025:

- The cost financed by users of the District's programs was $2,181,404.
- Federal and state governments subsidized certain programs with grants and contributions totaling $4,203,070.
- The net cost of governmental activities was financed with $10,187,476 of property and other taxes and $8,378,189 of unrestricted state grants.

Business Type Activities

Revenues for business type activities during the year ended June 30, 2025 were $854,998 representing a 27% decrease from the prior year, while expenses totaled $1,013,811, a 5% decrease from the prior year. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, and federal and state reimbursements.

The decrease in revenues from 2024 was mainly due to decreased revenue in student lunch sales and decreased federal meal reimbursements.

INDIVIDUAL FUND ANALYSIS

As previously noted, Independence 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 $5,751,063, significantly below last year's ending fund balances of $7,031,370. The primary reason for the decrease in combined fund balances in fiscal 2025 is due to a decrease in the General Fund balance.

Governmental Fund Highlights

- The District's General Fund's declining financial position is the result of many factors. The District decreased the cash reserve levy for fiscal year 2025, which decreased local revenues. Due to special education costs in excess of funding, the District absorbed the excess costs which is reflected in the declining fund balance.

- The General Fund balance decreased from $6,022,840 in 2024 to $4,639,073 in 2025 due to the increase in revenues being less than the increase in expenditures.

Proprietary Fund Highlights

Enterprise Fund net position decreased from $622,197 at June 30, 2024 to $431,977 at June 30, 2025, a decrease of approximately 30%. Revenues were less than 2024 due to declining student meal sales and reimbursements.

BUDGETARY HIGHLIGHTS

Independence Community School District adopted one budget amendment during the year ended June 30, 2025, increasing expenditures by $2,100,000 to account for increases in security upgrades financed by a grant and increases in food and supply costs during 2025.

The District's total revenues were $1,501,876 more than total budgeted revenues, a variance of approximately 6% due to receiving more federal grants than anticipated.

Total expenditures were $1,945,549 less than budgeted. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

In spite of the District's budgetary practice, expenditures in the instruction and support services functional areas exceeded the amounts budgeted due to unexpected instructional expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, the District had invested $33,234,955, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-4) This represents a net decrease of 3% from last year. More detailed information about the District's capital assets is presented in Note 5 to the financial statements. Depreciation expense for the year was $1,193,087 in governmental activities and $50,904 in business type activities.

The original cost of the District's capital assets was $49,655,341. Governmental funds account for $48,873,541, with the remainder of $781,800 accounted for in the Proprietary, School Nutrition Fund.

The largest percentage change in capital asset activity during the year occurred in the construction in progress category, which increased from $0 in 2024 to $269,665 in 2025 due to construction of the Mustang Way Project in 2025.

Figure A-4

Capital Assets, Net of Depreciation

	Governmental Activities June 30,		Business Type Activities June 30,		Total District June 30,		Total Change June 30,
	2025	2024	2025	2024	2025	2024	2024-2025
Land	$ 1,031,353	$ 1,031,353	$ -	$ -	$ 1,031,353	$ 1,031,353	0.00%
Construction in progress	269,665	-	-	-	269,665	-	100.00%
Buildings and improvements	27,889,107	28,618,868	-	-	27,889,107	28,618,868	-2.55%
Improvements other than buildings	3,578,373	3,850,570	-	-	3,578,373	3,850,570	-7.07%
Furniture and equipment	324,022	485,065	142,435	177,614	466,457	662,679	-29.61%
Totals	$ 33,092,520	$ 33,985,856	$142,435	$177,614	$ 33,234,955	$ 34,163,470	-2.72%

Long-Term Debt

At June 30, 2025, the District had $12,594,612 of total long-term debt outstanding. This represents a decrease of 20% from last year. (See Figure A-5) Additional information about the District's long-term debt is presented in Note 6 to the financial statements.

The Constitution of the State of Iowa limits the amount of general obligation debt districts can issue to 5% of the assessed value of all taxable property within the District. The District's outstanding general obligation debt is significantly below its constitutional debt limit of approximately $28 million.

Figure A-5

Outstanding Long-term Obligations

	Total District June 30,		Total Change June 30,
		Restated	
	2025	2024	2024-2025
Governmental activities			
General obligation bonds	$ 945,000	$ 1,906,000	-50.42%
Revenue bonds	5,231,000	6,218,000	-15.87%
Termination benefits	-	92,027	-100.00%
Compensated absences	1,097,965	1,001,327	9.65%
Net pension liability	4,469,598	5,537,021	-19.28%
Total OPEB liability	735,595	794,088	-7.37%
	12,479,158	15,548,463	-19.74%

Business type activities			
Net pension liability	85,616	113,000	-24.23%
Total OPEB liability	29,838	16,206	84.12%
	115,454	129,206	-10.64%
Total	$12,594,612	$ 15,677,669	-19.67%

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The Iowa Legislature voted for an increase in "supplemental state aid" of 2.5% for the FY24-25 fiscal year.
    - Contract settlements with staff in excess of the new money received from supplemental state aid will have an adverse effect on the District's General Fund budget and reserve fund balance. Couple that with the House File 2612 law that was established.
- The District will look at ways to reduce expenditures.
- The District will continue to look at additional operational sharing opportunities with other districts to take advantage of those sharing dollars.
- The District established a facility committee to review future facility needs.

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 Janet Grafft, Business Manager, Independence Community School District, 1207 1st Street West, Independence Iowa 50644.

Basic Financial Statements

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Exhibit A

Statement of Net Position

June 30, 2025

	Governmental Activities	Business Type Activities	Total	Component Unit Foundation
Assets				
Cash, cash equivalents and investments	$ 9,049,472	$ 409,595	$ 9,459,067	$ 1,303,538
Receivables		-		
Property tax		-		
Delinquent	45,331	-	45,331	-
Succeeding year	7,293,153	-	7,293,153	-
Income surtax	464,779	-	464,779	-
Accounts receivable	588,223	104	588,327	-
Due from other governments	913,036	-	913,036	-
Internal balances	(14,376)	14,376	-	-
Inventories	-	20,513	20,513	-
Capital assets not being depreciated	1,301,018	-	1,301,018	-
Capital assets net of accumulated depreciation	31,791,502	142,435	31,933,937	-
Total assets	51,432,138	587,023	52,019,161	1,303,538
Deferred Outflows of Resources				
Pension related deferred outflows	1,682,515	43,164	1,725,679	-
Liabilities				
Accounts payable	889,472	6,449	895,921	-
Salaries and benefits payable	2,042,866	43,713	2,086,579	-
Accrued interest payable	2,945	-	2,945	-
Unearned revenue	-	29,679	29,679	-
Long-term liabilities				
Portion due within one year				
General obligation bonds	945,000	-	945,000	-
Revenue bonds payable	1,010,000	-	1,010,000	-
Total OPEB liability	43,628	-	43,628	-
Portion due after one year				
Revenue bonds payable	4,221,000	-	4,221,000	-
Compensated absences	1,097,965	-	1,097,965	-
Net pension liability	4,469,598	85,616	4,555,214	-
Total OPEB liability	691,967	29,838	721,805	-
Total liabilities	15,414,441	195,295	15,609,736	-
Deferred Inflows of Resources				
Unavailable property tax revenue	7,293,153	-	7,293,153	-
Pension related deferred inflows	113,598	2,915	116,513	-
Total deferred inflows of resources	7,406,751	2,915	7,409,666	-

See notes to financial statements.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Exhibit A

Statement of Net Position

June 30, 2025

	Governmental Activities	Business Type Activities	Total	Component Unit Foundation
Net Position				
Net investment in capital assets	$26,916,520	$ 142,435	$27,058,955	$ -
Restricted for				
Categorical funding	395,019	-	395,019	-
Management levy	218,281	-	218,281	-
Debt service	264,478	-	264,478	-
Student activities	223,587	-	223,587	-
School infrastructure	700,077	-	700,077	-
Unrestricted	1,575,499	289,542	1,865,041	1,303,538
Total net position	$30,293,461	$ 431,977	$30,725,438	$ 1,303,538

See notes to financial statements.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2025

Exhibit B

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions and Restricted Interest	Program Revenues: Capital Grants, Contributions and Restricted Interest	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business Type Activities	Net (Expense) Revenue and Changes in Net Position: Total	Component Unit Foundation
Governmental activities								
Instruction								
Regular instruction	$ 7,533,230	$1,478,086	$ 3,061,626	$ -	$ (2,993,518)	$ -	$ (2,993,518)	$ -
Special instruction	2,919,470	200,394	333,221	-	(2,385,855)	-	(2,385,855)	-
Other instruction	2,780,012	398,879	-	-	(2,381,133)	-	(2,381,133)	-
	13,232,712	2,077,359	3,394,847	-	(7,760,506)	-	(7,760,506)	-
Support services								
Student	658,558	32,712	-	-	(625,846)	-	(625,846)	-
Instructional staff	678,999	-	-	-	(678,999)	-	(678,999)	-
Administration	2,404,563	28,774	-	-	(2,375,789)	-	(2,375,789)	-
Operation and maintenance of plant	2,468,186	22,516	-	-	(2,445,670)	-	(2,445,670)	-
Transportation	743,178	4,241	18,805	-	(720,132)	-	(720,132)	-
	6,953,484	88,243	18,805	-	(6,846,436)	-	(6,846,436)	-
Other expenses								
Facilities acquisition	300,970	15,802	193,857	-	(91,311)	-	(91,311)	-
Long-term debt interest	165,551	-	-	-	(165,551)	-	(165,551)	-
AEA flowthrough	595,561	-	595,561	-	-	-	-	-
Depreciation (unallocated) *	1,073,291	-	-	-	(1,073,291)	-	(1,073,291)	-
	2,135,373	15,802	789,418	-	(1,330,153)	-	(1,330,153)	-
Total governmental activities	22,321,569	2,181,404	4,203,070	-	(15,937,095)	-	(15,937,095)	-

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

See notes to financial statements.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2025

Exhibit B

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total	Component Unit Foundation
Functions/Programs (continued)								
Business type activities								
Non-instructional programs								
Food service operations	$ 1,013,811	$ 397,310	$ 439,729	$ -	$ -	$(176,772)	$ (176,772)	$ -
Total	$ 23,335,380	$2,578,714	$4,642,799	$ -	(15,937,095)	(176,772)	(16,113,867)	-
Component Unit								
Foundation								$ (226,483)
General Revenues								
Property tax levied for								
General purposes					6,138,924	-	6,138,924	-
Debt service					1,022,821	-	1,022,821	-
Capital outlay					571,987	-	571,987	-
Income surtax					631,472	-	631,472	-
Statewide sales, services and use tax					1,822,272	-	1,822,272	-
Unrestricted state grants					8,378,189	-	8,378,189	-
Contributions and donations					35,231	-	35,231	-
Unrestricted investment earnings					314,787	17,959	332,746	385,055
Other					12,349	-	12,349	-
Special item - loss on disposal of capital asset					(220,505)	-	(220,505)	-
Transfers					31,407	(31,407)	-	-
Total general revenues					18,738,934	(13,448)	18,725,486	385,055
Change in net position					2,801,839	(190,220)	2,611,619	158,572
Net position beginning of year, as restated					27,491,622	622,197	28,113,819	1,144,966
Net position end of year					$ 30,293,461	$ 431,977	$30,725,438	$ 1,303,538

See notes to financial statements.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Exhibit C

Balance Sheet
Governmental Funds
June 30, 2025

	General	Nonmajor Governmental	Total
Assets			
Cash, cash equivalents and pooled investments	$ 5,812,730	$ 1,340,626	$ 7,153,356
Receivables			
Property tax			
Delinquent	30,703	14,628	45,331
Succeeding year	4,908,787	2,384,366	7,293,153
Accounts receivable	577,257	9,931	587,188
Income surtax	464,779	-	464,779
Due from other governments	721,835	191,201	913,036
Due from other funds	80,287	75,960	156,247
Total assets	$ 12,596,378	$ 4,016,712	$16,613,090
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	$ 488,748	$ 399,625	$ 888,373
Salaries and benefits payable	2,042,866	-	2,042,866
Due to other fund	52,125	120,731	172,856
Total liabilities	2,583,739	520,356	3,104,095
Deferred inflows of resources			
Unavailable revenues			
Suceeding year property tax	4,908,787	2,384,366	7,293,153
Income surtax	464,779	-	464,779
Total deferred inflows of resources	5,373,566	2,384,366	7,757,932
Fund balance			
Restricted for			
Categorical funding	395,019	-	395,019
School infrastructure	-	700,077	700,077
Student activities	-	223,587	223,587
Management levy purposes	-	218,281	218,281
Debt service	-	267,423	267,423
Unassigned	4,244,054	(297,378)	3,946,676
Total fund balance	4,639,073	1,111,990	5,751,063
Total liabilities, deferred inflows of resources and fund balances	$ 12,596,378	$ 4,016,712	$16,613,090

See notes to financial statements.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Exhibit D

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2025

Total fund balances of governmental funds		$ 5,751,063
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.		33,092,520
Other long-term assets are not available to pay current year expenditures and,therefore, are recognized as deferred inflows of resources in the governmental funds.		464,779
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds.		(2,945)
The Internal Service Fund is used by the District to charge the costs of the flex-benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the Statement of Net Positions		1,898,285
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	$ 1,682,515	
Deferred inflows of resources	(113,598)	1,568,917
Long-term liabilities, including bonds payable, postemployment benefits payable, compensated absences payable and net pension liability are not due and payable in the current year and, therefore, are not reported in the governmental funds.		(12,479,158)
Net position of governmental activities		$30,293,461

See notes to financial statements.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Exhibit E

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	Nonmajor Governmental	Total
Revenues			
Local sources			
Local tax	$ 5,413,938	$ 2,305,628	$ 7,719,566
Tuition	1,544,412	-	1,544,412
Other	544,526	452,087	996,613
State sources	11,617,690	1,881,998	13,499,688
Federal sources	872,830	-	872,830
Total revenues	19,993,396	4,639,713	24,633,109
Expenditures			
Current			
Instruction			
Regular	8,656,810	465,383	9,122,193
Special	3,102,226	-	3,102,226
Other	2,610,371	359,988	2,970,359
	14,369,407	825,371	15,194,778
Support services			
Student	703,996	-	703,996
Instructional staff	751,611	-	751,611
Administration	2,234,000	315,324	2,549,324
Operation & maintenance	1,962,231	570,453	2,532,684
Transportation	791,764	108,336	900,100
	6,443,602	994,113	7,437,715
Other expenditures			
Facilities acquisition	-	592,022	592,022
Long-term debt			
Principal	-	1,948,000	1,948,000
Interest and fiscal charges	-	176,747	176,747
AEA flowthrough	595,561	-	595,561
	595,561	2,716,769	3,312,330
Total expenditures	21,408,570	4,536,253	25,944,823
Excess (deficiency) of revenues over (under) expenditures	(1,415,174)	103,460	(1,311,714)
Other financing sources (uses)			
Interfund operating transfers in	44,567	1,126,905	1,171,472
Interfund operating transfers (out)	(13,160)	(1,126,905)	(1,140,065)
Total other financing sources	31,407	-	31,407
Change in fund balances	(1,383,767)	103,460	(1,280,307)
Fund balance, beginning of year	6,022,840	1,008,530	7,031,370
Fund balance, end of year	$ 4,639,073	$ 1,111,990	$ 5,751,063

See notes to financial statements.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Exhibit F

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2025

Change in fund balances - total governmental funds		$ (1,280,307)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. These costs are not reported in the Statement of Activities, but they are allocated over the estimated useful lives of the capital assets as depreciation expense in the Statement of Activities. Capital outlay expenditures and depreciation expense in the current year are as follows:		
Expenditures for capital assets	$ 520,256	
Gain on disposal of capital assets	(220,505)	
Depreciation expense	(1,193,087)	(893,336)
Because some revenues will not be collected for several months after the year end, they are not considered available revenue and are recongized as deferred inflows of resources in the governmental funds, as follows:		676,650
The Internal Service Fund is used by the District to charge the costs of the flex-benefit plan to individual funds. The change in net assets of the Internal Service Fund is reported with governmental activities.		1,065,672
Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		1,948,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:		
Compensated absences	(96,638)	
Termination benefits	92,027	
Pension expense	(262,651)	
Other postemployment benefits	408,590	141,328
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		11,196
The current year District IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position.		1,132,636
Change in net position of governmental activities		$ 2,801,839

See notes to financial statements.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Exhibit G

Statement of Net Position
Proprietary Funds
June 30, 2025

	Nonmajor Enterprise Funds	Internal Service
	School Nutrition	Flex Benefits
Assets		
Current assets		
Cash and cash equivalents	$ 409,595	$ 1,896,116
Accounts receivable	104	1,035
Due from other fund	21,627	2,233
Inventories	20,513	-
Total current assets	451,839	1,899,384
Noncurrent assets		
Capital assets, net of accumulated depreciation	142,435	-
Total assets	594,274	1,899,384
Deferred Outflows of Resources		
Pension related deferred outflows	43,164	-
Liabilities		
Current liabilities		
Accounts payable	6,449	1,099
Salaries and benefits payable	43,713	-
Unearned revenues	29,679	-
Due to other funds	7,251	-
Total liabilities	87,092	1,099
Noncurrent liabilities		
Net pension liability	85,616	-
Total OPEB liability	29,838	-
Total noncurrent liabilities	115,454	-
Total liabilities	202,546	1,099
Deferred Inflows of Resources		
Pension related deferred inflows	2,915	-
Net Position		
Net investment in capital assets	142,435	-
Unrestricted	289,542	1,898,285
Total net position	$ 431,977	$ 1,898,285

See notes to financial statements.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Exhibit H

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

	Nonmajor Enterprise Funds	Internal Service
	School Nutrition	Flex Benefits
Operating revenue		
Local sources		
Charges for service	$ 397,310	$3,112,995
Operating expenses		
Support services		
Student		
Benefits	-	84,690
Purchased services	-	8,467
Administration		
Benefits	-	22,219
Purchased services	-	1,099
Total support services expenses	-	116,475
Non-instructional programs		
Other enterprise		
Benefits	-	1,933,595
Food service operations		
Salaries	305,655	-
Benefits	103,609	-
Purchased services	22,929	-
Supplies	529,759	-
Miscellaneous	955	-
Depreciation	50,904	-
Total non-instructional program expenses	1,013,811	1,933,595
Total operating expenses	1,013,811	2,050,070
Operating income (loss)	(616,501)	1,062,925
Non-operating revenues		
Interest income	17,959	2,747
State sources	4,636	-
Federal sources	435,093	-
Total non-operating revenues	457,688	2,747
Net income (loss) before operating transfers	(158,813)	1,065,672
Interfund operating transfers in	13,160	-
Interfund operating transfers (out)	(44,567)	-
Change in net position	(190,220)	1,065,672
Net position beginning of year	622,197	832,613
Net position end of year	$ 431,977	$1,898,285

See notes to financial statements.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Exhibit I

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

	Nonmajor Enterprise Funds	Internal Service
	School Nutrition	Flex Benefits
Cash flows from operating activities		
Cash received from sale of services	$ 401,581	$3,111,960
Cash payments to employees for services	(436,888)	(2,092,195)
Cash payments to suppliers for goods and services	(485,977)	-
Net cash provided by (used in) operating activities	(521,284)	1,019,765
Cash flows from non-capital financing activities		
Operating transfers (to) other fund	(44,567)	-
Operating transfers from other fund	13,160	-
State grants received	4,636	-
Federal grants received	364,643	-
Net cash provided by non-capital financing activities	337,872	-
Cash flows from capital and related financing activities		
Acquisition of capital assets	(15,725)	-
Cash flows from investing activities		
Interest on investments	17,959	2,747
Net increase (decrease) in cash and cash equivalents	(181,178)	1,022,512
Cash and cash equivalents, beginning of year	590,773	873,604
Cash and cash equivalents, end of year	$ 409,595	$1,896,116
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	$(616,501)	$1,062,925
Operating income (loss)		
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	50,904	-
Commodities used	70,450	-
Change in assets and liabilities:		
Accounts receivable	(104)	(1,035)
Due from other fund	32,733	(2,233)
Inventories	(6,698)	-
Deferred outflows of resources	43,462	-
Due to other fund	(43,029)	-
Accounts payable	3,914	(39,892)
Accrued salaries and benefits	(7,552)	-
Unearned revenue	4,375	-
Net pension liability	(27,384)	-
Total OPEB liability	13,632	-
Deferred inflows of resources	(39,486)	-
Net cash provided by (used in) operating activities	$(521,284)	$1,019,765

Non-cash investing, capital and related financing activities.

During the year ended June 30, 2025, the District received $70,450 of federal commodities.

See notes to financial statements.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Exhibit J

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Custodial
Assets	
Cash, cash equivalents and pooled investments	$ 11
Liabilities	
Accounts payable	11
Net position	
Restricted for other organizations	-
	$ -

See notes to financial statements.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Exhibit K

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

	Custodial
Additions	$ -
Deductions	-
Change in net position	-
Net position beginning of year	-
Net position end of year	$ -

See notes to financial statements.

Note 1. Summary of Significant Accounting Policies

Independence Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. The geographic area served includes the city of Independence, Iowa, and the predominant agricultural territory in Buchanan and Benton Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Independence 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.

These financial statements present Independence Community School District (the primary government) and its component unit. The component unit discussed below is included in the District's reporting entity because of the significance of its operational or financial relationship with the District.

Discretely Presented Component Unit - The Mustang Foundation was created to financially support the Independence Community School District and to provide post-high school scholarship support to graduates of the District. The Foundation is a separate legal entity with its own accounting records and board of trustees. In accordance with criteria set forth by the Governmental Accounting Standards Board, the Foundation meets the definition of a component unit which should be discretely presented. The Mustang Foundation has a December 31st year-end. The Foundation is accounted for as a component unit on the Statement of Net Position and the Statement of Activities.

Jointly Governed Organization - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Buchanan and Benton 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 nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

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

> *Investment in capital assets* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.
>
> *Restricted net position* results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.
>
> *Unrestricted net position* consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

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

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for the nonmajor governmental 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 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 District reports no major proprietary fund. The District also reports an Internal Service Fund, which is used to account for the District's partially self-funded health insurance. The Internal Service Fund is charged back to the Governmental Activities and shown combined in the Statement of Net Position and the Statement of Activities.

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

The Custodial Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments. The Custodial Fund is custodial in nature, assets equal liabilities, and does not involve measurement of results of operations.

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 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 are charges to customers for sales and services. Operating expenses for the Enterprise Fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

The Iowa Schools Joint Investment Trust is a common law trust established under Iowa law and is administered by an appointed investment management company. The fair value of the position in the trust is the same as the value of the shares.

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget 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, 2023 assessed property valuations; is for the tax accrual period July 1, 2024 through June 30, 2025 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2024.

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

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets - Capital assets are tangible 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 repair 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	$ 5,000
Buildings	$ 5,000
Improvements other than buildings	$ 5,000
Furniture and equipment:	
School Nutrition Fund equipment	$ 500
Other furniture and equipment	$ 5,000

Land and construction in progress are not depreciated. The other tangible property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Useful Life
Buildings	50 years
Improvements to buildings	20-50 years
Furniture and equipment	5-15 years

The District's collection of library books and other similar materials are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to District policy that requires proceeds from the sale of these items, if any, to be used to acquire other collection items.

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

Salaries and Benefits Payable - Payroll and related expenses for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Unearned Revenues - Unearned revenues consist of monies collected for lunches that have not yet been served. The lunch account balances will either be reimbursed or served lunches.

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation, sick leave and personal leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2025.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets 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 and income surtax receivable 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 consist of succeeding year property tax receivable that will not be recognized until the year for which it is levied, and unrecognized items not yet charged to pension expense.

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 and business type activities will be paid primarily by the General Fund and the Enterprise, School Nutrition Fund.

Total OPEB Liability - For purposes of measuring the total OPEB liability and OPEB expense, information has been determined based on the Independence 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 and business type activities will be paid primarily by the General Fund and the Enterprise, School Nutrition Fund.

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

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

Unassigned - All amounts not included in the preceding classification.

Net Position - In the district-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Net position restricted through enabling legislation includes $218,281 for management levy purposes, $223,587 for student activities and $700,077 for school infrastructure.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2025, expenditures exceeded the amounts budgeted in the instruction and support services functions.

F. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2. Cash, Cash Equivalents and Pooled Investments

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

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

investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2025, the District had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

Note 3. Due From and Due to Other Funds

Details of interfund receivables and payables at June 30, 2025 are as follows:

Receivable Fund	Amount
Major Governmental	
General	$ 80,287
Nonmajor Special Revenue	
Student Activity	1,898
Nonmajor Capital Projects	
Statewide Sales, Services and Use Tax	40,471
Physical Plant and Equipment Levy	33,591
Nonmajor Enterprise	
School Nutrition	21,627
Nonmajor Proprietary	
Internal Service	2,233
	$ 180,107
Payable Fund	
Major Governmental	$ 52,125
General	
Nonmajor Special Revenue	75,372
Student Activity	
Nonmajor Capital Projects	698
Statewide Sales, Services and Use Tax	44,661
Physical Plant and Equipment Levy	
Nonmajor Enterprise	7,251
School Nutrition	$ 180,107

The VISA payments all come out of the General Fund checking account and the other funds need to repay for their VISA expenditures. These are presented as Due From and Due To Other Fund on the financial statements.

Note 4. Interfund Transfers

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

Transfer to	Transfer from	Amount
Major Governmental	Nonmajor Enterprise	
General	School Nutrition	$ 44,567
Nonmajor Governmental	Nonmajor Capital Projects	
Debt Service	Statewide Sales, Services and Use Tax	1,126,905
Nonmajor Enterprise	Major Governmental	
School Nutrition	General	13,160
		$ 1,184,632

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expand the resources. The transfer from the Statewide Sales, Services and Use Tax Fund to the Debt Service Fund was for future payment of principal and interest on long-term debt. The transfer from General Fund to the School Nutrition Fund was for indirect costs. The transfers from the School Nutrition Fund to the General Fund were to reimburse for salaries and benefits.

Note 5. Capital Assets

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

Governmental activities	Balance, Beginning of Year	Increases	Decreases	Balance, End of Year
Capital assets not being depreciated:				
Land	$ 1,031,353	$ -	$ -	$ 1,031,353
Construction in progress	-	269,665	-	269,665
Total capital assets not being depreciated	1,031,353	269,665	-	1,301,018
Capital assets being depreciated:				
Buildings and improvements	36,870,998	-	-	36,870,998
Improvements other than buildings	7,002,369	21,387	-	7,023,756
Furniture and equipment	3,778,010	229,204	(329,445)	3,677,769
Total capital assets being depreciated	47,651,377	250,591	(329,445)	47,572,523
Less accumulated depreciation for:				
Buildings and improvements	8,252,130	729,761	-	8,981,891
Improvements other than buildings	3,151,799	293,584	-	3,445,383
Furniture and equipment	3,292,945	169,742	(108,940)	3,353,747
Total accumulated depreciation	14,696,874	1,193,087	(108,940)	15,781,021
Total capital assets being depreciated, net	32,954,503	(942,496)	(220,505)	31,791,502
Governmental activities capital assets, net	$33,985,856	$ (672,831)	$ (220,505)	$ 33,092,520

Business type activities				
Furniture and equipment	766,075	$ 15,725	$ -	781,800
Less accumulated depreciation	588,461	50,904	-	639,365
Business type activities capital assets, net	$ 177,614	$ (35,179)	$ -	$ 142,435

Depreciation expense was charged to the following functions:

Governmental activities	
Instruction	
Regular	$ 12,949
Other	2,856
Support services	
Student support	1,339
Operation and maintenance of plant	12,277
Transportation	90,375
	119,796
Unallocated depreciation	1,073,291
Total governmental activities depreciation expense	$ 1,193,087
Business type activities	
Food services	$ 50,904

Note 6. Long-term Liabilities

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

	Restated Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Due Within One Year
Governmental activities					
General obligation	$ 1,906,000	$ -	$ 961,000	945,000	$ 945,000
Revenue bonds	6,218,000	-	987,000	5,231,000	1,010,000
Termination benefits	92,027	-	92,027	-	-
Compensated absences *	1,001,327	96,638	-	1,097,965	-
Net pension liability	5,537,021	-	1,067,423	4,469,598	-
Total OPEB liability	794,088	-	58,493	735,595	43,628
Totals	$ 15,548,463	$ 96,638	$3,165,943	$ 12,479,158	$ 1,998,628
Business type activities					
Net pension liability	$ 113,000	$ -	$ 27,384	$ 85,616	$ -
Total OPEB liability	16,206	13,632	-	29,838	-
	$ 129,206	$ 13,632	$ 27,384	$ 115,454	$ -

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

Interest costs incurred and charged to expense on long-term debt was $165,551 for the year ended June 30, 2025. There was $1,948,000 of principal payments and $175,547 of interest payments made on long-term debt during the year ended June 30, 2025.

General Obligation Bonds

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

Year Ending June 30,	Bond Issued June 4, 2020			
	Interest Rates	Principal	Interest	Total
2026	1.870%	$ 945,000	$ 17,672	$ 962,672

Revenue Bonds

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

Year Ending June 30,	Bond Issue of June 15, 2020			
	Interest Rates	Principal	Interest	Total
2026	2.250%	$ 1,010,000	$ 117,698	$ 1,127,698
2027	2.250%	1,032,000	94,973	1,126,973
2028	2.250%	1,056,000	71,753	1,127,753
2029	2.250%	1,079,000	47,993	1,126,993
2030	2.250%	1,054,000	23,715	1,077,715
Totals		$ 5,231,000	$ 356,132	$ 5,587,132

The District has pledged future statewide sales, services and use tax revenues to repay the $9,950,000 of bonds issued in June 2020. The bonds were issued for the purpose of financing various construction projects throughout the District. 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 approximately 100% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is $5,587,132. For the current year, $987,000 of principal and $139,905 of interest was paid on the bonds and statewide sales, services and use tax revenues were $1,822,272.

The resolution providing for the issuance of 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 the 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.

Note 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 the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

Pension Benefits - A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits.

Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

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

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

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

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

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

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

The District's contributions to IPERS for the year ended June 30, 2025 totaled $1,132,636.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2025, the District reported a liability of $4,555,214 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2024, the District's proportion was 0.123354%, which was an increase of 0.000906% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of $869,985 At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 362,462	$ 2,830
Changes of assumptions	-	64
Net difference between projected and actual earnings on IPERS' investments	56,970	-
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	36,955	113,619
District contributions subsequent to the measurement date	1,269,292	-
Total	$ 1,725,679	$ 116,513

$1,269,292 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2026	$(665,806)
2027	1,092,824
2028	50,523
2029	(140,682)
2030	3,015
Total	$ 339,874

There were no non-employer contributing entities to IPERS.

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

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

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

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

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

Asset Class	Asset Allocation	Long-term Expected Real Rate of Return
Domestic equity	21.0 %	3.52 %
International equity	13.0	5.18
Global smart beta equity	5.0	4.12
Core plus fixed income	25.5	3.04
Public credit	3.0	4.53
Cash	1.0	1.69
Private equity	17.0	8.89
Private real assets	9.0	4.25
Private credit	5.5	6.62
Total	100.0 %	

Discount Rate - The discount rate used to measure the total 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 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	$11,178,414	$4,555,214	$(991,751)

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

Payables to IPERS - At June 30, 2025, the District reported no payables to IPERS for legally required District contributions or for legally required employee contributions withheld from employee wages.

Note 8. Other Postemployment Benefits (OPEB)

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

OPEB Benefits - Individuals who are employed by Independence 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, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
Active employees	197
Total	208

Total OPEB Liability - The District's total OPEB liability of $765,433 was measured as of June 30, 2025 and was determined by an actuarial valuation as of that date.

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

Rate of inflation (effective June 30, 2025)	3.00% per annum.
Rates of salary increase (effective June 30, 2025)	3.25% per annum.
Discount rate (effective June 30, 2025)	5.20% per annum.
Healthcare cost trend rate (effective June 30, 2025)	8.0% per annum.

Discount Rate - The discount rate used to measure the total OPEB liability was 5.20% which reflects The Bond Buyer index rate for 20-year, tax-exempt general obligation municipal bonds

with an average rating of AA/Aa or higher as the measurement date.

Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement. Annual retirement probabilities are based on twice school early retirement rates except no more than school unreduced retirement rates of IPERS actuarial valuation.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	$ 810,294
Changes for the year:	
Service cost	60,698
Interest	33,721
Differences between expected and actual experiences	(21,592)
Changes in assumptions	(74,060)
Recognition of deferred inflows/outflows	-
Benefit payments	(43,628)
Net changes	(44,861)
Total OPEB liability end of year	$ 765,433

Changes of assumptions reflect a change in the discount rate from 3.97% in fiscal year 2024 to 5.20% in fiscal year 2025.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (4.20%) or 1% higher (6.20%) than the current discount rate.

	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	$825,514	$765,433	$709,664

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District as what the District's total OPEB liability would be it were calculated using healthcare cost trend rates that are 1% lower (7.0%) or 1% higher (9.0%) than the current healthcare cost trend rates.

	1% Decrease (7.0%)	Healthcare Cost Trend Rate (8.0%)	1% Increase (9.0%)
Total OPEB liability	$686,514	$765,433	$858,295

OPEB Expense and Deferred Outflows of Resources Related to OPEB - For the year ended June 30, 2025, the District recognized OPEB benefit of $44,861. At June 30, 2025 the District reported no deferred outflows or inflows of resources related to OPEB.

Note 9. Risk Management

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

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled $595,561 for the year ended June 30, 2025 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 11. Contingencies

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

Note 12. 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 schedule of the categorical funding restricted in the General Fund at June 30, 2025.

Program	
Home school assistance program	$ 303
At-risk	2,419
Gifted and talented	192,375
Teacher leadership grants	73,636
Statewide voluntary preschool	83,168
Early intervention	16,701
Juvenile delinquency	3,786
Career and technical education	4,897
Educator quality, professional development	17,734
	$ 395,019

Note 13. 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. 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 revenue of the District was reduced by the following amounts for the year ended June 30, 2025 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Independence	Urban renewal and economic Development projects	$113,210

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times $5.40 per $1,000 of taxable valuation. For the year ended June 30, 2025, this reimbursement amounted to $61,116.

Note 14. Change in Area Education Agency Funding

The Governor signed House File 2612 on March 27, 2024, which changes the percentage of educational and media services funding generated through local property taxes by Districts which flow through to each Area Educations Agency (AEA) beginning July 1, 2024. For fiscal

year 2026, 100% of the educational and media services funds generated by Districts will be received directly by the District and none will flow through to the AEAs. Also, for fiscal year 2026, Districts will flow through 90% (instead of 100%) of special education support services funds to AEAs, who will code the funds as a combination of state aid and property taxes.

Note 16. Restatement

During the year ended June 30, 2025 the District implemented GASB Statement No. 101, *Compensated Absences,* which required the District to restate net position as of June 30, 2024 as follows:

	Governmental Activities
Balances June 30, 2024, as previously reported	$ 28,479,790
Changes to implement GASB Statement No. 101	(988,168)
Balances June 30, 2024, as restated	$ 27,491,622

Note 17. Deficit Fund Balance

The District had a negative unrestricted fund balance of $297,378 at June 30, 2025 in the Capital Projects - Physical Plant and Equipment Levy Fund.

Note 18. Subsequent Events

The District has evaluated subsequent events through March 25, 2026 which is the date that the financial statements were available to be issued.

Required Supplementary Information

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual

All Governmental Funds and Proprietary Fund

Required Supplementary Information

For the Year Ended June 30, 2025

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance
Revenues						
Local sources	$ 10,260,591	$ 415,269	$10,675,860	$9,918,503	$9,918,503	$ 757,357
State sources	13,499,688	4,636	13,504,324	12,857,728	12,857,728	646,596
Federal sources	872,830	435,093	1,307,923	1,210,000	1,210,000	97,923
Total revenues	24,633,109	854,998	25,488,107	23,986,231	23,986,231	1,501,876
Expenditures/Expenses						
Instruction	15,194,778	-	15,194,778	14,267,750	14,867,750	(327,028)
Support services	7,437,715	-	7,437,715	7,421,950	7,421,950	(15,765)
Non-instructional programs	-	1,013,811	1,013,811	1,000,000	1,100,000	86,189
Other expenditures	3,312,330	-	3,312,330	4,114,483	5,514,483	2,202,153
Total expenditures/expenses	25,944,823	1,013,811	26,958,634	26,804,183	28,904,183	1,945,549
(Deficiency) of revenues (under) expenditures/expenses	(1,311,714)	(158,813)	(1,470,527)	(2,817,952)	(4,917,952)	3,447,425
Net other financing sources (uses)	31,407	(31,407)	-	(2,000)	(2,000)	2,000
Change in fund balance	(1,280,307)	(190,220)	(1,470,527)	(2,819,952)	(4,919,952)	3,449,425
Balance, beginning of year	7,031,370	622,197	7,653,567	5,372,398	5,372,398	2,281,169
Balance, end of year	$ 5,751,063	$ 431,977	$ 6,183,040	$2,552,446	$ 452,446	$ 5,730,594

See accompanying Independent Auditor's Report.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information – Budgetary Reporting
For the Year Ended June 30, 2025

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures/expenses 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. The District amended its certified budget during the year ended June 30, 2025, increasing budgeted expenditures by $2,100,000.

During the year ended June 30, 2025, expenditures in the instruction and support services functions exceeded the amounts budgeted.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
For the Last Ten Years*
Required Supplementary Information

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.123354%	0.122448%	0.122115%	0.123864%	0.125325%	0.133254%	0.135537%	0.135456%	0.130266%	0.135815%
District's proportionate share of the net pension liability	$ 4,555,214	$ 5,650,021	$ 4,846,862	$ 173,646	$8,803,729	$ 7,716,303	$ 8,577,097	$ 8,198,133	$8,198,061	$6,709,938
District's covered payroll	$11,542,759	$11,000,700	$10,336,554	$10,063,010	$9,946,875	$10,142,034	$10,185,487	$10,111,165	$9,348,376	$9,304,951
District's proportionate share of the net pension liability as a percentage of its covered payroll	39.46%	51.36%	46.89%	1.73%	88.51%	76.08%	84.21%	81.08%	87.70%	72.11%
IPERS' net position as a percentage of the total pension liability	92.30%	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

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

See accompanying Independent Auditor's Report.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT
Schedule of District Contributions
Iowa Public Employees' Retirement System
For the Last Ten Years
Required Supplementary Information

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 1,132,636	$ 1,037,735	$ 975,363	$ 9,490,007	$ 949,948	$ 938,985	$ 957,408	$ 909,564	$ 902,927	$ 834,810
Contributions in relation to the statutorily required contribution	(1,132,636)	(1,037,735)	(975,363)	(9,490,007)	(949,948)	(938,985)	(957,408)	(909,564)	(902,927)	(834,810)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 11,998,266	$ 11,542,759	$ 11,000,700	$ 10,336,554	$ 10,063,010	$ 9,946,875	$ 10,142,034	$ 10,185,487	$ 10,111,165	$ 9,348,376
Contributions as a percentage of covered payroll	9.44%	8.99%	8.87%	91.81%	9.44%	9.44%	9.44%	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 rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

Independence Community School District
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios
For the Last Four Years
Required Supplementary Information

	2025	2024	2023	2022
Service cost	$ 60,698	$ 70,993	$ 68,780	$ 99,471
Interest cost	33,721	34,935	40,461	24,683
Difference between expected and actual experiences	(21,592)	(317,550)	(10,221)	(138,979)
Changes in assumptions	(74,060)	12,699	(12,499)	(58,536)
Recognition of deferred inflows/outflows	-	-	-	-
Benefit payments	(43,628)	(69,085)	(71,257)	(60,916)
Net change in total OPEB liability	(44,861)	(268,008)	15,264	(134,277)
Total OPEB liability beginning of year	810,294	1,078,302	1,063,038	1,197,315
Total OPEB liability end of year	$ 765,433	$ 810,294	$ 1,078,302	$ 1,063,038
Covered-employee payroll	$ 12,052,715	$ 10,504,234	$ 9,318,978	$ 9,535,432
Total OPEB liability as a percentage of covered-employee payroll	6.35%	7.71%	11.57%	11.15%

See accompanying Independent Auditor's Report.

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:

There were no significant changes in assumptions.

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

Year ended June 30, 2025	5.20%
Year ended June 30, 2024	3.97%
Year ended June 30, 2023	3.86%
Year ended June 30, 2022	3.69%

Note: GASB Statement No. 75 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Supplementary Information

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Schedule 1

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue		Capital Projects			
	Student Activity	Management Levy	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Debt Service	Total
Assets						
Cash, cash equivalents and pooled investments	$294,852	$ 292,735	$ 490,311	$ 1,634	$ 261,094	$ 1,340,626
Receivables						
Property tax						
Delinquent	-	4,828	-	3,515	6,285	14,628
Succeeding year	-	850,000	-	571,095	963,271	2,384,366
Accounts receivable	8,607	1,324	-	-	-	9,931
Due from other governments	-	36	191,096	25	44	191,201
Due from other funds	1,898	-	40,471	33,591	-	75,960
Total assets	$305,357	$1,148,923	$ 721,878	$ 609,860	$1,230,694	$ 4,016,712
Liabilities Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	$ 6,398	$ 80,642	$ 21,103	$ 291,482	$ -	$ 399,625
Due to other funds	75,372	-	698	44,661	-	120,731
Total liabilities	81,770	80,642	21,801	336,143	-	520,356
Deferred inflows of resourecces						
Unavailable revenues						
Succeeding year property tax	-	850,000	-	571,095	963,271	2,384,366
Fund balances						
Restricted for						
Student activities	223,587		-	-	-	223,587
Management levy purposes	-	218,281	-	-	-	218,281
School infrastructure	-	-	700,077	-	-	700,077
Debt service	-	-	-	-	267,423	267,423
Unrestricted	-	-	-	(297,378)	-	(297,378)
Total fund balances	223,587	218,281	700,077	(297,378)	267,423	1,111,990
Total liabilities, deferred inflows of resources and fund balances	$305,357	$1,148,923	$ 721,878	$ 609,860	$1,230,694	$ 4,016,712

See accompanying Independent Auditor's Report.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Schedule 2

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue		Capital Projects			
	Student Activity	Management Levy	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Debt Service	Total
Revenues						
Local sources						
Local taxes	$ -	$ 750,244	$ -	$ 557,847	$ 997,537	$2,305,628
Other	401,126	-	-	50,961	-	452,087
State sources	-	20,302	1,822,272	14,140	25,284	1,881,998
Total revenues	401,126	770,546	1,822,272	622,948	1,022,821	4,639,713
Expenditures						
Current						
Instruction						
Regular	-	201,700	8,536	255,147	-	465,383
Other	359,988	-	-	-	-	359,988
Total instruction	359,988	201,700	8,536	255,147	-	825,371
Support services						
Administration	-	219,894	27,940	67,490	-	315,324
Operation and maintenance of plant	-	486,029	-	84,424	-	570,453
Transportation	-	64,701	10,000	33,635	-	108,336
Total support services	-	770,624	37,940	185,549	-	994,113
Other expenditures						
Facilities acquisition	-	-	112,392	479,630	-	592,022
Long-term debt						
Principal	-	-	-	-	1,948,000	1,948,000
Interest and fiscal charges	-	-	-	-	176,747	176,747
Total other expenditures	-	-	112,392	479,630	2,124,747	2,716,769
Total expenditures	359,988	972,324	158,868	920,326	2,124,747	4,536,253
Excess (deficiency) of revenues over (under) expenditures	41,138	(201,778)	1,663,404	(297,378)	(1,101,926)	103,460
Other financing sources (uses)						
Interfund operating transfers in	-	-	-	-	1,126,905	1,126,905
Interfund operating transfers (out)	-	-	(1,126,905)	-	-	(1,126,905)
Total other financing sources (uses)	-	-	(1,126,905)	-	1,126,905	-
Change in fund balances	41,138	(201,778)	536,499	(297,378)	24,979	103,460
Fund balances, beginning of year	182,449	420,059	163,578	-	242,444	1,008,530
Fund balances, end of year	$ 223,587	$ 218,281	$ 700,077	$(297,378)	$ 267,423	$1,111,990

See accompanying Independent Auditor's Report.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Schedule 3

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

For the Year Ended June 30, 2025

Account	Balance, Beginning of Year	Revenues	Expenditures	Intrafund Transfers	Balance, End of Year
Interest	$ 6,533	$ 6,888	$ 12	$ -	$ 13,409
Drama	21,505	8,592	1,876	-	28,221
Speech - small group	955	9,368	6,883	-	3,440
Speech - large group	42	3,450	2,837	-	655
Mock trial	-	340	340	-	-
Vocal music	15,484	9,316	4,051	-	20,749
Band	8,640	12,239	12,483	-	8,396
Football concessions	1,446	40,828	42,274	-	-
HS cross country	-	30	-	-	30
Bowling	2,807	246	116	-	2,937
Boys basketball	-	299	109	-	190
Football	11,877	20,718	13,990	-	18,605
Boys soccer	3,899	2,975	2,343	-	4,531
Baseball	84	7,673	7,757	-	-
Boys track	2,902	1,227	2,735	-	1,394
Boys cross country	3,477	-	-	-	3,477
Boys tennis	-	420	420	-	-
Boys golf	3,885	2,630	2,092	-	4,423
Wrestling	-	4,718	4,718	-	-
Girls basketball	921	341	188	-	1,074
Volleyball	4,299	5,438	6,838	-	2,899
Girls soccer	6,394	2,400	4,956	-	3,838
Softball	566	2,850	3,246	-	170
Girls track	2,987	1,227	261	-	3,953
Girls cross country	4,939	-	-	-	4,939
Girls tennis	-	220	220	-	-
Girls golf	313	325	198	-	440
Girls wrestling	-	1,508	1,508	-	-
HS activity	(201)	187,930	178,942	-	8,787
FCCLA	3,480	1,197	2,018	-	2,659
Yearbook	6,672	540	1,761	-	5,451
Student council	14,968	14,358	11,980	(72)	17,274
Library	4,608	100	-	-	4,708

See accompanying Independent Auditor's Report.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

Schedule 3

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

For the Year Ended June 30, 2025

Account (continued)	Balance, Beginning of Year	Revenues	Expenditures	Intrafund Transfers	Balance, End of Year
Musical	$ 17,340	$ 19,016	$ 12,962	$ -	$ 23,394
A/V club	158	-	-	-	158
Thespians fund balance	1,043	5,249	4,617	-	1,675
Prom	-	2,413	1,962	-	451
Cheerleaders	2,943	9,862	8,608	-	4,197
Robotics	2,031	1,615	1,807	-	1,839
FFA	9,474	6,499	7,519	-	8,454
MS student council	2,978	3,105	2,888	-	3,195
BCSC	2,660	-	614	-	2,046
East admin activity	-	1,007	-	86	1,093
West admin activity	-	962	-	57	1,019
West yearbook	395	108	140	-	363
West	9,945	553	1,719	(87)	8,692
ECC admin activity	-	346	-	16	362
Total	$ 182,449	$ 401,126	$ 359,988	$ -	$ 223,587

See accompanying Independent Auditor's Report.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT
Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds
For the Last Ten Years

Schedule 4

	Modified Accrual Basis									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Local sources										
Local tax	$ 7,719,566	$ 7,570,033	$ 7,786,200	$ 7,366,984	$ 7,872,592	$ 7,683,535	$ 7,697,010	$ 7,479,497	$ 7,518,409	$ 7,448,207
Tuition	1,544,412	1,401,154	1,138,735	1,081,746	981,765	892,100	821,360	841,136	631,709	785,128
Other	996,613	1,122,587	835,806	776,789	616,354	795,135	954,430	939,534	1,150,888	2,272,182
State sources	13,499,688	13,090,071	12,617,752	12,132,753	12,022,238	11,801,625	11,509,090	11,268,590	11,146,567	10,376,420
Federal sources	872,830	973,868	1,506,663	1,758,571	888,130	555,972	634,842	385,786	461,767	416,491
Total revenues	$24,633,109	$24,157,713	$23,885,156	$23,116,843	$ 22,381,079	$ 21,728,367	$ 21,616,732	$ 20,914,543	$ 20,909,340	$ 21,298,428
Expenditures										
Current										
Instruction										
Regular	$ 9,122,193	$ 8,212,299	$ 7,941,772	$ 7,871,102	$ 7,097,720	$ 6,522,010	$ 6,809,096	$ 6,848,442	$ 6,570,832	$ 6,110,606
Special	3,102,226	4,295,318	2,602,954	2,235,597	2,386,700	2,455,165	2,495,387	2,475,442	2,667,109	2,755,860
Other	2,970,359	1,245,773	2,813,064	2,720,023	3,040,358	3,084,691	3,107,606	3,220,558	3,400,791	3,014,832
Support services										
Student	703,996	729,139	654,503	796,191	645,960	610,200	593,220	596,898	503,431	477,588
Instructional staff	751,611	847,182	901,064	857,356	807,907	835,871	800,218	802,360	747,089	343,287
Administration	2,549,324	2,329,623	2,172,600	1,977,382	1,910,568	2,049,471	1,854,705	1,858,159	1,854,961	1,712,600
Operation and maintenance of plant	2,532,684	-	-	-	1,507,377	1,377,429	1,372,411	1,484,091	1,482,845	1,302,444
Transportation	900,100	2,172,887	1,863,971	1,555,746	957,235	700,407	936,597	766,464	747,626	859,882
Non-instructional programs	-	814,885	807,726	795,481	-	-	-	548	931	1,224
Other expenditures										
Facilities acquisition	592,022	1,433,912	1,040,643	2,202,675	2,474,304	578,056	312,094	431,583	659,505	2,540,577
Long-term debt										
Principal	1,948,000	1,908,000	1,871,000	1,831,500	2,068,000	13,497,000	1,512,000	1,482,000	1,574,259	1,396,928
Interest and other charges	176,747	216,101	254,980	291,216	346,019	463,883	439,752	467,562	499,253	482,802
AEA flowthrough	595,561	705,608	708,909	697,923	697,484	682,359	665,028	656,428	643,373	630,152
Total expenditures	$25,944,823	$24,910,727	$23,633,186	$23,832,192	$ 23,939,632	$ 32,856,542	$ 20,898,114	$ 21,090,535	$ 21,352,005	$ 21,628,782

See accompanying Independent Auditor's Report.

Independence Community School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Schedule 5

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
Indirect			
U.S. Department of Agriculture			
Passed through Iowa Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	FY25	$ 65,036
National School Lunch Program	10.555	FY25	370,057 *
Total U.S. Department of Agriculture			435,093
U.S. Department of Education			
Passed through Iowa Department of Education			
Title I Grants to Local Education Agencies	84.010	FY25	187,148
Title I carryover	84.010	FY24	22,103
Total Title I			209,251
Student Suport and Academic Enrichment Program	84.424	FY25	14,088
Supporting Effective Instruction State Grants (Title IIA)	84.367	FY25	38,158
COVID-19 State and Local Fiscal Recover Fund			
School Safety Improvement Grant	84.394	FY25	193,857
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act (CARES) Cluster			
COVID-19 Elementary and Secondary School Emergency Relief II (ESSER III) Funds - Rethink K-12 Education	84.425B	FY24	8,120
Total Iowa Department of Education			463,474
Passed through Central Rivers Area Education Agency			
Special Education Grants to States	84.027	FY25	75,867
Career and Technical Education - Tech-Prep Education	84.048	FY25	16,801
Total passed through Mississippi Bend Area Education Agency			92,668
Total U.S. Department of Education			556,142
U.S. Department of Health and Human Services			
Passed through Tri County Child and Family Development Services			
Head Start (Iowa Head Start Collaborative)	93.600	FY25	59,334
Total federal expenditures			$ 1,050,569

* includes $70,450 of non-cash awards

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

See accompanying Independent Auditor's Report.

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.

Indirect Cost Rate - Independence Community School District uses a federally negotiated indirect cost rate as allowed under the Uniform Guidance.

Subrecipients - There were no awards passed through to subrecipents by Independence Community School District.

See accompanying Independent Auditor's Report.

Kay L. Chapman, CPA PC

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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 Independence Community School District:

I have audited, 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, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Independence Community School District as of and for the year ended June 30, 2025, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated March 25, 2026.

I did not issue an opinion on the Mustang Foundation, which is included in the District's financial statements as a discretely presented component unit, because I was not engaged to and did not audit the Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Independence 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Independence Community School District's internal control. Accordingly, I do not express an opinion on the effectiveness of Independence Community School District's internal control.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control

that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. I identified a certain deficiency in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as item 2025-001 that I consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Independence Community School District's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance or other matters which are required to be reported under Government Auditing Standards. However, I 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, 2025 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements of the District. Since my 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.

Independence Community School District's Responses to the Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

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

Kay Chapman

Kay L. Chapman, CPA PC
March 25, 2026

Kay L. Chapman, CPA PC

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

To the Board of Education of Independence Community School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited Independence 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 Independence Community School District's major federal programs for the year ended June 30, 2025. Independence Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

In my opinion, Independence 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, 2025.

Basis for Opinion on Each Major Federal Program

I conducted my 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 Governmental 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). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Independence Community School District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of Independence 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 Independence Community School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My 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 Independence Community School District's compliance based on my 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 Independence 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, I:

- 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 Independence Community School District's compliance with the compliance requirements referred to above and performing other such procedures as I considered necessary in the circumstances.
- Obtain an understanding of Independence 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 Independence Community School District's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I identified during the audit.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing 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.

Kay Chapman

Kay L. Chapman, CPA PC
March 25, 2026

INDEPENDENCE COMMUNITY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
• Material weakness(es) identified?	X Yes	____	No
• Significant deficiency(ies) identified?	____ Yes	X	None reported
• Noncompliance material to financial statements noted?	____ Yes	X	No

Federal Awards

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

Identification of Major Program(s):

FAL Number	Name of Federal Program or Cluster
Child Nutrition Cluster	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children

Dollar threshold used to distinguish between type A and type B programs:	$750,000		
Auditee qualified as low-risk auditee?	____ Yes	X	No

INDEPENDENCE COMMUNITY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Part II: Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCY

MATERIAL WEAKNESS
2025-001 Material Misstatement not Detected

Criteria - A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the District's financial statements.

Condition - During the course of my audit, I discovered a material misstatement on the District's Certified Annual Report (CAR) that was not detected by the District's internal controls. The District did not accrue all the receivables due from other governments at year-end resulting in General Fund assets, revenues and fund balance to be understated on the CAR by $351,388.

Cause - District policies do not require and procedures have not been established to require independent review of year-end adjusting entries and cut-off transactions to ensure the District's financial statements and CAR are accurate and reliable.

Effect - Lack of policies and procedures resulted in District employees not detecting the errors in the normal course of performing their assigned functions. As a result, material adjustments to the District's CAR were necessary.

Recommendation - The District should implement procedures to ensure that all liabilities are identified and included in the District's CAR.

Response and Corrective Action Planned - We will double-check these in the future to avoid missing any material amounts.

Conclusion - Response accepted.

Part III: Findings and Questioned Costs for Federal Awards

INSTANCES OF NON-COMPLIANCE
No matters were noted.

INTERNAL CONTROL DEFICIENCY
No matters were noted.

Part IV. Other Findings Related to Required Statutory Reporting

1. Certified Budget - Expenditures for the year ended June 30, 2025 exceeded the amounts budgeted in the instruction and support services functions.

   Recommendation - The certified budget was amended; however, the amount amended to was not sufficient to cover total expenditures for that function, for the fiscal year. The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa to a sufficient amount 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.

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

3. 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.

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

5. 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.

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

7. Board Minutes - I noted no transactions requiring Board approval which had not been approved by the Board.

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

9. Supplementary Weighting - Variances regarding the supplementary weighting certified to the Iowa Department of Education were noted. Weighted enrollment was understated by 0.018 due to the District not including an open enrolled student for a concurrent class that on the report to the State of Iowa.

Recommendation - The District should contact the Iowa Department of Management and the Iowa Department of Education to resolve this issue.

Response - We have contacted the Iowa Department of Management and the Iowa Department of Education, as recommended.

Conclusion - Response accepted.

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

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

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

13. Statewide Sales, Services and Use Tax - No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

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

Beginning balance		$ 163,578
Revenues		
Statewide sales, services and use tax		1,822,272
Expenditures/transfers out		
School infrastructure		
School infrastructure construction	$ 140,332	
Equipment	18,536	
Transfers to other funds		
Debt Service fund	1,126,905	1,285,773
Ending balance		$ 700,077

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

14. Financial Condition - The District's Capital Projects - Physical Plant and Equipment Levy Fund had a negative unrestricted fund balance of $297,378 at June 30, 2025.

    Recommendation - The District should investigate these net position balances and consider potential action to return them to good financial condition.

    Response - We will review the situation and continue to monitor this fund.

    Conclusion - Response accepted.

INDEPENDENCE COMMUNITY SCHOOL DISTRICT
Audit Staff
June 30, 2025

This audit was performed by

Kay Chapman, CPA
Terri Slater, staff accountant

APPENDIX E – FORM OF ISSUE PRICE CERTIFICATES

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

EXHIBIT A

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

$_____ SCHOOL INFRASTRUCTURE SALES, SERVICES AND USE TAX REVENUE AND REFUNDING BONDS, SERIES 2026

ISSUE PRICE CERTIFICATE

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

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

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

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

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

3. Defined Terms.

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

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

c. Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (October 26, 2026), or (ii) the date on which Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

d. Issuer means Independence Community School District.

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

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

g. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October 19, 2026.

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's

interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C., Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By:_____

Name:_____

Dated: Date of Delivery

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

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

USE FOR COMPETITIVE SALES – 3 BIDS RECEIVED

EXHIBIT A

INDEPENDENCE COMMUNITY SCHOOL DISTRICT

$_____ SCHOOL INFRASTRUCTURE SALES, SERVICES AND USE TAX REVENUE AND REFUNDING BONDS, SERIES 2026

ISSUE PRICE CERTIFICATE

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

1. Reasonably Expected Initial Offering Price.

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

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

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

2. Defined Terms.

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

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

c. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October 19, 2026.

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

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

[UNDERWRITER]

By:_____

Name:_____

Dated: Date of Delivery

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)