



**Dallas Center-Grimes Community School District, Iowa**

**\$44,000,000\***

**General Obligation School Bonds, Series 2026**

(FAST Closing)

(Book Entry Only)

(PARITY© Bidding Available)

DATE: Wednesday, May 6, 2026  
TIME: 10:00 AM  
PLACE: District Administration Center  
2405 W. 1st St.  
Grimes, IA 50111

Moody's Rating: "Aa2"

\* Preliminary, subject to change

**PIPER | SANDLER**

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

**OFFICIAL BID FORM**

TO: Board of Directors of the Dallas Center-Grimes Community School District, Iowa (the "Issuer")

Re: \$44,000,000\* General Obligation School Bonds, Series 2026, dated the date of delivery, of the Issuer (the "Bonds")

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

<u>Coupon</u>	<u>Yield</u>	<u>Due</u>	<u>Coupon</u>	<u>Yield</u>	<u>Due</u>
_____	_____	June 1, 2027	_____	_____	June 1, 2041
_____	_____	June 1, 2036	_____	_____	June 1, 2042
_____	_____	June 1, 2037	_____	_____	June 1, 2043
_____	_____	June 1, 2038	_____	_____	June 1, 2044
_____	_____	June 1, 2039	_____	_____	June 1, 2045
_____	_____	June 1, 2040	_____	_____	June 1, 2046

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

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

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

\_\_\_\_\_ We will not elect to have any bonds issued as term bonds

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

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

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

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

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

\_\_\_\_\_  
 Account Manager

\_\_\_\_\_  
 Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the Board of Directors of the Dallas Center-Grimes Community School District, in the Counties of Dallas and Polk, State of Iowa, this 6th day of May 2026.

ATTEST:

\_\_\_\_\_  
 District Secretary

\_\_\_\_\_  
 Board President

\* \_\_\_\_\_  
 Preliminary, subject to change

## OFFICIAL TERMS OF OFFERING

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

The Bonds to be offered are the following:

**GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026**, in the principal amount of \$44,000,000\* dated the date of delivery in the denomination of \$5,000 or multiples thereof and maturing as shown on the front page of the official statement.

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

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

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

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

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

**Good Faith Deposit:** A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire in the amount of \$440,000\* for the Bonds, payable to the order of the Issuer, is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. The Municipal Advisor or the Issuer will provide the apparent winning bidder (the "Purchaser") with wiring instructions, by email, within 10 minutes of the stated time when bids are due. If the wire is not received at the time indicated above, the Issuer will abandon its plan to award to the Purchaser, and will contact the next highest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

---

\* Preliminary, subject to change

Form of Bids: All bids shall be unconditional for the entire issue of Bonds for a price of not less than 100% of par nor more than 103% of par, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid, facsimile facilities or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

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

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

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Superintendent, Dallas Center-Grimes Community School District, 2405 W. 1st St., Grimes, IA.

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

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

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

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

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

No interest rate bid may be more than 2% higher than any other interest rate bid

No interest rate bid for maturities 2036-2046 may be lower than the interest rate bid in the immediately preceding maturity (level or ascending rates only, 2035 base year)

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

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

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

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

(1) the Issuer shall disseminate this Official 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 are awarded one ".pdf" copy of the Official Statement and the addendum described in the preceding sentence to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The Issuer shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Issuer, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

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

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

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

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

For more information see the Continuing Disclosure section herein.

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

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

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL 29, 2026**

NEW ISSUE - DTC BOOK ENTRY ONLY

Moody's Rating: "Aa2"

*Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excludable from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals; however, such interest 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 MATTERS" section for a more detailed discussion.*



**Dallas Center-Grimes Community School District, Iowa  
\$44,000,000\* General Obligation School Bonds, Series 2026**

Dated: Date of Delivery

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

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

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

**MATURITY SCHEDULE\***

<u>Bonds Due</u>	<u>Amount*</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip #'s **</u>	<u>Bonds Due</u>	<u>Amount*</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip #'s **</u>
June 1, 2027	\$510,000			234554 LB7	June 1, 2041	\$4,745,000			234554 LH4
June 1, 2036	380,000			234554 LC5	June 1, 2042	4,975,000			234554 LJ0
June 1, 2037	2,110,000			234554 LD3	June 1, 2043	5,115,000			234554 LK7
June 1, 2038	3,210,000			234554 LE1	June 1, 2044	5,365,000			234554 LL5
June 1, 2039	425,000			234554 LF8	June 1, 2045	5,630,000			234554 LM3
June 1, 2040	4,525,000			234554 LG6	June 1, 2046	7,010,000			234554 LN1

\$ \_\_\_\_\_ % Term bond due Priced to yield CUSIP# \_\_\_\_\_

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel. Ahlers & Cooney, P.C. is also serving as Disclosure Counsel to the Issuer in connection with the issuance of the Bonds. It is expected that the Bonds in the definitive form will be available for delivery through the facilities of DTC on or about June 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, salesperson or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

## TABLE OF CONTENTS

INTRODUCTORY STATEMENT
THE BONDS
BONDHOLDERS' RISKS
LITIGATION
ACCOUNTANT
UNDERWRITING
THE PROJECT
SOURCES & USES OF FUNDS
TAX EXEMPTION AND RELATED CONSIDERATIONS
MUNICIPAL ADVISOR
CONTINUING DISCLOSURE
MISCELLANEOUS
APPENDIX A - GENERAL INFORMATION ABOUT THE ISSUER
APPENDIX B - FORM OF LEGAL OPINION
APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE
APPENDIX D - AUDITED FINANCIAL STATEMENTS OF THE ISSUER
APPENDIX E - FORM OF ISSUE PRICE CERTIFICATES

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

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

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

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

## FORWARD-LOOKING STATEMENTS

This Official Statement, including appendices attached hereto, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget" or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS TO DIFFER. THE DISTRICT DOES NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR. 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**  
**DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT, IOWA**  
**\$44,000,000\* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026**

**INTRODUCTORY STATEMENT**

This Official Statement presents certain information relating to the Dallas Center-Grimes Community School District, Iowa (the “District” or the “Issuer”), in connection with the sale of the Issuer’s General Obligation School Bonds, Series 2026 (the “Bonds”). The Bonds, together with the Issuer’s \$14,300,000 General Obligation School Bonds, Series 2025, dated December 30, 2025, and an additional \$29,700,000 expected to be issued in 2027 and 2028, are being issued to provide funds to: (i) reconstruct, repair, improve, remodel, furnish, and equip portions of the existing High School building, including facilities and spaces supporting extracurricular activities at the High School campus, and to construct, furnish and equip additions to the existing High School Building; and to reconstruct, repair, improve, remodel, furnish, and equip portions of the existing Middle School building, and Heritage, Dallas Center and North Ridge Elementary buildings; to make safety, security, and technology improvements, and playground and site improvements at all Elementary buildings; to improve, furnish, and equip the Oak View athletic facility; and to reconstruct, repair, improve, remodel, furnish and equip the existing transportation/operations facility, including the construction of an additional building and parking improvements and improving the site; and (ii) pay costs of issuance for the Bonds (the “Project”). See “**THE BONDS - Source of Security for the Bonds**” herein. The Bonds will be issued pursuant to a Resolution authorizing the issuance of Bonds expected to be adopted on or about May 18, 2026 (the “Resolution” or the “Bond Resolution”).

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

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

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

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

**THE BONDS**

**General**

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

**Authorization for the Issuance**

The Bonds are being issued pursuant to Chapter 296 of the Code of Iowa, 2025, as amended, approval of the District voters for the issuance of \$88,000,000 General Obligation School Bonds to fund the Project at an election held on November 4, 2025 and the Resolution.

**Book Entry Only System**

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

---

\* Preliminary, subject to change

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

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

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

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

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

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

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

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

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

Redemption proceeds, distributions and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is

the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC (nor its nominee), Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

### **Transfer and Exchange**

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

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

### **Prepayment**

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

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

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

\_\_\_\_\_ Term Bond  
Mandatory Sinking Fund Date      Principal Amount  
\$

(maturity)

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

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

### **Source of Security for the Bonds**

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

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

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

### **BONDHOLDERS' RISKS**

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

### **Tax Levy Procedures**

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

## **Changes in Property Taxation**

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

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

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

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

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

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

## **Secondary Market**

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

## **Pension**

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

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

Internet sites accessed through the IPERS website.

In fiscal year ended June 30, 2025, the Issuer's IPERS contribution totaled approximately \$2,791,772. 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 \$10,591,979. While the Issuer's contributions to IPERS are controlled by state law, there can be no assurance the Issuer will not be required by changes in State law to increase its contribution requirement in the future, which may impact the finances of the Issuer. See "**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER**" for additional information on pension and liabilities of the Issuer.

### **Rating Loss**

Moody's Investor Service ("Moody") has assigned a rating of "Aa2" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of the Rating Agency, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

### **Forward-Looking Statements**

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

### **Legislative Change Related to School Choice**

In 2023 the Iowa General Assembly adopted Legislation ("HF68") that established a standing unlimited State general fund appropriation for an Education Savings Account Fund (the "Fund") under the control of the State 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 becoming eligible to participate.

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, 2026, the SCPP is \$7,988, which amount will be deposited into the Fund, instead of being sent to the Issuer, for each qualifying student within the Issuer attending a nonpublic school. HF68 provides that a District is funded in an amount of \$1,176 per student for resident pupils who attend a nonpublic school. According to the Department of Education, there were 82 students who resided within the boundaries of the Issuer but attended non-public schools for the 2022-23 school year; 93 students for the 2023-24 school year; 123 students for 2024-25 school year and 156 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. The Bonds are general obligations of the Issuer. See "THE BONDS – Source of Security for the Bonds" herein.

### **Proposed Federal Tax Legislation**

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

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.

### **DTC-Beneficial Owners**

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

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

### **Risks as Employer**

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

### **Cybersecurity**

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

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

### **Debt Payment History**

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

### **Redemption Prior to Maturity/Loss of Premium from Redemption**

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

### **Clean up Costs and Liens under Environmental Statutes**

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

### **General Liability Claims**

In recent years, the number of general liability suits and the dollar amounts of damage awards have increased nationwide, resulting in

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

### **Project Completion; Risks of Construction**

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

### **Damage or Destruction to District's Facilities**

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

### **Financial Condition of the Issuer from time to time**

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

For fiscal year ending June 30, 2025, the auditor noted material weaknesses in internal controls, which are described in more detail in the audited financial statements attached as **Appendix D**.

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.

### **Continuing Disclosure**

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

### **Suitability of Investment**

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

### **Bankruptcy and Insolvency**

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

Under sections 76.16 and 76.16A of the Code of Iowa, as amended, a city, county, or other political subdivision may become a debtor under chapter nine of the federal bankruptcy code, if it is rendered insolvent, as defined in 11 U.S.C. §101(32)(c), as a result of a debt involuntarily incurred. As used therein, "debt" means an obligation to pay money, other than pursuant to a valid and binding collective

bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following: (1) that all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) that such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) that as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) that the debt is not an obligation to pay money to a city, county, entity organized pursuant to chapter 28E of the Code of Iowa, or other political subdivision.

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

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

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

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

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

### **Factors Beyond Issuer’s Control**

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

### **Risk of Audit**

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

### **Summary**

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

## **LITIGATION**

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

## **ACCOUNTANT**

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

## UNDERWRITING

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

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

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

## THE PROJECT

The Bonds, together with the Issuer’s \$14,300,000 General Obligation School Bonds, Series 2025, dated December 30, 2025, and an additional \$29,700,000 expected to be issued in 2027 and 2028, are being issued to provide funds to: (i) reconstruct, repair, improve, remodel, furnish, and equip portions of the existing High School building, including facilities and spaces supporting extracurricular activities at the High School campus, and to construct, furnish and equip additions to the existing High School Building; and to reconstruct, repair, improve, remodel, furnish, and equip portions of the existing Middle School building, and Heritage, Dallas Center and North Ridge Elementary buildings; to make safety, security, and technology improvements, and playground and site improvements at all Elementary buildings; to improve, furnish, and equip the Oak View athletic facility; and to reconstruct, repair, improve, remodel, furnish and equip the existing transportation/operations facility, including the construction of an additional building and parking improvements and improving the site; and (ii) pay costs of issuance for the Bonds.

## SOURCES AND USES OF FUNDS \*

Sources of Funds	Bond Proceeds Reoffering Premium
Total Sources of Funds	
Uses of Funds	Deposit to Project fund Capitalized Interest Fund Costs of Issuance Underwriter’s Discount
Total Uses of Funds	

\* Preliminary, subject to change

## TAX EXEMPTION AND RELATED CONSIDERATIONS

### Tax Exemption

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

Subject to the Issuer’s compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, the interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest may be taken into account in computing the alternative minimum tax imposed on certain corporations.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be

deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

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

#### NOT Qualified Tax Exemption Obligations

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

#### Discount and Premium Bonds

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

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

#### Other Tax Advice

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

#### Audits

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

#### Reporting and Withholding

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

#### Tax Legislation

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

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

### The Opinion

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

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

### Enforcement

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

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

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

## **LEGAL MATTERS**

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

Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements, or data contained in this 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", "THE BONDS - Source of Security for the Bonds", and "**TAX EXEMPTION AND RELATED CONSIDERATIONS**". Additionally, Bond Counsel has provided its form of bond counsel opinion and Issuer's continuing disclosure certificate, found in Appendices B and C.

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

## **MUNICIPAL ADVISOR**

The Issuer has retained Piper Sandler & Co. as municipal advisor (the "Municipal Advisor") in connection with the issuance of the Bonds. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of information in the Official Statement. The Municipal Advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

## **CONTINUING DISCLOSURE**

The Issuer will covenant in a Continuing Disclosure Certificate (the "Undertaking") for the benefit of the Owners and Beneficial Owners

of the Bonds to provide annually certain financial information and operating data relating to the Issuer (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the Issuer no later than April 15 after the close of each fiscal year, commencing with the fiscal year ending June 30, 2026, with the Municipal Securities Rulemaking Board, at its internet repository named “Electronic Municipal Market Access” (“EMMA”). The notices of events, if any, are also to be filed with EMMA. See “**APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**” The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in “**APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**” These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the “Rule”).

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

The Issuer provides the following disclosure for the sole purpose of assisting Underwriters in complying with the Rule. For the previous five-year period the Issuer believes it has complied with the Rule in all material respects.

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

#### **MISCELLANEOUS**

Brief descriptions or summaries of the Issuer, the Bonds, the Bond Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Bonds, the Bond 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.

**APPENDIX A – GENERAL INFORMATION ABOUT THE ISSUER**

**DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT, IOWA  
DISTRICT OFFICIALS**

<b>BOARD MEMBERS</b>	Monica Malmberg Ryan Carpenter, Board President Nancy Baker Curtis Meg Dickinson Nick Fiala Julie Quandt Shaylee Vander Velden
<b>SUPERINTENDENT</b>	Scott Blum, Ed. D
<b>DISTRICT SECRETARY</b>	Michelle Wearmouth
<b>DISTRICT TREASURER</b>	Michelle Wearmouth
<b>DISTRICT ATTORNEY</b>	Ahlers & Cooney, P.C.

**CONSULTANTS**

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

**General Information**

The Dallas Center-Grimes Community School District is located in central Iowa adjacent to the northwestern portion of the Des Moines metropolitan area. Included within the District’s 53,120 acres are the cities of Dallas Center, Grimes and a portion of the City of Urbandale. Suburbs of the Des Moines metropolitan area are experiencing population growth. Continuing rapid growth within the community of Grimes has prompted the construction of new District facilities.

Transportation facilities are provided by U.S. Interstate 35 & 80, Iowa Highways 141 & 44, Highway 169, the Chicago Northwestern Railway, as well as numerous paved county roads. Commercial airline service is available at the Des Moines International Airport. Residential development has been greatly enhanced by the continued growth of the northwestern portion of the metropolitan area.

Continuing education centers within commuting distance include: Drake University, Des Moines; Grand View College, Des Moines; University of Osteopathic Medicine, Des Moines; Iowa State University of Science and Technology, Ames; Simpson College, Indianola; and Area XI Des Moines Area Community College, Ankeny.

**District Facilities (1)**

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

<u>Facility</u>	<u>Construction Dates</u>
High School	2000, 2025
Middle School	2003
8-9 Building	2011
Auditorium	2005
Dallas Center Building	1955, 1987, 2006
Dallas Center Elementary	2000
Grimes Elementary	1987-1989
North Ridge Elementary	2008, 2014
Heritage Elementary	2016
Oak Hill	

**Enrollment (2)**

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

<u>Count Date</u>	<u>Fiscal Year effective</u>	<u>Certified (Resident) (3) (4)</u>	<u>Open Enroll In (5)</u>	<u>Open Enroll Out (5)</u>	<u>Total Served (5)</u>
October-25	2026-27	3,404.70	391.40	260.00	3,536.10
October-24	2025-26	3,446.30	374.80	259.00	3,562.10
October-23	2024-25	3,501.50	343.50	288.50	3,556.50
October-22	2023-24	3,478.00	327.60	259.30	3,546.30
October-21	2022-23	3,394.10	298.10	228.50	3,463.70

**Staff (1)**

Presented below is a list of the Issuer's 530 employees.

Administrators:	22	Media Specialists:	6
Teachers:	267	Nurses:	5
Teacher Aids:	130	Guidance:	13
Custodians:	30	Secretaries:	13
Food Service:	1	Transportation:	29
Other:	12	Maintenance:	2

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

**Other Post-Employment Benefits (OPEB) (1)**

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
<u>Active employees</u>	<u>452</u>
Total	461

Total OPEB Liability – The Issuer’s total OPEB liability of \$555,736 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

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:

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)	7.60% to an ultimate rate of 3.90%

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.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2023, through June 30, 2024.

Changes in the Total OPEB Liability:

Total OPEB obligation – beginning of year	\$578,445
Changes for the year	
	Service Cost 72,370
	Interest 24,532
	Difference between expected & actual experiences -
	Change in assumption (66,452)
	Benefit Payments (53,159)
<u>Net Changes</u>	<u>(22,709)</u>
Net OPEB obligation – end of year	\$555,736

Changes of assumptions reflect a change in the discount rate from 3.93% 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.

Fiscal Year	Issuer Contribution		Issuer Employees’ Contribution	
	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2021	2,039,313	9.44	\$1,358,821.90	6.29
2022	2,219,024	9.44	1,478,565.78	6.29
2023	2,412,667	9.44	1,607,592.74	6.29
2024	2,548,271	9.44	1,697,947.52	6.29
2025	2,791,772	9.44	1,860,195.54	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 Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
2021	37,584,987,296	42,889,875,682	42,544,648,750	4,959,661,454	88.34	-345,226,932	100.81	8,648,783,536	57.35
2022	39,354,232,379	40,191,566,259	43,969,714,606	4,615,482,227	89.50	3,778,148,347	91.40	9,018,019,950	51.18
2023	41,012,524,216	41,206,314,259	45,719,979,439	4,707,455,223	89.70	4,513,665,180	90.13	9,588,339,000	49.10
2024	42,927,257,062	43,661,123,300	47,302,619,657	4,375,362,595	90.75	3,641,496,357	92.30	10,003,675,315	43.74
2025	45,222,324,002	46,740,552,175	49,063,230,575	3,840,906,573	92.17	2,322,678,400	95.27	10,525,039,254	36.49

**Net Pension Liabilities (2)**

At June 30, 2025, the Issuer reported a liability of \$10,591,979 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](http://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 February 28, 2026.

Type of Investment	Amount Invested
Local Bank Money Market	\$306,221.90
Local Bank Deposit Accounts	25,286,012.33
Local Bank Time CD’s	0
ISJIT Money Market	42,981,101.17
ISJIT Time CD’s	0

**Population (3)**

Presented below are population figures for the periods indicated for the city of Dallas Center and Grimes

Year	Dallas Center	Grimes
2020	1,901	15,392
2010	1,623	8,246
2000	1,595	5,098
1990	1,454	2,653
1980	1,360	1,973
1970	1,128	834

(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

(3) Source: Census Bureau

## Major Employers (1)

Located in the northwestern portion of the Des Moines Metropolitan area, District residents are employed throughout the metropolitan area. The following employers are located within the District:

<u>Name of Employer</u>	<u>Business</u>	<u>Approx Number of Employees</u>
Corteva Agri Sience	Crop seed genetics & production labs	1,000-499
Dallas Center-Grimes CSD	Education	530
Toyota of Des Moines	Car dealer	100-249
National Carwash Solutions	Automatic carwash manufacturer	100-249
CTI	Concrete construction	100-249
Hy-Line	Breeder chicks	100-249
Spurgeon Manor	Nursing Home	50-99
Adesa Des Moines	Auto auction	100-249
Fed Ex Ground	Shipping, delivery	100-249
Northwest Steel Erection Co	Construction	100-249
Biesser Lumber	Lumber	50-99
The Right Stuff	Japanese Animee DVD	50-99
Ace Construction	Construction	50-99
Availon	Wind turbine installation, maintenance	50-99
Domark Bridge Construction	Contracting	50-99
Frito Lay	Distribution	50-99
CINTAS	First Aid, safety, uniform services, carpet, tile, facility services	50-99
Civil Design Advantage	Civil engineering services	50-99
Communication Data Link	Utilities construction contractor	50-99
Continental Fire Sprinkler Company	Fire protection contractor	50-99
Fareway	Grocery Store	50-99
Golden Rule	Plumbing and heating contractor	50-99
Soil Tek	Erosion, soil control, landscaping, seeding	50-99
Septagon	Contractor	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:

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

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

- (1) Source: 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)

<b>Actual Valuation</b>					
Valuation as of January	2025	2024	2023	2022	2021
<u>Fiscal Year</u>	<u>2026-2027</u>	<u>2025-2026</u>	<u>2024-2025</u>	<u>2023-2024</u>	<u>2022-2023</u>
Residential:	1,937,359,683	1,768,654,134	1,777,621,338	1,453,744,070	1,263,171,708
Agricultural Land:	96,998,708	70,615,430	70,729,430	57,585,230	57,721,200
Ag Buildings:	4,172,760	4,300,850	3,964,250	2,812,780	2,412,910
Commercial:	828,211,336	718,441,047	674,324,216	549,854,097	484,269,635
Industrial:	25,794,577	75,334,498	77,006,441	67,280,622	64,886,237
Multi-Residential	0	0	0	0	72,811,632
Reserved	0	0	0	0	0
Railroads:	0	0	0	0	0
Utilities:	1,008,176	571,046	689,236	282,417	2,049,372
Other:	0	0	0	0	0
<b>Total Valuation:</b>	<b>2,893,545,240</b>	<b>2,637,917,005</b>	<b>2,604,334,911</b>	<b>2,131,559,216</b>	<b>1,947,322,694</b>
Less Military:	1,428,000	1,504,394	1,548,000	729,688	755,692
Less Homestead:		4,790,500	2,336,750	0	0
<b>Net Valuation:</b>	<b>2,892,117,240</b>	<b>2,631,622,111</b>	<b>2,600,450,161</b>	<b>2,130,829,528</b>	<b>1,946,567,002</b>
TIF Valuation:	446,394,762	398,668,591	339,177,155	248,162,321	264,144,838
Utility Replacement:	88,041,196	86,658,739	82,848,919	70,188,164	58,802,906
<b>Taxable Valuation</b>					
Valuation as of January	2025	2024	2023	2022	2021
<u>Fiscal Year</u>	<u>2026-2027</u>	<u>2025-2026</u>	<u>2024-2025</u>	<u>2023-2024</u>	<u>2022-2023</u>
Residential:	733,460,186	730,502,065	729,464,902	742,122,118	634,155,985
Agricultural Land:	57,627,735	52,154,798	50,809,886	52,772,831	51,395,658
Ag Buildings:	2,480,293	3,176,501	2,847,798	2,577,720	2,148,484
Commercial:	704,938,658	611,424,073	574,378,639	469,554,330	422,391,607
Industrial:	21,962,982	65,302,296	66,991,228	58,708,789	57,205,621
Multi-Residential	0	0	0	0	42,945,017
Reserved	0	0	0	0	0
Railroads:	0	0	0	0	0
Utilities:	988,012	571,046	689,236	282,417	2,049,372
Other:	0	0	0	0	0
<b>Total Valuation:</b>	<b>1,521,457,866</b>	<b>1,463,130,779</b>	<b>1,425,181,689</b>	<b>1,326,018,205</b>	<b>1,212,291,744</b>
Less Military:	1,428,000	1,504,394	1,548,000	729,688	755,692
Less Homestead:		4,790,500	2,336,750	0	0
<b>Net Valuation:</b>	<b>1,520,029,866</b>	<b>1,456,840,067</b>	<b>1,421,296,939</b>	<b>1,325,288,517</b>	<b>1,211,536,052</b>
TIF Valuation:	446,394,762	398,668,591	339,177,155	248,162,321	264,144,838
Utility Replacement:	25,437,650	25,266,208	25,261,480	23,009,022	22,724,794

Valuation	Fiscal	Actual	% Change in	Taxable	% Change in
<u>Year</u>	<u>Year</u>	<u>Valuation</u>	<u>Actual</u>	<u>Valuation</u>	<u>Taxable</u>
		<u>w/Utilities</u>	<u>Valuation</u>	<u>w/Utilities</u>	<u>Valuation</u>
2025	20277	3,426,553,198	9.93%	1,991,862,278	5.91%
2024	2026	3,116,949,441	3.13%	1,880,770,866	5.32%
2023	2025	3,022,476,235	23.41%	1,785,735,574	11.86%
2022	2024	2,449,180,013	7.92%	1,596,459,860	6.54%
2021	2023	2,269,514,746	14.13%	1,498,405,684	12.45%

(1) Source: Iowa Department of Management

**Tax Rates (1)**

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

<u>Fiscal Year</u>	<u>Operating</u>	<u>Management</u>	<u>B-PPEL</u>	<u>V-PPEL</u>	<u>Debt</u>	<u>Total Levy Rate</u>
2026	9.85272	2.57742	0.33000	1.34000	4.04999	18.15013
2025	10.36441	2.62305	0.33000	1.34000	4.04613	18.70359
2024	11.91610	0.49247	0.33000	1.34000	4.05000	18.12857
2023	12.72132	0.32408	0.33000	1.34000	4.04895	18.76435
2022	12.14800	0.00000	0.33000	1.34000	4.05000	17.86800

**Historic Tax Rates (1)**

Presented below are the tax rates by levying authority for the residents of the City of Dallas Center (Dallas County) for the periods indicated:

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Total Levy Rate</u>
2026	11.76252	18.15013	0.78046	0.00000	0.31587	0.07241	0.58393	3.50685	35.17217
2025	12.18243	18.70359	0.75916	0.00180	0.33067	0.07629	0.58393	3.58451	36.22238
2024	11.90559	18.12857	0.74410	0.00180	0.31908	0.07868	0.58393	2.96949	34.73124
2023	12.59299	18.76435	0.69448	0.00240	0.21526	0.08590	0.54482	3.05184	35.95204
2022	12.68463	17.86800	0.67789	0.00260	0.22521	0.05732	0.52950	3.46118	35.50633

Presented below are the tax rates for by levying authority for the residents of the City of Grimes (Polk County) for the periods indicated:

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Transit</u>	<u>Total Levy Rate</u>
2026	10.69943	18.15013	0.78046	0.00000	0.24426	0.03143	2.38878	6.70896	0.00000	39.00345
2025	10.84518	18.70359	0.75916	0.00180	0.25772	0.03175	2.39364	6.77099	0.57016	40.33399
2024	11.07553	18.12857	0.74410	0.00180	0.22070	0.03346	2.63945	6.77099	0.55469	40.16929
2023	11.18908	18.76435	0.69448	0.00240	0.22542	0.03328	2.57722	6.77099	0.57016	40.82738
2022	11.41284	17.86800	0.67789	0.00260	0.19192	0.03486	2.57740	7.30880	0.58765	40.66196

**Tax Collection History (2)**

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

<u>Fiscal Year</u>	<u>Amount Levied</u>	<u>Amount Collected</u>	<u>Percentage Collected</u>
2025	29,375,556	29,371,380	99.99%
2024	26,164,222	26,267,821	100.40%
2023	24,989,906	24,968,867	99.92%
2022	21,448,675	21,328,719	99.44%
2021	20,103,902	20,215,011	100.55%

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

**Largest Taxpayers (1)**

Set forth in the following table are the persons or entities which represent the 2024 largest taxpayers within the Issuer. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the Issuer. The Issuer's tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the Issuer from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.

<u>Taxpayer</u>	<u>2024 Taxable Valuation</u>	<u>Percent of Total</u>
Aurora Business Park II LLC	37,639,943	2.001%
Anderson Four LLC	29,310,482	1.558%
Millpark partners LLC	29,151,096	1.550%
Prairie Business Park III LLC	24,237,233	1.289%
Hy-Vee Inc.	22,995,815	1.223%
Esday Oinesmay Partners LLC	21,986,147	1.169%
The Summat At Heritage LLC	21,154,494	1.125%
Meredith West LLC	20,932,297	1.113%
Prairie Business Park I LLC	20,636,147	1.097%
Urban Loop Building I LLC	20,501,147	1.090%
	<u>Total</u>	<u>13.22%</u>

---

(1) Source: Dallas and Polk Counties

## Direct Debt

### General Obligation School Bonds (Debt Service) (1) (2) (3) (4)

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

Fiscal Year	12/1/10	2/26/19	3/18/20	5/10/21A	5/10/21B	5/27/21	12/30/25	6/3/26	Surplus Levy	Total Principal	Total Interest	total P&I
6/1/26	596,573		600,000	100,000	975,000	675,000	0	0		2,946,573	2,419,884	5,366,457
6/1/27	596,573		2,125,000	100,000		200,000		510,000		3,511,573	4,525,547	8,037,120
6/1/28	596,573		2,190,000	100,000		175,000		0		3,061,573	4,443,607	7,505,180
6/1/29	596,573		2,255,000	95,000		200,000		0		3,146,573	4,214,370	7,360,943
6/1/30		1,130,000	1,005,000			1,125,000	1,000,000	0		4,260,000	3,522,971	7,782,971
6/1/31		1,220,000	1,025,000			1,125,000	1,000,000	0		4,370,000	3,383,559	7,753,559
6/1/32		1,320,000	1,040,000			1,125,000	1,000,000	0		4,485,000	3,239,946	7,724,946
6/1/33		1,400,000	1,070,000			1,125,000	1,000,000	0		4,595,000	3,089,071	7,684,071
6/1/34		1,600,000	1,055,000			1,125,000	1,000,000	0		4,780,000	2,934,096	7,714,096
6/1/35		1,700,000	1,075,000			1,125,000	1,000,000	0		4,900,000	2,778,759	7,678,759
6/1/36		3,500,000	910,000					380,000		4,790,000	2,618,821	7,408,821
6/1/37		3,700,000	880,000				1,000,000	2,110,000	-205,000	7,485,000	2,436,321	9,921,321
6/1/38		3,800,000	955,000				1,000,000	3,210,000	-3,800,000	5,165,000	2,145,721	7,310,721
6/1/39			4,935,000					425,000		5,360,000	1,948,671	7,308,671
6/1/40							1,000,000	4,525,000		5,525,000	1,783,621	7,308,621
6/1/41							1,000,000	4,745,000		5,750,000	1,562,621	7,312,621
6/1/42							1,000,000	4,975,000		5,980,000	1,332,621	7,312,621
6/1/43							1,100,000	5,115,000		6,215,000	1,093,421	7,308,421
6/1/44							1,100,000	5,365,000		6,470,000	842,071	7,312,071
6/1/45							1,100,000	5,630,000		6,730,000	577,833	7,307,833
6/1/46								7,010,000		7,015,000	297,437	7,312,437
Totals:	2,386,292	19,370,000	21,120,000	395,000	975,000	8,000,000	14,300,000	44,000,000	-4,005,000	106,541,292	51,190,971	157,732,263

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

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

### Anticipatory Warrants (1)

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

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

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

Fiscal Year	12/8/10	Interest	Obligations
6/1/26	265,300	288,113	553,413
6/1/27	265,300	288,113	553,413
6/1/28	265,300	288,113	553,413
6/1/29		288,113	288,113
Totals:	795,900	1,152,450	1,948,350

(1) Source: The Issuer

(2) Preliminary, subject to change

(3) With respect to the School Bond dated 2/26/19, the Issuer has deposited \$4,005,000 into an irrevocable escrow fund which will be used to pay \$4,005,000 of the June 1, 2038 maturity on June 1, 2028 (the first call date of said bond). The escrow does not include any interest payments due. The funds in the escrow are invested in SLGS and/or U.S. Treasury Obligations.

(4) With respect to the School Bond dated 2/26/19, the Issuer has irrevocably levied \$2,510,000 in taxes during its fiscal year 2025-2026, the taxes of which will be deposited on June 1, 2026 into an irrevocable escrow fund which will be used to pay \$2,510,000 of principal due June 1, 2037, on June 1, 2028. The escrow does not include any interest payments due. The resolution authorizing the escrow requires that the escrow be invested in either SLGs or U.S. Treasury Obligations, when funded.

### Debt Limit (1) (2) (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:

	<u>FY2026</u>
Actual Valuation:	3,116,949,441
X	5%
<hr/>	
Statutory Debt Limit:	155,847,472
Total General Obligation Bond Debt:	62,541,292
Plus the Bonds	44,000,000
Less 2026 maturity for which cash is on hand	-2,946,573
Total Loan Agreements:	
Capital Leases:	
<hr/>	
Total Debt Subject to Limit:	103,594,719
Percentage of Debt Limit Obligated:	66.47%

The constitutional debt limit does not include the Issuer's Sales Tax Revenue Bonds. If the Issuer's Sales Tax Revenue Bonds are included in the constitutional debt limit calculation, the "Total Debt Subject to Limit" would increase \$795,900 to be \$104,393,619, or 66.98% of the constitutional debt limit. (4)

### Overlapping & Underlying Debt (2) (3)

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

<u>Taxing Authority</u>	<u>GO Debt</u>	<u>Taxable</u>	<u>Valuation</u>	<u>Percentage</u>	<u>Amount</u>
	<u>Outstanding</u>	<u>Valuation</u>	<u>Within Issuer</u>	<u>Applicable</u>	<u>Applicable</u>
City Of Grimes	78,160,000	1,660,847,562	1,306,385,195	78.66%	61,478,891
City Of Urbandale	50,245,000	4,485,626,650	305,739,439	6.82%	3,424,689
City Of Dallas Center	7,808,000	128,953,820	128,953,820	100.00%	7,808,000
Polk County	374,670,000	37,160,273,935	1,611,101,730	4.34%	16,244,000
Dallas County	16,970,000	10,807,117,645	269,673,136	2.50%	423,457
Des Moines Area Cc	68,145,000	70,226,515,406	1,880,770,684	2.68%	1,825,025
Heartland Aea	0	69,999,578,107	1,880,770,684	2.69%	0
Urbandale Sanitary Sewer	4,850,000	4,245,241,735	209,003,174	4.92%	238,777
Total:					91,442,839

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

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

Actual Value of Property	3,421,701,698
Taxable Value of Property	1,987,010,778
Direct General Obligation Debt:	103,594,719
Overlapping Debt:	91,442,839
Direct & Overlapping General Obligation Debt:	195,037,558
Population, 2020 US Census:	15,744
	0
Direct Debt per Capita:	6,580
Total Debt per Capita:	12,388
Direct Debt to Taxable Valuation:	5.214%
Total Debt to Taxable Valuation:	9.816%
Direct Debt to Actual Valuation:	3.028%
Total Debt to Actual Valuation:	5.700%
Actual Valuation per Capita:	217,334
Taxable Valuation per Capita:	126,207

- 
- (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

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Directors of the Dallas Center-Grimes Community School District in the Counties of Polk and Dallas, State of Iowa, and acts of administrative officers of the School District (the "Issuer"), relating to the issuance of General Obligation School Bonds, Series 2026, by said Issuer, dated June 3, 2026, in the denominations of \$5,000 or multiples thereof, in the aggregate amount of \$ \_\_\_\_\_ (the "Bonds").

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

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

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

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.
2. The Bonds are valid and binding general obligations of the Issuer.
3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.
4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

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

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

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

AHLERS & COONEY, P.C.

## APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Dallas Center-Grimes Community School District, State of Iowa (the "Issuer"), in connection with the issuance of \$ \_\_\_\_\_ General Obligation School Bonds, Series 2026 (the "Bonds") dated June 3, 2026. 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 the 15th day of April of each year following the close of the Issuer's fiscal year (currently June 30), commencing with information for the 2026/2027 fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).
- b) If the Issuer is unable to provide to the National Repository the Annual Financial Information by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibit A.
- c) The Dissemination Agent shall:
  - i. each year file Annual Financial Information with the National Repository; and
  - ii. (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

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

- a) The last available audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements for the preceding years are not available by the time Annual Financial Information is required to be filed pursuant to Section 3(a), the Annual Financial Information filing shall contain unaudited financial statements of the type included in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Financial Information when they become available.
- b) A table, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the caption "Property Valuations", "Tax Rates", "Historic Tax Rates", "Tax Collection History", "Direct Debt", "Debt Limit", and "Financial Summary".

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

Section 5. Reporting of Significant Events.

- a) Pursuant to the provisions of this Section, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than 10 Business Days after the day of the occurrence of the event:
  - i. Principal and interest payment delinquencies;
  - ii. Non-payment related defaults, if material;
  - iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
  - iv. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
  - v. Substitution of credit or liquidity providers, or their failure to perform;
  - vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series Bonds, or material events affecting the tax-exempt status of the Bonds;
  - vii. Modifications to rights of Holders of the Bonds, if material;
  - viii. Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;
  - ix. Defeasances of the Bonds;
  - x. Release, substitution, or sale of property securing repayment of the Bonds, if material;
  - xi. Rating changes on the Bonds;
  - xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;
  - xiii. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
  - xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
  - xv. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
  - xvi. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.
- b) Whenever the Issuer obtains the knowledge of the occurrence of a Listed Event, the Issuer shall determine if the occurrence is subject to notice only if material, and if so shall as soon as possible determine if such event would be material under applicable federal securities laws.
- c) If the Issuer determines that knowledge of the occurrence of a Listed Event is not subject to materiality, or determines such occurrence is subject to materiality and would be material under applicable federal securities laws, the Issuer shall promptly, but not later than 10 Business Days after the occurrence of the event, file a notice of such occurrence with the Municipal Securities Rulemaking Board through the filing with the National Repository.

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

Section 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate with respect to each Series of Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds of that Series or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions

or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

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

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

- a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

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

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

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

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

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

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

Date: \_\_\_\_\_ day of \_\_\_\_\_, 2026.

DALLAS CENTER-GRIMES 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: Dallas Center-Grimes Community School District, Iowa.

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

Dated Date of Issue: June 3, 2026

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

Dated: \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

DALLAS CENTER-GRIMES 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.

The remainder of this page was left blank intentionally.

**Dallas Center - Grimes Community School District  
Grimes, Iowa**

**Basic Financial Statements**

**June 30, 2025**

**Dallas Center - Grimes Community School District  
Table of Contents**

<b>Elected Officials and Administration</b>	1
<b>Independent Auditor's Report</b>	3
<b>Management's Discussion and Analysis</b>	7
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements	
Statement of Net Position	22
Statement of Activities	23
Governmental Fund Financial Statements	
Balance Sheet	24
Reconciliation of the Balance Sheet to the Statement of Net Position	27
Statement of Revenues, Expenditures, and Changes in Fund Balances	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	30
Proprietary Fund Financial Statements	
Statement of Net Position	31
Statement of Revenues, Expenses, and Changes in Fund Net Position	32
Statement of Cash Flows	33
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	34
Statement of Changes in Fiduciary Net Position	34
Notes to Basic Financial Statements	35
<b>Required Supplementary Information</b>	
Schedule of Budgetary Comparison of Revenue, Expenditures/Expenses, and Changes in Balances - Budget to Actual - All Governmental Funds and Proprietary Funds	58
Notes to Required Supplementary Information - Budgetary Reporting	59
Schedule of District's Proportionate Share of the Net Pension Liability	60
Schedule of District Contributions	61
Notes to Required Supplementary Information - Pension Liability	63
Schedule of Changes in Total OPEB Liability, Related Ratios and Notes	64
<b>Supplementary Information</b>	
Capital Projects Fund Accounts	
Combining Balance Sheet	68
Combining Schedule of Revenues, Expenditures, and Changes in Balances	69
Schedule of Changes in Student Activity Special Revenue Fund	70
Proprietary Funds	
Combining Statement of Net Position	73
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	74
Combining Statement of Cash Flows	75
Schedule of Revenue by Source and Expenditures by Function - All Governmental Fund Types	76

Dallas Center - Grimes Community School District  
Table of Contents

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	79
Schedule of Findings and Responses	81

**Dallas Center - Grimes Community School District  
Board of Education and Administration  
June 30, 2025**

Board of Education	Position	Term Expires
Ryan Carpenter	President	2027
Monica Malmberg	Vice President	2025
Nancy Baker Curtis	Board Member	2027
Meg Dickinson	Board Member	2027
Nick Fiala	Board Member	2025
Brandon McNace	Board Member	2025
Shaylee Vander Velden	Board member	2027
<u>School Officials</u>		
Dr. Scott Blum	Superintendent	2026
Michelle Wearmouth	Board Secretary/Treasurer and Business Manager	Indefinite
Ahler's Law Firm	Attorney	Indefinite

(THIS PAGE LEFT BLANK INTENTIONALLY)



## Independent Auditor's Report

To the School Board  
Dallas Center - Grimes Community School District  
Grimes, Iowa

### **Report on Audit of the Basic Financial Statements**

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

In our opinion, the accompanying financial statements referred to in the first paragraph 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 Dallas Center - Grimes Community School District, Grimes, Iowa, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information as listed in the Table of Contents 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 Auditing Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 the District's internal control over financial reporting and compliance.

BerganKDV, Ltd.

St. Cloud, Minnesota  
October 21, 2025

(THIS PAGE LEFT BLANK INTENTIONALLY)

## Dallas Center-Grimes Community School District Management's Discussion and Analysis

Dallas Center-Grimes 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 this narrative overview and analysis.

### Financial Highlights

- The assets and deferred outflows of resources of Dallas Center-Grimes Community School District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$99,612,247.
- General Fund revenues increased from \$48,083,121 in fiscal 2024 to \$49,190,642 in fiscal 2025, while General Fund expenditures increased from \$46,602,476 in fiscal 2024 to \$48,052,382 in fiscal 2025. The District's General Fund balance increased from \$10,672,587 in fiscal 2024 to \$11,810,847 in fiscal 2025. General Fund revenues increased due to an increase in state funding related to the amount received per student and an increase in the number of students served. General Fund expenditures increased due to the increase in salaries and benefits and additional programming.

### 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 Dallas Center-Grimes Community School District as a whole and present an overall view of the District's finances.

The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Dallas Center-Grimes Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Dallas Center-Grimes Community School District acts solely as a custodian for the benefit of those outside of the District.

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

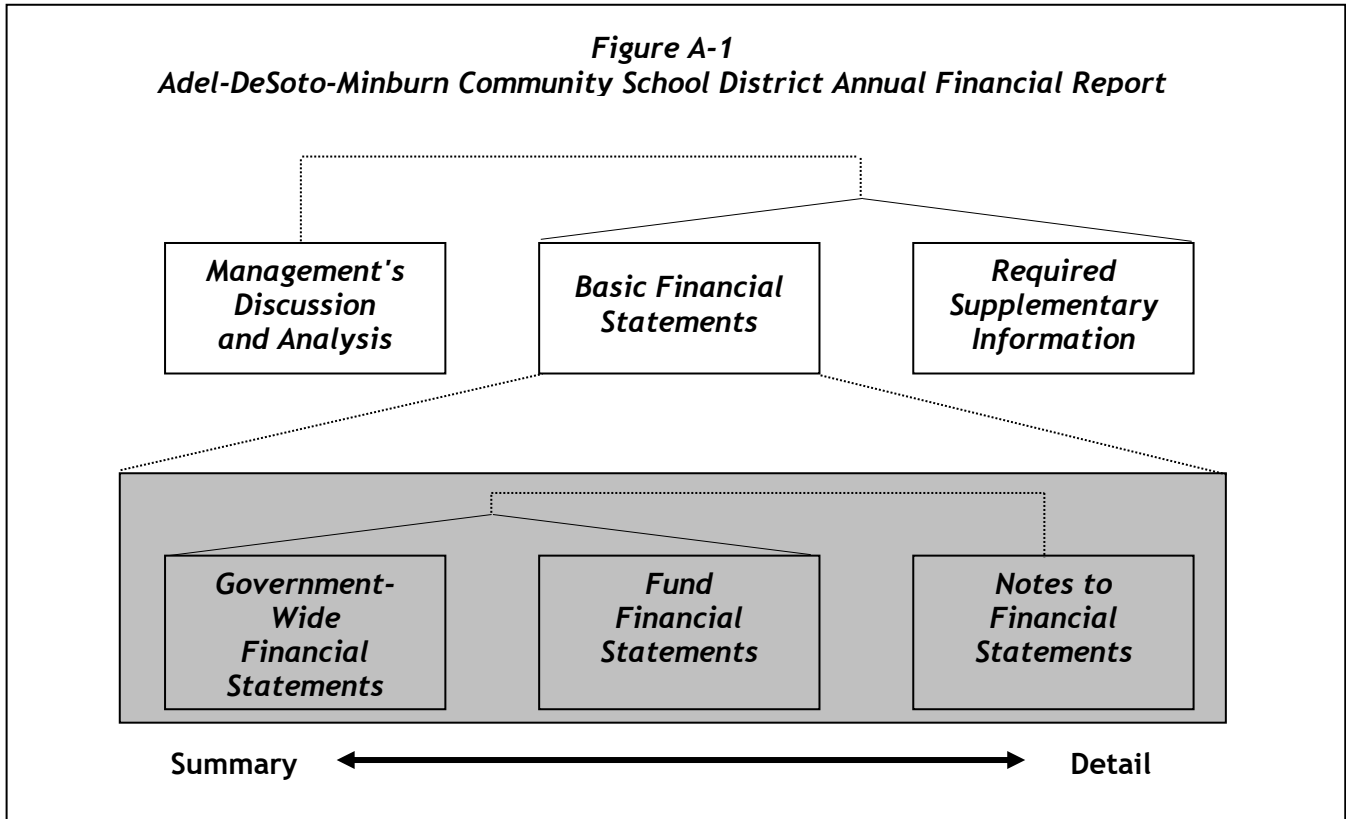
Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the schedule of changes in total OPEB liability for the retiree health plan.

Supplementary Information provides detailed information about the nonmajor governmental funds.

Dallas Center-Grimes Community School District  
Management's Discussion and Analysis

USING THIS ANNUAL REPORT (CONTINUED)

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



**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

**USING THIS ANNUAL REPORT (CONTINUED)**

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

<b>Figure A-2 Major Features of the Government-Wide and Fund Financial Statements</b>				
	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services, student construction and student operated farm.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and custodial monies
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue expenses, and changes in fund net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of deferred outflow/inflow information	Consumption/acquisition of net assets that is applicable to a future reporting period	Consumption/acquisition of fund balance that is applicable to a future reporting period	Consumption/acquisition of net assets that is applicable to a future reporting period	Consumption/acquisition of net assets that is applicable to a future reporting period
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## Dallas Center-Grimes Community School District Management's Discussion and Analysis

### 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 revenue 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 nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

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

- *Governmental Activities:* Most of the District's 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 and future farmers of America programs are included here.

#### Fund Financial Statements

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

Some funds are required by state law and by bond covenants. The District 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 revenue 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 (a) how cash and other financial assets that can readily be converted to cash flow in and out and (b) 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, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund.

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

**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

**REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES (CONTINUED)**

**Fund Financial Statements (Continued)**

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 funds, one type of proprietary fund, are the same as its business-type activities, but provides more detail and additional information, such as cash flows. The District's nonmajor enterprise funds are the School Nutrition Fund, Student Construction and Farm fund.

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

3. *Fiduciary Funds:* The District is the custodian for assets that belong to others. These funds include the custodial fund.

The Custodial Fund is used to account for assets held by the District that belong to others.

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

The required financial statements for fiduciary funds include a statement of fiduciary net position and 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.

**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Figure A-3 below provides a summary of the District's net position as of June 30, 2025, compared to June 30, 2024.

**Figure A-3  
Condensed Statement of Net Position**

	Governmental Activities		Business- Type Activities		Total District		Percent Change
	June 30,		June 30,		June 30,		
	2025	2024	2025	2024	2025	2024	
Current and other assets	\$ 96,726,704	\$ 87,287,663	\$ 1,324,015	\$ 1,337,960	\$ 98,050,719	\$ 88,625,623	10.63%
Capital assets	114,715,226	115,232,561	231,021	273,521	114,946,247	115,506,082	-0.48%
Total assets	<u>211,441,930</u>	<u>202,520,224</u>	<u>1,555,036</u>	<u>1,611,481</u>	<u>212,996,966</u>	<u>204,131,705</u>	<u>4.34%</u>
Deferred outflows of resources	4,588,983	6,186,590	-	-	4,588,983	6,186,590	-25.82%
Total assets and deferred outflows of resources	<u>\$216,030,913</u>	<u>\$208,706,814</u>	<u>\$ 1,555,036</u>	<u>\$ 1,611,481</u>	<u>\$217,585,949</u>	<u>\$210,318,295</u>	<u>3.46%</u>
Current liabilities	\$ 9,650,139	\$ 9,836,942	\$ -	\$ 87,655	\$ 9,650,139	\$ 9,924,597	-2.77%
Long-term liabilities	77,525,337	82,618,593	-	-	77,525,337	82,618,593	-6.16%
Total liabilities	<u>87,175,476</u>	<u>92,455,535</u>	<u>-</u>	<u>87,655</u>	<u>87,175,476</u>	<u>92,543,190</u>	<u>-5.80%</u>
Deferred inflows of resources	30,798,226	30,821,998	-	-	30,798,226	30,821,998	-0.08%
Net position							
Net investment in capital assets	45,951,604	43,866,335	231,021	273,521	46,182,625	44,139,856	4.63%
Restricted	43,099,862	34,995,478	-	-	43,099,862	34,995,478	23.16%
Unrestricted	9,005,745	6,567,468	1,324,015	1,250,305	10,329,760	7,817,773	32.13%
Total net position	<u>98,057,211</u>	<u>85,429,281</u>	<u>1,555,036</u>	<u>1,523,826</u>	<u>99,612,247</u>	<u>86,953,107</u>	<u>14.56%</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$216,030,913</u>	<u>\$208,706,814</u>	<u>\$ 1,555,036</u>	<u>\$ 1,611,481</u>	<u>\$217,585,949</u>	<u>\$210,318,295</u>	<u>3.46%</u>

The District's total net position increased 14.6%, or \$12,659,140, from the prior year. The primary reason for the increase was positive fund operations in the District's funds, especially the capital project funds.

The largest portion of the District's net position is invested in capital assets (e.g., land, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets, this amount increased due to current year additions and debt payments outpacing depreciation and new debt issued.

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 \$8,104,384, or 23.2%, over the prior year due to decreased spending on capital projects.

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 \$2,511,987, or 32.1%. The increase in unrestricted net position was primarily a result of an increase in the deferred outflows of resources due to changes in actuarial assumptions causing an overall decrease in the net pension liability.

**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

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

**Figure A-4  
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total District		Percent Change
	2025	2024	2025	2024	2025	2024	
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 6,451,333	\$ 5,251,996	\$ 1,258,659	\$ 1,433,224	\$ 7,709,992	\$ 6,685,220	15.33%
Operating grants and contributions and restricted interest	7,666,639	8,377,987	806,299	897,695	8,472,938	9,275,682	-8.65%
Capital grants and contributions and restricted interest	335,171	-	-	-	335,171	-	N/A
General revenues							
Property tax	29,652,326	26,412,488	-	-	29,652,326	26,412,488	12.27%
Statewide sales, services and use tax	4,631,402	4,581,784	-	-	4,631,402	4,581,784	1.08%
Unrestricted state grants	19,941,038	19,015,121	-	-	19,941,038	19,015,121	4.87%
Unrestricted investment earnings	2,001,325	2,034,113	54,681	58,900	2,056,006	2,093,013	-1.77%
Total revenues	<u>70,679,234</u>	<u>65,673,489</u>	<u>2,119,639</u>	<u>2,389,819</u>	<u>72,798,873</u>	<u>68,063,308</u>	<u>6.96%</u>
<b>Program Expenses</b>							
Instruction	32,824,653	31,681,981	-	-	32,824,653	31,681,981	3.61%
Support services	17,353,052	15,362,621	-	-	17,353,052	15,362,621	12.96%
Noninstructional programs	-	-	2,088,429	2,483,173	2,088,429	2,483,173	-15.90%
Other	7,873,599	6,125,976	-	-	7,873,599	6,125,976	28.53%
Total expenses	<u>58,051,304</u>	<u>53,170,578</u>	<u>2,088,429</u>	<u>2,483,173</u>	<u>60,139,733</u>	<u>55,653,751</u>	<u>8.06%</u>
Change in net position	12,627,930	12,502,911	31,210	(93,354)	12,659,140	12,409,557	-2.01%
Beginning of year net position	85,429,281	63,568,277	1,523,826	1,617,180	86,953,107	65,185,457	33.39%
Error correction	-	8,428,489	-	-	-	8,428,489	N/A
Change in accounting principle	-	929,604	-	-	-	929,604	N/A
Beginning of year net position, restated	<u>85,429,281</u>	<u>72,926,370</u>	<u>1,523,826</u>	<u>1,617,180</u>	<u>86,953,107</u>	<u>66,115,061</u>	<u>31.52%</u>
End of year net position	<u>\$ 98,057,211</u>	<u>\$ 85,429,281</u>	<u>\$ 1,555,036</u>	<u>\$ 1,523,826</u>	<u>\$ 99,612,247</u>	<u>\$ 77,595,014</u>	<u>28.37%</u>

In fiscal year 2025, property tax, statewide sales, services and use tax and unrestricted state grants accounted for 76.7% of governmental activities revenue while charges for service and operating grants, other and unrestricted interest accounted for 100% of business-type activities revenue. The District's total revenue was approximately \$72.8 million, of which approximately \$70.7 million was for governmental activities and \$2.1 million was for business-type activities.

As shown in Figure A-4, the District as a whole experienced a 7.0% increase in revenue and an 8.1% increase in expenses. The increase in revenues was due to increases in student counts and amount received per student. The increase in expenses is primarily due to increased salaries and wages as well as increased repairs and maintenance costs.

**Governmental Activities**

Revenue for governmental activities was \$70,679,234 and expenses were \$58,051,304, which amounted to an increase in net position of \$12,627,930 for the year ended June 30, 2025.

**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Governmental Activities (Continued)**

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

**Figure A-5  
Total and Net Cost of Governmental Activities**

	Total Cost of Service			Net Cost of Service		
	2025	2024	Percentage Change	2025	2024	Percentage Change
Instruction	\$32,824,653	\$31,681,981	3.61%	\$20,796,731	\$21,038,256	-1.15%
Support Services	17,353,052	15,362,621	12.96%	16,980,090	15,333,809	10.74%
Other	7,873,599	6,125,976	28.53%	5,821,340	3,168,530	83.72%
<b>Total</b>	<b>\$58,051,304</b>	<b>\$53,170,578</b>	<b>9.18%</b>	<b>\$43,598,161</b>	<b>\$39,540,595</b>	<b>10.26%</b>

For the year ended June 30, 2025:

- The cost financed by users of the District's programs was \$6,451,333.
- Federal and state governments and private entities subsidized certain programs with grants and contributions totaling \$8,001,810.
- The net cost of governmental activities was financed with \$34,283,728 in property and other taxes, \$19,941,038 in unrestricted state and federal grants, \$2,001,325 in unrestricted investment earnings.

**Business-Type Activities**

Revenue for business-type activities during the year ended June 30, 2025, was \$2,119,639, representing a 11.3% decrease over the prior year due to a decreased number of meals served, while expenses totaled \$2,088,429, a 15.9% decrease over the prior year due to fewer meals served. The District's business-type activities include the School Nutrition Fund, Student Construction Fund and Farm Account Fund. Revenue of these activities was comprised of charges for service, federal and state reimbursements and grants and investment earnings.

- Charges for service represent 59.4% of total revenue for fiscal years 2025. This represents the amount paid by students/staff for daily food service and farm sales.
- Federal and state operating grants, included reimbursement for meals, payments for free and reduced lunches, commodities provided to the District and other miscellaneous grants, totaled \$806,299, or 38.0% of total revenue.

## Dallas Center-Grimes Community School District Management's Discussion and Analysis

### INDIVIDUAL FUND ANALYSIS

As previously noted, Dallas Center-Grimes 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 \$53,944,575, an increase of \$9,063,060 from last year's ending fund balances of \$44,881,515. The primary reason for the increase in combined fund balances at the end of fiscal year 2025 was due to decreased capital spending, positive general fund operations, and continued increases in debt service reserves. Revenue increased from the prior year; \$5,005,745, or 7.6% due to increased state grants received and an increase in the property tax levy. Expenditures decreased 1.9% due to decreased capital expenditures.

#### **Governmental Fund Highlights**

The General Fund is the chief operating fund of the District. At the end of fiscal year 2025, unassigned fund balance of the General Fund was \$9,922,878 while total fund balance increased from \$10,672,587 at the end of fiscal year 2024 to \$11,810,847 the end of fiscal year 2025.

The General Fund balance increased by \$1,138,260, or 10.7%, during the current fiscal year. The primary reasons for this increase were fund operations.

The Debt Service Fund balance increased from \$16,293,138 at the end of fiscal year 2024 to \$19,370,659 at the end of fiscal year 2025. The increase in fund balance due to pre levying for future debt service costs. Current year expenditures included principal and interest.

The Management Levy Fund balance increased from \$1,274,601 at the end of fiscal year 2024 to \$2,077,024 at the end of fiscal year 2025. The increase is due to an increase in this fund's share of the property tax levy. Current year expenditures included insurance costs.

The Capital Projects Fund balance increased from \$16,244,388 as of June 30, 2024, to \$20,260,085 as of June 30, 2025. Revenues decreased due to a decrease in this fund's share in the property tax levy. Expenditures decreased due to fewer capital project expenditures.

#### **Proprietary Fund Highlights**

School Nutrition Fund net position was \$1,498,997 as of June 30, 2025. Revenue decreased due to decreased number of meals served. Expenses decreased due to the decreased number of meals served.

The Student Construction fund net position was \$29,141 as of June 30, 2025. This fund had no activity during this fiscal year.

The Farm Account fund net position was \$26,898 as of June 30, 2025. This fund had minimal activity during the fiscal year.

**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

**BUDGETARY HIGHLIGHTS**

In accordance with state law, the school board annually adopts a budget following the public notice and hearing requirements. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The District adopts a budget in April for the following year and at the same time considers a budget amendment for expenditures for the current year. The District did not amend its original budget for fiscal year 2025.

A schedule showing the original and final budget amounts compared to the District's actual financial activity is provided in this report as required supplementary information.

The District's total revenue was \$4,324,135 more than total budgeted revenue, a variance of 6.3%, primarily due to receiving more local sources aid than anticipated.

Total expenditures were \$15,530,013 less than total budgeted expenditures, a variance of 19.6%, primarily due to conservative budgeting.

The certified budget was not exceeded in any individual functions, and the District's total spending authority was not exceeded.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2025, the District had invested \$114,946,247, net of accumulated depreciation, in a broad range of capital assets, including land, buildings and improvements, land improvements, equipment, furniture and construction in progress (See Figure A-6). This represents a net decrease of 0.5% from last year. More detailed information about the District's capital assets is presented in Note 4 to the financial statements. Depreciation expense was \$4,109,531 for Governmental Activities and \$42,500 for Business-Type Activities.

The original cost of the District's capital assets was approximately \$158.4 million. Governmental funds account for approximately \$157.3 million with the remainder of approximately \$1.1 million accounted for in the Proprietary Funds.

**Figure A-6  
Capital Assets, Net of Depreciation**

	Governmental Activities		Business-Type Activities		Total District		Percentage Change
	June 30,		June 30,		June 30,		
	2025	2024	2025	2024	2025	2024	
Land	\$ 5,885,890	\$ 5,885,890	\$ -	\$ -	\$ 5,885,890	\$ 5,885,890	0.00%
Construction in progress	864,267	1,803,191	-	-	864,267	1,803,191	-52.07%
Buildings and Improvements	103,368,547	103,060,019	-	-	103,368,547	103,060,019	0.30%
Improvements other than buildings	616,256	690,533	-	-	616,256	690,533	-10.76%
Machinery and equipment	3,980,266	3,792,928	231,021	273,521	4,211,287	4,066,449	3.56%
<b>Total</b>	<b>\$114,715,226</b>	<b>\$115,232,561</b>	<b>\$ 231,021</b>	<b>\$ 273,521</b>	<b>\$114,946,247</b>	<b>\$115,506,082</b>	<b>-0.48%</b>

**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)**

**Long-Term Debt**

As of June 30, 2025, the District had \$79,911,337 of total long-term debt outstanding. This represents a decrease of 5.9% from last year (See Figure A-7). Additional information about the District's long-term debt is presented in Note 5 to the financial statements.

The Constitution of the State of Iowa limits the amount of debt districts can issue to 5% of the assessed value of all taxable property within the District. The District's outstanding debt is significantly below its constitutional debt limit of approximately \$135.9 million.

**Figure A-7  
Outstanding Long-Term Debt**

	Total District		Percent Change
	June 30,		
	2025	2024	
General obligation bonds	\$ 60,885,000	\$ 63,225,000	-3.7%
Revenue bonds	4,925,000	4,925,000	0.0%
Net pension liability	10,591,979	13,013,922	-18.6%
Total OPEB liability	555,736	578,445	-3.9%
Unamortized bond premium	2,953,622	3,216,226	-8.2%
<b>Total</b>	<b>\$ 79,911,337</b>	<b>\$ 84,958,593</b>	<b>-5.9%</b>

**ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE**

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

- Approximately 82% of the general fund budget is salary and benefits. Current economic factors have driven district staff wage settlements higher than the increase the district has received in supplemental state aid growth.
- The District has experienced enrollment growth over several of the last ten years, however enrollment growth has stagnated since August 2023. The district has seen slight enrollment declines in October of FY24, FY25, and FY26. While outlook from the City of Grimes indicates significant housing increases, the District should monitor enrollment trend closely and make adjustments as needed.
- The District's population in 2010 was estimated at 9,869 which is approximately 51% growth over the 2000 census. The District's population in 2020 was estimated at 17,293 according to the 2020 census which is approximately 75% growth over the 2010 census. The district should monitor demographic changes and base future estimates on conservative figures based on that data.
- The bond issue voted September 11, 2018 had an 84.5% positive vote in the election and construction will began in the 2018-19 fiscal year on Oak View 7-8 as well as 5-6 middle school renovation, and continued through 2021-22 and 2023-24 with the high school renovation and additions. The voters of the District will consider a new bond of \$88 million in November 2025 to complete projects that impact nearly every facility in the District.

## Dallas Center-Grimes Community School District Management's Discussion and Analysis

### ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)

- Private and corporate homebuilders continue to select the Grimes area for new home construction. The recent rate of growth will allow for a manageable transition to additional facilities, but accelerated rates of growth expected will greatly stress current facilities. The District continues to monitor growth of residential housing by monitoring the number of building permits granted. At this time, infrastructure for residential housing is occurring in several developments in Grimes.
- The District has contracted the services of RSP Associates to monitor and project enrollment growth. This is yet another factor providing information to the administration and subsequently to the Facilities committee to plan for enrollment growth.
- In March 2025, the District approved a new Statement of Purpose for the SAVE local option sales tax which is effective until 2051. This will allow a greater use of SAVE funds and adding to the capacity for projects that have primarily been PPEL projects.
- In the fall of 2008, the District established a community wide facility committee. The facility committee continues to meet to review future facility needs of the District and reviews uses of funds for projects or the need for future bonding for major construction.
- The District voters passed the renewal of a voter-approved PPEL levy in March 2025 for 10 years. These funds will continue to support repair and renovations in the District and possible funds for needed additions to facilities.
- Along with growth, transportation needs to transport students to school locations continues to grow. The District has purchased four new buses in the fiscal year. The District will need to maintain a level of at least two to three bus purchases annually in the future which has been included in the District ten-year PPEL planning. If neighborhood school boundaries are changed, or if grade reconfiguration occurs then bussing needs may also change and additional buses must be purchased per year.
- The Board negotiated a single year agreement for FY25 as the DCGEA moved through the successful recertification process in FY25. The Board negotiated a two-year contract for FY26 and FY27 with reopener language for the second year.
- In January 2023, the bond rating was reviewed by Moody's Investing Service for the eighth time and the rating was upheld at Aa2. The report noted areas of strength including tax base growth, increasing enrollment, and strong fiscal management.
- Over the past several years, the District net open enrollment in and out number has changed dramatically. The 2016 school year experienced a net positive open enrollment students near the same figures as the previous fiscal year while 2017 and fiscal years 2020 through 2023 and 2024 saw a decline primarily based upon space available due to residential growth. Fiscal year 2025 enrollment count experienced growth in net open enrollment. The District will need to be careful of funding ongoing expenditures with funds as variable as open enrollment and make immediate changes in staffing levels if open enrollment drops. The District will also need to monitor students who choose charter schools as new legislation allows public school funding to be distributed to charter schools. The District needs to continue to foster open enrollment to the extent that facilities allow.

## **Dallas Center-Grimes Community School District Management's Discussion and Analysis**

### **ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)**

- In the January 1, 2017 assessment of District taxable valuation, property values increased by 7%. In the January 1, 2018 assessment of District taxable valuation, property values increased by 13.88 followed by a property value increase in 2019 of 10.84%. In January 2020, value increased by 8.21% then increased 4.57% in FY21. In FY22, the valuation increased 10.61% and in FY23 the valuation increased 9.24%. The FY24 valuation increase was 7.29% yet the FY25 valuation increase was only 2.46%. This percentage is varying greatly and difficult to predict for future projections. With the many variables associated with property tax valuation such as agricultural valuation changes in Dallas County, TIF valuation changes, and reassessment of properties, the District will monitor closely as it may not experience the same historic levels of taxable property valuation growth.
- Area cities continue to discuss and use TIF as means of supporting development. All TIF, but especially residential TIFs will have a negative impact on property tax rate. The District must continue to monitor and oppose TIFs that negatively impact the District.
- Although current facilities are in great condition, there has been an increasing need for annual facility maintenance funds, as District facilities are no longer under warranty and start to age. Much of the increased cost is associated with managing increased technology in our mechanical and electrical systems. The voters of the District approved a voted-PPEL levy to help meet the annual facility maintenance needs. The District recently developed a multi-year facilities need plan to assist in prudent planning for facility improvement and mechanical equipment replacement needs.
- The rapid addition of facilities has been fostered by significant residential and commercial taxable valuation growth. A decrease in valuation will likely have an impact on the District property tax rate. Although District enrollment growth has been manageable, rates of growth similar to other area districts will result in a significant impact upon facilities and in the property tax rate.
- Ongoing discussions of revisions to Highway 44, Highway 141, and the construction of a north/south bypass and/or an east/west bypass will impact the commercial and residential growth of Grimes. A \$250 million mixed-use development in Grimes has been completed and continues to progress. This area will eventually include hotels, restaurants, retail, and a multi-use sports tournament venue for soccer, baseball, softball, and football. This development is called Hope District is proposed for 200 acres northwest of Highway 141 and East First Street. The Grimes City Council has approved a development agreement with Hope Development which addresses infrastructure, ownership, and management by the City of Grimes. The District will continue to monitor these developments for their impact to residential growth impacting enrollment and commercial growth impacting valuation.
- The District has structured payments for General Obligation bonds with several larger payments in the years 2027, 2028, and 2029. This structure will create difficulty in future bonding schedules, and the Board will prudently review this situation and take available action to consider using subsidy payments and pre-levying funds toward prepayment of those bonds to create a favorable payment structure for the future.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide 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, please contact Michelle Wearmouth, Business Manager at Dallas Center-Grimes Community School District, P.O. Box 680, Grimes, Iowa 50111.

(THIS PAGE LEFT BLANK INTENTIONALLY)

## **BASIC FINANCIAL STATEMENTS**

**Dallas Center - Grimes Community School District**  
**Statement of Net Position**  
**June 30, 2025**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 64,401,313	\$ 1,310,266	\$ 65,711,579
Receivables			
Property tax - delinquent	47,513	-	47,513
Property tax - succeeding year	29,609,933	-	29,609,933
Accounts receivable	83,572	-	83,572
Due from other governmental units	2,584,373	-	2,584,373
Inventory	-	13,749	13,749
Capital assets, net of accumulated depreciation	107,965,069	231,021	108,196,090
Capital assets not being depreciated	6,750,157	-	6,750,157
Total assets	<u>211,441,930</u>	<u>1,555,036</u>	<u>212,996,966</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to OPEB	77,166	-	77,166
Deferred outflows related to pensions	4,511,817	-	4,511,817
Total deferred outflows of resources	<u>4,588,983</u>	<u>-</u>	<u>4,588,983</u>
 Total assets and deferred outflows of resources	 <u>\$ 216,030,913</u>	 <u>\$ 1,555,036</u>	 <u>\$ 217,585,949</u>
<b>Liabilities</b>			
Accounts and contracts payable	\$ 1,590,317	\$ -	\$ 1,590,317
Salaries and benefits payable	4,253,298	-	4,253,298
Interest payable	376,835	-	376,835
Due to other governmental units	1,043,689	-	1,043,689
Bonds payable			
Due within one year	2,350,000	-	2,350,000
Due in more than one year	66,413,622	-	66,413,622
Total OPEB liability			
Due within one year	36,000	-	36,000
Due in more than one year	519,736	-	519,736
Net pension liability - due in more than one year	10,591,979	-	10,591,979
Total liabilities	<u>87,175,476</u>	<u>-</u>	<u>87,175,476</u>
<b>Deferred Inflows of Resources</b>			
Property tax levied for succeeding year	29,609,933	-	29,609,933
Deferred inflows related to OPEB	1,159,117	-	1,159,117
Deferred inflows related to pensions	29,176	-	29,176
Total deferred inflows of resources	<u>30,798,226</u>	<u>-</u>	<u>30,798,226</u>
<b>Net Position</b>			
Net investment in capital assets	45,951,604	231,021	46,182,625
Restricted for			
Categorical funding	1,342,969	-	1,342,969
Debt service	18,993,824	-	18,993,824
School infrastructure	13,612,239	-	13,612,239
Physical plant and equipment	6,647,846	-	6,647,846
Student activities	425,960	-	425,960
Management levy purposes	2,077,024	-	2,077,024
Unrestricted	9,005,745	1,324,015	10,329,760
Total net position	<u>98,057,211</u>	<u>1,555,036</u>	<u>99,612,247</u>
 Total liabilities, deferred inflows of resources, and net position	 <u>\$ 216,030,913</u>	 <u>\$ 1,555,036</u>	 <u>\$ 217,585,949</u>

**Dallas Center - Grimes Community School District**  
**Statement of Activities**  
**Year Ended June 30, 2025**

Functions/Programs	Program Revenues				Net (Expenses), Revenue, and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities</b>							
Instruction	\$ 32,824,653	\$ 6,451,333	\$ 5,576,589	\$ -	\$ (20,796,731)	\$ -	\$ (20,796,731)
Support Services							
Student	953,854	-	-	-	(953,854)	-	(953,854)
Instructional staff	3,000,362	-	-	-	(3,000,362)	-	(3,000,362)
Administration	4,641,891	-	-	-	(4,641,891)	-	(4,641,891)
Operation and maintenance of plant	6,619,635	-	-	335,171	(6,284,464)	-	(6,284,464)
Transportation	2,137,310	-	37,791	-	(2,099,519)	-	(2,099,519)
Facilities acquisition	1,277,853	-	-	-	(1,277,853)	-	(1,277,853)
AEA Flow through	1,373,932	-	1,373,932	-	-	-	-
Interest and fiscal charges	2,373,471	-	678,327	-	(1,695,144)	-	(1,695,144)
Unallocated depreciation	2,848,343	-	-	-	(2,848,343)	-	(2,848,343)
Total governmental activities	58,051,304	6,451,333	7,666,639	335,171	(43,598,161)	-	(43,598,161)
<b>Business-type activities</b>							
Noninstructional programs							
Food service operations	2,088,429	1,256,799	806,299	-	-	(25,331)	(25,331)
Future Farmers of America operations	-	1,860	-	-	-	1,860	1,860
Total business-type activities	2,088,429	1,258,659	806,299	-	-	(23,471)	(23,471)
<b>Total</b>	<b>\$ 60,139,733</b>	<b>\$ 7,709,992</b>	<b>\$ 8,472,938</b>	<b>\$ 335,171</b>	<b>(43,598,161)</b>	<b>(23,471)</b>	<b>(43,621,632)</b>
<b>General revenues</b>							
Taxes							
Property taxes, levied for general purposes					15,527,171	-	15,527,171
Property taxes, levied for debt service					7,285,059	-	7,285,059
Property taxes, levied for management levy					3,833,261	-	3,833,261
Property taxes, levied for capital outlay					3,006,835	-	3,006,835
Unrestricted statewide sales, services, and use tax					4,631,402	-	4,631,402
Unrestricted state grants					19,941,038	-	19,941,038
Unrestricted investment earnings					2,001,325	54,681	2,056,006
Total general revenues					56,226,091	54,681	56,280,772
Change in net position					12,627,930	31,210	12,659,140
Net position - beginning					85,429,281	1,523,826	86,953,107
Net position - ending					\$ 98,057,211	\$ 1,555,036	\$ 99,612,247

**Dallas Center - Grimes Community School District**  
**Balance Sheet - Governmental Funds**  
**June 30, 2025**

	General (10)	Debt Service (40)	Management Levy (22)	Capital Projects
<b>Assets</b>				
Cash and investments	\$ 15,441,969	\$ 19,364,888	\$ 2,230,713	\$ 20,138,840
Receivables				
Property tax - delinquent	25,350	11,221	6,311	4,631
Property tax - succeeding year	15,031,944	7,617,102	3,820,000	3,140,887
Accounts receivable	17,004	-	-	-
Due from other governmental units	2,098,691	-	-	485,682
	<u>2,098,691</u>	<u>-</u>	<u>-</u>	<u>485,682</u>
Total assets	<u>\$ 32,614,958</u>	<u>\$ 26,993,211</u>	<u>\$ 6,057,024</u>	<u>\$ 23,770,040</u>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 492,637	\$ 5,450	\$ 160,000	\$ 369,068
Salaries and benefits payable	4,253,298	-	-	-
Due to other governmental units	1,026,232	-	-	-
	<u>1,026,232</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,772,167</u>	<u>5,450</u>	<u>160,000</u>	<u>369,068</u>
<b>Deferred Inflows of Resources</b>				
Property tax levied for succeeding year	15,031,944	7,617,102	3,820,000	3,140,887
	<u>15,031,944</u>	<u>7,617,102</u>	<u>3,820,000</u>	<u>3,140,887</u>
<b>Fund Balances</b>				
Restricted for				
Categorical funding	1,342,969	-	-	-
Debt service	-	19,370,659	-	-
School infrastructure	-	-	-	13,612,239
Physical plant and equipment	-	-	-	6,647,846
Management levy purposes	-	-	2,077,024	-
Student activities	-	-	-	-
Committed for				
Future curriculum purchases	545,000	-	-	-
Unassigned	9,922,878	-	-	-
	<u>9,922,878</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>11,810,847</u>	<u>19,370,659</u>	<u>2,077,024</u>	<u>20,260,085</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 32,614,958</u>	<u>\$ 26,993,211</u>	<u>\$ 6,057,024</u>	<u>\$ 23,770,040</u>

<u>Nonmajor</u>	
Student Activity (21)	Total Governmental Funds
\$ 400,036	\$ 57,576,446
-	47,513
-	29,609,933
66,568	83,572
-	2,584,373
<u>\$ 466,604</u>	<u>\$ 89,901,837</u>
\$ 23,187	\$ 1,050,342
-	4,253,298
17,457	1,043,689
<u>40,644</u>	<u>6,347,329</u>
-	<u>29,609,933</u>
-	1,342,969
-	19,370,659
-	13,612,239
-	6,647,846
-	2,077,024
425,960	425,960
-	545,000
-	9,922,878
<u>425,960</u>	<u>53,944,575</u>
<u>\$ 466,604</u>	<u>\$ 89,901,837</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)

**Dallas Center - Grimes Community School District  
Reconciliation of the Balance Sheet to  
the Statement of Net Position - Governmental Funds  
June 30, 2025**

Total fund balances - governmental funds	\$ 53,944,575
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	
Cost of capital assets	157,264,176
Less accumulated depreciation	(42,548,950)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Bonds payable	(65,810,000)
Bond premiums	(2,953,622)
Total OPEB liability	(555,736)
Net pension liability	(10,591,979)
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions and OPEB that are not recognized in the governmental funds.	
Deferred outflows related to pensions	4,511,817
Deferred inflows related to pensions	(29,176)
Deferred inflows related to OPEB	(1,159,117)
Deferred outflows related to OPEB	77,166
An internal service fund is used by management to charge the costs of the District's health insurance services to various entities and individuals. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position and interfund activity is removed.	
	6,284,892
Governmental funds do not report a liability for accrued interest on bonds until due and payable.	
	<u>(376,835)</u>
Total net position - governmental activities	<u>\$ 98,057,211</u>

**Dallas Center - Grimes Community School District  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds  
Year Ended June 30, 2025**

	General (10)	Debt Service (40)	Management Levy (22)	Capital Projects
<b>Revenues</b>				
Revenue from local sources				
Local property taxes	\$ 15,371,488	\$ 7,224,282	\$ 3,793,860	\$ 2,981,750
Tuition	4,031,057	-	-	-
Other local and county revenues	1,609,459	484,917	-	1,350,940
Revenue from state sources	26,558,573	60,777	39,401	4,656,487
Revenue from federal sources	1,620,065	-	-	-
Total revenues	<u>49,190,642</u>	<u>7,769,976</u>	<u>3,833,261</u>	<u>8,989,177</u>
<b>Expenditures</b>				
<b>Current</b>				
Instruction				
Regular	18,476,516	-	165,220	-
Special	7,420,155	-	-	-
Other	5,985,587	-	-	-
Support services				
Student	980,181	-	-	-
Instructional staff	2,999,237	-	-	-
Administration	1,173,052	-	57,520	-
School administration	2,134,257	-	-	-
Business and central administration	1,044,267	-	-	337,194
Operation and maintenance of plant	4,180,149	-	2,664,198	14,393
Transportation	1,761,697	-	143,900	500
Other expenditures				
AEA flowthrough	1,373,932	-	-	-
Facilities acquisition	-	-	-	1,493,199
Capital outlay	523,352	-	-	2,840,082
Debt service				
Principal	-	2,340,000	-	-
Interest and fiscal charges	-	2,640,567	-	-
Total expenditures	<u>48,052,382</u>	<u>4,980,567</u>	<u>3,030,838</u>	<u>4,685,368</u>
Excess of revenues over (under) expenditures	1,138,260	2,789,409	802,423	4,303,809
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	288,112	-	-
Transfers out	-	-	-	(288,112)
Total other financing sources (uses)	<u>-</u>	<u>288,112</u>	<u>-</u>	<u>(288,112)</u>
Net change in fund balances	1,138,260	3,077,521	802,423	4,015,697
<b>Fund Balances</b>				
Beginning of year	<u>10,672,587</u>	<u>16,293,138</u>	<u>1,274,601</u>	<u>16,244,388</u>
End of year	<u>\$ 11,810,847</u>	<u>\$ 19,370,659</u>	<u>\$ 2,077,024</u>	<u>\$ 20,260,085</u>

See notes to basic financial statements.

<u>Nonmajor</u>	
Student Activity (21)	Total Governmental Funds
\$ -	\$ 29,371,380
-	4,031,057
896,178	4,341,494
-	31,315,238
-	1,620,065
896,178	70,679,234

-	18,641,736
-	7,420,155
867,019	6,852,606

-	980,181
-	2,999,237
-	1,230,572
-	2,134,257
-	1,381,461
-	6,858,740
-	1,906,097

-	1,373,932
-	1,493,199
-	3,363,434

-	2,340,000
-	2,640,567

867,019	61,616,174
---------	------------

29,159	9,063,060
--------	-----------

-	288,112
-	(288,112)

-	-
---	---

29,159	9,063,060
--------	-----------

396,801	44,881,515
---------	------------

\$ 425,960	\$ 53,944,575
------------	---------------

**Dallas Center - Grimes Community School District  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances to the  
Statement of Activities - Governmental Funds  
Year Ended June 30, 2025**

Net change in fund balances - total governmental funds	\$ 9,063,060
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the useful lives as depreciation expense.	
Capital outlays	3,592,196
Depreciation expense	(4,109,531)
OPEB are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.	
	69,010
Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net position in the Statement of Activities.	
	2,340,000
Pension 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.	
	1,036,155
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
	4,492
Governmental funds report the effect of premiums when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
	262,604
An internal service fund is used by management to charge the costs of the District's health insurance services to various entities and individuals. The change in net position is reported within the governmental activities in the Statement of Activities.	
	<u>369,944</u>
Change in net position - governmental activities	<u><u>\$ 12,627,930</u></u>

**Dallas Center - Grimes Community School District**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2025**

	Business-Type Activities	Governmental Activities
	Total Enterprise Funds	Self Insurance fund (71)
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 1,310,266	\$ 6,824,867
Inventory	13,749	-
Total current assets	1,324,015	6,824,867
Noncurrent		
Capital assets, net of accumulated depreciation	231,021	-
Total assets	\$ 1,555,036	\$ 6,824,867
<b>Liabilities</b>		
Current		
Accounts payable	\$ -	\$ 539,975
<b>Net Position</b>		
Investment in Capital Assets	231,021	-
Unrestricted	1,324,015	6,284,892
Total net position	1,555,036	6,284,892
Total liabilities, deferred inflows of resources, and net position	\$ 1,555,036	\$ 6,824,867

**Dallas Center - Grimes Community School District**  
**Statement of Revenues, Expenses, and Changes**  
**in Fund Net Position - Proprietary Funds**  
**Year Ended June 30, 2025**

	Business-Type Activities	Governmental Activities
	Total Enterprise Funds	Self Insurance fund (71)
<b>Operating Revenues</b>		
Local Sources		
Charges for services	\$ 1,249,341	\$ 7,067,458
Other receipts	9,318	-
Total revenue	1,258,659	7,067,458
<b>Operating Expenses</b>		
Insurance	-	6,697,514
Noninstructional programs		
Purchased services	1,753,738	-
Supplies	292,191	-
Depreciation	42,500	-
Total operating expenses	2,088,429	6,697,514
Operating income (loss)	(829,770)	369,944
<b>Nonoperating Revenues</b>		
Federal sources	794,021	-
State sources	12,278	-
Investment income	54,681	-
Total nonoperating revenues	860,980	-
Change in net position	31,210	369,944
<b>Net Position</b>		
Beginning of year	1,523,826	5,914,948
End of year	\$ 1,555,036	\$ 6,284,892

**Dallas Center - Grimes Community School District**  
**Statement of Cash Flows - Proprietary Funds**  
**Year ended June 30, 2025**

	Business-Type Activities	Governmental Activities
	Total Enterprise Funds	Self Insurance fund (71)
<b>Cash Flows - Operating Activities</b>		
Cash received from miscellaneous operating activities	\$ 1,860	\$ 7,067,458
Cash received from sale of lunches and breakfast	1,247,481	-
Cash received from other	9,318	-
Payments to employees	-	(6,697,514)
Payments to suppliers	(1,997,561)	(63,549)
Net cash flows - operating activities	(738,902)	306,395
<b>Cash Flows - Noncapital Financing Activities</b>		
State grants received	12,278	-
Federal grants received	657,844	-
Net cash flows - noncapital financing activities	670,122	-
<b>Cash Flows - Investment Activities</b>		
Interest received	54,681	-
Net change in cash and cash equivalents	(14,099)	306,395
<b>Cash and Cash Equivalents</b>		
Beginning of year	1,324,365	6,518,472
End of year	\$ 1,310,266	\$ 6,824,867
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>		
Operating income (loss)	\$ (829,770)	\$ 369,944
Adjustments to reconcile operating income (loss) to net cash flows - operating activities		
Commodities used	136,177	-
Depreciation	42,500	-
Inventory	(154)	-
Accounts payable	(87,655)	(63,549)
Net adjustments	90,868	(63,549)
Net cash flows - operating activities	\$ (738,902)	\$ 306,395
<b>Non-Cash Investing, Capital and Related financing activities</b>		
During the year ended June 30, 2025 the District received federal commodities.	\$ 136,177	\$ -

**Dallas Center - Grimes Community School District  
Statement of Fiduciary Net Position  
June 30, 2025**

	<u>Custodial Fund</u>
<b>Assets</b>	
Current	
Cash and investments	\$ 81,664
Due from other governments	16,738
Total assets	98,402
<b>Liabilities</b>	
Accounts payable	81,664
Due to other governments	16,738
Total liabilities	98,402
<b>Net Position</b>	\$ -

**Dallas Center - Grimes Community School District  
Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2025**

	<u>Custodial Fund</u>
<b>Additions</b>	
Intergovernmental	\$ 16,738
<b>Deductions</b>	
Payments to member districts	16,738
<b>Net Position</b>	
Beginning of year	-
End of year	\$ -

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Dallas Center - Grimes Community School District (the District) is a political subdivision of the State of Iowa and operates public schools for children in grades preschool through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as career and technical and recreational courses. The geographic areas served include the Cities of Dallas Center and Grimes, Iowa, and the predominant agricultural territory in Dallas County. The District is governed by a Board of Education whose members are elected on a nonpartisan basis.

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

**A. Reporting Entity**

For financial reporting purposes, Dallas Center - Grimes 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 basic financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. The District has no component units which meet the Governmental Accounting Standards Board criteria.

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

**B. Basic Financial Statement Information**

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 three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of 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 imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basic Financial Statement Information (Continued)**

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.

**Description of Funds:**

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.

The District reports the following major governmental funds:

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

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

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

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

The District reports the following non-major governmental fund:

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

The District's proprietary funds consist of three nonmajor Enterprise funds and one nonmajor Internal Service fund: School Nutrition, Student Construction and School Farm Account. These funds are used to account for the food service operations, student construction operations and farm rental operations of the District. The internal service fund is used to account for the self-funded health insurance plan of the District.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basic Financial Statement Information (Continued)**

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

The Custodial Fund - This fund is used to account for assets held by the District as a custodian for individuals, private organizations, and other governments.

**C. Measurement Focus and Basis of Accounting**

The government-wide financial statements and the 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 District considers revenues to be available if they are collected within 60 days after year end.

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

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

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

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

**D. Cash, Cash Equivalents, and 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 cost.

For purposes of the Statement of Cash Flows, all short-term 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.

**E. Property Tax Receivable**

Property tax in the 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. Current year property tax receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the 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 deferred 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.

**F. Due from Other Governments**

Due from other governments represents primarily amounts due from the State of Iowa, also included are amounts due for various shared revenue, grants, and reimbursements from other governments.

**G. 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.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Capital Assets**

Capital assets, which include property, furniture and equipment, and intangibles acquired after July 1, 1980, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 for governmental activities and \$500 for the proprietary school nutrition program and estimated useful lives in excess of five years.

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

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

**I. Deferred Outflows of Resources**

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

**J. Salaries and Benefits Payable**

Payroll and related expenditures for employees with annual contracts corresponding to a current school year, which are payable in July and August have been accrued as liabilities.

**K. Compensated Absences**

The liability for compensated absences reported in the statement of net position consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave. At June 30, 2025, no liability existed.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Long-Term Obligations**

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. Bond premiums are amortized over the life of the bonds using the straight-line method. Refunding of debt may result in deferred gains or losses and are reported as deferred inflows and outflows of resources. The difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of long-term debt interest and fiscal charges using the straight-line method.

In the fund financial statements, governmental fund types recognize premiums, and issuance costs during the current period. The face amount of debt issued is reported as another financing source. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**M. Pensions**

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

**N. Total OPEB Liability**

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

**O. Deferred Inflows of Resources**

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

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

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. Fund Balances**

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, granters, or state or federal laws or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted fund balance.
- Committed - Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.
- Unassigned - All amounts not included in the preceding classifications.

The District's policy outlines a minimum unrestricted, uncommitted general fund balance within a range of 8-15% target range with 8% being the minimum goal.

**Q. Budgets and Budgetary Accounting**

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

**R. Estimates and Assumptions**

The preparation of basic 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 reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS**

**A. Deposits**

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 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 deposits of \$28,184,024 and a money market account of \$300,598. The Custodial Fund also had deposits of \$81,664.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**B. Investments**

At June 30, 2025, the District had investments as follows:

	Amortized Cost
Iowa Schools Joint Investment Trust (ISJIT) Diversified Portfolio	\$ 20,787,731
Money Market	44,982
State and Local Government Securities	14,547,845
U.S. Treasury Securities	1,846,399
Total investments	\$ 37,226,957

At June 30, 2025, the District had investments in the Iowa Schools Joint Investment Trust Direct (ISJIT) Diversified Portfolio which are valued at an amortized cost of \$20,787,731. There were no limitations or restrictions on withdrawals of the ISJIT investments. The investments in ISJIT were rated AAAM by Standard & Poor's Financial Services. The State and Local Government Securities mature in 2028 and 2029 and are valued at fair value using Level 2 inputs. The Treasury Securities mature in 2029 and are valued at fair value using Level 2 inputs. The Money Market funds are current and are valued at fair value using Level 1 inputs.

The following is a summary of total deposits and investments:

District Funds	
Deposits - Pooled (Note 2.A.)	\$ 16,490,696
Deposits - Non pooled (Note 2.A.)	11,993,926
Investments - Pooled (Note 2.B.)	7,762,292
Investments - Non pooled (Note 2.B.)	29,464,665
Deposits - Custodial Fund (Note 2.A.)	81,664
Total deposits and investments	\$ 65,793,243

**C. Deposits and Investments**

Deposits and investment at June 30, 2025, are presented as follows:

Statement of Net Position	
Cash and Investments	\$ 65,711,579
Custodial Fund	
Cash and Investments	81,664
Total deposits and investments	\$ 65,793,243

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 3 - INTERFUND TRANSFERS**

Transfer In	Transfer Out	Amount
Debt Service	Capital Projects	\$ 288,112

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

**NOTE 4 - CAPITAL ASSETS**

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

	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 5,885,890	\$ -	\$ -	\$ 5,885,890
Construction in progress	1,803,191	1,690,845	2,629,769	864,267
Total capital assets not being depreciated	7,689,081	1,690,845	2,629,769	6,750,157
Capital assets being depreciated				
Buildings	130,155,139	2,973,016	-	133,128,155
Improvements other than buildings	3,089,524	-	-	3,089,524
Machinery and equipment	13,046,320	1,558,104	308,084	14,296,340
Total capital assets being depreciated	146,290,983	4,531,120	308,084	150,514,019
Less accumulated depreciation for				
Buildings and improvements	27,095,120	2,664,488	-	29,759,608
Improvements other than buildings	2,398,991	74,277	-	2,473,268
Machinery and equipment	9,253,392	1,370,766	308,084	10,316,074
Total accumulated depreciation	38,747,503	4,109,531	308,084	42,548,950
Total capital assets being depreciated, net	107,543,480	421,589	-	107,965,069
Governmental activities capital assets, net	\$ 115,232,561	\$ 2,112,434	\$ 2,629,769	\$ 114,715,226
<b>Business-Type Activities</b>				
Machinery and equipment	\$ 1,145,606	\$ -	\$ -	\$ 1,145,606
Less accumulated depreciation	872,085	42,500	-	914,585
Business-type activities capital assets, net	\$ 273,521	\$ (42,500)	\$ -	\$ 231,021

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to the following functions:

Governmental Activities	
Instruction	\$ 954,545
Support Services	
Operation and maintenance of plant	53,076
Transportation	253,567
Unallocated	<u>2,848,343</u>
Total depreciation expense - governmental activities	<u>\$ 4,109,531</u>
Business-Type Activities	
Food service operations	<u>\$ 42,500</u>

**NOTE 5 - LONG-TERM LIABILITIES**

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

	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 63,225,000	\$ -	\$ 2,340,000	\$ 60,885,000	\$ 2,350,000
G.O. bond premiums	3,216,226	-	262,604	2,953,622	-
Revenue bonds	4,925,000	-	-	4,925,000	-
Net pension liability	13,013,922	-	2,421,943	10,591,979	-
Total OPEB liability	<u>578,445</u>	<u>-</u>	<u>22,709</u>	<u>555,736</u>	<u>36,000</u>
Total	<u>\$ 84,958,593</u>	<u>\$ -</u>	<u>\$ 5,047,256</u>	<u>\$ 79,911,337</u>	<u>\$ 2,386,000</u>

**A. General Obligation Bonds**

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

Year Ended June 30,	General Obligation Bonds				Total
	Interest Rate	Principal	Interest	Credit	
2026	2.00%	\$ 2,350,000	\$ 2,159,724	\$ (583,222)	\$ 3,926,502
2027	2.00%	2,425,000	2,122,386	(583,222)	3,964,164
2028	2.00%	2,465,000	2,054,986	(583,222)	3,936,764
2029	2.00%	13,575,000	1,985,949	(583,222)	14,977,727
2030	2.00%	3,260,000	1,294,550	-	4,554,550
2031-2035	2.00%	18,130,000	5,023,325	-	23,153,325
2036-2039	2.00%	18,680,000	1,650,250	-	20,330,250
Total		<u>\$ 60,885,000</u>	<u>\$ 16,291,170</u>	<u>\$ (2,332,888)</u>	<u>\$ 74,843,282</u>

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 5 - LONG-TERM LIABILITIES (CONTINUED)**

**B. Revenue Bonds**

Details of the District's June 30, 2025, revenue bonds is as follows:

Year Ended June 30,	Revenue Bonds				Total
	Interest Rate	Principal	Interest	Credit	
2026	2.00%	\$ -	\$ 288,113	\$ (265,300)	\$ 22,813
2027	2.00%	-	288,113	(265,300)	22,813
2028	2.00%	-	288,113	(265,300)	22,813
2029	2.00%	-	288,113	(265,300)	22,813
2030	2.00%	4,925,000	144,056	(132,650)	4,936,406
Total		\$ 4,925,000	\$ 1,296,508	\$ (1,193,850)	\$ 5,027,658

The District has pledged future statewide sales, services and use tax revenues to repay the \$4,925,000 of bonds issued in December 2012. The bonds were issued for the purpose of financing a portion of the costs of a new school. 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. The total principal and interest, net of credits, remaining to be paid on the notes is \$5,027,658. For the current year, \$22,813 of interest, net of credits, was paid on the bonds and total statewide sales, services and use tax revenues were \$4,631,402.

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

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

The District did comply with all of the revenue bond provisions during the year ended June 30, 2025.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION AND RETIREMENT BENEFITS**

**A. 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](http://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.

**B. Pension Benefits**

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

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

If a Regular member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65. Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

**C. 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.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION AND RETIREMENT BENEFITS (CONTINUED)**

**D. 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 one 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, were \$2,719,772.

**E. Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

As of June 30, 2025, the District reported a liability of \$10,591,979 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. As of June 30, 2024, the District's proportion was 0.286828% which was an increase of 0.004761% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$1,683,617. As of 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 Inflow of Resources
Differences between expected and actual experience	\$ 842,815	\$ 6,581
Changes of assumptions	-	148
Net difference between projected and actual earnings on IPERS investments	132,471	-
Changes in proportion and differences between District contributions and proportionate share of contributions	816,759	22,447
District contributions subsequent to the measurement date	2,719,772	-
Total	\$ 4,511,817	\$ 29,176

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION AND RETIREMENT BENEFITS (CONTINUED)**

**E. Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The \$2,719,772 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 Ended June 30,		
2026		\$ (978,243)
2027		2,748,352
2028		249,948
2029		(274,922)
2030		17,734
Total		\$ 1,762,869

There were no non-employer contributing entities to IPERS.

**F. 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)	2.6% per annum.
Salary increases (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)	7.0% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.6% inflation assumption and 0.65% real wage inflation.

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

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

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION AND RETIREMENT BENEFITS (CONTINUED)**

**F. Actuarial Assumptions (Continued)**

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:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.0 %</u>	

**G. 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.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION AND RETIREMENT BENEFITS (CONTINUED)**

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

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

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability	\$ 25,992,527	\$ 10,591,979	\$ (2,306,061)

**I. Pension Plan Fiduciary Net Position**

Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

**J. Payables to the Pension Plan**

As of June 30, 2025, the District reported payables to the defined benefit pension plan of \$15,533 for legally required employer contributions and \$10,350 for legally required employee contributions withheld from employee wages but not yet remitted to IPERS.

**NOTE 7 - 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. There were no significant reductions in insurance coverage from the prior year.

The District provides a health care self-insurance program. The General Fund of the District participates in this program and make payments to the Health Insurance Internal Service Fund. Based on the requirements of GASB Statement No. 10, a liability is reported if information prior to the issuance of the basic financial statements indicates it is probable a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. The total claims liability reported in the fund as of June 30, 2025, was \$539,975, which is comprised of the liability for known claims as well as an estimate for claims incurred but not yet reported. Changes in the fund's claims liability amounts for the past three years are as follows:

Year	Beginning Balance	Claims Expense and Estimates	Claims Payments	Ending Balance
2023	\$ 834,673	\$ 6,311,230	\$ 6,198,265	\$ 947,638
2024	947,638	6,602,805	6,946,919	603,524
2025	603,524	6,812,823	6,876,372	539,975

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 8 - AREA EDUCATION AGENCY SUPPORT**

The District is required by the *Code of Iowa* to budget for its share of special education support, media, and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$1,373,932 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 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**A. 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.

**B. Benefit Provided**

Individuals who are employed by Dallas Center-Grimes 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.

**C. Members**

Retired participants must be age 55 or older at retirement. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Active employees	452
	461
Total	461

**D. Actuarial Assumptions**

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

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Discount rate	5.20%
Rates of salary increases	3.25%
Healthcare cost trend rate	7.60% gradually decreasing over several decades to an ultimate rate of 3.9%

The actuarial assumptions used in the June 30, 2024, valuation was based on the results of an actuarial experience study for the period July 1, 2023, through June 30, 2024.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**D. Actuarial Assumptions (Continued)**

Changes in assumptions since the prior valuation are as follows:

- The trend rates were updated to an initial rate of 7.75% grading down to an ultimate rate of 4.00%. The initial rate and the grade down period is extended to account for recent inflationary pressures and price increases over the next couple of years.
- The Iowa Public Employees' Retirement System (IPERS) retirement rates were updated to the rates from the June 30, 2025 Actuarial Valuation report.
- The marriage assumption was decreased from 30% to 15% based on current census rates of coverage.
- The participation assumption was decreased from 50% to 20% based on information gathered by the District.
- The discount rate was updated from 3.93% to 5.20%.

*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.

**E. Total OPEB Liability**

The District's total OPEB liability of \$555,736 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

	Total OPEB Liability (a)
	\$ 578,445
Balances at July 1, 2024	
Changes for the year	
Service cost	72,370
Interest	24,532
Assumption changes	(66,452)
Benefit payments	(53,159)
Net changes	(22,709)
Balances at June 30, 2025	\$ 555,736

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**F. OPEB Liability Sensitivity**

The following presents the District's total OPEB liability calculated using the discount rate of 5.20% as well as the liability measured using 1 percentage point lower and 1 percentage point higher than the current discount rate.

	1% Decrease in Discount Rate (4.20%)	Current Discount Rate (5.20%)	1% Increase in Discount Rate (6.20%)
Total OPEB liability	\$ 606,000	\$ 555,736	\$ 512,000

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 healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate.

	1% Decrease Trend Rate (6.75%)	Current Trend Rate (7.75%)	1% Increase Trend Rate (8.75%)
Total OPEB liability	\$ 490,000	\$ 555,736	\$ 638,000

**G. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2025, the District recognized OPEB expense of \$69,100. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 6,529	\$ 524,670
Differences between expected and actual economic experience	70,637	634,447
Total	\$ 77,166	\$ 1,159,117

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**G. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

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

Year Ended June 30,	Total
2026	\$ (112,753)
2027	(112,753)
2028	(112,309)
2029	(114,271)
2030	(114,271)
Thereafter	(515,594)
Total	<u>\$ (1,081,951)</u>

**NOTE 10 - TAX ABATEMENTS**

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

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

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2025, under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Grimes	Urban renewal and economic development projects	\$ 1,199,881
City of Dallas Center	Urban renewal and economic development projects	56,111
City of Urbandale	Urban renewal and economic development projects	172,063

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 \$624,434.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 11 - CATEGORICAL FUNDING**

In accordance with *Iowa Administrative Code* § 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 District's restricted fund balance for categorical funding as of June 30, 2025, is comprised of the following programs:

Statewide voluntary 4-year-old preschool program	\$ 24,541
Teacher salary supplement	46,047
Gifted and talented	388,649
Teacher leadership grant	<u>883,732</u>
 Total	 <u><u>\$ 1,342,969</u></u>

**NOTE 12 - CONSTRUCTION COMMITMENTS**

The District entered into one contract related to construction projects totaling \$1,398,388 for school building improvements. As of June 30, 2025, costs of \$308,275 had been incurred against the contracts. The balance of \$1,090,113 remaining at June 30, 2025 will be paid as work on the project progresses.

**NOTE 13 - CHANGE IN AREA EDUCATION AGENCY FUNDING**

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

(THIS PAGE LEFT BLANK INTENTIONALLY)

**REQUIRED SUPPLEMENTARY INFORMATION**

**Dallas Center - Grimes Community School District**  
**Schedule of Budgetary Comparison of Revenue,**  
**Expenditures/Expenses and Changes in Balances**  
**Budget to Actual - All Governmental Funds and Proprietary Funds**  
**Year Ended June 30, 2025**

	Amounts	Actual		Variance with Final Budget - Over (Under)
	Original and Final	Governmental Funds	Proprietary Funds	
<b>Revenues</b>				
Local sources	\$ 36,547,281	\$ 37,743,931	\$ 1,313,340	\$ 2,509,990
State sources	30,754,859	31,315,238	12,278	572,657
Federal sources	1,172,598	1,620,065	794,021	1,241,488
Total revenues	<u>68,474,738</u>	<u>70,679,234</u>	<u>2,119,639</u>	<u>4,324,135</u>
<b>Expenditures</b>				
Instruction	34,505,698	32,914,497	-	(1,591,201)
Support services	19,960,294	17,490,545	-	(2,469,749)
Noninstructional programs	3,083,790	-	2,088,429	(995,361)
Other expenditures	21,684,834	11,211,132	-	(10,473,702)
Total expenditures	<u>79,234,616</u>	<u>61,616,174</u>	<u>2,088,429</u>	<u>(15,530,013)</u>
Net change in fund balance	<u>\$ (10,759,878)</u>	<u>\$ 9,063,060</u>	<u>\$ 31,210</u>	<u>\$ 19,854,148</u>
<b>Fund Balance</b>				
Beginning of year		<u>\$ 44,881,515</u>	<u>\$ 1,523,826</u>	
End of year		<u>\$ 53,944,575</u>	<u>\$ 1,555,036</u>	

**Dallas Center - Grimes Community School District  
Notes to the Required Supplementary Information -  
Budgetary Reporting**

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, private-purpose trust, and custodial funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

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

During the year ended June 30, 2025, expenditures did not exceed the District's budget.

**Dallas Center - Grimes Community School District**  
**Schedule of District's Proportionate Share**  
**of the Net Pension Liability**  
**Iowa Public Employees' Retirement System**  
**Last Ten Years (In Thousands)**

Measurement Date	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.2217%	\$ 11,020	\$ 15,282	72.11%	85.19%
2017	0.2299%	14,339	16,341	87.75%	81.82%
2018	0.2353%	15,536	17,411	89.23%	82.21%
2019	0.2501%	15,822	18,792	84.20%	83.62%
2020	0.2275%	13,263	17,451	76.00%	85.45%
2021	0.2674%	18,651	21,227	87.86%	82.90%
2022	0.2661%	373	21,603	1.73%	100.81%
2023	0.2731%	10,838	23,157	46.80%	91.41%
2024	0.2820%	13,014	26,994	48.21%	90.13%
2025	0.2868%	10,592	28,811	36.76%	92.30%

**Dallas Center - Grimes Community School District**  
**Schedule of District Contributions**  
**Iowa Public Employees' Retirement System**  
**Last Ten Years (In Thousands)**

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 1,459	\$ 1,459	\$ -	\$ 16,338	8.93%
2017	1,555	1,555	-	17,413	8.93%
2018	1,678	1,678	-	18,791	8.93%
2019	1,647	1,647	-	17,447	9.44%
2020	2,004	2,004	-	21,229	9.44%
2021	2,039	2,039	-	21,600	9.44%
2022	2,186	2,186	-	23,157	9.44%
2023	2,390	2,390	-	25,318	9.44%
2024	2,533	2,533	-	26,833	9.44%
2025	2,720	2,720	-	28,814	9.44%

(THIS PAGE LEFT BLANK INTENTIONALLY)

**Dallas Center - Grimes Community School District  
Notes to the Required Supplementary Information -  
Pension Liability**

**Changes of Benefit Terms**

There are no significant changes in benefit terms.

**Changes of Assumptions**

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

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

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

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

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 7.0%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

**Dallas Center-Grimes Community School District  
Schedule of Changes in Total OPEB Liability,  
Related Ratios and Notes**

	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 209,200	\$ 217,296	\$ 237,521	\$ 178,435
Interest	70,946	74,949	76,490	33,093
Differences between expected an actual experience	-	-	(177,401)	-
Changes of assumptions	(41,610)	53,309	89,097	6,340
Recognition of deferred inflows/outflows	-	-	(761,377)	-
Benefit payments	(138,000)	(148,369)	(85,668)	(100,826)
Net change in total OPEB liability	<u>100,536</u>	<u>197,185</u>	<u>(621,338)</u>	<u>117,042</u>
Beginning of year	<u>1,693,013</u>	<u>1,793,549</u>	<u>1,990,734</u>	<u>1,369,396</u>
End of year	<u>\$ 1,793,549</u>	<u>\$ 1,990,734</u>	<u>\$ 1,369,396</u>	<u>\$ 1,486,438</u>
Covered employee payroll	\$ 18,353,586	\$ 19,011,486	\$ 21,446,703	\$ 22,090,000
Total OPEB liability as a percentage of covered-employee payroll	9.77%	10.47%	6.39%	6.73%

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

**Change in Benefit Terms**

There were no significant changes in benefit terms.

**Changes in Assumptions**

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

<u>Year Ended June 30,</u>	
2025	5.20%
2024	3.93%
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%
2017	3.58%

Additional changes in assumptions since the prior valuation are as follows.

- The trend rates were updated to an initial rate of 7.75% grading down to an ultimate rate of 4.00%. The initial rate and the grade down period is extended to account for recent inflationary pressures and price increases over the next couple of years.
- The Iowa Public Employees' Retirement System (IPERS) retirement rates were updated to the rates from the June 30, 2023 Actuarial Valuation report.
- The marriage assumption was decreased from 30% to 15% based on current census rates of coverage.
- The participation assumption was decreased from 50% to 20% based on information gathered by the District.

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
\$ 183,663	\$ 123,746	\$ 126,100	\$ 72,370
35,347	37,691	42,384	24,532
(582,666)	-	8,019	-
(79,393)	(10,607)	(611,593)	(66,452)
-	-	-	-
(67,321)	(70,210)	(43,153)	(53,159)
<u>(510,370)</u>	<u>80,620</u>	<u>(478,243)</u>	<u>(22,709)</u>
<u>1,486,438</u>	<u>976,068</u>	<u>1,056,688</u>	<u>578,445</u>
<u>\$ 976,068</u>	<u>\$ 1,056,688</u>	<u>\$ 578,445</u>	<u>\$ 555,736</u>
\$ 18,834,176	\$ 19,493,000	\$ 27,600,609	\$ 28,498,000
5.18%	5.42%	2.10%	1.95%

(THIS PAGE LEFT BLANK INTENTIONALLY)

**SUPPLEMENTARY INFORMATION**

**Dallas Center-Grimes Community School District  
Combining Balance Sheet -  
Capital Projects Fund Accounts  
June 30, 2025**

	Capital Projects		
	Statewide Sales, Services and Use Tax (33)	Physical Plant and Equipment Levy (23)	Total
<b>Assets</b>			
Cash and investments	\$ 13,439,669	\$ 6,699,171	\$ 20,138,840
Receivables			
Property tax - delinquent	-	4,631	4,631
Property tax - succeeding year	-	3,140,887	3,140,887
Due from other governmental units	485,682	-	485,682
<b>Total assets</b>	<b>\$ 13,925,351</b>	<b>\$ 9,844,689</b>	<b>\$ 23,770,040</b>
<b>Liabilities</b>			
Accounts and contracts payable	\$ 313,112	\$ 55,956	\$ 369,068
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - succeeding year property tax	-	3,140,887	3,140,887
<b>Fund Balances</b>			
Restricted			
School infrastructure	13,612,239	-	13,612,239
Physical plant and equipment	-	6,647,846	6,647,846
<b>Total fund balances</b>	<b>13,612,239</b>	<b>6,647,846</b>	<b>20,260,085</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 13,925,351</b>	<b>\$ 9,844,689</b>	<b>\$ 23,770,040</b>

**Dallas Center - Grimes Community School District  
Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances - Capital Projects Fund Accounts  
Year Ended June 30, 2025**

	Capital Projects		
	Statewide Sales, Services and Use Tax (33)	Physical Plant and Equipment Levy (23)	Total
<b>Revenues</b>			
Revenue from local sources			
Local property taxes	\$ -	\$ 2,981,750	\$ 2,981,750
Other local and county revenues	1,218,956	131,984	1,350,940
Revenue from state sources	4,631,402	25,085	4,656,487
Total revenues	<u>5,850,358</u>	<u>3,138,819</u>	<u>8,989,177</u>
<b>Expenditures</b>			
Current			
Business and central administration	292,700	44,494	337,194
Operation and maintenance of plant	-	14,393	14,393
Transportation	-	500	500
Facilities acquisition and construction	1,493,199	-	1,493,199
Capital Outlay	-	2,840,082	2,840,082
Total expenditures	<u>1,785,899</u>	<u>2,899,469</u>	<u>4,685,368</u>
Excess of revenues over (under) expenditures	4,064,459	239,350	4,303,809
<b>Other Financing Uses</b>			
Transfers out	<u>(288,112)</u>	<u>-</u>	<u>(288,112)</u>
Net change in fund balances	3,776,347	239,350	4,015,697
<b>Fund Balances</b>			
Beginning of year	<u>9,835,892</u>	<u>6,408,496</u>	<u>16,244,388</u>
End of year	<u>\$ 13,612,239</u>	<u>\$ 6,647,846</u>	<u>\$ 20,260,085</u>

Dallas Center - Grimes Community School District  
Schedule of Changes in Student Activity  
Special Revenue Fund  
Year Ended June 30, 2025

Account	Balance - Beginning of Year	Revenue	Expenditures	Intrafund Transfers	Balance - End of Year
HS Annual	\$ -	\$ 4,794	\$ 1,010	\$ -	\$ 3,784
HS Art Club	1,217	-	-	-	1,217
Athletics	1,645	110,807	81,859	(28,800)	1,793
Athletics Resale	354	17,793	15,696	-	2,451
HS/MS/Elem Band Resale	-	11,814	12,745	931	-
Baseball	-	8,912	12,333	3,421	-
Baseball Fundraising	-	9,831	8,931	(900)	-
Boosters	-	174,380	161,713	-	12,667
Athletic Performance	2,217	438	2,264	-	391
Camps and Clinics	125	-	-	-	125
Boys/Girls Basketball	9,266	27,010	17,171	-	19,105
Basketball Fundraising	16,069	-	12,319	-	3,750
Girls Basketball	4,213	7,543	10,872	-	884
Girls Basketball Fundraising	11,813	31,596	24,615	-	18,794
Class of					
2023	-	-	618	618	-
2024	-	-	1,239	5,087	3,848
2025	19,238	247	11,900	(5,705)	1,880
2026	4,396	9,782	7,237	-	6,941
2027	4,426	1,043	-	-	5,469
2028	-	1,411	-	-	1,411
Cross Country	-	600	3,681	3,081	-
Boys Cross Country Fundraiser	1,347	5,662	1,314	(3,082)	2,613
Girls Cross Country Fundraiser	469	-	549	80	-
Dance Team	3,484	12,719	22,770	6,567	-
Dig Pink Volleyball	254	-	-	-	254
Speech	-	615	4,803	4,188	-
Drill Team	923	931	-	-	1,854
Equip Repair	1,000	-	-	-	1,000
E-sports	1,108	900	697	-	1,311
Football	12,446	68,827	79,492	(473)	1,308
Football Fundraising	-	22,615	23,088	473	-
HS French Club	685	-	-	-	685
FFA	11,678	15,696	14,242	-	13,132
Greenhouse Club	2,639	913	136	-	3,416
Girls Softball	-	4,748	12,229	7,481	-
Girls Softball Fundraiser	-	27,118	5,228	(7,481)	14,409

**Dallas Center - Grimes Community School District**  
**Schedule of Changes in Student Activity**  
**Special Revenue Fund**  
**Year Ended June 30, 2025**

Account	Balance - Beginning of Year	Revenue	Expenditures	Intrafund Transfers	Balance - End of Year
Boys Golf	\$ -	\$ -	\$ 5,087	\$ 5,087	\$ -
Boys Golf Fundraiser	-	500	185	(315)	-
Girls Golf	-	-	5,657	5,657	-
Girls Golf Fundraiser	483	-	245	(238)	-
HS Bakers	1,158	-	-	-	1,158
HS Enterprise	2,709	2,580	2,379	-	2,910
HS Student Council	17,118	12,453	8,758	-	20,813
HS Honor Society	4,753	3,414	4,184	-	3,983
HS Cheerleading	10,318	22,570	16,242	-	16,646
HS Dance Marathon	1,038	-	-	-	1,038
HS Juice/Pop Machine	4,543	2,211	5,193	-	1,561
HS Best Buddies	2,073	5	989	-	1,089
HS Band/Vocal Fundraiser	23,006	602	23,912	304	-
HS Show Chior	7,560	27,517	30,857	(2,525)	1,695
HS Jazz Choir	3,144	13,156	28,825	12,525	-
HS Vocal	-	10,000	-	(10,000)	-
HS Vocal Solo Ensemble	-	4,722	2,779	-	1,943
HS Band Fundraiser	-	19,944	842	(1,235)	17,867
Interest	1,447	23,499	188	-	24,758
Boys Soccer	-	5,680	5,186	(494)	-
Boys Soccer Fundraiser	3,797	-	5,193	1,396	-
Girls Soccer	2,515	7,758	8,962	(902)	409
Girls Soccer Fundraiser	4,094	-	4,140	46	-
HS Drama/Musical	9,320	21,003	22,531	-	7,792
MS Drama/Musical	18,807	4,917	4,851	-	18,873
Mock Trial	-	1,025	1,237	737	525
P.A.L.S.	4,095	-	-	-	4,095
Picture Fund	-	5,687	654	-	5,033
Spanish Club	638	-	-	-	638
Track	680	-	-	(606)	74
Boys Track	-	8,312	11,588	3,276	-
Boys Track Fundraising	3,888	6,362	1,592	(3,276)	5,382
Girls Track	-	6,036	6,482	446	-
Girls Track Fundraising	-	25	185	160	-
Tennis- Boys	-	75	1,193	1,118	-
Tennis- Boys Fundraising	-	-	30	30	-
Tennis- Girls	-	-	715	715	-
Volleyball	7,451	16,067	8,794	-	14,724

**Dallas Center - Grimes Community School District**  
**Schedule of Changes in Student Activity**  
**Special Revenue Fund**  
**Year Ended June 30, 2025**

Account	Balance - Beginning of Year	Revenue	Expenditures	Intrafund Transfers	Balance - End of Year
Volleyball Fundraising	\$ 11,738	\$ 11,040	\$ 6,193	\$ -	\$ 16,585
Washington DC fundraiser	276	-	-	-	276
Wrestling	-	17,352	14,596	-	2,756
Wrestling Fundraiser	14,936	397	4,725	-	10,608
Wrestling - Girls	3,630	2,777	6,123	-	284
Wrestling - Girls Fundraiser	-	2,550	1,506	2,608	3,652
Meadows Yearbook	8,255	2,431	-	-	10,686
Jr. High Annual	2,166	349	2,190	-	325
Jr. High Cheerleading	73	-	-	-	73
Jr. High Juice/Pop Machine	13,503	7,906	12,792	-	8,617
Jr. High Student Council	6,290	-	-	-	6,290
Jr. High Honor Society	81	-	-	-	81
Northridge Fundraiser	24,587	6,360	10,241	-	20,706
Oak View Vocal Fundraiser	-	2,511	-	-	2,511
Oak View Band Fundraiser	11,924	15,467	15,171	-	12,220
Oak View Showchoir	10,285	8,075	2,202	-	16,158
Meadows Pop Fundraiser	2,745	6,224	5,529	-	3,440
Meadows Student Council	5,035	394	299	-	5,130
Kiwanis Key Club	2,895	720	787	-	2,828
Seniors Against Cancer 2010	111	-	-	-	111
FFA Test Plot	8,969	-	3,578	-	5,391
Elementary Fundraiser - Grimes	10,250	3,518	5,044	-	8,724
Elementary Fundraiser - D.C.	2,096	1,136	1,414	-	1,818
Elementary Fundraiser - Heritage	10,130	2,106	4,223	-	8,013
Elementary Student Council	330	-	-	-	330
Technology Student Association (TSA)	613	-	-	-	613
Character Counts	236	-	-	-	236
<b>Total</b>	<b>\$ 396,801</b>	<b>\$ 896,178</b>	<b>\$ 867,019</b>	<b>\$ -</b>	<b>\$ 425,960</b>

**Dallas Center - Grimes Community School District**  
**Combining Statement of Net Position - Proprietary Funds**  
**June 30, 2025**

	Business-Type Activities			Total
	School Nutrition (61)	Student Construction (64)	Farm Account(69)	
<b>Assets</b>				
Current				
Cash and cash equivalents	\$ 1,254,227	\$ 29,141	\$ 26,898	\$ 1,310,266
Inventory	13,749	-	-	13,749
Total current assets	1,267,976	29,141	26,898	1,324,015
Noncurrent				
Capital assets, net of accumulated depreciation	231,021	-	-	231,021
Total assets	\$ 1,498,997	\$ 29,141	\$ 26,898	\$ 1,555,036
<b>Net Position</b>				
Investment in Capital Assets	\$ 231,021	\$ -	\$ -	\$ 231,021
Unrestricted	1,267,976	29,141	26,898	1,324,015
Total net position	1,498,997	29,141	26,898	1,555,036
Total liabilities and net position	\$ 1,498,997	\$ 29,141	\$ 26,898	\$ 1,555,036

**Dallas Center - Grimes Community School District**  
**Combining Statement of Revenues, Expenses, and Changes**  
**in Fund Net Position - Proprietary Funds**  
**Year Ended June 30, 2025**

	Business-Type Activities			Total
	Student			
	School Nutrition (61)	Construction (64)	Farm Account(69)	
<b>Operating Revenues</b>				
Local Sources				
Charges for services	\$ 1,247,481	\$ -	\$ 1,860	\$ 1,249,341
Other receipts	9,318	-	-	9,318
Total revenue	<u>1,256,799</u>	<u>-</u>	<u>1,860</u>	<u>1,258,659</u>
<b>Operating Expenses</b>				
Noninstructional programs				
Purchased services	1,753,738	-	-	1,753,738
Supplies	292,191	-	-	292,191
Depreciation	42,500	-	-	42,500
Total operating expenses	<u>2,088,429</u>	<u>-</u>	<u>-</u>	<u>2,088,429</u>
Operating income (loss)	(831,630)	-	1,860	(829,770)
<b>Nonoperating Revenues</b>				
Federal sources	794,021	-	-	794,021
State sources	12,278	-	-	12,278
Investment income	54,681	-	-	54,681
Total nonoperating revenues	<u>860,980</u>	<u>-</u>	<u>-</u>	<u>860,980</u>
Change in net position	29,350	-	1,860	31,210
<b>Net Position</b>				
Beginning of year	<u>1,469,647</u>	<u>29,141</u>	<u>25,038</u>	<u>1,523,826</u>
End of year	<u>\$ 1,498,997</u>	<u>\$ 29,141</u>	<u>\$ 26,898</u>	<u>\$ 1,555,036</u>

**Dallas Center - Grimes Community School District**  
**Combining Statement of Cash Flows -**  
**Proprietary Funds**  
**Year Ended June 30, 2025**

	Business-Type Activities			Total
	School Nutrition (61)	Student		
		Construction (64)	Farm Account (69)	
<b>Cash Flows - Operating Activities</b>				
Cash received from miscellaneous operating activities	\$ -	\$ -	\$ 1,860	\$ 1,860
Cash received from sale of lunches and breakfast	1,247,481	-	-	1,247,481
Cash received from other	9,318	-	-	9,318
Payments to suppliers	(1,997,561)	-	-	(1,997,561)
Net cash flows - operating activities	<u>(740,762)</u>	<u>-</u>	<u>1,860</u>	<u>(738,902)</u>
<b>Cash Flows - Noncapital Financing Activities</b>				
State grants received	12,278	-	-	12,278
Federal grants received	657,844	-	-	657,844
Net cash flows - noncapital financing activities	<u>670,122</u>	<u>-</u>	<u>-</u>	<u>670,122</u>
<b>Cash Flows - Investment Activities</b>				
Interest received	54,681	-	-	54,681
Net change in cash and cash equivalents	(15,959)	-	1,860	(14,099)
<b>Cash and Cash Equivalents</b>				
Beginning of year	1,270,186	29,141	25,038	1,324,365
End of year	<u>\$ 1,254,227</u>	<u>\$ 29,141</u>	<u>\$ 26,898</u>	<u>\$ 1,310,266</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>				
Operating income (loss)	\$ (831,630)	\$ -	\$ 1,860	\$ (829,770)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities				
Commodities used	136,177	-	-	136,177
Depreciation	42,500	-	-	42,500
Inventory	(154)	-	-	(154)
Accounts payable	(87,655)	-	-	(87,655)
Net adjustments	<u>90,868</u>	<u>-</u>	<u>-</u>	<u>90,868</u>
Net cash flows - operating activities	<u>\$ (740,762)</u>	<u>\$ -</u>	<u>\$ 1,860</u>	<u>\$ (738,902)</u>
<b>Non-Cash Investing, Capital and Related Financing Activities</b>				
During the year ended June 30, 2025 the District received federal commodities.	\$ 136,177	\$ -	\$ -	\$ 136,177

**Dallas Center - Grimes Community School District**  
**Schedule of Revenue by Source and Expenditures by Function**  
**- All Governmental Fund Types**  
**(Modified Accrual Basis)**  
**Last Ten Years**

	Fiscal Year			
	2025	2024	2023	2022
<b>Revenue</b>				
Local sources				
Local tax	\$ 29,371,380	\$ 26,267,821	\$ 24,975,024	\$ 21,334,598
Tuition	4,031,057	3,147,290	3,753,336	2,630,843
Other	4,341,494	4,743,076	2,743,487	2,336,188
State sources	31,315,238	30,273,283	28,912,229	26,805,713
Federal sources	1,620,065	1,242,019	1,325,141	1,390,210
Total revenue	<u>70,679,234</u>	<u>65,673,489</u>	<u>61,709,217</u>	<u>54,497,552</u>
<b>Expenditures</b>				
Instruction				
Regular	18,641,736	18,238,835	16,162,180	17,496,183
Special	7,420,155	7,459,416	6,440,038	7,609,738
Other	6,852,606	6,278,436	6,191,991	2,652,552
Support Services				
Student	980,181	999,425	1,082,570	1,043,832
Instructional staff	2,999,237	2,982,110	3,051,896	2,871,905
Administration	4,746,290	4,793,999	4,233,010	3,413,085
Operation and maintenance of plant	6,858,740	4,876,180	4,823,442	4,325,287
Transporation	1,906,097	1,766,977	1,602,724	1,848,971
Other expenditures				
AEA flowthrough	1,373,932	1,757,408	1,659,201	1,540,413
Facilities acquisition	1,493,199	7,101,558	9,366,132	7,924,529
Capital outlay	3,363,434	1,594,561	-	-
Debt Service				
Principal	2,340,000	2,415,000	2,460,000	2,420,000
Interest and fiscal charges	2,640,567	2,537,448	2,598,762	2,855,892
Total expenditures	<u>\$ 61,616,174</u>	<u>\$ 62,801,353</u>	<u>\$ 59,671,946</u>	<u>\$ 56,002,387</u>

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 20,220,149	\$ 18,428,172	\$ 18,805,963	\$ 16,653,465	\$ 14,847,680	\$ 13,075,546
2,429,852	2,677,963	2,700,118	2,586,747	2,733,064	2,517,722
2,184,507	3,121,664	2,756,732	2,295,056	2,133,492	2,024,313
24,460,395	22,345,634	21,291,432	20,299,489	18,465,973	16,689,892
1,873,865	904,858	876,276	838,679	736,963	631,454
<u>51,168,768</u>	<u>47,478,291</u>	<u>46,430,521</u>	<u>42,673,436</u>	<u>38,917,172</u>	<u>34,938,927</u>
14,942,681	14,062,751	12,769,327	12,460,152	11,613,216	11,181,345
4,959,049	4,699,500	3,799,400	3,297,029	3,083,743	4,435,322
5,235,787	4,932,273	4,918,487	4,760,706	4,377,423	2,085,479
1,157,469	1,009,947	977,902	910,540	771,241	762,618
2,495,689	2,686,155	2,337,432	2,363,454	2,197,720	1,783,497
3,475,195	3,197,295	2,618,014	2,571,134	2,467,466	2,632,356
4,126,032	3,480,768	3,276,755	2,950,904	2,587,132	2,763,862
1,682,644	1,514,024	1,593,671	1,569,138	1,136,030	1,260,699
1,442,196	1,310,827	1,225,741	1,153,382	1,033,233	960,969
21,091,911	21,911,847	7,208,443	3,988,789	12,619,631	3,332,373
-	-	-	-	-	-
19,415,000	2,155,000	1,490,000	1,455,000	1,430,000	1,535,000
3,202,543	2,603,267	1,624,656	1,658,476	1,828,613	1,787,846
<u>\$ 83,226,196</u>	<u>\$ 63,563,654</u>	<u>\$ 43,839,828</u>	<u>\$ 39,138,704</u>	<u>\$ 45,145,448</u>	<u>\$ 34,521,366</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)



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

**Independent Auditor's Report**

To the School Board  
Dallas Center - Grimes Community School District  
Grimes, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dallas Center - Grimes Community School District, Grimes, Iowa, as of and for the year ending June 30, 2025, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 21, 2025.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses that we consider to be a material weakness identified as Audit Finding 2025-01.

### **Report on Compliance and Other Matters**

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

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

### **District's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

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

BerganKDV, Ltd.

St. Cloud, Minnesota  
October 21, 2025

**Dallas Center - Grimes Community School District  
Schedule of Findings and Responses**

**SECTION I - FINANCIAL STATEMENT FINDINGS**

**Audit Finding 2025-001 - Lack of Segregation of Accounting Duties**

*Criteria:*

Internal control that supports the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements requires adequate segregation of accounting duties.

*Condition:*

During the year ended June 30, 2025, the District had a lack of segregation of accounting duties due to a limited number of office employees. This lack of segregation of accounting duties can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- The Business Manager has access to all areas of the accounting system.
- The Business Manager reconciles property taxes and federal receivables and capital assets without review.
- The Business Manager has the ability to make journal entries without review.

Management is aware of this condition and will take certain steps to compensate for the lack of segregation. However, due to the small accounting staff needed to handle all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Due to this reason, management has determined a complete segregation of accounting duties is impractical to correct.

*Context:*

This finding impacts the internal control over financial reporting.

*Effect or Potential Effect:*

The lack of adequate segregation of accounting duties could adversely affect the District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

*Cause:*

There are a limited number of office employees.

*Recommendation:*

Continue to review the accounting system, including changes that may occur. Implement segregation whenever practical.

**Dallas Center - Grimes Community School District  
Schedule of Findings and Responses**

**SECTION I - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Audit Finding 2025-001 - Lack of Segregation of Accounting Duties (Continued)**

*Views of Responsible Officials and Planned Corrective Actions:*

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Finding  
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding  
Administration will add additional internal controls where the benefit exceeds the cost.
3. Official Responsible for Ensuring CAP  
Michelle Wearmouth, Business Manager, is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP  
The planned completion date for the CAP is June 30, 2026.
5. Plan to Monitor Completion of CAP  
The School Board will be monitoring this CAP.

**Dallas Center - Grimes Community School District  
Schedule of Findings and Responses**

**SECTION II - OTHER FINDINGS RELATED TO STATUTORY REPORTING**

**II-A-25 - Certified Budget**

Expenditures did not exceed budgeted amounts.

**II-B-25 - Questionable Expenditures**

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

**II-C-25 - Travel Expense**

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

**II-D-25 - Business Transactions**

There was no transaction between the District and District officials.

**II-E-25 - Restricted Donor Activity**

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

**II-F-25 - Bond Coverage**

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

**II-G-25 - Board Minutes**

No transactions were found that we believe should have been approved in the Board minutes but were not.

**II-H-25 - Certified Enrollment**

*Finding:*

The following variances in the basic enrollment data certified to the Iowa Department of Education were noted:

- The District counted 3 students that were not enrolled.
- The District did not count 0.26 EL students that should have been counted.

*Auditor's Recommendation:*

The District should review procedures to ensure accurate counts are taken throughout the year and accurate enrollment data is certified to the Iowa Department of Education.

*Views of Responsible Officials:*

The District will contact the Iowa Department of Education and Iowa Department of Management notifying them of the above changes. The District will continue to monitor reconciliations of District information to information certified to the Iowa Department of Education.

*Auditor's Conclusion:*

Response accepted.

**Dallas Center - Grimes Community School District  
Schedule of Findings and Responses**

**SECTION II - OTHER FINDINGS RELATED TO STATUTORY REPORTING (CONTINUED)**

**II-I-25 - Supplementary Weighting**

There were no variances noted in the supplementary weighting data certified to the Iowa Department of Education.

**II-J-25 - Deposits and Investments**

No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the *Code of Iowa* and the District's investment policy were noted.

**II-K-25 - Certified Annual Report**

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

**II-L-25 - Categorical Funding**

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

**II-M-25 - Statewide Sales, Services, and Use Tax**

No instances of noncompliance with the allowable use 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		\$ 9,835,892
Revenue/other financing sources		
Sales tax revenue	\$ 4,631,402	
Other local revenue	1,218,955	5,850,357
Expenditures/transfers out		
School infrastructure construction	1,493,199	
Other	292,700	
Transfer to other funds		
Debt service fund	288,112	2,074,011
Ending balance		\$ 13,612,238

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*.

APPENDIX E – FORM OF ISSUE PRICE CERTIFICATES

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT, IOWA  
\$ \_\_\_\_\_ GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026

ISSUE PRICE CERTIFICATE

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

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.
2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***
  - a) Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.
  - b) As set forth in the Terms of Offering, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.
3. ***Defined Terms.***
  - a) General Rule Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."
  - b) Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."
  - c) Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (May 13, 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 Dallas Center-Grimes Community School District.
  - e) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.
  - f) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
  - g) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May 6, 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: June 3, 2026

**SCHEDULE A**  
**SALE PRICES OF THE GENERAL RULE MATURITIES AND**  
**INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**  
**(Attached)**  
**SCHEDULE B**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**

**EXHIBIT A**  
**DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT, IOWA**  
**\$ \_\_\_\_\_ GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026**

**ISSUE PRICE CERTIFICATE**

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

**1. Reasonably Expected Initial Offering Price.**

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. Purchaser was not given the opportunity to review other bids prior to submitting its bid. The bid submitted by Purchaser constituted a firm offer to purchase the Bonds.

**2. Defined Terms.**

- a) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- b) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- c) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May 6, 2026.
- d) Underwriter means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

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

[UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: June 3, 2026

**SCHEDULE A**  
**EXPECTED OFFERING PRICES**  
**(Attached)**  
**SCHEDULE B**  
**COPY OF UNDERWRITER'S BID**  
**(Attached)**