

\$12,990,000*
Grundy Center Community School District, Iowa
General Obligation School Bonds, Series 2022

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

DATE: Wednesday, May 18, 2022
TIME: 1:30 PM
PLACE: Board Room, Administration Building
1301 12th St.
Grundy Center, IA 50638
Telephone: (319)825-5418

S&P's Rating: "A"

* Preliminary, subject to change

PIPER | SANDLER

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

OFFICIAL BID FORM

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

Re: \$12,990,000* General Obligation School Bonds, Series 2022, dated the date of delivery, of the Issuer (the "Bonds")

For all or none of the 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, 2023	_____	_____	June 1, 2033
_____	_____	June 1, 2024	_____	_____	June 1, 2034
_____	_____	June 1, 2025	_____	_____	June 1, 2035
_____	_____	June 1, 2026	_____	_____	June 1, 2036
_____	_____	June 1, 2027	_____	_____	June 1, 2037
_____	_____	June 1, 2028	_____	_____	June 1, 2038
_____	_____	June 1, 2029	_____	_____	June 1, 2039
_____	_____	June 1, 2030	_____	_____	June 1, 2040
_____	_____	June 1, 2031	_____	_____	June 1, 2041
_____	_____	June 1, 2032	_____	_____	June 1, 2042

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

<u>Principal Amount</u>	<u>Month and Year (Inclusive)</u>	<u>Maturity Month and Year</u>
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ 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 utilize bond insurance from company _____ with 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):

COMBINED NET INTEREST COST:\$ _____
(Computed from the dated date)

COMBINED TRUE INTEREST RATE _____ %

Account Manager

Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the Board of Directors of the Grundy Center Community School District, in the Counties of Grundy and Tama, State of Iowa, this 18th day of May, 2022.

ATTEST: _____
Board 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 2022, in the principal amount of \$12,990,000* dated the date of delivery.

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. Adjustments to principal may be made to assure the desired tax levy is not exceeded, and the total project funding is provided. Total par amount will not exceed \$12,990,000.

The dollar amount bid by the Successful Bidder may be changed if the aggregate principal amount of the Bonds, as adjusted as described below, is adjusted, however the interest rates specified by the Successful Bidder for all maturities will not change. The Issuer's financial 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, 2028, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Interest: Interest on said Bonds will be payable on December 1, 2022 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 \$129,900* 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 Financial Advisor or the Issuer will provide the apparent winning bidder (the "Purchaser") with wiring instructions by email, within 20 minutes of the stated time when bids are due. If the wire is not received at the indicated time 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 98.50% 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 financial advisor to ensure that all confidential information is sent via a secure portal.

Scaled Bidding: Sealed bids may be submitted and will be received at the office of the Superintendent, Grundy Center Community School District 1301 12th St., Grundy Center, IA 50638.

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

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

Electronic Facsimile Bidding: Facsimile Bidding is not allowed.

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

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

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

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

Establishment of Issue Price:

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

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

- (1) the Issuer shall disseminate this Official Term of Offering to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;

- (3) the Issuer may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Official Terms of Offering.

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

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

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

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

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

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

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

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

member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(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 Financial Advisor will assume responsibility for the collection of or receipt of bids. Bids received after the appointed time of sale will not be opened.

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

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

For more information see the Continuing Disclosure section herein.

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

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

PRELIMINARY OFFICIAL STATEMENT DATED MAY 4, 2022

NEW ISSUE - DTC BOOK ENTRY ONLY

S&P's Rating: "A"

Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), 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. Interest on the Bonds is not exempt from present Iowa income taxes. The Bonds will NOT be designated as "qualified tax-exempt obligations". See "TAX EXEMPTION AND RELATED CONSIDERATIONS" herein for a more detailed discussion.

\$12,990,000*

**Grundy Center Community School District, Iowa
General Obligation School Bonds, Series 2022**

Dated: Date of Delivery

The General Obligation School Bonds, Series 2022 described above (the "Bonds") are issuable as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by UMB Bank, n.a., as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Bonds.

Interest on the Bonds is payable on June 1, and December 1 in each year, beginning December 1, 2022 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, 2028 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, 2023	\$545,000			400244 DL0	June 1, 2033	\$655,000			400244 DW6
June 1, 2024	535,000			400244 DM8	June 1, 2034	665,000			400244 DX4
June 1, 2025	550,000			400244 DN6	June 1, 2035	675,000			400244 DY2
June 1, 2026	565,000			400244 DP1	June 1, 2036	690,000			400244 DZ9
June 1, 2027	580,000			400244 DQ9	June 1, 2037	700,000			400244 EA3
June 1, 2028	600,000			400244 DR7	June 1, 2038	715,000			400244 EB1
June 1, 2029	615,000			400244 DS5	June 1, 2039	725,000			400244 EC9
June 1, 2030	625,000			400244 DT3	June 1, 2040	740,000			400244 ED7
June 1, 2031	635,000			400244 DU0	June 1, 2041	755,000			400244 EE5
June 1, 2032	645,000			400244 DV8	June 1, 2042	775,000			400244 EF2

\$ _____ % 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. It is expected that the Bonds in the definitive form will be available for delivery through the facilities of DTC on or about June 29, 2022. 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 _____, 2022

* Preliminary, subject to change

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

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

**OFFICIAL STATEMENT
GRUNDY CENTER COMMUNITY SCHOOL DISTRICT, IOWA
\$12,990,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2022**

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Grundy Center Community School District, Iowa (the “Issuer”), in connection with the sale of the Issuer’s General Obligation School Bonds, Series 2022 (the “Bonds”). The Bonds are being issued to provide funds to (i) remodel, repair, improve, furnish and equip the Elementary and High School buildings, including security and ADA accessibility improvements; and to construct, furnish and equip additions to the High School and improve the site, and (ii) pay costs of issuance for the Bonds. See “**SOURCES AND USES OF FUNDS**” herein.

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 valuation within the boundaries of the Issuer. See “**THE BONDS – Source of Security for the Bonds**” herein.

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

THE BONDS

General

The Bonds are dated as of the date of delivery and will bear interest at the rates to be set forth on the cover page herein, interest payable on June 1 and December 1 in each year, beginning on December 1, 2022, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

Authorization for the Issuance

The Bonds are being issued pursuant to the Code of Iowa, 2021, as amended, Chapter 296. Voters in the District authorized the issuance of not to exceed \$12,990,000 of General Obligation School Bonds at a special election held November 2, 2021.

Book Entry Only System

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

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

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934.

DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S equity issues, corporate and municipal debt issues and money market instrument (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC.

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

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

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

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

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

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

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

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

DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving

reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

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

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

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

Transfer and Exchange

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

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

Prepayment

Optional Prepayment: The Bonds maturing after June 1, 2028, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

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

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

_____ Term Bond
Mandatory Sinking Fund Date Principal Amount
\$

(maturity)

Selection of Bonds for Redemption Bonds subject to redemption will be selected in such order of maturity as the Issuer may direct. If less than all of the Bonds of a single maturity are to be redeemed, the Issuer will notify DTC of the particular amount

of such maturity to be redeemed prior to maturity. DTC will determine by lot the amount of each Participant's interest in such maturity to be redeemed and each Participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

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

Source of Security for the Bonds

The Bonds are general obligations of the Issuer. Per Iowa Code section 76.2, prior to issuing general obligation debt the governing authority of Iowa political subdivision shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution must be filed with the County auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full. Upon issuance of the Bonds, the Issuer will levy taxes for the years and in amounts sufficient to provide 100% of annual principal and interest due on the Bonds. If, however, the amount credited to the debt service fund for payment of the Bonds is insufficient to pay principal and interest, whether from transfers or from original levies, the Issuer is required to levy ad valorem taxes upon all taxable real property 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 property valuation within the Issuer. As part of the budgetary process of the Issuer each fiscal year the Issuer will have an obligation to request a debt service levy to be applied against all of the property within the Issuer. A failure on the part of the Issuer to make a timely levy request or a levy request by the Issuer that is inaccurate or is insufficient to make full payments of the debt service on the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

Changes in Property Taxation

The Bonds are general obligations of the Issuer secured by an unlimited ad valorem property tax as described in the "Source of Security for the Bonds" herein. Prior State Public Health Emergency Declarations relative to the COVID-19 pandemic, which

have expired temporarily suspended the provisions that required the imposition of penalty and interest for delay in property tax payments and directed that no such penalty or interest could be imposed for the duration of the declarations and any future extension of the suspension. It is impossible to predict whether any future declarations or any amendments to or extensions thereof would have a material effect on the Issuer's ability to collect property taxes necessary for the payment of principal and interest on the Bonds.

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

Matters Relating to Enforceability of Agreements

There is no Bond 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.

Potential Impact of the Coronavirus

In recent years, a strain of coronavirus commonly known as COVID-19 has spread globally, negatively affecting global, state, and local economies and possibly sparking a recession. Federal, State, and local officials are taking steps to curb the spread of the virus, including providing both discretionary and mandatory guidelines and orders regarding public gatherings, and imposing mandatory closings of some businesses. The State of Iowa may suffer material adverse consequences from the continued spread of COVID-19, which could affect the amount of State revenues appropriated to municipalities, including the Issuer. The spread of the virus could reduce sales tax and other revenue collections, property valuations and tax collections and other revenue sources dependent on local business activity, which is likely to be slower.

The Issuer did not experience material reductions in revenue or material increases in expenses in fiscal years 2020 and 2021 due to material COVID-19-related financial impacts and currently expects that any material COVID-19-related financial impacts incurred in fiscal year 2022 will be covered by federal funding. It is too soon, however, to fully predict what COVID-19-related

financial impacts the Issuer may incur and whether any such financial impacts will be material. The Bonds are general obligations of the Issuer. See “THE BONDS – Source of Security for the Bonds” herein.

The Issuer cannot predict whether continued spread of the disease will materially impact its financial condition in fiscal year 2022 or beyond. The spread of the virus could negatively affect the Issuer’s financial condition, including, among others, lower property values, decreasing student enrollment, a delay in property tax collections, and other unpredicted unforeseen consequences, which may affect the Issuer’s ability to pay principal of and interest on the Bonds. See “THE BONDS – Source of Security for the Bonds” herein.

This information is based on current information available to the Issuer that may be incomplete and unknown. This information was derived using certain assumptions and methodologies and includes unaudited financial information and projections. Some of this information is forward-looking and subject to change.

Pension

Pursuant to GASB Statement No. 68, the School reported a liability of \$4,452,724 as of June 30, 2021 for its proportionate share of the net pension liability for Iowa Public Employee Retirement System (“IPERS”). The net pension liability is the amount by which the total actuarial liability exceeds the pension plan’s net assets or fiduciary net position (essentially the market value) available for paying benefits. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The School’s proportion of the net pension liability was based on the School’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. As of June 30, 2020, the School’s collective proportion was 0.063386% which was a decrease of 0.001656% from its proportion measured as of June 30, 2018. **See School’s Audited Financial Statements for Fiscal Year Ending June 30, 2021, Appendix D, for additional information.**

Rating

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

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

Forward-Looking Statements

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

Pending Federal Tax Legislation

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

DTC-Beneficial Owners

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

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

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 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, supply chain issues, adverse weather conditions, subcontractor defaults, delays, and unknown contingencies.

Debt Payment History

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

Damage or Destruction to 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.

Redemption Prior to Maturity

In considering whether the Bonds might be redeemed prior to maturity, Bondholders should consider the information included in this Official Statement under the heading **"THE BONDS."** Furthermore, the Bonds are subject to optional and mandatory redemption as set forth herein. See **"THE BONDS"** herein.

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 District from its business activities, such as its status as an employer. While the District maintains general liability insurance coverage, the District 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 District's financial condition.

Risks as Employer

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

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

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 insurance policies in the amount of \$1,000,000 (covering first party expenses for response to cyber breach) and \$1,000,000 (third party coverage for Issuer liability for failure to protect computer systems) to cover aspects of a cyber-attack. The Issuer cannot predict whether these policies would be sufficient in the event of a cyber breach.

Cleanup Costs and Liens under Environmental Statutes

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

Financial Condition of the Issuer from time to time

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

Continuing Disclosure

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

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgement as to its ability to bear the economic risk of such an 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" herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the Issuer in violation of its covenants in the Resolution. Should such an event of taxability occur, the Bonds would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

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

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

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

Factors Beyond Issuer's Control

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

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 Nolte Cornman & Associates, P.C., to the extent and for the periods indicated in their report thereon. Such financial statements have been included herein without permission of said CPA, and said CPA expresses no opinion with respect to the Bonds or the Official Statement.

UNDERWRITING

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

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

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

THE PROJECT

The Bonds are being issued to provide funds to (i) remodel, repair, improve, furnish and equip the Elementary and High School buildings, including security and ADA accessibility improvements; and to construct, furnish and equip additions to the High School and improve 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	\$
	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.

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

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

NOT Qualified Tax Exemption Obligations

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

Discount and Premium Bonds

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

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

Other Tax Advice

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

Audits

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

Reporting and Withholding

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

Tax Legislation

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

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

The Opinion

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

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

Enforcement

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

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

Bond Counsel Review

Bond Counsel has approved the language included in this "Tax Exemption and Related Considerations" Section but has not otherwise participated in the preparation of this Preliminary Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has not examined, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Preliminary Official Statement and will express no opinion with respect thereto.

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

FINANCIAL ADVISOR

The Issuer has retained Piper Sandler & Co. as financial advisor (the "Financial Advisor") in connection with the issuance of the Bonds. The Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of the Official Statement. The Financial 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 District will enter into a Continuing Disclosure Certificate (together, the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board ("MSRB") pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934. The information to be provided, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including

termination, amendment and remedies, are set forth in **APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE** herein.

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.

For the five (5) years beginning April 20, 2017 through April 20, 2022, the Issuer believes it has complied in all material respects with its Disclosure Covenants under the Rule.

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 Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Bonds, the 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 entirety by reference to such documents, and the description herein of the Bonds is qualified in its entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the Issuer.

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

The attached APPENDICES A, B, C, and D 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.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/ Becki Smith
Board Secretary

APPENDIX A - INFORMATION ABOUT THE ISSUER

**GRUNDY CENTER COMMUNITY SCHOOL DISTRICT, IOWA
DISTRICT OFFICIALS**

PRESIDENT	Andy Lebo
BOARD MEMBERS	Steven Martens – Vice President Mary Breyfogle Shane Blythe Kent Venenga
SUPERINTENDENT	Robert Hughes
DISTRICT SECRETARY	Becki Smith
DISTRICT TREASURER	Chad Wagner
DISTRICT ATTORNEY	

CONSULTANTS

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

General Information

The Grundy Center Community School District is located 70 miles northeast of Des Moines, and 23 miles southwest of Waterloo-Cedar Falls metropolitan area in east central Iowa in Grundy and Tama Counties. The District includes the City of Grundy Center and the City of Holland, as well as surrounding agricultural land. Transportation facilities are provided by State Highway 14 and 175, Interstate Highway 35 is approximately 50 miles to the west and Interstate Highway 380 is approximately 40 miles to the east.

District Facilities (1)

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

<u>Building</u>	<u>Construction Date</u>	<u>Grades Served</u>
Secondary School	1957, 1971	5-12
Elementary	1996	K-4

Enrollment (3)

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

<u>Count Date</u>	<u>Fiscal Year effective</u>	<u>Certified (Resident) (4)(5)</u>	<u>Open Enroll In (6)</u>	<u>Open Enroll Out (6)</u>	<u>Total Served</u>
October-21	2022-23	668.2	72.2	21.0	719.0
October-20	2021-22	659.1	61.2	14.2	706.1
October-19	2020-21	646.0	64.1	13.0	697.1
October-18	2019-20	653.1	57.1	14.0	696.2
October-17	2018-19	654.2	56.0	16.0	694.2

Staff (1)

Presented below is a list of the District's 113 employees.

Administrators:	4	Media Specialists:	0
Teachers:	65	Nurses:	1
Teacher Aids:	17	Guidance:	2
Custodians:	4	Secretaries:	5
Food Service:	5	Transportation:	7
Other:	2	Maintenance:	1

Population (2)

Presented below are population figures for the periods indicated for the cities of Grundy Center and Holland.

<u>Year</u>	<u>Grundy Center</u>	<u>Holland</u>
2020	2,796	269
2010	2,706	282
2000	2,596	250
1990	2,491	215
1980	2,880	278
1970	2,712	258

(1) Source: the Issuer

(2) Source: U.S. Census Bureau

(3) Source: Iowa Department of Education

(4) Used for Sales Tax distribution

(5) Used for State Aid distribution

(6) For each fiscal year, the school district into which any student open-enrolls, sends an invoice to the home-district in the amount of regular district cost per pupil, which is equal to the amount of State Aid the home-district receives from the State.

Other Post-Employment Benefits (OPEB) (1)

Plan Description - The District administers a single-employer 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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Active employees	107
<hr/>	
Total	114

Total OPEB Liability – The District's total OPEB liability of \$608,644 at June 30, 2021 was measured as of June 30, 2020, and was determined by an actuarial valuation utilizing roll-forward procedures.

Actuarial Assumptions – the total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement:

Rate of inflation	3.00%
Rates of salary increase including inflation	3.00%
Discount rate including inflation	3.50%
Healthcare cost trend rate	5.75% initial rate decreasing by 0.5% annually to an ultimate rate of 5.0%

Discount Rate – The discount rate used to measure the total OPEB liability was 3.5%, which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP 2019 generational project of future mortality improvement, applied on gender specific basis. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability:

Total OPEB obligation – beginning of year	\$619,659
Changes for the year	
	Service Cost 38,272
	Interest 21,784
	Benefit Payments (71,071)
<hr/>	
Net Changes	(11,015)
Net OPEB obligation – end of year	\$608,644

(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. Moreover, IPERS maintains a website at www.ipers.com. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

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

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

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

Table 1 – Issuer and Employees Contribution to IPERS.

Fiscal Year	Issuer Contribution		Issuer Employees' Contribution	
	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2017	\$385,202	8.93	\$256,657	5.95
2018	417,169	8.93	277,957	5.95
2019	467,275	9.44	311,352	6.29
2020	474,821	9.44	316,380	6.29
2021	472,815	9.44	315,043	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 %
2017	11.70
2018	7.97
2019	8.35
2020	3.39
2021	29.63

(1) SOURCE: The Issuer

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

Table 3 – Funding Status of IPERS (1)

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) % [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
2017	30,472,423,914	30,779,116,326	37,440,382,029	6,968,134,950	81.39	6,661,265,703	82.21	7,863,160,443	88.62
2018	31,827,755,864	32,314,588,595	38,642,833,653	6,815,077,789	82.36	6,328,245,058	83.62	7,983,219,527	79.27
2019	33,324,327,606	34,010,680,731	39,801,338,797	6,477,011,191	83.73	5,790,658,066	85.45	8,151,043,468	71.04
2020	34,485,656,745	34,047,692,112	41,072,427,540	6,586,770,795	83.96	7,024,735,428	82.90	8,391,856,350	78.49
2021	37,584,987,296	42,889,875,682	42,544,648,750	4,959,661,454	88.34	-345,226,932	100.81	8,648,783,536	57.35

Net Pension Liabilities (2)

At June 30, 2021, the Issuer reported a liability of \$4,452,724 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7%. The Issuer’s proportion of the net pension liability was based on the Issuer’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. See “**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS**” for additional information related to the Issuer’s deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

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

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

(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 CAFRs

(2) Source: the Issuer

Investment of Public Funds (1)

The Issuer invests its funds pursuant to Chapter 12B of the Code. Presented below is the District's investing activities as of February 28, 2022.

<u>Type of Investment</u>	<u>Amount Invested</u>
Local Bank Money Market	\$0
Local Bank Deposit Accounts	3,313,705.62
Local Bank Time CD's	588,850.18
ISJIT Money Market	0
ISJIT Time CD's	0

Major Employers (2)

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

<u>Employer</u>	<u>Business</u>	<u>Approximate Employees</u>
Grundy County Memorial Hospital	Healthcare	100-249
Richelieu Food	Manufacturer of dressings/fruits and veggies	100-249
Grundy Center School District	Education	113
County of Grundy	Government Seat	85
Mill	Convenience store	50-99
Grundy Care Center	Nursing home	20-49
Grundy Ambulance Service	Ambulance service	20-49
Grundy Center Aquatic Center	Aquatic center	20-49
YMCA	Youth organizations and center	20-49
Van Wall Equipment	Construction equipment	20-49
Road Grooming	Mobile pet grooming	20-49
Uni First Corp	Uniform supply	20-49
Casey's General Store	Convenience Store	20-49
Remington Hybrids	Seeds & bulbs	20-49
Welch's Insurance	Insurance	20-49
Titan Machinery	Farm equipment	20-49
Godfather's Pizza	Restaurant	20-49
City of Grundy Center	City Government	35
AmericInn	Motel	10-19
Natural Grind	Coffee shop	10-19
Cooley Pumping	Septic tanks	10-19
GNB Bank	Banking services	10-19
Precision concrete	Concrete contractors	10-19

Property Tax Assessment (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 Rollback</u>	<u>Ag. Land & Buildings</u>	<u>Commercial</u>	<u>Multi-residential</u>	<u>Utilities</u>
2022-23	54.1302	89.0412	90.0000	63.7500	100.0000
2021-22	56.4094	84.0305	90.0000	67.5000	98.5489
2020-21	55.0743	81.4832	90.0000	71.2500	100.0000
2019-20	55.6209	54.4480	90.0000	75.0000	100.0000
2018-19	56.9391	47.4996	90.0000	78.7500	100.0000

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, 2020 are used to calculate tax liability for the tax year starting July 1, 2021 through June 30, 2022. Presented below are the historic property valuations of the Issuer by class of property.

- (1) Source: the Issuer
- (2) Source: Iowa Workforce Development.com/employer database
- (3) Source: Iowa Department of Revenue

Property Valuations (1)(2)

Actual Valuation					
Valuation as of January	2021	2020	2019	2018	2017
Fiscal Year	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Residential:	215,988,754	198,257,810	187,866,734	171,888,386	170,479,367
Agricultural Land:	120,665,135	123,691,334	124,007,028	160,252,620	160,341,942
Ag Buildings:	7,743,040	6,698,090	6,535,945	7,720,434	7,438,814
Commercial:	32,359,739	30,573,325	33,464,500	23,218,650	22,458,975
Industrial:	8,609,022	6,325,255	4,224,192	4,111,599	4,109,781
Multi-Residential	2,842,347	2,449,643	2,442,440	2,382,962	2,412,577
Reserved	0	0	0	0	0
Railroads:	0	0	0	0	0
Utilities:	6,894,885	6,728,107	6,648,590	6,867,091	6,682,318
Other:	0	0	0	0	0
Total Valuation:	395,102,922	374,723,564	365,189,429	376,441,742	373,923,774
Less Military:	348,176	357,436	370,400	370,400	394,476
Net Valuation:	394,754,746	374,366,128	364,819,029	376,071,342	373,529,298
TIF Valuation:	17,337,794	18,766,747	16,168,360	7,788,956	7,856,922
Utility Replacement:	16,450,705	16,015,068	16,817,862	16,635,669	14,654,618
Taxable Valuation					
Valuation as of January	2021	2020	2019	2018	2017
Fiscal Year	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Residential:	115,932,265	110,400,740	102,003,470	95,953,898	92,886,669
Agricultural Land:	107,441,685	103,938,445	100,935,099	89,620,922	86,957,480
Ag Buildings:	6,894,493	5,628,439	5,325,276	4,332,475	4,049,060
Commercial:	27,644,937	26,017,202	28,935,412	20,676,963	19,985,381
Industrial:	8,135,350	5,652,075	3,761,226	3,662,343	3,660,525
Multi-Residential	1,795,348	1,627,634	1,715,792	1,766,926	1,884,029
Reserved	0	0	0	0	0
Railroads:	0	0	0	0	0
Utilities:	6,894,885	6,630,477	6,648,590	6,867,091	6,682,318
Other:	0	0	0	0	0
Total Valuation:	274,738,963	259,895,012	249,324,865	222,880,618	216,105,462
Less Military:	348,176	357,436	370,400	370,400	394,476
Net Valuation:	274,390,787	259,537,576	248,954,465	222,510,218	215,710,986
TIF Valuation:	17,337,794	18,766,747	16,168,360	7,788,956	7,856,922
Utility Replacement:	2,475,109	2,402,751	2,622,173	2,525,475	2,611,205

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2021	428,543,245	4.74%	294,203,690	4.81%
2020	409,147,943	2.85%	280,707,074	4.84%
2019	397,805,251	-0.67%	267,744,998	15.00%
2018	400,495,967	1.12%	232,824,649	2.94%
2017	396,040,838	-1.99%	226,179,113	2.56%

(1) Source: Iowa Department of Management

(2) 2013 AND 2021 LEGISLATION: During its 2013 session the Iowa Legislature enacted, and the Governor signed, legislation that reduced the limit on the annual assessed value growth with respect to certain classes of property (the “2013 Legislation”). The 2013 legislation included state-funded replacement moneys for a portion of the expected reduction in property tax revenues (the “Backfill Payments”) to local governments caused by the 2013 Legislation. The Backfill Payments were limited in both amount and availability in the 2013 Legislation. During the 2021 legislative session the Iowa General Assembly passed additional legislation that eliminates the Backfill Payments for school districts after fiscal year ending June 30, 2022, which the Governor signed. The Bonds are general obligations of the Issuer. SEE “**THE BONDS – Source of Security for the Bonds**” herein.

Tax Rates (1)

Presented below are the taxes levied by the District 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>Playground</u>	<u>Debt</u>	<u>Schoolhouse</u>	<u>Total Levy</u>
2022	10.97387	0.85897	0.33000	1.34000	0.00000	0.00000	0.00000	13.50284
2021	10.77344	0.89436	0.33000	1.34000	0.00000	0.00000	0.00000	13.33780
2020	10.08950	1.44422	0.33000	1.34000	0.00000	0.00000	0.00000	13.20372
2019	10.33753	1.14510	0.32881	1.34000	0.00000	0.00000	0.00000	13.15144
2018	9.92880	1.41281	0.33000	1.34000	0.00000	0.00000	0.00000	13.01161
2017	9.87490	1.46214	0.33000	1.34000	0.00000	0.00000	0.00000	13.00704

Historic Tax Rates (1)

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

<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</u>
2022	15.88402	13.50284	1.17640	0.00260	0.28825	0.20998	0.00000	4.70488	0.00000	35.76897
2021	15.26734	13.33780	1.15802	0.00270	0.40415	0.21542	0.00000	4.37539	0.00000	34.76082
2020	15.26330	13.20372	1.11803	0.00280	0.36533	0.22482	0.00000	4.79261	0.00000	34.97061
2019	15.26216	13.15144	1.01703	0.00290	0.37143	0.23434	0.00000	5.36132	0.00000	35.40062
2018	15.48091	13.01161	0.97071	0.00310	0.37832	0.24213	0.00000	5.07502	0.00000	35.16180
2017	15.59139	13.00704	0.95088	0.00330	0.36838	0.23945	0.00000	5.25000	0.00000	35.41044

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>
2022	3,571,647	In collection	NA
2021	3,388,143	\$3,395,191	100.21%
2020	2,986,898	2,982,060	99.84%
2019	2,888,066	2,889,022	100.03%
2018	2,780,949	2,781,945	100.04%
2017	2,687,244	2,691,197	100.15%

(1) Source: Iowa Department of Management

(2) Source: the Issuer

Largest Taxpayers (1) (2)

Set forth in the following table are the persons or entities which represent the 2021 largest taxpayers within the Issuer. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District. The District's tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the District from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.

<u>Taxpayer</u>	<u>2021 Taxable Valuation</u>	<u>Percent of Total</u>
Farm Credit Leasing Services Corporation	10,577,214	3.595%
Kruger Farms Inc	8,943,229	3.040%
Heartland Property Coop	5,139,153	1.747%
Mid-American Energy(2)	4,233,000	1.439%
Northern Natural Gas(2)	3,400,732	1.156%
Northern Border Pipeline Co	3,061,428	1.041%
Dealer Sites LLC	1,827,342	0.621%
Ladco Properties XXIX, LLC	1,610,523	0.547%
Best Veneer Company, LLC, The	1,601,478	0.544%
Arlington Place of Grundy Center Housing Cooperative Association	1,498,416	0.509%
Total		14.24%

(1) Source: Grundy and Tama County Auditors' Offices

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

Direct Debt

General Obligation School Bonds (Debt Service) (1)

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

<u>Fiscal Year</u>	<u>6/29/22*</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total P&I</u>
6/1/22		0	0	0
6/1/23	545,000	545,000	246,404	791,404
6/1/24	535,000	535,000	252,470	787,470
6/1/25	550,000	550,000	238,025	788,025
6/1/26	565,000	565,000	223,175	788,175
6/1/27	580,000	580,000	207,920	787,920
6/1/28	600,000	600,000	192,260	792,260
6/1/29	615,000	615,000	176,060	791,060
6/1/30	625,000	625,000	166,220	791,220
6/1/31	635,000	635,000	156,220	791,220
6/1/32	645,000	645,000	145,743	790,743
6/1/33	655,000	655,000	135,100	790,100
6/1/34	665,000	665,000	124,293	789,293
6/1/35	675,000	675,000	113,320	788,320
6/1/36	690,000	690,000	101,845	791,845
6/1/37	700,000	700,000	89,080	789,080
6/1/38	715,000	715,000	76,130	791,130
6/1/39	725,000	725,000	62,188	787,188
6/1/40	740,000	740,000	47,688	787,688
6/1/41	755,000	755,000	32,518	787,518
6/1/42	775,000	775,000	16,663	791,663
Totals:	12,990,000	12,990,000	2,803,319	15,793,319

* Estimated

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

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

Anticipatory Warrants (1)

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

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

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

<u>Fiscal Year</u>	<u>8/18/16</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Obligations</u>
6/1/22	240,000	240,000	43,263	283,263
6/1/23	245,000	245,000	38,295	283,295
6/1/24	255,000	255,000	33,224	288,224
6/1/25	260,000	260,000	27,945	287,945
6/1/26	265,000	265,000	22,563	287,563
6/1/27	270,000	270,000	17,078	287,078
6/1/28	275,000	275,000	11,489	286,489
6/1/29	280,000	280,000	5,796	285,796
Totals:	2,090,000	2,090,000	199,652	2,289,652

(1) Source: the Issuer

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

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

	<u>FY23</u>	<u>FY22</u>
1/1/2020 Actual Valuation:	428,543,245	409,147,943
X	5%	5%
Statutory Debt Limit:	21,427,162	20,457,397
Total General Obligation Bond Debt:	12,990,000	12,990,000
Total General Obligation Note Debt:		
Total Lease Purchases:		
Total Loan Agreements:		
Capital Leases:		
Total Debt Subject to Limit:	12,990,000	12,990,000
Percentage of Debt Limit Obligated:	60.62%	63.50%

It has not been determined whether the District's Sales Tax Revenue Bonds do or do not count against the constitutional debt limit. If the Bonds do count against the constitutional debt limit, the amount of debt subject to the debt limit would increase \$2,090,000 to be \$15,080,000, or 73.71% of the statutory debt limit.

Overlapping & Underlying Debt (2) (4)

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

<u>Taxing Authority</u>	<u>Total GO Debt Outstanding</u>	<u>Taxable Valuation (x \$1,000)</u>	<u>Valuation Within Issuer (x \$1,000)</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
City of Grundy Center	2,700,500	107,722	107,722	100.00%	2,700,500
City of Holland	0	5,943	5,943	100.00%	0
Grundy County	16,890,000	1,079,714	277,905	25.74%	4,347,274
Tama County	9,215,000	1,135,908	2,802	0.25%	22,734
Hawkeye Community College	32,060,000	11,142,666	280,707	2.52%	807,659
Central Rivers AEA (267)	4,980,452	25,871,430	280,707	1.09%	54,038
Total:					7,932,204

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

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

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

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

Actual Value of Property, 2021	428,543,245
Taxable Value of Property, 2021	294,203,690
Direct General Obligation Debt:	12,990,000
Less Self-Supporting Debt	0
Net Direct General Obligation Debt	12,990,000
Overlapping Debt:	7,932,204
Direct & Overlapping General Obligation Debt:	20,922,204
Population, 2020 US Census:	3,846
Direct Debt per Capita:	3,378
Total Debt per Capita:	5,440
Direct Debt to Taxable Valuation:	4.415%
Total Debt to Taxable Valuation:	7.111%
Direct Debt to Actual Valuation:	3.031%
Total Debt to Actual Valuation:	4.882%
Actual Valuation per Capita:	111,426
Taxable Valuation per Capita:	76,496

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

APPENDIX B – FORM OF LEGAL OPINION

DRAFT

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Directors of the Grundy Center Community School District in the Counties of Grundy and Tama, State of Iowa, and acts of administrative officers of the School District (the "Issuer"), relating to the issuance of General Obligation School Bonds, Series 2022, by said Issuer, dated June 29, 2022, in the denominations of \$5,000 or multiples thereof, in the aggregate amount of \$ _____ (the "Bonds").

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

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

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

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

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

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

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

AHLERS & COONEY, P.C.

APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE

DRAFT

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Grundy Center Community School District, State of Iowa (the "Issuer"), in connection with the issuance of \$ _____ General Obligation School Bonds, Series 2022 (the "Bonds") dated June 29, 2022. The Bonds are being issued pursuant to a Resolution of the Issuer approved on _____, 2022 (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 _____, 2022.

"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 2021/2022 fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a

package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

- b. If the Issuer is unable to provide to the National Repository the Annual Financial Information by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibit A.
- c. The Dissemination Agent shall:
 - i. each year file Annual Financial Information with the National Repository; and
 - ii. (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

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

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

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

Section 5. Reporting of Significant Events.

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

to notice only if material, and if so shall as soon as possible determine if such event would be material under applicable federal securities laws.

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

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate with respect to each Series of Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds of that Series or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

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

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

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

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

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Financial Information filing or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Financial Information filing or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information filing or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but

excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

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

Date: _____ day of _____, 2022.

GRUNDY CENTER 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: Grundy Center Community School District, Iowa.

Name of Bond Issue: \$ _____ General Obligation School Bonds, Series 2022

Dated Date of Issue: June 29, 2022

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____.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT,
STATE OF IOWA

By: _____
Its: _____

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER

This Appendix contains the entire 2020 audited financial statement of the issuer. The Auditor of State of the State of Iowa (the "State Auditor") maintains a webpage that contains prior years' audits of city, county, school district and community college, including audits of the Issuer, which can be found at the following link <https://www.auditor.iowa.gov/reports/audit-reports>

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GRUNDY CENTER COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2020

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Grundy Center Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education (Before November 2019 Election)		
Andrew Lebo	President	2021
John Gordon	Vice President	2019
Robert Johanns	Board Member	2019
Al Kiewiet	Board Member	2021
Mandy Yoder	Board Member	2021
Board of Education (After November 2019 Election)		
Andrew Lebo	President	2021
John Gordon	Vice President	2023
Al Kiewiet	Board Member	2021
Mandy Yoder	Board Member	2021
Steve Martens	Board Member	2023
School Officials		
Robert Hughes	Superintendent	2020
Becki Smith	Board Secretary	2020
Chad Wagner	Business Manger/Treasurer	2020
Ahlers & Cooney	Attorney	2020

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
117 West 3rd Street North, Newton, Iowa 50208-3040
Telephone (641) 792-1910

Independent Auditor's Report

To the Board of Education of Grundy Center Community School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Grundy Center Community School District, Grundy Center, Iowa, as of and for the year ended June 30, 2020, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Grundy Center Community School District as of June 30, 2020 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Members American Institute & Iowa Society of Certified Public Accountants

Other Matters

Required Supplementary Information.

U.S generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 7 through 15 and 46 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grundy Center Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the statements for the two years ended June 30, 2019 (which are not presented herein) and expressed an unmodified opinion on those financial statements. Another auditor previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the seven years ended June 30, 2017 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 9, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. Such 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 24, 2021 on our consideration of Grundy Center Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Grundy Center Community School District's internal control over financial reporting and compliance.



NOLTE, CORNMAN & JOHNSON, P.C.

March 24, 2021
Newton, Iowa

Grundy Center Community School District

MANAGEMENT'S DISCUSSION AND ANALYSIS

Grundy Center 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, 2020. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2020 FINANCIAL HIGHLIGHTS

- The District's total net position decreased from \$4,471,733 at June 30, 2019 to \$4,357,723 at June 30, 2020. Total revenues increased from \$9,993,528 in fiscal year 2019 to \$10,174,973 in fiscal year 2020, a 1.82% increase, while total expenses increased from \$9,787,138 in fiscal year 2019 to \$10,288,983 in fiscal year 2020, a 5.13% increase compared to the prior year.
- General Fund revenues increased from \$8,023,198 in fiscal year 2019 to \$8,065,597 in fiscal year 2020, while General Fund expenditures increased from \$8,140,584 in fiscal year 2019 to \$8,365,959 in fiscal year 2020. The District's General Fund balance decreased from \$1,407,308 at June 30, 2019 to \$1,106,946 at June 30, 2020, representing a decrease of 21.34%.
- The increase in General Fund revenues was attributable to an increase in state source revenues received compared to the previous year. The increase in expenditures was due to the increase in instruction expenditures incurred compared to the previous year.

USING THIS ANNUAL REPORT

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

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

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

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

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes.

Supplementary Information provides detailed information about the nonmajor governmental funds.

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

Figure A-1
Grundy Center Community School District Annual Financial Report

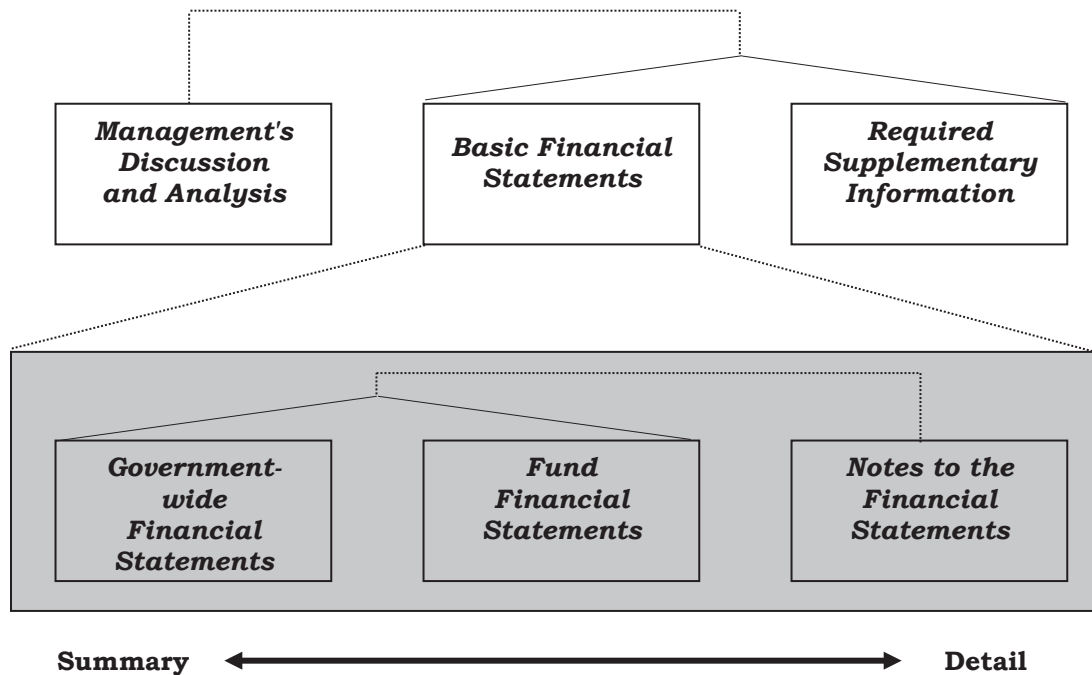


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2				
Major Features of the Government-Wide and Fund Financial Statements				
	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 service,	Instances in which the district administers resources on behalf of someone else, such as scholarship programs
Required financial statements	<ul style="list-style-type: none"> Statement of net position Statement of activities 	<ul style="list-style-type: none"> Balance sheet Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> Statement of net position Statement of revenues, expenses and changes in fund net position Statement of cash flows 	<ul style="list-style-type: none"> Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of deferred outflow / inflow information	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/ acquisition of fund balance that is applicable to a future reporting period	Consumption/ acquisition of net position that is applicable to a future reporting period	Consumption/ acquisition of net position that is applicable to a future reporting period.
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

The two government-wide financial statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position is an indicator of whether financial position is improving or

deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

The District's governmental funds include the General Fund, 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 Revenues, Expenditures and Changes in Fund Balances.

- 2) *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Fund, one type of proprietary fund, is the same as its business type activities, but provides more detail and additional information, such as cash flows. The District's Enterprise Fund is the School Nutrition Fund. The District's Internal Service Funds, another type of proprietary fund, are the same as the governmental activities, but provide more detail and additional information, such as cash flows. The District currently has two Internal Service Funds used to account for the District's health insurance and dental insurance.

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

- 3) *Fiduciary Funds*: The District is the trustee, or fiduciary, for assets that belong to others. These funds include the Private-Purpose Trust Fund and Agency Fund.

Private-Purpose Trust Fund - The District accounts for outside donations for scholarships for individual students in this fund.

The District is responsible for ensuring 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position at June 30, 2020 compared to June 30, 2019.

Figure A-3 Condensed Statement of Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2020	2019	2020	2019	2020	2019	2019-20
Current and other assets	\$ 7,526,538	7,094,527	33,275	1,651	7,559,813	7,096,178	6.53%
Capital assets	7,471,834	7,690,885	39,907	45,562	7,511,741	7,736,447	-2.90%
Total assets	14,998,372	14,785,412	73,182	47,213	15,071,554	14,832,625	1.61%
Deferred outflows of resources	1,433,095	1,578,042	32,744	41,008	1,465,839	1,619,050	-9.46%
Long-term liabilities	6,905,921	7,534,832	89,398	109,576	6,995,319	7,644,408	-8.49%
Other liabilities	1,043,806	988,408	28,476	6,628	1,072,282	995,036	7.76%
Total liabilities	7,949,727	8,523,240	117,874	116,204	8,067,601	8,639,444	-6.62%
Deferred inflows of resources	4,096,430	3,332,320	15,639	8,178	4,112,069	3,340,498	23.10%
Net position:							
Net investment in capital asset	5,133,283	5,091,581	39,907	45,562	5,173,190	5,137,143	0.70%
Restricted	1,783,535	1,296,046	-	-	1,783,535	1,296,046	37.61%
Unrestricted	(2,531,508)	(1,879,733)	(67,494)	(81,723)	(2,599,002)	(1,961,456)	-32.50%
Total net position	\$ 4,385,310	4,507,894	(27,587)	(36,161)	4,357,723	4,471,733	-2.55%

The District's total net position decreased 2.55%, or \$114,010, from the prior year.

The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$487,489, or 37.61%, from the prior year. This was primarily the result of the increase in the amount restricted for school infrastructure.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased \$637,546 or 32.50%. This reduction in unrestricted net position was primarily a result of the decrease in the unassigned General Fund balance.

Figure A-4 shows the changes in net position for the year ended June 30, 2020 compared to the year ended June 30, 2019.

Figure A-4 Changes in Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change
	2020	2019	2020	2019	2020	2019	2019-20
Revenues:							
Program revenues:							
Charges for service	\$ 963,416	920,880	186,852	232,087	1,150,268	1,152,967	-0.23%
Operating grants, contributions and restricted interest	711,974	707,792	217,735	147,298	929,709	855,090	8.73%
Capital grants, contributions and restricted interest	23,747	-	-	-	23,747	-	100.00%
General revenues:							
Property tax	2,983,086	2,890,214	-	-	2,983,086	2,890,214	3.21%
Income surtax	284,325	394,238	-	-	284,325	394,238	-27.88%
Statewide sales, services and use tax	676,787	671,150	-	-	676,787	671,150	0.84%
Unrestricted state grants	4,086,517	3,977,384	-	-	4,086,517	3,977,384	2.74%
Unrestricted investment earnings	21,506	31,695	272	361	21,778	32,056	-32.06%
Other	17,087	19,329	1,669	1,100	18,756	20,429	-8.19%
Total revenues	9,768,445	9,612,682	406,528	380,846	10,174,973	9,993,528	1.82%
Program expenses:							
Instruction	6,410,556	5,735,680	-	-	6,410,556	5,735,680	11.77%
Support services	2,815,562	2,998,353	-	-	2,815,562	2,998,353	-6.10%
Non-instructional programs	7,978	12,104	397,954	382,320	405,932	394,424	2.92%
Other expenses	656,933	658,681	-	-	656,933	658,681	-0.27%
Total expenses	9,891,029	9,404,818	397,954	382,320	10,288,983	9,787,138	5.13%
Change in net position	(122,584)	207,864	8,574	(1,474)	(114,010)	206,390	-155.24%
Net position beginning of year	4,507,894	4,300,030	(36,161)	(34,687)	4,471,733	4,265,343	4.84%
Net position end of year	\$ 4,385,310	4,507,894	(27,587)	(36,161)	4,357,723	4,471,733	-2.55%

In fiscal year 2020, property tax, statewide sales, services and use tax and unrestricted state grants accounted for 79.30% of the revenue from governmental activities while charges for service and operating grants and contributions accounted for 99.52% of the revenue from business type activities.

The District's total revenues were approximately \$10.17 million of which approximately \$9.77 million was for governmental activities and approximately \$0.40 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 1.82% increase in revenues and a 5.13% increase in expenses. The increase in expenses is primarily related to an increase in instruction expenses incurred compared to the prior year.

Governmental Activities

Revenues for governmental activities were \$9,768,445 and expenses were \$9,891,029 for the year ended June 30, 2020.

The following table presents the total and net cost of the District's major governmental activities, instruction, support services, non-instructional programs and other expenses, for the year ended June 30, 2020 compared to those expenses for the year ended June 30, 2019.

Figure A-5 Total and Net Cost of Governmental Activities						
	Total Cost of Services			Net Cost of Services		
	2020	2019	Change 2019-20	2020	2019	Change 2019-20
Instruction	\$ 6,410,556	5,735,680	11.77%	5,143,246	4,543,642	13.20%
Support services	2,815,562	2,998,353	-6.10%	2,689,923	2,864,986	-6.11%
Non-instructional programs	7,978	12,104	-34.09%	7,978	12,104	-34.09%
Other expenses	656,933	658,681	-0.27%	350,745	355,414	-1.31%
Total	<u>\$ 9,891,029</u>	<u>9,404,818</u>	<u>5.17%</u>	<u>8,191,892</u>	<u>7,776,146</u>	<u>5.35%</u>

For the year ended June 30, 2020:

- The cost financed by users of the District's programs was \$963,416.
- Federal and state governments along with local sources subsidized certain programs with grants and contributions totaling \$735,721.
- The net cost of governmental activities was financed with \$2,983,086 in property tax, \$284,325 in income surtax, \$676,787 in statewide sales, services and use tax, \$4,086,517 in unrestricted state grants, \$21,506 in interest income, and \$17,087 in other general revenues.

Business Type Activities

Revenues of the District's business type activities were \$406,528 and expenses were \$397,954. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, investment income and other general revenues.

INDIVIDUAL FUND ANALYSIS

As previously noted, Grundy Center 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 \$2,966,071, which is more than last year's ending combined fund balances of \$2,897,206. This increase is primarily a result of the District's Capital Projects Fund balance increasing during fiscal year 2020.

Governmental Fund Highlights

- The General Fund balance decreased from \$1,407,308 to \$1,106,946, due in part to the increase in regular instruction expenditures incurred during the fiscal year 2020.
- The Capital Projects Fund balance increased from \$968,472 to \$1,214,548. This increase is primarily due to the decrease in capital outlay expenditures compared to the prior year.

Proprietary Fund Highlights

The School Nutrition Fund net position increased from deficit \$36,161 at June 30, 2019 to deficit \$27,587 at June 30, 2020, representing an increase of 23.71%.

BUDGETARY HIGHLIGHTS

The District's revenues were \$92,655 more than budgeted revenues, a variance of 0.92%. The most significant variance resulted from the District receiving more from federal sources than originally anticipated.

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

In spite of the District's budgetary practice, expenditures in the support services programs functional area exceeded the budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, the District had invested approximately \$7.51 million, net of accumulated depreciation/amortization, in a broad range of capital assets, including land, buildings, athletic facilities, computers, technology equipment, transportation equipment and intangible assets. (See Figure A-6) This amount represents a net decrease of 2.90% from last year. More detailed information about the District's capital assets is available in Note 3 to the financial statements. Depreciation expense for the year was \$378,726.

The original cost of the District's capital assets was approximately \$15.69 million. Governmental funds accounted for approximately \$15.44 million with the remainder of approximately \$0.25 million in the School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the buildings category. The District's buildings, net of accumulated depreciation, totaled \$6,894,468 at June 30, 2020, compared to \$7,122,019 at June 30, 2019. This decrease was primarily due to the depreciation expense for the year.

Figure A-6 Capital Assets, Net of Depreciation							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2020	2019	2020	2019	2020	2019	2019-20
Land	\$ 35,252	35,252	-	-	35,252	35,252	0.00%
Buildings	6,894,468	7,122,019	-	-	6,894,468	7,122,019	-3.20%
Land improvements	291,538	322,218	-	-	291,538	322,218	-9.52%
Machinery and equipment	250,576	211,396	39,907	45,562	290,483	256,958	13.05%
Total	\$ 7,471,834	7,690,885	39,907	45,562	7,511,741	7,736,447	-2.90%

Long-Term Debt

At June 30, 2020, the District had \$2,338,551 of long-term debt outstanding. This represents a decrease of 10.03% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 6 to the financial statements.

The District had total outstanding revenue bond indebtedness at June 30, 2020 of \$2,325,000 payable from the Capital Projects: Statewide Sales Services and Use Tax Fund.

The District had total capital lease indebtedness at June 30, 2020 of \$13,551 payable from the Capital Projects: Statewide Sales, Services and Use Tax Fund.

Figure A-7			
Outstanding Long-Term Obligations			
	Total District		Total Change
	June 30,		June 30,
	2020	2019	2019-20
Revenue bonds	\$ 2,325,000	2,560,000	-9.18%
Capital lease	13,551	39,304	-65.52%
Total	<u>\$ 2,338,551</u>	<u>2,599,304</u>	<u>-10.03%</u>

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The District experienced an enrollment increase of approximately 13 students. Low supplemental state aid continues to cause budget constraints.
- The District ended its Superintendent sharing agreement with a neighboring school district effective July 1, 2021

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Chad Wagner, District Treasurer/Business Manager, Grundy Center Community School District, 1301-12th Street, Grundy Center, IA 50638.

Grundy Center Community School District

Basic Financial Statements

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	\$ 3,642,255	6,950	3,649,205
Receivables:			
Property tax:			
Delinquent	43,369	-	43,369
Succeeding year	3,388,143	-	3,388,143
Income surtax	254,560	-	254,560
Accounts	194	-	194
Due from other governments	198,017	26,325	224,342
Capital assets not being depreciated:			
Land	35,252	-	35,252
Capital assets, net of accumulated depreciation			
Buildings and land improvements and machinery and equipment	7,436,582	39,907	7,476,489
Total assets	14,998,372	73,182	15,071,554
Deferred Outflows of Resources			
Pension related deferred outflows	1,122,159	20,024	1,142,183
OPEB related deferred outflows	310,936	12,720	323,656
Total deferred outflows of resources	1,433,095	32,744	1,465,839
Liabilities			
Accounts payable	139,532	6,092	145,624
Salaries and benefits payable	776,533	10,870	787,403
Advances from grantors	36,666	-	36,666
Incurred but not reported claims	91,000	-	91,000
Accrued interest payable	75	-	75
Unearned revenue	-	11,514	11,514
Long-term liabilities:			
Portion due within one year:			
Revenue bonds	235,000	-	235,000
Capital loan note	13,551	-	13,551
Termination benefits payable	88,496	-	88,496
Portion due after one year:			
Revenue bonds	2,090,000	-	2,090,000
Termination benefits payable	182,249	-	182,249
Net pension liability	3,701,319	65,045	3,766,364
Total OPEB liability	595,306	24,353	619,659
Total liabilities	7,949,727	117,874	8,067,601
Deferred Inflows of Resources			
Unavailable property tax revenue	3,388,143	-	3,388,143
Pension related deferred inflows	571,543	10,045	581,588
OPEB related deferred inflows	136,744	5,594	142,338
Total deferred inflows of resources	4,096,430	15,639	4,112,069
Net Position			
Net investment in capital assets	5,133,283	39,907	5,173,190
Restricted for:			
Categorical funding	191,663	-	191,663
Debt service	1,870	-	1,870
Management levy purposes	251,991	-	251,991
Student activities	123,463	-	123,463
School infrastructure	854,748	-	854,748
Physical plant and equipment	359,800	-	359,800
Unrestricted	(2,531,508)	(67,494)	(2,599,002)
Total net position	\$ 4,385,310	(27,587)	4,357,723

SEE NOTES TO FINANCIAL STATEMENTS.

**GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Govern-mental Activities	Business Type Activities	Total
Functions/Programs:						
Governmental activities:						
Instruction:						
Regular	\$ 3,818,254	534,649	27,512	-	(3,256,093)	-
Special	1,546,733	103,591	147,061	-	(1,296,081)	-
Other	1,045,569	239,625	214,872	-	(591,072)	-
	6,410,556	877,865	389,445	-	(5,143,246)	-
Support services:						
Student	297,675	-	-	-	(297,675)	-
Instructional staff	460,703	-	13,441	-	(447,262)	-
Administration	883,666	40,863	500	-	(842,303)	-
Operation and maintenance of plant	785,003	-	1,144	23,747	(760,112)	-
Transportation	388,515	44,688	1,256	-	(342,571)	-
	2,815,562	85,551	16,341	23,747	(2,689,923)	-
Non-instructional programs:						
Food service operations	7,978	-	-	-	(7,978)	-
Long-term debt interest	54,712	-	-	-	(54,712)	-
Other expenditures:						
AEA flowthrough	306,188	-	306,188	-	-	-
Depreciation (unallocated)*	296,033	-	-	-	(296,033)	-
	602,221	-	306,188	-	(296,033)	-
Total governmental activities	9,891,029	963,416	711,974	23,747	(8,191,892)	-
Business type activities:						
Non-instructional programs:						
Food service operations	397,954	186,852	217,735	-	-	6,633
Total	\$ 10,288,983	1,150,268	929,709	23,747	(8,191,892)	6,633
						(8,185,259)
General Revenues:						
Property tax levied for:						
General purposes				\$ 2,594,805	-	2,594,805
Capital outlay				388,281	-	388,281
Income surtax				284,325	-	284,325
Statewide sales, services and use tax				676,787	-	676,787
Unrestricted state grants				4,086,517	-	4,086,517
Unrestricted investment earnings				21,506	272	21,778
Other				17,087	1,669	18,756
Total general revenues				8,069,308	1,941	8,071,249
Change in net position				(122,584)	8,574	(114,010)
Net position beginning of year				4,507,894	(36,161)	4,471,733
Net position end of year				\$ 4,385,310	(27,587)	4,357,723

* This amount excludes the depreciation that is included in the direct expense of various programs.

SEE NOTES TO FINANCIAL STATEMENTS.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Capital Projects	Nonmajor	Total
Assets				
Cash and pooled investments	\$ 1,742,361	1,131,239	640,541	3,514,141
Receivables:				
Property tax:				
Delinquent	33,125	5,887	4,357	43,369
Succeeding year	2,716,009	447,134	225,000	3,388,143
Income surtax	254,560	-	-	254,560
Accounts	194	-	-	194
Due from other funds	100,000	-	-	100,000
Due from other governments	117,265	80,752	-	198,017
Total assets	\$ 4,963,514	1,665,012	869,898	7,498,424
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 72,800	3,330	321	76,451
Salaries and benefits payable	776,533	-	-	776,533
Advances from grantors	36,666	-	-	36,666
Total liabilities	885,999	3,330	321	889,650
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	2,716,009	447,134	225,000	3,388,143
Income surtax	254,560	-	-	254,560
Total deferred inflows of resources	2,970,569	447,134	225,000	3,642,703
Fund balances:				
Restricted for:				
Categorical funding	191,663	-	-	191,663
Debt service	-	-	1,945	1,945
Management levy purposes	-	-	522,736	522,736
Student activities	-	-	123,463	123,463
School infrastructure	-	854,748	-	854,748
Physical plant and equipment	-	359,800	-	359,800
Unassigned	-	-	-	-
General fund	915,283	-	-	915,283
Student activities	-	-	(3,567)	(3,567)
Total fund balances	1,106,946	1,214,548	644,577	2,966,071
Total liabilities, deferred inflows of resources and fund balances	\$ 4,963,514	1,665,012	869,898	7,498,424

SEE NOTES TO FINANCIAL STATEMENTS.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total fund balances of governmental funds (page 20)		\$ 2,966,071
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		7,471,834
Accounts receivable income surtax is not available to finance expenditures of the current year and, therefore, is recognized as deferred inflows of resources in the governmental funds.		254,560
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the government funds.		(75)
Blending of the Internal Service Funds to be reflected on an entity-wide basis.		(125,967)
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	\$ 1,433,095	
Deferred inflows of resources	<u>(708,287)</u>	724,808
Long-term liabilities, including bonds payable, capital lease payable, termination benefits, net pension liability and total OPEB liability are not due and payable in the current year and, therefore, are not reported in the governmental funds.		<u>(6,905,921)</u>
Net position of governmental activities (page 18)		<u><u>\$ 4,385,310</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	General	Capital Projects	Nonmajor	Total
Revenues:				
Local sources:				
Local tax	\$ 2,522,303	388,281	324,268	3,234,852
Tuition	528,223	-	-	528,223
Other	242,542	10,776	237,980	491,298
State sources	4,538,399	705,065	3,919	5,247,383
Federal sources	234,130	-	-	234,130
Total revenues	8,065,597	1,104,122	566,167	9,735,886
Expenditures:				
Current:				
Instruction:				
Regular	3,477,937	164,529	82,689	3,725,155
Special	1,334,366	-	-	1,334,366
Other	866,767	19,286	231,949	1,118,002
	5,679,070	183,815	314,638	6,177,523
Support services:				
Student	295,902	2,258	-	298,160
Instructional staff	413,475	29,898	-	443,373
Administration	816,242	25,305	56,788	898,335
Operation and maintenance of plant	545,331	146,710	46,688	738,729
Transportation	309,751	94,989	16,925	421,665
	2,380,701	299,160	120,401	2,800,262
Non-instructional programs:				
Food service operations	-	-	7,978	7,978
Capital outlay	-	59,855	-	59,855
Long-term debt:				
Principal	-	-	260,753	260,753
Interest and fiscal charges	-	-	54,862	54,862
	-	-	315,615	315,615
Other expenditures:				
AEA flowthrough	306,188	-	-	306,188
Total expenditures	8,365,959	542,830	758,632	9,667,421
Excess (Deficiency) of revenues over (under) expenditures	(300,362)	561,292	(192,465)	68,465
Other financing sources (uses):				
Proceeds from the sale of equipment	-	400	-	400
Transfer in	-	-	315,616	315,616
Transfer out	-	(315,616)	-	(315,616)
Total other financing sources (uses)	-	(315,216)	315,616	400
Change in fund balances	(300,362)	246,076	123,151	68,865
Fund balances beginning of year	1,407,308	968,472	521,426	2,897,206
Fund balances end of year	\$ 1,106,946	1,214,548	644,577	2,966,071

SEE NOTES TO FINANCIAL STATEMENTS.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Change in fund balances - total governmental funds (page 22) \$ 68,865

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures and depreciation expense in the current year are as follows:

Capital outlay	\$ 154,020	
Depreciation expense	(373,071)	(219,051)

Income surtax receivable is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds.	32,559
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Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in Statement of Net Position.	260,753
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.	150
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Net change in the Internal Service Funds charged back against expenditures made for self-funded insurance on an entity-wide basis.	(126,208)
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The current year District IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position.	466,322
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Termination benefits	110,959	
Pension expense	(692,026)	
Total OPEB liability and related expenses	(24,907)	(605,974)

Change in net position of governmental activities (page 19) \$ (122,584)

SEE NOTES TO FINANCIAL STATEMENTS.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business Type Activities: Enterprise Funds	Governmental Activities: Internal Service Funds
	School Nutrition	
Assets		
Current assets:		
Cash and pooled investments	\$ 6,950	128,114
Due from other governments	26,325	-
Total current assets	33,275	128,114
Noncurrent assets:		
Capital assets, net of accumulated depreciation	39,907	-
Total assets	73,182	128,114
Deferred Outflows of Resources		
Pension related deferred outflows	20,024	-
OPEB related deferred outflows	12,720	-
Total Deferred Outflows of Resources	32,744	-
Liabilities		
Current liabilities:		
Due to other funds	-	100,000
Accounts payable	6,092	63,081
Salaries and benefits payable	10,870	-
Incurred but not reported claims	-	91,000
Unearned revenue	11,514	-
Total current liabilities	28,476	254,081
Noncurrent liabilities:		
Net pension liability	65,045	-
Total OPEB liability	24,353	-
Total noncurrent liabilities	89,398	-
Total liabilities	117,874	254,081
Deferred Inflows of Resources		
Pension related deferred inflows	10,045	-
OPEB related deferred inflows	5,594	-
Total Deferred Inflows of Resources	15,639	-
Net Position		
Net investment in capital assets	39,907	-
Unrestricted	(67,494)	(125,967)
Total net position	\$ (27,587)	(125,967)

SEE NOTES TO FINANCIAL STATEMENTS.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business Type Activities: Enterprise Funds	Governmental Activities: Internal Service Funds
Operating revenues:		
Local sources:		
Charges for service	\$ 186,852	-
Miscellaneous	1,669	926,853
Total operating revenues	188,521	926,853
Operating expenses:		
Non-instructional programs:		
Food service operations:		
Salaries	92,070	-
Benefits	48,563	-
Services	25,697	-
Supplies	221,115	-
Depreciation	5,655	-
Other	4,854	-
	397,954	-
Other enterprise operations:		
Benefits	-	1,052,814
Other	-	302
	-	1,053,116
Total operating expenses	397,954	1,053,116
Operating loss	(209,433)	(126,263)
Non-operating revenues:		
State sources	2,300	-
Federal sources	215,435	-
Interest income	272	55
Total non-operating revenues	218,007	55
Change in net position	8,574	(126,208)
Net position beginning of year	(36,161)	241
Net position end of year	\$ (27,587)	(125,967)

SEE NOTES TO FINANCIAL STATEMENTS.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business Type Activities: Enterprise Funds	Governmental Activities: Internal Service Funds
	School Nutrition	
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 196,220	-
Cash received from miscellaneous	1,669	926,853
Cash payments to employees for services	(138,507)	-
Cash payments to suppliers for goods or services	(214,315)	(1,005,626)
Net cash used in operating activities	(154,933)	(78,773)
Cash flows from non-capital financing activities:		
Net Interfund borrowings and repayments	(890)	100,000
State grants received	2,300	-
Federal grants received	160,137	-
Net cash provided by non-capital financing activities	161,547	100,000
Cash flows from investing activities:		
Interest on investments	272	55
Net increase in cash and pooled investments	6,886	21,282
Cash and pooled investments beginning of year	64	106,832
Cash and pooled investments end of year	\$ 6,950	128,114
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (209,433)	(126,263)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Commodities consumed	28,973	-
Depreciation	5,655	-
Change in assets and liabilities:		
Inventories	2,349	-
Accounts receivable	128	-
Accounts payable	6,029	(43,510)
Salaries and benefits payable	6,579	-
IBNR	-	91,000
Net pension liability	(7,427)	-
Deferred outflows of resources	8,264	-
Deferred inflows of resources	7,461	-
Unearned revenue	9,240	-
Total OPEB liability	(12,751)	-
Net cash used in operating activities	\$ (154,933)	(78,773)

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2020, the District received \$28,973 of federal commodities.

SEE NOTES TO FINANCIAL STATEMENTS.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2020

	Private Purpose Trust Scholarship
Deductions:	
Instruction:	
Regular:	
Scholarships awarded	\$ 750
Change in net position	(750)
Net position beginning of year	750
Net position end of year	\$ -

SEE NOTES TO FINANCIAL STATEMENTS.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

For financial reporting purposes, Grundy Center Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. 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 do 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 Grundy and Tama County Assessors' Conference Boards.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

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

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

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

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

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

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

The District reports the following major governmental funds:

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

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

The District Reports the following nonmajor proprietary fund:

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

The District's Internal Service Funds are also reported as proprietary funds. The Internal Service Funds are used to account for the District's employee health insurance and dental insurance.

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

The Private-Purpose Trust Fund is used to account for the assets held by the District under trust agreements which require income earned to be used to benefit individuals through scholarship awards.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund is charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

Cash, Pooled Investments and Cash Equivalents - The cash balance 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 cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, they have a maturity date no longer than three months.

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

Property tax revenue receivable is recognized in these funds on the levy date, which is the date the tax asking is certified by the Board of Education. Delinquent property taxes receivable represents unpaid taxes from the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Education is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related

revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds becomes 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, 2018, assessed property valuations; is for the tax accrual period July 1, 2019 through June 30, 2020 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2019.

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

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

Capital Assets - Capital assets, which include property, machinery, 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 if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 2,000
Buildings	2,000
Land improvements	2,000
Intangibles	50,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	2,000

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

Asset Class	Estimated Useful Lives
Buildings	50 years
Land improvements	20-50 years
Intangibles	5-10 years
Machinery and equipment	5-15 years

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

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

Advances from Grantors - Grant proceeds which have been received by the District but will be spent in a succeeding fiscal year.

Unearned Revenue - Unearned revenues are monies collected for lunches that have not yet been served. The lunch account balances will either be reimbursed or served lunches. The lunch account balances are reflected on the Statement of Net Position in the Proprietary, School Nutrition Fund.

Long-term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

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

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

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

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

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

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

Unassigned - All amounts not included in the preceding classification.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2020, expenditures exceeded the amounts budgeted in the support services programs functional area.

Note 2. Cash and Pooled Investments

The District's deposits in banks at June 30, 2020 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

At June 30, 2020, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Direct Government Obligations Portfolio, which are valued at an amortized cost of \$289. There were no limitations or restrictions on the withdrawals of the ISJIT investments. The investments in ISJIT were rated AAAM by Standard & Poor's Financial Services.

Note 3. Capital Assets

Capital assets activity for the year ended June 30, 2020 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 35,252	-	-	35,252
Capital assets being depreciated:				
Buildings	12,962,237	37,802	-	13,000,039
Land improvements	802,768	-	-	802,768
Machinery and equipment	1,544,293	116,218	57,000	1,603,511
Total capital assets being depreciated	15,309,298	154,020	57,000	15,406,318
Less accumulated depreciation for:				
Buildings	5,840,218	265,353	-	6,105,571
Land improvements	480,550	30,680	-	511,230
Machinery and equipment	1,332,897	77,038	57,000	1,352,935
Total accumulated depreciation	7,653,665	373,071	57,000	7,969,736
Total capital assets being depreciated, net	7,655,633	(219,051)	-	7,436,582
Governmental activities capital assets, net	\$ 7,690,885	(219,051)	-	7,471,834
Business type activities:				
Machinery and equipment	\$ 247,467	-	-	247,467
Less accumulated depreciation	201,905	5,655	-	207,560
Business type activities capital assets, net	\$ 45,562	(5,655)	-	39,907

Depreciation expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	\$ 26,437
Support Services:	
Transportation	50,601
	77,038
Unallocated depreciation	296,033
Total governmental activities depreciation expense	\$ 373,071
Business type activities:	
Food service operations	\$ 5,655

Note 4. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2020 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	<u>\$ 315,616</u>

The transfer from the Capital Projects: Statewide Sales, Services and Use Tax Fund to the Debt Service Fund was needed for principal and interest payments on the District's revenue bonded indebtedness and the District's capital lease indebtedness.

Note 5. Due from and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Internal Service Fund	<u>\$ 100,000</u>

The Internal Service Fund is repaying the General Fund for a cash flow shortage during the fiscal year.

Note 6. Long-Term Debt

Changes in long-term liabilities for the year ended June 30, 2020 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 2,560,000	-	235,000	2,325,000	235,000
Capital lease	39,304	-	25,753	13,551	13,551
Termination benefits	381,704	-	110,959	270,745	88,496
Net pension liability	3,866,234	-	164,915	3,701,319	-
Total OPEB liability	687,590	-	92,284	595,306	-
Total	<u>\$ 7,534,832</u>	-	<u>628,911</u>	<u>6,905,921</u>	<u>337,047</u>
Business type activities:					
Net pension liability	72,472	-	7,427	65,045	-
Total OPEB liability	37,104	-	12,751	24,353	-
Total	<u>\$ 109,576</u>	-	<u>20,178</u>	<u>89,398</u>	-

Revenue Bond

Details of the District's June 30, 2020 statewide, sales, services and use tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue of August 18, 2016			
	Interest Rate	Principal	Interest	Total
2021	2.07 %	\$ 235,000	48,127	283,127
2022	2.07	240,000	43,263	283,263
2023	2.07	245,000	38,295	283,295
2024	2.07	255,000	33,224	288,224
2025	2.07	260,000	27,945	287,945
2026-2030	2.07	1,090,000	56,925	1,146,925
Total		<u>\$ 2,325,000</u>	<u>247,779</u>	<u>2,572,779</u>

The District has pledged futures statewide sales, services and use tax revenues to repay the \$3,235,000 bonds issued on August 18, 2016. The bonds were issued for purpose of financing the elementary school remodeling. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2029. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on bonds are expected to require nearly 43% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$2,572,779. For the current year, principal of \$235,000 and interest of \$52,992 was paid on the bonds and total statewide sales, services and use tax revenues were \$676,787.

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

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

Capital Lease

Details of the District's June 30, 2020 capital lease indebtedness is as follows:

Year Ending June 30,	Computer Lease Issue December 1, 2017			
	Interest Rate	Principal	Interest	Total
2021	3.00 %	\$ 13,551	262	13,813

Termination Benefits

In January 2019, the District approved a voluntary early retirement plan for employees. The plan was only offered for one year. Eligible employees must have completed at least fifteen consecutive years of full-time service with the District and must have reached the age of fifty-five on or before June 30, 2019. The application for early retirement was subject to approval by the Board of Education.

Early retirement benefits were cash payments equal to 33% of the employee's regular contractual salary. Retirees had the option to receive a one-time payment on July 20, 2019 or two equal payments on July 20, 2019 and February 20, 2020. In prior years, the District had offered other voluntary early retirement plans. The benefits offered under those plans were contributions toward the retiree's health insurance premiums for continued coverage in the District's health plan.

At June 30, 2020, the District had obligations to ten participants with a total liability of \$270,745. Actual early retirement expenditures for the year ended June 30, 2020 totaled \$110,959.

Note 7. Other Postemployment Benefits (OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Active employees	<u>107</u>
Total	<u><u>114</u></u>

Total OPEB Liability - The District's total OPEB liability of \$619,659 was measured as of June 30, 2020, and was determined by an actuarial valuation utilizing roll-forward procedures.

Actuarial Assumptions - The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation	3.00% per annum.
Rates of salary increase	3.25% per annum, including inflation.
Discount rate	3.50% compounded annually, including inflation.
Healthcare cost trend rate	6.00% for FY2020, decreasing to an ultimate rate of 4.50%.

Discount Rate - The discount rate used to measure the total OPEB liability was 3.50% 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 valuation date.

Mortality rates are from the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP 2019 generational projection of future mortality improvement, applied on gender specific basis. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 724,694
Changes for the year:	
Service cost	37,068
Interest	21,933
Differences between expected and actual experiences	(69,610)
Changes in assumptions	(36,573)
Benefit payments	<u>(57,853)</u>
Net changes	<u>(105,035)</u>
Total OPEB liability end of year	<u><u>\$ 619,659</u></u>

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate 1% lower (2.50%) or 1% higher (4.50%) than the current discount rate.

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 659,964	619,659	582,278

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates 1% lower (4.00%) or 1% higher (6.00%) than the current healthcare cost trend rates.

	1% Decrease (5.00%)	Healthcare Cost Trend Rate (6.00%)	1% Increase (7.00%)
Total OPEB liability	\$ 570,304	619,659	677,856

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2020, the District recognized OPEB expense of \$78,607. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	109,183
Changes in assumptions	323,656	33,155
Total	\$ 323,656	142,338

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

Year Ended June 30,	Amount
2021	\$ 19,606
2022	19,606
2023	19,606
2024	19,606
2025	19,606
Thereafter	83,288
Total	\$ 181,318

Note 8. Pension Plan

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

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

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

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

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

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

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

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

In fiscal year 2020, 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, 2020 were \$474,821.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the District reported a liability of \$3,766,364 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2019, the District's proportion was 0.065042%, which was an increase of 0.002802% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$700,225. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,441	135,419
Changes of assumptions	403,432	-
Net difference between projected and actual earnings on IPERS' investments	-	424,424
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	253,489	21,745
District contributions subsequent to the measurement date	474,821	-
Total	<u>\$ 1,142,183</u>	<u>581,588</u>

\$474,821 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, 2021. 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,	Amount
2021	\$ 147,048
2022	(11,484)
2023	(14,919)
2024	(39,332)
2025	4,461
Total	<u>\$ 85,774</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2019 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	5.60%
International equity	15.0	6.08
Global smart beta equity	3.0	5.82
Core plus fixed income	27.0	1.71
Public credit	3.5	3.32
Public real assets	7.0	2.81
Cash	1.0	(0.21)
Private equity	11.0	10.13
Private real assets	7.5	4.76
Private credit	3.0	3.01
Total	100.0%	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 6,687,847	3,766,364	1,315,857

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

Payables to IPERS - At June 30, 2020, the District reported payables to IPERS of \$55,775 for legally required District contributions and \$37,164 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 9. Risk Management

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

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$306,188 for the year ended June 30, 2020 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 11. Tax Abatements

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

Tax Abatements of Other Entities

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

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2020 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Grundy Center	Urban Renewal and Economic Development Projects	\$ 63,040
Grundy County	Urban Renewal and Economic Development Projects	1,202

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, 2020, this reimbursement amounted to \$30,968.

Note 12. Categorical Funding

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

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2020.

Program	Amount
Home School Assistance Program (HSAP)	\$ 3,707
Gifted and Talented Programs	73,040
Four-Year-Old Preschool State Aid	95,356
Successful Progression for Early Readers	6
Professional Development	19,554
Total	<u>\$ 191,663</u>

Note 13. Deficit Net Position/Fund Balance

At June 30, 2020, the School Nutrition Fund had deficit unrestricted net position of \$67,494 and deficit total net position of \$27,587.

At June 30, 2020, the Student Activity Fund had two accounts with a total deficit unassigned fund balance of \$3,567.

Note 14. Reconciliation of Governmental Fund Balances to Net Position

Reconciliation of certain governmental fund balances to net position are as follows:

	Net investment in Capital Assets	Debt Service	Management Levy	Unassigned/ Unrestricted
Fund balance (Exhibit C)	\$ -	1,945	522,736	915,283
Capital assets, net of accumulated depreciation	7,471,834	-	-	-
General obligation bond capitalized indebtedness	-	-	-	-
Revenue bond capitalized indebtedness	(2,325,000)	-	-	-
Capital lease capitalized indebtedness	(13,551)	-	-	-
Deficit student activity accounts	-	-	-	(3,567)
Accrued interest payable	-	(75)	-	-
Income surtax	-	-	-	254,560
Internal service fund balance	-	-	-	(125,967)
Pension related deferred outflows	-	-	-	1,122,159
Pension related deferred inflows	-	-	-	(571,543)
Net pension liability	-	-	-	(3,701,319)
Total OPEB liability	-	-	-	(595,306)
OPEB related deferred outflows	-	-	-	310,936
OPEB related deferred inflows	-	-	-	(136,744)
Net position (Exhibit A)	<u>\$ 5,133,283</u>	<u>1,870</u>	<u>251,991</u>	<u>(2,531,508)</u>

Note 15. Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 84, Fiduciary Activities. As a result of the coronavirus pandemic, GASB has extended the effective dates of recent pronouncements. This statement will be implemented for the fiscal year ending June 30, 2020. The revised requirements of this statement will enhance the consistency and comparability of fiduciary activity reporting by state and local governments by establishing specific criteria for identifying fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities.

Note 16. Budget Overexpenditure

Per the Code of Iowa, expenditures may not legally exceed budgeted appropriations at the functional area level. During the year ended June 30, 2020, expenditures exceeded the amounts budgeted in the support services programs functional area.

Note 17. COVID-19

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of the Grundy Center Community School District, remains uncertain.

To date, the outbreak created a disruption to the operations of the Grundy Center Community School District due to the closure of school buildings and the move to virtual learning to complete the 2019-2020 school year. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to the Grundy Center Community School District's operations and finances.

Grundy Center Community School District

Required Supplementary Information

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND
CHANGES IN BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS
AND PROPRIETARY FUND
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2020

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues:						
Local sources	\$ 4,254,373	188,793	4,443,166	4,491,986	4,491,986	(48,820)
State sources	5,247,383	2,300	5,249,683	5,255,486	5,255,486	(5,803)
Federal sources	234,130	215,435	449,565	302,287	302,287	147,278
Total revenues	9,735,886	406,528	10,142,414	10,049,759	10,049,759	92,655
Expenditures/Expenses:						
Instruction	6,177,523	-	6,177,523	6,300,800	6,300,800	123,277
Support services	2,800,262	-	2,800,262	2,767,300	2,767,300	(32,962)
Non-instructional programs	7,978	397,954	405,932	413,000	413,000	7,068
Other expenditures	681,658	-	681,658	775,744	775,744	94,086
Total expenditures/expenses	9,667,421	397,954	10,065,375	10,256,844	10,256,844	191,469
Excess (Deficiency) of revenues over (under) expenditures/expenses	68,465	8,574	77,039	(207,085)	(207,085)	284,124
Other financing sources, net	400	-	400	(313,402)	(313,402)	313,802
Excess (Deficiency) of revenues and other financing sources over (under) expenditures/expenses	68,865	8,574	77,439	(520,487)	(520,487)	597,926
Balances beginning of year	2,897,206	(36,161)	2,861,045	2,369,629	2,369,629	491,416
Balances end of year	\$ 2,966,071	(27,587)	2,938,484	1,849,142	1,849,142	1,089,342

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2020

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

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

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

During the year ended June 30, 2020, expenditures in the support services programs functional area exceeded the amounts budgeted.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES
FOR THE LAST THREE YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2020	2019	2018
Service cost	\$ 37,068	34,127	33,053
Interest cost	21,933	26,134	26,150
Differences between expected and actual experiences	(69,610)	-	(60,785)
Changes in assumptions	(36,573)	-	426,952
Benefit payments	(57,853)	(62,878)	(58,563)
Net change in total OPEB liability	(105,035)	(2,617)	366,807
Total OPEB liability beginning of year	724,694	727,311	360,504
Total OPEB liability end of year	<u>\$ 619,659</u>	<u>724,694</u>	<u>727,311</u>
Covered-employee payroll	\$ 4,493,423	3,904,758	3,781,848
Total OPEB liability as a percentage of covered-employee payroll	13.79%	18.56%	19.23%

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.58%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	2.50%

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST SIX YEARS*
REQUIRED SUPPLEMENTARY INFORMATION

	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.065042%	0.062240%	0.060650%	0.056685%	0.056254%	0.064116%
District's proportionate share of the net pension liability	\$ 3,766,364	3,938,706	4,040,065	3,567,386	2,779,230	2,594,828
District's covered payroll	\$ 4,949,952	4,671,545	4,313,566	4,067,802	3,853,868	4,283,852
District's proportionate share of the net pension liability as a percentage of its covered payroll	76.09%	84.31%	93.66%	87.70%	72.12%	60.57%
IPERS' net position as a percentage of the total pension liability	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily required contribution	\$ 474,821	467,275	417,169	385,202	1,363,255	344,150	382,548	333,261	311,139	261,941
Contributions in relation to the statutorily required contribution	(474,821)	(467,275)	(417,169)	(385,202)	(1,363,255)	(344,150)	(382,548)	(333,261)	(311,139)	(261,941)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 5,029,883	4,949,952	4,671,545	4,313,566	4,067,802	3,853,868	4,283,852	3,843,841	3,855,502	3,768,935
Contributions as a percentage of covered payroll	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%	8.67%	8.07%	6.95%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY
YEAR ENDED JUNE 30, 2020

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

Grundy Center Community School District

Supplementary Information

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue			Debt Service	Total Nonmajor
	Management Levy	Student Activity	Total		
Assets					
Cash and pooled investments	\$ 518,582	120,014	638,596	1,945	640,541
Receivables:					
Property tax:					
Delinquent	4,357	-	4,357	-	4,357
Succeeding year	225,000	-	225,000	-	225,000
Total assets	\$ 747,939	120,014	867,953	1,945	869,898
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 203	118	321	-	321
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property taxes	225,000	-	225,000	-	225,000
Fund balances:					
Restricted for:					
Debt service	-	-	-	1,945	1,945
Management levy purposes	522,736	-	522,736	-	522,736
Student activities	-	123,463	123,463	-	123,463
Unassigned	-	(3,567)	(3,567)	-	(3,567)
Total fund balances	522,736	119,896	642,632	1,945	644,577
Total liabilities, deferred inflows of resources and fund balances	\$ 747,939	120,014	867,953	1,945	869,898

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2020

	Special Revenue			Debt Service	Total Nonmajor
	Management Levy	Student Activity	Total		
Revenues:					
Local sources:					
Local tax	\$ 324,268	-	324,268	-	324,268
Other	1,591	235,673	237,264	716	237,980
State sources	3,919	-	3,919	-	3,919
Total revenues	329,778	235,673	565,451	716	566,167
Expenditures:					
Current:					
Instruction:					
Regular	82,689	-	82,689	-	82,689
Other	-	231,949	231,949	-	231,949
Support services:					
Administration	56,788	-	56,788	-	56,788
Operation and maintenance of plant	46,688	-	46,688	-	46,688
Transportation	16,925	-	16,925	-	16,925
Non-instructional programs:					
Food service operations	7,978	-	7,978	-	7,978
Long-term debt:					
Principal	-	-	-	260,753	260,753
Interest and fiscal charges	-	-	-	54,862	54,862
Total expenditures	211,068	231,949	443,017	315,615	758,632
Excess (Deficiency) of revenues over (under) expenditures	118,710	3,724	122,434	(314,899)	(192,465)
Other financing sources:					
Transfer in	-	-	-	315,616	315,616
Change in fund balances	118,710	3,724	122,434	717	123,151
Fund balances beginning of year	404,026	116,172	520,198	1,228	521,426
Fund balances end of year	\$ 522,736	119,896	642,632	1,945	644,577

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND ACCOUNTS
JUNE 30, 2020

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$ 800,920	330,319	1,131,239
Receivables:			
Property tax:			
Delinquent	-	5,887	5,887
Succeeding year	-	447,134	447,134
Due from other governments	57,005	23,747	80,752
Total assets	<u>\$ 857,925</u>	<u>807,087</u>	<u>1,665,012</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 3,177	153	3,330
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	447,134	447,134
Fund balances:			
Restricted for:			
School infrastructure	854,748	-	854,748
Physical plant and equipment	-	359,800	359,800
Total fund balances	854,748	359,800	1,214,548
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 857,925</u>	<u>807,087</u>	<u>1,665,012</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUND ACCOUNTS
 YEAR ENDED JUNE 30, 2020

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	388,281	388,281
Other	2,015	8,761	10,776
State sources	676,787	28,278	705,065
Total revenues	678,802	425,320	1,104,122
Expenditures:			
Current:			
Instruction:			
Regular	3,120	161,409	164,529
Other	-	19,286	19,286
Support services:			
Student	2,258	-	2,258
Instructional staff	2,153	27,745	29,898
Administration	-	25,305	25,305
Operation and maintenance of plant	92,760	53,950	146,710
Transportation	-	94,989	94,989
Capital outlay	10,748	49,107	59,855
Total expenditures	111,039	431,791	542,830
Excess (Deficiency) of revenues over (under) expenses	567,763	(6,471)	561,292
Other financing sources (uses):			
Proceeds from the sale of equipment	-	400	400
Transfer out	(315,616)	-	(315,616)
Total other financing sources (uses)	(315,616)	400	(315,216)
Change in fund balances	252,147	(6,071)	246,076
Fund balances beginning of year	602,601	365,871	968,472
Fund balances end of year	\$ 854,748	359,800	1,214,548

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
YEAR ENDED JUNE 30, 2020

Account	Balance Beginning of Year	Revenues	Expenditures	Intrafund Transfer	Balance End of Year
Drama	\$ -	3,289	4,013	724	-
Speech	-	539	535	-	4
Music Fundraiser	3,160	6,026	4,065	-	5,121
Elem Vocal	2,347	999	36	(3,310)	-
GC Jazz/Vocal	5,433	1,135	2,085	-	4,483
Band	13,517	5,164	3,000	-	15,681
Drumline	1,401	1,370	-	-	2,771
Bowling	-	-	276	276	-
Athletics General	5,507	66,498	33,180	(34,142)	4,683
Cross Country	169	2,549	3,152	434	-
Dance Team	2,812	8,989	11,345	-	456
Special Olympics	1,690	1,785	1,114	-	2,361
Boys Basketball	-	1,465	8,362	6,897	-
Football	-	16,640	26,076	9,436	-
Baseball	-	591	3,143	2,552	-
Boys Track	-	2,431	2,737	306	-
Boys Tennis	-	231	67	(164)	-
Boys Golf	-	651	767	116	-
Wrestling	-	-	6,041	6,041	-
Girls Basketball	-	3,151	6,782	3,631	-
Volleyball	-	2,950	7,241	4,291	-
Girls Golf	872	768	871	-	769
Softball	-	-	2,061	2,061	-
Girls Track	-	461	1,128	667	-
Cheerleaders	2,517	781	1,384	-	1,914
Girls Tennis	-	91	67	(24)	-
Class of 2021	1,087	3,018	779	-	3,326
Class of 2022	1,654	1,149	228	-	2,575
Class of 2023	-	1,071	-	-	1,071
Concessions/Kids	350	2,200	903	-	1,647
Nurse's	2,130	780	116	-	2,794
GC Athletic Boosters	7,465	39	7,504	-	-
Weightroom	1,614	5,348	5,684	-	1,278
National Honor Society	-	518	385	-	133
Concessions	312	25,119	23,421	(2,010)	-
HS Student Senate	1,934	1,668	1,970	-	1,632
Art Club	3,456	210	48	-	3,618
ELP Club	3,429	93	674	-	2,848
Robotics	2,714	7,305	6,428	-	3,591
MS Fundraiser	8,685	195	809	-	8,071
Elem Spartan Senate	38,952	33,448	28,388	-	44,012
MS Read Across America	508	48	311	-	245
FFA	7,660	13,994	16,060	-	5,594
Germany Exchange Program	2,355	800	705	-	2,450
ACDEC	-	2,277	4,495	2,218	-
Ultimate Mileage Vehicle Club	73	262	-	-	335
Class of 2020	2,689	307	3,513	-	(517)
Annual	(10,320)	7,270	-	-	(3,050)
Total	\$ 116,172	235,673	231,949	-	119,896

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2020

	Governmental Activities : Internal Service Funds		
	Health Insurance	Dental Insurance	Total
Assets			
Current assets:			
Cash and pooled investments	\$ 102,710	25,404	128,114
Liabilities			
Current liabilities:			
Due to other funds	100,000	-	100,000
Accounts payable	63,081	-	63,081
Incurred but not reported claims	91,000	-	91,000
Total liabilities	254,081	-	254,081
Net Position			
Unrestricted	(151,371)	25,404	(125,967)
Total net position	<u>\$ (151,371)</u>	<u>25,404</u>	<u>(125,967)</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET
 POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2020

	Governmental Activities : Internal Service Funds		
	Health Insurance	Dental Insurance	Total
Operating revenues:			
Local sources:			
Miscellaneous	\$ 877,964	48,889	926,853
Operating expenses:			
Other enterprise operations:			
Benefits	1,009,473	43,341	1,052,814
Other	302	-	302
Total operating expenses	1,009,775	43,341	1,053,116
Operating income (loss)	(131,811)	5,548	(126,263)
Non-operating revenues:			
Interest income	55	-	55
Change in net position	(131,756)	5,548	(126,208)
Net position beginning of year	(19,615)	19,856	241
Net position end of year	\$ (151,371)	25,404	(125,967)

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	Governmental Activities : Internal Service Funds		
	Health Insurance	Dental Insurance	Total
Cash flows from operating activities:			
Cash received from miscellaneous	\$ 877,964	48,889	926,853
Cash payments to suppliers for goods or services	(962,285)	(43,341)	(1,005,626)
Net cash provided by (used in) operating activities	(84,321)	5,548	(78,773)
Cash flows from non-capital financing activities:			
Net interfund borrowings and repayments	100,000	-	100,000
Cash flows from investing activities:			
Interest on investments	55	-	55
Net increase in cash and pooled investments	15,734	5,548	21,282
Cash and pooled investments beginning of year	86,976	19,856	106,832
Cash and pooled investments end of year	\$ 102,710	25,404	128,114
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (131,811)	5,548	(126,263)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Accounts payable	(43,510)	-	(43,510)
IBNR	91,000	-	91,000
Net cash provided by (used in) operating activities	\$ (84,321)	5,548	(78,773)

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION -
ALL GOVERNMENTAL FUNDS
FOR THE LAST TEN YEARS

	Modified Accrual Basis									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Local sources:										
Local tax	\$ 3,234,852	3,271,811	3,041,956	2,936,407	2,924,280	2,921,365	3,816,382	3,502,671	3,536,469	3,329,757
Tuition	528,223	478,884	420,311	435,983	504,307	451,134	356,518	305,021	307,834	303,305
Other	491,298	526,979	560,677	567,273	698,153	545,256	580,454	501,538	576,372	639,840
State sources	5,247,383	5,121,180	5,143,826	4,904,476	4,180,907	4,223,441	3,665,588	3,851,115	3,486,549	3,150,832
Federal sources	234,130	201,187	186,775	201,861	197,015	521,453	427,916	183,074	131,917	305,181
Total	\$ 9,735,886	9,600,041	9,353,545	9,046,000	8,504,662	8,662,649	8,846,858	8,343,419	8,039,141	7,728,915
Expenditures:										
Instruction:										
Regular	\$ 3,725,155	3,537,953	3,554,697	3,508,303	2,945,846	3,121,143	3,367,818	3,187,514	2,743,343	3,031,483
Special	1,334,366	1,186,912	1,057,455	1,004,924	892,494	747,021	737,569	786,534	876,095	731,225
Other	1,118,002	1,097,941	1,132,861	1,103,636	923,358	1,087,800	1,097,517	782,323	1,058,059	1,082,556
Support services:										
Student	298,160	241,062	354,525	169,096	134,770	147,427	177,338	157,766	136,585	72,465
Instructional staff	443,373	580,709	502,762	479,914	432,499	471,178	510,309	444,362	461,420	309,405
Administration	898,335	973,477	961,332	910,050	909,187	783,033	829,801	706,534	757,404	680,854
Operation and maintenance of plant	738,729	697,961	673,971	643,159	637,205	667,564	636,135	692,484	509,856	544,323
Transportation	421,665	344,312	295,199	359,158	345,190	259,176	351,815	270,089	286,690	332,743
Non-instructional programs	7,978	12,104	9,291	12,662	5,315	3,426	2,711	2,000	2,000	1,500
Capital outlay	59,855	144,778	815,081	2,536,588	862,373	837,167	796,565	182,895	308,045	243,170
Long-term debt:										
Principal	260,753	253,957	236,305	220,000	93,930	201,406	281,499	394,413	696,892	662,979
Interest	54,862	61,420	64,918	118,012	2,593	7,702	9,690	21,271	40,422	59,411
Other expenditures:										
AEA flowthrough	306,188	303,267	303,090	281,976	264,989	265,693	264,466	258,401	249,030	271,850
Total	\$ 9,667,421	9,435,853	9,961,487	11,347,478	8,449,749	8,599,736	9,063,233	7,886,586	8,125,841	8,023,964

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
117 West 3rd Street North, Newton, Iowa 50208-3040
Telephone (641) 792-1910

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

To the Board of Education of Grundy Center Community School District:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Grundy Center Community School District as of and for the year ended June 30, 2020, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 24, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grundy Center Community School District's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grundy Center Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Grundy Center Community School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in Part I of the accompanying Schedule of Findings as item I-A-20 that we consider to be a material weakness.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2020 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Grundy Center Community School District's Responses to Findings

Grundy Center Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings. Grundy Center Community School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

Purpose of this Report

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

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



NOLTE, CORNMAN & JOHNSON, P.C.

March 24, 2021
Newton, Iowa

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2020

Part I: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

I-A-20 Segregation of Duties

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

Condition - As part of our audit we noted one individual has control over each of the following areas for the District:

- 1) Cash - initiating cash receipt and disbursement transactions and handling and recording cash.
- 2) Investments - investing, detailed recordkeeping, custody of investments
- 3) Inventories - ordering, receiving, issuing and storing
- 4) Receipts - collecting, recording, depositing, journalizing, posting and reconciling.
- 5) Disbursements - purchase order processing, receiving, mailing and recording.
- 6) Wire transfers - processing and approving.
- 7) Payroll - recording approved pay rates and deductions, recordkeeping, preparation, posting and distribution.
- 8) Journal Entries - writing, posting and approving
- 9) Computer systems - performing all general accounting functions and controlling all data input and output.
- 10) School lunch program - collecting, recording, journalizing, posting, reconciling, purchase order processing, check preparation, mailing and recording.

Cause - The District has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect - Inadequate segregation of duties could adversely affect the District's ability prevent or detect and correct misstatements, errors, or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

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

Response - The District is continually reviewing internal controls, and will make changes where appropriate.

Conclusion - Response accepted.

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2020

Part II: Other Findings Related to Required Statutory Reporting:

- II-A-20 Certified Budget - Expenditures for the year ended June 30, 2020 exceeded the certified budget amounts in the support services programs functional area.

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

Response - The District will amend the budget in the future as required.

Conclusion - Response accepted.

- II-B-20 Questionable Expenditures - We noted during our audit instances of the District paying sales tax on purchases made with District credit cards. The District is a tax-exempt entity, therefore, expenditures for sales tax would not appear to meet public purpose as defined in an Attorney General's opinion dated April 25, 1979.

Recommendation - The District should review their purchasing procedures currently in place and make the necessary adjustments to comply with the Attorney General's opinion dated April 25, 1979.

Response - We will review procedures and make every effort to ensure that the District does not pay sales tax. Some instances are unavoidable as some vendors do not honor sales tax exemptions.

Conclusion - Response accepted.

- II-C-20 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

- II-D-20 Business Transactions - No business transactions between the District and District officials or employees were noted.

- II-E-20 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-20 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 the coverage is adequate for current operations.

- II-G-20 Board Minutes - We noted no transactions requiring Board approval which have not been approved by the Board.

- II-H-20 Certified Enrollment - We noted a variance in the basic enrollment data certified to the Department of Education. The number of resident students was understated by 2.00 students for the fall of 2019.

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

Response - The District's auditor will contact the Iowa Department of Education and Department of Management to resolve this matter.

Conclusion - Response accepted.

- II-I-20 Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- II-J-20 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.
- II-K-20 Certified Annual Report - The Certified Annual Report was filed with the Iowa Department of Education timely and we noted no significant deficiencies in the amounts reported.
- II-L-20 Categorical Funding - No instances were noted of categorical funding used to supplant rather than supplement other funds.
- II-M-20 Statewide Sales, Services and Use Tax - No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2020, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$ 602,601
Revenues:		
Sales tax revenues	\$ 676,787	
Other local revenues	<u>2,015</u>	<u>678,802</u>
Expenditures/transfers out:		
School infrastructure construction	10,748	
Equipment	100,291	
Transfers to other funds:		
Debt service fund	<u>315,616</u>	<u>426,655</u>
Ending balance		<u>\$ 854,748</u>

For the year ended June 30, 2020 the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

- II-N-20 Financial Condition - At June 30, 2020, the Enterprise, School Nutrition Fund had deficit unrestricted net position of \$67,494 and deficit total net position of \$27,587. The governmental activities had deficit unrestricted net position of \$2,527,941. GASB Statements No. 68 and No. 75 reporting requirements were a significant contributing factor to the deficits; however, the School Nutrition Fund unrestricted net position would still be negative. As of June 30, 2020 the District appeared to have two Student Activity Fund accounts with deficits totaling \$3,567.

Recommendation - The District should take steps to ensure the District's

administration and Board of Education understand GASB Statements No. 68 and No. 75 reporting requirements and how these statements will affect the District's financial statements moving forward. The District should also review the Enterprise: School Nutrition Fund and develop a workout plan to bring the fund back to a positive balance. Additionally, the District should review purchase approval procedures for the Student Activity Fund and may wish to require additional approval before ordering goods and services from this account and then review these procedures with activity fund sponsors. The District should also develop a workout plan to eliminate the deficit account balance.

Response - The District is working on clearing the deficit balances in the Student Activity Fund and the School Nutrition Fund.

Conclusion - Response accepted.

- II-O-20 Interfund Loans - We noted during our audit that the District has interfund loans which were on the current year balance sheets. As of June 30, 2020, the District has a loan between the Internal Service Fund and the General Fund that has not been repaid.

According to a declaratory order issued by the Iowa Department of Education to the Auditor of State dated April 11, 2009, interfund loans on the District's year end financial statements must be repaid to their respective funds on or before October 1st of the following fiscal year or the date of the District's Board of Directors organizational meeting, whichever is later. If the District is unable to repay the interfund loans by that time, the District must issue external loans to repay the interfund loans according to Iowa Code Chapter 74.

Recommendation - The District should issue external debt to repay the interfund loans to be in compliance with the declaratory order issued by the Department of Education to the Auditor of State and Iowa Code Chapter 74.

Response - Loan has been repaid as of March 24, 2021.

Conclusion - Response accepted.

APPENDIX E – FORM OF ISSUE PRICE CERTIFICATES

EXHIBIT A

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT, IOWA \$12,990,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2022

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][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.
 - b. As set forth in the 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 25, 2022), or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.
 - d. Issuer means the Grundy Center 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 18, 2022.
 - 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 29, 2022

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

EXHIBIT A

GRUNDY CENTER COMMUNITY SCHOOL DISTRICT, IOWA \$12,990,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2022

ISSUE PRICE CERTIFICATE

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

1. Reasonably Expected Initial Offering Price.
 - a. As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by Purchaser to purchase the Bonds.
 - b. Purchaser was not given the opportunity to review other bids prior to submitting its bid.
 - c. The bid submitted by Purchaser constituted a firm offer to purchase the Bonds.
2. Defined Terms.
 - a. Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
 - b. Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
 - c. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May 18, 2022.
 - 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 29, 2022

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID

APPENDIX F – UNAUDITED FINANCIAL REPORT OF THE ISSUER FOR FY2021

This Appendix contains the 2021 financial statements of the issuer. The financial statements are unaudited as submitted by the Issuer as the “Certified Annual [Financial] Report” (the “CAR”) with the Iowa Department of Education.

The CAR is a report of financial data required by Iowa Code to be filed annually with the Department of Education by each school district and area education agency. The CAR is due no later than September 15 following the close of the fiscal year.

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FY21 Certified Annual Report

Balance Sheet by Fund

Select District:

127
3,395,191.45

	General Fund	Non-Fiduciary Scholarship Fund	Student Activity Fund	Management Fund	Entrepreneurial Education Fund	PERL Fund	AEA Sp Ed Inst Fund	AEA JH Inst fund	Support Trust Fund	Disaster Recovery Fund
CURRENT ASSETS										
1 Cash & Investments	1,931,170.83	-	140,066.15	562,624.48	-	-	-	-	-	-
2 Taxes Receivable	2,878,374.83	-	-	225,165.09	-	-	-	-	-	-
3 Interfund Receivables	-	-	-	-	-	-	-	-	-	-
4 Intergovernmental Receivables	401,924.14	-	-	2.50	-	-	-	-	-	-
5 Other Receivables	-	-	-	-	-	-	-	-	-	-
6 Inventories	-	-	-	-	-	-	-	-	-	-
7 Prepaid Expenses	-	-	-	-	-	-	-	-	-	-
8 Other Current Assets	-	-	-	-	-	-	-	-	-	-
9 TOTAL CURRENT ASSETS	5,211,469.80	-	140,066.15	787,792.07	-	-	-	-	-	-
10 Long-Term Assets	-	-	-	-	-	-	-	-	-	-
11 TOTAL ASSETS	5,211,469.80	-	140,066.15	787,792.07	-	-	-	-	-	-
DEFERRED OUTFLOWS OF RESOURCES										
12 Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-
13 Deferred Outflows of Resources related to Pensions and OPEB	-	-	-	-	-	-	-	-	-	-
14 TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-	-
15 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	5,211,469.80	-	140,066.15	787,792.07	-	-	-	-	-	-
CURRENT LIABILITIES										
16 Interfund Payables	-	-	-	-	-	-	-	-	-	-
17 Intergovernmental Payables	-	-	-	-	-	-	-	-	-	-
18 Other Payables	200,718.78	-	3,069.35	66.30	-	-	-	-	-	-
19 Contracts Payable	-	-	-	-	-	-	-	-	-	-
20 Bonds Payable	-	-	-	-	-	-	-	-	-	-
21 Loans Payable	-	-	-	-	-	-	-	-	-	-
22 Accrued Expenses	782,474.00	-	-	-	-	-	-	-	-	-
23 Payroll Deductions & Withholdings Payable	-	-	-	-	-	-	-	-	-	-
24 Advances of Federal Grants/Unearned Revenues	-	-	-	-	-	-	-	-	-	-
25 Other Current Liabilities	-	-	-	-	-	-	-	-	-	-
26 TOTAL CURRENT LIABILITIES	983,192.78	-	3,069.35	66.30	-	-	-	-	-	-
27 Net Pension Liabilities	-	-	-	-	-	-	-	-	-	-
28 Long-Term Liabilities	-	-	-	-	-	-	-	-	-	-
29 TOTAL LIABILITIES	983,192.78	-	3,069.35	66.30	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES										
30 Deferred Inflows for Succeeding Year Property Taxes Receivable	2,851,500.00	-	-	222,935.00	-	-	-	-	-	-
31 Deferred Inflows for Income Surtax Receivable	251,972.00	-	-	-	-	-	-	-	-	-
32 Deferred Inflows for Miscellaneous Receivables not Received Within 60 Days	-	-	-	-	-	-	-	-	-	-
33 Deferred Inflows of Resources related to Pensions and OPEB	-	-	-	-	-	-	-	-	-	-
34 TOTAL DEFERRED INFLOWS OF RESOURCES	3,103,472.00	-	-	222,935.00	-	-	-	-	-	-
EQUITY										
35 Net Investment in Capital Assets	-	-	-	-	-	-	-	-	-	-
36 Nonspendable Fund Balance	-	-	-	-	-	-	-	-	-	-
37 Restricted Fund Balance/ Restricted Net Position	243,928.96	-	136,996.80	564,790.77	-	-	-	-	-	-
38 Committed Fund Balance	-	-	-	-	-	-	-	-	-	-
39 Assigned Fund Balance	-	-	-	-	-	-	-	-	-	-
40 Unassigned Fund Balance/ Unrestricted Net Position	880,876.06	-	-	-	-	-	-	-	-	-
41 TOTAL FUND EQUITY	1,124,805.02	-	136,996.80	564,790.77	-	-	-	-	-	-
42 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY	5,211,469.80	-	140,066.15	787,792.07	-	-	-	-	-	-

Select District:

 127
 3,395,191.45

	Library Levy Fund	SAVE Fund	PPEL Fund	Other Capital Project Funds	Debt Service Fund	Permanent Funds	Nutrition Fund	Other Enterprise Funds	Internal Services Funds	Trust Funds	Custodial Funds	Total
CURRENT ASSETS												
1 Cash & Investments	-	1,036,365.87	528,293.44	-	226.22	-	97,150.93	-	20,358.70	250.00	-	4,316,506.62
2 Taxes Receivable	-	-	468,984.30	-	-	-	-	-	-	-	-	3,572,524.22
3 Interfund Receivables	-	-	-	-	-	-	-	-	-	-	-	-
4 Intergovernmental Receivables	-	53,990.21	4.66	-	-	-	19,951.01	-	-	-	-	475,872.52
5 Other Receivables	-	-	-	-	-	-	-	-	-	-	-	-
6 Inventories	-	-	-	-	-	-	-	-	-	-	-	-
7 Prepaid Expenses	-	-	-	-	-	-	-	-	-	-	-	-
8 Other Current Assets	-	-	-	-	-	-	-	-	-	-	-	-
9 TOTAL CURRENT ASSETS	-	1,090,356.08	997,282.40	-	226.22	-	117,101.94	-	20,358.70	250.00	-	8,364,903.36
10 Long-Term Assets	-	-	-	-	-	-	38,007.08	-	-	-	-	38,007.08
11 TOTAL ASSETS	-	1,090,356.08	997,282.40	-	226.22	-	155,109.02	-	20,358.70	250.00	-	8,402,910.44
DEFERRED OUTFLOWS OF RESOURCES												
12 Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-	-	-
13 Deferred Outflows of Resources related to Pensions and OPEB	-	-	-	-	-	-	24,355.00	-	-	-	-	24,355.00
14 TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	24,355.00	-	-	-	-	24,355.00
15 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	-	1,090,356.08	997,282.40	-	226.22	-	179,464.02	-	20,358.70	250.00	-	8,427,265.44
CURRENT LIABILITIES												
16 Interfund Payables	-	-	-	-	-	-	-	-	-	-	-	-
17 Intergovernmental Payables	-	-	-	-	-	-	-	-	-	-	-	-
18 Other Payables	-	1,608.97	4,000.00	-	-	-	25,177.57	-	119,744.00	-	-	354,384.97
19 Contracts Payable	-	-	-	-	-	-	-	-	-	-	-	-
20 Bonds Payable	-	-	-	-	-	-	-	-	-	-	-	-
21 Loans Payable	-	-	-	-	-	-	-	-	-	-	-	-
22 Accrued Expenses	-	-	-	-	-	-	6,211.38	-	-	-	-	788,685.38
23 Payroll Deductions & Withholdings Payable	-	-	-	-	-	-	-	-	-	-	-	-
24 Advances of Federal Grants/Unearned Revenues	-	-	-	-	-	-	9,785.13	-	-	-	-	9,785.13
25 Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
26 TOTAL CURRENT LIABILITIES	-	1,608.97	4,000.00	-	-	-	41,174.08	-	119,744.00	-	-	1,152,855.48
27 Net Pension Liabilities	-	-	-	-	-	-	79,704.00	-	-	-	-	79,704.00
28 Long-Term Liabilities	-	-	-	-	-	-	21,564.00	-	-	-	-	21,564.00
29 TOTAL LIABILITIES	-	1,608.97	4,000.00	-	-	-	142,442.08	-	119,744.00	-	-	1,254,123.48
DEFERRED INFLOWS OF RESOURCES												
30 Deferred Inflows for Succeeding Year Property Taxes Receivable	-	-	464,768.00	-	-	-	-	-	-	-	-	3,539,203.00
31 Deferred Inflows for Income Surtax Receivable	-	-	-	-	-	-	-	-	-	-	-	251,972.00
32 Deferred Inflows for Miscellaneous Receivables not Received Within 60 Days	-	-	-	-	-	-	-	-	-	-	-	-
33 Deferred Inflows of Resources related to Pensions and OPEB	-	-	-	-	-	-	8,158.00	-	-	-	-	8,158.00
34 TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	464,768.00	-	-	-	8,158.00	-	-	-	-	3,799,333.00
EQUITY												
35 Net Investment in Capital Assets	-	-	-	-	-	-	38,007.08	-	-	-	-	38,007.08
36 Nonspendable Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-
37 Restricted Fund Balance/ Restricted Net Position	-	1,088,747.11	528,514.40	-	226.22	-	-	-	9,565.79	250.00	-	2,573,020.05
38 Committed Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-
39 Assigned Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-
40 Unassigned Fund Balance/ Unrestricted Net Position	-	-	-	-	-	-	(9,143.14)	-	(108,951.09)	-	-	762,781.83
41 TOTAL FUND EQUITY	-	1,088,747.11	528,514.40	-	226.22	-	28,863.94	-	(99,385.30)	250.00	-	3,373,808.96
42 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY	-	1,090,356.08	997,282.40	-	226.22	-	179,464.02	-	20,358.70	250.00	-	8,427,265.44

Revenues by Fund, by Source

[illegible]

	General Fund	Non-Fiduciary Scholarship Fund	Student Activity Fund	Management Fund	Entrepreneurial Education Fund	PERL Fund	AEA Sp Ed Inst Fund	AEA JH Inst fund	Support Trust Fund	Disaster Recovery Fund	Library Levy Fund	SAVE Fund
40	Restricted indirect grants-in-aid through intermediate agencies	28,172.00	-	-	-	-	-	-	-	-	-	-
41	Federal revenues in lieu of taxes	-	-	-	-	-	-	-	-	-	-	-
42	Federal revenues for/on behalf of the LEA/AEA	-	-	-	-	-	-	-	-	-	-	-
43	TOTAL REVENUE FROM FEDERAL SOURCES	259,644.24	-	-	-	-	-	-	-	-	-	-
OTHER FINANCING SOURCES												
44	Issuance of bonds	-	-	-	-	-	-	-	-	-	-	-
45	Interfund transfers in	-	-	-	-	-	-	-	-	-	-	-
46	Proceeds from the disposal of real or personal property	5,498.48	-	-	-	-	-	-	-	-	-	29,828.00
47	Proceeds from loans greater than 12 months	-	-	-	-	-	-	-	-	-	-	-
48	Proceeds from capital leases and lease purchases	-	-	-	-	-	-	-	-	-	-	-
49	Other long-term debt proceeds	-	-	-	-	-	-	-	-	-	-	-
50	This line intentionally left blank	-	-	-	-	-	-	-	-	-	-	-
51	Upward adjustments to beginning fund balance	-	-	-	-	-	-	-	-	-	-	-
52	TOTAL OTHER FINANCING SOURCES AND UPWARD ADJUSTMENTS	5,498.48	-	-	-	-	-	-	-	-	-	29,828.00
OTHER INCOME ITEMS												
53	Capital contributions	-	-	-	-	-	-	-	-	-	-	-
54	Amortization of premiums on issuance of bonds (proprietary & fiduciary funds)	-	-	-	-	-	-	-	-	-	-	-
55	Special items	-	-	-	-	-	-	-	-	-	-	-
56	Extraordinary items	-	-	-	-	-	-	-	-	-	-	-
57	TOTAL OTHER INCOME ITEMS	-	-	-	-	-	-	-	-	-	-	-
58	TOTAL REVENUES, OTHER FINANCING SOURCES & UPWARD ADJUSTMENTS	8,429,386.26	-	243,193.96	231,033.57	-	-	-	-	-	-	677,759.34

	PPEL Fund	Other Capital Project Funds	Debt Service Fund	Permanent Funds	Nutrition Fund	Other Enterprise Funds	Internal Services Funds	Trust Funds	Custodial Funds	Total
40	Restricted indirect grants-in-aid through intermediate agencies	-	-	-	-	-	-	-	-	28,172.00
41	Federal revenues in lieu of taxes	-	-	-	-	-	-	-	-	-
42	Federal revenues for/on behalf of the LEA/AEA	-	-	-	32,041.01	-	-	-	-	32,041.01
43	TOTAL REVENUE FROM FEDERAL SOURCES	-	-	-	404,554.85	-	-	-	-	664,199.09
OTHER FINANCING SOURCES										
44	Issuance of bonds	-	-	-	-	-	-	-	-	-
45	Interfund transfers in	-	294,994.86	-	-	-	-	-	-	294,994.86
46	Proceeds from the disposal of real or personal property	3,005.39	-	-	-	-	-	-	-	38,331.87
47	Proceeds from loans greater than 12 months	-	-	-	-	-	-	-	-	-
48	Proceeds from capital leases and lease purchases	-	-	-	-	-	-	-	-	-
49	Other long-term debt proceeds	-	-	-	-	-	-	-	-	-
50	This line intentionally left blank	-	-	-	-	-	-	-	-	-
51	Upward adjustments to beginning fund balance	-	-	-	4,153.00	-	-	-	-	4,153.00
52	TOTAL OTHER FINANCING SOURCES AND UPWARD ADJUSTMENTS	3,005.39	294,994.86	-	4,153.00	-	-	-	-	337,479.73
OTHER INCOME ITEMS										
53	Capital contributions	-	-	-	-	-	-	-	-	-
54	Amortization of premiums on issuance of bonds (proprietary & fiduciary funds)	-	-	-	-	-	-	-	-	-
55	Special items	-	-	-	-	-	-	-	-	-
56	Extraordinary items	-	-	-	-	-	-	-	-	-
57	TOTAL OTHER INCOME ITEMS	-	-	-	-	-	-	-	-	-
58	TOTAL REVENUES, OTHER FINANCING SOURCES & UPWARD ADJUSTMENTS	468,363.14	-	295,221.13	-	482,546.97	-	948,444.06	250.00	11,776,198.43

FY21 Certified Annual Report

General Fund Expenditures by Function by Object

		SALARIES	EMPLOYEE BENEFITS	PURCHASED SERVICES	SUPPLIES	PROPERTY	MISCELLANEOUS OBJECTS	OTHER ITEMS	TOTAL EXPENDITURES AND OTHER FINANCING USES
1	Instruction	3,645,097.36	1,225,920.57	624,567.24	135,145.76	9,292.26	1,734.21	-	5,641,757.40
2	Attendance and Social Work Services	-	-	-	-	-	-	-	-
3	Guidance Services	92,958.00	28,909.15	39.95	208.46	-	-	-	122,115.56
4	Health Services	37,672.00	15,982.40	4,768.51	1,347.95	-	-	-	59,770.86
5	Psychological Services	-	-	-	-	-	-	-	-
6	Speech Pathology & Audiology Services	-	-	-	-	-	-	-	-
7	Occupational Therapy Related Services	-	-	-	-	-	-	-	-
8	Physical Therapy Related Services	-	-	-	-	-	-	-	-
9	Visually Impaired/Vision Services	-	-	-	-	-	-	-	-
10	Other Student Support Services	66,220.80	32,278.09	-	-	-	-	-	98,498.89
11	Improvement of Instruction Services	59,317.44	10,137.39	356.09	-	-	-	-	69,810.92
12	Library Media Services	34,960.69	13,021.01	26,453.72	6,540.16	-	-	-	80,975.58
13	Instruction-Related Technology Services	138,370.42	55,544.38	4,825.26	60,245.97	9,820.46	4,520.40	-	273,326.89
14	Academic Student Assessment Services	-	-	14,252.20	-	-	-	-	14,252.20
15	Other Instructional Staff Support Services	-	-	-	-	-	-	-	-
16	Board of Education Services	-	-	18,095.31	38.40	-	3,345.00	-	21,478.71
17	Executive Administration Services	40,245.96	16,411.75	124,889.27	1,420.80	-	3,801.57	-	186,769.35
18	Special Area Administration Services	-	-	3,319.03	-	-	-	-	3,319.03
19	School Administration Services	367,470.79	155,215.27	15,088.43	7,097.96	-	2,049.99	-	546,922.44
20	Business Administration Fiscal Services	-	-	70,880.53	-	-	-	-	70,880.53

		SALARIES	EMPLOYEE BENEFITS	PURCHASED SERVICES	SUPPLIES	PROPERTY	MISCELLANEOUS OBJECTS	OTHER ITEMS	TOTAL EXPENDITURES AND OTHER FINANCING USES
21	Purchasing, Warehousing and Distributing Services	-	-	-	-	-	-	-	-
22	Printing, Publishing and Duplicating Services	-	-	-	-	-	-	-	-
23	Planning, Research, Development and Evaluation Services	-	-	-	-	-	-	-	-
24	Public Information Services	-	-	-	-	-	-	-	-
25	Personnel Services	-	-	-	-	-	-	-	-
26	Administration Technology Services	-	-	-	-	-	-	-	-
27	Other Business Administration Services	-	-	-	-	-	-	-	-
28	Operation and Maintenance of Plant Services	182,316.21	71,082.22	107,425.44	226,500.96	-	216.72	-	587,541.55
29	Student Transportation	180,783.00	52,284.07	46,825.26	43,171.37	395.75	680.00	-	324,139.45
30	Other Support Services	-	-	-	-	-	-	-	-
31	Food Service Operations	-	-	-	-	-	-	-	-
32	Other Enterprise Operations	-	-	-	-	-	-	-	-
33	Community Service Operations	-	-	-	-	-	-	-	-
34	Facilities Acquisition and Construction	-	-	-	-	-	-	-	-
35	Debt Service	-	-	-	-	-	-	-	-
36	Interagency Flowthrough	-	-	-	-	-	-	309,968.00	309,968.00
37	Interfund Transfers Out	-	-	-	-	-	-	-	-
38	Special Items	-	-	-	-	-	-	-	-
39	Extraordinary Items	-	-	-	-	-	-	-	-
40	Loss on Disposition of Capital Assets	-	-	-	-	-	-	-	-
41	Downward Adjustments to Beginning Fund Balance	-	-	-	-	-	-	-	-
42	TOTAL EXPENDITURES AND OTHER FINANCING USES & Downward Prior Period Adjustments	4,845,412.67	1,676,786.30	1,061,786.24	481,717.79	19,508.47	16,347.89	309,968.00	8,411,527.36