

NEW ISSUE - DTC BOOK ENTRY ONLY

Rating: "A"

In the opinion of Bond Counsel under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, interest on the Bonds i) is not exempt from Iowa State income tax; and ii) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The Bonds will be designated as "qualified tax-exempt obligations." See "TAX MATTERS" herein.

**\$8,800,000**

**Logan-Magnolia Community School District, Iowa
General Obligation School Bonds
Series 2022**

Dated: Date of Delivery

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

Interest on the Bonds is payable on 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	\$145,000	4.000%	2.20%	541041 EM7	June 1, 2033	\$450,000	3.000%	3.15%	541041 EX3
June 1, 2024	325,000	4.000	2.50	541041 EN5	June 1, 2034	460,000	3.125	3.20	541041 EY1
June 1, 2025	340,000	4.000	2.60	541041 EP0	June 1, 2035	475,000	3.125	3.25	541041 EZ8
June 1, 2026	355,000	4.000	2.70	541041 EQ8	June 1, 2036	490,000	3.500	3.35	541041 FA2
June 1, 2027	370,000	4.000	2.75	541041 ER6	June 1, 2037	510,000	3.375	3.40	541041 FB0
June 1, 2028	385,000	4.000	2.80	541041 ES4	June 1, 2038	525,000	4.000	3.50	541041 FC8
June 1, 2029	400,000	3.000	2.90	541041 ET2	June 1, 2039	545,000	3.500	3.55	541041 FD6
June 1, 2030	410,000	3.000	3.00	541041 EU9	June 1, 2040	565,000	4.000	3.55	541041 FE4
June 1, 2031	420,000	3.000	3.05	541041 EV7	June 1, 2041	585,000	3.625	3.65	541041 FF1
June 1, 2032	435,000	3.000	3.10	541041 EW5	June 1, 2042	610,000	4.000	3.60	541041 FG9

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 21, 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 Baker Group

The Date of this Official Statement is June 1, 2022

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

OFFICIAL STATEMENT
LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT, IOWA
\$8,800,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2022

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Logan-Magnolia 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) build, furnish and equip classroom, gymnasium, and safe room space additions, and to remodel, repair, improve, furnish and equip its existing educational facility, with related site improvements, including a new access drive, and ii) to 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 all taxable, real property located within the territory 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, and the Bond Resolution, expected to be adopted by the Issuer on June 1, 2022. Voters in the Issuer authorized the issuance of not to exceed \$8,800,000 General Obligation School Bonds at the special election held on March 1, 2022.

Source of Security for the Bonds

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

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

the preceding paragraph; or (b) use proceeds of taxes levied, as described in the preceding paragraph, to reimburse the fund or account from which such other legally available moneys are withdrawn for the amount withdrawn from such fund or account to pay the principal of or interest on Bonds.

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

Book Entry Only System

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

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

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

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants,

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

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

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

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

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

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

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

Neither the Issuer nor the Paying Agent will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any 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. 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.

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.

THE PROJECT

The Bonds are being issued to provide funds to i) build, furnish, and equip classroom, gymnasium, and safe room space additions and to remodel, repair, improve, furnish, and equip its existing educational facility, with related site improvements, including a new access drive, and ii) to pay costs of issuance for the Bonds.

SOURCES AND USES OF FUNDS

Sources of Funds		
	Bond Proceeds	\$8,800,000.00
	Reoffering Premium	106,870.00
Total Sources of Funds		\$8,906,870.00
Uses of Funds		
	Deposit to Project fund	\$8,703,761.76
	Costs of Issuance	103,900.00
	Underwriter's Discount	99,208.24
Total Uses of Funds		\$8,906,870.00

BONDHOLDERS' RISKS

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

Changes in Property Taxation

The Bonds are general obligations of the Issuer secured by an unlimited ad valorem property tax as described in the “**THE BONDS - Source of Security for the Bonds**” herein. Prior State Public Health Emergency Declarations relative to the 2020 COVID-19 pandemic 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 current or 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. Any alteration in property taxation structure could affect 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 Bonds and the security for the Bonds.

Matters Relating to Enforceability of Agreements

Holders of the Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Bond Resolution.

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 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 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.

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

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 months, 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 other revenue sources dependent on local business activity, which is likely to be slower.

Thus far, for its 2021-22 school year, the Issuer has held in-person classes on a full-time basis. The Issuer did not experience material reductions in revenue or material increases in expenses in fiscal year 2021 due to material COVID-19-related financial impacts and currently expects that any material COVID-19-related financial impacts will be covered by state and 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 Issuer cannot predict whether continued spread of the disease will materially impact its financial condition, including the collection of Tax Revenues 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 method and projections. Some of this information is forward-looking and subject to change.

Pension

The Issuer reported a liability of \$3,320,329 as of June 30, 2020 for its proportionate share of the net pension liability for Iowa Public Employee Retirement System ("IPERS"). 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 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. As of June 30, 2019, the Issuer's collective proportion was 0.057339%, which was a decrease of 0.000737% from its proportion measured June 30, 2018. See Issuer's Audited Financial Statements, Appendix D, for additional information.

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 and Loss of Tax Exemption

As discussed under the heading "TAX MATTERS" herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the Issuer in violation of its covenants in the 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 intends to designate the Bonds as “qualified tax-exempt obligations” under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Issuer has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. Actions, or inactions, by the Issuer in violation of its covenants could affect the designation, which could also affect the pricing and marketability of the Bonds.

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.

Damage or Destruction to Issuer’s Facilities

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

General Liability Claims

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

Risks as Employer

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

Limitation or Delay of Remedies

There is no bond trustee or similar person to monitor or enforce the provisions of the Bond Resolution. The owners of the Bonds should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the Bond Resolutions) may have to be enforced from year to year.

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

Cleanup Costs and Liens Under Environmental Statutes

The Issuer is not aware of any enforcement actions currently in process with respect to any releases of pollutants or contaminants at the site of Project finance with the Refunded Bonds. However, there can be no assurance that an enforcement action or actions will not be instituted under such statutes at a future date. In the event such enforcement actions were initiated, the Issuer could be liable for the costs of removing or otherwise treating pollutants or contaminants located at the site of Project financed with the Refunded Bonds. 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.

Environmental and Climate-Related

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

Cybersecurity

The Issuer relies on its information systems to provide security for processing, transmission and storage of confidential and other sensitive information. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the Issuer and the services it provides, or the unauthorized access to or disclosure of personally identifiable information and other confidential or sensitive information. Despite security measures, the Issuer may remain vulnerable to attacks by outside or internal hackers, or breaches caused by employee error, negligence or malfeasance. Any failure to maintain proper functionality and security of the Issuer's information systems could interrupt the Issuer's operations, damage its reputation, subject it to significant costs, liability claims or regulatory penalties, and could have a material adverse effect on the operations and financial condition of the Issuer. The Issuer has a \$1 million cyber-insurance policy. The Issuer cannot predict whether this policy will be sufficient in the event of a cyberattack.

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.

Proposed Tax Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals pending in Congress that could, if enacted, alter or amend one or more of the federal tax matters described herein in certain respects or would adversely affect the market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further such proposals may impact the marketability or market value of the Bonds simply by being proposed. In the past few years, proposals have been made in the Iowa Senate and Iowa House of Representatives which would create a voucher system funded by public money which may divert moneys available by public

schools to private schools. 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, adverse weather conditions, trade tariffs, subcontractor defaults, delays, and unknown conditions.

Financial Condition of the Issuer from time to time

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

Continuing Disclosure

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

Suitability of Investment

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

Factors Beyond Issuer’s Control

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

Other Factors

An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment.

Summary

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

LITIGATION

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

ACCOUNTANT

The accrual-basis financial statements of the Issuer included as APPENDIX D to this Official Statement have been examined by Nolte Cornman & Johnson PC 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.

TAX MATTERS

Tax Exemption

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

Subject to the Issuer's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, the interest on the Bonds is excludable from gross income for federal income tax purposes 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.

Qualified Tax Exemption Obligations

The Bonds will 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. For example, on December 22, 2017, the Tax Cuts and Jobs Act ("TCJA") was signed into law. For tax years beginning after December 31, 2017, the TCJA, among other things, significantly changes the income tax rates on individuals and corporations, modifies the current provisions relative to the federal alternative minimum tax on individuals, and eliminates the federal alternative minimum tax for corporations. The TCJA, or the introduction or enactment of any other legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the TCJA, as well as any pending or proposed tax legislation, as to which Bond Counsel expresses no opinion other than as set forth in its legal opinion.

The Opinion

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

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

Enforcement

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

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

Bond Counsel Review

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

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

UNDERWRITING

The Bonds are being purchased, subject to certain conditions, by The Baker Group, Oklahoma City, OK (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 \$8,807,661.76 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.

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 relied upon governmental officials, and other sources who have access to relevant data to provide accurate information, and the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy, completion or fairness 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 Issuer will covenant in a Continuing Disclosure Certificate (the "Undertaking") for the benefit of the Owners and Beneficial Owners of the Bonds to provide annually certain financial information and operating data relating to the Issuer (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the Issuer no later than April 15 after the close of each fiscal year, commencing with the fiscal year ending June 30, 2022, with the Municipal Securities Rulemaking Board, at its internet repository named "Electronic Municipal Market Access" ("EMMA"). The notices of events, if any, are also to be filed with EMMA. See "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE." The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the "Rule").

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

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

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

The Board of Directors of the Issuer has authorized the execution and delivery of this Official Statement for use in connection with the initial sale of the Bonds. I have reviewed the information contained within the Official Statement on behalf of the Logan-Magnolia Community School District, State of Iowa, and said Official Statement does not contain any material misstatements of fact nor omissions of any material fact which is necessary to make the statements and information herein, in light of the circumstances under which they were made, not misleading regarding the issuance of \$8,800,000 General Obligation School Bonds, Series 2022.

LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/ Daniel Mikels
Board Secretary

APPENDIX A - INFORMATION ABOUT THE ISSUER

**LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT, IOWA
DISTRICT OFFICIALS**

PRESIDENT	Dan Cohrs
BOARD MEMBERS	Julie Witte Nicole Carritt Brienne Niedermeyer Brian Koenig
SUPERINTENDENT	Tom Ridder
DISTRICT SECRETARY	Daniel Mikels
DISTRICT TREASURER	Daniel Mikels
DISTRICT ATTORNEY	Franck & Sextro

CONSULTANTS

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

Property Tax Assessment (1)

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

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Assessed or Taxable Valuation. The rollback percentages 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, 2019 are used to calculate tax liability for the tax year starting July 1, 2020 through June 30, 2021. Presented below are the historic property valuations of the Issuer by class of property.

Property Valuations (2)

Actual Valuation					
Valuation as of January	2021	2020	2019	2018	2017
<u>Fiscal Year</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Residential:	189,649,585	170,319,022	167,184,095	137,594,356	135,334,783
Agricultural Land:	98,736,753	98,077,934	98,156,460	145,439,208	145,517,887
Ag Buildings:	4,509,240	3,556,000	2,526,444	5,096,141	5,046,840
Commercial:	13,167,810	12,588,648	12,138,780	11,209,042	10,069,685
Industrial:	1,036,836	1,036,836	1,036,836	936,713	1,015,093
Multiresidential:	2,007,314	2,125,732	2,099,735	1,718,486	1,710,322
Personal RE:	0	0	0	0	0
Railroads:	10,976,779	10,272,505	9,832,841	9,032,645	8,861,332
Utilities:	1,152,418	1,641,246	2,321,899	2,684,457	2,493,578
Other:	0	0	0	0	0
Total Valuation:	321,236,735	299,617,923	295,297,090	313,711,048	310,049,520
Less Military:	284,282	282,430	288,912	290,764	319,470
Net Valuation:	320,952,453	299,335,493	295,008,178	313,420,284	309,730,050
TIF Valuation:	0	0	0	0	0
Utility Replacement:	10,431,867	11,313,129	9,338,656	8,879,727	8,422,018
Taxable Valuation					
Valuation as of January	2021	2020	2019	2018	2017
<u>Fiscal Year</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Residential:	102,657,751	96,075,952	92,075,507	78,315,947	75,274,411
Agricultural Land:	87,916,382	82,415,371	79,981,026	81,638,530	79,231,559
Ag Buildings:	4,015,086	2,988,111	2,058,629	2,860,576	2,747,904
Commercial:	11,851,047	11,329,802	10,924,922	10,088,150	9,062,727
Industrial:	933,153	933,153	933,153	843,042	913,584
Multiresidential:	1,279,663	1,434,870	1,496,064	1,288,869	1,346,876
Personal RE:	0	0	0	0	0
Railroads:	9,879,100	9,245,255	8,849,557	8,129,381	7,975,200
Utilities:	1,152,418	1,617,429	2,321,899	2,684,457	2,493,578
Other:	0	0	0	0	0
Total Valuation:	219,684,600	206,039,943	198,640,757	185,848,952	179,045,839
Less Military:	284,282	282,430	288,912	290,764	319,470
Net Valuation:	219,400,318	205,757,513	198,351,845	185,558,188	178,726,369
TIF Valuation:	0	0	0	0	0
Utility Replacement:	3,589,997	3,683,459	3,624,617	3,850,977	3,889,818

(1) Source: Iowa Department of Revenue

(2) Source: Iowa Department of Management

Property Valuations – cont. (1)

Valuation <u>Year</u>	Actual Valuation <u>w/ Utilities</u>	% Change in Actual <u>Valuation</u>	Taxable Valuation <u>w/ Utilities</u>	% Change in Taxable <u>Valuation</u>
2021	331,384,320	6.67%	222,990,315	6.47%
2020	310,648,622	2.07%	209,440,972	3.70%
2019	304,346,834	-5.57%	201,976,462	6.63%
2018	322,300,011	1.30%	189,409,165	3.72%
2017	318,152,068	-0.71%	182,616,187	4.43%

Tax Rates (1)

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

Fiscal <u>Year</u>	Operating <u>Fund</u>	Management <u>Fund</u>	Board <u>PPEL</u>	Voter <u>PPEL</u>	Play <u>Ground</u>	Debt <u>Service</u>	School <u>House</u>	Total <u>Levy</u>
2022	10.56206	0.23873	0.33000	0.00000	0.00000	0.73658	0.00000	11.86737
2021	10.04143	0.99021	0.33000	0.00000	0.00000	0.75222	0.00000	12.11386
2020	9.93845	1.34629	0.33000	0.00000	0.00000	0.81395	0.00000	12.42869
2019	9.71192	1.64279	0.33000	0.00000	0.00000	0.85458	0.00000	12.53929
2018	10.64893	1.00072	0.33000	0.00000	0.00000	0.89613	0.00000	12.87578
2017	12.67847	0.29487	0.33000	0.00000	0.00000	0.90265	0.00000	14.20599

Historic Tax Rates (1)

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

Fiscal <u>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>	Total <u>Levy Rate</u>
2022	14.10822	11.86737	1.45808	0.00260	0.33101	0.22431	0.00000	6.44261	0.00000	34.43420
2021	14.35959	12.11386	1.29710	0.00270	0.36270	0.24489	0.00000	6.02173	0.00000	34.40257
2020	14.67572	12.42869	1.30529	0.00280	0.34321	0.25850	0.00000	6.17954	0.00000	35.19375
2019	14.30675	12.53929	1.30877	0.00290	0.65193	0.25547	0.00000	6.20700	0.00000	35.27211
2018	14.06964	12.87578	1.28565	0.00310	0.62441	0.24965	0.00000	6.23735	0.00000	35.34558
2017	13.72741	14.20599	1.51663	0.00330	0.67466	0.25056	0.00000	6.59170	0.00000	36.97025

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

Fiscal <u>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>	Total <u>Levy Rate</u>
2022	12.19655	11.86737	1.45808	0.00260	0.33101	0.22431	0.00000	6.44261	0.00000	32.52253
2021	12.19050	12.11386	1.29710	0.00270	0.36270	0.24489	0.00000	6.02173	0.00000	32.23348
2020	12.29136	12.42869	1.30529	0.00280	0.34321	0.25850	0.00000	6.17954	0.00000	32.80939
2019	12.03288	12.53929	1.30877	0.00290	0.65193	0.25547	0.00000	6.20700	0.00000	32.99824
2018	11.26819	12.87578	1.28565	0.00310	0.62441	0.24965	0.00000	6.23735	0.00000	32.54413
2017	11.30776	14.20599	1.51663	0.00330	0.67466	0.25056	0.00000	6.59170	0.00000	34.55060

(1) Source: Iowa Department of Management

Tax Collection History (1)

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	\$2,485,514	In Collection	NA
2021	2,446,715	\$2,484,135	101.53%
2020	2,354,108	2,319,851	98.54%
2019	2,289,877	2,290,584	100.03%
2018	2,251,643	2,254,263	100.12%
2017	2,408,869	2,423,857	100.62%

Largest Taxpayers (1) (2)

Set forth in the following table are the persons or entities which represent the 2020 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>2020 Taxable Valuation</u>	<u>Percent of Total</u>
Union Pacific	7,725,255	3.69%
Mid American Energy	2,566,015	1.23%
O'Neill Heritage Farms LLC	2,346,412	1.12%
Sieck and Find LLC	2,010,592	0.96%
Cogdill Farm Supply, Inc	1,823,605	0.87%
Chase Farms 3, LLC	1,640,965	0.78%
Myer, Edwin L & Myer, Marilyn	1,600,284	0.76%
Chicago Central & Pacific	1,519,997	0.73%
Cohrs, Danny C	1,316,008	0.63%
Maguire Revocable Trust, Jerry	1,310,568	0.63%
Total		11.39%

(1) Source: The Issuer

(2) Source: Harrison County Auditor

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

<u>Fiscal Year</u>	Series <u>2012</u>	Series <u>2022</u>	Total <u>Principal</u>	Total <u>Interest</u>	Total <u>P&I</u>
2023	150,000	145,000	295,000	298,673	593,673
2024		325,000	325,000	306,313	631,313
2025		340,000	340,000	293,313	633,313
2026		355,000	355,000	279,713	634,713
2027		370,000	370,000	265,513	635,513
2028		385,000	385,000	250,713	635,713
2029		400,000	400,000	235,313	635,313
2030		410,000	410,000	223,313	633,313
2031		420,000	420,000	211,013	631,013
2032		435,000	435,000	198,413	633,413
2033		450,000	450,000	185,363	635,363
2034		460,000	460,000	171,863	631,863
2035		475,000	475,000	157,488	632,488
2036		490,000	490,000	142,644	632,644
2037		510,000	510,000	125,494	635,494
2038		525,000	525,000	108,281	633,281
2039		545,000	545,000	87,281	632,281
2040		565,000	565,000	68,206	633,206
2041		585,000	585,000	45,606	630,606
2042		610,000	610,000	24,400	634,400
Totals:	150,000	8,800,000	8,950,000	3,678,910	12,628,910

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)

The Issuer does not have any outstanding School Infrastructure Sales, Services & Use Tax Revenue Bonds.

(1) Source: the Issuer

Debt Limit (1) (2) (3)

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

	<u>FY23</u>	<u>FY22</u>
Actual Valuation:	331,384,320	310,648,622
X	0.05	0.05
Statutory Debt Limit:	16,569,216	15,532,431
Total General Obligation Debt:	8,950,000	8,950,000
Total Debt Subject to Limit:	8,950,000	8,950,000
Percentage of Debt Limit Obligated:	54.02%	57.62%

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

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

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

Overlapping & Underlying Debt (1)

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

<u>Taxing Authority</u>	<u>Outstanding Debt</u>	<u>2020 Taxable Valuation</u>	<u>Taxable Value Within Issuer</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
City of Logan	649,034	44,914,240	\$44,914,240	100.00%	\$649,034
City of Magnolia	0	3,822,101	3,822,101	100.00%	0
Harrison County	6,175,000	1,084,024,380	209,440,972	19.32%	1,193,053
Iowa Western Community College	64,360,000	11,485,941,467	209,440,972	1.82%	1,173,576
Green Hills Education Agency	0	15,280,352,546	209,440,972	1.37%	0

Total Overlapping & Underlying Debt: \$3,015,662

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

Actual Value of Property, 2021:	\$331,384,320
Taxable Value of Property, 2021:	222,990,315
Direct General Obligation Debt:	\$8,950,000
Overlapping Debt:	3,015,662
Direct & Overlapping General Obligation Debt:	\$11,965,662
Population, 2020 US Census:	2,971
Direct Debt per Capita:	\$3,012.45
Total Debt per Capita:	\$4,027.49
Direct Debt to Taxable Valuation:	4.01%
Total Debt to Taxable Valuation:	5.37%
Direct Debt to Actual Valuation:	2.70%
Total Debt to Actual Valuation:	3.61%
Actual Valuation per Capita:	\$111,540
Taxable Valuation per Capita:	\$75,056

General Information

Logan-Magnolia Community School District is located in western Iowa adjacent to the Iowa-Nebraska boarder. Included within the District (114 sq miles) are the communities of Logan and Magnolia as well as unincorporated portions of Harrison County. The community of Logan, county seat of Harrison County, serves as the judicial and commercial center for the surrounding area.

Transportation facilities are provided by U.S. Highway 30, Iowa Highway 127, numerous paved county roads and the Union Pacific Railway. Continuing educational opportunities within easy commuting distance include: Western Iowa Tech Community College located in Council Bluffs.

District Facilities (2)

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

<u>Building</u>	<u>Construction Date</u>	<u>Grades Served</u>
Jr/Sr High School	1979	7-12
Elementary	1996, 2004	PK-6

Enrollment (5)

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) (6)</u>	<u>Open Enroll In</u>	<u>Open Enroll Out</u>	<u>Total Served (7)</u>
October-21	2022-23	574.7	104.0	42.0	636.7
October-20	2021-22	544.1	114.0	40.0	618.1
October-19	2020-21	572.1	106.0	34.0	644.1
October-18	2019-20	565.1	112.0	31.0	646.1
October-17	2018-19	564.0	121.0	23.0	662.0

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- (1) Valuation source: Iowa Department of Management
 - (2) Source: the Issuer
 - (3) Overlapping debt outstanding source: Treasurer, State of Iowa; where available, EMMA.MSRB.ORG
 - (4) Population source: U.S. Census Bureau
 - (5) Source: Iowa Department of Education
 - (6) Used for Sales Tax distribution
 - (7) Used for State Aid distribution

Staff (1)

Presented below is a list of the District's 132.5 employees.

Administrators:	4	Media Specialists:	1
Teachers:	54	Nurses:	1.5
Teacher Aids:	29	Guidance:	2
Custodians:	5	Secretaries:	3
Food Service:	6	Transportation:	5
Other:	21	Maintenance:	1

Population (2)

Presented below are population figures for the periods indicated for the cities of Logan and Magnolia:

<u>Year</u>	<u>Logan</u>	<u>Magnolia</u>
2020	1397	190
2010	1534	183
2000	1545	200
1990	1401	204
1980	1540	207
1970	1526	206

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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	6
<u>Active employees</u>	<u>69</u>
Total	75

Total OPEB Liability – The District's total OPEB liability of \$861,075 was measured as of June 30, 2020, and was determined by an actuarial valuation dated June 30, 2019.

Actuarial Assumptions – the total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement:

Rate of inflation (effective 6/30/19)	2.50%
Rates of salary increase (effective 6/30/19) including inflation	3.25%
Discount rate (effective 6/30/19) including inflation	2.45%
Healthcare cost trend rate (effective 6/30/19)	6.40% for FY2020, gradually decreasing to an ultimate rate of 4.00%

Discount Rate – The discount rate used to measure the total OPEB liability was 2.45%, 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 and annual retirement probabilities are based on School assumptions for Regular members in the June 2018 Iowa Public Employees' Retirement System Demographic Assumption Study.

(1) Source: the Issuer

(2) Source: U.S. Census Bureau

Changes in the Total OPEB Liability:

Total OPEB obligation – beginning of year	\$965,410
Changes for the year	
	Service Cost 129,654
	Interest 30,217
	Difference between expected & actual experiences (176,741)
	Change in assumption (14,772)
	Benefit Payments (72,693)
Net Changes	(104,335)
Net OPEB obligation – end of year	\$861,075

Changes of assumptions reflect a change in the discount rate from 3.13% in fiscal year 2019 to 2.45% in fiscal year 2020.

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	\$384,300	8.93	\$256,056	5.95
2018	379,900	8.93	253,125	5.95
2019	411,938	9.44	274,479	6.29
2020	431,413	9.44	287,457	6.29
2021	NA	9.44	284,028	6.29

(1) Source: the Issuer

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

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

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 (1)

At June 30, 2020, the Issuer reported a liability of \$3,320,329 for its proportional share of the IPERS 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 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 and its counsel 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: The Issuer

(2) 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

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 March 31, 2022.

<u>Type of Investment</u>	<u>Amount Invested</u>
Local Bank Money Market	\$863,338.53
ISJIT Money Market	4,953,097.70

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>
Perfection Press	Printers	50-99
Mosaic	Social services & welfare organization	50-99
Midwest Mechanical	Janitor service	50-99
Westmont Healthcare	Nursing home	50-99
Logan's Super Food Store	Grocery store	20-49
Twisted Tail Steakhouse	Restaurant	10-19
Logan-Mo Valley Country Club	Golf course	10-19
Cor Vel	Workmen's compensation consultants	10-19
CHI Health Clinic	Clinic	10-19
Harrison County Home Health	Home health care	10-19
Horizon Rehabilitation Center	Rehabilitation services	10-19
Wel-Home Health	Home health services	10-19
Smooth Enterprises	Trucking	10-19
Logan-Magnolia CSD	Education	132.5

(1) SOURCE: The Issuer

(2) SOURCE: Iowa Workforce Development.com/employer database

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 Logan-Magnolia Community School District in the County of Harrison, 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 the date of delivery, in the denominations of \$5,000 or multiples thereof, in the aggregate amount of \$_____ (the "Bonds").

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

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

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

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.
2. The Bonds are valid and binding general obligations of the Issuer.
3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.
4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. 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.

The Issuer has designated the Bonds "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

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 Logan-Magnolia Community School District, State of Iowa (the "Issuer"), in connection with the issuance of \$ _____ General Obligation School Bonds, Series 2022 (the "Bonds") dated the date of delivery. The Bonds are being issued pursuant to a Resolution of the Issuer approved on June 1, 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 April 15 after the end of the Issuer's fiscal year (presently June 30th), 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 prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the captions "Property Valuations," "Tax Rates," "Historic Tax Rates," "Tax Collection History," "Direct Debt," "Debt Limit," and "Financial Summary."

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

Section 5. Reporting of Significant Events.

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

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

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

Section 6. Additional Filing. The Issuer's audited financial statements for fiscal year ending June 30, 2021, were not available for inclusion in the Final Official Statement. The Issuer agrees to file these audited financial statements in the same manner as the Annual Financial Information when they become available.

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

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

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

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

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

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

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

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are

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

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

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

Date: Date of Delivery

LOGAN-MAGNOLIA COMMUNITY
SCHOOL DISTRICT, STATE OF IOWA

By: _____
President of the Board of Directors

ATTEST:

By: _____
Secretary of the Board of Directors

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF
FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: Logan-Magnolia Community School District, Iowa.

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

Dated Date of Issue: Date of Delivery

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

Dated: _____ day of _____, 20____.

LOGAN-MAGNOLIA 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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LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2020

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Logan-Magnolia Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education (Before November 2019 Election)		
Matt Pitt	President	2019
Julie Witte	Vice President	2019
Clinton Gochenour	Board Member	2021
Randy Koenig	Board Member	2021
Dan Cohrs	Board Member	2019
Board of Education (After November 2019 Election)		
Dan Cohrs	President	2023
Julie Witte	Vice President	2023
Clinton Gochenour	Board Member	2021
Randy Koenig	Board Member	2021
Nicole Carritt	Board Member	2023
School Officials		
Tom Ridder	Superintendent	2020
Daniel Mikels	Board Secretary/Business Manager	2020
Franck & Sextro	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 Logan-Magnolia 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 Logan-Magnolia Community School District, Logan, Iowa as of and for the year ended June 30, 2020, and the related Notes to the 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 Logan-Magnolia Community School District as of June 30, 2020, and the respective changes in its financial position and, when applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

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 44 through 49 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 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 Logan-Magnolia Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2019 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6, 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 basic 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 May 19, 2021 on our consideration of Logan-Magnolia Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Logan-Magnolia Community School District's internal control over financial reporting and compliance.



NOLTE, CORNMAN & JOHNSON, P.C.

May 19, 2021
Newton, Iowa

LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Logan-Magnolia 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 increased from \$5,059,149 at June 30, 2019 to \$5,302,467 at June 30, 2020. Total revenues increased from \$8,664,576 in fiscal year 2019 to \$8,864,470 in fiscal year 2020, a 2.31% increase, while total expenses increased from \$8,306,062 in fiscal year 2019 to \$8,621,152 in fiscal year 2020, a 3.79% increase compared to the prior year.
- General Fund revenues increased from \$6,903,833 in fiscal year 2019 to \$7,142,542 in fiscal year 2020, while General Fund expenditures increased from \$6,953,828 in fiscal year 2019 to \$7,213,209 in fiscal year 2020. This resulted in a decrease in the District's General Fund balance from \$1,502,803 at June 30, 2019 to \$1,432,136 at June 30, 2020, a decrease of 4.70%.
- The increase in General Fund revenues was attributable to an increase in state source revenues received in fiscal year 2020. The increase in expenditures can be attributed to an increase in support services expenditures incurred during the fiscal 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 Logan-Magnolia 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 Logan-Magnolia 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 Logan-Magnolia Community School District acts solely as an agent or custodian for the benefit of those outside of the District.

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

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

Supplementary Information provides detailed information about the nonmajor governmental funds.

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

Figure A-1

Logan-Magnolia Community School District Annual Financial Report

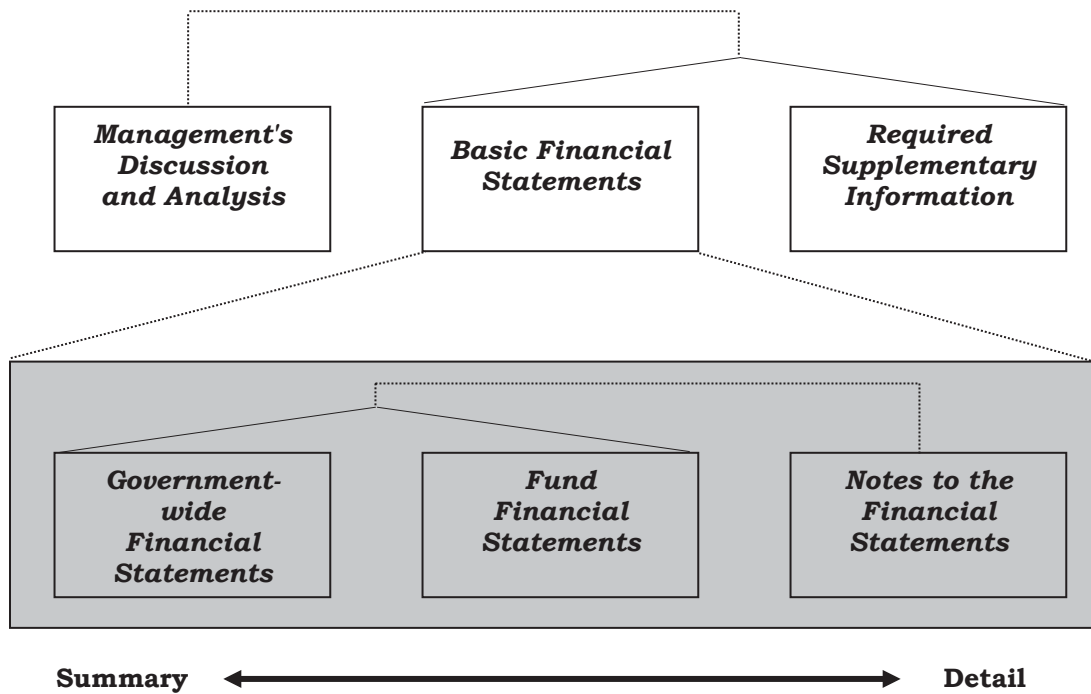


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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, latch key program	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 and latch key programs are included here.

Fund Financial Statements

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

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds or to show 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 Funds, one type of proprietary fund, are the same as its business type activities, but provide more detail and additional information, such as cash flows. The District currently has two Enterprise Funds, the School Nutrition Fund and Latch Key Fund.

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

- 3) *Fiduciary funds:* The District is a trustee, or fiduciary for assets that belong to others. These funds include the Private Purpose Trust 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 enhance 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	\$ 7,533,369	7,477,057	148,723	128,388	7,682,092	7,605,445	1.01%
Capital assets	5,525,638	5,289,248	44,087	46,504	5,569,725	5,335,752	4.39%
Total assets	13,059,007	12,766,305	192,810	174,892	13,251,817	12,941,197	2.40%
Deferred outflows of resources	777,502	917,393	39,265	47,252	816,767	964,645	-15.33%
Long-term liabilities	4,704,239	5,119,764	181,320	192,907	4,885,559	5,312,671	-8.04%
Other liabilities	819,401	847,559	41,059	22,990	860,460	870,549	-1.16%
Total liabilities	5,523,640	5,967,323	222,379	215,897	5,746,019	6,183,220	-7.07%
Deferred inflows of resources	2,991,716	2,648,438	28,382	15,035	3,020,098	2,663,473	13.39%
Net position:							
Net investment in capital assets	5,090,638	4,714,248	44,087	46,504	5,134,725	4,760,752	7.86%
Restricted	2,618,660	2,697,172	-	-	2,618,660	2,697,172	-2.91%
Unrestricted	(2,388,145)	(2,343,483)	(62,773)	(55,292)	(2,450,918)	(2,398,775)	-2.17%
Total net position	\$ 5,321,153	5,067,937	(18,686)	(8,788)	5,302,467	5,059,149	4.81%

The District's total net position increased \$243,318, or 4.81%, 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 resources 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 decreased \$78,512, or 2.91%, from the prior year. The decrease in restricted net position was primarily due to a decrease in the amount restricted for school infrastructure purposes.

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 \$52,143, or 2.17%. This decrease in unrestricted net position was primarily a result of the decrease in the District's 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	\$ 1,146,842	1,098,548	249,059	319,854	1,395,901	1,418,402	-1.59%
Operating grants, contributions and restricted interest	646,289	602,317	224,931	141,940	871,220	744,257	17.06%
General revenues:							
Property tax	2,319,851	2,290,585	-	-	2,319,851	2,290,585	1.28%
Income surtax	168,401	162,283	-	-	168,401	162,283	3.77%
Statewide sales, services and use tax	585,559	577,666	-	-	585,559	577,666	1.37%
Unrestricted state grants	3,461,749	3,366,248	-	-	3,461,749	3,366,248	2.84%
Unrestricted investment earnings	41,599	75,071	963	1,405	42,562	76,476	-44.35%
Other	15,267	27,390	3,960	1,269	19,227	28,659	-32.91%
Total revenues	8,385,557	8,200,108	478,913	464,468	8,864,470	8,664,576	2.31%
Program expenses:							
Instruction	5,343,220	5,176,300	-	-	5,343,220	5,176,300	3.22%
Support services	2,315,362	2,179,079	525	452	2,315,887	2,179,531	6.26%
Non-instructional programs	-	-	488,286	488,653	488,286	488,653	-0.08%
Other expenses	473,759	461,578	-	-	473,759	461,578	2.64%
Total expenses	8,132,341	7,816,957	488,811	489,105	8,621,152	8,306,062	3.79%
Change in net position	253,216	383,151	(9,898)	(24,637)	243,318	358,514	-32.13%
Net position beginning of year	5,067,937	4,684,786	(8,788)	15,849	5,059,149	4,700,635	7.63%
Net position end of year	\$ 5,321,153	5,067,937	(18,686)	(8,788)	5,302,467	5,059,149	4.81%

In fiscal year 2020, the property tax, unrestricted state grants, and charges for service accounted for 82.62% of the revenue from governmental activities, while charges for service and operating grants, contributions, and restricted interest accounted for 99.80% of the revenue from business type activities. The District's total revenues were approximately \$8.87 million, of which approximately \$8.39 million was for governmental activities and approximately \$0.48 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 2.31% increase in revenues and a 3.79% increase in expenses. The increase in revenues is primarily due to an increase in operating grants, contributions, and restricted interest received while the increase in expenses is primarily due to an increase in support services expenses incurred during fiscal year 2020.

Governmental Activities

Revenues for governmental activities were \$8,385,557 and expenses were \$8,132,341 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 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	\$ 5,343,220	5,176,300	3.22%	3,886,247	3,832,132	1.41%
Support services	2,315,362	2,179,079	6.25%	2,227,431	2,062,963	7.97%
Other expenses	473,759	461,578	2.64%	225,532	220,997	2.05%
Total	\$ 8,132,341	7,816,957	4.03%	6,339,210	6,116,092	3.65%

For the year ended June 30, 2020:

- The cost financed by users of the District's programs was \$1,146,842.
- Federal and state governments along with contributions from local sources subsidized certain programs with grants and contributions totaling \$646,289.
- The net cost of governmental activities was financed with \$2,319,851 in property tax, \$168,401 in income surtax, \$585,559 in statewide sales, services and use tax, \$3,461,749 in unrestricted state grants, \$41,599 in unrestricted investment earnings and \$15,267 in other general revenues.

Business Type Activities

Revenues of the District's business type activities for the year ended June 30, 2020 were \$478,913 and expenses were \$488,811. The District's business type activities include the School Nutrition Fund and the Latch Key Fund. Revenues of these activities were mainly comprised of charges for service, federal and state reimbursements, unrestricted investment earnings and other general revenues.

INDIVIDUAL FUND ANALYSIS

As previously noted, Logan-Magnolia 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 \$4,110,616, below last year's combined ending fund balances of \$4,127,134. The primary reason for the decrease in combined fund balance was the decrease in the Capital Projects Fund balance.

Governmental Fund Highlights

- The decrease in the District's General Fund financial position is the product of many factors. The District's General Fund balance decreased from \$1,502,803 at June 30, 2019 to \$1,432,136 at June 30, 2020. This decrease was contributed to by an increase in support services expenditures compared to the prior year.
- The Capital Projects Fund balance decreased from \$1,996,933 at June 30, 2019 to \$1,932,466 at June 30, 2020. The Capital Projects: Statewide Sales, Services and Use Tax Fund balance decreased from \$1,898,204 at June 30, 2019 to \$1,794,253 at June 30, 2020. The Capital Projects: Physical Plant and Equipment Levy Fund balance increased from \$98,729 at June 30, 2019 to \$138,213 at June 30, 2020.

Proprietary Fund Highlights

The School Nutrition Fund net position increased from \$10,515 at June 30, 2019, to \$21,987 at June 30, 2020, representing an increase of 109.10%. Revenues outpaced expenditures, resulting in an increase in net position.

The Latch Key Fund net position decreased from deficit \$19,303 at June 30, 2019 to deficit \$40,673 at June 30, 2020. Expenditures outpaced revenues from local sources, resulting in a decrease in net position.

BUDGETARY HIGHLIGHTS

The District's revenues were \$135,186 less than budgeted revenues, a variance of 1.50%. The most significant variance resulted from the District receiving less from local sources than originally anticipated.

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

In spite of the District's budgetary practice, the certified budget exceeded expenditures in the non-instructional programs function area.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, the District had invested \$5,569,725, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This amount represents a net increase of 4.39% from last year. More detailed information about capital assets is presented in Note 3 to the financial statements. Depreciation expense for the year was \$314,424.

The original cost of the District's capital assets was \$11,784,682. Governmental activities accounted for \$11,565,657 with the remainder of \$219,025 accounted for in the Proprietary, School Nutrition and Latch Key Funds.

The largest change in capital asset activity during the year occurred in the land improvement category. The District's land improvement, net of accumulated depreciation, totaled \$385,305 at June 30, 2020 compared to \$174,054 at June 30, 2019. This increase primarily resulted from the completion of the parking lot resurface project.

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	\$ 600,754	600,754	-	-	600,754	600,754	0.00%
Buildings	4,049,215	4,211,589	-	-	4,049,215	4,211,589	-3.86%
Land improvements	385,305	174,054	-	-	385,305	174,054	121.37%
Machinery and equipment	490,364	302,851	44,087	46,504	534,451	349,355	52.98%
Total	\$ 5,525,638	5,289,248	44,087	46,504	5,569,725	5,335,752	4.39%

Long-Term Debt

At June 30, 2020, the District had \$435,000 of long-term debt outstanding. This represents a decrease of 29.75% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 5 to the financial statements.

The District had outstanding General Obligation Bonds of \$435,000 at June 30, 2020 payable from the Debt Service Fund.

Figure A-7 Outstanding Long-Term Obligations			
	Total District		Total Change
	June 30,		June 30,
	2020	2019	2019-20
General obligation bonds	\$ 435,000	575,000	-24.35%
Computer lease	-	44,256	-100.00%
Total	\$ 435,000	619,256	-29.75%

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 Logan-Magnolia Community School District's school board made the decision to offer early retirement to our faculty to take effect during FY22. The financial benefits of early retirement should be realized over the next several years.

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 Daniel Mikels, Board Secretary/Business Manager, Logan-Magnolia Community School District, 1200 North 2nd Avenue, Logan, Iowa, 51546.

LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	\$ 4,403,011	105,077	4,508,088
Receivables:			
Property tax:			
Delinquent	16,507	-	16,507
Succeeding year	2,446,715	-	2,446,715
Income surtax	157,498	-	157,498
Accounts	-	814	814
Due from other governments	509,638	26,325	535,963
Inventories	-	16,507	16,507
Capital assets not being depreciated:			
Land	600,754	-	600,754
Capital assets, net of accumulated depreciation:			
Buildings and land improvements and machinery and equipment	4,924,884	44,087	4,968,971
Total assets	13,059,007	192,810	13,251,817
Deferred Outflows of Resources			
Pension related deferred outflows	777,502	39,265	816,767
Liabilities			
Accounts payable	162,874	9,794	172,668
Salaries and benefits payable	621,820	16,154	637,974
Advances from grantors	33,846	-	33,846
Accrued interest payable	861	-	861
Unearned revenue	-	15,111	15,111
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	140,000	-	140,000
Termination benefits payable	78,464	-	78,464
Portion due after one year:			
General obligation bonds	295,000	-	295,000
Termination benefits payable	190,691	-	190,691
Net pension liability	3,155,972	164,357	3,320,329
Total OPEB liability	844,112	16,963	861,075
Total liabilities	5,523,640	222,379	5,746,019
Deferred Inflows of Resources			
Unavailable property tax revenue	2,446,715	-	2,446,715
Pension related deferred inflows	545,001	28,382	573,383
Total deferred inflows of resources	2,991,716	28,382	3,020,098
Net Position			
Net investment in capital assets	5,090,638	44,087	5,134,725
Restricted for:			
Categorical funding	210,196	-	210,196
Debt service	15,542	-	15,542
Management levy purposes	209,292	-	209,292
Student activities	251,164	-	251,164
School infrastructure	1,794,253	-	1,794,253
Physical plant and equipment	138,213	-	138,213
Unrestricted	(2,388,145)	(62,773)	(2,450,918)
Total net position	\$ 5,321,153	(18,686)	5,302,467

SEE NOTES TO FINANCIAL STATEMENTS.

**LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Govern- mental Activities	Business Type Activities
Functions/Programs:					
Governmental activities:					
Instruction:					
Regular	\$ 3,518,172	745,756	98,956	(2,673,460)	-
Special	1,190,022	170,596	42,584	(976,842)	-
Other	635,026	175,195	223,886	(235,945)	-
	5,343,220	1,091,547	365,426	(3,886,247)	-
Support services:					
Student	222,773	-	-	(222,773)	-
Instructional staff	263,590	-	-	(263,590)	-
Administration	833,751	17,910	-	(815,841)	-
Operation and maintenance of plant	683,875	6,000	1,068	(676,807)	-
Transportation	311,373	31,385	31,568	(248,420)	-
	2,315,362	55,295	32,636	(2,227,431)	-
Non-instructional programs:					
Long-term debt interest	13,984	-	-	(13,984)	-
Other expenditures:					
AEA flowthrough	248,227	-	248,227	-	-
Depreciation (unallocated)*	211,548	-	-	(211,548)	-
	459,775	-	248,227	(211,548)	-
Total governmental activities	8,132,341	1,146,842	646,289	(6,339,210)	-
Business type activities:					
Support services:					
Administration	525	-	-	-	(525)
Non-instructional programs:					
Food service operations	357,356	139,208	224,931	-	6,783
Other enterprise operations	130,930	109,851	-	-	(21,079)
Total business type activities	488,811	249,059	224,931	-	(14,821)
Total	\$ 8,621,152	1,395,901	871,220	(6,339,210)	(14,821)
General Revenue:					
Property tax levied for:					
General purposes			\$ 2,106,330	-	2,106,330
Debt service			151,926	-	151,926
Capital outlay			61,595	-	61,595
Income surtax			168,401	-	168,401
Statewide sales, services and use tax			585,559	-	585,559
Unrestricted state grants			3,461,749	-	3,461,749
Unrestricted investment earnings			41,599	963	42,562
Other			15,267	3,960	19,227
Total general revenues			6,592,426	4,923	6,597,349
Change in net position			253,216	(9,898)	243,318
Net position beginning of year			5,067,937	(8,788)	5,059,149
Net position end of year			\$ 5,321,153	(18,686)	5,302,467

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

SEE NOTES TO FINANCIAL STATEMENTS.

LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Capital Projects	Nonmajor	Total
Assets				
Cash and pooled investments	\$ 1,772,329	1,885,300	745,382	4,403,011
Receivables:				
Property tax:				
Delinquent	13,200	438	2,869	16,507
Succeeding year	2,028,133	66,652	351,930	2,446,715
Income surtax	157,498	-	-	157,498
Due from other governments	460,312	49,326	-	509,638
Total assets	\$ 4,431,472	2,001,716	1,100,181	7,533,369
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 158,039	2,598	2,237	162,874
Salaries and benefits payable	621,820	-	-	621,820
Advances from grantors	33,846	-	-	33,846
Total liabilities	813,705	2,598	2,237	818,540
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	2,028,133	66,652	351,930	2,446,715
Income surtax	157,498	-	-	157,498
Total deferred inflows of resources	2,185,631	66,652	351,930	2,604,213
Fund balances:				
Restricted for:				
Categorical funding	210,196	-	-	210,196
Debt service	-	-	16,403	16,403
Management levy purposes	-	-	478,447	478,447
Student activities	-	-	251,164	251,164
School infrastructure	-	1,794,253	-	1,794,253
Physical plant and equipment	-	138,213	-	138,213
Unassigned	1,221,940	-	-	1,221,940
Total fund balances	1,432,136	1,932,466	746,014	4,110,616
Total liabilities, deferred inflows of resources and fund balances	\$ 4,431,472	2,001,716	1,100,181	7,533,369

SEE NOTES TO FINANCIAL STATEMENTS.

LOGAN-MAGNOLIA 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)	\$ 4,110,616
<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.	5,525,638
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.	157,498
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.	(861)
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	\$ 777,502
Deferred inflows of resources	<u>(545,001)</u>
	232,501
Long-term liabilities, including general obligation bonds, computer lease, 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>(4,704,239)</u>
Net position of governmental activities (page 18)	<u>\$ 5,321,153</u>

SEE NOTES TO FINANCIAL STATEMENTS.

LOGAN-MAGNOLIA 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	\$ 2,016,511	61,595	403,215	2,481,321
Tuition	894,161	-	-	894,161
Other	196,711	18,583	194,250	409,544
State sources	3,889,947	585,909	2,288	4,478,144
Federal sources	115,456	-	-	115,456
Total revenues	7,112,786	666,087	599,753	8,378,626
Expenditures:				
Current:				
Instruction:				
Regular	3,250,504	14,204	105,421	3,370,129
Special	1,088,759	-	-	1,088,759
Other	642,493	-	159,661	802,154
	4,981,756	14,204	265,082	5,261,042
Support services:				
Student	233,358	-	-	233,358
Instructional staff	186,093	55,128	-	241,221
Administration	763,151	17,000	-	780,151
Operation and maintenance of plant	570,252	87,378	45,389	703,019
Transportation	230,372	247,891	16,496	494,759
	1,983,226	407,397	61,885	2,452,508
Capital outlay	-	263,433	-	263,433
Long-term debt:				
Principal	-	-	184,256	184,256
Interest and fiscal charges	-	-	15,434	15,434
	-	-	199,690	199,690
Other expenditures:				
AEA flowthrough	248,227	-	-	248,227
Total expenditures	7,213,209	685,034	526,657	8,424,900
Excess (Deficiency) of revenues over (under) expenditures	(100,423)	(18,947)	73,096	(46,274)
Other financing sources (uses):				
Insurance proceeds	27,609	-	-	27,609
Proceeds from the sale of equipment	2,147	-	-	2,147
Transfer in	-	-	45,520	45,520
Transfer out	-	(45,520)	-	(45,520)
Total other financing sources (uses)	29,756	(45,520)	45,520	29,756
Change in fund balances	(70,667)	(64,467)	118,616	(16,518)
Fund balances beginning of year	1,502,803	1,996,933	627,398	4,127,134
Fund balances end of year	\$ 1,432,136	1,932,466	746,014	4,110,616

SEE NOTES TO FINANCIAL STATEMENTS.

LOGAN-MAGNOLIA 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) \$ (16,518)

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	\$ 543,659	
Depreciation expense	<u>(307,269)</u>	236,390

Income surtax receivable is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds.	6,931
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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.	184,256
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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.	1,450
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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.	411,223
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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	(123,089)	
Pension expense	(549,900)	
Total OPEB liability and related expenses	<u>102,473</u>	<u>(570,516)</u>

Change in net position of governmental activities (page 19)	<u><u>\$ 253,216</u></u>
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SEE NOTES TO FINANCIAL STATEMENTS.

LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business Type Activities: Enterprise Funds		
	School Nutrition	Latch Key Program	Total
Assets			
Current assets:			
Cash and pooled investments	\$ 80,497	24,580	105,077
Accounts receivable	-	814	814
Due from other governments	24,325	2,000	26,325
Inventories	16,507	-	16,507
Total current assets	121,329	27,394	148,723
Noncurrent assets:			
Capital assets, net of accumulated depreciation	43,061	1,026	44,087
Total assets	164,390	28,420	192,810
Deferred Outflows of Resources			
Pension related deferred outflows	22,814	16,451	39,265
Liabilities			
Current liabilities:			
Accounts payable	9,732	62	9,794
Salaries and benefits payable	9,714	6,440	16,154
Unearned revenue	15,111	-	15,111
Total current liabilities	34,557	6,502	41,059
Noncurrent liabilities:			
Net pension liability	96,954	67,403	164,357
Total OPEB liability	16,963	-	16,963
Total noncurrent liabilities	113,917	67,403	181,320
Total liabilities	148,474	73,905	222,379
Deferred Inflows of Resources			
Pension related deferred inflows	16,743	11,639	28,382
Net Position			
Net investment in capital assets	43,061	1,026	44,087
Unrestricted	(21,074)	(41,699)	(62,773)
Total net position	\$ 21,987	(40,673)	(18,686)

SEE NOTES TO FINANCIAL STATEMENTS.

LOGAN-MAGNOLIA 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		
	School Nutrition	Latch Key Program	Total
Operating revenues:			
Local sources:			
Charges for service	\$ 139,208	109,851	249,059
Miscellaneous	3,960	-	3,960
Total operating revenues	143,168	109,851	253,019
Operating expenses:			
Administration:			
Services	-	525	525
Non-instructional programs:			
Food service operations:			
Salaries	125,124	-	125,124
Benefits	37,478	-	37,478
Services	3,866	-	3,866
Supplies	182,785	-	182,785
Depreciation	7,008	-	7,008
Other	1,095	-	1,095
Other enterprise operations:			
Salaries	-	101,200	101,200
Benefits	-	23,063	23,063
Supplies	-	6,191	6,191
Depreciation	-	147	147
Other	-	329	329
Total non-instructional programs	357,356	130,930	488,286
Total operating expenses	357,356	131,455	488,811
Operating loss	(214,188)	(21,604)	(235,792)
Non-operating revenues:			
State sources	2,516	-	2,516
Federal sources	222,415	-	222,415
Interest income	729	234	963
Total non-operating revenues	225,660	234	225,894
Change in net position	11,472	(21,370)	(9,898)
Net position beginning of year	10,515	(19,303)	(8,788)
Net position end of year	\$ 21,987	(40,673)	(18,686)

SEE NOTES TO FINANCIAL STATEMENTS.

LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business Type Activities: Enterprise Funds		
	School Nutrition	Latch Key Program	Total
Cash flows from operating activities:			
Cash received from sale of lunches and breakfasts	\$ 145,967	-	145,967
Cash received from latch key operations activities	-	110,338	110,338
Cash received from miscellaneous	3,960	-	3,960
Cash payments to employees for services	(158,012)	(117,185)	(275,197)
Cash payments to suppliers for goods or services	(159,742)	(7,388)	(167,130)
Net cash used in operating activities	(167,827)	(14,235)	(182,062)
Cash flows from non-capital financing activities:			
State grants received	2,516	(2,000)	516
Federal grants received	174,886	-	174,886
Net cash provided by (used in) non-capital financing activities	177,402	(2,000)	175,402
Cash flows from capital and related financing activities:			
Purchase of capital assets	(4,738)	-	(4,738)
Cash flows from investing activities:			
Interest on investments	729	234	963
Net increase (decrease) in cash and pooled investments	5,566	(16,001)	(10,435)
Cash and pooled investments beginning of year	74,931	40,581	115,512
Cash and pooled investments end of year	\$ 80,497	24,580	105,077
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (214,188)	(21,604)	(235,792)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Commodities consumed	23,204	-	23,204
Depreciation	7,008	147	7,155
Change in assets and liabilities:			
Inventories	(4,932)	-	(4,932)
Accounts receivable	-	487	487
Accounts payable	9,732	(343)	9,389
Salaries and benefits payable	2,029	(108)	1,921
Net pension liability	(8,713)	(1,012)	(9,725)
Deferred outflows of resources	5,519	2,468	7,987
Deferred inflows of resources	7,617	5,730	13,347
Unearned revenue	6,759	-	6,759
Total OPEB liability	(1,862)	-	(1,862)
Net cash used in operating activities	\$ (167,827)	(14,235)	(182,062)

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2020, the District received \$23,204 of federal commodities.

SEE NOTES TO FINANCIAL STATEMENTS.

LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2020

	Private Purpose Trust Scholarship
Assets	
Cash and pooled investments	\$ 1,250
Liabilities	
Total liabilities	-
Net Position	
Held in trust for scholarships	\$ 1,250

SEE NOTES TO THE FINANCIAL STATEMENTS.

LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2020

	Private Purpose Trust Scholarship
Additions:	
Local sources:	
Gifts and contributions	\$ 2,250
Deductions:	
Instruction:	
Regular:	
Scholarships awarded	2,500
Change in net position	(250)
Net position beginning of year	1,500
Net position end of year	\$ 1,250

SEE NOTES TO FINANCIAL STATEMENTS.

LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(1) Summary of Significant Accounting Policies

Logan-Magnolia Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as career and technical and recreational courses. The geographic area served includes the cities of Logan and Magnolia, Iowa and the predominate agricultural territory in Harrison 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 Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Logan-Magnolia 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 Harrison County Assessors' Conference Board.

B. Basis of Presentation

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

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

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

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

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

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

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for the Capital Project 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 expenditures, 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 District's proprietary fund include the School Nutrition Fund. The School Nutrition Fund is used to account for the food service operations of the District.

The District's proprietary fund include the Latch Key Fund. Latch Key Fund is used to account for child care services for the District.

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

D. 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 balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost.

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 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 amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

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

Capital Assets - Capital assets, which include property, machinery, and equipment and intangibles acquired after July 1, 1980 are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost 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	\$ -
Buildings	1,500
Land improvements	1,500
Intangibles	15,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	1,500

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 years
Intangibles	2+ years
Machinery and equipment	5-12 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 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 is 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 Revenues - Unearned revenues are monies collected for lunches that have not yet been served. The lunch account balances will either be reimbursed or served as 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.

Total OPEB Liability - For purposes of measuring the total OPEB liability 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 by the Enterprise, School Nutrition Fund and Latch Key Fund.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position that 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 receivables 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 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 classifications.

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 amount budgeted in the non-instructional programs function area.

(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 Obligations Portfolio which are valued at an amortized cost of \$4,173,709. There were no limitations or restrictions on the withdrawal of the ISJIT investments. The investments in ISJIT were rated AAAM by Standard & Poor's Financial Services.

(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	\$ 600,754	-	-	600,754
Capital assets being depreciated:				
Buildings	8,326,580	4,150	-	8,330,730
Land improvements	252,016	235,634	-	487,650
Machinery and equipment	1,842,648	303,875	-	2,146,523
Total capital assets being depreciated	10,421,244	543,659	-	10,964,903
Less accumulated depreciation for:				
Buildings	4,114,991	166,524	-	4,281,515
Land improvements	77,962	24,383	-	102,345
Machinery and equipment	1,539,797	116,362	-	1,656,159
Total accumulated depreciation	5,732,750	307,269	-	6,040,019
Total capital assets being depreciated, net	4,688,494	236,390	-	4,924,884
Governmental activities capital assets, net	\$ 5,289,248	236,390	-	5,525,638
Business type activities:				
Machinery and equipment	\$ 214,287	4,738	-	219,025
Less accumulated depreciation	167,783	7,155	-	174,938
Business type activities capital assets, net	\$ 46,504	(2,417)	-	44,087

Depreciation expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	\$ 12,354
Other	5,356
Support Services:	
Instructional staff	1,393
Operation and maintenance of plant	17,071
Transportation	59,547
	95,721
Unallocated depreciation	211,548
Total governmental activities depreciation expense	\$ 307,269
Business type activities:	
Food service operations	\$ 7,008
Other enterprise operations	147
Total business type activities depreciation expense	\$ 7,155

(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>\$ 45,520</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 computer lease indebtedness.

(5) Long-Term Liabilities

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:					
General obligation bonds	\$ 575,000	-	140,000	435,000	140,000
Computer lease	44,256	-	44,256	-	-
Termination benefits	146,066	169,335	46,246	269,155	78,464
Net pension liability	3,407,857	-	251,885	3,155,972	-
Total OPEB liability	946,585	-	102,473	844,112	-
Total	<u>\$ 5,119,764</u>	<u>169,335</u>	<u>584,860</u>	<u>4,704,239</u>	<u>218,464</u>
Business type activities:					
Net pension liability	174,082	-	9,725	164,357	-
Total OPEB liability	18,825	-	1,862	16,963	-
Total	<u>\$ 192,907</u>	<u>-</u>	<u>11,587</u>	<u>181,320</u>	<u>-</u>

General Obligation Bonds

Details of the District's June 30, 2020 general obligation bonded indebtedness are as follows:

Year Ending June 30,	General Obligation Bond Issued June 5, 2012			
	Interest Rate	Principal	Interest	Total
2021	1.90 %	\$ 140,000	10,330	150,330
2022	2.60	145,000	7,670	152,670
2023	2.60	150,000	3,900	153,900
Total		<u>\$ 435,000</u>	<u>21,900</u>	<u>456,900</u>

Termination Benefits

The District offered a voluntary early retirement plan for employees in fiscal year 2020 and in prior years. Eligible employees must have completed at least fifteen years of service for the District, be a full-time employee of the District and must have reached age fifty-five on or before July 1, 2020. The benefit for retirees from fiscal year 2020 is District contributions towards health insurance premiums equal to \$795 per month until Medicare eligibility. The benefit for retirees from fiscal years 2017, 2018 and 2019 is District contributions toward health insurance premiums equal to \$750 per month until Medicare eligibility. The benefit for retirees from fiscal years prior to 2017 is District contributions toward health insurance premiums equal to \$654 per month until Medicare eligibility.

As of June 30, 2020, the District had obligations to nine retirees with a total liability of \$269,155. Actual early retirement expenditures for the year ended June 30, 2020 totaled \$46,246.

(6) Pension Plan

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

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general 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, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

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

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

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

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

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

In fiscal year 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 \$431,413.

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 \$3,320,329 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 0.057339%, which was a decrease of 0.000737% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$581,699. 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	\$ 9,205	119,382
Changes of assumptions	355,655	-
Net difference between projected and actual earnings on IPERS' investments	-	374,162
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	20,494	79,839
District contributions subsequent to the measurement date	431,413	-
Total	<u>\$ 816,767</u>	<u>573,383</u>

\$431,413 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	\$ 46,180
2022	(100,503)
2023	(68,702)
2024	(59,945)
2025	(5,059)
Total	<u>\$ (188,029)</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	\$ 5,895,833	3,320,329	1,160,025

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 \$44,857 for legally required District contributions and \$29,889 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

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

Retired participants must be age 55 or older at retirement. At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	6
Active employees	69
Total	<u>75</u>

Total OPEB Liability - The District's total OPEB liability of \$861,075 was measured as of June 30, 2020, and was determined by an actuarial valuation dated June 30, 2019.

Actuarial Assumptions - The total OPEB liability in the June 30, 2019 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	2.50% per annum.
Rates of salary increase	3.25% per annum, including inflation.
Discount rate	2.45% compounded annually, including inflation.
Healthcare cost trend rate	6.40% for FY2020, gradually decreasing to an ultimate rate of 4.00%.

Discount Rate - The discount rate used to measure the total OPEB liability was 2.45% 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 and annual retirement probabilities are based on School assumptions for Regular members in the June 2018 Iowa Public Employees' Retirement System Demographic Assumption Study.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 965,410
Changes for the year:	
Service cost	129,654
Interest	30,217
Differences between expected and actual experiences	(176,741)
Changes in assumptions	(14,772)
Benefit payments	<u>(72,693)</u>
Net changes	<u>(104,335)</u>
Total OPEB liability end of year	<u>\$ 861,075</u>

Changes of assumptions reflect a change in the discount rate from 3.13% in fiscal year 2019 to 2.45% in fiscal year 2020.

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 (1.45%) or 1% higher (3.45%) than the current discount rate.

	<u>1% Decrease (1.45%)</u>	<u>Discount Rate (2.45%)</u>	<u>1% Increase (3.45%)</u>
Total OPEB liability	\$ 917,015	861,075	808,764

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates 1% lower (5.40%) or 1% higher (7.40%) than the current healthcare cost trend rates.

	<u>1% Decrease (5.40%)</u>	<u>Healthcare Cost Trend Rate (6.40%)</u>	<u>1% Increase (7.40%)</u>
Total OPEB liability	\$ 781,390	861,075	955,042

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2020, the components of OPEB expense (service costs, interest and changes in assumptions) combined for a net reduction of \$31,642. Logan-Magnolia Community School District elected to use the Alternative Measurement Method (AMM) as allowed by GASB Statement No. 75 for entities with fewer than 100 active and inactive employees. Certain items such as differences between expected and actual experience and changes in assumptions and other inputs are recognized in the current year when using the AMM and, therefore, there are no deferred outflows of resources or deferred inflows of resources related to OPEB.

(8) Risk Management

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

(9) 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)	\$ 4,051
Gifted and Talented Programs	48,510
Returning Dropouts and Dropout Prevention	13,613
Teacher Leadership State Aid	50,394
Four-Year-Old Preschool State Aid	57,005
Successful Progression for Early Readers	6,434
Professional Development	26,821
Market Factor Incentives	3,368
Total	<u>\$ 210,196</u>

(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 \$248,227 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.

(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

The District was not impacted by any tax abatements which meet the disclosure requirements of Governmental Accounting Standards Board Statement No. 77 for fiscal year 2020.

(12) Reconciliation of Governmental Fund Balances to Net Position

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

	Net investment in Capital Assets	Debt Service	Management Levy	Unassigned/ Unrestricted
Fund balance (Exhibit C)	\$ -	16,403	478,447	1,221,940
Capital assets, net of accumulated depreciation	5,525,638	-	-	-
General obligation bond capitalized indebtedness	(435,000)	-	-	-
Accrued interest payable	-	(861)	-	-
Income surtax	-	-	-	157,498
Termination benefits	-	-	(269,155)	-
Pension related deferred outflows	-	-	-	777,502
Pension related deferred inflows	-	-	-	(545,001)
Net pension liability	-	-	-	(3,155,972)
Total OPEB liability	-	-	-	(844,112)
Net position (Exhibit A)	<u>\$ 5,090,638</u>	<u>15,542</u>	<u>209,292</u>	<u>(2,388,145)</u>

(13) 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, 2021. 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.

(14) 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, District expenditures in the non-instructional program function area exceeded the amounts budgeted.

(15) 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 Logan-Magnolia Community School District, remains uncertain.

To date, the outbreak created a disruption to the operations of the Logan-Magnolia 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 Logan-Magnolia Community School District's operations and finances.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues:						
Local sources	\$ 3,785,026	253,982	4,039,008	4,248,259	4,248,259	(209,251)
State sources	4,478,144	2,516	4,480,660	4,499,466	4,499,466	(18,806)
Federal sources	115,456	222,415	337,871	245,000	245,000	92,871
Total revenues	8,378,626	478,913	8,857,539	8,992,725	8,992,725	(135,186)
Expenditures/Expenses:						
Instruction	5,261,042	-	5,261,042	5,720,500	5,720,500	459,458
Support services	2,452,508	525	2,453,033	3,179,600	3,179,600	726,567
Non-instructional programs	-	488,286	488,286	460,000	460,000	(28,286)
Other expenditures	711,350	-	711,350	717,280	717,280	5,930
Total expenditures/expenses	8,424,900	488,811	8,913,711	10,077,380	10,077,380	1,163,669
Excess (Deficiency) of revenues over (under) expenditures/expenses	(46,274)	(9,898)	(56,172)	(1,084,655)	(1,084,655)	1,028,483
Other financing sources, net	29,756	-	29,756	10,000	10,000	19,756
Excess (Deficiency) of revenues and other financing sources over (under) expenditures/expenses	(16,518)	(9,898)	(26,416)	(1,074,655)	(1,074,655)	1,048,239
Balances beginning of year	4,127,134	(8,788)	4,118,346	3,206,961	3,206,961	911,385
Balances end of year	\$ 4,110,616	(18,686)	4,091,930	2,132,306	2,132,306	1,959,624

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

LOGAN-MAGNOLIA 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 comparison 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.

In spite of the District's budgetary practice, the certified budget was exceeded in the non-instructional programs expenditures functional area.

LOGAN-MAGNOLIA 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	0.057339%	0.056602%	0.057652%	0.057988%	0.060281%	0.059398%
District's proportionate share of the net pension liability	\$ 3,320,329	3,581,939	3,840,375	3,649,396	2,978,151	2,355,652
District's covered payroll	\$ 4,363,751	4,254,199	4,303,468	4,165,364	4,123,978	3,886,271
District's proportionate share of the net pension liability as a percentage of its covered payroll	76.09%	84.20%	89.24%	87.61%	72.22%	60.61%
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.

LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE LAST TEN YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily required contribution	\$ 431,413	411,938	379,900	384,300	371,967	368,271	347,044	356,738	321,500	283,695
Contributions in relation to the statutorily required contribution	(431,413)	(411,938)	(379,900)	(384,300)	(371,967)	(368,271)	(347,044)	(356,738)	(321,500)	(283,695)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 4,570,053	4,363,751	4,254,199	4,303,468	4,165,364	4,123,978	3,886,271	4,114,625	3,983,891	4,081,942
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.

LOGAN-MAGNOLIA 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.

LOGAN-MAGNOLIA 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	\$ 129,654	126,492	97,324
Interest cost	30,217	25,374	25,270
Differences between expected and actual experiences	(176,741)	-	-
Changes in assumptions	(14,772)	11,885	(1,014)
Benefit payments	(72,693)	(9,000)	(9,000)
Net change in total OPEB liability	(104,335)	154,751	112,580
Total OPEB liability beginning of year	965,410	810,659	698,079
Total OPEB liability end of year	\$ 861,075	965,410	810,659
Covered-employee payroll	\$ 3,419,177	3,256,862	3,322,600
Total OPEB liability as a percentage of covered-employee payroll	25.18%	29.64%	24.40%

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	2.45%
Year ended June 30, 2019	3.13%
Year ended June 30, 2018	3.62%
Year ended June 30, 2017	3.56%

LOGAN-MAGNOLIA COMMUNITY SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

LOGAN-MAGNOLIA 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	\$ 476,659	253,401	730,060	15,322	745,382
Receivables:					
Property tax:					
Delinquent	1,788	-	1,788	1,081	2,869
Succeeding year	199,999	-	199,999	151,931	351,930
Total assets	\$ 678,446	253,401	931,847	168,334	1,100,181
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ -	2,237	2,237	-	2,237
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property taxes	199,999	-	199,999	151,931	351,930
Fund balances:					
Restricted for:					
Debt service	-	-	-	16,403	16,403
Management levy purposes	478,447	-	478,447	-	478,447
Student activities	-	251,164	251,164	-	251,164
Total fund balances	478,447	251,164	729,611	16,403	746,014
Total liabilities, deferred inflows of resources and fund balances	\$ 678,446	253,401	931,847	168,334	1,100,181

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

LOGAN-MAGNOLIA 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 Lew	Student Activity	Total		
Revenues:					
Local sources:					
Local tax	\$ 251,289	-	251,289	151,926	403,215
Other	15,044	178,541	193,585	665	194,250
State sources	1,426	-	1,426	862	2,288
Total revenues	267,759	178,541	446,300	153,453	599,753
Expenditures:					
Current:					
Instruction:					
Regular	105,421	-	105,421	-	105,421
Other	-	159,661	159,661	-	159,661
Support services:					
Operation and maintenance of plant	45,389	-	45,389	-	45,389
Transportation	16,496	-	16,496	-	16,496
Long-term debt:					
Principal	-	-	-	184,256	184,256
Interest and fiscal charges	-	-	-	15,434	15,434
Total expenditures	167,306	159,661	326,967	199,690	526,657
Excess (Deficiency) of revenues over (under) expenditures	100,453	18,880	119,333	(46,237)	73,096
Other financing sources:					
Transfer in	-	-	-	45,520	45,520
Change in fund balances	100,453	18,880	119,333	(717)	118,616
Fund balances beginning of year	377,994	232,284	610,278	17,120	627,398
Fund balances end of year	\$ 478,447	251,164	729,611	16,403	746,014

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

LOGAN-MAGNOLIA 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	\$ 1,747,525	137,775	1,885,300
Receivables:			
Property tax:			
Delinquent	-	438	438
Succeeding year	-	66,652	66,652
Due from other governments	49,326	-	49,326
Total assets	\$ 1,796,851	204,865	2,001,716
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 2,598	-	2,598
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	66,652	66,652
Fund balances:			
Restricted for:			
School infrastructure	1,794,253	-	1,794,253
Physical plant and equipment	-	138,213	138,213
Total fund balances	1,794,253	138,213	1,932,466
Total liabilities, deferred inflows of resources and fund balances	\$ 1,796,851	204,865	2,001,716

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

LOGAN-MAGNOLIA 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 Lewy	Total
Revenues:			
Local sources:			
Local tax	\$ -	61,595	61,595
Other	17,341	1,242	18,583
State sources	585,559	350	585,909
Total revenues	602,900	63,187	666,087
Expenditures:			
Current:			
Instruction:			
Regular	14,204	-	14,204
Support services:			
Instructional staff	55,128	-	55,128
Administration	17,000	-	17,000
Operation and maintenance of plant	80,935	6,443	87,378
Transportation	247,891	-	247,891
Capital outlay	246,173	17,260	263,433
Total expenditures	661,331	23,703	685,034
Excess (Deficiency) of revenues over (under) expenses	(58,431)	39,484	(18,947)
Other financing uses:			
Transfer out	(45,520)	-	(45,520)
Change in fund balances	(103,951)	39,484	(64,467)
Fund balances beginning of year	1,898,204	98,729	1,996,933
Fund balances end of year	\$ 1,794,253	138,213	1,932,466

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

LOGAN-MAGNOLIA 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	\$ 2,897	2,469	2,896	-	2,470
Cross country	3,478	-	67	-	3,411
All sports	71,184	43,259	24,800	-	89,643
Golf	190	1,154	1,263	-	81
Drill team	1,367	1,061	1,346	-	1,082
Football cheerleading	3,422	3,361	737	-	6,046
Basketball cheerleading	1,326	200	150	-	1,376
Wrestling cheerleading	-	326	326	-	-
Boys basketball	935	3,122	3,739	-	318
All sports activity pass	-	10,905	10,905	-	-
Football	21,919	6,515	8,434	-	20,000
Soccer	3,326	-	30	-	3,296
Baseball fundraiser	12,777	-	6,085	-	6,692
Girls track fundraiser	2,029	-	813	-	1,216
Wrestling fundraiser	4,657	3,906	4,882	-	3,681
Girls basketball	2,330	1,061	1,975	-	1,416
Volleyball fundraiser	5,742	10,302	8,324	-	7,720
Softball fundraiser	2,852	-	892	-	1,960
Concessions	1,491	25,973	22,677	(1,615)	3,172
Concessions summer	15	-	-	-	15
Interest	2,157	1,664	-	-	3,821
Art club	225	-	-	-	225
Chess club fundraiser	1,273	1,525	1,051	-	1,747
Quiz bowl	375	4,101	2,003	-	2,473
Speech	1,794	-	-	-	1,794
Annual	13,117	1,949	4,356	-	10,710
Swing choir	89	1,235	1,072	-	252
Band & Vocal fundraiser	45,118	29,758	35,165	-	39,711
National honor society (AMOL)	934	-	825	1,615	1,724
Science club	1,116	-	-	-	1,116
Spanish club	1,198	-	-	-	1,198
Student council	14,548	2,531	45	-	17,034
Community bank grant	2	-	-	-	2
Key club	221	5,070	4,739	-	552
HOSA	709	-	-	-	709
FCCLA	204	7,866	5,931	-	2,139
HS class of 2021	-	9,208	3,320	-	5,888
HS class of 2020	2,270	20	813	-	1,477
HS class of 2019	2,208	-	-	-	2,208
HS class of 2018	2,789	-	-	-	2,789
Total	\$ 232,284	178,541	159,661	-	251,164

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

LOGAN-MAGNOLIA 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	\$ 2,481,321	2,446,948	2,404,810	2,568,524	2,089,245	2,454,437	2,399,443	3,155,858	2,930,150	2,788,154
Tuition	894,161	757,813	758,416	1,111,430	1,003,258	556,467	556,096	475,012	539,830	554,241
Other	409,544	533,490	640,822	484,020	377,319	514,097	432,279	517,290	576,181	673,058
State sources	4,478,144	4,321,799	4,100,710	4,081,625	3,988,983	3,793,939	3,955,572	3,390,380	3,706,274	3,519,457
Federal sources	115,456	134,138	124,290	128,918	132,083	129,562	110,126	113,753	157,142	292,126
Total	\$ 8,378,626	8,194,188	8,029,048	8,374,517	7,590,888	7,448,502	7,453,516	7,652,293	7,909,577	7,827,036
Expenditures:										
Instruction:										
Regular	\$ 3,370,129	3,249,392	3,246,090	3,314,828	3,142,965	3,080,542	2,899,219	3,154,114	3,002,063	2,815,028
Special	1,088,759	1,068,769	1,050,878	984,570	905,264	913,795	902,687	919,256	828,486	865,716
Other	802,154	811,936	851,800	757,100	755,788	832,200	757,648	709,011	735,116	892,260
Support services:										
Student	233,358	219,894	238,326	222,870	175,403	204,794	181,918	180,968	169,271	185,677
Instructional staff	241,221	242,591	373,113	246,465	266,428	490,087	267,392	253,152	212,823	263,598
Administration	780,151	630,640	612,674	607,099	592,201	592,257	556,645	719,231	656,558	641,201
Operation and maintenance of plant	703,019	758,582	647,590	747,404	732,658	762,338	551,769	571,546	579,301	555,033
Transportation	494,759	365,675	337,720	331,795	307,503	351,648	349,388	329,429	356,845	437,392
Capital outlay	263,433	110,118	144,456	127,020	21,645	45,816	101,839	85,975	221,231	105,179
Long-term debt:										
Principal	184,256	183,028	185,095	205,403	203,492	295,000	295,000	1,525,000	290,000	285,000
Interest	15,434	18,502	16,635	21,024	24,082	21,577	27,462	66,253	97,211	77,836
Other expenditures:										
AEA flowthrough	248,227	240,581	235,939	231,040	235,306	232,663	231,907	225,998	228,599	254,899
Total	\$ 8,424,900	7,899,708	7,940,316	7,796,618	7,362,735	7,822,717	7,122,874	8,739,933	7,377,504	7,378,819

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 Logan-Magnolia 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 Logan-Magnolia 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 May 19, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Logan-Magnolia Community School District's internal control over financial reporting to determine the auditing 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 Logan-Magnolia Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Logan-Magnolia Community School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings, we identified deficiencies in internal control we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency described in Part I of the accompanying Schedule of Findings as item I-A-20 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Part I of the accompanying Schedule of Findings as item, I-B-20 and I-C-20 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Logan-Magnolia 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 or other matters that 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.

Logan-Magnolia Community School District's Responses to Findings

Logan-Magnolia Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings. Logan-Magnolia 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 control and compliance and the result of that testing, and not to provide an opinion of 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 Logan-Magnolia 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.

May 19, 2021
Newton, Iowa

LOGAN-MAGNOLIA 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 DEFICIENCIES:

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 - One important aspect of the internal control structure is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. One individual has control over one or more of the following areas for the District:

- 1) Cash - handling and replenishing petty cash and custody.
- 2) Inventories - handling, counting and maintaining inventory records.
- 3) Receipts - collecting, receipting, preparing deposit slips, depositing and recording in the general ledger.
- 4) Payroll - approval of and recording employees added or deleted from the payroll system, approval and payment of payroll taxes, write checks, sign checks and post payroll to the general ledger.
- 5) Wire transfers - processing and approving.
- 6) Journal entries - writing, approving, and posting.
- 7) School lunch program - collecting, receipting, preparing deposit slips, depositing, posting to the general ledger, purchase order processing, check preparation mailing and receiving.

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 to 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 - Segregation of duties will always be an issue in a small district. However, the District continues to constantly re-evaluate internal controls and tests to ensure compliance with these controls.

Conclusion - Response accepted.

I-B-20 Gate Admissions

Criteria - An effective internal control system provides for internal controls related to ensuring proper accounting for revenues. Internal controls over safeguarding gate revenues constitute a process, effected by an entity's governing body, management and other personnel designed to provide reasonable assurance over the safeguarding of assets from error or misappropriation.

Condition - We noted that the District does not use pre-numbered tickets for all events that require an admission, and instead uses a clicker to count admission.

Cause - The District has not implemented gate procedures utilizing prenumbered tickets as a control at all District events to ensure all gate money is properly documented, reconciled, deposited and recorded.

Effect - Lack of utilizing prenumbered tickets as a control over the gate collection process could result in District gate workers not detecting errors in the normal course of performing their assigned functions. As a result, this may provide opportunity for misappropriations.

Recommendation - The District should have internal control procedures established for handling cash for all activity events, including athletic events and communicate the policies and procedures to the individuals involved. The Board would of course, approve any policies that the District's business office should be involved in developing the detailed procedures. At a minimum, the procedures should be:

- a. Cash or change boxes should be established with a specified amount.
- b. The District should use pre-numbered tickets.
- c. Two or more individuals should be involved in the cash collection/ticket sales process. In addition to cash collection/ticket sales procedures, the individuals should be instructed to not leave the cash/change boxes unattended under any circumstances.
- d. At the end of the event, cash should be counted and reconciled (by two or more individuals) to sales/pre-numbered tickets sold including the amount of the beginning cash.
- e. To reconcile, the next unsold ticket number less the beginning ticket number determines the number of tickets sold. This number, times the price per ticket equals total sales. Total sales compared to total collected should reconcile. Variances, if any should be minimal.
- f. A reconciliation form should be completed and signed off by the individuals responsible for counting and reconciling the cash.
- g. The cash and change box should be turned into the Athletic Director (AD) or designee responsible for the "accounting" function at the event.
- h. The AD or designee should be required to take the cash collections to the night depository at the bank or at a minimum, lock the cash collections in the District's vault or other secure location at the District's office for deposit on the next working day. District procedures should prohibit individuals from taking cash collections home.
- i. A pre-numbered receipt should be issued by the Business Office the next working day in the amount of the confirmed deposit.
- j. Administrative personnel should periodically review/test the process to ensure procedures are working as prescribed.

Response - While we recognize that it is preferable to use prenumbered tickets, the physical layout of the athletic field does not allow an efficient and effective way to use the tickets at some events. However, we have initiated procedures for use of hand clickers for staff to use for counting the people attending events. After the events one administrator (i.e., Superintendent, Principal, and/or Activities Director) will count and sign off on the money bags with the ticket clerks, the administrator will then take the bags to the secure District office. The District will continue to evaluate the implementation of internal controls on gate receipts.

Conclusion - Response accepted.

I-C-20 Purchase Orders

Criteria - An effective internal control system provides for internal controls related to ensuring proper accounting for disbursements. Internal controls over safeguarding assets constitute a process designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and misappropriation.

Condition - We noted during our audit the District currently utilizes a purchase order system in the purchasing process. However, we noted multiple instances of transactions lacking purchase orders or purchase orders dated and approved after the ordering of goods/services had already taken place.

Cause - The District appears to have policies and procedures in place to ensure all purchases are properly approved, however these policies do not always appear to be followed or enforced.

Effect - Without enforcement of District policies and procedures already in place, purchases could be made which do not serve a public purpose, are an unallowable expense, or do not fit within the budget of the District. These purchases could result in improper transactions and the opportunity for misappropriation.

Recommendation - The advantage of using a purchase order system is that approval of the items being purchased are noted prior to ordering of the items. In addition, when the items are approved and the purchase order is properly generated, it also reflects on the financial records as an outstanding order, which represents the amount as an obligation against the budget. When monitoring actual expenses, it can be helpful to know the outstanding orders which will be subsequently paid, therefore allowing the person who approves purchase orders the insight to know if there is still available funding to make the purchase.

Although districts are not required to use a purchase order system, the benefits to financial management make the system desirable. The District's current purchase order system should be reviewed and necessary changes made so that all disbursements are approved by the appropriate administrator before ordering of items takes place.

Response - The District will review its practices and see where adjustments can be made. Having a full-time elementary principal has helped this year with the elementary purchase orders.

Conclusion - Response accepted.

Part II: Other Findings Related to Required Statutory Reporting:

II-A-20 Certified Budget - District expenditures for the year ended June 30, 2020 exceeded the certified budgeted amounts in the non-instructional 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 in the future amend the budget when expenditures near the budgeted levels. This was due to having the summer foods program when we did not budget for it.

Conclusion - Response accepted.

II-B-20 Questionable Expenditures - No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

II-C-20 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. We did note that mileage reimbursements for travel are not at the rate specified by Board policy 401.12.

Recommendation - The District should review procedures to ensure compliance with the rates established by board policy.

Response - The District has reviewed its policy and it states, the mileage rate is .10 cents under the federal rate.

Conclusion - Response accepted.

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 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. However, we noted the minutes documented early retirement as a reason for moving to a closed session, which is not allowed by Iowa Code.

Recommendation - The vote of each board member on the question of holding the closed session and the reason for holding a closed session must be referenced by the specific 69 exemption under Chapter 21.5(1) and announced publicly at the open session as well as entered into the minutes. A governmental body shall not discuss any business during the closed session which does not directly relate to the specific reason given as justification for the closed session.

Response - The District will not go into closed session for early retirement going forward.

Conclusion - Response accepted.

II-H-20 Certified Enrollment - We noted variances in the basic enrollment data certified to the Iowa Department of Education. The number certified to the Iowa Department of Education was overstated by 0.378 for the 2019-2020 count.

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

Response - The District's auditors will contact the Iowa Department of Education and the Iowa Department of Management on behalf of the District 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 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		\$ 1,898,204
Revenues:		
Sales tax revenues	\$ 585,559	
Other local revenues	17,341	602,900
		<hr/>
Expenditures/transfers out:		
School infrastructure construction	12,385	
Equipment	394,940	
Other	254,006	
Transfers to other funds:		
Debt service fund	45,520	706,851
		<hr/>
Ending balance		<u>\$ 1,794,253</u>

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

II-N-20 Board Policies - We noted during our audit instances of District board policies which do not appear to have been reviewed and/or updated within the past five years. According to Iowa Administrative Code Chapter 281-12.3(2), "Policies shall be reviewed at least every five years to ensure relevance to current practices and compliance with the Iowa Code, administrative rules and decisions, and court decisions."

Recommendation - The District should review its official board policies and update all policies that have not been updated within the last five years. The District should also review procedures and take steps to ensure board policies are reviewed in a timely manner in accordance with Chapter 281-12.3(2) of the Iowa Administrative Code.

Response -The District has reviewed all its policies; we are updating them to the school website.

Conclusion - Response accepted.

II-O-20 Checks Outstanding - We noted during our audit that the District had checks included in the bank reconciliations that have been outstanding for over a year.

Recommendation - The District should determine if the checks need to be voided, reissued or submitted to the State Treasurer as unclaimed property. Per Chapter 556.1(10) and 556.11 of the Code of Iowa the District is required to report unclaimed property to the State Treasurer annually before November 1st.

Response - The District has resent those checks and most have been cashed.

Conclusion - Response accepted.

II-P-20 Student Activity Fund - In accordance with Chapter 298A.8 of the Code of Iowa and Iowa Administrative Code 281-12.6(1), the purpose of the Student Activity Fund is to account for financial transactions related to the cocurricular and extracurricular activities offered as a part of the education program for students. More specific examples of these instances of questioned items and recommendations are as follows:

Inactive Accounts - We noted a concessions summer, art club, science club, community bank and HOSA accounts in the Student Activity Fund. However, all of these accounts appear to be inactive while carrying balance in the Student Activity Fund.

Recommendation - The remaining balances in these accounts should be transferred to the General Fund where it can be expended for its intended purpose.

Response - The District will review these accounts and move them to an active account that would be similar in cause.

Conclusion - Response accepted.

Old Class Account- We noted during our audit the Student Activity Fund have two old graduated class accounts from 2018 and 2019, with the balance still on the District's books as of June 30, 2020.

Recommendation - At year end, class officers of the graduating class should class account should be reclassified to the proper fund according to the class' wishes. If unused funds are to remain in the Student Activity fund, the remaining funds should be redistributed amongst other activity fund accounts or used for startup funds for the next incoming class. Since the District is unable to determine what the wishes were for previous classes, the remaining moneys in the class accounts should be reallocated amongst the other Student Activity Fund accounts per the District's Board of Directors.

Response - The District will review these accounts and move them to an active account that would be similar in cause.

Conclusion - Response accepted.

II-Q-20 Check Signatures - We noted during our audit instances of checks clearing the bank dated December 2019 and January 2020 that lacked the new board president's authorized signature. Chapter 291.1 and 291.8 of the Code of Iowa requires the Board President, or designee, and Board Secretary to sign all checks.

Recommendation - The District should review their procedures to ensure the proper signatures are on all checks (Board President, or Designee, and Board Secretary) before sending them out, in order to be in compliance with Chapter 291.1 and Chapter 291.8 of the Code of Iowa.

Response - The check signature will be changed with the bank when a new board president has been elected.

Conclusion - Response accepted.

APPENDIX E – 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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52	TOTAL OTHER FINANCING SOURCES AND UPWARD ADJUSTMENTS	13,261.10															13,805.42				27,066.52
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Logan-Magnolia Comm School District
FY 2021 - Revenues By Fund, By Source

	Source	General Fund	Student Activity Fund	Management Levy 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 Statewide Sales and Services Tax Fund	PPEL Fund	Other Capital Project Funds	Debt Service Fund	Permanent Funds	Enterprise Funds	Internal Service Funds	Trust Funds	Custodial Funds	Total
	OTHER INCOME ITEMS																				
53	Capital Contributions																3,276.41				3,276.41
54	Amortization of Premiums on Issuance of bonds (proprietary & fiduciary funds)																				
55	Special items																				
56	Extraordinary items																				
57	TOTAL OTHER INCOME ITEMS																3,276.41				3,276.41
58	TOTAL REVENUES AND OTHER FINANCING SOURCES AND UPWARD ADJ	7,737,436.62	160,216.80	210,949.66								571,068.64	68,037.44		155,074.54		522,115.09		1,000.00		9,425,898.79



Iowa Department of Education



Logan-Magnolia Comm School District

FY 2021 - Balance Sheet by Fund

Source	General Fund	Student Activity Fund	Management Levy 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 Statewide Sales and Services Tax Fund	PPEL Fund	Other Capital Project Funds	Debt Service Fund	Permanent Funds	Enterprise Funds	Internal Service Funds	Trust Funds	Custodial Funds	Total
CURRENT ASSETS																				
1 Cash & Investments	2,210,690.54	277,572.60	491,994.43								2,133,806.39	173,354.07		17,500.71		186,839.50		2,000.00		5,493,758.24
2 Taxes Receivable	2,239,448.37		52,694.14									70,013.82		156,316.67						2,518,473.00
3 Interfund Receivables																				
4 Intergovernmental Receivables	470,316.63										47,814.20					568.09				518,698.92
5 Other Receivables																563.10				563.10
6 Inventories																4,288.22				4,288.22
7 Prepaid Expenses																				
8 Other Current Assets																				
9 TOTAL CURRENT ASSETS	4,920,455.54	277,572.60	544,688.57								2,181,620.59	243,367.89		173,817.38		192,258.91		2,000.00		8,535,781.48
10 Long-Term Assets																38,587.84				38,587.84
11 Total Assets	4,920,455.54	277,572.60	544,688.57								2,181,620.59	243,367.89		173,817.38		230,846.75		2,000.00		8,574,369.32
DEFERRED OUTFLOWS OF RESOURCES																				
12 Deferred Outflows of Resources																				
13 Deferred Outflows of Resources related to Pensions and OPEB																42,542.00				42,542.00
14 Total Deferred Outflows of Resources																42,542.00				42,542.00
15 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	4,920,455.54	277,572.60	544,688.57								2,181,620.59	243,367.89		173,817.38		273,388.75		2,000.00		8,616,911.32
CURRENT LIABILITIES																				
16 Interfund Payables																				
17 Intergovernmental Payables	38.73																			38.73
18 Other Payables	141,662.91	1,277.08									86,861.09	1,761.70				124.09				231,686.87
19 Contracts Payable																				
20 Bonds Payable																				
21 Loans Payable																				
22 Accrued Expenses	505,580.68															9,469.92				515,050.60
23 Payroll Deductions & Withholdings Payable	174,557.28															3,232.59				177,789.87
24 Advances of Federal Grants/Unearned Revenues	11,819.76															15,001.31				26,821.07
25 Other Current Liabilities																				
26 TOTAL CURRENT LIABILITIES	833,659.36	1,277.08									86,861.09	1,761.70				27,827.91				951,387.14
27 Net Pension Liabilities																189,315.00				189,315.00
28 Long-Term Liabilities																17,381.00				17,381.00
29 Total Liabilities	833,659.36	1,277.08									86,861.09	1,761.70				234,523.91				1,158,083.14

Logan-Magnolia Comm School District

FY 2021 - Balance Sheet by Fund

	Source	General Fund	Student Activity Fund	Management Levy 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 Statewide Sales and Services Tax Fund	PP&L Fund	Other Capital Project Funds	Debt Service Fund	Permanent Funds	Enterprise Funds	Internal Service Funds	Trust Funds	Custodial Funds	Total
	DEFERRED INFLOWS OF RESOURCES																				
30	Deferred Inflows for Succeeding Year Property Taxes Receivable	2,212,128.00		50,000.00									69,116.00		154,270.00						2,485,514.00
31	Deferred Inflows for Income Surtax Receivable	168,730.00																			168,730.00
32	Deferred Inflows for Miscellaneous Receivables not Received Within 60 Days																				
33	Deferred Inflows of Resources related to Pensions and OPEB																6,643.00				6,643.00
34	Deferred Inflows of Resources	2,380,858.00		50,000.00									69,116.00		154,270.00		6,643.00				2,660,887.00
	EQUITY																				
35	Net Investment in Capital Assets																38,587.84				38,587.84
36	Nonspendable Fund Balance																				
37	Restricted Fund Balance / Restricted Net Position	267,867.11	276,295.52	494,688.57								2,094,759.50	172,490.19		19,547.38				2,000.00		3,327,648.27
38	Committed Fund Balance																				
39	Assigned Fund Balance																				
40	Unassigned Fund Balance / Unrestricted Net Position	1,438,071.07															(6,366.00)				1,431,705.07
41	TOTAL FUND EQUITY	1,705,938.18	276,295.52	494,688.57								2,094,759.50	172,490.19		19,547.38		32,221.84		2,000.00		4,797,941.18
42	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY	4,920,455.54	277,572.60	544,688.57								2,181,620.59	243,367.89		173,817.38		273,388.75		2,000.00		8,616,911.32



Iowa Department of Education



Logan-Magnolia Comm School District

FY 2021 - Expenditures by Fund, Function, Object - All Funds - All

		SALARIES	EMPLOYEE BENEFITS	PURCHASED SERVICES	SUPPLIES	PROPERTY	MISCELLANEOUS OBJECTS	OTHER ITEMS	TOTAL EXPENDITURES AND OTHER FINANCING USES
1	Instruction	3,287,592.53	1,095,910.65	599,965.15	167,095.79	105,138.80	119,678.02		5,375,370.94
2	Attendance and Social Work Services								
3	Guidance Services	101,401.98	35,800.93	67,752.22					204,955.13
4	Health Services	67,935.00	20,768.84		2,895.47	116.63	75.00		91,790.94
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				88.00				88.00
11	Improvement of Instruction Services								
12	Library Media Services	78,302.59	22,571.91		5,319.79		80.00		106,274.29
13	Instruction-Related Technology Services	46,720.00	17,242.85	10,665.02	2,711.22	178,784.28	539.88		256,663.25
14	Academic Student Assessment Services								
15	Other Instructional Staff Support Services								
16	Board of Education Services			17,689.07			1,850.00		19,539.07
17	Executive Administration Services	138,157.00	58,389.74		44.15		4,613.59		201,204.48
18	Special Area Administration Services			531.00					531.00
19	School Administration Services	270,038.84	135,707.50				3,853.72		409,600.06
20	Business Administration Fiscal Services	70,197.00	21,415.62	27,241.62	2,596.67	129.99	4,549.01		126,129.91
21	Purchasing, Warehousing, and Distributing Services								
22	Printing, Publishing, and Duplicating Services			22,351.91	894.50				23,246.41
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	205,611.68	56,711.43	107,942.61	227,023.67	118,903.99	789.63		716,983.01
29	Student Transportation	136,533.06	27,655.93	51,900.45	39,039.44	32,695.33	1,286.00		289,110.21
30	Other Support Services								
31	Food Service Operations	123,749.11	32,336.25	7,664.67	182,803.51	7,158.82	528.80		354,241.16
32	Other Enterprise Operations	90,424.80	17,870.39		7,827.04	146.57	135.00		116,403.80
33	Community Service Operations								
34	Facilities Acquisition and Construction			6,400.00		3,724.00			10,124.00
35	Debt Service			1,600.00			150,330.00		151,930.00
36	Interagency Flowthrough							261,260.00	261,260.00
37	Interfund Transfers Out								
38	Special Items								
39	Extraordinary Items								
40	Loss on Disposition of Capital Assets								
41	Downward Adjustments to Beginning Fund Balance							10,830.00	10,830.00
42	TOTAL EXPENDITURES AND OTHER FINANCING USES & Downward Prior Pd Adj	4,616,663.59	1,542,382.04	921,693.72	638,339.25	446,798.41	288,308.65	272,090.00	8,726,275.66



Iowa Department of Education



Logan-Magnolia Comm School District

FY 2021 - Transportation Report

	Transportation Costs from Chart of Accounts	Total
	TRANSPORTATION COSTS FROM CHART OF ACCOUNTS	
1	Total cost of fuel	23,326.78
2	Other Equipment, including fuel tank spill-monitoring devices/systems	7,696.33
3	Two-way radio communications equipment	
4	Video monitoring system equipment	
5	Rental of equipment and vehicles	
6	School bus driver, mechanic, supervisor, aide, washer salaries	136,533.06
7	Benefits	27,655.93
8	Transportation supplies and parts	15,572.66
9	Repairs, maintenance and inspection fees	100.40
10	Vehicle insurance costs	18,387.00
11	Drug/Alcohol Testing	1,454.99
12	Transportation provided by non-district personnel	15,918.22
13	Other expenditures	17,465.84
14	Total Operating Costs from Chart of Account	264,111.21
	TRANSPORTATION REVENUES FROM CHART OF ACCOUNTS	
15	Transportation assistance received (SBRC)	
16	Clean School Bus Program CFDA 66.034	
17	Total Transportation Revenues from Chart of Account	
	Adjustments	
18	Fuel tax refund, prior year	



Iowa Department of Education



FY - Treasurer Report by Fund

Logan-Magnolia Community School District

	Source	General Fund	Student Activity Fund	Management Levy 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 Statewide Sales and Services Tax Fund	PPEL Fund	Other Capital Project Funds	Debt Service Fund	Permanent Funds	Enterprise Funds	Internal Service Funds	Trust Funds	Custodial Funds
1	Beginning Balance	1,437,274.44	251,164.45	478,446.86								1,794,252.79	138,213.14		16,402.84		(18,686.47)		1,250.00	1,250.00
2	Adjustments to Beginning Balance														0.00					
3	Revenues and other Financing Sources	7,737,436.62	160,216.80	210,949.56								571,068.64	68,037.44		155,074.54		522,115.09		1,000.00	1,000.00
4	Total Sources Available	9,174,711.06	411,381.25	689,396.52								2,365,321.43	206,250.58		171,477.38		503,428.62		2,250.00	2,250.00
5	Expenditures and Other Financing Uses	7,468,772.88	135,085.73	194,707.95								270,561.93	33,760.39		151,930.00		471,206.78		250.00	250.00
6	Ending Balance	1,705,938.18	276,295.52	494,688.57								2,094,759.50	172,490.19		19,547.38		32,221.84		2,000.00	2,000.00



Iowa Department of Education



Logan-Magnolia Comm School District

FY 2021 - Miscellaneous Income and Actual Expenditure (GAAP basis)

	Description	Total
1	Total Revenues and Other Financing Sources	7,737,436.62
2	Property Taxes	2,022,387.40
3	Income Surtaxes	173,823.00
4	Excise taxes(Utility Replacement)	36,765.24
5	State Foundation Aid and State Replacement for Commercial and Industrial Property Valuations Reduction	2,974,218.86
6	Instructional Support	
7	Special Education Deficit State Aid	1,801.00
8	Teacher Leadership Supplement, 4 Yr old Preschool State Aid, Teacher Salary Supplement, Early Intervention and Professional Dev.	735,201.00
9	AEA Flowthrough	261,260.00
10	Subtotal (lines 2-9)	6,205,456.50
11	Miscellaneous Income (Row 1 minus Row 10)	1,531,980.12
12	Total Expenditures and Other Financing Uses	7,468,772.88
0	Maximum Cash Reserve Levy FY 2023	
13	20% of Total Expenditures (Row 12)	1,493,754.58
14	Minus Unexpended Fund Balance(Fund10, Account Id 7 and Accounts 740-759)	1,438,071.07
15	= Maximum Cash Reserve Levy Allowed (Row 13-Row14)	55,683.51



Iowa Department of Education



Logan-Magnolia Comm School District

FY 2021 - Budget Crosswalk

Budget Resource Categories	General Fund	Student Activity Fund	Management Levy Fund	PERL Fund	Entrepreneurial Equalization Levy Support Trust Library Levy Fund	Emergency Levy / Disaster Recovery Fund	Sales Tax Fund	PPEL Fund	Other Capital Project Funds	Debt Service Fund	Nutrition Fund	Other Enterprise Funds	Total
1 Taxes Levied on Property	2,022,387.40		199,431.90					66,463.02		151,499.78			2,439,782.10
2 Utility Replacement Excise Tax	36,765.24		3,625.50					1,208.26		2,754.14			44,353.14
3 Income Surtaxes	173,823.00												173,823.00
4 Tuition/Transportation Received	926,446.74												926,446.74
5 Earnings on Investments	276.01	51.66	19.43				95.92	7.30		2.62	9.02	98.12	560.08
6 Nutrition Program Sales											57,272.74		57,272.74
7 Student Activities and Sales	586.00	120,734.19										76,738.10	198,058.29
8 Other Revenues from Local Sources	210,255.23	39,430.95	6,804.57					2.84		6.48	1,160.48	44,025.65	301,686.20
9 Revenue from Intermediary Sources													
10 State Foundation Aid, AEA Flowthrough, State Aid Categoricals	3,961,648.00												3,961,648.00
11 Instructional Support State Aid													
12 Other State Sources	58,473.32						570,972.72				2,679.72		632,125.76
13 Commercial and Industrial State Replacement	10,832.86		1,068.26					356.02		811.52			13,068.66
14 Title I Grants	47,986.00												47,986.00
15 IDEA and Other Federal Sources	274,695.72										323,049.43		597,745.15
16 Total Revenues (Sum of rows 1 to 15)	7,724,175.52	160,216.80	210,949.66				571,068.64	68,037.44		155,074.54	384,171.39	120,861.87	9,394,555.86
17 General Long-Term Debt Proceeds													
18 Operating Transfers In & Other Financing Sources	5,691.60										3,276.41		8,968.01
19 Proceeds of Fixed Asset Dispositions	7,569.50										13,805.42		21,374.92
20 Total Revenues and Other Sources (Sum rows 16 to 19)	7,737,436.62	160,216.80	210,949.66				571,068.64	68,037.44		155,074.54	401,253.22	120,861.87	9,424,898.79
21 Beginning Fund Balance	1,437,274.44	251,164.45	478,446.86				1,794,252.79	138,213.14		16,402.84	21,986.86	(40,673.33)	4,097,068.05
22 Total Resources (Sum rows 20 & 21)	9,174,711.06	411,381.25	689,396.52				2,365,321.43	206,250.58		171,477.38	423,240.08	80,188.54	13,521,966.84
Budget Requirement Categories													
23 Instruction	5,081,934.59	135,085.73	124,187.95				33,912.67						5,375,120.94
24 Student Support Services	296,834.07												296,834.07
25 Instructional Staff Support Services	208,040.90						154,896.64						362,937.54
26 General Administration	221,274.55												221,274.55
27 Building Administration	409,600.06												409,600.06
28 Business and Central Administration	130,985.23						17,829.27					561.82	149,376.32
29 Plant Operation and Maintenance	609,951.56		52,133.00				47,257.06	7,641.39					716,983.01
30 Student Transportation	238,061.92		18,387.00				7,662.29	24,999.00					289,110.21
31 Noninstructional Programs											354,241.16	116,403.80	470,644.96
32 Facilities Acquisition and Construction							9,004.00	1,120.00					10,124.00
33 Debt Service										151,930.00			151,930.00
34 AEA Support - Direct to AEA	261,260.00												261,260.00
35 Total Expenditures (Sum rows 23 to 34)	7,457,942.88	135,085.73	194,707.95				270,561.93	33,760.39		151,930.00	354,241.16	116,965.62	8,715,195.66
36 Other Financing Uses: Operating Transfer out, Residual Equity Transfers, and Downward Adjustments	10,830.00												10,830.00
37 Total Expenditures and Other Uses (Sum row 35 & 36)	7,468,772.88	135,085.73	194,707.95				270,561.93	33,760.39		151,930.00	354,241.16	116,965.62	8,726,025.66
38 Ending Fund Balance	1,705,938.18	276,295.52	494,688.57				2,094,759.50	172,490.19		19,547.38	68,998.92	(36,777.08)	4,795,941.18
39 Total Requirements (Sum rows 38 & 39)	9,174,711.06	411,381.25	689,396.52				2,365,321.43	206,250.58		171,477.38	423,240.08	80,188.54	13,521,966.84



Logan-Magnolia Comm School District

FY 2021 - Long-Term Assets and Long-Term Liabilities for Governmental Activities

	Account	Long-Term Assets	Long-Term Liabilities
	LONG-TERM ASSETS & OTHER DEBITS		
1	Land & Land Improvements	600,754.44	
2	Site Improvements	114,699.98	
3	Building & Building Improvements	7,889,711.75	
4	Machinery & Equipment	1,552,461.04	
5	Works of Art & Historical Treasures		
6	Infrastructure		
7	Construction in Progress		
8	Intangible Assets		
9	Amount available for retirement of governmental Long-term Debt		19,547.38
10	Amount to be provided for retirement of governmental Long-term Debt		5,302,999.02
11	TOTAL LONG-TERM ASSETS & OTHER DEBITS (Sum rows 1 to 10)	10,157,627.21	5,322,546.40
	LONG-TERM LIABILITIES & OTHER CREDITS		
12	Bonds Payable		295,000.00
13	Loans Payable		
14	Capital Lease, Operating Lease & Construction Contract Obligations		
15	Compensated Absences & Special Termination Benefits		306,761.40
16	Arbitrage Rebate Liability		
17	Other Long-Term Liability (OPEB, IPERS, etc.)		4,720,785.00
18	Investment in Governmental Fixed Assets (before depreciation)	10,157,627.21	
19	TOTAL LONG-TERM LIABILITIES & OTHER CREDITS (sum rows 12 to 18)	10,157,627.21	5,322,546.40

Unspent Authorized Budget Report

(Line 32 = Legal Limit on General Fund Spending)

	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Estimated FY 2022
1 Regular Program District Cost	3,529,451	3,633,766	3,661,335	3,681,840	3,799,668	3,887,888	4,032,161	3,932,211
2 Regular Program Budget Adjustment +	0	0	8,769	16,108	0	0	0	140,272
3 Supplementary Weighting District Cost +	90,960	118,775	104,905	172,406	179,238	175,495	177,123	184,621
4 Special Ed District Cost +	325,609	401,443	328,926	300,484	363,596	404,338	475,106	401,099
5 Teacher Salary Supplement District Cost +	306,152	315,155	317,504	319,266	329,444	336,839	348,804	348,804
6 Prof Dev Supplement District Cost +	34,104	35,116	35,392	35,593	36,733	37,568	38,914	38,914
7 Early Intervention Suppl District Cost +	34,536	35,594	35,931	36,167	37,354	38,257	39,692	39,692
8 Teacher Leadership Suppl District Cost +	0	0	0	178,445	184,146	188,308	195,023	195,023
9 AEA Special Ed Support +	169,327	177,225	175,252	174,906	182,845	188,390	197,551	189,665
10 AEA Special Ed Support Adjustment +	11,772	3,874	5,847	6,193	0	0	0	7,886
11 AEA Media Services +	28,858	29,693	29,931	30,101	31,065	31,764	32,896	32,036
12 AEA Educational Services +	31,916	32,840	33,100	33,286	34,348	35,115	36,368	35,414
13 AEA Sharing District Cost +	0	0	0	0	0	0	445	424
14 AEA Teacher Salary Suppl District Cost +	17,404	18,200	18,200	17,995	18,774	19,346	20,285	20,285
15 AEA Prof Dev Suppl District Cost +	1,845	1,933	1,933	1,917	2,008	2,071	2,174	2,174
16 SBRC Modified Suppl Amt Dropout Prev +	46,558	65,380	56,350	62,556	64,466	65,777	63,836	82,257
17 SBRC Modified Suppl Amt Other #1 +	0	0	0	0	0	0	0	0
18 SBRC Modified Suppl Amt Other #2 +	59,260	9,205	60,916	82,975	69,685	51,187	77,231	0
19 Special Ed Deficit Modified Suppl Amt +	336,046	75,829	286,593	395,137	387,944	314,149	225,425	0
20 Special Ed Positive Balance Reduction -	0	0	0	0	0	0	0	0
21 AEA Special Ed Positive Balance -	0	0	0	0	0	0	0	0
22 Allowance for Construction Projects +	0	0	0	0	0	0	0	0
23 Unspent Allowance for Construction -	0	0	0	0	0	0	0	0
24 Enrollment Audit Adjustment +	-1,287	-127	-6,452	0	0	-1,529	-1,390	-2,664
25 AEA Prorata Reduction -	28,459	28,459	33,223	28,459	28,459	28,459	28,459	28,459
26 Maximum District Cost =	4,994,052	4,925,442	5,121,209	5,516,916	5,692,855	5,746,504	5,933,185	5,619,654
27 Preschool Foundation Aid +	114,588	93,467	125,229	119,952	124,616	147,920	112,768	130,086
28 Instructional Support Authority +	258,250	263,812	271,624	273,722	278,668	284,205	296,243	303,522
29 Ed Improvement Authority +	0	0	0	0	0	0	0	0
30 Other Miscellaneous Income +	938,294	1,300,794	1,565,509	1,314,452	1,255,223	1,278,458	1,531,980	0
31 Unspent Auth Budget - Previous Year +	1,607,007	1,409,103	1,609,116	1,952,264	2,296,985	2,694,519	2,949,227	3,354,630
32 Maximum Authorized Budget =	7,912,191	7,992,618	8,692,687	9,177,306	9,648,347	10,151,606	10,823,403	9,407,892
33 Expenditures -	6,503,088	6,383,502	6,740,423	6,880,321	6,953,828	7,202,379	7,468,773	0
34 Unspent Authorized Budget =	1,409,103	1,609,116	1,952,264	2,296,985	2,694,519	2,949,227	3,354,630	