$9,950,000*
Easton Valley Community School District, Iowa
General Obligation School Bonds
Series 2019

(FAST Closing)
(The Issuer will designate the Bonds as Bank-Qualified as discussed more thoroughly herein)
(Book Entry Only)
(PARITY© Bidding Available)

DATE:	Monday, April 1, 2019
TIME:	12:00 Noon Central
PLACE:	Office of the Superintendent 321 W. School St. Preston, IA 52069
Telephone:	(563)682-7510
Fax:	(563)682-7194

Standard & Poor's Rating: "A"

* Preliminary, subject to change

PiperJaffray®

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

OFFICIAL BID FORM

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

Re: $9,950,000* General Obligation School Bonds, Series 2019, dated the date of delivery, of the Issuer (the "Bonds")

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

Coupon	Yield	Due	Coupon	Yield	Due
__________	________	May 1, 2020	__________	________	May 1, 2030
__________	________	May 1, 2021	__________	________	May 1, 2031
__________	________	May 1, 2022	__________	________	May 1, 2032
__________	________	May 1, 2023	__________	________	May 1, 2033
__________	________	May 1, 2024	__________	________	May 1, 2034
__________	________	May 1, 2025	__________	________	May 1, 2035
__________	________	May 1, 2026	__________	________	May 1, 2036
__________	________	May 1, 2027	__________	________	May 1, 2037
__________	________	May 1, 2028	__________	________	May 1, 2038
__________	________	May 1, 2029	__________	________	May 1, 2039

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

Principal Amount	Month and Year (Inclusive)	Maturity Month and Year
$______________	________________ to ________________	________________
$______________	________________ to ________________	________________
$______________	________________ to ________________	________________
$______________	________________ to ________________	________________
$______________	________________ to ________________	________________
$______________	________________ to ________________	________________
$______________	________________ to ________________	________________
$______________	________________ to ________________	________________
$______________	________________ to ________________	________________
$______________	________________ to ________________	________________

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

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

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

______ We will utilize bond insurance from the company ________________________ at a premium of $____________

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

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

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

____________________________ ______________________________________
Account Manager Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the Board of Directors of the Easton Valley Community School District, in the Counties of Clinton and Jackson, State of Iowa, this 1st day of April 2019.

ATTEST: ________________________________ ____________________________________
District Secretary Board President

* Preliminary, subject to change

NOTICE OF SALE
Easton Valley Community School District
Not to Exceed $9,950,000 General Obligation School Bonds, Series 2019

Bids will be received on behalf of the Easton Valley Community School District, in the County of Jackson, State of Iowa, until Noon on April 1, 2019, for the purchase of not to exceed $9,950,000 General Obligation School Bonds, Series 2019 (the "Series 2019 Bonds") of the School District.

Any of the methods set forth below may be used, but no open bids will be accepted:

(1) Sealed Bidding: Sealed bids will be received at the Office of the Superintendent, 321 W. School St., Preston, IA, 52069, attn: Board Secretary.

(2) Electronic Internet Bidding: Electronic internet bids will be received at the Office of the Superintendent, 321 W. School St., Preston, IA 52069, and must be submitted through PARITY®.

(3) Electronic Facsimile Bidding: Electronic facsimile bids will be received at the Office of the Superintendent, 321 W. School St., Preston, IA 52069, and will be sealed and treated as sealed bids. Electronic facsimile bids should be faxed to (563) 682-7510.

After the deadline for receipt of bids has passed, sealed bids will be opened and announced, and electronic internet and facsimile bids will be accessed and announced. All bids will be presented to the Board of Directors of the School District for consideration at its meeting to be held at _____ o'clock p.m. in the High School Commons Area, located at 321 W. School Street, Preston, Iowa.

Official Statement: The School District has issued an Official Statement of information pertaining to the Bonds to be offered, including a statement of the Terms of Offering and an Official Bid Form, which is incorporated by reference as a part of this notice. The Official Statement may be obtained by request addressed to the Secretary of the Board of Directors, Easton Valley Community School District, Office of the Superintendent, 321 W. School St., Preston, IA 52069; Telephone: (563) 245-1751, or Matthew Gillespie, Piper Jaffray & Co., 3900 Ingersoll, Suite 110, Des Moines, Iowa 50312; Telephone: (515) 247-2353.

Terms of Offering: All bids must be in conformity with and the sale must be in accord with the Terms of Offering as set forth in the Official Statement.

The School District reserves the right, after bids are opened and prior to award, to increase or decrease the principal amount of the Series 2019 Bonds offered for sale and/or to increase or decrease the principal amount of each maturity.

The bidders must specify a price of not less than 100% of par, plus accrued interest.

The Bonds will be sold subject to the legal opinion of Dorsey & Whitney LLP, Attorneys, Des Moines, Iowa.

The School District reserves the right to reject any or all bids and to waive irregularities in any bid.

Bidders should be aware that the Official Statement for the Bonds, including the Terms of Offering, in contain additional bidding terms and information relative to the Bonds, including without limitation requirements regarding the establishment of issue price for the Bonds. Bidders should prepare their bids on the assumption that the Bonds will be subject to the "hold-the-offering-price" rule, if the requirements for a competitive sale have not been met. Any bid submitted pursuant to the Official Statement or this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, and bids submitted will not be subject to cancellation or withdrawal. In the event of a variance between statements in this Notice of Sale (except with respect to the time and place of the sale of the Bonds and the principal amount offered for sale) and said Official Statement, the provisions of the latter shall control.

By order of the Board of Directors of the Easton Valley Community School District.

Board Secretary, Board of Directors

OFFICIAL TERMS OF OFFERING

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

The Bonds to be offered are the following:

GENERAL OBLIGATION SCHOOL BONDS, **SERIES 2019**, in the principal amount of $9,950,000* dated the date of delivery in the denomination of $5,000 or multiples thereof, and maturing as shown on the front page of the official statement.

ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the Issuer or its designee after the determination of the Successful Bidder. The Issuer may increase or decrease each maturity in increments of $5,000. Interest rates specified by the Successful Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the Issuer. The total par amount will not exceed $9,950,000.

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

Optional Redemption: The Bonds maturing after May 1, 2027, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Interest: Interest on said Bonds will be payable on November 1, 2019 and semiannually on the 1st day of May and November thereafter. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

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

Good Faith Deposit: A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire in the amount of $99,500* for the Bonds, payable to the order of the Issuer, is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. The Financial Advisor or the Issuer will provide the apparent winning bidder (the "Purchaser") with wiring instructions, by facsimile and email, within 10 minutes of the stated time when bids are due. If the wire is not received at the time indicated above, the Issuer will abandon its plan to award to the Purchaser, and will contact the next highest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

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* Preliminary, subject to change

Form of Bids: All bids shall be unconditional for the entire issue of Bonds for a price of not less than 98.5% of par, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid, facsimile facilities or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

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

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Superintendent, Easton Valley Community School District, 121 S. Mitchell, Miles, IA.

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

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

Electronic Facsimile Bidding: Bids may be submitted via facsimile at the phone number listed on the front cover of this Preliminary Official Statement. Electronic facsimile bids will be sealed and treated as sealed bids. Transmissions received after the deadline shall be rejected. It is the responsibility of the bidder to ensure that the bid is legible, that the bid is received prior to the appointed time, and that the bid is sent to the telecopier number set forth above. The Financial Advisor will, in no instance correct, alter, or in any way change bids submitted through facsimile transmission. Neither the Issuer nor its agents will be responsible for bids submitted by facsimile transmission not received in accordance with the provisions of this Official Terms of Offering. Bidders electing to submit bids via facsimile transmission will bear full and complete responsibility for the transmission of such bid. Neither the Issuer nor its agents will assume liability for the inability of the bidder to reach the above name fax number prior to the time of sale specified above. Time of receipt shall be the time recorded by the facsimile operator.

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

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

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

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

Establishment of Issue Price: In order to establish the issue price of the Bonds for federal income tax purposes, the Issuer requires bidders to agree to the following, and by submitting a bid, each bidder agrees to the following.

If a bid is submitted by a potential underwriter, the bidder confirms that (i) the underwriters have offered or reasonably expect to offer the Bonds to the public on or before the date of the award at the offering price (the "initial offering price") for each maturity as set forth in the bid and (ii) the bidder, if it is the winning bidder, shall require any agreement among underwriters, selling group agreement, retail distribution agreement or other agreement relating to the initial sale of the Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Bonds with a separate CUSIP number constitute a separate "maturity," and the public does not include underwriters of the Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Bonds.

If, however, a bid is submitted for the bidder's own account in a capacity other than as an underwriter of the Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Bonds, the bidder shall notify the Issuer to that effect at the time it submits its bid and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the winning bidder intends to act as an underwriter, the Issuer shall advise the winning bidder at or prior to the time of award whether (i) the competitive sale rule or (ii) the "hold-the-offering price" rule applies.

If the Issuer advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the Purchaser will be required to deliver to the Issuer at or prior to closing a certification, substantially in the form attached hereto as EXHIBIT A-1, as to the reasonably expected initial offering price as of the award date.

If the Issuer advises the Purchaser that the requirements for a competitive sale have not been satisfied and that the hold-the-offering price rule applies, the Purchaser shall (1) upon the request of the Issuer confirm that the underwriters did not offer or sell any maturity of the Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the Issuer a certification substantially in the form attached hereto as EXHIBIT A-2, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the Issuer pursuant hereto may be taken or received on behalf of the Issuer by the Financial Advisor.

Bidders should prepare their bids on the assumption that the Bonds will be subject to the "hold-the-offering-price" rule. Any bid submitted pursuant to the Notice of Bond Sale, Terms of Offering and Official Bid Form shall be considered a firm offer for the purchase of the Bonds, and bids submitted will not be subject to cancellation or withdrawal.

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

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

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

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

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

For more information see the Continuing Disclosure section herein.

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

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

EXHIBIT A-1
ISSUE PRICE CERTIFICATE –COMPETITIVE SALE WITH AT LEAST THREE BIDS FROM ESTABLISHED UNDERWRITERS
$[PRINCIPAL AMOUNT]
[BOND CAPTION]
ISSUE PRICE CERTIFICATE

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

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

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

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms***. For purposes of this Issue Price Certificate:

(a) *Issuer* means [DESCRIBE ISSUER].

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

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

(d) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a "related party" to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was [DATE].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer[and BORROWER (the "Borrower")] with respect to certain of the representations set forth in the [Tax Certificate][Tax Exemption Agreement] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Issuer[and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER]

By:____________________________________
Name:__________________________________

Dated: [ISSUE DATE]

SCHEDULE A
EXPECTED OFFERING PRICES
(*Attached*)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(*Attached*)

EXHIBIT A-2
ISSUE PRICE CERTIFICATE –COMPETITIVE SALE WITH FEW THAN THREE BIDS FROM ESTABLISHED UNDERWRITERS--HTOP

$[PRINCIPAL AMOUNT]
[BOND CAPTION]
ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“[SHORT NAME OF UNDERWRITER]”)][the “Representative”)][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. ***Initial Offering Price of the Bonds***. [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the specified initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire for the Bonds is attached to this certificate as Schedule B.

2. ***First Price at which Sold to the Public.*** On the Sale Date, at least 10% of each Maturity [listed in Schedule C] was first sold to the Public at the respective Initial Offering Price [or price specified [therein][in Schedule C], if different].

3. ***Hold the Offering Price Rule***. [SHORT NAME OF UNDERWRITER][Each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity less than 10% of which was first sold to the Public at a single price as of the Sale Date, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any agreement among underwriters, selling group agreement, or retail distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [Representative][SHORT NAME OF UNDERWRITER]’s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

4. ***Defined Terms***. For purposes of this Issue Price Certificate:

(a) *Holding Period* means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which Members of the Distribution Group have sold at least 10% of such Maturity to the Public at one or more prices, none of which is higher than the Initial Offering Price for such Maturity.

(b) *Issuer* means [DESCRIBE ISSUER].

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

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

(e) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was [DATE].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDEWRITING FIRM][the Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer[and BORROWER (the “Borrower”)] with respect to certain of the representations set forth in the [Tax Certificate][Tax Exemption Agreement] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Issuer[and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By:______________________________________
Name:_____________________________________

Dated: [ISSUE DATE]

SCHEDULE A
INITIAL OFFERING PRICES OF THE BONDS
(*Attached*)

SCHEDULE B
PRICING WIRE
(*Attached*)

SCHEDULE C
SALES OF AT LEAST 10% OF MATURITY TO THE PUBLIC ON THE SALE DATE AT THE INITIAL OFFERING PRICE
(*Attached*)

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 19, 2019

NEW ISSUE - DTC BOOK ENTRY ONLY — Rating: "A"

In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming compliance with certain covenants, the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not treated as a preference item in calculating the federal alternative minimum tax imposed under the Internal Revenue Code of 1986 (the "Code"). In the opinion of Bond Counsel, the Bonds are "qualified tax exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code. Interest on the Bonds is not exempt from present Iowa income taxes. See "Tax Exemption and Related Tax Matters" herein.

$9,950,000*
Easton Valley Community School District, Iowa
General Obligation School Bonds
Series 2019

Dated: Date of Delivery

The General Obligation School Bonds, Series 2019 described above (the "Bonds") are issuable as fully registered Bonds in the denomination of $5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by Bankers Trust Company 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 May 1, and November 1 in each year, beginning November 1, 2019 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 May 1, 2027 may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

MATURITY SCHEDULE

Bonds Due	Amount*	Rate *	Yield *	Cusip #'s **	Bonds Due	Amount*	Rate *	Yield *	Cusip #'s **
May 1, 2020	$325,000			27777Q AA4	May 1, 2030	$510,000			27777Q AL0
May 1, 2021	340,000			27777Q AB2	May 1, 2031	525,000			27777Q AM8
May 1, 2022	360,000			27777Q AC0	May 1, 2032	540,000			27777Q AN6
May 1, 2023	375,000			27777Q AD8	May 1, 2033	555,000			27777Q AP1
May 1, 2024	390,000			27777Q AE6	May 1, 2034	575,000			27777Q AQ9
May 1, 2025	415,000			27777Q AF3	May 1, 2035	590,000			27777Q AR7
May 1, 2026	435,000			27777Q AG1	May 1, 2036	610,000			27777Q AS5
May 1, 2027	455,000			27777Q AH9	May 1, 2037	635,000			27777Q AT3
May 1, 2028	480,000			27777Q AJ5	May 1, 2038	655,000			27777Q AU0
May 1, 2029	495,000			27777Q AK2	May 1, 2039	680,000			27777Q AV8

$_______________ ______% Term bond due Priced to yield CUSIP # _________

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Dorsey & Whitney LLP 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 May 1, 2019. The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

The Date of this Official Statement is ______, 2019

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* *Preliminary, subject to change*

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

OFFICIAL STATEMENT
EASTON VALLEY COMMUNITY SCHOOL DISTRICT, IOWA
$9,950,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2019

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Easton Valley Community School District, Iowa (the "Issuer"), in connection with the sale of the Issuer's General Obligation School Bonds, Series 2019 (the "Bonds"). The Bonds are being issued to provide funds for the purpose of i) providing secure entrances, improving security systems and safety improvements at district buildings, improve vehicle traffic flow, construction of a new elementary building in Miles, and provide for ADA improvements and science & agriculture classroom improvements at the Junior/Senior High building in Preston, 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 the property valuation 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 May 1 and November 1 in each year, beginning on November 1, 2019, 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, 2017, as amended, Chapter 298.

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.

* Preliminary, subject to change

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 Participations 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 and www.dtc.org.

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

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

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

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

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

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

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

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

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

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

Transfer and Exchange

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

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

Prepayment

Optional Prepayment: The Bonds maturing after May 1, 2027, 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 such notice of cancellation to be made at least three days prior to the date fixed for redemption.

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

____ Term Bond

Mandatory Sinking Fund Date	Principal Amount
	$

(maturity)

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

Source of Security for the Bonds

These Bonds are general obligations of the Issuer. The Bonds are payable from general ad valorem property taxes, without limitation of amount, levied against all taxable property of that portion of the District.

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

2013 Property Tax Legislation

During its 2013 session the Iowa Legislature enacted, and the Governor signed, Senate File 295 ("SF295"). Among other things, SF295 reduces the limit on the annual assessed value growth with respect to residential and agricultural property from 4% to 3%, reduces as a rollback the taxable value applicable to commercial, industrial and railroad property to 95% for the 2013 assessment year and 90% for the 2014 assessment year and all years thereafter, and provides a partial exemption on telecommunications property. SF295 also creates a new separate classification for multiresidential properties which were previously taxed as commercial properties, and assigns an incremental rollback percentage over several years for multiresidential properties such that the multiresidential rollback determination will match that for residential properties in the 2022 assessment year. As a result of SF295, local governments expect to experience reductions in property tax revenues over the next several fiscal years. SF295 includes state-funded replacement moneys for a portion of the expected reduction in property tax revenues to the local governments, but such replacement funding is limited in both amount and duration of availability. There can be no assurance the state-funded replacement moneys will be provided by the state, if at all, during the term the Bonds remain outstanding. The Issuer does not expect the state replacement funding to fully address the property tax reductions resulting from SF295 during the term the Bonds remain outstanding. While SF295 does not limit the legal obligation or the amount the Issuer may be required to levy for payments of debt service on the Bonds there can be no assurances that SF295 will not have a material adverse impact with respect to the Issuer's financial position.

Changes in Property Taxation

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 properly 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.

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 or the Loan Agreement, including principal of and interest on the Bonds.

Secondary Market

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

Pension and OPEB Information

The Issuer contributes to the Iowa Public Employees' Retirement System ("IPERS"), which is a state-wide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the Issuer are required to participate in IPERS. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the Issuer being required to make annual contributions to IPERS. Contribution amounts are set by State statute. The IPERS Comprehensive Annual Financial Report for its fiscal year ended June 30, 2017 (the "IPERS CAFR") indicates that as of June 30, 2017, the date of the most recent actuarial valuation for IPERS, the funded ratio of IPERS was 81.4%, and the unfunded actuarial liability was $6.967 billion. The IPERS CAFR identifies the IPERS Net Pension Liability at June 30, 2017, at approximately $6.661 billion, while its net pension liability at June 30, 2016 was approximately $6.293 billion. The IPERS CAFR is available on the IPERS website, or by contacting IPERS at 7401 Register Drive, Des Moines, IA 50321. See "APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER" for additional information on IPERS.

In fiscal year ended June 30, 2017, the Issuer's IPERS contribution totaled approximately $277,082. The Issuer is current in its obligations to IPERS.

Pursuant to Governmental Accounting Standards Board Statement No. 68, IPERS has allocated the net pension liability among its members, with the Issuer's identified portion at June 30, 2017 at approximately $2,788,256. While the Issuer's contributions to IPERS are controlled by state law, there can be no assurance the Issuer will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the Issuer. See "APPENDIX A – INFORMATION ABOUT THE ISSUER – 'Employee Pension Plan' and 'Other Employment Benefits'", and APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER" for additional information on pension and liabilities of the Issuer.

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

The Issuer operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 54 active and 2 retired members in the plan. Retired participants must be age 55 or older at retirement. The medical/prescription drug benefits, is a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability. The contribution requirements of plan members are established and may be amended by the Issuer. The Issuer currently finances the retiree benefit plan on a pay-as-you-go basis. For the year ended June 30, 2017, the Issuer contributed $27,811 to the medical plan. Plan members eligible for benefits contributed $0, or 0% of the premium costs.

Rating

Standard and Poor's (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.

Tax Matters, Bank Qualification and Loss of Tax Exemption

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

The Issuer will 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"), and 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. However, the Issuer's failure to comply with such covenants could cause the Bonds not to be "qualified tax-exempt obligations" and banks and certain other financial institutions would not receive more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

It is possible that actions of the Issuer after the closing of the Bonds will alter the tax exempt 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.

Pending Federal Tax Legislation

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

DTC-Beneficial Owners

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

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

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 District encounters litigation occasionally, as a course of business, however, no litigation currently exists that is not believed to be covered by current insurance carriers and no litigation has been proposed that questions the validity of 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, P.C. to the extent and for the periods indicated in their report thereon. Such financial statements have been included herein without permission of said CPA, and said CPA expresses no opinion with respect to the Bonds or the Official Statement.

UNDERWRITING

The Bonds are being purchased, subject to certain conditions, by ____ (the "Underwriter"). The Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Bonds at an aggregate purchase price of $_______________ (reflecting the par amount of the Bonds with original issue premium of $_________ and an underwriter's discount of $________).

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

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

THE PROJECT

The Bonds are being issued to provide funds for the purpose of i) providing secure entrances, improving security systems and safety improvements at district buildings, improve vehicle traffic flow, construction of a new elementary building in Miles, and provide for ADA improvements and science & agriculture classroom improvements at the Junior/Senior High building in Preston, and ii) to pay costs of issuance for the Bonds.

SOURCES AND USES OF FUNDS *

Sources of Funds		
	Bond Proceeds	
	Reoffering Premium	
Total Sources of Funds		
Uses of Funds		
	Deposit to Project fund	
	Estimated Costs of Issuance	
	Underwriter's Discount	
Total Uses of Funds		

* Preliminary, subject to change

TAX EXEMPTION AND RELATED TAX MATTERS

The opinion of Bond Counsel will state that under present laws and rulings, the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not treated as a preference item in calculating the federal alternative minimum tax imposed under the Internal Revenue Code of 1986 (the "Code").

The opinion set forth in the preceding sentence will be subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. In the resolution authorizing the issuance of the Bonds, the Issuer will covenant to comply with all such requirements.

There may be certain other federal tax consequences to the ownership of the Bonds by 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 and 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 express no opinion with respect to other federal tax consequences to owners of the Bonds. Prospective purchasers of the Bonds should consult with their tax advisors as to such matters.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or 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. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is 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.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

In the resolution authorizing the issuance of the Bonds, the Issuer will designate the Bonds as "qualified tax exempt obligations" for calendar year 2019 within the meaning of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to tax-exempt obligations. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the Bonds be, or continue to be, qualified tax-exempt obligations

Interest on the Bonds is not exempt from present Iowa income taxes.

FINANCIAL ADVISOR

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax-exempt status of the interest thereon (see "TAX EXEMPTION AND RELATED TAX MATTERS" herein) are subject to the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel, a form of which is attached hereto as APPENDIX B. Signed copies of the opinion, dated and premised on law in effect as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of such original delivery. The Bonds are offered subject to prior sale and to the approval of legality of the Bonds by Bond Counsel.

Bond Counsel has not undertaken to prepare the Official Statement except for Appendices B and C, and has not examined nor attempted to examine or verify any information contained in this Official Statement except under the caption "TAX EXEMPTION AND RELATED TAX MATTERS."

CONTINUING DISCLOSURE

For the purpose of complying with Rule 15c2-12 of the Securities Exchange Commission, as amended and interpreted from time to time (the "Rule"), the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds to provide reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, and the events as to which notice is to be given, if material, is summarized below under the caption "APPENDIX C - Form of Continuing Disclosure Certificate" herein for more information. This covenant is being made by the Issuer to assist the Underwriter(s) in complying with the Rule.

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

During the past five years, the Issuer has not failed to comply, in all material respects, with any previous undertakings it has entered into with respect to the Rule.

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I have reviewed the information contained within the Official Statement of the Community School District, State of Iowa, and to the best of our knowledge, information and belief 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 $9,950,000* General Obligation School Bonds, Series 2019.

EASTON VALLEY COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/ Kathy Meier
Board Secretary

* Preliminary, subject to change

APPENDIX A - INFORMATION ABOUT THE ISSUER

EASTON VALLEY COMMUNITY SCHOOL DISTRICT, IOWA
DISTRICT OFFICIALS

PRESIDENT	Richard Keeney
BOARD MEMBERS	Jody Meyer Dusty Stoll Ron Regenwether Scott Bormann Craig Thines Gary Cassaday
SUPERINTENDENT	Chris Fee
DISTRICT SECRETARY	Kathy Meier
BUSINESS MANAGER:	Adam Crigger
DISTRICT ATTORNEY	

CONSULTANTS

BOND COUNSEL	Dorsey & Whitney LLP Des Moines, Iowa
FINANCIAL ADVISOR	Piper Jaffray & Co. Des Moines, Iowa
PAYING AGENT	Bankers Trust Co. Des Moines, Iowa

General Information

The Easton Valley Community School District is located in Jackson County in Eastern Iowa. The district is comprised of three small towns, Preston, Miles, and Sabula. Easton Valley formed in 2013 after a school district merger vote was successful in the Preston and East Central School Districts. The District is located 45 minutes north of Davenport and 45 minutes south of Dubuque.

District Facilities

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

Building	Construction Date	Grades Served
Jr/Sr. High School	1962	7-12
Elementary	1907	PK-6

Source: Easton Valley CSD

Enrollment

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

	Certified (Resident) (1)	Open Enroll In	Open Enroll Out	Total Served (2)
October-18	592.9	24.0	163.2	449.7
October-17	603.3	21.0	163.0	461.3
October-16	615.5	27.0	170.0	472.3
October-15	621.0	26.0	182.0	465.0
October-14	655.0	25.0	180.0	500.0

Source: Department of Education

1 Used for Sales Tax distribution

2 Used for State Aid distribution

Staff

Presented below is a list of the District's 99 employees.

Administrators:	6	Media Specialists:	1
Teachers:	47	Nurses:	3
Teacher Aids:	18	Guidance:	2
Custodians:	2	Secretaries:	4
Food Service:	4	Transportation:	10
Other:	0	Maintenance:	2

Source: Easton Valley CSD

GASB 45

In June 2004, the Governmental Accounting Standards Board ("GASB") issued GASB 45, which address how state and local governments are required to account for and report their costs and obligations related to other post employment benefits ("OPEB"), defined to include post retirement healthcare benefits. GASB 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension establishes financial reporting standards designed to measure, recognize and display OPEB costs. OPEB costs would become measurable on an accrual basis of accounting, and contribution rates (actuarially determined) would be prescribed for funding such costs. The provisions of GASB 45 do not require governments to fund their OPEBs. The Issuer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however the unfunded actuarial liability is required to be amortized over future periods.

Consistent with Iowa Code section 509A.13, the Issuer offers post-retirement health and dental benefits are available to all fulltime employees of the Issuer who retire before attaining age 65. The group health insurance plan provided to full time Issuer employees allows retirees to continue medical coverage until they reach age 65. Although retirees pay 100% of the "cost of coverage", the pre-age 65 group of retirees is grouped with the active employees when determining the cost of coverage. The computation creates an implicit rate subsidy that would not exist if the cost of the coverage for this group (pre-age 65 retirees) was computed separately and paid 100% by that group.

Plan Description - The District operates a single-employer health benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. There are 54 active and 2 retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefit, are provided through a fully-insured plan with Wellmark. 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.

Funding Policy – the contribution requirements of plan members are established and may be amended by the District. The district currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Costs and Net OPEB Obligation - The District's annual OPEB costs is calculated based on the annual required contribution of the District (ARC), an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost for June 30, 2017, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual Required Contribution	32,125
Interest on net OPEB obligation	2,362
Adjustment to annual required contribution	(6,676)
Annual OPEB costs (expense)	27,811
Contributions made	(4,683)
Increase in net OPEB obligation	23,128
Net OPEB obligation – beginning of year	94,491
Net OPEB obligation – end of year	$117,619

For calculation of the net OPEB obligation, the actuary has set the transition day as of July 1, 2013. The end of the year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the plans actual contributions for the year ended June 30, 2016.

The District's annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are summarized as follows:

Fiscal Year ended	Annual OPEB Cost	Percentage of Annual OPEB cost contributed	Net OPEB obligation
June 30, 2015	$36,322	15.8%	$61,511
June 30, 2016	36,792	10.4	94,491
June 30, 2017	27,811	16.8	117,619

Funded Status and Funding Progress – As of July 1, 2013, the most recent actuarial valuation date for the period July 1, 2016 through June 30, 2017, the actuarial accrued liability was $195,451, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $195,451. The covered payroll (annual payroll of active employees covered by the plan) was $2,674,247, and the ratio of the UAAL to the covered payroll was 7.3%. As of June 30, 2016, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding process presented above, will present multi year trend information about whether other actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of July 1, 2013, actuarial valuation date, the entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The ultimate medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table, projected to 2000, applied on a gender-specific basis. Annual retirement probabilities were developed from information provided by the District. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Source: District's 2017 Independent Audited Financial Statement

Employee Pension Plan

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

Contributions. Although the actuarial contribution rates are calculated each year, the contribution rates were set by state law through June 30, 2012 and did not necessarily coincide with the actuarially calculated contribution rate. As a result, from June 30, 2002 through June 30, 2013, the rate allowed by statute was less than the actuarially required rate. 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.

In fiscal year 2017, pursuant to the IPERS' required rate, the Issuer's employees contributed 5.95% of pay and the Issuer contributed 8.93% for a total rate of 14.88 percent. The Issuer's contributions to IPERS for the year ended June 30, 2017 were $277,082 which amount is not less than its actuarially determined calculated annual actuarial valuation. The Issuer's share of the contribution, payable from the applicable funds of the Issuer, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The Issuer has always made its full required contributions to IPERS.

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

Table 1 – Issuer and Employees Contribution to IPERS.

	Issuer Contribution		Issuer Employees' Contribution	
Fiscal Year	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2014	$270,907	8.93	$180,503	5.95
2015	283,598	8.93	188,959	5.95
2016	283,929	8.93	188,907	5.95
2017	277,082	9.44	184,618	6.29
2018	293,346	9.44	195,454	6.29

SOURCE: The Issuer

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

The following table sets forth certain information about the funding status of IPERS that has been extracted from the comprehensive annual financial reports of IPERS for the fiscal years ended June 30, 2018 through, and including, 2014 (collectively, the "IPERS CAFRs (2014-2018)"), and the actuarial valuation reports provided to IPERS by Cavanaugh MacDonald Consulting, LLC (collectively, the "IPERS Actuarial Reports (2014-2018)"). Additional information regarding IPERS and its latest actuarial valuations can be obtained by contacting IPERS administrative staff.

Table 2 – Funding Status of IPERS

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) % [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
2014	26,460,428,085	28,038,549,893	32,004,456,088	5,544,028,003	82.68	3,965,906,195	87.61	7,099,277,280	78.09
2015	27,915,379,103	28,429,834,829	33,370,318,731	5,454,939,628	83.65	4,940,483,902	85.19	7,326,348,141	74.46
2016	29,033,696,587	28,326,433,656	34,619,749,147	5,586,052,560	83.86	6,293,315,491	81.82	7,556,515,720	73.92
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	85.37

Source: IPERS CAFRs (2014-2018) and IPERS Actuarial Reports (2014-2018)
For a description of the assumptions used when calculating the funding status of IPERS for the fiscal year ended June 30, 2018, see IPERS CAFRs (2013-2017)

Table 3 – Recent returns of IPERS

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

Fiscal Year Ended June 30	Investment Return %
2014	15.88
2015	3.96
2016	2.15
2017	11.70
2018	7.97

Net Pension Liabilities.

Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The Issuer was required to implement GASB 68 in their year end June 30, 2015 financial statements.

At June 30, 2017, the Issuer reported a liability of $2,788,256 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2016 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 7.5%. 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, and the Financial Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the material available from IPERS as discussed above or included on the IPERS website, including, but not limited to, updates of such information on the Auditor of State's website or links to other websites through the IPERS website.

Investment of Public Funds

The District invests its funds pursuant to Chapter 12B of the Code. Presented below is the District's investing activities as of June 30, 2018.

Type of Investment	Amount Invested
Local Bank Money Market	$0
Local Bank Deposit Accounts	4,259,368.80
Local Bank Time CD's	597,412.64
ISJIT Money Market	120,461.36
ISJIT Time CD's	

Source: Easton Valley CSD

Population

Presented below are population figures for the periods indicated for the cities of Miles, Preston, Sabula, Spragueville and Andover:

Year	Miles	Preston	Sabula	Spragueville	Andover
2010	445	1,012	576	81	103
2000	462	949	670	89	87
1990	409	1,025	710	118	99
1980	398	1,120	824	149	107
1970	409	950	845	112	90

Source: U.S. Census Bureau

Major Employers

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

Employer	Business	Approximate Employees
Easton Valley CSD	Education	
Yaddof Apiaries	Honey, beeswax	16
Preston Ready Mix	Ready mix concrete	15
Plastics Unlimited	Vacuum molding	13
T&M Woodworks	Hand built furniture	7
Wendling Quarries	Concrete and rock hauling	7
Martin Agricultural Services	Blended fertilizer	7
Miles Mini Mart	Convenience store	7
Clinton National Bank	Banking services	5
Miles Co-op Telephone	Communications	4
Preston Times Newspaper	Newspaper	3
City of Miles	City Services	3

Source: Locationone.com

Property Tax Assessment

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

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

Fiscal Year	Residential Rollback	Ag. Land & Buildings	Commercial	Multi-residential
2018-19	55.6209	54.4480	90.0000	78.7500
2017-18	56.9391	47.4996	90.0000	82.5000
2016-17	55.6259	46.1068	90.0000	86.2500
2015-16	55.7335	44.7021	90.0000	
2014-15	54.4002	43.3997	95.0000	

Source: Iowa Department of Revenue

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, 2017 are used to calculate tax liability for the tax year starting July 1, 2018 through June 30, 2019. Presented below are the historic property valuations of the Issuer by class of property.

Property Valuations

Actual Valuation					
Valuation as of January	2018	2017	2016	2015	2014
Fiscal Year	2019-20	2018-19	2017-18	2016-17	2015-16
Residential:	201,687,220	200,070,540	184,471,591	183,633,550	179,953,440
Agricultural Land:	200,665,730	200,993,610	209,873,490	210,207,900	201,654,100
Ag Buildings:	7,727,370	7,665,980	9,590,400	9,131,100	11,358,500
Commercial:	18,012,055	17,132,479	15,627,464	15,243,858	15,998,300
Industrial:	3,916,200	3,906,800	3,812,500	3,812,500	3,812,500
Multi-Residential	1,506,881	1,330,257	1,082,865	1,081,271	0
Reserved		0		0	0
Railroads:	4,242,555	4,148,483	3,672,146	3,071,458	2,307,251
Utilities:	3,460,920	2,658,097	2,241,240	2,087,531	2,037,072
Other:	545,600	550,000	450,000	450,000	450,000
Total Valuation:	441,764,531	438,456,246	430,821,696	428,719,168	417,571,163
Less Military:	427,812	450,036	463,000	470,408	492,632
Net Valuation:	441,336,719	438,006,210	430,358,696	428,248,760	417,078,531
TIF Valuation:	1,800,000	970,000	956,050	880,221	0
Utility Replacement:	24,410,484	19,823,145	16,105,390	15,178,479	13,889,173

Taxable Valuation					
Valuation as of January	2018	2017	2016	2015	2014
Fiscal Year	2019-20	2018-19	2017-18	2016-17	2015-16
Residential:	114,796,360	111,281,072	105,021,065	102,134,479	100,294,262
Agricultural Land:	112,638,463	109,436,972	99,688,971	96,920,128	90,143,606
Ag Buildings:	4,337,568	4,173,966	4,555,275	4,210,067	5,077,506
Commercial:	16,030,851	15,322,514	13,976,211	13,638,115	14,398,470
Industrial:	3,524,580	3,515,840	3,431,250	3,431,250	3,431,250
Multi-Residential	1,130,165	1,047,578	887,228	927,554	0
Reserved	0	0		0	0
Railroads:	3,818,301	3,733,636	3,304,932	2,764,312	2,076,527
Utilities:	3,460,920	2,658,097	2,241,240	2,087,531	2,037,072
Other:	545,600	550,000	450,000	450,000	450,000
Total Valuation:	260,282,808	251,719,675	233,556,172	226,563,436	217,908,693
Less Military:	427,812	450,036	463,000	470,408	492,632
Net Valuation:	259,854,996	251,269,639	233,093,172	226,093,028	217,416,061
TIF Valuation:	1,800,000	970,000	956,050	880,221	0
Utility Replacement:	4,714,925	4,918,433	4,220,314	4,296,490	4,426,243

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2018	467,547,203	1.91%	266,369,921	3.58%
2017	458,799,355	2.54%	257,158,072	7.93%
2016	447,420,136	0.70%	238,269,536	3.03%
2015	444,307,460	3.10%	231,269,739	4.25%
2014	430,967,704		221,842,304	

Source: Iowa Department of Management

Tax Rates

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

Fiscal Year	Operating	Management	B PPEL	V PPEL	Playground	Debt	Schoolhouse	Total Levy
2019	10.07348	0.78068	0.33000	1.34000	0.00000	0.00000	0.00000	12.52416
2018	11.40787	0.84277	0.33000	1.34000	0.00000	0.00000	0.00000	13.92064
2017	12.64985	0.76392	0.33000	1.34000	0.00000	0.00000	0.00000	15.08377
2016	11.26393	1.49205	0.33000	1.34000	0.00000	0.00000	0.00000	14.42598
2015	10.59708	0.85388	0.33000	1.34000	0.00000	0.00000	0.00000	13.12096

Source: Iowa Department of Management

Historic Tax Rates

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy
2019	8.80415	12.52416	1.03000	0.00290	0.45090	0.21632	0.95606	4.40744	0.00000	28.39193
2018	8.76715	13.92064	1.03000	0.00310	0.50100	0.23310	1.02854	4.99603	0.00000	30.47956
2017	8.22003	15.08377	1.00909	0.00330	0.60750	0.23300	1.04100	5.27659	0.00000	31.47428
2016	8.22002	14.42598	0.96863	0.00330	0.62151	0.23385	1.05623	5.27555	0.00000	30.80507
2015	8.22002	13.12096	0.92782	0.00330	0.64063	0.22326	1.06445	5.31469	0.00000	29.51513

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy
2019	7.49250	12.52416	1.03000	0.00290	0.45090	0.21632	0.95606	4.40744	0.00000	27.08028
2018	7.49250	13.92064	1.03000	0.00310	0.50100	0.23310	1.02854	4.99603	0.00000	29.20491
2017	7.49250	15.08377	1.00909	0.00330	0.60750	0.23300	1.04100	5.27659	0.00000	30.74675
2016	7.49250	14.42598	0.96863	0.00330	0.62151	0.23385	1.05623	5.27555	0.00000	30.07755
2015	7.49250	13.12096	0.92782	0.00330	0.64063	0.22326	1.06445	5.31469	0.00000	28.78761

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy
2019	10.90048	12.52416	1.03000	0.00290	0.45090	0.21632	0.95606	4.40744	0.00000	30.48826
2018	12.44313	13.92064	1.03000	0.00310	0.50100	0.23310	1.02854	4.99603	0.00000	34.15554
2017	11.90470	15.08377	1.00909	0.00330	0.60750	0.23300	1.04100	5.27659	0.00000	35.15895
2016	11.62760	14.42598	0.96863	0.00330	0.62151	0.23385	1.05623	5.27555	0.00000	34.21265
2015	11.60481	13.12096	0.92782	0.00330	0.64063	0.22326	1.06445	5.31469	0.00000	32.89992

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy
2019	7.24040	12.52416	1.03000	0.00290	0.45090	0.21632	0.95606	4.40744	0.00000	26.82818
2018	7.50038	13.92064	1.03000	0.00310	0.50100	0.23310	1.02854	4.99603	0.00000	29.21279
2017	7.50017	15.08377	1.00909	0.00330	0.60750	0.23300	1.04100	5.27659	0.00000	30.75442
2016	7.21016	14.42598	0.96863	0.00330	0.62151	0.23385	1.05623	5.27555	0.00000	29.79521
2015	5.46291	13.12096	0.92782	0.00330	0.64063	0.22326	1.06445	5.31469	0.00000	26.75802

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy
2019	8.10000	12.52416	1.03000	0.00290	0.26734	0.12350	0.00000	7.60062	0.00000	29.64852
2018	8.10000	13.92064	1.03000	0.00310	0.45755	0.12334	0.00000	7.82264	0.00000	31.45727
2017	8.09891	15.08377	1.00909	0.00330	0.35546	0.12351	0.00000	7.19551	0.00000	31.86955
2016	8.09764	14.42598	0.96863	0.00330	0.36968	0.12344	0.00000	7.34816	0.00000	31.33683
2015	8.10000	13.12096	0.92782	0.00330	0.37935	0.12150	0.00000	7.60408	0.00000	30.25701

Source: Iowa Department of Management

Tax Collection History

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

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2019	3,210,889	In collection	NA
2018	3,305,920	$3,316,618	100.32
2017	3,477,735	3,483,378	100.16
2016	3,200,292	3,208,976	100.27
2015	2,842,766	2,865,036	100.78
2014	2,441,057	2,447,692	100.27

Source: Easton Valley CSD

Largest Taxpayers

Set forth in the following table are the persons or entities which represent the 2017 largest taxpayers within the Issuer, as provided by the Auditors Offices of each of said counties. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District. The District's tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the District from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.

Taxpayer	2017 Taxable Valuation	Percent of Total
Kilburg, Roger A & Lorie A.	$4,081,500	1.587%
DM & E Railroad Company	2,965,748	1.153%
Kunau Farms	1,971,600	0.767%
Gray Family Farms LP	1,947,500	0.757%
Rathje, Richard L Trust	1,716,300	0.667%
Buckeye Family Farms, LLC	1,665,200	0.648%
Interstate Power Co.	1,597,417	0.621%
Holdgrafer, Gary R & Lisa M	1,588,300	0.618%
Kunau Properties LLC	1,547,800	0.602%
Jepsen, Gregory J & Susan Michelle Fam Trust	1,529,100	0.595%
	Total	8.01%

Source: County Auditor Office

(1) Utility Property Tax Replacement

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

The utility replacement tax statute states that the utility replacement tax collected by the State and allocated among local taxing cities (including the Issuer) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. However, utility property is not subject to the levy of property tax by political subdivisions, only the utility replacement tax and statewide property tax. It is possible that the 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. Approximately 0.62% of the Issuer's tax base currently is utility property. Notwithstanding the foregoing, the Issuer has the obligation to levy taxes against all the taxable property in the Issuer sufficient to pay principal of and interest on the Bonds.

DIRECT DEBT

General Obligation School Bonds (Debt Service)

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

Fiscal Year	5/1/19	Total Principal	Total Interest	Total P&I
2020	325,000	325,000	378,031	703,031
2021	340,000	340,000	361,781	701,781
2022	360,000	360,000	344,781	704,781
2023	375,000	375,000	326,781	701,781
2024	395,000	395,000	308,031	703,031
2025	415,000	415,000	288,281	703,281
2026	435,000	435,000	267,531	702,531
2027	455,000	455,000	245,781	700,781
2028	480,000	480,000	223,031	703,031
2029	495,000	495,000	208,631	703,631
2030	510,000	510,000	193,781	703,781
2031	525,000	525,000	178,481	703,481
2032	540,000	540,000	162,731	702,731
2033	555,000	555,000	146,531	701,531
2034	575,000	575,000	129,881	704,881
2035	590,000	590,000	111,913	701,913
2036	610,000	610,000	92,000	702,000
2037	635,000	635,000	70,650	705,650
2038	655,000	655,000	48,425	703,425
2039	680,000	680,000	25,500	705,500
Totals:	9,950,000	9,950,000	4,112,556	14,062,556

Source: Easton Valley CSD

General Obligation School Capital Loan Notes (PPEL)

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

Fiscal Year	5/7/15	Total Principal	Total Interest	Total P&I
2019	270,000	270,000	26,000	296,000
2020	270,000	270,000	22,895	292,895
2021	275,000	275,000	19,385	294,385
2022	280,000	280,000	15,260	295,260
2023	285,000	285,000	10,640	295,640
2024	290,000	290,000	5,510	295,510
Totals:	1,670,000	1,670,000	99,690	1,769,690

Anticipatory Warrants

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

School Infrastructure Sales, Services & Use Tax Revenue Bonds

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

Fiscal Year	7/13/15	Total Principal	Total Interest	Total P&I
2019	305,000	305,000	96,646	401,646
2020	315,000	315,000	88,930	403,930
2021	320,000	320,000	80,960	400,960
2022	330,000	330,000	72,864	402,864
2023	340,000	340,000	64,515	404,515
2024	345,000	345,000	55,913	400,913
2025	355,000	355,000	47,185	402,185
2026	365,000	365,000	38,203	403,203
2027	375,000	375,000	28,969	403,969
2028	380,000	380,000	19,481	399,481
2029	390,000	390,000	9,867	399,867
Totals:	3,820,000	3,820,000	603,532	4,423,532

Source: Easton Valley CSD

Debt Limit

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:

1/1/2017 Actual Valuation:	467,547,203
X	0.05
Statutory Debt Limit:	23,377,360
Total General Obligation Bond Debt:	9,950,000
Total General Obligation Note Debt:	1,670,000
Total Lease Purchases:	
Total Loan Agreements:	
Capital Leases:	
Total Debt Subject to Limit:	11,620,000
Percentage of Debt Limit Obligated:	49.71%

It has not been determined whether the District's Sales Tax Revenue Bonds do or do not count against the constitutional debt limit. If the Bonds do count against the constitutional debt limit, the amount of debt subject to the debt limit would increase $3,820,000* to be $15,440,000*, or 66.05% * of the statutory debt limit.

* Preliminary, subject to change

Source: Iowa Department of Management

Overlapping & Underlying Debt

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

Taxing Authority	Outstanding Debt	2018 Taxable Valuation	Taxable Value Within Issuer	Percentage Applicable	Amount Applicable
City of Preston	154,935	36,165,831	36,165,831	100.00%	154,935
Clinton County	26,274,236	23,680,000	47,575,290	200.91%	52,787,348
Jackson County	0	1,147,467,546	218,794,631	19.07%	
Eastern Iowa Community College	9,940,000	1,147,467,546	266,369,921	23.21%	2,307,444
Mississippi Bend AEA	0	15,397,619,866	266,369,921	1.73%	
				Total:	55,249,727

Source: Iowa Department of Management

FINANCIAL SUMMARY

Actual Value of Property, 2017:	458,799,355
Taxable Value of Property, 2017:	266,369,921
Direct General Obligation Debt:	11,620,000
Overlapping Debt:	3,356,252
Direct & Overlapping General Obligation Debt:	14,976,252
Population, 2010 US Census:	4,105
Direct Debt per Capita:	$2,830.69
Total Debt per Capita:	$3,648.30
Direct Debt to Taxable Valuation:	4.36%
Total Debt to Taxable Valuation:	5.62%
Direct Debt to Actual Valuation:	2.53%
Total Debt to Actual Valuation:	3.26%
Actual Valuation per Capita:	$111,766
Taxable Valuation per Capita:	$64,889

Source: Iowa Department of Management

APPENDIX B – FORM OF LEGAL OPINION

FORM OF BOND COUNSEL OPINION*
[Closing Date]

Easton Valley Community School District
Miles, Iowa

[Underwriter]

We hereby certify that we have examined a certified copy of proceedings (the "Proceedings") of the Board of Directors of Easton Valley Community School District (the "Issuer"), in Jackson County, State of Iowa, passed preliminary to the issue by the Issuer of its $__________ General Obligation School Bonds, Series 2019 (the "Bonds"), dated the date of delivery. The Bonds bear interest at the rates and are payable on the dates and in the amounts as set forth therein.

Based upon our examination, we are of the opinion, as of the date hereof, that:

1. The Proceedings show lawful authority for such issue under the laws of the State of Iowa.

2. The Bonds are valid and binding general obligations of the Issuer.

3. All taxable property within the corporate boundaries of the Issuer is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate.

4. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not treated as a preference item in calculating the federal alternative minimum tax imposed under the Internal Revenue Code of 1986 (the "Code"). The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

5. Interest on the Bonds is not exempt from State of Iowa income taxes.

6. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the Bonds be, or continue to be, qualified tax-exempt obligations. The Issuer has covenanted to comply with each such requirement.

We express no opinion regarding other state or federal tax consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion may be relied upon by the addressees hereof and their successors and/or assigns, and any permitted assignee of the Bonds, but only with respect to the opinions expressly set forth herein and as of the dated date hereof.

DORSEY & WHITNEY LLP
*This form of bond counsel opinion is subject to change pending the results of the sale of the Bonds contemplated herein.

APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Easton Valley Community School District (the "Issuer") on this ___day of ____, 2019 (the "Dated Date"), in connection with the issuance of ___________ General Obligation School Bonds, Series 2019 (the "Series 2019 Bonds"), dated May 1, 2019. The Series 2019 Bonds are being issued pursuant to a resolution of the Issuer approved on April 1, 2019 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Series 2019 Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12.

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 Report" shall mean any Annual Report provided 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 Series 2019 Bonds (including persons holding Series 2019 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2019 Bonds for federal income tax purposes.

"Dissemination Agent" shall mean the Dissemination Agent, if any, designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the MSRB's Electronic Municipal Market Access system available at http://emma.msrb.org.

"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 either (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

"Holders" shall mean the registered holders of the Series 2019 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.

"Participating Underwriters" shall mean any of the original underwriters of the Series 2019 Bonds required to comply with the Rule in connection with offering of the Series 2019 Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Iowa.

Section 3. Provision of Annual Reports.

(a) Not later than April 15 (the "Submission Deadline") of each year following the end of the 2018-2019 fiscal year, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file on EMMA an electronic copy of its Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate in a format and accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and 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 Report and later than the Submission Deadline 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), and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the changed fiscal year.

(b) If the Issuer has designated a Dissemination Agent, then not later than fifteen (15) business days prior to the Submission Deadline, the Issuer shall provide the Annual Report to the Dissemination Agent.

(c) If the Issuer is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file a notice on EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) The 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 audited 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 are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by State law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA when they become available.

(b) Tables, schedules or other information contained in the official statement for the Series 2019 Bonds, under the following captions:
(1) GASB45;
(2) Employee Pension Plan - Table 1 and second paragraph under Net Pension Liabilities;
(3) Investment of Public Funds (as of Fiscal Year end);
(4) Population;
(5) Property Valuations;
(6) Tax Rates;
(7) Historic Tax Rates;
(8) Tax Collection History;
(9) Largest Taxpayers;
(10) DIRECT DEBT (including tables General Obligation School Bonds (Debt Service), General Obligation School Capital Loan Notes (PPEL), and Anticipatory Warrants);
(11) School Infrastructure Sales, Services & Use Tax Revenue Bonds;
(12) Debt Limit; and
(13) 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 are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. 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 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2019 Bonds:

(1) Principal and interest payment delinquencies.
(2) Non-payment related defaults, if material.
(3) Unscheduled draws on debt service reserves reflecting financial difficulties.
(4) Unscheduled draws on credit enhancements reflecting financial difficulties.
(5) Substitution of credit or liquidity providers, or their failure to perform.
(6) 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 status of the security, or other material events affecting the tax status of the security.
(7) Modifications to rights of security holders, if material.
(8) Bond calls, if material, and tender offers.
(9) Defeasances.
(10) Release, substitution, or sale of property securing repayment of the securities, if material.
(11) Rating changes.
(12) Bankruptcy, insolvency, receivership or similar event of the obligated person.
Note to paragraph (12): For the purposes of the event identified in subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.
(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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.
(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.
(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) If a Listed Event described in Section 5(a) paragraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13), (14) or (15) has occurred and the Issuer has determined that such Listed Event is material under applicable federal securities laws, the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.

(c) If a Listed Event described in Section 5(a) paragraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11), (12) or (16) above has occurred the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in Section (5)(a) paragraphs (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Series 2019 Bonds pursuant to the Resolution.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2019 Bonds or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

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

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

(a) (i) the amendment or waiver is 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 Series 2019 Bonds, or the type of business conducted; (ii) 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 Series 2019 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment or waiver either (1) is approved by the Holders in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (2) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or

(b) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

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 Report, 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 audited 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 Report 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 audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report 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 Report 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 Report or notice of occurrence of a Listed Event.

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

Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent, if any, 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 Series 2019 Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Series 2019 Bonds, and shall create no rights in any other person or entity.

Dated: Dated Date

EASTON VALLEY COMMUNITY SCHOOL DISTRICT

By__________________________________
President

Attest:

By__________________________________
Board Secretary

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER

This Appendix contains the entire 2017 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 http://auditor.iowa.gov/reports/index.html.

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EASTON VALLEY COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2017

Table of Contents

Easton Valley Community School District

Officials

Name	Title	Term Expires
	Board of Education	
Tom Feuerbach	President	2017
Jodi Meyer	Vice President	2017
Dick Keeney	Board Member	2017
Ron Regenwether	Board Member	2017
Roger Kilburg	Board Member	2019
Scott Bormann	Board Member	2019
Dustin Stoll	Board Member	2019
	School Officials	
Chris Fee	Superintendent	2017
Adam Crigger	Business Manager/Treasurer	2017
Kathy Meier	Board Secretary	2017
Lane & Waterman	Attorney	2017

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 Easton Valley 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 Easton Valley Community School District, Preston, Iowa, as of and for the year ended June 30, 2017, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Easton Valley Community School District as of June 30, 2017, and the respective changes in financial position and, where applicable, 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 Funding Progress for the Retiree Health Plan on pages 7 through 16 and 46 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of 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 Easton Valley 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 three years ended June 30, 2016 (which is not presented herein) and expressed an unmodified opinion on those financial statements. The supplementary information included in Schedules 1 through 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 May 11, 2018, on our consideration of Easton Valley 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 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 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 Easton Valley Community School District's internal control over financial reporting and compliance.

Nolte, Cornman & Johnson PC

NOLTE, CORNMAN & JOHNSON, P.C.

May 11, 2018
Newton, IA

EASTON VALLEY SCHOOL DISTRICT

Home of the Easton Valley

RIVERHAWKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Easton Valley 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, 2017. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2017 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from $7,008,347 in fiscal year 2016, to $7,476,744 in fiscal year 2017 while General Fund expenditures decreased from $7,041,849 in fiscal year 2016 to $6,972,289 in fiscal year 2017. This resulted in an increase in the District's General Fund balance from $781,254 at June 30, 2016 to $1,285,709 at June 30, 2017, a 64.57% increase from the prior year.

- The increase in General Fund revenues is primarily due to an increase in local tax revenue received compared to the prior year. The decrease in General Fund expenditures is primarily due to a decrease in support service expenditures incurred compared to the prior year.

- The District's solvency ratio was 15.07% at June 30, 2017, an increase from the District's solvency ratio of 8.67% at June 30, 2016.

- The District's total net position increased from $3,365,139 at June 30, 2016 to $4,407,848 at June 30, 2017. Total revenues increased from $8,824,612 in fiscal year 2016 to $9,210,215 in fiscal year 2017, a 4.37% increase, while total expenses increased from $7,761,270 in fiscal year 2016 to $8,167,506 in fiscal year 2017, a 5.23% increase compared to the prior year.

USING THIS ANNUAL REPORT

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

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

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

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Easton Valley 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 Easton Valley 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 Funding Progress for the Retiree Health Plan.

Supplementary Information provides detailed information about the non-major governmental funds. ***Figure A-1*** shows how the various parts of this annual report are arranged and relate to one another.

Figure A-1
Easton Valley Community School District Annual Financial Report

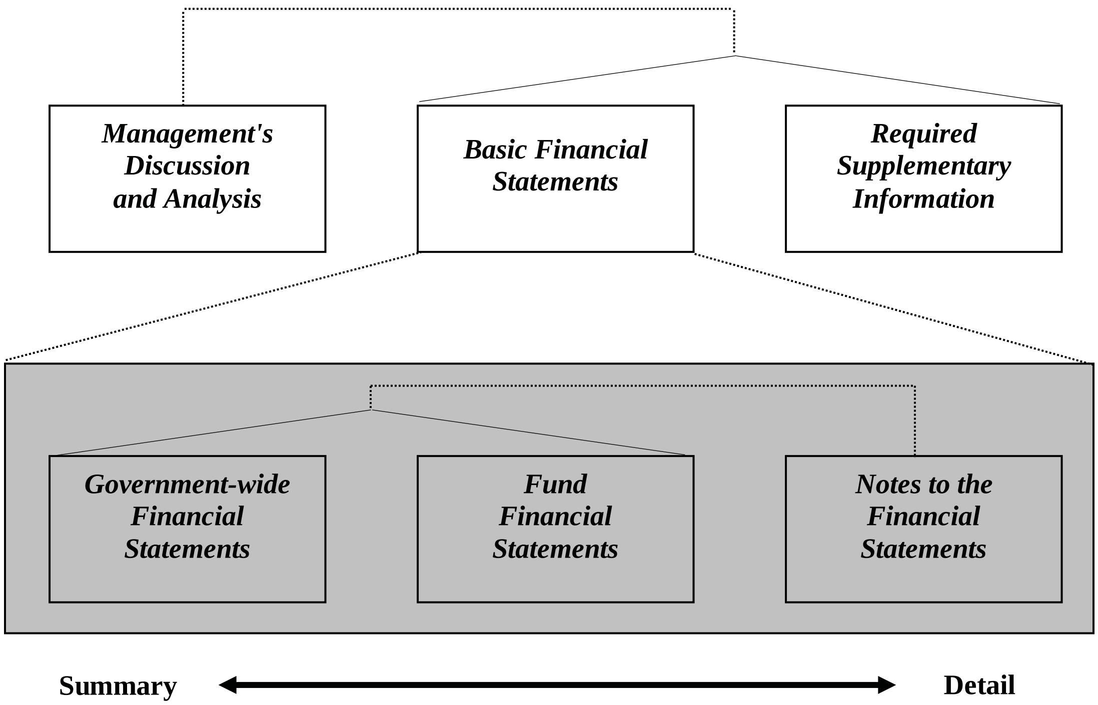

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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, day care	Instances in which the district administers resources on behalf of someone else, such as scholarship programs
Required financial statements	· Statement of net position · Statement of activities	· Balance sheet · Statement of revenues, expenditures, and changes in fund balances	· Statement of net position · Statement of revenues, expenses and changes in fund net position · Statement of cash flows	· Statement of fiduciary net position · Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of 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 daycare 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 the 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 the Day Care Fund. The District's Internal Service Fund, one type of proprietary fund, is the same as the governmental activities, but provides more detail and additional information, such as cash flows. The District currently has one Internal Service Fund accounting for employee flex benefits.

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

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

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

   - Agency Funds - These are funds through which the District administers and accounts for certain outside organizations.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position at June 30, 2017, compared to June 30, 2016.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities June 30, 2017	Governmental Activities June 30, 2016	Business Type Activities June 30, 2017	Business Type Activities June 30, 2016	Total District June 30, 2017	Total District June 30, 2016	Total Change June 30, 2016-17
Current and other assets	$ 8,014,745	8,989,721	155,550	154,857	8,170,295	9,144,578	-10.65%
Capital assets	9,028,096	7,930,350	158,950	80,139	9,187,046	8,010,489	14.69%
Total assets	17,042,841	16,920,071	314,500	234,996	17,357,341	17,155,067	1.18%
Deferred inflows of resources	745,297	400,446	17,139	8,494	762,436	408,940	86.44%
Long-term liabilities	8,964,371	9,081,496	68,680	57,545	9,033,051	9,139,041	-1.16%
Other liabilities	1,175,717	1,254,631	5,522	3,298	1,181,239	1,257,929	-6.10%
Total liabilities	10,140,088	10,336,127	74,202	60,843	10,214,290	10,396,970	-1.76%
Deferred inflows of resources	3,493,582	3,795,728	4,057	6,170	3,497,639	3,801,898	-8.00%
Net position:							
Net investment in capital assets	2,973,096	2,341,944	158,950	80,139	3,132,046	2,422,083	29.31%
Restricted	2,330,146	2,502,181	-	-	2,330,146	2,502,181	-6.88%
Unrestricted	(1,148,774)	(1,655,463)	94,430	96,338	(1,054,344)	(1,559,125)	32.38%
Total net position	$ 4,154,468	3,188,662	253,380	176,477	4,407,848	3,365,139	30.99%

The District's total net position increased $1,042,709, or 30.99% from the prior year. A large 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 $172,035, or 6.88% from the prior year. The primary reason for this decrease in net position is a decrease in the amount restricted for school infrastructure compared to the prior year.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased $504,781, or 32.38% from the prior year. This increase in unrestricted net position was contributed to by the increase in unassigned fund balance of the General Fund at June 30, 2017 when compared to June 30, 2016.

The District's governmental activities remain at a deficit unrestricted net position at June 30, 2017 due to the pension and related deferred inflow and outflow reporting requirements of GASB Statement No. 68.

Figure A-4 shows the changes in net position for the year ended June 30, 2017 compared to the year ended June 30, 2016.

Figure A-4
Changes in Net Position

	Governmental Activities		Business Type Activities		Total District		Total Change
	2017	2016	2017	2016	2017	2016	2016-17
Revenues:							
Program revenues:							
Charges for service	$ 427,687	419,119	115,936	110,070	543,623	529,189	2.73%
Operating grants, contributions and restricted interest	642,026	584,761	153,907	126,776	795,933	711,537	11.86%
Capital grants, contributions and restricted interest	9,930	11,903	-	-	9,930	11,903	-16.58%
General revenues:							
Property tax	3,517,722	3,209,464	-	-	3,517,722	3,209,464	9.60%
Statewide sales, service and use tax	595,375	614,466	-	-	595,375	614,466	-3.11%
Nonspecific program federal grants	-	27,690	-	-	-	27,690	-100.00%
Unrestricted state grants	3,684,450	3,677,851	-	-	3,684,450	3,677,851	0.18%
Unrestricted investment earnings	13,147	17,436	412	210	13,559	17,646	-23.16%
Other	47,394	24,821	2,229	45	49,623	24,866	99.56%
Total revenues	8,937,731	8,587,511	272,484	237,101	9,210,215	8,824,612	4.37%
Program expenses:							
Instruction	5,409,236	4,966,978	-	10,914	5,409,236	4,977,892	8.67%
Support services	1,825,906	2,036,179	3,152	8,131	1,829,058	2,044,310	-10.53%
Non-instructional programs	-	-	286,965	233,364	286,965	233,364	22.97%
Other expenses	642,247	505,704	-	-	642,247	505,704	27.00%
Total expenses	7,877,389	7,508,861	290,117	252,409	8,167,506	7,761,270	5.23%
Excess(Deficiency) of revenues over(under) expenses	1,060,342	1,078,650	(17,633)	(15,308)	1,042,709	1,063,342	-1.94%
Transfers	(94,536)	(82,251)	94,536	82,251	-	-	0.00%
Change in net position before special item	965,806	996,399	76,903	66,943	1,042,709	1,063,342	-1.94%
Special item :							
Settlement with Northeast Community School District	-	(450,000)	-	-	-	(450,000)	-100.00%
Change in net position	965,806	546,399	76,903	66,943	1,042,709	613,342	70.00%
Net position beginning of year	3,188,662	2,642,263	176,477	109,534	3,365,139	2,751,797	22.29%
Net position end of year	$ 4,154,468	3,188,662	253,380	176,477	4,407,848	3,365,139	30.99%

In fiscal year 2017, property tax, statewide sales, services and use tax and unrestricted state grants accounted for 87.24% of governmental activities revenue while charges for service and sales and operating grants and contributions and restricted interest accounted for 99.03% of business type activities revenue.

The District's total revenues were approximately $9.21 million, of which approximately $8.94 million was for governmental activities and approximately $0.27 was for business type activities.

As a whole the District experienced a 4.37% increase in revenues and a 5.23% increase in expenses. The increase in revenues was primarily due to an increase in property tax revenues received compared to the previous year. The increase in expenses was primarily due to an increase in instruction expenses incurred compared to the previous year.

Governmental Activities

Revenues for governmental activities were $8,937,731 and expenses were $7,877,389 for the year ended June 30, 2017.

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, 2017 compared to those same expenses for the year ended June 30, 2016.

Figure A-5
Total and Net Cost of Governmental Activities

	Total Cost of Services				Net Cost of Services		
				Change			Change
		2017	2016	2016-17	2017	2016	2016-17
Instruction	$	5,409,236	4,966,978	8.90%	4,632,052	4,259,306	8.75%
Support services		1,825,906	2,036,179	-10.33%	1,792,517	2,004,161	-10.56%
Other expenses		642,247	505,704	27.00%	373,177	229,611	62.53%
Totals	$	7,877,389	7,508,861	4.91%	6,797,746	6,493,078	4.69%

For the year ended June 30, 2017:

- The cost financed by users of the District's programs was $427,687.
- Federal and state governments along with local sources subsidized certain programs with grants and contributions totaling $651,956.
- The net cost of governmental activities was financed with $3,517,722 in property tax, $595,375 in statewide sales, services and use tax, $3,684,450 in unrestricted state grants, $13,147 in interest income and $47,394 in other general revenues.

Business Type Activities

Revenues of the District's business type activities were $272,484 and expenses were $290,117 for the year ended June 30, 2017. The District's business type activities include the School Nutrition Fund and Day Care Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, investment income and other general revenues.

INDIVIDUAL FUND ANALYSIS

As previously noted, the Easton Valley 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 balance of $3,491,977, below last year's ending combined fund balances of $4,256,888. This increase in combined fund balances is primarily due to the decrease in fund balance of the Capital Projects Fund due to continued construction costs on the high school and elementary building projects.

Governmental Fund Highlights

- The District's General Fund financial position is a product of many factors. The District's General Fund balance increase from a balance of $781,254 at June 30, 2016 to $1,285,709 at June 30, 2017. An increase in local tax revenues received compared to the prior year contributed to an increase in total revenues and decrease in support service cost incurred contributed to a decrease in expenditures. Total revenues exceed expenditures for the year resulting in an increase in fund balance.

- The Capital Projects Fund balance decreased from a balance of $3,145,971 at June 30, 2016 to $1,900,465 at June 30, 2017. The primary reason for the decrease in fund balance is due to the increase in capital outlay expenditures incurred during the year. These capital outlay expenditures were costs incurred on the District's high school and elementary building projects during the year.

Proprietary Fund Highlights

The School Nutrition Fund net position increased from $162,124 at June 30, 2016 to $239,027 at June 30, 2017. The increase in net position is primarily due to an increase capital contributions received from the Capital Projects: Building Improvement Construction Fund. These contributions included costs paid for a new kitchen at the high school during the construction process.

The District's Day Care Fund had no activity during fiscal year 2017 and as a result the net position remained at $14,353 at June 30, 2017.

BUDGETARY HIGHLIGHTS

Over the course of the year, Easton Valley Community School District amended its budget one time primarily to reflect additional expenditures associated with the construction costs.

The District's revenues were $126,450 more than budgeted revenues, a variance of 1.40%. The most significant variance resulted from the District receiving more in federal sources than originally anticipated.

Total expenditures were less than budgeted, primarily to the District's budget for the General Fund. It is not the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District's budget is developed utilizing realistic projections of revenues and expenditures. The District then manages or controls General Fund spending through its line-item budget. In situations where revenues exceed projections, and expenditures do not exceed spending authority, the Board may take action to amend the budget authorizing additional expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2017, the District had invested $9,187,046, 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 represents an increase of 14.69% from the prior year. More detailed information about capital assets is available in Notes 3 to the financial statements. Depreciation expense for the year was $340,588.

The original cost of the District's capital assets was $13,034,932. Governmental activities accounted for $12,775,326 with the remainder of $259,606 accounted for in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity occurred in the construction in progress category. Construction in progress totaled $0 at June 30, 2017 compared to $6,561,113 at June 30, 2016. This decrease is due completion of the District's Elementary and High School remodel and renovation projects during the year.

Figure A-6
Capital Assets, Net of Depreciation

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2017	2016	2017	2016	2017	2016	2016-17
Land	$ 18,297	18,297	-	-	18,297	18,297	0.00%
Construction in progress	-	6,561,113	-	-	-	6,561,113	-100.00%
Buildings	8,102,521	628,887	-	-	8,102,521	628,887	1188.39%
Land improvements	592,664	414,723	-	-	592,664	414,723	42.91%
Machinery and equipment	314,614	307,330	158,950	80,139	473,564	387,469	22.22%
Total	$ 9,028,096	7,930,350	158,950	80,139	9,187,046	8,010,489	14.69%

Long-Term Debt

At June 30, 2017, the District had $6,055,000 in revenue bonds and other long-term debt outstanding. (See Figure A-7) This represents a decrease of 8.40% from the prior year. Additional information about the District's long-term obligations is presented in Note 5 to the financial statements.

- The District had outstanding revenue bond indebtedness of $4,120,000 at June 30, 2017, payable from the Capital Projects: Statewide Sales, Services and Use Tax Fund.

- The District had outstanding capital loan note indebtedness of $1,935,000 at June 30, 2017, payable from the Capital Projects: Physical, Plant and Equipment Levy Fund.

Figure A-7
Outstanding Long-term Obligations

	Total District		Total Change
	June 30,		June 30,
	2017	2016	2016-17
Revenue bonds	$ 4,120,000	4,410,000	-6.58%
Capital loan note	1,935,000	2,200,000	-12.05%
Total	$ 6,055,000	6,610,000	-8.40%

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:

- Declining enrollment paired with state aid increases under 2% have made budgets tight in the District's General Fund. Easton Valley's board continues to work under the parameters of a tight budget to fulfill education needs, while being financially stable. Open Enrollment trends are declining slowly the past couple of years, resulting in less funds being transferred out of the district, this is a trend that is forecasted to continue to decline each year.

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 Adam Crigger, Business Manager/Treasurer, Easton Valley Community School District, 121 S Mitchell Street, Preston, Iowa, 52069.

BASIC FINANCIAL STATEMENTS

Exhibit A

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and pooled investments	$ 4,418,274	139,486	4,557,760
Receivables:			
Property tax:			
Delinquent	50,385	-	50,385
Succeeding year	3,312,405	-	3,312,405
Income surtax	33,869	-	33,869
Accounts	3,730	47	3,777
Due from other governments	196,082	-	196,082
Inventories	-	16,017	16,017
Capital assets not being depreciated:			
Land	18,297	-	18,297
Capital assets, net of accumulated depreciation			
Buildings, land imrpovements and machinery and equipment	9,009,799	158,950	9,168,749
TOTAL ASSETS	17,042,841	314,500	17,357,341
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	745,297	17,139	762,436
LIABILITIES			
Accounts payable	676,968	2,060	679,028
Salaries and benefits payable	493,996	2,066	496,062
Accrued interest payable	4,753	-	4,753
Unearned revenue	-	1,396	1,396
Long-term liabilities:			
Portion due within one year:			
Revenue bonds payable	300,000	-	300,000
Capital loan notes payable	265,000	-	265,000
Termination benefits payable	72,176	-	72,176
Portion due after one year:			
Revenue bonds payable	3,820,000	-	3,820,000
Capital loan notes payable	1,670,000	-	1,670,000
Net pension liability	2,722,924	65,332	2,788,256
Net OPEB liability	114,271	3,348	117,619
TOTAL LIABILITIES	10,140,088	74,202	10,214,290
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	3,312,405	-	3,312,405
Pension related deferred inflows	181,177	4,057	185,234
TOTAL DEFERRED INFLOWS OF RESOURCES	3,493,582	4,057	3,497,639
NET POSITION			
Net investment in capital assets	2,973,096	158,950	3,132,046
Restricted for:			
Categorical funding	199,804	-	199,804
Debt service	399,762	-	399,762
Management levy purposes	91,857	-	91,857
Student activities	142,773	-	142,773
School infrastructure	749,197	-	749,197
Physical plant and equipment	746,753	-	746,753
Unrestricted	(1,148,774)	94,430	(1,054,344)
TOTAL NET POSITION	$ 4,154,468	253,380	4,407,848

SEE NOTES TO FINANCIAL STATEMENTS.

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Govern-mental Activities	Business Type Activities	Total
Functions/Programs:							
Governmental activities:							
Instruction:							
Regular	$ 3,601,022	177,157	64,827	-	(3,359,038)	-	(3,359,038)
Special	1,173,723	11,154	121,935	-	(1,040,634)	-	(1,040,634)
Other	634,491	229,931	172,180	-	(232,380)	-	(232,380)
	5,409,236	418,242	358,942	-	(4,632,052)	-	(4,632,052)
Support services:							
Student	197,760	-	10,179	-	(187,581)	-	(187,581)
Instructional staff	184,109	-	-	-	(184,109)	-	(184,109)
Administration	558,875	9,445	-	-	(549,430)	-	(549,430)
Operation and maintenance of plant	440,565	-	-	9,930	(430,635)	-	(430,635)
Transportation	444,597	-	3,835	-	(440,762)	-	(440,762)
	1,825,906	9,445	14,014	9,930	(1,792,517)	-	(1,792,517)
Long-term debt interest	141,637	-	-	-	(141,637)	-	(141,637)
Other expenditures:							
AEA flowthrough	269,070	-	269,070	-	-	-	-
Depreciation(unallocated)*	231,540	-	-	-	(231,540)	-	(231,540)
	500,610	-	269,070	-	(231,540)	-	(231,540)
Total governmental activities	7,877,389	427,687	642,026	9,930	(6,797,746)	-	(6,797,746)
Business type activities:							
Support services:							
Administration	1,921	-	-	-	-	(1,921)	(1,921)
Operation and maintenance of plant	1,231	-	-	-	-	(1,231)	(1,231)
	3,152	-	-	-	-	(3,152)	(3,152)
Non-instructional programs:							
Food service operations	286,965	115,936	153,907	-	-	(17,122)	(17,122)
Total business type activities	290,117	115,936	153,907	-	-	(20,274)	(20,274)
Total	$ 8,167,506	543,623	795,933	9,930	(6,797,746)	(20,274)	(6,818,020)
General Revenues and Transfers:							
Property tax levied for:							
General purposes					$ 3,097,170	-	3,097,170
Capital outlay					386,683	-	386,683
Income surtax					33,869	-	33,869
Statewide sales, services and use tax					595,375	-	595,375
Unrestricted state grants					3,684,450	-	3,684,450
Unrestricted investment earnings					13,147	412	13,559
Other					47,394	2,229	49,623
Transfers					(94,536)	94,536	-
Total general revenues and transfers					7,763,552	97,177	7,860,729
Change in net position					965,806	76,903	1,042,709
Net position beginning of year					3,188,662	176,477	3,365,139
Net position end of year					$ 4,154,468	253,380	4,407,848

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

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit C

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General	Capital Projects	Nonmajor	Total
ASSETS				
Cash and pooled investments	$ 2,230,199	1,861,076	321,469	4,412,744
Receivables:				
Property tax:				
Delinquent	42,246	5,588	2,551	50,385
Succeeding year	2,714,495	397,910	200,000	3,312,405
Income surtax	33,869	-	-	33,869
Accounts	3,730	-	-	3,730
Due from other governments	146,643	49,439	-	196,082
TOTAL ASSETS	$ 5,171,182	2,314,013	524,020	8,009,215
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 643,113	15,638	18,217	676,968
Salaries and benefits payable	493,996	-	-	493,996
Total liabilities	1,137,109	15,638	18,217	1,170,964
Deferred inflows of resources:				
Unavailable revenues:				
Income surtax	33,869	-	-	33,869
Succeeding year property tax	2,714,495	397,910	200,000	3,312,405
	2,748,364	397,910	200,000	3,346,274
Fund balances:				
Restricted for:				
Categorical funding	199,804	-	-	199,804
Debt service	-	404,515	-	404,515
Management levy purposes	-	-	164,033	164,033
Student activities	-	-	142,773	142,773
School infrastructure	-	749,197	-	749,197
Physical plant and equipment	-	746,753	-	746,753
Unassigned:				
General	1,085,905	-	-	1,085,905
Activity	-	-	(1,003)	(1,003)
Total fund balances	1,285,709	1,900,465	305,803	3,491,977
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 5,171,182	2,314,013	524,020	8,009,215

SEE NOTES TO FINANCIAL STATEMENTS.

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balances of governmental funds(page 20)		$ 3,491,977
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		9,028,096
Blending of the Internal Service Funds to be reflected on an entity-wide basis.		5,530
Accounts receivable income surtax, are not yet available to finance expenditures of the current period.		33,869
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(4,753)
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	$ 745,297	
Deferred inflows of resources	(181,177)	564,120
Long-term liabilities, including revenue bonds, capital loan note payable, termination benefits payable, other postemployment benefits payable and the net pension liability are not due and payable in the current year and, therefore, are not reported in the governmental funds.		(8,964,371)
Net position of governmental activities(page 18)		$ 4,154,468

SEE NOTES TO FINANCIAL STATEMENTS.

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	General	Capital Projects	Nonmajor	Total
Revenues:				
Local sources:				
Local tax	$ 2,920,964	386,683	176,206	3,483,853
Tuition	177,690	-	-	177,690
Other	59,532	19,943	244,074	323,549
State sources	4,050,666	598,693	1,518	4,650,877
Federal sources	267,892	-	-	267,892
Total revenues	7,476,744	1,005,319	421,798	8,903,861
Expenditures:				
Current:				
Instruction:				
Regular	3,423,436	-	46,151	3,469,587
Special	1,213,795	-	-	1,213,795
Other	389,408	-	263,674	653,082
	5,026,639	-	309,825	5,336,464
Support services:				
Student	183,011	-	-	183,011
Instructional staff	150,331	54,534	-	204,865
Administration	614,611	-	28,419	643,030
Operation and maintenance of plant	412,775	29,434	107,137	549,346
Transportation	315,852	146,831	277	462,960
	1,676,580	230,799	135,833	2,043,212
Capital outlay	-	1,323,080	-	1,323,080
Long-term debt:				
Principal	-	-	555,000	555,000
Interest and fiscal charges	-	-	141,946	141,946
	-	-	696,946	696,946
Other expenditures:				
AEA flowthrough	269,070	-	-	269,070
Total expenditures	6,972,289	1,553,879	1,142,604	9,668,772
Excess(deficiency) of revenues over(under) expenditures	504,455	(548,560)	(720,806)	(764,911)
Other financing sources(uses):				
Transfer in	-	-	696,946	696,946
Transfer out	-	(696,946)	-	(696,946)
Total other financing sources(uses)	-	(696,946)	696,946	-
Change in fund balances	504,455	(1,245,506)	(23,860)	(764,911)
Fund balances beginning of year	781,254	3,145,971	329,663	4,256,888
Fund balances end of year	$ 1,285,709	1,900,465	305,803	3,491,977

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit F

EASTON VALLEY 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, 2017

Change in fund balances - total governmental funds(page 22)		$ (764,911)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlay 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. The amount of capital outlay and depreciation expense for the current year are as follows:		
Capital outlay	$ 1,422,610	
Depreciation expense	(324,864)	1,097,746
Income surtax not collected for several months after year end is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds.		33,869
Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments are as follows:		
Repaid		555,000
Net change in the Internal Service Fund charged back against expenditures made for self-funded insurance at an entity-wide basis.		1
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.		309
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.		270,460
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:		
Other postemployment benefits	(21,556)	
Pension expense	(277,289)	
Termination benefits	72,177	(226,668)
Change in net position of governmental activities(page 19)		$ 965,806

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit G

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Business Type Activities: Enterprise Funds			Governmental Activities:
	School Nutrition	Day Care	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and pooled investments	$ 125,133	14,353	139,486	5,530
Accounts receivable	47	-	47	-
Inventories	16,017	-	16,017	-
Total current assets	141,197	14,353	155,550	5,530
Noncurrent assets:				
Capital assets, net of accumulated depreciation	158,950	-	158,950	-
TOTAL ASSETS	300,147	14,353	314,500	5,530
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	17,139	-	17,139	-
LIABILITIES				
Current liabilities:				
Accounts payable	2,060	-	2,060	-
Salaries and benefits payable	2,066	-	2,066	-
Unearned revenue	1,396	-	1,396	-
Total current liabilities	5,522	-	5,522	-
Noncurrent liabilities				
Net pension liability	65,332	-	65,332	-
Net OPEB liability	3,348	-	3,348	-
Total noncurrent liabilities	68,680	-	68,680	-
TOTAL LIABILITIES	74,202	-	74,202	-
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows	4,057	-	4,057	-
NET POSITION				
Net investment in capital assets	158,950	-	158,950	-
Unrestricted	80,077	14,353	94,430	5,530
TOTAL NET POSITION	$ 239,027	14,353	253,380	5,530

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit H

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

	Business Type Activities: Enterprise Funds			Governmental Activities:
	School Nutrition	Day Care	Total	Internal Service Fund
Operating revenues:				
Local sources:				
Charges for service	$ 115,936	-	115,936	-
Miscellaneous	2,229	-	2,229	-
Total operating revenues:	118,165	-	118,165	-
Operating expenses:				
Support services:				
Administration:				
Services	914	-	914	-
Other	1,007	-	1,007	-
	1,921	-	1,921	-
Operation and maintenance of plant:				
Services	882	-	882	-
Supplies	349	-	349	-
	1,231	-	1,231	-
Total support services	3,152	-	3,152	-
Non-instructional programs:				
Food service operations:				
Salaries	94,078	-	94,078	-
Benefits	30,462	-	30,462	-
Services	2,775	-	2,775	-
Supplies	143,693	-	143,693	-
Depreciation	15,725	-	15,725	-
Other	232	-	232	-
Total non-instructional programs	286,965	-	286,965	-
Total operating expenses	290,117	-	290,117	-
Operating loss	(171,952)	-	(171,952)	-
Non-operating revenues				
State sources	2,238	-	2,238	-
Federal sources	151,669	-	151,669	-
Interest income	412	-	412	1
Total non-operating revenues	154,319	-	154,319	1
Change in net position before other financing sources	(17,633)	-	(17,633)	1
Other financing sources:				
Contributed capital	94,536	-	94,536	-
Change in net position	76,903	-	76,903	1
Net position beginning of year	162,124	14,353	176,477	5,529
Net position end of year	$ 239,027	14,353	253,380	5,530

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit I

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

	Business Type Activities: Enterprise Funds			Governmental Activities:
	School Nutrition	Day Care	Total	Internal Service Fund
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	$ 117,954	-	117,954	-
Cash received from miscellaneous	2,229	-	2,229	-
Cash payments to employees for services	(122,878)	-	(122,878)	-
Cash payments to suppliers for goods or services	(115,635)	-	(115,635)	-
Net cash used in operating activities	(118,330)	-	(118,330)	-
Cash flows from non-capital financing activities:				
State grants received	2,238	-	2,238	-
Federal grants received	109,258	-	109,258	-
Net cash provided by non-capital financing activities	111,496	-	111,496	-
Cash flows from investing activities:				
Interest on investments	412	-	412	1
Net decrease in cash and pooled investments	(6,422)	-	(6,422)	1
Cash and pooled investments beginning of year	131,555	14,353	145,908	5,529
Cash and pooled investments end of year	$ 125,133	14,353	139,486	5,530
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	$ (171,952)	-	(171,952)	-
Adjustments to reconcile operating loss to net cash used in operating activities:				
Commodities consumed	42,411	-	42,411	-
Depreciation	15,725	-	15,725	-
Increase in inventories	(7,737)	-	(7,737)	-
Decrease in accounts receivable	622	-	622	-
Decrease in accounts payable	(457)	-	(457)	-
Increase in salaries and benefits payable	1,285	-	1,285	-
Increase in net pension liability	9,563	-	9,563	-
Increase in deferred outflows of resources	(8,645)	-	(8,645)	-
Decrease in deferred inflows of resources	(2,113)	-	(2,113)	-
Increase in other postemployment benefits	1,572	-	1,572	-
Increase in unearned revenue	1,396	-	1,396	-
Net cash used in operating activities	$ (118,330)	-	(118,330)	-

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2017, the District received $42,411 of federal commodities.

During the year ended June 30, 2017, the School Nutrition Fund received $94,536 in capital contributions from the Capital Projects: Buildings Improvement Fund.

SEE NOTES TO FINANCIAL STATEMENTS.

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	Private Purpose Trust Scholarship	Agency
ASSETS		
Cash and pooled investments	$ 180,532	852
LIABILITIES		
Due to other groups	-	852
NET POSITION		
Held in trust for scholarships	$ 180,532	-

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit K

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2017

	Private Purpose Trust Scholarship
Additions:	
Local sources:	
Gifts and contributions	$ 1,147
Interest income	2,301
Total additions	3,448
Deductions:	
Instruction:	
Regular:	
Scholarships awarded	7,710
Change in net position	(4,262)
Net position beginning of year	184,794
Net position end of year	$ 180,532

SEE NOTES TO FINANCIAL STATEMENTS.

Note 1. Summary of Significant Accounting Policies

The Easton Valley 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 Preston, Miles and Sabula, Iowa, and the predominate agricultural territory in Clinton and Jackson Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Easton Valley 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 Easton Valley Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations **-** The District participates in a jointly governed organization that provides services to the District but 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 Clinton and Jackson Counties 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 non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

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

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

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

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

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

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

The District reports the following major governmental funds:

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

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

The District reports the following non-major proprietary funds:

The School Nutrition Fund is used to account for the food service operations of the District. The Day Care Fund is used to account for day to day daycare operations offered by the District. The Internal Service Fund is used to account for the employee flex benefits program offered by the District.

The District also reports a fiduciary fund which focuses on net position and changes in net position.

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.

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

C. Measurement Focus and Basis of Accounting

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

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, 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 is both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

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

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

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

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

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 and non-negotiable certificates of deposit which are stated at cost.

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date 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 deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2015 assessed property valuations; is for the tax accrual period July 1, 2016 through June 30, 2017 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2016.

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. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. 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	500
Land improvements	500
Intangibles	50,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	500

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

Asset Class	Estimated Useful Lives
Buildings	50 years
Land improvements	20 years
Intangibles	2 or more years
Machinery and equipment	5-20 years

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position that applies to a future year(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense 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 annual contracts corresponding to the current school year, which is payable in July and August, have been accrued as liabilities.

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 from the General Fund.

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

Deferred inflows of resources in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

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

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

Unassigned - All amounts not included in the preceding classification.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

Note 2. Cash and Pooled Investments

The District's deposits in banks at June 30, 2017 were entirely covered by Federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

At June 30, 2017, the District had investments in the Iowa Schools Joint Investment Trust Direct (ISJIT) Government Obligations Portfolio which are valued at an amortized cost of $51,490 pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals of the ISJIT investments. The investment in ISJIT were rated AAAm by Standard & Poor's Financial Services.

The District had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

Note 3. Capital Assets

Capital assets activity for the year ended June 30, 2017 was as follows:

		Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:					
Capital assets not being depreciated:					
Land	$	18,297	-	-	18,297
Construction in progress		6,561,113	1,024,830	7,585,943	-
Total capital assets not being depreciated		6,579,410	1,024,830	7,585,943	18,297
Capital assets being depreciated:					
Buildings		2,673,424	7,652,643	-	10,326,067
Land improvements		896,674	230,472	-	1,127,146
Machinery and equipment		1,203,208	100,608	-	1,303,816
Total capital assets being depreciated		4,773,306	7,983,723	-	12,757,029
Less accumulated depreciation for:					
Buildings		2,044,537	179,009	-	2,223,546
Land improvements		481,951	52,531	-	534,482
Machinery and equipment		895,878	93,324	-	989,202
Total accumulated depreciation		3,422,366	324,864	-	3,747,230
Total capital assets being depreciated, net		1,350,940	7,658,859	-	9,009,799
Governmental activities capital assets, net	$	7,930,350	8,683,689	7,585,943	9,028,096
Business type activities:					
Machinery and equipment	$	165,071	94,536	-	259,607
Less accumulated depreciation		84,932	15,725	-	100,657
Business type activities capital assets, net	$	80,139	78,811	-	158,950

Governmental activities:		
Instruction:		
Regular	$	72,034
Other		792
Support services:		
Instructional staff		303
Administration		1,166
Transportation		19,029
		93,324
Unallocated depreciation		231,540
Total depreciation expense - governmental activities	$	324,864
Business type activities:		
Food service operations	$	15,725

Note 4. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2017 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	$ 401,573
Debt Service	Capital Projects: Physical, Plant and Equipment Levy	295,373
Total		$ 696,946

The transfer from the Capital Projects: Statewide Sales, Services and Use Tax Fund to the Debt Service Fund was sinking requirements to make for principal and interest payments on the District's revenue bond indebtedness.

The transfer from the Capital Projects: Physical Plant and Equipment Levy Fund to the Debt Service Fund was to make principal and interest payments on the District's capital loan note indebtedness.

Note 5. Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2017 are summarized as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	$ 4,410,000	-	290,000	4,120,000	300,000
Capital loan note	2,200,000	-	265,000	1,935,000	265,000
Termination benefits	144,353	-	72,177	72,176	72,176
Net pension liability	2,234,428	488,496	-	2,722,924	-
Net OPEB liability	92,715	26,106	4,550	114,271	-
Total	$ 9,081,496	514,602	631,727	8,964,371	637,176
Business type activities:					
Net pension liability	$ 55,769	9,563	-	65,332	-
Net OPEB liability	1,776	1,705	133	3,348	-
Total	$ 57,545	11,268	133	68,680	-

Revenue Bonds

Details of the District's June 30, 2017 statewide sales, services and use tax revenue bond indebtedness are as follows:

Year Ending June 30,	Issued July 13, 2015			
	Interest Rates	Principal	Interest	Total
2018	2.53 %	$ 300,000	104,236	404,236
2019	2.53	305,000	96,646	401,646
2020	2.53	315,000	88,930	403,930
2021	2.53	320,000	80,960	400,960
2022	2.53	330,000	72,864	402,864
2023-2027	2.53	1,780,000	278,679	2,058,679
2028-2029	2.53	770,000	29,348	799,348
Total		$ 4,120,000	751,663	4,871,663

The District has pledged future statewide sales, services and use tax revenues to repay $4,695,000 of bonds issued in July 2015. These bonds were issued to finance District capital improvement projects. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2029. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 66 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining on the bonds is $4,871,663. For the current year, $290,000 of principal and $111,573 of interest was paid on the bonds and total statewide sales, service and use tax revenues were $595,375.

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

a) $404,515 of the proceeds from the issuance of the revenue bonds shall be deposited into a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. This reserve is held by Maquoketa State Bank and recorded in the District's Capital Projects: Statewide Sales, Services and Use Tax Fund.

b) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.

c) Monies in the revenue account shall be disbursed to make deposits into the sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.

d) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

Capital Loan Note

During fiscal year 2015, the District issued a $2,465,000 capital loan to be used to finance the Elementary and High School renovation and remodel projects. The note is payable from the Capital Projects: Physical Plant and Equipment Levy Fund. Details of the District's capital loan note indebtedness at June 30, 2017 are as follows:

Year	Loan Dated May 7, 2015			
Ending June 30,	Interest Rates	Principal	Interest	Total
2018	0.95 %	$ 265,000	28,517	293,517
2019	1.15	270,000	26,000	296,000
2020	1.30	270,000	22,895	292,895
2021	1.50	275,000	19,385	294,385
2022	1.65	280,000	15,260	295,260
2023-2024	1.80-1.90	575,000	16,150	591,150
Total		$ 1,935,000	128,207	2,063,207

Termination Benefits

The Easton Valley Community School District did not offer an early retirement incentive during fiscal year 2017. However, during the year ended June 30, 2015 the Easton Valley Community School District approved a voluntary early retirement plan for employees. This plan was only offered for only one year. Eligible employees must have completed at least fifteen years of service with the Easton Valley Community School District including time served in the former East Central and Preston Community School Districts and each employee must have reached the age of 55 on or before June 30, 2015. The application for early retirement was subject to approval by the Board of Education.

Early retirement benefits included a cash incentive equal to 50% of the highest earned salary at Easton Valley Community School District, excluding substitute wages, overtime pay, extra duty pay, extra duty increments, Phase III monies, teacher salary supplement payments and extended contract days. This retirement incentive is to be paid in three equal annual installments beginning on July 5, 2015.

At June 30, 2017, the District early retirement obligations to ten participants with a total retirement liability of $72,176. Actual early retirement expenditures for the year ended June 30, 2017 totaled $72,177.

Note 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 7401 Register Drive 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 for members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

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

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

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

Contributions - Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS

Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2017, pursuant to the required rate, Regular members contributed 5.95% of covered payroll and the District contributed 8.93% of covered payroll for a total rate of 14.88%.

The District's contributions to IPERS for the year ended June 30, 2017 were $277,082.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2017, the District reported a liability of $2,788,256 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2016, the District's proportion was 0.044351%, which was a decrease of 0.002051 from its proportion measured as of June 30, 2015.

For the year ended June 2017 the District recognized pension expense of $282,716. At June 30, 2017, 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	$ 24,643	$ 33,277
Changes of assumptions	42,540	-
Net difference between projected and actual earnings on IPERS' investments	397,238	-
Change in proportion and differences between District contributions and the District's proportionate share of contributions	20,933	151,957
District contributions subsequent to the measurement date	277,082	-
Total	$ 762,436	$ 185,234

$277,082 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 ended June 30, 2018. 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
2018	$ 5,746
2019	5,746
2020	190,845
2021	104,625
2022	(6,842)
Total	$ 300,120

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00% per annum.
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 1990)	4.00% per annum, based on 3.00% inflation and 1.00% real wage inflation.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

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**
Core plus fixed income	28%	1.90%
Domestic equity	24	5.85
International equity	16	6.32
Private equity/debt	11	10.31
Real estate	8	3.87
Credit opportunities	5	4.48
U.S. TIPS	5	1.36
Other real assets	2	6.42
Cash	1	(0.26)
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that 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 of 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 7.50%, 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 (6.50%) or 1% higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	$ 4,511,021	$ 2,788,256	$ 1,334,220

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, 2017, the District reported payables to IPERS of $32,792 legally required District contributions and $21,849 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 7. Other Postemployment Benefits (OPEB)

Plan Description - The District operates a single-employer health benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. There are 54 active and 2 retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical and prescription drug as active employees, which result in an implicit rate subsidy and an OPEB liability.

Funding Policy - The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize and unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2017, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	$ 32,125
Interest on net OPEB obligation	2,362
Adjustment to annual required contribution	(6,676)
Annual OPEB cost	27,811
Contributions made	(4,683)
Increase in net OPEB obligation	23,128
Net OPEB obligation beginning of year	94,491
Net OPEB obligation end of year	$ 117,619

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2013. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2016.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	$ 36,322	15.8%	$ 61,511
2016	36,792	10.4%	94,491
2017	27,811	16.8%	117,619

Funded Status and Funding Progress - As of July 1, 2013, the most recent actuarial valuation date for the period July 1, 2016 through June 30, 2017, the actuarial accrued liability was $195,451, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $195,451. The covered payroll (annual payroll of active employees covered by the plan) was $2,674,247, and the ratio of the UAAL to covered payroll was 7.3%. As of June 30, 2016, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of event far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2013 actuarial valuation date, the Entry Age Actuarial Cost Method was used. The actuarial assumptions include a 2.50% discount rate based on the District's funding policy. The projected annual medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table Projected to 2000 applied on a gender-specific basis. Annual retirement and termination probabilities were based upon the 2006 Society of Actuaries Study. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Note 8. Risk Management

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

Note 9. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled $269,070 for the year ended June 30, 2017 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 10. Categorical Funding

The District's restricted balances for categorical funding at June 30, 2017, are comprised of the following programs:

Program		Amount
Gifted and Talented	$	85,093
Four-year-Old- Preschool State Aid		25,827
Beginning Teacher Mentoring and Induction Program		860
Teacher Salary Supplement		24,755
Market Factor		1
Iowa Early Intervention Block Grant		180
Successful Progression for Early Readers		16,955
Professional Development for Model Core Curriculum		10,203
Professional Development		26,771
Market Factor Incentives		1,935
Teacher Leadership Grants		7,224
Total	$	199,804

Note 11. 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	Management Levy	Debt Service	Unassigned/ Unrestricted
Fund balance (Exhibit C)	$	-	164,033	404,515	1,084,902
Capital assets, net of accumulated depreciation		9,028,096	-	-	-
Capitalized capital loan note indebtedness		(1,935,000)	-	-	-
Capitalized revenue bonded indebtedness		(4,120,000)	-	-	-
Termination benefits		-	(72,176)	-	-
Accrued interest payable		-	-	(4,753)	-
Income surtax		-	-	-	33,869
Internal service fund		-	-	-	5,530
Pension related deferred outflows		-	-	-	745,297
Net pension liability		-	-	-	(2,722,924)
Pension related deferred inflows		-	-	-	(181,177)
Net OPEB liability		-	-	-	(114,271)
Net position (Exhibit A)	$	2,973,096	91,857	399,762	(1,148,774)

Note 12. Operating Leases

During fiscal year 2015, the Easton Valley Community School District entered into five operating leases agreements with Santander Leasing LLC for a total of eight school buses. Annual lease payments are made from the Capital Projects: Statewide Sales, Services and Use Tax Fund. These payments were $12,860, $32,139, $21,426, $12,580 and $9,610 respectively for each lease during fiscal year 2017 resulting in total lease payments made for school buses of $88,615. The leases run through fiscal year 2019, with the option of the District to purchase the leased school buses in fiscal year 2020.

Note 13. New Accounting Pronouncement

The District adopted the tax abatement disclosure guidance set forth in Governmental Accounting Standards Board Statement No. 77, Tax Abatement Disclosures. The Statement sets forth guidance for the disclosure of information about the nature and magnitude of tax abatements which will make these transactions more transparent to financial statement users. Adoption of the guidance did not have an impact on amounts reported in the financial statements. The Notes to Financial Statements include information about tax abatements of other entities which impact the District.

Note 14. 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

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2017 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amout of Tax Abated
City of Preston	Urban Renewal and Economic Development Projects	$ 25,000

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times $5.40 per $1,000 of taxable valuation. For the year ended June 30, 2017, this reimbursement amounted to $4,746.

Note 15. Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement will be implemented for the fiscal year ending June 30, 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with postemployment benefits other than pensions, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the government's other postemployment benefits.

Note 16. Deficit Balances

At June 30, 2017, the Special Revenue: Student Activity Fund had three deficit accounts with a combined deficit unassigned fund balance of $1,003.

EASTON VALLEY SCHOOL DISTRICT

Home of the Easton Valley

RIVER HAWKS

REQUIRED SUPPLEMENTARY INFORMATION

EASTON VALLEY 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, 2017

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues:						
Local sources	$ 3,985,092	118,577	4,103,669	4,053,156	4,053,156	50,513
State sources	4,650,877	2,238	4,653,115	4,683,639	4,683,639	(30,524)
Federal sources	267,892	151,669	419,561	313,100	313,100	106,461
Total revenues	8,903,861	272,484	9,176,345	9,049,895	9,049,895	126,450
Expenditures/Expenses:						
Instruction	5,336,464	-	5,336,464	5,547,500	5,547,500	211,036
Support services	1,948,676	3,152	1,951,828	2,491,560	2,491,560	539,732
Non-instructional programs	-	286,965	286,965	310,000	310,000	23,035
Other expenditures	2,289,096	-	2,289,096	1,435,922	2,400,000	110,904
Total expenditures/expenses	9,574,236	290,117	9,864,353	9,784,982	10,749,060	884,707
Excess(Deficiency) of revenues over(under) expenditures/expenses	(670,375)	(17,633)	(688,008)	(735,087)	(1,699,165)	1,011,157
Other financing sources, net	(94,536)	94,536	-	-	-	-
Excess(Deficiency) of revenues and other financing sources over(under) expenditures/expenses and other financing uses	(764,911)	76,903	(688,008)	(735,087)	(1,699,165)	1,011,157
Balances beginning of year	4,256,888	176,477	4,433,365	3,531,679	3,531,679	901,686
Balances end of year	$ 3,491,977	253,380	3,745,357	2,796,592	1,832,514	1,912,843

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2017

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 functional areas, not by fund or fund type. These four functional areas are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment, increasing budgeted expenditures by $964,078.

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

		2017	2016	2015
District's proportion of the net pension liability		0.044305%	0.046356%	0.046382%
District's proportionate share of the net pension liability	$	2,788,256	2,290,197	1,839,478
District's covered-employee payroll	$	3,179,491	3,175,786	3,033,673
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		87.70%	72.11%	60.64%
IPERS' net position as a percentage of the total pension liability		81.82%	85.19%	87.61%

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

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST FOUR YEARS*
REQUIRED SUPPLEMENTARY INFORMATION

		2017	2016	2015	2014
Statutorily required contribution	$	277,082	283,929	283,598	270,907
Contributions in relation to the statutorily required contribution		(277,082)	(283,929)	(283,598)	(270,907)
Contribution deficiency (excess)	$	-	-	-	-
District's covered-employee payroll	$	3,102,822	3,179,491	3,175,786	3,033,673
Contributions as a percentage of covered-employee payroll		8.93%	8.93%	8.93%	8.93%

*The Preston Community School District merged with the East Central Community School District as of July 1, 2013 to form the Easton Valley Community School District. The District will present information for those years for which information is available until a full ten-year trend is compiled.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Changes of benefit terms:

Legislation enacted in 2010 modified benefit terms for Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Legislative action in 2008 transferred four groups - emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers - from Regular membership to the protection occupation group for future service only.

Changes of assumptions:

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.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2014	July 1, 2013	-	$ 267,122	$ 267,122	0.0%	$ 2,398,069	11.1%
2015	July 1, 2013	-	248,866	248,866	0.0%	2,380,443	10.5%
2016	July 1, 2013	-	231,078	231,078	0.0%	2,612,850	8.8%
2017	July 1, 2016	-	195,451	195,451	0.0%	2,674,247	7.3%

See Note 7 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost and net OPEB obligation, funded status and funding progress.

SEE ACCOMPANYING INDEPENDENT AUDITOR’S REPORT.

EASTON VALLEY SCHOOL DISTRICT

Home of the Easton Valley RIVER HAWKS

SUPPLEMENTARY INFORMATION

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue		
	Management Levy	Student Activity	Total
ASSETS			
Cash and pooled investments	$ 161,482	159,987	321,469
Receivables:			
Property tax:			
Delinquent	2,551	-	2,551
Succeeding year	200,000	-	200,000
TOTAL ASSETS	$ 364,033	159,987	524,020
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ -	18,217	18,217
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	200,000	-	200,000
Fund balances:			
Restricted for:			
Management levy purposes	164,033	-	164,033
Student activities	-	142,773	142,773
Unassigned	-	(1,003)	(1,003)
Total fund balances	164,033	141,770	305,803
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 364,033	159,987	524,020

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue				
	Management Levy	Student Activity	Total	Debt Service	Total
Revenues:					
Local sources:					
Local tax	$ 176,206	-	176,206	-	176,206
Other	14,991	229,083	244,074	-	244,074
State sources	1,518	-	1,518	-	1,518
Total revenues	192,715	229,083	421,798	-	421,798
Expenditures:					
Current:					
Instruction:					
Regular	46,151	-	46,151	-	46,151
Other	-	263,674	263,674	-	263,674
Support services:					
Administration	28,419	-	28,419	-	28,419
Operation and maintenance of plant	107,137	-	107,137	-	107,137
Transportation	277	-	277	-	277
Long-term debt:					
Principal	-	-	-	555,000	555,000
Interest and fiscal charges	-	-	-	141,946	141,946
Total expenditures	181,984	263,674	445,658	696,946	1,142,604
Excess(Deficiency) of revenues over(under) expenditures	10,731	(34,591)	(23,860)	(696,946)	(720,806)
Other financing sources:					
Transfer in	-	-	-	696,946	696,946
Change in fund balances	10,731	(34,591)	(23,860)	-	(23,860)
Fund balances beginning of year	153,302	176,361	329,663	-	329,663
Fund balances end of year	$ 164,033	141,770	305,803	-	305,803

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND ACCOUNTS
JUNE 30, 2017

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
ASSETS			
Cash and pooled investments	$ 1,108,374	752,702	1,861,076
Receivables:			
Property tax:			
Delinquent	-	5,588	5,588
Succeeding year	-	397,910	397,910
Due from other governments	49,439	-	49,439
TOTAL ASSETS	$ 1,157,813	1,156,200	2,314,013
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 4,101	11,537	15,638
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	397,910	397,910
Fund balances:			
Restricted for:			
Debt service	404,515	-	404,515
School infrastructure	749,197	-	749,197
Physical plant and equipment	-	746,753	746,753
Total fund balances	1,153,712	746,753	1,900,465
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,157,813	1,156,200	2,314,013

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND ACCOUNTS
YEAR ENDED JUNE 30, 2017

	Capital Projects			
	Statewide Sales, Services and Use Tax	Building Improvement Construction	Physical Plant and Equipment Levy	Total
Revenues:				
Local sources:				
Local tax	$ -	-	386,683	386,683
Other	17,732	-	2,211	19,943
State sources	595,375	-	3,318	598,693
Total revenues	613,107	-	392,212	1,005,319
Expenditures:				
Current:				
Support services:				
Instructional staff	40,806	-	13,728	54,534
Operation and maintenance of plant	12,398	-	17,036	29,434
Transportation	88,615	-	58,216	146,831
Capital outlay	266,308	1,021,594	35,178	1,323,080
Total expenditures	408,127	1,021,594	124,158	1,553,879
Excess(Deficiency) of revenues over(under) expenditures	204,980	(1,021,594)	268,054	(548,560)
Other financing uses:				
Transfers out	(401,573)	-	(295,373)	(696,946)
Total other financing uses	(401,573)	-	(295,373)	(696,946)
Change in fund balances	(196,593)	(1,021,594)	(27,319)	(1,245,506)
Fund balances beginning of year	1,350,305	1,021,594	774,072	3,145,971
Fund balances end of year	$ 1,153,712	-	746,753	1,900,465

SEE ACCOMPANYING INDEPENDENT AUDITOR’S REPORT.

Schedule 5

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
YEAR ENDED JUNE 30, 2017

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Drama - Thespians	$ 6,224	3,499	4,986	4,737
Dance club	347	-	358	(11)
Band, chorus, instrumental	286	-	-	286
PPAB	29,754	29,122	30,632	28,244
Co-ed athletics	8,202	13,438	18,477	3,163
Cross country	2,698	425	1,111	2,012
Boys and girls track	2,524	2,439	4,099	864
Boys basketball	1,031	16,444	15,796	1,679
Football	8,423	9,039	16,836	626
Baseball	2,540	2,771	3,720	1,591
Girls basketball	4,955	5,668	8,311	2,312
Volleyball	4,276	15,888	18,243	1,921
Softball	4,450	10,540	8,909	6,081
Golf	865	4,475	6,085	(745)
FBLA	2,184	-	-	2,184
Cheerleaders	2,381	1,458	1,933	1,906
Athletic boosters	65,914	66,622	78,025	54,511
SES	152	-	-	152
FCCLA	78	-	-	78
FFA	4,128	17,237	17,273	4,092
Spanish club	2,135	2,416	685	3,866
Class of 2016	833	-	-	833
Class of 2017	3,186	-	1,631	1,555
Class of 2018	2,561	12,483	12,781	2,263
Class of 2019	985	3,010	1,726	2,269
Class of 2020	618	1,759	-	2,377
National honor society	189	4,647	5,083	(247)
JH student council	7,937	789	1,505	7,221
Student council	1,157	4,914	5,469	602
Project graduation	4,349	-	-	4,349
Student of the month	132	-	-	132
Career day	261	-	-	261
German	380	-	-	380
Stand chapter	226	-	-	226
Total	$ 176,361	229,083	263,674	141,770

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Schedule 6

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED JUNE 30, 2017

	Beginning Balance	Increases	Decreases	Ending Balance
PLUM RIVER KIDS				
Assets:				
Cash and other investments	$ 851	1	-	852
Liabilities:				
Due to other groups	$ 851	1	-	852

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
COMBINING SCHEUDLE OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2017

	Private Purpose Trust Fund - Scholarship Accounts								
	Wendell Scholarship	Carstensen Scholarship	Edwin Black Scholarship	Johnson/Faur Scholarship	Nelson Scholarship	Wiese Scholarship	Wosoba Scholarship	School Sponsored Scholarship	Total
ASSETS									
Cash and pooled investments	$ 127,922	11,095	3,613	22,945	5,734	1,921	6,592	710	180,532
LIABILITIES	-	-	-	-	-	-	-	-	-
NET POSITION									
Held in trust for scholarships	$ 127,922	11,095	3,613	22,945	5,734	1,921	6,592	710	180,532

SEE ACCOMPANYING INDEPENDENT AUDITOR’S REPORT.

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2017

	Private Purpose Trust Fund - Scholarship Accounts								
	Wendell Scholarship	Carstensen Scholarship	Edwin Black Scholarship	Johnson/Faur Scholarship	Nelson Scholarship	Wiese Scholarship	Wosoba Scholarship	School Sponsored Scholarship	Total
Additions:									
Local sources:									
Gifts and contributions	$ -	-	-	-	-	-	-	1,147	1,147
Interest income	711	40	2	98	31	7	36	1,376	2,301
Total additions	711	40	2	98	31	7	36	2,523	3,448
Deductions:									
Instruction:									
Regular:									
Scholarships awarded	900	100	300	1,000	-	-	200	5,210	7,710
Change in net position	(189)	(60)	(298)	(902)	31	7	(164)	(2,687)	(4,262)
Net position beginning of year	128,111	11,155	3,911	23,847	5,703	1,914	6,756	3,397	184,794
Net position end of year	$ 127,922	11,095	3,613	22,945	5,734	1,921	6,592	710	180,532

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

EASTON VALLEY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUNDS
FOR THE LAST FOUR YEARS

	Modified Accrual Basis			
	2017	2016	2015	2014
Revenues:				
Local sources:				
Local tax	$ 3,483,853	3,209,464	2,865,465	2,448,143
Tuition	177,690	161,173	155,779	143,093
Other	323,549	312,106	313,241	373,657
State sources	4,650,877	4,639,932	4,637,396	4,704,694
Federal sources	267,892	264,836	215,183	175,400
Total	$ 8,903,861	8,587,511	8,187,064	7,844,987
Expenditures:				
Current:				
Instruction:				
Regular	$ 3,469,587	3,550,569	3,302,813	3,195,587
Special	1,213,795	1,192,846	1,271,718	1,079,099
Other	653,082	597,699	640,536	695,893
Support services:				
Student	183,011	200,745	187,789	176,437
Instructional staff	204,865	416,921	261,233	371,536
Administration	643,030	671,122	735,948	711,146
Operation and maintenance of plant	549,346	578,984	490,838	594,042
Transportation	462,960	424,460	419,181	498,791
Capital outlay	1,323,080	5,433,025	926,396	117,868
Long-term debt:				
Principal	555,000	550,000	-	-
Interest	141,946	145,863	-	-
Other expenditures:				
AEA flow-through	269,070	276,093	276,508	275,172
Total	$ 9,668,772	14,038,327	8,512,960	7,715,571

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
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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 Easton Valley 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 Easton Valley Community School District as of and for the year ended June 30, 2017, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 11, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Easton Valley Community School District's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Easton Valley Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Easton Valley 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 were not identified. However, as described in the accompanying Schedule of Findings we identified deficiencies in internal control we consider to be a material weakness and significant deficiencies.

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-17 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 deficiency described in Part I of the accompanying Schedule of Findings as items I-B-17 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Easton Valley 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 which are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2017 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.

Easton Valley Community School District's Responses to Findings

Easton Valley Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. Easton Valley 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 on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Easton Valley 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 PC

NOLTE, CORNMAN & JOHNSON, P.C.

May 11, 2018
Newton, Iowa

Part I: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

I-A-17 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 recording cash, posting and reconciling.
2) Investments - investing, detailed recordkeeping, custody of investments and reconciling earnings.
3) Receipts - collecting, recording, depositing, journalizing, posting and reconciling.
4) Disbursements - purchase order processing, check preparation, mailing and recording.
5) Payroll - recording approved pay rates and deductions, recordkeeping, preparation, posting, and distribution.
6) Wire transfers - processing and approving.
7) Financial reporting - preparing, reconciling and approving.
8) Journal entries - writing, approving, and posting.
9) School lunch program - journalizing, posting, reconciling, purchase order processing, check preparation, mailing and recording.

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

Effect - Inadequate segregation of duties could adversely affect the District's ability 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 - The District will continue to monitor internal control procedures to ensure maximum controls with limited number of staff.

Conclusion – Response accepted.

I-B-17 Supporting Documentation

Criteria - An effective internal control system provides for internal controls related to accounts payable ensuring disbursements are properly and adequately supported, documented and reviewed.

Condition - We noted during our audit instances of a purchases which lacked an invoice or detailed receipt to be used as supporting documentation. The District appears to lack processes and procedures to be followed when an invoice or detailed receipt may not be available.

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

Effect - Lack of adherence and enforcement of District policy could lead to instances of disbursements presented to the Board of Education for approval which lack appropriate documentation to support the public purpose served.

Recommendation - The District should review its procedures in place to ensure that all bills are supported, approved, and paid from an invoice. The District should adopt processes and procedures to use when an invoice may not be available, such as requiring additional approval or supporting documentation other than the invoice.

Response - The district will review purchasing policies and look at ways to eliminate purchases being made and paid without proper documentation.

Conclusion - Response accepted.

OTHER MATTERS:

I-C-17 Negative Lunch Account Balances

Criteria - Management is responsible for implementing and maintaining policies and procedures related to the collection of revenue for meals served by the School Nutrition Program.

Condition - It was noted during the audit the School Nutrition Fund appears to be carrying numerous negative student and adult lunch account balances on its books as of June 30, 2017, some of which appear to be excessive in amount.

Cause - The District's policies and procedures do not appear to currently ensure adequate collection of revenues earned for meals served which enables patrons to accumulate significant deficit balances owed.

Effect - Potentially ineffective or unenforced policies and procedures over lunch account revenue and related balances could result in the District forgoing or not collecting revenue to which it is entitled for meals served.

Recommendation - The District should review its policies and procedures regarding the treatment of deficit student lunch account balances aimed at discouraging accounts from becoming excessively negative. The District should try various collection techniques to collect the balances owed.

Response - The district will review lunch account policies and find ways to recoup negative lunch accounts.

Conclusion - Response accepted.

Part II: Other Findings Related to Required Statutory Reporting:

II-A-17 Certified Budget - District expenditures for the year ended June 30, 2017 did not exceeded the amended certified budgeted.

II-B-17 Questionable Disbursements - We noted during the audit the District purchased gift cards from the Student Activity Fund. Article III, Section 31 of the Constitution of the State of Iowa requires that public funds may only be spent for the public benefit. Giving cash or gift certificates/cards does not appear to meet public purpose as defined in the Attorney General's opinion dated April 25, 1979.

Recommendation - Gift cards are not an appropriate District purchase since Iowa Code Section 279.29 requires districts to "audit and allow" all bills and the gift card does not 69 provide the board with the ability to perform the required function of approval of the final purchase. The District should refrain from purchasing gift cards to be given as prizes, gifts or incentives

Response - The district will not allow the purchase of gift cards.

Conclusion - Response accepted

II-C-17 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

II-D-17 Business Transactions - Business transactions between the District and District officials and employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Kathy Meier, Secretary Husband owns Comfort Heating and Cooling	Services	$12,752
Jesse Budde, Transportion Director Family owns Corner Stop Catering	Catering	$448
Brooke Collister, Teacher Spouse owns Sweet Things Bakery	Supplies	$115

In accordance with the Attorney General's opinion dated November 9, 1976, the above transactions with the spouse of a District employee do not appear to represent a conflict of interest.

II-E-17 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

II-F-17 Board Minutes - We noted no transactions requiring Board approval which have not been approved by the Board.

II-G-17 Certified Enrollment - We noted variances in the basic enrollment data certified to the Iowa Department of Education. The number certified was overstated by 1.00 for the fall 2016 count.

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

Response - District will notify and work with the Department of Education and Management to resolve the variance.

Conclusion - Response accepted.

II-H-17 Supplementary Weighting - We noted variances regarding the supplementary weighting data certified to the Iowa Department of Education. The number certified to the Iowa Department of Education was overstated by 0.029 for the 2016-17 count.

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

Response - District will notify and work with the Department of Education and Management to resolve the variance.

Conclusion - Response accepted.

II-I-17 Deposits and Investments - We noted 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.

II-J-17 Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education and we noted no significant deficiencies in amounts reported.

II-K-17 Categorical Funding - No instances were noted of categorical funding used to supplant rather than supplement other funds.

II-L-17 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, 2017, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		$ 1,350,305
Sales tax revenues	$ 595,375	
Other revenues	17,732	613,107
		1,963,412
Expenditures/transfers out:		
School infrastructure construction	224,121	
Equipment	127,415	
Other	56,591	
Transfers to other funds:		
Debt Service Fund	401,573	809,700
Ending balance		$ 1,153,712

For the year ended June 30, 2017. the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

II-M-17 Checks Outstanding - We noted during our audit that the District had thirty-five checks included in the general bank reconciliation and twenty-three checks included in the student activity bank reconciliation that have been outstanding for over a year.

Recommendation - The District should determine if these checks need to be voided and 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 will review checks that are outstanding and resolve them in appropriate manner.

Conclusion - Response accepted.

II-N-17 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. We noted certain accounts and expenditures that appear inappropriate to the student activity fund.

Construction Expenditures: We noted during our audit the District paid $14,087 for Baseball field renovations from the Athletic Boosters account and $12,490 for construction work on the Softball Crows nest from the Softball Account. These expenditures are construction type expenditures and are more appropriately paid out of the Capital Project Funds.

Recommendation - The District should review its procedures for coding revenues and expenditures to ensure they are recorded in the proper fund.

Response - The district will record these transactions in the more appropriate fund.

Conclusion - Response accepted.

Inactive accounts: We noted during our audit that the District has a FBLA, FCCLA, Project Graduation, Student of the Month, German and Stand Chapter accounts in the student activity fund that are carrying balances and have not had activity in the prior two fiscal years.

Recommendation - These accounts should be reviewed to determine if the groups are still active or if the accounts should be closed and the remaining balances distributed within the Student Activity Fund at the discretion of the Board of Directors.

Response - The district will review inactive accounts and close the accounts.

Conclusion - Response accepted.

II-O-17 Financial Condition - The District also had three accounts in the Student Activity Fund with a combined negative unassigned fund balance of $1,003.

Recommendation - The District should continue to monitor the Student Activity Fund account and investigate alternatives to eliminate the deficit fund balance.

Response - District will continue to monitor the activity fund accounts and find ways to eliminate the deficits.

Conclusion - Response accepted.