$1,660,000*
Treynor 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, March 25, 2019
TIME:	1:30 PM central
PLACE:	Office of the Superintendent 102 E. Main St. Treynor, IA 51575
Telephone:	(712) 487-3414
Fax:	(712) 487-3332

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 Treynor Community School District, Iowa (the "Issuer")

Re: $1,660,000* 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, 2025
__________	________	May 1, 2021	__________	________	May 1, 2026
__________	________	May 1, 2022	__________	________	May 1, 2027
__________	________	May 1, 2023	__________	________	May 1, 2028
__________	________	May 1, 2024			
			__________	________	May 1, 2039

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

Principal Amount	Month & Year (Inclusive)	Maturity Month & Year
$________________	__________ 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 Treynor Community School District, in the Counties of Mills and Pottawattamie, State of Iowa, this 25th day of March, 2019.

ATTEST: ______________________________________ ________________________________

District Secretary Board President

____

* Preliminary, subject to change

NOTICE OF BOND SALE

Time and Place of Sale: Sealed bids or electronic bids for the sale of General Obligation School Bonds, Series 2019, of the Treynor Community School District, in the Counties of Pottawattamie and Mills, State of Iowa (the "Issuer"), will be received at the office of the Superintendent until 1:30 o'clock P.M. on March 25, 2019. The bids will be publicly opened at that time and evaluated by the Superintendent, Board Secretary and Financial Advisor and referred for action at the meeting of the Board of Directors.

Sale and Award: The sale and award of the bonds will be held at the Board meeting scheduled on the same date.

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

GENERAL OBLIGATION SCHOOL BONDS, SERIES 2019, in the principal amount of not to exceed $1,660,000* to be dated the date of delivery (the "Bonds").

*Subject to principal adjustment per the Terms of Offering.

Manner of Bidding: Open bids will not be received. No bid will be received after the time specified above for receiving bids. Bids will be received by any of the following methods:

- Sealed Bidding: Sealed bids or electronic proposals may be submitted and will be received at the office of the Superintendent, Treynor Community School District, Treynor, Iowa.

- Electronic Bidding: Electronic bids via PARITY® will be received at the office of the Superintendent, Treynor Community School District, Treynor, Iowa. The bids must be submitted through PARITY®.

- Electronic Facsimile Bidding: Electronic facsimile bids will be received at the office of the Superintendent, Treynor Community School District, Treynor, Iowa, 712-487-3332. Electronic facsimile bids will be sealed and treated as sealed bids.

Official Statement: The Issuer 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, Treynor Community School District, 102 E. Main Street, Treynor, Iowa 51575; Telephone: 712-487-3414; or Travis Squires, Piper Jaffray & Co., 3900 Ingersoll, Suite 110, Des Moines, Iowa 50312; Telephone: 515-247-2354.

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

Legal Opinion: Bonds will be sold subject to the opinion of Ahlers & Cooney, P.C., Attorneys of Des Moines, Iowa, as to the legality and their opinion will be furnished together with the printed bonds without cost to the purchaser and all bids will be so conditioned. Except to the extent necessary to issue their opinion as to the legality of the Bonds, the attorneys will not examine or review or express any opinion with respect to the accuracy or completeness of documents, materials or statements made or furnished in connection with the sale, issuance or marketing of the Bonds.

Rights Reserved: The right is reserved to reject any or all bids, and to waive any irregularities as deemed to be in the best interests of the public.

By order of the Board of Directors of the Treynor Community School District in the Counties of Pottawattamie and Mills, State of Iowa.

Secretary of the Board of Directors of the Treynor Community School District

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 $1,660,000* 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, but the total par amount will not exceed $1,660,000.

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 $16,600* 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.

* Preliminary, subject to change

Form of Bids: All bids shall be unconditional for the entire issue of Bonds. The minimum purchase price is not less than 99.00% of par, plus accrued interest. Bids 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, Treynor Community School District, 102 E. Main St. Treynor, IA 51575.

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 their bid and thereafter their interest in and liability for the Bonds will cease. (When the Bonds are ready for delivery, the Issuer may give the successful bidder five working days' notice of the delivery date and the Issuer will expect payment in full on that date, otherwise reserving the right at its option to determine that the bidder has failed to comply with the offer of purchase.)

Establishment of Issue Price:

(a) In order to provide the Issuer with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986 (the "Code"), as amended, and the Treasury Regulations promulgated thereunder, the Purchaser will be required to assist the Issuer in establishing the issue price of the Bonds and shall complete, execute, and deliver to the Issuer prior to the closing date, a written certification acceptable to the Issuer, and Bond Counsel (the "Issue Price Certificate") in substantially the form attached hereto in Appendix E containing the following for each maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. Any documentation to be received by the Issuer pursuant hereto may be received on behalf of the Issuer by the Financial Advisor.

(b) The Issuer intends that the sale of the Bonds pursuant to this Official Terms of Offering shall constitute a "competitive sale" as defined in the Regulations based on the following:

(i) the Financial Advisor shall cause this Official Terms of Offering to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
(ii) all bidders shall have an equal opportunity to submit a bid;
(iii) the Issuer reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and
(iv) the Issuer anticipates awarding the sale of the Bonds to the bidder who provides a bid with the lowest true interest cost (TIC), as set forth in this Official Terms of Offering.

(c) Any bid submitted pursuant to this Official Terms of Offering shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. The bidder shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its bid, the bidder confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Bonds.

(d) If all of the requirements of a "competitive sale" are not satisfied, the Issuer shall advise the Purchaser of such fact prior to the time of award of the sale of the Bonds to the Purchaser. In such event, any bid submitted will not be subject to cancellation or withdrawal. Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Purchaser shall advise the Issuer and its Financial Advisor if a "substantial amount" (as defined in the Regulation) of any maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which such substantial amount was sold. The Issuer will treat such sale price as the "issue price" for such maturity, applied on a maturity-by-maturity basis. The Issuer will not require the Purchaser to comply with that portion of the Regulation commonly described as the "hold-the-offering-price" requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the Purchaser shall notify the Financial Advisor, and the Issuer will apply the initial offering price to the public provided in the Purchaser's bid as the issue price for such maturities and shall agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

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

(e) The winning bidder shall promptly advise the Issuer when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(f) If the Purchaser does not exercise the "hold-the-offering-price" option, it shall thereafter promptly provide the Issuer and the Financial Advisor the prices at which a substantial amount of such maturities are sold to the public; provided such determination shall be made and the Issuer and Financial Advisor notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Bonds or until all of the Bonds of a maturity have been sold.

(g) The Issuer acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Securities to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Securities to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Securities.

(h) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Securities to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Securities of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Securities of that maturity or all Securities of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Securities to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Securities to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Securities of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Securities of that maturity or all Securities of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(i) Sales of any Securities to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

> (i) "public" means any person other than an underwriter or a related party,
> (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Securities to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Securities 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 Securities to the public),
> (iii) a purchaser of any of the Securities is a "related party" to an underwriter if the underwriter and the purchaser 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), and
> (iv) "sale date" means the date that the Securities are awarded by the Issuer to the winning bidder.

Official Statement: This preliminary Official Statement is deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission ("the Rule"), and following the sale will be supplemented with information as permitted by 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 will review or express any opinion of the correctness of such numbers. Incorrect numbers on said Bonds shall not be cause for the purchaser to refuse to accept delivery of the Bonds. The fee will be paid for by the Issuer.

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

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

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

For more information see the Continuing Disclosure section herein.

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

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

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 14, 2019

NEW ISSUE - DTC BOOK ENTRY ONLY S&P's Rating: "A+"

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

$1,660,000*
Treynor 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	$60,000			894905 DY1	May 1, 2025	$50,000			894905 ED6
May 1, 2021	185,000			894905 DZ8	May 1, 2026	50,000			894905 EE4
May 1, 2022	190,000			894905 EA2	May 1, 2027	50,000			894905 EF1
May 1, 2023	50,000			894905 EB0	May 1, 2028	50,000			894905 EG9
May 1, 2024	50,000			894905 EC8	May 1, 2039	925,000			894905 EH7

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

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel. It is expected that the Bonds in the definitive form will be available for delivery through the facilities of DTC on or about 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

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

TABLE OF CONTENTS

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

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

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. The Issuer considers the Official Statement to be "near final" within the meaning of Rule 15c2-12 of the Securities 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
TREYNOR COMMUNITY SCHOOL DISTRICT, IOWA
$1,660,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2019

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Treynor 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 in combination with previously issued Series 2018 Bonds, are being issued for the purposes of constructing, renovating, improving, and equipping schools buildings and improving the sites thereof at the school district's existing school buildings, including: (a) addition and renovations to the existing middle/high school building to include a fine arts complex, including an auditorium, vocal and band music areas, art room, and additional high school classrooms; (b) repurposing the present auditorium and fine arts areas to provide locker rooms, storage, and a wrestling area; (c) renovating the weight room, training, and wrestling areas; (d) construction of a new transportation building with new drop off and pick-up areas; and (e) providing equipment, security/safety, HVAC and technology upgrades, including without limitation expanded fire sprinkler system and air conditioning of the West Gym. 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, 2019, as amended, Chapter 296.

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.

* Preliminary, subject to change

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

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct 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 their 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.

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

____ Term Bond

Mandatory Sinking Fund Date	Principal Amount
	$
(maturity)	

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

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

Source of Security for the Bonds

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 real property located within 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.

Legislation Affecting Tax Collections

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the "Act"), which the Governor signed into law on June 12, 2013. Among other things, the Act (i) reduced the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property, to 3%, (ii) assigned a "rollback" (the percentage of a property's value that is subject to tax) to commercial, industrial and railroad property of 90%, (iii) created a new property tax classification for multi-residential properties (mobile home parks, manufactured home communities, land-lease communities, assisted living facilities and property primarily used or intended for human habitation containing three or more separate dwelling units) ("Multi-residential Property") and assigned a declining rollback percentage of 3.75 percent to such properties for each year until 2021, the assessment year (the rollback percentage for Multi-residential Properties will be equal to the residential rollback percentage in 2022 assessment year and thereafter) and (iv) exempted a specified portion of the assessed value of telecommunication properties.

The Act included a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. Beginning in Fiscal Year 2017-18 the standing appropriation cannot exceed the actual Fiscal Year 2016-17 appropriation amount. The appropriation does not replace losses to local governments resulting from the Act's provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3%, the gradual transition for Multi-residential Property to the residential rollback percentage, or the reduction in the percentage of telecommunications property that is subject to taxation.

Given the wide scope of the statutory changes, and the State of Iowa's discretion in establishing the annual replacement amount that is appropriated each year commencing in Fiscal Year 2017-18, the impact of the Act on the Issuer's future property tax collections is uncertain and the Issuer is unable to accurately assess the financial impact of the Act's provisions on the Issuer's future operations.

In Moody's Investor Service US Public Finance Weekly Credit Outlook, dated May 30, 2013, Moody's Investor Service ("Moody's") projected that local governments in the State of Iowa are likely to experience with sizeable reductions in tax revenues collected possible starting in Fiscal Year 2017-18. According to Moody's, local governments that may experience disproportionately higher revenue losses include regions that have a substantial commercial base, a large share of Multi-residential Property, or significant amounts of telecommunications property.

Notwithstanding any decrease in property tax revenues that may result from the Act, Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, "the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full."

From time to time, other legislative proposals may be considered by the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described in this Official Statement. It cannot be predicted whether or in what forms any of such proposals may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for the levy of taxes by the Issuer.

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
Pursuant to GASB Statement No. 68, the School reported a liability of $3,860,164 as of June 30, 2018, for its proportionate share of the net pension liability for Iowa Public Employee Retirement System ("IPERS"). The net pension liability is the amount by which the total actuarial liability exceeds the pension plan's net assets or fiduciary net position (essentially the market value) available for paying benefits. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. As of June 30, 2017, the School's collective proportion was .057949%, which was an increase of .000452% from its proportion measured June 30, 2015. See School's Audited Financial Statements for Fiscal Year Ending June 30, 2018, Appendix D, for additional information.

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

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

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

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

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

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

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

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

Cleanup Costs and Liens Under Environmental Statutes
The District is not aware of any enforcement actions currently in process with respect to any releases of pollutants or contaminants at the site of Project. However, there can be no assurance that an enforcement action or actions will not be instituted under such statutes at a future date. In the event such enforcement actions were initiated, the District could be liable for the costs of removing or otherwise treating pollutants or contaminants located at the site of Project. In addition, under applicable

environmental statutes, in the event an enforcement action was initiated, a lien superior to the Bondholders' lien could attach to the Project, which may adversely affect the Bondholders' rights.

Cybersecurity

The Issuer relies on its information systems to provide security for processing, transmission and storage of confidential and other sensitive information. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the Issuer and the services it provides, or the unauthorized access to or disclosure of personally identifiable information and other confidential or sensitive information. Despite security measures, the Issuer may remain vulnerable to attacks by outside or internal hackers, or breaches caused by employee error, negligence or malfeasance. Any failure to maintain proper functionality and security of the Issuer's information systems could interrupt the Issuer's operations, damage its reputation, subject it to significant costs, liability claims or regulatory penalties, and could have a material adverse effect on the operations and financial condition of the Issuer.

Rating

Standard & Poor's Corporation (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.

Forward-Looking Statements

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

Pending Federal Tax Legislation

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

DTC-Beneficial Owners

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

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

General Fund Balance

For Fiscal Year 2016, the Issuer's ending unreserved general fund balance was $1,841,452, which was 26.05% of the general fund expenditures for that fiscal year. For Fiscal Year 2017, this ending unreserved general fund balance had decreased to $1,420,612, which was 18.39% of the general fund expenditure for that fiscal year. The Issuer anticipates a further decrease of approximately $557,321 will be noted in the audit for Fiscal Year 2018 and forecasts an additional decrease of approximately $238,538 for Fiscal Year 2019. Factors contributing to this decrease include a deficit in the special education program (expenses greater than state funding), inability to levy for cash reserve, and some one-time expenditures in both Fiscal Years 2017 and 2018. School districts in Iowa can only levy for cash reserves if the district's most recently audited total (committed and uncommitted) general fund balance falls below 20% of expenditures. The Issuer's balance was above this level in Fiscal Years 2012 - 2016, resulting in the inability of the Issuer to levy cash reserve in Fiscal Years 2014 through 2018. The Issuer levied the maximum available cash reserve levy in Fiscal Year 2019 at $124,068. The Issuer anticipates taking budget actions to stabilize the ending general fund balance through additional cash reserve levy in Fiscal Year 2020.

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 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. The audit was conducted 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. Such financial statements have been included herein without permission of said CPA, and said CPA expresses no opinion with respect to the Bonds or the Official Statement.

UNDERWRITING

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

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

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

THE PROJECT

The Bonds in combination with previously issued Series 2018 Bonds, are being issued for the purposes of constructing, renovating, improving, and equipping schools building and improving the sites thereof at the school district's existing school buildings, including: (a) addition and renovations to the existing middle/high school building to include a fine arts complex, including an auditorium, vocal and band music areas, art room, and additional high school classrooms; (b) repurposing the present auditorium and fine arts areas to provide locker rooms, storage, and a wrestling area; (c) renovating the weight room, training, and wrestling areas; (d) construction of a new transportation building with new drop off and (e) pick-up areas; and providing equipment, security/safety, HVAC and technology upgrades, including without limitation expanded fire sprinkler system and air conditioning of the West Gym.

SOURCES AND USES OF FUNDS *

Sources of Funds		
	Bond Proceeds	$1,660,000
	District Capital Project Funds	TBD
	Reoffering Premium	TBD
Total Sources of Funds		$1,660,000
Uses of Funds		
	Deposit to Project Fund from Bonds	$1,660,000
	Estimated Costs of Issuance	TBD
	Underwriter's Discount	TBD
Total Uses of Funds		$1,660,000

* Preliminary, subject to change

TAX MATTERS

Tax Exemption

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

Subject to the Issuer's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, the interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

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

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

Qualified Tax Exemption Obligations

The Bonds will be designated as "qualified tax-exempt obligations" under the exception provided in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code").

Discount and Premium Bonds

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

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

Other Tax Advice

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

Audits

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

Reporting and Withholding

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

Tax Legislation

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

Current and future legislative proposals, including some that carry retroactive effective dates, if enacted into law, court decisions, or clarification of the Code may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. For example, on December 22, 2017, the Tax Cuts and Jobs Act ("TCJA") was signed into law. For tax years beginning after December 31, 2017, the TCJA, among other things, significantly changes the income tax rates on individuals and corporations, modifies the current provisions relative to the federal alternative minimum tax on individuals, and eliminates the federal alternative minimum tax for corporations. The TCJA, or the introduction or enactment of any other legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the TCJA, as well as any pending or proposed tax legislation, as to which Bond Counsel expresses no opinion other than as set forth in its legal opinion.

The Opinion

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

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

Enforcement

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

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

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

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

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.

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.

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

The Issuer failed to timely file the annual operating table data for fiscal year 2017 to the General Obligation School Refunding Bonds, Series 2016, dated June 14, 2016. The Issuer also failed to link the unaudited and audited financial statements for FY2017 to the CUSIP numbers for the Issuer's General Obligation School Refunding Bonds, Series 2016. The Issuer has now linked the FY2017 unaudited and audited financial statements to the Series 2016 General Obligation School Refunding Bonds. The Issuer filed the fiscal year 2017 data and a Notice of its failure to provide the annual filing information on November 6, 2018.

On April 9, 2018 the Issuer took action to authorize the call of portions of the 2020-25 maturities of the General Obligation School Refunding Bonds, Series 2016. The portions of the 2020 and 2021 maturities will be paid on their maturity date. The 2022-25 maturities will be paid on May 1, 2021. Notice of this action was filed on EMMA on April 27, 2018.

On November 13, 2014, AGM, the insurer for the Issuer's Series 2007 General Obligation School Bonds, was assigned "AA+" rating by Kroll Ratings Service. This rating was not requested by the issuer, and the Issuer was not notified of the presence of this rating by either AGM or Kroll. The rating was listed on the EMMA issuer home page for the Series 2007 bonds. The Issuer became aware of the presence of the Kroll rating due to a separate notice given by AGM regarding AGM's effort to get Moody's

Investor Service, Inc. to remove its published rating on AGM. The Issue filed a material event/failure to file notice concerning this insurance rating change on March 21, 2017.

- -

I have reviewed the information contained within the Official Statement of the Treynor 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 $1,660,000* General Obligation School Bonds, Series 2019.

TREYNOR COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/ Cindy Van Fosson
Board Secretary

---

* Preliminary, subject to change

APPENDIX A - INFORMATION ABOUT THE ISSUER

TREYNOR COMMUNITY SCHOOL DISTRICT, IOWA

DISTRICT OFFICIALS

PRESIDENT	Amy Graber
BOARD MEMBERS	Heidi Guttau-Fox Sally Myers Mickey Stogdill Brandon Vorthmann
SUPERINTENDENT	Lou Howell*
DISTRICT SECRETARY	Cindy Van Fosson
DISTRICT TREASURER	Cindy Van Fosson
DISTRICT ATTORNEY	Lynch Dallas, P.C. Cedar Rapids, Iowa

CONSULTANTS

BOND & DISCLOSURE COUNSEL	Ahlers & Cooney, P.C. Des Moines, Iowa
FINANCIAL ADVISOR	Piper Jaffray & Co. Des Moines, Iowa
PAYING AGENT	Bankers Trust Co. Des Moines, Iowa

*serving as interim superintendent. The Issuer anticipates hiring a new superintendent for the 2019-20 school year

General Information

The Treynor Community School District is located in western Iowa, immediately east of the Omaha-Council Bluffs metropolitan area. The District includes, within its 100 square miles, the incorporated community of Treynor and unincorporated areas of Pottawattamie and Mills Counties. Transportation facilities are provided to the District by Iowa Highway 92, U.S. Highway 6 and numerous paved county roads. U.S. Interstates 80 and 29 are both readily available just west of the District. Commercial airline service is available at Eppley Airfield in Omaha.

Continuing educational opportunities within commuting distance include Creighton University, Omaha; University of Nebraska at Omaha; and Area XIII Iowa Western Community College, Council Bluffs. The economy of the District is predominately agriculturally oriented, however; many of the District's residents commute (20 miles) to Omaha-Council Bluffs for employment. The District's close proximity to the metropolitan area also provides excellent cultural and recreational opportunities.

District Facilities

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

Building	Construction Date	Grades Served
Junior/Senior High School	1960, 1983, 1998, 2007	6-12
Elementary	1969, 1972, 1998, 2003	K-5

Source: Treynor 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	631.1	273.4	65.0	839.5
October-17	608.3	275.2	64.0	819.5
October-16	587.2	265.2	40.0	812.4
October-15	572.2	277.1	38.2	811.1
October-14	578.1	250.1	50.1	778.1
October-13	580.2	233.0	43.1	770.1

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 138 employees.

Administrators:	5	Media Specialists:	1
Teachers:	57	Nurses:	2
Teacher Aids:	15	Technology	1
Custodians:	5	Secretaries:	5
Food Service:	10	Transportation:	11
Citizen Coach:	26		

Source: Treynor CSD

Other Postemployment Benefits(OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	64
Total	66

Total OPEB Liability - The District's total OPEB liability of $1,017,336 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2018)	2.50% per annum
Rates of salary increase (effective June 30, 2018)	2.50% per annum
Discount rate (effective July 1, 2017)	3.62% compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2018)	6.90% initial rate, changing over future years to 4.40% ultimate rate

Discount Rate - The discount rate used to measure the total OPEB liability was 3.62% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the Life Expectancy Table from the National Center for Health Statistics updated in 2015. Annual retirement probabilities are from the U.S. Office of Personnel Management Civil Service Retirement and Disability Fund Annual Report for fiscal year 2016.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience studies with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year, as restated	$812,560
Changes for the year:	
Service cost	187,648
Interest	29,415
Changes in assumptions	(2,687)
Benefit payments	(9,600)
Net changes	204,776
Total OPEB liability end of year	1,017,336

Changes of assumptions reflect a change in the discount rate from 3.56% in fiscal year 2017 to 3.62% in fiscal year 2018.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.62%) or 1% higher (4.62%) than the current discount rate.

	1% Decrease (2.62%)	Discount Rate (3.62%)	1% Increase (4.62%)
Total OPEB liability	$1,061,204	$1,017,336	$969,494

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District as what the District's total OPEB liability would be it were calculated using healthcare cost trend rates that are 1% lower (5.90%) or 1% higher (7.90%) than the current healthcare cost trend rates.

	1% Decrease (5.90%)	Healthcare Cost Trend Rate (6.90%)	1% Increase (7.90%)
Total OPEB liability	$925,125	$1,017,336	$1,124,976

OPEB Expense and Deferred Outflows of Resources Related to OPEB - For the year ended June 30, 2018, the District recognized OPEB expense of $214,376. Treynor Community School District elected to use the Alternative Measurement Method (AMM) as allowed by GASB Statement No. 75 for entities with fewer than 100 active and inactive employees. Certain items such as differences between expected and actual experience and changes in assumptions and other inputs are recognized in the current year when using the AMM and, therefore, there are no deferred outflows of resources or deferred inflows of resources related to OPEB.

Source: District's 2018 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. 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 actuarial contribution rates. 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 2018 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, 2018, were $414,904. 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	343,002	8.93	272,898	5.95
2015	363,063	8.93	284,632	5.95
2016	368,900	8.93		5.95
2017	385,531	8.93		5.95
2018	414,904	8.93		5.95

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	6,967,958,115	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 (2014-2018)

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, 2018, the Issuer reported a liability of $3,860,164 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2017, 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	4,592,650.10
Local Bank Time CD's	0
ISJIT Money Market	1.10
ISJIT Time CD's	0

Source: Treynor CSD

Population

Presented below are population figures for the periods indicated for the city of Treynor:

Year	Population
2010	919
2000	950
1990	897
1980	981
1970	472

Source: U.S. Census Bureau

Major Employers

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

Employer	Business	Approximate Employees
Casey's	Convenience Store	21
Ridge Family Practice	Healthcare	4
Silo's Restaurant	Restaurant	12
TRA Clubhouse	Food service	7
Treynor Ag Supply	Agricultural products	10
Treynor CSD	Education	112
Treynor State Bank	Banking services	35

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
2019-20	56.9180	56.1324	90.000	75.0000
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	2013
Fiscal Year	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Residential:	274,001,733	266,720,004	260,459,819	254,259,388	247,556,843	242,075,648
Agricultural Land:	121,668,983	121,716,483	137,847,348	137,857,107	137,251,229	137,265,960
Ag Buildings:	3,486,136	3,266,169	4,608,030	4,341,630	5,600,595	5,922,275
Commercial:	8,168,938	8,096,138	7,713,969	7,291,421	7,699,160	6,725,183
Industrial:	433,700	423,800	794,400	399,000	399,000	399,000
Multiresidential:	1,384,562	1,333,562	1,289,881	1,244,994		
Personal RE:					0	0
Railroads:	0	0	0	0	0	0
Utilities:	5,581,162	5,240,579	5,060,669	5,095,646	5,008,876	5,361,626
Other:	0	0	0	0	0	0
Total Valuation:	414,725,214	406,796,735	417,774,116	410,489,186	403,515,703	397,749,692
Less Military:	290,764	298,172	288,912	294,468	288,912	290,764
Net Valuation:	414,434,450	406,498,563	417,485,204	410,194,718	403,226,791	397,458,928
TIF Valuation:	0	0	0	0	0	0
Utility Replacement:	20,217,920	18,575,957	20,380,305	21,426,390	20,149,352	18,675,627

Taxable Valuation						
Valuation as of January	2018	2017	2016	2015	2014	2013
Fiscal Year	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Residential:	155,956,315	148,352,052	148,303,482	141,434,066	137,972,089	131,689,593
Agricultural Land:	68,295,718	66,272,174	65,476,926	63,561,502	61,354,195	59,573,014
Ag Buildings:	1,956,848	1,778,353	2,188,743	2,001,790	2,503,578	2,570,259
Commercial:	7,352,044	7,286,524	6,942,574	6,562,292	6,929,261	6,388,933
Industrial:	390,330	381,420	714,960	359,100	359,100	379,050
Multiresidential:	1,038,422	1,050,184	1,064,153	1,073,811		
Personal RE:					0	0
Railroads:	0	0	0	0	0	0
Utilities:	5,581,162	5,240,579	5,060,669	5,095,646	5,008,876	5,361,626
Other:	0	0	0	0	0	0
Total Valuation:	240,570,839	230,361,286	229,751,507	220,088,207	214,127,099	205,962,475
Less Military:	290,764	298,172	288,912	294,468	288,912	290,764
Net Valuation:	240,280,075	230,063,114	229,462,595	219,793,739	213,838,187	205,671,711
TIF Valuation:	0	0	0	0	0	0
Utility Replacement:	9,426,385	9,357,703	9,488,990	10,431,007	10,525,070	10,559,743

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2018	434,652,370	2.25%	249,706,460	4.30%
2017	425,074,520	-2.92%	239,420,817	0.20%
2016	437,865,509	1.45%	238,951,585	3.79%
2015	431,621,108	1.95%	230,224,746	2.61%
2014	423,376,143	1.74%	224,363,257	3.76%
2013	416,134,555	13.03%	216,231,454	4.79%

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 Fund	Management Fund	Board PPEL	Voter PPEL	Play Ground	Debt Service	School House	Total Levy
2019	9.55124	0.54298	0.33000	0.00000	0.00000	3.83739	0.00000	14.26161
2018	8.82208	0.66959	0.33000	0.00000	0.00000	3.52435	0.00000	13.34602
2017	8.82862	0.76013	0.33000	0.00000	0.00000	3.52146	0.00000	13.44021
2016	8.53661	1.11426	0.33000	0.00000	0.00000	3.60582	0.00000	13.58669
2015	8.72620	1.38740	0.33000	0.00000	0.00000	3.72995	0.00000	14.17355

Source: Iowa Department of Management

Historic Tax Rates

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Total Levy Rate
2019	10.16072	14.26161	1.30877	0.00290	0.35557	0.26158	0.00000	8.09573	34.44688
2018	9.92859	13.34602	1.28565	0.00310	0.34745	0.25892	0.00000	8.14576	33.31549
2017	10.30504	13.44021	1.51663	0.00330	0.33719	0.24454	0.00000	8.34680	34.19371
2016	9.67485	13.58669	1.13910	0.00330	0.33057	0.23915	0.00000	8.69118	33.66484
2015	9.65432	14.17355	1.15526	0.00330	0.35978	0.25224	0.00000	8.92475	34.52320

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	3,414,527	In Collection	In Collection
2018	3,189,053	3,188,063	99.97%
2017	3,094,268	3,091,195	99.90%
2016	3,048,355	3,046,815	99.95%
2015	3,064,768	3,063,341	99.95%
2014	3,008,141	2,785,120	92.59%
2013	3,023,565	3,021,327	99.93%
2012	3,052,824	3,048,748	99.87%
2011	2,918,458	2,931,949	100.46%
2010	2,291,986	2,285,909	99.73%

Source: Treynor CSD

Largest Taxpayers

Set forth in the following table are the persons or entities which represent the FY2019 largest taxpayers within the Issuer and those taxpayers 1/1/2017 taxable valuations, 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
Mid American Electric	$7,717,345	3.22%
Northern Natural Gas Pipeline	3,063,484	1.28%
Treynor State Bank	1,813,935	0.76%
Eitmann, Thomas E-Linda M	1,735,723	0.72%
Stress Free LLC	1,560,150	0.65%
K C C C Farms LLC	1,190,834	0.50%
Schnoor, Bernard-Donna Trust	1,170,352	0.49%
Lammert Farms Inc	1,140,474	0.48%
Century Link	949,734	0.40%
Chambers Family LLC	848,029	0.35%
	Total	8.85%

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 4.50% 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	14-Jun-16	Prepayment In FY2018* 14-Jun-16	Prepayment FY19 Est* 14-Jun-16	20-Dec-18	** 1-May-19	Principal Total	Interest Total	P&I Total
2020	440,000		-130,000	0	60,000	370,000	581,664	951,664
2021	455,000		-130,000	0	185,000	510,000	443,985	953,985
2022	470,000		-120,000	0	190,000	540,000	416,658	956,658
2023	475,000	-90,000	-30,000	145,000	50,000	550,000	405,383	955,383
2024	485,000	-120,000		150,000	50,000	565,000	392,608	957,608
2025	495,000	-125,000		160,000	50,000	580,000	379,433	959,433
2026				545,000	50,000	595,000	365,808	960,808
2027				565,000	50,000	615,000	347,983	962,983
2028				585,000	50,000	635,000	329,508	964,508
2029				655,000		655,000	307,433	962,433
2030				680,000		680,000	284,508	964,508
2031				700,000		700,000	260,708	960,708
2032				725,000		725,000	236,208	961,208
2033				750,000		750,000	210,833	960,833
2034				780,000		780,000	184,583	964,583
2035				805,000		805,000	157,283	962,283
2036				835,000		835,000	129,108	964,108
2037				865,000		865,000	99,883	964,883
2038				895,000		895,000	68,743	963,743
					925,000	925,000	36,075	961,075
Totals:	2,820,000	-335,000	-410,000	9,840,000	1,660,000	13,575,000	5,638,387	19,213,387

* For FY2018, the Issuer levied and collected an additional $335,000, which has been deposited in an escrow account to make payment of the listed portion of the 2023, 2024 and 2024 maturities on May 1, 2021. For FY2019, the Issuer has levied an additional $410,000, which has been deposited in an escrow to make payment of the listed portion of the 2020, 2021, 2022 and 2023 maturities on May 1, 2021.
** Preliminary, subject to change
Source: Treynor CSD

General Obligation School Capital Loan Notes (PPEL)

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

Anticipatory Warrants

The Issuer does not have any outstanding warrants.

School Infrastructure Sales, Services & Use Tax Revenue Bonds

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

Fiscal Year	1-Apr-13	Principal Total	Interest Total	P&I Total
2019	265,000	265,000	73,378	338,378
2020	265,000	265,000	69,668	334,668
2021	270,000	270,000	65,428	335,428
2022	275,000	275,000	60,703	335,703
2023	280,000	280,000	55,478	335,478
2024	285,000	285,000	49,878	334,878
2025	295,000	295,000	43,893	338,893
2026	300,000	300,000	37,255	337,255
2027	305,000	305,000	30,055	335,055
2028	315,000	315,000	22,430	337,430
2029	320,000	320,000	14,240	334,240
2030	200,000	200,000	2,800	202,800
Totals:	3,375,000	3,375,000	525,203	3,900,203

Source: Treynor 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:

Actual Value of Property, 2017:	425,074,520
X	0.05
Statutory Debt Limit:	21,253,726
Total General Obligation Debt:	13,575,000
Total Lease Purchases:	
Total Loan Agreements:	
Capital Leases:	
Total Debt Subject to Limit:	13,5755,000
Percentage of Debt Limit Obligated:	63.87%

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 $3,375,000 to be $16,950,000, or 79.75% 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 Treynor	34,976	39,353,370	39,353,370	100.00%	$34,976
Mills County	15,145,000	1,045,900,036	5,749,423	0.55%	83,254
Pottawattamie County	7,560,000	5,308,437,030	243,957,037	4.60%	347,431
Iowa Western Community College	59,380,000	10,744,790,169	249,706,460	2.32%	1,379,978
Green Hills Area Education Agency	0	14,289,743,636	249,706,460	1.75%	0
				Total Overlapping & Underlying Debt:	$1,845,638

Source: Iowa Department of Management

Financial Summary

Actual Value of Property, 2018:	$434,652,370
Taxable Value of Property, 2018:	249,706,460
Direct General Obligation Debt:	$13,575,000
Overlapping Debt:	1,845,638
Direct & Overlapping General Obligation Debt:	$15,420,638
Population, 2010 US Census:	3,064
Direct Debt per Capita:	$4,430.48
Total Debt per Capita:	$5,032.85
Direct Debt to Taxable Valuation:	5.44%
Total Debt to Taxable Valuation:	6.18%
Direct Debt to Actual Valuation:	3.12%
Total Debt to Actual Valuation:	3.55%
Actual Valuation per Capita:	$141,858
Taxable Valuation per Capita:	$81,497

Source: Iowa Department of Management

APPENDIX B – FORM OF LEGAL OPINION

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Directors of the Treynor Community School District in the Counties of Pottawattamie and Mills, State of Iowa, and acts of administrative officers of the School District (the "Issuer"), relating to the issuance of General Obligation School Bonds, Series 2019, by said Issuer, dated the date of delivery, in the denominations of $5,000 or multiples thereof, in the aggregate amount of $___________ (the "Bonds").

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

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

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

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

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

3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations for taxable years beginning before January 1, 2018. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

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

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

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

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

AHLERS & COONEY, P.C.

APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Treynor Community School District, State of Iowa (the "Issuer"), in connection with the issuance of $_____________ General Obligation School Bonds, Series 2019 (the "Bonds") dated the date of delivery. The Bonds are being issued pursuant to a Resolution of the Issuer approved on April 8, 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 Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

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

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

"Business Day" shall mean a day other than a Saturday or a Sunday or a day on which banks in Iowa are authorized or required by law to close.

"Debt Obligation" includes (1) any short-term or long-term debt obligation of the Issuer under the terms of an indenture, loan agreement, or similar contract; (2) a direct purchase of municipal securities of the Issuer by an investor; (3) a direct loan to the Issuer by a bank; and (4) generally, lease arrangements entered into by the Issuer that operate as a vehicle to borrow money.

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

"Financial Obligation" shall mean a (1) Debt Obligation; (2) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned Debt Obligation; or (3) guarantee of (1) or (2). The term "Financial Obligation" does not include municipal securities as to which a final Official Statement has been provided to the MSRB consistent with Rule 15c2-12.

"Holders" shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

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

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

"Official Statement" shall mean the Issuer's Official Statement for the Bonds, dated _______________, 2019.

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

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission 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 Financial Information.

a) The Issuer shall, or shall cause the Dissemination Agent to, not later than the 15th day of April of each year following the close of the Issuer's fiscal year (presently June 30th), commencing with information for the 2018/2019 fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

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

c) The Dissemination Agent shall:
   i. each year file Annual Financial Information with the National Repository; and
   ii. (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

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

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

b) A table, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the captions "Investment of Public Funds," "Property Valuations," "Tax Rates," "Historic Tax Rates," "Tax Collection History," "Direct Debt," "Debt Limit," and "Financial Summary."

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

Section 5. Reporting of Significant Events.

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

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

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

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

Section 6. Additional Filing. The Issuer's audited financial statements for fiscal year ending June 30, 2018, were not available for inclusion in the Final Official Statement. The Issuer agrees to file these audited financial statements in the same manner as the Annual Financial Information when they become available.

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

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

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

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

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

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

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

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

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

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

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

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

Date: Date of Delivery

TREYNOR COMMUNITY SCHOOL
DISTRICT, STATE OF IOWA

By: ______________________________
President of the Board of Directors

ATTEST:

By: ______________________________
Secretary of the Board of Directors

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF
FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: Treynor Community School District, Iowa.

Name of Bond Issue: $______________ General Obligation School Bonds, Series 2019

Dated Date of Issue: Date of Delivery

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

Dated: __________ day of _______________, 20___.

TREYNOR COMMUNITY SCHOOL
DISTRICT, STATE OF IOWA

By: ____
Its: ____

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER

This Appendix contains the entire 2018 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.

The remainder of this page was left blank intentionally.

TREYNOR COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2018

Table of Contents

	Exhibit	Page
Officials		3
Independent Auditor's Report		4-6
Management's Discussion and Analysis		7-16
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A	18
Statement of Activities	B	19
Governmental Fund Financial Statements:		
Balance Sheet	C	20
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	D	21
Statement of Revenues, Expenditures and Changes in Fund Balances	E	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	F	23
Proprietary Fund Financial Statements:		
Statement of Net Position	G	24
Statement of Revenues, Expenses and Changes in Fund Net Position	H	25
Statement of Cash Flows	I	26
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Position	J	27
Statement of Changes in Fiduciary Net Position	K	28
Notes to Financial Statements		29-43
Required Supplementary Information:		
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual - All Governmental Funds and Proprietary Fund		46
Notes to Required Supplementary Information - Budgetary Reporting		47
Schedule of the District's Proportionate Share of the Net Pension Liability		48
Schedule of District Contributions		49
Notes to Required Supplementary Information - Pension Liability		50
Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes		51
Supplementary Information:	Schedule	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	54
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	55
Capital Projects Fund Accounts:		
Combining Balance Sheet	3	56
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	4	57
Schedule of Changes in Special Revenue Fund, Student Activity Accounts	5	58
Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds	6	59
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		60-61
Schedule of Findings		62-66

Treynor Community School District

Officials

Name	Title	Term Expires
Board of Directors (Before September 2017 Election)		
Amy Graber	President	2019
Gary Funkhouser	Vice President	2017
Erica Schnepel	Board Member	2017
Sally Myers	Board Member	2019
Heidi Guttau-Fox	Board Member	2019
Board of Education (After September 2017 Election)		
Amy Graber	President	2019
Heidi Guttau-Fox	Vice President	2019
Sally Myers	Board Member	2019
Mickey Stogdill	Board Member	2021
Brandon Vorthmann	Board Member	2021
School Officals		
Lou Howell	Superintendent	2018
Natalie Suden	Board Secretary (Resigned July 2017)	2018
Cindy VanFosson	Board Secretary/Treasurer Business Manager (Appointed August 2017)	2018
Lynch Dallas, P.C.	Attorney	2018
Cline, Williams, Wright, Johnson & Oldfather, L.L.P.	Attorney	2018

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 Treynor 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 Treynor Community School District, Treynor Iowa, as of and for the year ended June 30, 2018, 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 Treynor Community School District as of June 30, 2018, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 14 to the financial statements, Treynor Community School District adopted new accounting guidance related to Governmental Accounting Standard Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinions are not modified with respect to this matter.

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 Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes 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 inquires, 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 Treynor Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2017 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 25, 2019 on our consideration of Treynor 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 reports is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Treynor Community School District's internal control over financial reporting and compliance.

NOLTE, CORNMAN & JOHNSON, P.C.

February 25, 2019
Newton, Iowa

MANAGEMENT'S DISCUSSION AND ANALYSIS

Treynor 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, 2018. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2018 FINANCIAL HIGHLIGHTS

- The District implemented Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during fiscal year 2018. The beginning net position for governmental activities and business type activities were restated by $527,982 and $13,512, respectively, to retroactively report the increase in the OPEB liability as of July 1, 2017. OPEB expense for fiscal year 2017 was not restated because the information needed to restate those amounts was not available.

- General Fund revenues increased from $7,386,977 in fiscal year 2017 to $7,554,515 in fiscal year 2018, and General Fund expenditures increased from $7,723,401 in fiscal year 2017 to $8,116,486 in fiscal year 2018. The District's General Fund balance decreased from $1,636,596 at June 30, 2017 to $1,074,625 at June 30, 2018, a 34.34% decrease from the prior year.

- The increase in General Fund revenues was mainly attributable to increases in local tax and state source revenues received in fiscal 2018 compared to the prior year. The increase in expenditures was due primarily to increased spending for instructional staff support services.

- The District's total net position decreased from $7,116,444, restated as of July 1, 2017, to $6,716,866 at June 30, 2018. Total revenues increased from $9,661,389 in fiscal year 2017 to $9,869,877 in fiscal year 2018, a 2.16% increase, while total expenses increased from $9,408,714 in fiscal year 2017 to $10,269,455 in fiscal year 2018, a 9.15% 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 Treynor 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 Treynor 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 Treynor Community School District acts solely as an agent or custodian for the benefit of those outside of the District.

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

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

Supplementary Information provides detailed information about the nonmajor governmental funds.

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

Figure A-1
Treynor Community School District Annual Financial Report

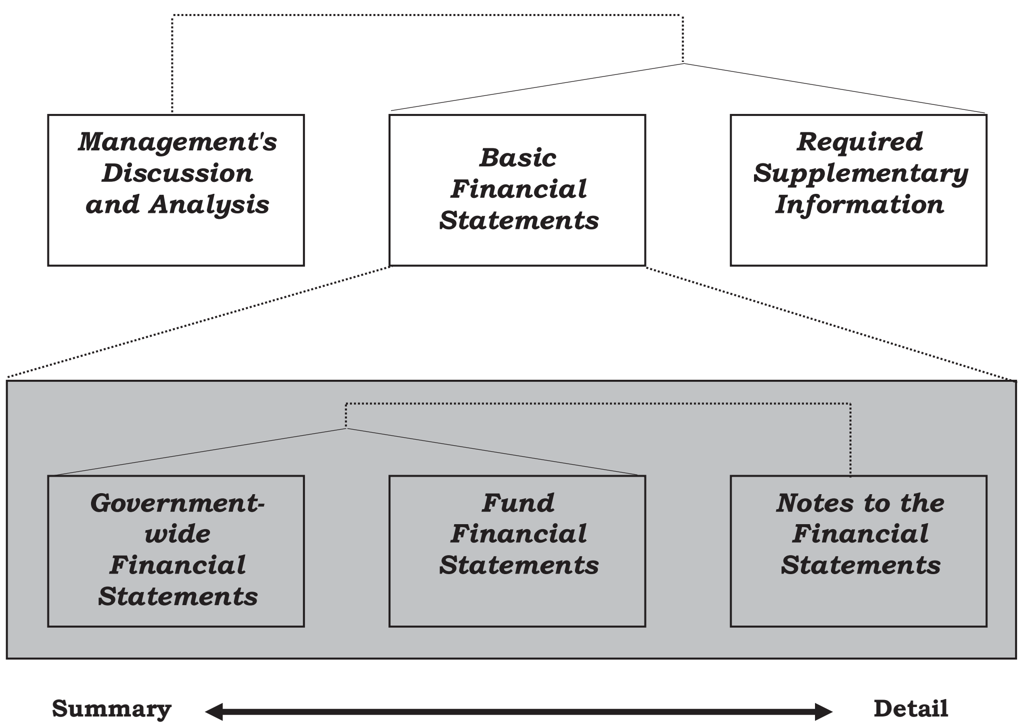

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2
Major Features of the Government-Wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food service	Instances in which the district administers resources on behalf of someone else, such as scholarship programs
Required financial statements	· 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 program is included here.

Fund Financial Statements

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

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

The District has three kinds of funds:

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

   The District's governmental funds include the General Fund, the Capital Projects Fund, the Debt Service Fund and the Special Revenue Funds.

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

2) *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Fund, one type of proprietary fund, is the same as its business type activities but provides more detail and additional information, such as cash flows. The District's Enterprise Fund is the School Nutrition Fund.

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position at June 30, 2018 compared to June 30, 2017.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2018	2017 (as restated)	2018	2017 (as restated)	2018	2017 (as restated)	2017-18
Current and other assets	$ 8,577,095	8,607,579	191,374	136,148	8,768,469	8,743,727	0.28%
Capital assets	12,977,514	13,509,259	36,981	54,725	13,014,495	13,563,984	-4.05%
Total assets	21,554,609	22,116,838	228,355	190,873	21,782,964	22,307,711	-2.35%
Deferred outflows of resources	1,114,343	965,283	37,809	38,960	1,152,152	1,004,243	14.73%
Long-term liabilities	11,329,074	11,314,621	148,426	139,890	11,477,500	11,454,511	0.20%
Other liabilities	1,215,128	924,569	33,928	36,636	1,249,056	961,205	29.95%
Total liabilities	12,544,202	12,239,190	182,354	176,526	12,726,556	12,415,716	2.50%
Deferred inflows of resources	3,489,179	3,236,394	2,515	1,906	3,491,694	3,238,300	7.82%
Net position:							
Net investment in capital assets	6,427,514	5,944,259	36,981	54,725	6,464,495	5,998,984	7.76%
Restricted	2,890,852	2,931,745	-	-	2,890,852	2,931,745	-1.39%
Unrestricted	(2,682,795)	(1,269,467)	44,314	(3,324)	(2,638,481)	(1,272,791)	-107.30%
Total net position	$ 6,635,571	7,606,537	81,295	51,401	6,716,866	7,657,938	-12.29%

Prior to restatement, the District's total net position decreased 12.29%, or $941,072, from the prior year. The largest portion of the District's net position is invested in capital assets, net of related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position decreased $40,893, or 1.39% from the prior year. The decrease in restricted net position was mainly attributable to the decrease in the amount restricted for physical plant and equipment 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 - decreased $1,365,690, or 107.30%. This decrease in unrestricted net position was primarily a result of the increase in the District's total OPEB liability and the decrease in the District's unassigned General Fund balance.

Figure A-4 shows the changes in net position for the year ended June 30, 2018 compared to the year ended June 30, 2017.

Figure A-4
Changes in Net Position

	Governmental Activities		Business Type Activities		Total District		Total Change
	2018	2017 (as restated)	2018	2017 (as restated)	2018	2017 (as restated)	2017-18
Revenues:							
Program revenues:							
Charges for service	$ 2,180,015	2,198,032	345,916	342,175	2,525,931	2,540,207	-0.56%
Operating grants, contributions and restricted interest	369,004	348,990	114,446	111,423	483,450	460,413	5.00%
General revenues:							
Property tax	3,188,064	3,091,195	-	-	3,188,064	3,091,195	3.13%
Income surtax	150,104	81,305	-	-	150,104	81,305	84.62%
Statewide sales, services and use tax	546,594	548,055	-	-	546,594	548,055	-0.27%
Unrestricted state grants	2,921,968	2,848,752	-	-	2,921,968	2,848,752	2.57%
Unrestricted investment earnings	16,049	453	368	10	16,417	463	3445.79%
Other	35,422	83,095	1,927	7,904	37,349	90,999	-58.96%
Total revenues	9,407,220	9,199,877	462,657	461,512	9,869,877	9,661,389	2.16%
Program expenses:							
Instruction	5,760,100	5,352,368	-	-	5,760,100	5,352,368	7.62%
Support services	3,077,567	2,622,929	-	12,225	3,077,567	2,635,154	16.79%
Non-instructional programs	-	9,528	419,251	427,390	419,251	436,918	-4.04%
Other expenses	1,012,537	984,274	-	-	1,012,537	984,274	2.87%
Total expenses	9,850,204	8,969,099	419,251	439,615	10,269,455	9,408,714	9.15%
Change in net position	(442,984)	230,778	43,406	21,897	(399,578)	252,675	-258.14%
Net position beginning of year, as restated	7,078,555	7,375,759	37,889	29,504	7,116,444	7,405,263	-3.90%
Net position end of year	$ 6,635,571	7,606,537	81,295	51,401	6,716,866	7,657,938	-12.29%

In fiscal year 2018, property tax, income surtax, statewide sales, services and use tax and unrestricted state grants accounted for 72.36% of the governmental activities revenues while charges for service and sales and operating grants, contributions and restricted interest accounted for 99.50% of the revenue from business type activities.

The District's total revenues were approximately $9.87 million, of which approximately $9.41 million was for governmental activities and approximately $0.46 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 2.16% increase in revenues and a 9.15% increase in expenses. Property tax revenues increased $96,869, unrestricted state grants increased $73,216 and income surtax increased $68,799 to help fund the increase in expenses. The increase in expenses occurred somewhat evenly in the instruction and support services functions.

Governmental Activities

Revenues for governmental activities were $9,407,220 and expenses were $9,850,204 for the year ended June 30, 2018.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses, for the year ended June 30, 2018 compared to those expenses for the year ended June 30, 2017.

Figure A-5
Total and Net Cost of Governmental Activities

	Total Cost of Services			Net Cost of Services		
	2018	2017 (as restated)	Change 2017-18	2018	2017 (as restated)	Change 2017-18
Instruction	$ 5,760,100	5,352,368	7.62%	3,479,014	3,051,232	14.02%
Support services	3,077,567	2,622,929	17.33%	3,061,804	2,617,645	16.97%
Non-instructional programs	-	9,528	-100.00%	-	9,528	-100.00%
Other expenses	1,012,537	984,274	2.87%	760,367	743,672	2.24%
Totals	$ 9,850,204	8,969,099	9.82%	7,301,185	6,422,077	13.69%

For the year ended June 30, 2018:

- The cost financed by users of the District's programs was $2,180,015.
- Federal and state governments, along with local sources, subsidized certain programs and projects with grants and contributions totaling $369,004.
- The net cost of governmental activities was financed with $3,188,064 in property tax, $150,104 in income surtax, $546,594 in statewide sales, services and use tax, $2,921,968 in unrestricted state grants, $16,049 in interest income, and $35,422 in other general revenues.

Business type Activities

Revenues of the District's business type activities for the year ended June 30, 2018, were $462,657 and expenses were $419,251. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, investment income and other general revenues.

INDIVIDUAL FUND ANALYSIS

As previously noted, Treynor Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balances of $3,855,433, below last year's ending fund balances of $4,406,347. The primary reason for the decrease in combined fund balances at the end of fiscal year 2018 was the decrease in the General Fund balance.

Governmental Fund Highlights

- The District's General Fund balance decreased from $1,636,596 at June 30, 2017 to $1,074,625 at June 30, 2018. The decrease was due mainly to increased instructional staff support services costs compared to the prior year.

- The Capital Projects Fund balance decreased from $1,492,572 at June 30, 2017 to $1,455,209 at June 30, 2018. Although transfers to the Debt Service fund decreased, expenditures for support services and capital outlay increased. Revenues did not vary significantly from the prior year.

- The Debt Service Fund balance increased from $664,201 at June 30, 2017 to $675,104 at June 30, 2018. Local tax revenues increased $31,966 from the prior year.

Proprietary Fund Highlights

The School Nutrition Fund net position increased from $37,889, restated as of July 1, 2017 to $81,295 at June 30, 2018, representing an increase of 114.56%. Revenues increased 0.25% while expenses decreased 4.63% leading to the increase in net position.

BUDGETARY HIGHLIGHTS

The District's revenues were $343,997 less than budgeted revenues, a variance of 3.37%. The most significant variance resulted from the District receiving less from local sources than originally anticipated.

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

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the District had invested approximately $13.01 million, 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 a net decrease of 4.05% from the prior year. More detailed information about the District's capital assets is presented in Note 3 to the financial statements. Depreciation expense for the year was $728,534.

The original cost of the District's capital assets was approximately $22.87 million. Governmental funds account for approximately $22.59 million with the remainder of approximately $0.28 million accounted for in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the buildings category. The District's buildings, net of accumulated depreciation, totaled $8,732,575 at June 30, 2018 compared to $9,076,171 at June 30, 2017. This decrease is primarily due to annual depreciation expense incurred by the District 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,
	2018	2017	2018	2017	2018	2017	2017-18
Land	$ 548,543	548,543	-	-	548,543	548,543	0.00%
Buildings	8,732,575	9,076,171	-	-	8,732,575	9,076,171	-3.93%
Land improvements	3,246,975	3,473,233	-	-	3,246,975	3,473,233	-6.97%
Machinery and equipment	449,421	411,312	36,981	54,725	486,402	466,037	4.19%
Total	$ 12,977,514	13,509,259	36,981	54,725	13,014,495	13,563,984	-4.05%

Long-Term Debt

At June 30, 2018, the District had $6,550,000 of total long-term debt outstanding. This represents a decrease of 13.42% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 4 to the financial statements.

The District had total outstanding general obligation bonded indebtedness of $2,915,000 at June 30, 2018 payable from the Debt Service Fund.

The District had total outstanding revenue bonded indebtedness of $3,635,000 at June 30, 2018 payable from Capital Projects: Statewide Sales, Services and Use Tax Fund.

Figure A-7
Outstanding Long-Term Obligations

	Total District June 30, 2018	Total District June 30, 2017	Total Change June 30, 2017-18
General obligation bonds	$ 2,915,000	3,670,000	-20.57%
Revenue bonds	3,635,000	3,895,000	-6.68%
Total	$ 6,550,000	7,565,000	-13.42%

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The District continues to see a net open enrollment in of over 200 students. However, open enrollment in can very easily shift, putting the District in a situation of decreasing revenue.

- Deficit spending in special education and the inability to levy cash to replace those funds, due to the state funding formula, has created a decrease in the solvency ratio. The Board of Directors has implemented a deliberate financial plan to increase general fund cash over the next few years to increase and stabilize the solvency ratio, while monitoring the property tax rate and spending authority.

- Unfunded mandates affect the economic health of the District by monopolizing the time of staff members who must collect, analyze, and report information to various state and federal entities.

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 the District office at Treynor Community School District, 102 East Main Street, P.O. Box 369, Treynor, Iowa, 51575.

BASIC FINANCIAL STATEMENTS

TREYNOR COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	$ 4,398,360	178,929	4,577,289
Receivables:			
Property tax:			
Delinquent	9,160	-	9,160
Succeeding year	3,414,527	-	3,414,527
Income surtax	143,297	-	143,297
Accounts	6,023	33	6,056
Due from other governments	605,728	-	605,728
Inventories	-	12,412	12,412
Capital assets not being depreciated:			
Land	548,543	-	548,543
Capital assets, net of accumulated depreciation:			
Buildings, land improvements and machinery and equipment	12,428,971	36,981	12,465,952
Total assets	21,554,609	228,355	21,782,964
Deferred Outflows of Resources			
Pension related deferred outflows	1,114,343	37,809	1,152,152
Liabilities			
Accounts payable	455,826	427	456,253
Salaries and benefits payable	708,012	25,060	733,072
Accrued interest payable	51,290	-	51,290
Unearned revenue	-	8,441	8,441
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	430,000	-	430,000
Revenue bonds	260,000	-	260,000
Termination benefits	50,000	-	50,000
Portion due after one year:			
General obligation bonds	2,485,000	-	2,485,000
Revenue bonds	3,375,000	-	3,375,000
Net pension liability	3,734,323	125,841	3,860,164
Total OPEB liability	994,751	22,585	1,017,336
Total liabilities	12,544,202	182,354	12,726,556
Deferred Inflows of Resources			
Unavailable property tax revenue	3,414,527	-	3,414,527
Pension related deferred inflows	74,652	2,515	77,167
Total deferred inflows of resources	3,489,179	2,515	3,491,694
Net Position			
Net investment in capital assets	6,427,514	36,981	6,464,495
Restricted for:			
Categorical funding	211,334	-	211,334
Debt service	623,814	-	623,814
Management levy purposes	562,226	-	562,226
Student activities	38,269	-	38,269
School infrastructure	1,315,534	-	1,315,534
Physical plant and equipment	139,675	-	139,675
Unrestricted	(2,682,795)	44,314	(2,638,481)
Total net position	$ 6,635,571	81,295	6,716,866

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit B

TREYNOR COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Govern-mental Activities	Business Type Activities	Total
Functions/Programs:						
Governmental activities:						
Instruction:						
Regular	$ 4,267,590	1,823,953	16,267	(2,427,370)	-	(2,427,370)
Special	667,997	151,686	51,878	(464,433)	-	(464,433)
Other	824,513	204,266	33,036	(587,211)	-	(587,211)
	5,760,100	2,179,905	101,181	(3,479,014)	-	(3,479,014)
Support services:						
Student	214,657	-	-	(214,657)	-	(214,657)
Instructional staff	598,733	-	12,153	(586,580)	-	(586,580)
Administration	994,426	-	-	(994,426)	-	(994,426)
Operation and maintenance of plant	780,307	-	-	(780,307)	-	(780,307)
Transportation	489,444	110	3,500	(485,834)	-	(485,834)
	3,077,567	110	15,653	(3,061,804)	-	(3,061,804)
Long-term debt interest	162,248	-	-	(162,248)	-	(162,248)
Other expenditures:						
AEA flowthrough	252,170	-	252,170	-	-	-
Depreciation(unallocated)*	598,119	-	-	(598,119)	-	(598,119)
	850,289	-	252,170	(598,119)	-	(598,119)
Total governmental activities	9,850,204	2,180,015	369,004	(7,301,185)	-	(7,301,185)
Business type activities:						
Non-instructional programs:						
Food service operations	419,251	345,916	114,446	-	41,111	41,111
Total	$ 10,269,455	2,525,931	483,450	(7,301,185)	41,111	(7,260,074)
General Revenues:						
Property tax levied for:						
General purposes				$ 2,267,346	-	2,267,346
Debt service				841,888	-	841,888
Capital outlay				78,830	-	78,830
Income surtax				150,104	-	150,104
Statewide sales, services and use tax				546,594	-	546,594
Unrestricted state grants				2,921,968	-	2,921,968
Unrestricted investment earnings				16,049	368	16,417
Other				35,422	1,927	37,349
Total general revenues				6,858,201	2,295	6,860,496
Changes in net position				(442,984)	43,406	(399,578)
Net position beginning of year, as restated				7,078,555	37,889	7,116,444
Net position end of year				$ 6,635,571	81,295	6,716,866

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

SEE NOTES TO FINANCIAL STATEMENTS.

TREYNOR COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Capital Projects	Debt Service	Nonmajor	Total
Assets					
Cash and pooled investments	$ 1,601,428	1,471,461	672,685	652,786	4,398,360
Receivables:					
Property tax:					
Delinquent	6,055	226	2,419	460	9,160
Succeeding year	2,286,766	79,009	918,751	130,001	3,414,527
Income surtax	143,297	-	-	-	143,297
Accounts	4,842	-	-	1,181	6,023
Due from other governments	559,393	46,335	-	-	605,728
Total assets	$ 4,601,781	1,597,031	1,593,855	784,428	8,577,095
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	$ 389,081	62,813	-	3,932	455,826
Salaries and benefits payable	708,012	-	-	-	708,012
Total liabilities	1,097,093	62,813	-	3,932	1,163,838
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	2,286,766	79,009	918,751	130,001	3,414,527
Income surtax	143,297	-	-	-	143,297
Total deferred inflows of resources	2,430,063	79,009	918,751	130,001	3,557,824
Fund balances:					
Restricted for:					
Categorical funding	211,334	-	-	-	211,334
Debt service	-	-	675,104	-	675,104
Management levy purposes	-	-	-	612,226	612,226
Student activities	-	-	-	38,269	38,269
School infrastructure	-	1,315,534	-	-	1,315,534
Physical plant and equipment	-	139,675	-	-	139,675
Unassigned	863,291	-	-	-	863,291
Total fund balances	1,074,625	1,455,209	675,104	650,495	3,855,433
Total liabilities, deferred inflows of resources and fund balances	$ 4,601,781	1,597,031	1,593,855	784,428	8,577,095

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit D

TREYNOR COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total fund balances of governmental funds(page 20)		$ 3,855,433
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.		12,977,514
Accounts receivable income surtax is not yet available to finance expenditures of the current year and, therefore, is recognized as deferred inflows of resources in the governmental funds.		143,297
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the government funds.		(51,290)
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	$ 1,114,343	
Deferred inflows of resources	(74,652)	1,039,691
Long-term liabilities, including bonds payable, termination benefits payable, net pension liability and total OPEB liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		(11,329,074)
Net position of governmental activities(page 18)		$ 6,635,571

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit E

TREYNOR COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	General	Capital Projects	Debt Service	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	$ 2,255,804	78,830	841,888	159,950	3,336,472
Tuition	1,940,829	-	-	-	1,940,829
Other	77,132	2,381	9,312	208,007	296,832
State sources	3,200,697	546,889	3,153	599	3,751,338
Federal sources	80,053	-	-	-	80,053
Total revenues	7,554,515	628,100	854,353	368,556	9,405,524
Expenditures:					
Current:					
Instruction:					
Regular	3,984,999	-	-	-	3,984,999
Special	653,356	-	-	-	653,356
Other	558,528	-	-	192,379	750,907
	5,196,883	-	-	192,379	5,389,262
Support services:					
Student	217,720	-	-	-	217,720
Instructional staff	497,281	113,852	-	-	611,133
Administration	875,091	85,065	-	-	960,156
Operation and maintenance of plant	611,557	36,093	-	121,297	768,947
Transportation	465,784	5,217	-	16,997	487,998
	2,667,433	240,227	-	138,294	3,045,954
Capital outlay	-	89,104	-	-	89,104
Long-term debt:					
Principal	-	-	1,015,000	-	1,015,000
Interest and fiscal charges	-	-	164,948	-	164,948
	-	-	1,179,948	-	1,179,948
Other expenditures:					
AEA flowthrough	252,170	-	-	-	252,170
Total expenditures	8,116,486	329,331	1,179,948	330,673	9,956,438
Excess(Deficiency) of revenues over(under) expenditures	(561,971)	298,769	(325,595)	37,883	(550,914)
Other financing sources(uses):					
Transfers in	-	-	336,498	-	336,498
Transfers out	-	(336,498)	-	-	(336,498)
Total other financing sources(uses)	-	(336,498)	336,498	-	-
Change in fund balances	(561,971)	(37,729)	10,903	37,883	(550,914)
Fund balances beginning of year	1,636,596	1,492,938	664,201	612,612	4,406,347
Fund balances end of year	$ 1,074,625	1,455,209	675,104	650,495	3,855,433

SEE NOTES TO FINANCIAL STATEMENTS.

TREYNOR 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, 2018

Change in fund balances - total governmental funds(page 22)		$ (550,914)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. These costs are not reported in the Statement of Activities, but they are allocated over the estimated useful lives of the capital assets as depreciation expense in the Statement of Activities. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Capital outlay	$ 179,045	
Depreciation expense	(710,790)	(531,745)
Income surtax receivable is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds.		1,696
Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		1,015,000
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.		2,700
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.		401,129
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:		
Termination benefits	(50,000)	
Pension expense	(530,620)	
Total OPEB liability	(200,230)	(780,850)
Change in net position of governmental activities(page 19)		$ (442,984)

SEE NOTES TO FINANCIAL STATEMENTS.

TREYNOR COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2018

	Enterprise: School Nutrition
Assets	
Current assets:	
Cash and pooled investments	$ 178,929
Accounts receivable	33
Inventories	12,412
Total current assets	191,374
Noncurrent assets:	
Capital assets, net of accumulated depreciation	36,981
Total assets	228,355
Deferred Outflows of Resources	
Pension related deferred outflows	37,809
Liabilities	
Current liabilities:	
Accounts payable	427
Salaries and benefits payable	25,060
Unearned revenue	8,441
Total current liabilities	33,928
Noncurrent liabilities:	
Net pension liability	125,841
Total OPEB liability	22,585
Total noncurrent liabilities	148,426
Total liabilities	182,354
Deferred Inflows of Resources	
Pension related deferred inflows	2,515
Net Position	
Net investment in capital assets	36,981
Unrestricted	44,314
Total net position	$ 81,295

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit H

TREYNOR COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2018

	Enterprise: School Nutrition
Operating revenues:	
Local sources:	
Charges for service	$ 345,916
Miscellaneous	1,927
Total operating revenues	347,843
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	154,293
Benefits	37,783
Services	3,006
Supplies	206,030
Other	395
Depreciation	17,744
Total operating expenses	419,251
Operating loss	(71,408)
Non-operating revenues:	
State sources	3,627
Federal sources	110,819
Interest income	368
Total non-operating revenues	114,814
Change in net position	43,406
Net position beginning of year, as restated	37,889
Net position end of year	$ 81,295

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit I

TREYNOR COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2018

	Enterprise: School Nutrition
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	$ 343,934
Cash received from miscellaneous operating activities	1,927
Cash payments to employees for services	(192,275)
Cash payments to suppliers for goods or services	(180,787)
Net cash used in operating activities	(27,201)
Cash flows from non-capital financing activities:	
State grants received	3,627
Federal grants received	79,153
Net cash provided by non-capital financing activities	82,780
Cash flows from investing activities:	
Interest on investments	368
Net increase in cash and pooled investments	55,947
Cash and pooled investments beginning of year	122,982
Cash and pooled investments end of year	$ 178,929
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (71,408)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Commodities consumed	31,666
Depreciation	17,744
Increase in inventories	(3,449)
Decrease in accounts receivable	4,170
Increase in accounts payable	427
Increase in salaries and benefits payable	3,017
Decrease in unearned revenue	(6,152)
Decrease in net pension liability	(9,522)
Decrease in deferred outflows of resources	1,151
Increase in deferred inflows of resources	609
Increase in OPEB liability	4,546
Net cash used in operating activities	$ (27,201)

Non-cash investing, capital and other related financing activities:

During the year ended June 30, 2018, the District received $31,666 of federal commodities.

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit J

TREYNOR COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2018

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

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit K

TREYNOR COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2018

	Private Purpose Trust Scholarship
Additions:	
Local sources:	
Gifts and contributions	$ 1,250
Deductions	-
Change in net position	1,250
Net position beginning of year	-
Net position end of year	$ 1,250

SEE NOTES TO FINANCIAL STATEMENTS.

(1) Summary of Significant Accounting Policies

Treynor 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. The geographic area served includes the City of Treynor, Iowa, and the predominately agricultural territory in Pottawattamie and Mills County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Treynor 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 Treynor 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 Pottawattamie and Mills County Assessor's Conference Boards.

B. Basis of Presentation

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

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt 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 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 that clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

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

The District reports the following major governmental funds:

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

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

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

The District reports the following nonmajor proprietary fund:

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

Cash, Pooled Investments and Cash Equivalents - The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost 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, have a maturity date no longer than three months.

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2016 assessed property valuations; is for the tax accrual period July 1, 2017 through June 30, 2018 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2017.

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

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

Capital Assets - Capital assets, which include property, machinery and equipment and intangibles acquired after July 1, 1980 are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	$ -
Buildings	5,000
Land improvements	5,000
Intangibles	25,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	5,000

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

Asset Class	Estimated Useful Lives
Buildings	20-40 years
Land improvements	20 years
Intangibles	2 or more years
Machinery and equipment	5-15 years

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

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

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

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

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

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

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

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

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

Unassigned - All amounts not included in the preceding classification.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2018, expenditures exceeded the amounts budgeted in the support services function.

(2) Cash and Pooled Investments

The District's deposits in banks at June 30, 2018 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

At June 30, 2018, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Direct Government Obligations Portfolio which are valued at an amortized cost of $1 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 investments in ISJIT were rated AAAm by Standard and Poor's Financial Services.

(3) Capital Assets

Capital assets activity for the year ended June 30, 2018 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 548,543	-	-	548,543
Total capital assets not being depreciated	548,543	-	-	548,543
Capital assets being depreciated:				
Buildings	15,298,442	28,265	-	15,326,707
Land improvements	4,809,671	-	-	4,809,671
Machinery and equipment	1,751,365	150,780	-	1,902,145
Total capital assets being depreciated	21,859,478	179,045	-	22,038,523
Less accumulated depreciation for:				
Buildings	6,222,271	371,861	-	6,594,132
Land improvements	1,336,438	226,258	-	1,562,696
Machinery and equipment	1,340,053	112,671	-	1,452,724
Total accumulated depreciation	8,898,762	710,790	-	9,609,552
Total capital assets being depreciated, net	12,960,716	(531,745)	-	12,428,971
Governmental activities capital assets, net	$ 13,509,259	(531,745)	-	12,977,514
Business type activities:				
Machinery and equipment	$ 278,503	-	-	278,503
Less accumulated depreciation	223,778	17,744	-	241,522
Business type activities capital assets, net	$ 54,725	(17,744)	-	36,981

Depreciation expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	$ 3,400
Other	13,767
Support services:	
Instructional staff	2,905
Administration	627
Operation and maintenance of plant	9,517
Transportation	82,455
	112,671
Unallocated depreciation	598,119
Total governmental activities depreciation expense	$ 710,790
Business type activities:	
Food service operations	$ 17,744

(4) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2018 are summarized as follows:

	Balance Beginning of Year, as restated	Additions	Deletions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	$ 3,670,000	-	755,000	2,915,000	430,000
Revenue bonds	3,895,000	-	260,000	3,635,000	260,000
Termination benefits	-	50,000	-	50,000	50,000
Net pension liability	3,483,082	251,241	-	3,734,323	-
Total OPEB liability	794,521	200,230	-	994,751	-
	$ 11,842,603	501,471	1,015,000	11,329,074	740,000
Business type activities:					
Net pension liability	$ 135,363	-	9,522	125,841	-
Total OPEB liability	18,039	4,546	-	22,585	-
	$ 153,402	4,546	9,522	148,426	-

General Obligation Bonds Payable

During the fiscal year ended June 30, 2018, the District approved an additional debt service levy tax to advance refund $335,000 in principal of the June 14, 2016 general obligation bond issuance when the bonds become callable on May 1, 2021.

As of June 30, 2018, the proceeds from the surplus levy have been placed in an irrevocable escrow account and invested in U.S. Government obligations which have been certified to be sufficient to pay $125,000 in principal of bonds maturing May 1, 2025, $120,000 in principal of bonds maturing May 1, 2024 and $90,000 in principal of bonds maturing May 1, 2023. As a result, $335,000 of the June 14, 2016 bonds are considered defeased in-substance and the liability for those bonds has been removed from the appropriate financial statements and schedules.

The District remains contingently liable in the remote possibility the escrow account is insufficient to repay the refunded bonds at the call date. At June 30, 2018, $335,000 of such bonds are outstanding.

Details of the District's June 30, 2018 general obligation bonded indebtedness are as follows:

Year	Bond Issue of June 14, 2016			
Ending June 30,	Interest Rates	Principal	Interest	Total
2019	3.00%	$ 430,000	78,250	508,250
2020	3.00	440,000	65,350	505,350
2021	3.00	455,000	52,150	507,150
2022	2.00	470,000	31,800	501,800
2023	2.00	385,000	22,400	407,400
2024-2025	2.00	735,000	22,100	757,100
Total		$ 2,915,000	272,050	3,187,050

Revenue Bonds Payable

Details of the District's June 30, 2018 statewide sales, services, and use tax revenue bonded indebtedness are as follows:

Year	Bond Issue of April 1, 2013			
Ending June 30,	Interest Rates	Principal	Interest	Total
2019	1.20%	$ 260,000	74,937	334,937
2020	1.40	265,000	71,523	336,523
2021	1.60	265,000	67,547	332,547
2022	1.75	270,000	63,065	333,065
2023	1.90	275,000	58,090	333,090
2024-2028	2.00-2.50	1,465,000	200,034	1,665,034
2029-2030	2.60-2.80	835,000	28,255	863,255
Total		$ 3,635,000	563,451	4,198,451

The District has pledged future statewide sales, services, and use tax revenues to repay the $4,500,000 of bonds issued in April 2013. The bonds were issued for the purpose of defraying a portion of the cost of school infrastructure. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 61% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is $4,198,451. For the current year, $260,000 in principal and $77,798 of interest was paid on the bonds and total statewide sales, services and use tax revenues were $546,594.

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

a) $339,098 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account held at Treynor State Bank. The proceeds in the reserve account are to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account held by the bond paying agent, Banker's Trust N.A.

b) All proceeds of the statewide sales, services and use tax shall be deposited in the District's bank account at Treynor State Bank. Monthly transfers will be made from the account at Treynor State Bank to the revenue account held by the bond paying agent.

c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay 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 used for any lawful purpose.

Termination Benefits

In January 2018, the District approved a voluntary early retirement plan for employees. The plan was only offered to employees for one year. Eligible employees must have completed at least twenty years of continuous service to the District and must have reached the age of fifty-five on or before January 31, 2018. The application for early retirement was subject to approval by the Board of Education.

Early retirement benefits equal 50%of the employee's 2017-2018 base salary, with a maximum retirement benefit of $25,000. The policy requires early retirement benefits be paid with a one-time contribution to an employer sponsored 403(b) on July 20, 2018.

At June 30, 2018, the District had obligations to two participants with a total liability of $50,000. Actual early retirement expenditures for the year ended June 30, 2018 totaled $0.

(5) Pension Plan

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

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

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

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

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

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

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 2018, 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, 2018 totaled $414,904.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2018, the District reported a liability of $3,860,164 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, the District's proportion was 0.057949%, which was an increase of 0.000452% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of $536,633. At June 30, 2018, 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	$	35,440	33,445
Changes of assumptions		670,719	-
Net difference between projected and actual earnings on IPERS' investments		-	40,318
Changes in proportion and differences between District contributions and the District's proportionate share of contributions		31,089	3,404
District contributions subsequent to the measurement date		414,904	-
Total	$	1,152,152	77,167

$414,904 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. 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
2019	$	99,968
2020		305,609
2021		182,469
2022		25,013
2023		47,022
Total	$	660,081

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study dated March 24, 2017.

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**
Domestic equity	24.0%	6.25%
International equity	16.0	6.71
Core plus fixed income	27.0	2.25
Public credit	3.5	3.46
Public real assets	7.0	3.27
Cash	1.0	(0.31)
Private equity	11.0	11.15
Private real assets	7.5	4.18
Private credit	3.0	4.25
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed 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 to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 6,360,002	3,860,164	1,759,820

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, 2018, the District reported payables to IPERS of $49,629 for legally required District contributions and $33,068 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

(6) Other Postemployment Benefits(OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	64
Total	66

Total OPEB Liability - The District's total OPEB liability of $1,017,336 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2018)	2.50% per annum.
Rates of salary increase (effective June 30, 2018)	2.50% per annum, including inflation.
Discount rate (effective June 30, 2018)	3.62% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2018)	6.90% initial rate, changing over future years to 4.40% ultimate rate.

Discount Rate - The discount rate used to measure the total OPEB liability was 3.62% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the Life Expectancy Table from the National Center for Health Statistics updated in 2015. Annual retirement probabilities are from the U.S. Office of Personnel Management Civil Service Retirement and Disability Fund Annual Report for fiscal year 2016.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience studies with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year, as restated	$ 812,560
Changes for the year:	
Service cost	187,648
Interest	29,415
Changes in assumptions	(2,687)
Benefit payments	(9,600)
Net changes	204,776
Total OPEB liability end of year	$ 1,017,336

Changes of assumptions reflect a change in the discount rate from 3.56% in fiscal year 2017 to 3.62% in fiscal year 2018.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.62%) or 1% higher (4.62%) than the current discount rate.

	1% Decrease (2.62%)	Discount Rate (3.62%)	1% Increase (4.62%)
Total OPEB liability	$ 1,061,204	1,017,336	969,494

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District as what the District's total OPEB liability would be it were calculated using healthcare cost trend rates that are 1% lower (5.90%) or 1% higher (7.90%) than the current healthcare cost trend rates.

	1% Decrease (5.90%)	Healthcare Cost Trend Rate (6.90%)	1% Increase (7.90%)
Total OPEB liability	$ 925,125	1,017,336	1,124,976

OPEB Expense and Deferred Outflows of Resources Related to OPEB - For the year ended June 30, 2018, the District recognized OPEB expense of $214,376. Treynor Community School District elected to use the Alternative Measurement Method (AMM) as allowed by GASB Statement No. 75 for entities with fewer than 100 active and inactive employees. Certain items such as differences between expected and actual experience and changes in assumptions and other inputs are recognized in the current year when using the AMM and, therefore, there are no deferred outflows of resources or deferred inflows of resources related to OPEB.

(7) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2018 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	$ 336,498

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

(8) Risk Management

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

(9) Budget Overexpenditure

Per the Code of Iowa, expenditures may not legally exceed budgeted appropriations at the functional area level. During the year ended June 30, 2018, District expenditures in the support services function exceeded the amounts budgeted.

(10) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled $252,170 for the year ended June 30, 2018 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(11) Categorical Funding

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

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2018.

Program	Amount
Gifted and talented programs	$ 60,366
Teacher leadership state aid	29,389
Teacher salary supplement	19,832
Successful progression for early readers	58,710
Professional development	43,037
Total	$ 211,334

(12) Reconciliation of Governmental Fund Balances to Net Position

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

	Net Investment in Capital Assets	Debt Service	Management Levy	Unassigned/ Unrestricted
Fund balance (Exhibit C)	$ -	675,104	612,226	863,291
Capital assets, net of accumulated depreciation	12,977,514	-	-	-
General obligation bond capitalized indebtedness	(2,915,000)	-	-	-
Revenue bond capitalized indebtedness	(3,635,000)	-	-	-
Accrued interest payable	-	(51,290)	-	-
Termination benefits payable	-	-	(50,000)	-
Income surtax receivable	-	-	-	143,297
Pension related deferred outflows	-	-	-	1,114,343
Net pension liability	-	-	-	(3,734,323)
Total OPEB liability	-	-	-	(994,751)
Pension related deferred inflows	-	-	-	(74,652)
Net position (Exhibit A)	$ 6,427,514	623,814	562,226	(2,682,795)

(13) Tax Abatements

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

The District was not impacted by any tax abatements which meet the disclosure requirements of Governmental Accounting Standards Board Statement No. 77 for fiscal year 2018.

(14) Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), was implemented during fiscal year 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with OPEB benefits, including additional note disclosure and required supplementary information. In addition, GASB Statement No. 75 requires a state or local government employer to use the entry age normal actuarial cost method, and requires deferred outflows of resources and deferred inflows of resources which arise from other types of events related to OPEB to be recognized. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources are not reported. Beginning net position for governmental activities and business type activities was restated to retroactively report the change in valuation of the beginning total OPEB liability, as follows:

	Governmental Activities	Business Type Activities
Net position June 30, 2017, as previously reported	$ 7,606,537	51,401
OPEB obligation measured under previous standards	266,539	4,527
Total OPEB liability at June 30, 2017	(794,521)	(18,039)
Net position July 1, 2017, as restated	$ 7,078,555	37,889

Treynor Community School District

REQUIRED SUPPLEMENTARY INFORMATION

TREYNOR COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF
REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS
AND PROPRIETARY FUND
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018

	Governmental Funds Actual	Proprietary Fund Actual	Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance
Revenues:						
Local sources	$ 5,574,133	348,211	5,922,344	6,182,202	6,182,202	(259,858)
State sources	3,751,338	3,627	3,754,965	3,804,976	3,804,976	(50,011)
Federal sources	80,053	110,819	190,872	225,000	225,000	(34,128)
Total revenues	9,405,524	462,657	9,868,181	10,212,178	10,212,178	(343,997)
Expenditures/Expenses:						
Instruction	5,389,262	-	5,389,262	5,744,000	5,744,000	354,738
Support services	3,045,954	-	3,045,954	2,760,000	2,760,000	(285,954)
Non-instructional programs	-	419,251	419,251	510,500	510,500	91,249
Other expenditures	1,521,222	-	1,521,222	1,597,892	1,597,892	76,670
Total expenditures/expenses	9,956,438	419,251	10,375,689	10,612,392	10,612,392	236,703
Excess(Deficiency) of revenues over(under) expenditures/expenses	(550,914)	43,406	(507,508)	(400,214)	(400,214)	(107,294)
Balances beginning of year, as restated	4,406,347	37,889	4,444,236	4,445,302	4,445,302	(1,066)
Balances end of year	$ 3,855,433	81,295	3,936,728	4,045,088	4,045,088	(108,360)

SEE ACCOMPANYING INDEPENDENT AUDITOR’S REPORT.

TREYNOR COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2018

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

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

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

During the year ended June 30, 2018, expenditures in the support services function exceeded the amounts budgeted.

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

	2018	2017	2016	2015
District's proportion of the net pension liability	0.057949%	0.057497%	0.058193%	0.058704%
District's proportionate share of the net pension liability	$ 3,860,164	3,618,445	2,875,033	2,328,144
District's covered payroll	$ 4,317,252	4,131,019	4,065,655	3,841,008
District's proportionate share of the net pension liability as a percentage of its covered payroll	89.41%	87.59%	70.72%	60.61%
IPERS' net position as a percentage of the total pension liability	82.21%	81.82%	85.19%	87.61%

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

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

TREYNOR COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST TEN YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Statutorily required contribution	$ 414,904	385,531	368,900	363,063	343,002	323,926	286,866	233,674	231,192	216,249
Contributions in relation to the statutorily required contribution	$ (414,904)	(385,531)	(368,900)	(363,063)	(343,002)	(323,926)	(286,866)	(233,674)	(231,192)	(216,249)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered payroll	$ 4,646,180	4,317,252	4,131,019	4,065,655	3,841,008	3,736,171	3,554,721	3,362,216	3,476,571	3,405,496
Contributions as a percentage of covered payroll	8.93%	8.93%	8.93%	8.93%	8.93%	8.67%	8.07%	6.95%	6.65%	6.35%

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.

Changes of assumptions:

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

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

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

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

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.

TREYNOR COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES
FOR THE CURRENT YEAR
REQUIRED SUPPLEMENTARY INFORMATION

	2018
Service cost	$ 187,648
Interest cost	29,415
Changes in assumptions	(2,687)
Benefit payments	(9,600)
Net change in total OPEB liability	204,776
Total OPEB liability beginning of year, as restated	812,560
Total OPEB liability end of year	$ 1,017,336
Covered-employee payroll	$ 4,485,166
Total OPEB liability as a percentage of covered-employee payroll	22.68%

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2018	3.62%
Year ended June 30, 2017	3.56%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Treynor Community School District

SUPPLEMENTARY INFORMATION

TREYNOR COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue		
	Student Activity	Management Levy	Total
Assets			
Cash and pooled investments	$ 41,020	611,766	652,786
Receivables:			
Property tax:			
Delinquent	-	460	460
Succeeding year	-	130,001	130,001
Accounts	1,181	-	1,181
Total assets	$ 42,201	742,227	784,428
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ 3,932	-	3,932
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	130,001	130,001
Fund balances:			
Restricted for:			
Management levy purposes	-	612,226	612,226
Student activities	38,269	-	38,269
Total fund balances	38,269	612,226	650,495
Total liabilities, deferred inflows of resources and fund balances	$ 42,201	742,227	784,428

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

TREYNOR COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue		
	Student Activity	Management Levy	Total
Revenues:			
Local sources:			
Local tax	$ -	159,950	159,950
Other	193,607	14,400	208,007
State sources	-	599	599
Total revenues	193,607	174,949	368,556
Expenditures:			
Current:			
Instruction:			
Other	192,379	-	192,379
Support services:			
Operation and maintenance of plant	-	121,297	121,297
Transportation	-	16,997	16,997
Total expenditures	192,379	138,294	330,673
Change in fund balances	1,228	36,655	37,883
Fund balances beginning of year	37,041	575,571	612,612
Fund balances end of year	$ 38,269	612,226	650,495

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Schedule 3

TREYNOR COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND ACCOUNTS
JUNE 30, 2018

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	$ 1,280,574	190,887	1,471,461
Receivables:			
Property tax:			
Delinquent	-	226	226
Succeeding year	-	79,009	79,009
Due from other governments	46,335	-	46,335
Total assets	$ 1,326,909	270,122	1,597,031
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ 11,375	51,438	62,813
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	79,009	79,009
Fund balances:			
Restricted for:			
School infrastructure	1,315,534	-	1,315,534
Physical plant and equipment	-	139,675	139,675
Total fund balances	1,315,534	139,675	1,455,209
Total liabilities, deferred inflows of resources and fund balances	$ 1,326,909	270,122	1,597,031

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

TREYNOR COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND ACCOUNTS
YEAR ENDED JUNE 30, 2018

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	$ -	78,830	78,830
Other	2,059	322	2,381
State sources	546,594	295	546,889
Total revenues	548,653	79,447	628,100
Expenditures:			
Current:			
Support services:			
Instructional staff	7,080	106,772	113,852
Administration	43,048	42,017	85,065
Operation and maintenance of plant	11,451	24,642	36,093
Transportation	-	5,217	5,217
Capital outlay	55,755	33,349	89,104
Total expenditures	117,334	211,997	329,331
Excess(Deficiency) of revenues over(under) expenditures	431,319	(132,550)	298,769
Other financing uses:			
Transfers out	(336,498)	-	(336,498)
Change in fund balances	94,821	(132,550)	(37,729)
Fund balances beginning of year	1,220,713	272,225	1,492,938
Fund balances end of year	$ 1,315,534	139,675	1,455,209

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

TREYNOR COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
YEAR ENDED JUNE 30, 2018

Account		Balance Beginning of Year	Revenues	Expenditures	Intrafund Transfers	Balance End of Year
Interest	$	1	96	-	(97)	-
Drama/Speech		-	7,296	5,312	-	1,984
Instrumental Music		-	2,183	4,320	2,137	-
Vocal		-	5,816	5,429	-	387
Activity Tickets		-	13,503	600	(12,903)	-
Basketball		492	43,390	45,645	1,763	-
Football		7,417	16,747	13,592	(10,572)	-
Baseball/Softball		1,382	14,130	23,863	8,351	-
Track		507	6,356	15,754	8,891	-
Golf		-	-	3,505	3,505	-
Wrestling		-	4,015	5,962	1,947	-
Volleyball		755	18,045	14,740	-	4,060
Soccer		-	11,640	13,256	1,616	-
Weight Room		-	-	545	545	-
Jr - Sr High		358	-	-	-	358
Class of 2017		1,479	-	220	(1,259)	-
Class of 2018		1,941	-	1,664	-	277
Class of 2019		-	16,587	12,998	-	3,589
Class of 2023		100	-	-	-	100
Class of 2025		105	20	-	-	125
Student Council		406	17,254	5,822	(3,924)	7,914
National Honor Society		543	240	537	-	246
Cheerleaders		6,521	6,687	7,754	-	5,454
I-T Club		200	-	-	-	200
Business Club		4,189	888	1,496	-	3,581
Book Club		1,298	-	-	-	1,298
Academic Team		60	-	25	-	35
Hall of fame		3,168	145	-	-	3,313
Elementary		1,297	261	1,097	-	461
Elementary Student Council		713	719	420	-	1,012
Junior High Leadership		184	-	-	-	184
Yearbook		2,243	487	1,245	-	1,485
Drill Team		250	6,381	6,227	-	404
Middle School Student Council		1,432	721	351	-	1,802
Total	$	37,041	193,607	192,379	-	38,269

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Modified Accrual Basis									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Local sources:										
Local tax	$ 3,336,472	3,205,829	3,222,464	3,237,978	3,174,156	3,752,732	3,762,280	3,800,411	2,939,677	2,800,238
Tuition	1,940,829	1,928,645	1,828,113	1,587,309	1,443,415	1,398,091	1,288,905	1,139,698	1,008,067	913,734
Other	296,832	361,072	352,936	374,965	320,776	328,071	319,442	291,029	299,132	326,872
State sources	3,751,338	3,651,031	3,496,659	3,432,067	3,469,292	2,837,784	2,809,153	2,615,927	2,422,836	2,614,680
Federal sources	80,053	86,629	164,371	154,693	93,332	108,793	196,359	153,843	455,249	67,240
Total	$ 9,405,524	9,233,206	9,064,543	8,787,012	8,500,971	8,425,471	8,376,139	8,000,908	7,124,961	6,722,764
Expenditures:										
Instruction:										
Regular	$ 3,984,999	3,889,991	3,613,479	3,384,232	3,346,343	3,286,791	3,233,285	2,986,087	3,045,237	2,970,438
Special	653,356	566,152	588,492	704,225	488,882	399,230	477,587	411,932	413,797	463,031
Other	750,907	816,541	783,929	741,140	655,040	613,588	561,401	579,683	539,353	522,429
Support services:										
Student	217,720	187,481	199,861	174,152	176,036	176,042	186,007	180,439	175,816	115,192
Instructional staff	611,133	283,822	336,725	249,745	227,966	374,390	368,138	199,494	137,260	157,618
Administration	960,156	940,335	808,431	789,402	758,405	685,523	572,908	511,693	485,321	489,386
Operation and maintenance of plant	768,947	808,944	690,349	707,585	727,245	619,016	595,352	592,834	575,408	613,921
Transportation	487,998	385,944	318,691	509,903	344,599	512,873	350,004	358,764	317,801	278,772
Non-instructional programs	-	9,528	515	-	-	455	8,637	-	-	-
Capital outlay	89,104	50,759	55,252	61,222	2,850,316	2,505,359	384,692	221,251	250,775	1,280,496
Long-term debt:										
Principal	1,015,000	975,000	865,000	710,000	605,000	545,000	1,845,000	475,000	455,000	440,000
Interest and fiscal charges	164,948	168,877	294,401	281,679	263,418	211,195	265,593	290,621	317,640	337,250
Other expenditures:										
AEA flow-through	252,170	240,602	242,366	237,377	234,588	227,171	222,317	240,511	230,471	207,225
Total	$ 9,956,438	9,323,976	8,797,491	8,550,662	10,677,838	10,156,633	9,070,921	7,048,309	6,943,879	7,875,758

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

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

To the Board of Education of Treynor 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 Treynor Community School District as of and for the year ended June 30, 2018, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Treynor 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 Treynor Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Treynor Community School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we identified deficiencies in internal control we consider to be a material weakness and a significant deficiency.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatement 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-18 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 item I-B-18 to be a significant deficiency.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2018 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.

Treynor Community School District's Responses to Findings

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Treynor 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.

February 25, 2019
Newton, Iowa

Part I: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

I-A-18 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) Receipts - collecting, recording, depositing, journalizing, posting and reconciling.
3) Disbursements - purchase order processing, check preparation, mailing and recording.
4) Payroll - recording approved pay rates and deductions.
5) Computer systems - performing all general accounting functions and controlling all data input and output.
6) Journal entries - writing, approving, and posting.

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 strives to divide duties, such as receiving money, receipting, and depositing money to involve as many staff members as possible. In addition, writing and disbursing checks is handled by more than one staff member and a board member is assigned annually to audit all payments and sign a voucher jacket. The District will continue to review control procedures and segregation of duties.

Conclusion - Response accepted.

I-B-18 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, 2018, 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 Board of Directors approved Board Policy 710.4, Meal Charges, on February 12, 2018, outlining the policies and procedures for the collection of unpaid meal charges. The administration will continue to review the policy with all staff involved in the nutrition program in an effort to keep negative lunch account balances at a minimum.

Conclusion - Response accepted.

Part II: Other Findings Related to Required Statutory Reporting:

II-A-18 Certified Budget - District expenditures for the year ended June 30, 2018 exceeded the certified budgeted amounts in the support services function.

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

Response - A change in coding of Teacher Leadership Compensation salary and benefits moved expenditures from the instruction function to the support services function, causing the support services function to exceed the budgeted amount. The business manager will take greater care in monitoring actual expenditures in relation to budgeted amounts and amend the budget when necessary in the future.

Conclusion - Response accepted.

II-B-18 Questionable Disbursements - We noted instances of the District being subjected to sales tax on purchases with District's credit cards. As the District is a tax-exempt entity, payment of sales tax does not appear to meet the requirements for public purpose as defined in an Attorney General's opinion dated April 25, 1979.

Recommendation - The District should review their procedures in place and make any necessary adjustments to ensure the District avoids payment of sales tax to comply with the Attorney General's opinion dated April 25, 1979.

Response - The District has created business accounts with major suppliers to standardize purchasing and attempt to alleviate the use of a large number of different vendors by staff. In addition, the administration has drafted a district-wide spending plan with specific procedures, instructions, and forms for employee requisitioning of supplies. Reimbursements to staff for purchasing will be discouraged.

Conclusion - Response accepted.

II-C-18 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-18 Business Transactions - Business transactions between the District and District officials or employees were noted, as follows:

Name, Title and Business Connection	Transaction Description	Amount
Heidi Guttau-Fox, Board Member Board Member at Treynor State Bank	Purchased services	Undeterminable

In accordance with Chapter 279.7A of the Code of Iowa, the above transactions with Board Member do not appear to represent a conflict of interest.

II-E-18 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

II-F-18 Board Minutes - We noted no transactions requiring Board approval which have not been approved by the Board. However, due to lack of supporting documentation, there were instances in which we were unable to determine if the District provided copies of the minutes to the newspaper within two weeks following the adjournment of the meetings and a schedule of the bills allowed on a monthly basis as required by Chapter 279.35 of the Code of Iowa.

Recommendation - The District should obtain an affidavit of publication from the newspaper for each board meeting and schedule of bills published to be used for supporting documentation of the District's compliance with Chapter 279.35 of the Code of Iowa.

Response - The business manager will keep a record of all minutes, vendor reports, and other legal publications to compare with affidavits received from the newspaper of record. Communication with the newspaper will focus on receipt of all affidavits in a timely manner.

Conclusion - Response accepted.

II-G-18 Certified Enrollment - No variances regarding the enrollment data certified to the Iowa Department of Education were noted.

II-H-18 Supplementary Weighting - The supplementary weighting certified to the Iowa Department of Education appears to have been overstated by 0.632.

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

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

Conclusion - Response accepted.

II-I-18 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-18 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.

II-K-18 Categorical Funding - No instances were noted of categorical funding used to supplant rather than supplement other funds.

II-L-18 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, 2018, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		$ 1,220,713
Revenues:		
Sales tax revenues	$ 546,594	
Other local revenues	2,059	548,653
		1,769,366
Expenditures/transfers out:		
School infrastructure construction	55,755	
Equipment	18,531	
Other	43,048	
Transfers to other funds:		
Debt Service Fund	336,498	453,832
Ending balance		$ 1,315,534

For the year ended June 30, 2018, 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-18 Board Policies - We noted during our audit instances of District board policies which do not appear to have been reviewed and/or updated within the past five years. According to Iowa Administrative Code Chapter 281-12.3(2), *"Policies shall be reviewed at least every five years to ensure relevance to current practices and compliance with the Iowa Code, administrative rules and decisions, and court decisions."*

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

Response - All board policies were reviewed during the 2017-2018 school year and updated on the District web site. Future plans are to review two or three of the nine different series of policies each year, alleviating the necessity to review the entire policy book in one year.

Conclusion - Response accepted.

APPENDIX E – FORM OF ISSUE PRICE CERTIFICATES

[FORM OF ISSUE PRICE CERTIFICATE TO BE USED IF COMPETITIVE SALE REQUIREMENTS ARE MET]

TREYNOR COMMUNITY SCHOOL DISTRICT
$_________ GENERAL OBLIGATION SCHOOL BONDS, SERIES 2019
ISSUE PRICE CERTIFICATE

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

1. Reasonably Expected Initial Offering Price.

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

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

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

2. Defined Terms.

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

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

   c. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is March 25, 2019.

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

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

[UNDERWRITER]

By:__________________________________
Name:________________________________

Dated: [ISSUE DATE]

SCHEDULE A

EXPECTED OFFERING PRICES

(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

[FORM OF ISSUE PRICE CERTIFICATE TO BE USED IF COMPETITIVE SALE REQUIREMENTS ARE NOT MET]
TREYNOR COMMUNITY SCHOOL DISTRICT
$__________ GENERAL OBLIGATION SCHOOL BONDS, SERIES 2019

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (["Purchaser")][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 and issuance of the above-captioned obligations (the "Bonds").

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

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

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

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

3. Defined Terms.

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

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

   c. Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (March 25, 2019), or (ii) the date on which [Purchaser][the Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

   d. Issuer means Treynor Community School District.

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

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

   g. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is March 25, 2019.

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [the Purchaser][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 with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By:________________________________
Name:_______________________________

Dated: [ISSUE DATE]

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

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION