$10,000,000*
Adel-DeSoto-Minburn 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:	Wednesday, November 13, 2019
TIME:	1:30 pm central
PLACE:	District Administration Center, Board Room 215 N. 11th St. Adel, IA 50003
Telephone:	(515) 993-4283
Fax:	(515) 993-1921

Moody's Rating: "Aa3"

* 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 Adel-DeSoto-Minburn Community School District, Iowa (the "Issuer")

Re: $10,000,000* 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, 2021	________	________	May 1, 2031
________	________	May 1, 2022	________	________	May 1, 2032
________	________	May 1, 2023	________	________	May 1, 2033
________	________	May 1, 2024	________	________	May 1, 2034
________	________	May 1, 2025	________	________	May 1, 2035
________	________	May 1, 2026	________	________	May 1, 2036
________	________	May 1, 2027	________	________	May 1, 2037
________	________	May 1, 2028	________	________	May 1, 2038
________	________	May 1, 2029	________	________	May 1, 2039
________	________	May 1, 2030			

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

Principal Amount	Month and Year (Inclusive)	Maturity Month and Year
$____________	____________ to ____________	____________
$____________	____________ to ____________	____________
$____________	____________ to ____________	____________
$____________	____________ to ____________	____________
$____________	____________ to ____________	____________
$____________	____________ to ____________	____________

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

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).

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 Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (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, 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, 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.

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 Adel-DeSoto-Minburn Community School District, in the Counties of Dallas and Madison, State of Iowa, this 13th day of November, 2019.

ATTEST: ______________________________ ______________________________

District Secretary Board President

____

* Preliminary, subject to change

OFFICIAL NOTICE OF SALE

Time and Place of Sale: Sealed bids or electronic bids for the sale of General Obligation School Bonds, Series 2019, of the Adel-DeSoto-Minburn Community School District, in the Counties of Dallas and Madison, State of Iowa (the "Issuer"), will be received at the District Administration Center, Board Room, 215 North 11TH Street, Adel, Iowa until 1:30 P.M. on November 13, 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 at 5:30 P.M. 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 $10,000,000 to be dated December 20, 2019 (the "Bonds").

*The Issuer may increase or decrease each maturity, but the total amount to be issued will not exceed $10,000,000.

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 District Administration Center, Board Room, 215 North 11th Street, Adel, Iowa.

- Electronic Bidding: Electronic bids via PARITY® will be received at the District Administration Center, Board Room, 215 North 11th Street, Adel, Iowa. The bids must be submitted through PARITY®.

- Electronic Facsimile Bidding: Electronic facsimile bids will be received at the District Administration Center, Board Room, 215 North 11th Street, Adel, Iowa, (515) 993-1921. 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, Adel-DeSoto-Minburn Community School District, 215 North 11th Street, Adel, Iowa 50003, (515) 993-4283; or Travis Squires, Piper Jaffray & Co., 3900 Ingersoll Avenue, Suite 110, Des Moines, Iowa 50312, (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 Adel-DeSoto-Minburn Community School District in the Counties of Dallas and Madison, State of Iowa.

Secretary of the Board of Directors of the
Adel-DeSoto-Minburn 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 $10,000,000* dated the date of delivery in the denomination of $5,000 or multiples thereof, and maturing as shown on the front page of the official statement.

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

The dollar amount bid by the Successful Bidder may be changed if the aggregate principal amount of the Bonds, as adjusted as described below, is adjusted, however the interest rates specified by the Successful Bidder for all maturities will not change. The Issuer's 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, 2020 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 $100,000* for the Bonds, payable to the order of the Issuer, is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. The 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.

Form of Bids: All bids shall be unconditional for the entire issue of Bonds for a price of not less than 100% of par, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid

* Preliminary, subject to change

System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid, facsimile facilities or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

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

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

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Superintendent, Adel-DeSoto-Minburn Community School District 215 N 11th St., Adel, IA 50003.

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

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

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

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

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

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

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

Establishment of Issue Price:

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

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

(1) the Issuer shall disseminate this Official Term of Offering to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
(2) all bidders shall have an equal opportunity to bid;
(3) the Issuer may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
(4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Official Terms of Offering.

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

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

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

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

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

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

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

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

(i)(A) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, (B) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

(h) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Official Terms of Offering. Further, for purposes of this Official Terms of Offering:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the Issuer to the winning bidder.

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

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

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

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

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

For more information see the Continuing Disclosure section herein.

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

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

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

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 28, 2019

NEW ISSUE - DTC BOOK ENTRY ONLY Rating: "Aa3"

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

$10,000,000*
Adel-DeSoto-Minburn 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 UMB Bank, n.a. as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Bonds.

Interest on the Bonds is payable on May 1, and November 1 in each year, beginning November 1, 2020 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, 2021	$50,000			006756 GQ7	May 1, 2031	$140,000			006756 HA1
May 1, 2022	160,000			006756 GR5	May 1, 2032	150,000			006756 HB9
May 1, 2023	165,000			006756 GS3	May 1, 2033	155,000			006756 HC7
May 1, 2024	170,000			006756 GT1	May 1, 2034	155,000			006756 HD5
May 1, 2025	560,000			006756 GU8	May 1, 2035	1,445,000			006756 HE3
May 1, 2026	115,000			006756 GV6	May 1, 2036	1,490,000			006756 HF0
May 1, 2027	120,000			006756 GW4	May 1, 2037	1,535,000			006756 HG8
May 1, 2028	125,000			006756 GX2	May 1, 2038	1,580,000			006756 HH6
May 1, 2029	125,000			006756 GY0	May 1, 2039	1,625,000			006756 HJ2
May 1, 2030	135,000			006756 GZ7					

$_______________ ______% 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., P 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 December 20, 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, salesman or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

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

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

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

FORWARD-LOOKING STATEMENTS

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

OFFICIAL STATEMENT
ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT, IOWA
$10,000,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2019

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Adel-DeSoto-Minburn Community School District, Iowa (the "Issuer"), in connection with the sale of the Issuer's General Obligation School Bonds, Series 2019 (the "Bonds"). The Bonds are being issued to provide funds for i) constructing, furnishing and equipping a new elementary building and improving the site, and ii) to pay costs of issuance for the Bonds. See "**SOURCES AND USES OF FUNDS**" herein.

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

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

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

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

THE BONDS

General

The Bonds are dated as of the date of delivery and will bear interest at the rates to be set forth on the cover page herein, interest payable on May 1 and November 1 in each year, beginning on November 1, 2020, 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 and the approval of the voters at an election held on June 25, 2019.

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.

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* 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 his duly authorized attorney, upon surrender of such Bond for cancellation at the principal corporate office of the Registrar accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Registrar. Whenever any Bond or Bonds shall be surrendered for transfer, the Registrar shall execute and deliver a new Bond or Bonds of the same maturity, interest rate, and aggregate principal amount.

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

Prepayment

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

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

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 property of that portion of the District.

BONDHOLDERS' RISKS

Tax Levy Procedures

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

2013 Property Tax Legislation

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

Changes in Property Taxation

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Any alteration in property taxation structure could affect property tax revenues available to pay the Bonds. Historically, the Iowa General Assembly has applied changes in property taxation structure on a prospective basis; however, there is no assurance that future changes in properly taxation structure by the Iowa General Assembly will not be retroactive. It is impossible to predict the outcome of future property tax changes by the Iowa General Assembly or their potential impact on the Bonds and the security for the Bonds.

Matters Relating to Enforceability of Agreements

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

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

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

No representation is made, and no assurance is given, that the enforcement of any remedies with respect to such assets will result in sufficient funds to pay all amounts due under the Bond Resolution 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 $10,261,120 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 .1540416%,which was an increase of 0.009250% from its proportion measured June 30, 2016. See School's Audited Financial Statements, Appendix D, for additional information.

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

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

a material adverse effect on the operations and financial condition of the Issuer. The Issuer has a $___ million cyber-insurance policy. The Issuer cannot predict whether this policy will be sufficient in the event of a cyberattack.

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

Redemption Prior to Maturity
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.

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

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

Project Completion; Risks of Construction
A delay in completion of the Project may arise from any number of other causes, including but not limited to, adverse weather conditions, unavailability of subcontractors, and negligence on the part of subcontractors, labor disputes, or unanticipated costs of construction, equipping or renovation. Any of these events or occurrences, separately or in combination, could have a material adverse effect on the Issuer's ability to complete the Project, or to complete it as planned and on schedule. The Issuer believes that the proceeds of the Bonds, plus the issuance of the remainder of the general obligation bonds approved by the voters on June 25, 2019, will be sufficient to complete the Project; however, the cost of construction of the Project may be affected by factors beyond the control of the Issuer, including strikes, material shortages, adverse weather conditions, trade tariffs, subcontractor defaults, delays, and unknown conditions.

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

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

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

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

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

Rating
Moody's Investor Service (the "Rating Agency") has assigned a rating of "Aa3" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of the Rating Agency, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

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

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

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

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

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

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

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

LITIGATION

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

ACCOUNTANT

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

UNDERWRITING

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

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

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

THE PROJECT

The Bonds are being issued to provide funds for i) constructing, furnishing and equipping a new elementary building and improving the site, and ii) to pay costs of issuance for the Bonds.

SOURCES AND USES OF FUNDS *

Sources of Funds		
	Bond Proceeds	$10,000,000
	Reoffering Premium	TBD
Total Sources of Funds		TBD
Uses of Funds		
	Deposit to Project fund	$10,000,000
	Costs of Issuance	TBD
	Underwriter's Discount	TBD
Total Uses of Funds		TBD

* Preliminary, subject to change

TAX EXEMPTION AND RELATED CONSIDERATIONS

Tax Exemption

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

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

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

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

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:

- During the past five years, for the Issuer's outstanding debt subject to the Rule, the District filed unsigned audited financial statements for fiscal year ending June 30, 2014.
- For the Issuer's General Obligation Bonds, Series 2006, dated April 1, 2006, for fiscal year ending June 30, 2016, the District did not link the CUSIP to audited financial statements and for fiscal years ending June 30, 2014, 2015, 2016, and 2017 the District did not file complete annual operating information. The District did not file or timely file notice of its failure to provide the aforementioned information on or before the date specified in its prior continuing disclosure undertakings. The Series 2006 Bonds were redeemed on May 11, 2018 and the District did not timely file notice of the bond call and did not file or timely file notice of its failure on or before the date specified in its prior continuing disclosure undertakings.

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I have reviewed the information contained within the Official Statement of the Adel-DeSoto-Minburn 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 $10,000,000* General Obligation School Bonds, Series 2019.

ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/ Nancy Gee
Board Secretary

* Preliminary, subject to change

APPENDIX A - INFORMATION ABOUT THE ISSUER

ADEL DESOTO MINBURN COMMUNITY SCHOOL DISTRICT, IOWA
DISTRICT OFFICIALS

PRESIDENT	Tim Canney
BOARD MEMBERS	Bart Banwart Rod Collins Kim Roby Pat Steele
SUPERINTENDENT	Greg Dufoe
SECRETARY/TREASURER:	Nancy Gee*
DISTRICT ATTORNEY	

CONSULTANTS

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

* The District's Secretary/Treasurer will retire in January, 2020. The District is in the process of selecting a replacement and anticipates the processing being completed in December, 2019.

General Information

Adel DeSoto Minburn Community School District is the combination of three growing towns. The district is located in Central Iowa approximately 20 minutes west of Des Moines, in the counties of Dallas and Madison.

District Facilities

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

Building	Construction Date	Grades Served
High School	1986	9-12
Middle School	2006	6-8
DeSoto Intermediate	1924, 1990	3-5
Adel Elementary	1965, 1969, 1990	PK-2

Source: the Issuer

Enrollment

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

Count Date	Fiscal Year effective	Certified (Resident) (1)	Open Enroll In	Open Enroll Out	Total Served (2)
October-18	2019-20	1,797.8	220.1	127.2	1,890.7
October-17	2018-19	1,729.8	233.0	122.0	1,840.8
October-16	2017-18	1,655.1	242.0	103.5	1,793.6
October-15	2016-17	1,569.1	227.0	115.2	1,680.9
October-14	2015-16	1,529.5	211.1	105.2	1,635.4

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 319 employees.

Administrators:	14	Media Specialists:	2
Teachers:	137	Nurses:	3
Teacher Aids:	66	Guidance:	4
Custodians:	11	Secretaries:	12
Food Service:	16	Transportation:	17
Other:	36	Maintenance:	1

Source: the Issuer

Other Post Employment Benefits

The District administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. Individuals who are employed by the 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. The District's total OPEB liability of $872,511 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Further information, including information concerning actuarial assumptions, discount rates, and deferred inflows and outflows is available in the District's 2018 Independent Audited Financial Statements, Note 6.

Source: the Issuer's Independent Audited Financial Statement

Employee Pension Plan

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

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

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

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

Table 1 – Issuer and Employees Contribution to IPERS.

	Issuer Contribution		Issuer Employees' Contribution	
Fiscal Year	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2014	$833,731	8.93	$555,509	5.95
2015	893,935	8.93	595,623	5.95
2016	927,812	8.93	618,195	5.95
2017	1,026,813	8.93	684,159	5.95
2018	1,055,500	8.93	703,239	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	6,968,134,950	81.39	6,661,265,703	82.21	7,863,160,443	88.62
2018	31,827,755,864	32,314,588,595	38,642,833,653	6,815,077,789	82.36	6,328,245,058	83.62	7,983,219,527	85.37

Source: IPERS CAFRs (2014-2018) and IPERS Actuarial Reports (2014-2018)
For a description of the assumptions used when calculating the funding status of IPERS for the fiscal year ended June 30, 2018, see IPERS CAFRs (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 $10,261,120 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 7.0%. The Issuer's proportion of the net pension liability was based on the Issuer's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. See "**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS**" for additional information related to the Issuer's deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

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

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

Investment of Public Funds

The Issuer invests its funds pursuant to Chapter 12B of the Code. Presented below is the District's investing activities as of August 31, 2019.

Type of Investment	Amount Invested
Local Bank Money Market	$0
Local Bank Deposit Accounts	11,918,157.48
Local Bank Time CD's	0
ISJIT Money Market	0
ISJIT Time CD's	0

Source: the Issuer

Population

Presented below are population figures as officially reported by the U.S. Census for the periods indicated for the cities of Adel, DeSoto and Minburn:

Year	Adel	DeSoto	Minburn
2010	3,682	1,050	365
2000	3,435	1,009	391
1990	3,304	1,033	346
1980	2,846	1,035	390
1970	2,419	572	378
1960	2,060	369	357
1950	1,784	273	353

Source: U.S. Census Bureau

Major Employers

Due to the close proximity, many district residents find employment in the Des Moines metropolitan area. Presented below is a summary of the largest employers in the District:

Employer	Business	Approximate Employees
Adel Acres	Nursing care facility	69
Adel-DeSoto-Minburn CSD	Education	238
BASE	Benefit administration	36
Dallas County	County government	273
Evo Medical Solutions	Nebulizers, CPAP therapy devices; aspirators	82
Hawkeye Breeders Service	Sire housing facility	6
Hy-Vac	Egg & chicken products	80
Inland Coatings Company	Coating & sealers	6
Iowa Spring	Coil and spring manufacturer	90
Kuder Inc.	Online college/career planning tools	60
Monarch Manufacturing	Egress window systems	95
Stine Seed Company	Seed company	225
United Brick & Tile Co	Clay Brick production	169

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	90.0000	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	82.5000
2015-16	55.7335	44.7021	90.0000	86.2500

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, 2018 are used to calculate tax liability for the tax year starting July 1, 2019 through June 30, 2020. Presented below are the historic property valuations of the Issuer by class of property.

Property Valuations

Actual Valuation					
Valuation as of January	2018	2017	2016	2015	2014
Fiscal Year	2019-20	2018-19	2017-18	2016-17	2015-16
Residential:	514,721,531	501,338,581	464,365,477	460,902,475	421,811,501
Agricultural Land:	127,625,070	128,190,423	141,585,814	141,592,290	154,587,228
Ag Buildings:	4,010,670	4,019,490	4,945,330	4,872,441	6,453,354
Commercial:	67,661,659	57,996,671	49,836,510	31,105,080	62,793,739
Industrial:	14,349,365	13,717,863	9,958,511	8,598,333	9,388,510
Multiresidential:	9,259,583	7,773,632	5,727,431	6,084,777	
Personal RE:	0				0
Railroads:	1,297,343	1,249,864	1,164,731	1,091,557	1,049,999
Utilities:	14,556,174	13,900,119	13,436,010	13,832,710	14,463,415
Other:	90	90	90	90	90
Total Valuation:	753,481,485	728,186,733	691,019,904	668,079,753	670,547,836
Less Military:	626,304	639,641	677,345	681,838	714,711
Net Valuation:	752,855,181	727,547,092	690,342,559	667,397,915	669,833,125
TIF Valuation:	34,900,252	31,056,940	33,826,657	33,311,944	31,987,138
Utility Replacement:	25,744,534	24,472,564	25,539,550	25,763,563	24,569,146

Taxable Valuation					
Valuation as of January	2018	2017	2016	2015	2014
Fiscal Year	2019-20	2018-19	2017-18	2016-17	2015-16
Residential:	283,353,228	269,935,032	257,754,723	255,611,099	222,598,983
Agricultural Land:	71,638,993	69,796,555	66,995,696	64,939,305	68,729,431
Ag Buildings:	2,251,293	2,188,530	2,348,969	2,244,420	2,881,756
Commercial:	59,857,777	51,304,631	43,789,751	25,226,435	56,447,994
Industrial:	12,804,231	12,222,439	8,616,022	7,413,273	8,207,394
Multiresidential:	6,683,415	5,959,317	4,653,638	5,248,128	
Personal RE:	0				0
Railroads:	1,167,609	1,124,878	1,048,259	982,402	944,999
Utilities:	90	13,900,119	13,436,010	13,832,710	14,463,415
Other:	14,556,174	90	90	90	40
Total Valuation:	452,312,810	426,431,591	398,643,158	375,497,862	374,274,012
Less Military:	626,304	639,641	677,345	681,838	714,711
Net Valuation:	451,686,506	425,791,950	397,965,813	374,816,024	373,559,301
TIF Valuation:	34,895,692	31,052,380	32,438,197	33,311,944	31,987,138
Utility Replacement:	13,239,688	13,148,507	13,350,000	14,509,277	14,888,077

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2018	813,499,967	3.89%	499,821,886	6.35%
2017	783,076,596	4.45%	469,992,837	5.91%
2016	749,708,766	3.20%	443,754,010	5.00%
2015	726,473,422	0.01%	422,637,245	0.52%
2014	726,389,409	2.36%	420,434,516	2.89%

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
2020	13.17478	0.00000	0.33000	1.00000	0.00000	4.05000	0.00000	18.55478
2019	13.13726	0.03294	0.33000	1.00000	0.00000	4.04980	0.00000	18.55000
2018	11.80877	0.74324	0.33000	1.00000	0.00000	4.04719	0.00000	17.92920
2017	11.87580	1.09911	0.33000	1.00000	0.00000	3.62186	0.00000	17.92677
2016	12.01912	1.05548	0.33000	1.00000	0.00000	3.53234	0.00000	17.93694
2015	11.60223	1.05037	0.33000	1.00000	0.00000	3.62648	0.00000	17.60908

Source: Iowa Department of Management

Historic Tax Rates

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

City of Adel

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Total Levy Rate
2020	14.26348	18.55478	0.65249	0.00280	0.27842	0.06314	0.39971	4.16317	38.37799
2019	14.27545	18.55000	0.69468	0.00290	0.25251	0.06898	0.54001	4.22888	38.61341
2018	14.30433	17.92920	0.67458	0.00310	0.27309	0.06979	0.54001	3.90713	37.70123
2017	14.34877	17.92677	0.72334	0.00330	0.32072	0.07569	0.54055	3.98887	37.92801
2016	14.55899	17.93694	0.67574	0.00330	0.31371	0.07934	0.54042	3.86494	37.97338
2015	13.99840	17.60908	0.65724	0.00330	0.31423	0.08002	0.57912	3.82607	37.06746

City of DeSoto

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Total Levy Rate
2020	12.70163	18.55478	0.65249	0.00280	0.27842	0.06314	0.39971	4.16317	36.81614
2019	12.81933	18.55000	0.69468	0.00290	0.25251	0.06898	0.54001	4.22888	37.15729
2018	12.88252	17.92920	0.67458	0.00310	0.27309	0.06979	0.54001	3.90713	36.27942
2017	12.63714	17.92677	0.72334	0.00330	0.32072	0.07569	0.54055	3.98887	36.21638
2016	12.49036	17.93694	0.67574	0.00330	0.31371	0.07934	0.54042	3.86494	35.90475
2015	12.45347	17.60908	0.65724	0.00330	0.31423	0.08002	0.57912	3.82607	35.52253

City of Minburn

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Total Levy Rate
2020	15.57652	18.55478	0.65249	0.00280	0.27842	0.06314	0.39971	4.16317	39.69103
2019	15.63618	18.55000	0.69468	0.00290	0.25251	0.06898	0.54001	4.22888	39.97414
2018	15.96410	17.92920	0.67458	0.00310	0.27309	0.06979	0.54001	3.90713	39.36100
2017	15.72819	17.92677	0.72334	0.00330	0.32072	0.07569	0.54055	3.98887	39.30743
2016	11.45127	17.93694	0.67574	0.00330	0.31371	0.07934	0.54042	3.86494	34.86566
2015	11.45586	17.60908	0.65724	0.00330	0.31423	0.08002	0.57912	3.82607	34.52492

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
2020	8,870,413	In collection	In collection
2019	8,360,317	8,317,383	99.49%
2018	7,639,141	7,710,156	100.93%
2017	7,199,901	7,207,590	101.26%
2016	7,175,676	7,180,908	100.07%
2015	6,889,338	6,891,191	100.03%
2014	7,097,476	7,100,446	100.04%

Source: the Issuer

Largest Taxpayers

Set forth in the following table are the persons or entities which represent the 2018 largest taxpayers within the Issuer, as provided by the Auditors Offices of each of said counties. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District. The District's tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the District from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.

Taxpayer	2018 Taxable Valuation	Percent of Total
Mid American Energy (1)	11,873,733	2.38%
Northern Natural Gas Co(1)	9,330,531	1.87%
Stine Seed Farm Inc	8,653,214	1.73%
Heartland Co-op	6,039,419	1.21%
Sioux City Brick and Tile Company	3,481,555	0.70%
Century Link fka Qwest Corporation	3,198,633	0.64%
Midwest Oilseeds Inc	3,168,010	0.63%
Casey's Marketing Company	1,939,238	0.39%
West Worldwide Servics Inc	1,881,927	0.38%
Adeline Investments Co	1,881,000	0.38%
	Total of Top 10 Taxpayers:	10.29%

Source: Dallas and Madison County Auditor's Offices

(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 Issuer's authority to levy taxes to pay principal and interest on the Bonds could be adjudicated to be proportionately reduced in future years if the utility replacement tax were to be other than "taxable property" for purposes of computing the Issuer's levy limit under Iowa Code Section 298.18, as amended from time to time. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the Issuer can issue or (ii) adversely affect the Issuer's ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds.

Direct Debt

General Obligation School Bonds (Debt Service)

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

Fiscal Year	5/1/12	5/1/14	6/25/15	12/20/19	FY2019 Prepay (1) 5/1/12	Principal Total	Interest Total	P&I Total
2020	935,000		40,000			975,000	510,921	1,485,921
2021	950,000		40,000	50,000	-110,000	930,000	924,309	1,854,309
2022	960,000		45,000	160,000	-100,000	1,065,000	790,429	1,855,429
2023	985,000		40,000	165,000	-100,000	1,090,000	747,754	1,837,754
2024	100,000		945,000	170,000	-100,000	1,115,000	721,669	1,836,669
2025			585,000	560,000		1,145,000	693,606	1,838,606
2026			1,105,000	115,000		1,220,000	677,569	1,897,569
2027		430,000	700,000	120,000		1,250,000	646,725	1,896,725
2028		1,190,000		125,000		1,315,000	611,525	1,926,525
2029		1,230,000		125,000		1,355,000	570,825	1,925,825
2030		1,270,000		135,000		1,405,000	527,100	1,932,100
2031		1,320,000		140,000		1,460,000	472,250	1,932,250
2032		1,370,000		150,000		1,520,000	415,250	1,935,250
2033		1,425,000		155,000		1,580,000	355,950	1,935,950
2034		1,485,000		155,000		1,640,000	294,300	1,934,300
2035				1,445,000		1,445,000	230,250	1,675,250
2036				1,490,000		1,490,000	186,900	1,676,900
2037				1,535,000		1,535,000	142,200	1,677,200
2038				1,580,000		1,580,000	96,150	1,676,150
2039				1,625,000		1,625,000	48,750	1,673,750
Totals:	3,930,000	9,720,000	3,500,000	10,000,000	-410,000	26,740,000	9,724,469	36,464,469

Source: the Issuer

(1) The District implemented prepayment levies in FY2019 of the 2012 bonds. The prepayment is outlined above. The prepayment levy applies to principal as outlined and interest payments for those bonds due after the call date. In addition the District has implemented a prepayment levy for $540,000 in FY2020 to prepay portion of the 2014 and/or 2015 bonds. The prepayment is not outlined above.

General Obligation School Capital Loan Notes (PPEL)

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

Fiscal Year	4/27/18	Principal Total	Interest Total	P&I Total
2020	140,000	140,000	12,261	152,261
2021	145,000	145,000	8,439	153,439
2022	150,000	150,000	4,350	154,350
Totals:	435,000	435,000	25,050	460,050

Anticipatory Warrants

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

School Infrastructure Sales, Services & Use Tax Revenue Bonds

Presented below is the principal and interest on the District's outstanding school infrastructure sales, services and use tax revenue bonds, presented by fiscal year and issue:

Fiscal Year	Series A 28-Mar-16	Series B 28-Mar-16	Principal Total	Interest Total	Payment Total
2020	120,000	120,000	240,000	59,966	299,966
2021	120,000	120,000	240,000	55,106	295,106
2022	122,500	122,500	245,000	50,066	295,066
2023	125,000	125,000	250,000	44,799	294,799
2024	127,500	127,500	255,000	39,299	294,299
2025	130,000	130,000	260,000	33,434	293,434
2026	132,500	132,500	265,000	27,389	292,389
2027	135,000	135,000	270,000	21,095	291,095
2028	140,000	140,000	280,000	14,480	294,480
2029	142,500	142,500	285,000	7,410	292,410
Totals:	1,295,000	1,295,000	2,590,000	353,044	2,943,044

Source: the Issuer

Debt Limit

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

1/1/2018 Actual Valuation:(1)	813,499,967
X	0.05
Statutory Debt Limit:	40,674,998
Total GO Bond Debt:	26,740,000
Total GO PPEL Debt:	435,000
Total Loan Agreements:	
Capital Leases:	
Total Debt Subject to Limit:	27,175,000
Percentage of Debt Limit Obligated:	66.81%

It has not been determined whether the District's Sales Tax Revenue Bonds do or do not count against the constitutional debt limit. If the Bonds do count against the constitutional debt limit, the amount of debt subject to the debt limit would increase $2,590,000* to be $29,765,000*, or 73.18% * of the statutory debt limit.

* Preliminary, subject to change

(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.

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.
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 Adel	8,145,000	162,628,404	162,628,404	100.00%	$8,145,000
City of DeSoto	1,636,000	43,575,879	43,575,879	100.00%	1,636,000
City of Minburn	205,000	10,011,062	10,011,062	100.00%	205,000
Dallas County	28,780,000	6,658,042,902	486,597,993	7.31%	2,103,364
Madison County	735,000	969,519,493	13,210,122	1.36%	10,015
Des Moines Area Community College	70,010,000	50,504,396,751	499,808,115	0.99%	692,842
Heartland Area Education Agency	0	50,504,396,751	499,808,115	0.99%	0
				Total Overlapping & Underlying Debt:	$12,792,221

Source: Iowa Department of Management

Financial Summary

Actual Value of Property, 2018:	$813,499,967
Taxable Value of Property, 2018:	499,821,886
Direct General Obligation Debt:	$27,175,000
Overlapping Debt:	12,792,221
Direct & Overlapping General Obligation Debt:	$39,967,221
Population, 2010 US Census:	7,832
Direct Debt per Capita:	$3,469.74
Total Debt per Capita:	$5,103.07
Direct Debt to Taxable Valuation:	5.44%
Total Debt to Taxable Valuation:	8.00%
Direct Debt to Actual Valuation:	3.34%
Total Debt to Actual Valuation:	4.91%
Actual Valuation per Capita:	$103,869
Taxable Valuation per Capita:	$63,818

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 Adel-DeSoto-Minburn Community School District in the Counties of Dallas and Madison, 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 December 20, 2019, in the denominations of $5,000 or multiples thereof, in the aggregate amount of $________________ (the "Bonds").

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

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

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

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

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

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

4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

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

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

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

AHLERS & COONEY, P.C.

APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Adel-DeSoto-Minburn Community School District, State of Iowa (the "Issuer"), in connection with the issuance of $________________ General Obligation School Bonds, Series 2019 (the "Bonds") dated December 20, 2019. The Bonds are being issued pursuant to a Resolution of the Issuer approved on ___________________, 2019 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate; Interpretation. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5). This Disclosure Certificate shall be governed by, construed and interpreted in accordance with the Rule, and, to the extent not in conflict with the Rule, the laws of the State. Nothing herein shall be interpreted to require more than required by the Rule.

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

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

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

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

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

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with S.E.C. Rule 15c2-12.

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

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

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

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

"Official Statement" shall mean the Issuer's Official Statement for the Bonds, dated _______________, 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 (S.E.C.) under the Securities Exchange Act of 1934, and any guidance and procedures thereunder published by the S.E.C., as the same may be amended from time to time.

"State" shall mean the State of Iowa.

Section 3. Provision of Annual Financial Information.

a. The Issuer shall, or shall cause the Dissemination Agent to, not later than the 15th day of April of each year following the close of the Issuer's fiscal year (currently June 30), commencing with information for the 2019/2020 fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

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

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

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

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

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

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

Section 5. Reporting of Significant Events.

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

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

a. 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.

b. 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, 2019 were not available for inclusion in the Final Official Statement. The Issuer agrees to file these audited financial statements in the same manner as the Annual Financial Information when they become available.

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

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

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

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

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

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

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

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

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

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

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

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

Date: __________ day of ________________, 2019.

ADEL-DESOTO-MINBURN COMMUNITY
SCHOOL DISTRICT, STATE OF IOWA

By: ____
President

ATTEST:

By: ____
Secretary of the Board of Directors

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE
TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: Adel-DeSoto-Minburn Community School District, Iowa.

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

Dated Date of Issue: December 20, 2019

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___.

ADEL-DESOTO-MINBURN 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.

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ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2018

Table of Contents

Adel-DeSoto-Minburn Community School District

Officials

Name	Title	Term Expires
Board of Education		
(Before September 2017 Election)		
Tim Canney	President	2019
Kelli Book	Vice President	2017
Kim Roby	Board Member	2019
Bart Banwart	Board Member	2019
Rod Collins	Board Member	2017
(After September 2017 Election)		
Tim Canney	President	2019
Kelli Book	Vice President	2021
Bart Banwart	Board Member	2019
Kim Roby	Board Member	2019
Rod Collins	Board Member	2021
School Officials		
Greg Dufoe	Superintendent	2018
Nancy Gee	District Secretary/Treasurer	2018
Ahlers & Cooney	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 the Adel-DeSoto-Minburn 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 Adel-DeSoto-Minburn Community School District, Adel, 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 of 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 managements, 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 Adel-DeSoto-Minburn Community School District at June 30, 2018, and the respective changes in financial position and cash flows, where applicable, 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, Adel-DeSoto-Minburn 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 District Contributions and Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 16 and 46 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary 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 Adel-DeSoto-Minburn Community School District's basic financial statements. We previously audited the financial statements for the three years ended June 30, 2017 (which are not present herein) and expressed unmodified opinions on those financial statements. Another auditor previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the six years ended June 30, 2014 (which are not presented herein) and expressed an unmodified opinion on those financial statements. The supplementary information included in Schedules 1 through 5 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 applies in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 28, 2019 on our consideration of Adel-DeSoto-Minburn Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Adel-DeSoto-Minburn Community School District's internal control over financial reporting and compliance.

Nolte, Cornman & Johnson, P.C.

NOLTE, CORNMAN & JOHNSON, P.C.

January 28, 2019
Newton, Iowa

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Adel-DeSoto-Minburn Community School District provides the 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 $303,009 and $8,864 respectively, to retroactively report the increase in the OPEB liability as of July 1, 2017. OPEB expense for fiscal year 2017 and deferred outflows of resources at June 30, 2017 were not restated because the information needed to restate those amounts was not available.

- General Fund revenues increased from $17,466,939 in fiscal year 2017 to $18,520,616 in fiscal year 2018, while General Fund expenditures increased from $17,993,149 in fiscal year 2017 to $19,223,091 in fiscal year 2018. The District's General Fund balance decreased from $3,199,918 at June 30, 2017 to $2,497,443 at June 30, 2018, a decrease of $702,475 (21.95%) from the prior year.

- The increase in General Fund revenues was attributable to increases in local tax and state sources received in fiscal year 2018. The increase in expenditures was due to an increase in regular and special instruction.

- The District's total net position increased from $12,307,741 restated at July 1, 2017 to $12,547,899 at June 30, 2018. Total revenues increased from $23,048,365 in fiscal year 2017 to $24,470,284 in fiscal year 2018, a 6.17% increase, while total expenses increased from $22,696,956 in fiscal year 2017 to $24,230,126 in fiscal year 2018, a 6.75% 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 Adel-DeSoto-Minburn 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 Adel-DeSoto-Minburn 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 Adel-DeSoto-Minburn Community School District acts solely as an agent or custodian for the benefit of those outside of School District.

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in 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
Adel-DeSoto-Minburn Community School District Annual Financial Report

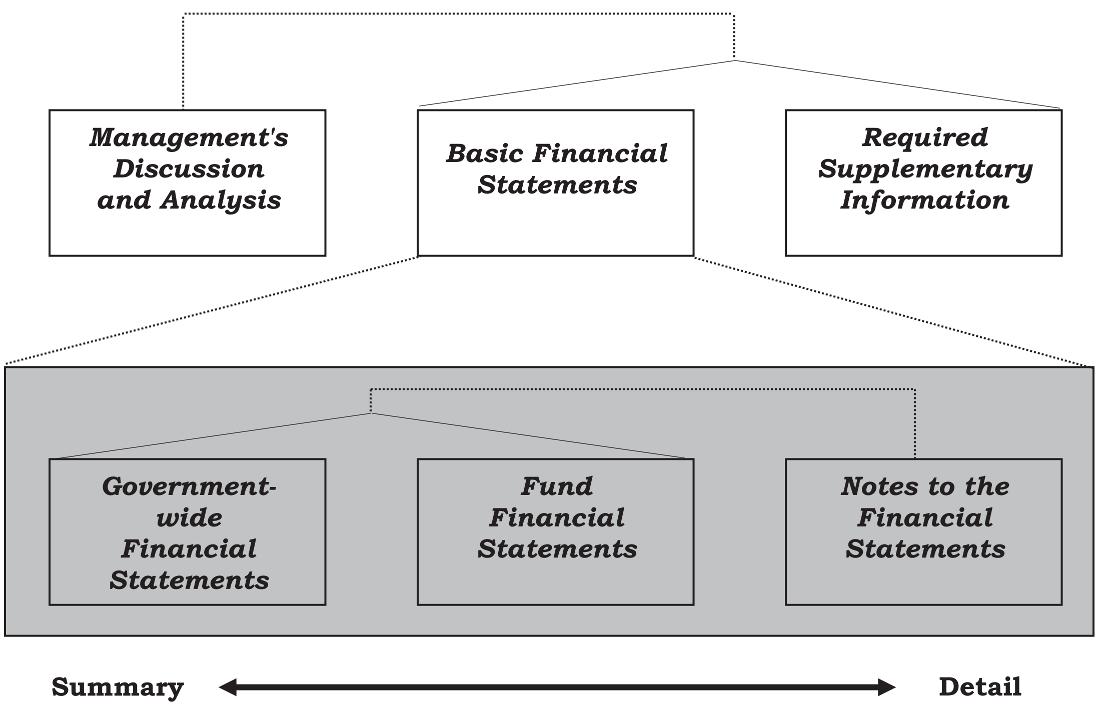

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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 and childcare	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. 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 are an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

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

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.

- *Business type activities*: The District charges fees to help cover the costs of certain services it provides. The District's school nutrition and childcare programs are included here.

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

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

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

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

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

- Private Purpose Trust Fund - The District accounts for outside donations for scholarships for individual students in this fund.
- Agency Funds - These are funds through which the District administers and accounts for certain funds held for other entities.

The District is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purpose and by those 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 the fiduciary funds include a Statement of Fiduciary Net Position and 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 (Not Restated)	2018	2017 (Not Restated)	2018	2017 (Not Restated)	2017-2018
Current and other assets	$ 21,590,664	21,064,332	727,784	661,550	22,318,448	21,725,882	2.73%
Capital assets	31,063,695	30,890,952	69,576	44,920	31,133,271	30,935,872	0.64%
Total assets	52,654,359	51,955,284	797,360	706,470	53,451,719	52,661,754	1.50%
Deferred outflows of resources	3,460,067	2,827,903	94,012	58,235	3,554,079	2,886,138	23.14%
Long-term liabilities	32,438,919	31,961,094	297,463	250,935	32,736,382	32,212,029	1.63%
Other liabilities	3,092,634	2,930,664	39,391	34,497	3,132,025	2,965,161	5.63%
Total liabilities	35,531,553	34,891,758	336,854	285,432	35,868,407	35,177,190	1.96%
Deferred inflows of resources	8,583,734	7,747,989	5,758	3,099	8,589,492	7,751,088	10.82%
Net position:							
Net investment in capital assets	9,558,695	8,797,168	69,576	44,920	9,628,271	8,842,088	8.89%
Restricted	7,983,255	7,155,995	-	-	7,983,255	7,155,995	11.56%
Unrestricted	(5,542,811)	(3,809,723)	479,184	431,254	(5,063,627)	(3,378,469)	-49.88%
Total net position	$ 11,999,139	12,143,440	548,760	476,174	12,547,899	12,619,614	-0.57%

Prior to restatement, the District's total net position decreased by 0.57%, or $71,715, 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 sources other than capital assets.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased $827,260 or -11.56%, from the prior year. The increase is primarily due to the increase in amounts restricted for School Infrastructure.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased $1,685,158 or -49.88%. This reduction in unrestricted net position was primarily a result of the increase in in the District's total OPEB liability.

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 June 30, 2018	Governmental Activities June 30, 2017 (Not Restated)	Business Type Activities June 30, 2018	Business Type Activities June 30, 2017 (Not Restated)	Total District June 30, 2018	Total District June 30, 2017 (Not Restated)	Total Change June 30, 2017-2018
Revenues:							
Program revenues:							
Charges for service	$ 2,300,694	2,294,149	687,931	695,993	2,988,625	2,990,142	-0.05%
Operating grants, contributions and restricted interest	1,315,850	1,195,755	315,862	321,205	1,631,712	1,516,960	7.56%
Capital grants, contributions and restricted interest	15,649	14,384	-	-	15,649	14,384	8.79%
General revenues:							
Property tax	7,721,772	7,218,108	-	-	7,721,772	7,218,108	6.98%
Statewide sales, services and use tax	1,539,782	1,500,776	-	-	1,539,782	1,500,776	2.60%
Unrestricted state grants	10,149,300	9,542,216	-	-	10,149,300	9,542,216	6.36%
Unrestricted investment earnings	48,459	52,976	3,255	2,462	51,714	55,438	-6.72%
Other	365,975	203,839	5,755	6,502	371,730	210,341	76.73%
Total revenues	23,457,481	22,022,203	1,012,803	1,026,162	24,470,284	23,048,365	6.17%
Program expenses:							
Instruction	13,493,195	12,209,866	-	-	13,493,195	12,209,866	10.51%
Support services	7,257,347	7,031,648	-	30,301	7,257,347	7,061,949	2.77%
Non-instructional programs	4,500	8,566	901,496	870,093	905,996	878,659	3.11%
Other expenses	2,573,588	2,546,482	-	-	2,573,588	2,546,482	1.06%
Total expenses	23,328,630	21,796,562	901,496	900,394	24,230,126	22,696,956	6.75%
Excess(Deficiency) of Revenues over (under) expenses	128,851	225,641	111,307	125,768	240,158	351,409	-31.66%
Transfers	29,857	-	(29,857)	-	-	-	-
Change in net position	158,708	225,641	81,450	125,768	240,158	351,409	-31.66%
Net position beginning of year, as restated	11,840,431	11,917,799	467,310	350,406	12,307,741	12,268,205	0.32%
Net position end of year	$ 11,999,139	12,143,440	548,760	476,174	12,547,899	12,619,614	-0.57%

In fiscal year 2018, property tax, statewide sales, services and use tax and unrestricted state grants accounted for 82.75% of the revenue from governmental activities while charges for service and operating grants and contributions account for 99.11% of the revenue from business type activities.

The District's total revenues were approximately $24.47 million of which approximately $23.46 million was for governmental activities and approximately $1.01 million was for business type activities. As shown in Figure A-4, the District as a whole experienced a 6.17% increase in revenues and a 6.75% increase in expenses. The increase in expenses was primarily due to an increase in non-instructional program expenses incurred compared to the prior year.

Governmental Activities

Revenues for governmental activities were $23,457,481 and expenses were $23,328,630 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, and other expenses, for the year ended June 30, 2018 compared to these 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 Service	
	2018	2017 (Not Restated)	2017-2018	2018	2017 (Not Restated)
Instruction	$ 13,493,195	12,209,866	10.51%	10,617,684	9,401,008
Support services	7,257,347	7,031,648	3.21%	7,192,699	6,970,701
Non-instructional programs	4,500	8,566	100.00%	4,500	8,566
Other expenses	2,573,588	2,546,482	1.06%	1,881,554	1,911,999
Totals	$ 23,328,630	21,796,562	7.03%	19,696,437	18,292,274

For the year ended June 30, 2018:

- The cost financed by users of the District's programs was $2,300,694.
- Federal, state governments and local sources subsidized certain programs with grants and contributions totaling $1,331,499.
- The net cost of governmental activities was financed with $7,721,772 in property tax, $1,539,782 in statewide sales, services and use tax, $10,149,300 in unrestricted state grants, $48,459 in interest income, and $365,975 in other general revenues.

Business Type Activities

Revenues of the District's business type activity were $1,012,803 and expenses were $901,496 for the year ended June 30, 2018. The District's business type activities are comprised of the School Nutrition Fund and the Childcare Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, interest income and other general revenues.

INDIVIDUAL FUND ANALYSIS

As previously noted, the Adel-DeSoto-Minburn 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 $10,287,842, below last year's ending combined fund balances of $10,669,950. The primary reason for the decrease in fund balance is due to the decrease in the General Fund balance.

Governmental Fund Highlights

- The District's General Fund financial position is the product of many factors. The fund balance decreased from $3,199,918 at June 30, 2017 to $2,497,443 at June 30, 2018. Expenditures outpaced revenues causing the District to use carryover fund balance to meet its financial obligations during the year.

- The District is projected to have increased enrollment over the next several years. Enrollment growth usually means budget growth so the District should be able to maintain its good financial position. The fund balance will continue to be reduced as the reserves are spent down, however the District will be able to levy for cash before it gets too low. In the meantime, additional staffing needs are being met.

- The Management Fund balance increased from $2,025,047 at June 30, 2017 to $2,144,315 at June 30, 2018. The increase is primarily due to the increase in other local sources received during fiscal year 2018.

- The Capital Project Fund balance increased from $5,094,185 at June 30, 2017 to $5,332,427 at June 30, 2018. The increase is primarily due to a decrease in capital outlay.

- The Debt Service Fund balance decreased from $94,796 at June 30, 2017 to $40,461 at June 30, 2018. The decrease was due to increased payment requirements during the year.

Proprietary Fund Highlights

The School Nutrition Fund net position increased from $276,441 at June 30, 2017 to $323,503 at June 30, 2018. This represents an increase of 17.02%.

The Childcare Fund net position increased from $190,869 at June 30, 2017 to $225,257 at June 30, 2018. This represents an increase of 18.02%.

BUDGETARY HIGHLIGHTS

Over the course of the year, Adel-DeSoto-Minburn Community School District amended its budget one time to reflect additional expenditures in the support services and noninstructional programs.

The District's revenues were $129,225 less than budgeted revenues, a variance of 0.53%. The most significant variance resulted from the District receiving less in State Sources than what was originally budgeted.

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.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the District had invested $31,133,271 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities and transportation equipment. (See Figure A-6) This amount represents an increase of 0.64% from the prior year. More detailed information about capital assets is available in Note 4 to the financial statements. Depreciation expense for the year was $1,466,965.

The original cost of the District's capital assets was $46,158,779. Governmental activities account for $45,826,763 with the remainder of $332,016 accounted for in the District's business type activities.

The largest change in capital asset activity during the year occurred in the construction in progress category. The District's construction in progress totaled $2,778,236 at June 30, 2017 as compared to $3,521,796 at June 30, 2018. This increase is primarily due to Athletic Facility construction during fiscal year 2018.

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 (Not Restated)	2018	2017 (Not Restated)	2018	2017 (Not Restated)	2017-2018
Land	$	669,715	669,715	-	-	669,715	669,715	0.00%
Construction in progress		3,521,796	2,778,236	-	-	3,521,796	2,778,236	26.76%
Buildings		24,721,901	25,260,755	-	-	24,721,901	25,260,755	-2.13%
Land improvements		1,534,574	1,627,894	-	-	1,534,574	1,627,894	-5.73%
Machinery and equipment		615,709	554,352	69,576	44,920	685,285	599,272	14.35%
Total	$	31,063,695	30,890,952	69,576	44,920	31,133,271	30,935,872	0.64%

Long-Term Debt

At June 30, 2018, the District had $21,505,000 in general obligation bonds payable, revenue bonds payable, and other long-term debt outstanding. (See Figure A-7) More detailed information about the District's long-term liabilities is available in Note 5 to the financial statements.

- The District had total outstanding general obligation bonds payable of $18,110,000 at June 30, 2018.
- The District had outstanding revenue bonds payable of $2,825,000 at June 30, 2018.
- The District had outstanding Capital loan notes of $570,000 at June 30, 2018.

Figure A-7
Outstanding Long-Term Obligations

		Total District	
		June 30,	
		2018	2017
General obligation bonds	$	18,110,000	19,540,000
Revenue bonds		2,825,000	3,060,000
Capital loan notes		570,000	-
Total	$	21,505,000	22,600,000

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The District completed a Facility Master Plan to determine space needs due to continued enrollment growth. This plan was presented to the Board in January, 2019. The Board will be asking voters to pass a bond to build a new elementary building which could impact tax rates.
- The City of Adel has an aggressive tax abatement program which has impacted enrollment growth. Due to the desirability of ADM Schools along with the close proximity to the metro area, enrollment is expected to increase even with the tax abatement program ending in 2020. Enrollment growth generates more funding but the funding is not received until a year later. Due to this lag year in funding, it is difficult to cover all of the added expenses for additional staff and keep the class sizes at a reasonable level.

- The District's special education deficit continues to grow. The deficit for 2018 was $858,474, an increase of $114,069 from the prior year. The deficit is contributing to the decreasing fund balance and the need for the additional cash reserve levy.

- The District was restricted from levying additional cash for several years and was forced to spend down the fund balance. The District did levy for additional cash for 2019 and will continue to levy cash for the next several years for unfunded spending authority.

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 Nancy Gee, District Secretary/Treasurer, Adel-DeSoto-Minburn Community School District, 215 N. 11th Street, Adel, Iowa, 50003.

BASIC FINANCIAL STATEMENTS

ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

		Governmental Activities	Business Type Activities	Total
ASSETS				
Cash and pooled investments	$	12,773,993	717,152	13,491,145
Receivables:				
Property tax:				
Delinquent		21,718	-	21,718
Succeeding year		8,360,317	-	8,360,317
Accounts		34,332	1,360	35,692
Due from other governments		400,304	-	400,304
Inventories		-	9,272	9,272
Capital assets not being depreciated:				
Land and construction in progress		4,191,511	-	4,191,511
Capital assets, net of accumulated depreciation:				
Buildings and land improvements and machinery and equipment		26,872,184	69,576	26,941,760
TOTAL ASSETS		52,654,359	797,360	53,451,719
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows		3,460,067	94,012	3,554,079
Total deferred outflows of resources				
LIABILITIES				
Accounts payable		1,285,710	499	1,286,209
Salaries and benefits payable		1,642,969	9,906	1,652,875
Accrued interest payable		91,579	-	91,579
Unearned revenue		-	28,986	28,986
Unamortized bond premium		72,376	-	72,376
Long-term liabilities:				
Portion due within one year:				
General obligation bonds payable		960,000	-	960,000
Revenue bonds payable		235,000	-	235,000
Capital loan note payable		135,000	-	135,000
Termination benefits payable		97,751	-	97,751
Portion due after one year:				
General obligation bonds payable		17,150,000	-	17,150,000
Revenue bonds payable		2,590,000	-	2,590,000
Capital loan note payable		435,000	-	435,000
Net pension liability		9,988,174	272,946	10,261,120
Total OPEB liability		847,994	24,517	872,511
TOTAL LIABILITIES		35,531,553	336,854	35,868,407
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue		8,360,317	-	8,360,317
Pension related deferred inflows		190,863	5,216	196,079
OPEB related deferred inflows		18,728	542	19,270
Other		13,826	-	13,826
TOTAL DEFERRED INFLOWS OF RESOURCES		8,583,734	5,758	8,589,492
NET POSITION				
Net investment in capital assets		9,558,695	69,576	9,628,271
Restricted for:				
Categorical funding		331,068	-	331,068
School infrastructure		4,868,076	-	4,868,076
Physical plant and equipment levy		464,351	-	464,351
Management levy purposes		2,046,564	-	2,046,564
Student activities		273,196	-	273,196
Unrestricted		(5,542,811)	479,184	(5,063,627)
TOTAL NET POSITION	$	11,999,139	548,760	12,547,899

SEE NOTES TO FINANCIAL STATEMENTS.

ADEL-DESOTO-MINBURN 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	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Functions/Programs:							
Governmental activities:							
Instruction:							
Regular	$ 8,756,416	1,585,038	102,431	-	(7,068,947)	-	(7,068,947)
Special	2,812,123	304,221	313,296	-	(2,194,606)	-	(2,194,606)
Other	1,924,656	406,058	164,467	-	(1,354,131)	-	(1,354,131)
	13,493,195	2,295,317	580,194	-	(10,617,684)	-	(10,617,684)
Support services:							
Student	503,034	-	8	-	(503,026)	-	(503,026)
Instructional staff	1,383,583	-	-	-	(1,383,583)	-	(1,383,583)
Administration	2,571,452	-	-	-	(2,571,452)	-	(2,571,452)
Operation and maintenance of plant	1,862,441	-	-	15,649	(1,846,792)	-	(1,846,792)
Transportation	936,837	5,377	43,614	-	(887,846)	-	(887,846)
	7,257,347	5,377	43,622	15,649	(7,192,699)	-	(7,192,699)
Non-instructional programs:							
Food service operations	4,500	-	-	-	(4,500)	-	(4,500)
Long-term debt interest	639,499	-	-	-	(639,499)	-	(639,499)
Other expenses:							
AEA flowthrough	692,034	-	692,034	-	-	-	-
Depreciation (unallocated)*	1,242,055	-	-	-	(1,242,055)	-	(1,242,055)
	1,934,089	-	692,034	-	(1,242,055)	-	(1,242,055)
Total governmental activities	23,328,630	2,300,694	1,315,850	15,649	(19,696,437)	-	(19,696,437)
Business type activities:							
Non-instructional programs:							
Food service operations	848,986	602,076	315,862	-	-	68,952	68,952
Community service operations	52,510	85,855	-	-	-	33,345	33,345
Total business type activities	901,496	687,931	315,862	-	-	102,297	102,297
Total	$ 24,230,126	2,988,625	1,631,712	15,649	(19,696,437)	102,297	(19,594,140)
General Revenues:							
Property tax levied for:							
General purposes					$ 5,333,020	-	5,333,020
Debt service					1,797,915	-	1,797,915
Capital outlay					590,837	-	590,837
Statewide sales, services and use tax					1,539,782	-	1,539,782
Unrestricted state grants					10,149,300	-	10,149,300
Unrestricted investment earnings					48,459	3,255	51,714
Other					365,975	5,755	371,730
Transfers					29,857	(29,857)	-
Total general revenues					19,855,145	(20,847)	19,834,298
Change in net position					158,708	81,450	240,158
Net position beginning of year, as restated					11,840,431	467,310	12,268,205
Net position end of year					$ 11,999,139	548,760	12,508,363

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit C

ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

		General	Management	Capital Projects	Debt Service	Nonmajor - Student Activity	Total
ASSETS							
Cash and pooled investments	$	4,499,079	2,151,946	5,816,603	36,335	270,030	12,773,993
Receivables:							
Property tax:							
Delinquent		14,147	885	1,654	5,032	-	21,718
Succeeding year		5,817,390	14,459	625,091	1,903,377	-	8,360,317
Accounts		8,649	-	-	-	25,683	34,332
Due from other governments		269,143	17	130,634	94	416	400,304
TOTAL ASSETS	$	10,608,408	2,167,307	6,573,982	1,944,838	296,129	21,590,664
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	$	638,086	8,533	616,464	1,000	21,627	1,285,710
Salaries and benefits payable		1,642,923	-	-	-	46	1,642,969
Total liabilities		2,281,009	8,533	616,464	1,000	21,673	2,928,679
Deferred inflows of resources:							
Unavailable resources:							
Succeeding year property tax		5,817,390	14,459	625,091	1,903,377	-	8,360,317
Other		12,566	-	-	-	1,260	13,826
Total deferred inflows of resources		5,829,956	14,459	625,091	1,903,377	1,260	8,374,143
Fund balances:							
Restricted for:							
Categorical funding		331,068	-	-	-	-	331,068
Debt service		-	-	-	40,461	-	40,461
School infrastructure		-	-	4,868,076	-	-	4,868,076
Physical plant and equipment levy		-	-	464,351	-	-	464,351
Management levy purposes		-	2,144,315	-	-	-	2,144,315
Student activities		-	-	-	-	273,196	273,196
Assigned		112,799	-	-	-	-	112,799
Unassigned		2,053,576	-	-	-	-	2,053,576
Total fund balances		2,497,443	2,144,315	5,332,427	40,461	273,196	10,287,842
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$	10,608,408	2,167,307	6,573,982	1,944,838	296,129	21,590,664

SEE NOTES TO FINANCIAL STATEMENTS.

ADEL-DESOTO-MINBURN 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)		$ 10,287,842
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.		31,063,695
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(91,579)
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	$ 3,460,067	
Deferred inflows of resources	(209,591)	3,250,476
Long-term liabilities, including bonds and notes payable, unamortized bond premium, termination benefits payable, total OPEB liability and net pension liability are not due and payable in the current year and, therefore, are not reported in the governmental funds.		(32,511,295)
Net position of governmental activities (page 18)		$ 11,999,139

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit E

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

	General	Management	Capital Projects	Debt Service	Nonmajor - Student Activity	Total
REVENUES:						
Local sources:						
Local tax	$ 5,017,855	315,165	590,837	1,797,915	-	7,721,772
Tuition	1,761,476	-	-	-	-	1,761,476
Other	375,732	64,288	241,908	2,281	369,656	1,053,865
State sources	10,811,384	5,444	1,549,539	29,689	-	12,396,056
Federal sources	524,312	-	-	-	-	524,312
Total revenues	18,490,759	384,897	2,382,284	1,829,885	369,656	23,457,481
EXPENDITURES:						
Current:						
Instruction:						
Regular	8,063,224	70,929	546,902	-	-	8,681,055
Special	2,803,497	1,688	-	-	-	2,805,185
Other	1,234,898	-	-	-	349,562	1,584,460
	12,101,619	72,617	546,902	-	349,562	13,070,700
Support services:						
Student service	526,723	-	-	-	-	526,723
Instructional staff	1,163,983	-	900	-	1,349	1,166,232
Administration	2,231,210	-	253,419	-	-	2,484,629
Operation and maintenance of plant	1,773,001	156,153	39,876	-	8,568	1,977,598
Transportation	727,506	32,359	251,633	-	-	1,011,498
	6,422,423	188,512	545,828	-	9,917	7,166,680
Non-instructional programs:						
Food service operations	-	4,500	-	-	-	4,500
Capital outlay	-	-	1,202,948	-	-	1,202,948
Long-term debt:						
Principal	-	-	-	1,665,000	-	1,665,000
Interest and fiscal charges	-	-	-	642,101	-	642,101
	-	-	-	2,307,101	-	2,307,101
Other expenditures:						
AEA flowthrough	692,034	-	-	-	-	692,034
TOTAL EXPENDITURES	19,216,076	265,629	2,295,678	2,307,101	359,479	24,443,963
Excess(Deficiency) of revenues over(under) expenditures	(725,317)	119,268	86,606	(477,216)	10,177	(986,482)
Other financing sources(uses):						
Proceeds from sale of equipment	-	-	4,517	-	-	4,517
Issuance of capital loans	-	-	570,000	-	-	570,000
Transfer in	29,857	-	-	422,881	7,015	459,753
Transfer out	(7,015)	-	(422,881)	-	-	(429,896)
Total other financing sources(uses)	22,842	-	151,636	422,881	7,015	604,374
Change in fund balances	(702,475)	119,268	238,242	(54,335)	17,192	(382,108)
Fund balances beginning of year	3,199,918	2,025,047	5,094,185	94,796	256,004	10,669,950
Fund balances end of year	$ 2,497,443	2,144,315	5,332,427	40,461	273,196	10,287,842

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit F

ADEL-DESOTO-MINBURN 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)		$ (382,108)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Depreciation expense and capital outlay expenditures in the current year, are as follows:		
Capital outlay	$ 1,630,761	
Depreciation expense	(1,458,018)	172,743
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year issuances and repayments, are as follows:		
Issued	(570,000)	
Repaid	1,665,000	1,095,000
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 funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		2,602
The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as deferred outflows of resources in the Statement of Net Position.		1,027,951
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	(97,751)	
Pension expense	(1,593,948)	
Unamortized bond premium/discount	12,062	
Total OPEB liability	(77,843)	(1,757,480)
Change in net position of governmental activities (page 19)		$ 158,708

SEE NOTES TO FINANCIAL STATEMENTS.

ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Enterprise Funds		
	School Nutrition	Childcare	Total
ASSETS:			
Current assets:			
Cash and pooled investments	$ 472,668	244,484	717,152
Receivables:			
Accounts receivable	1,360	-	1,360
Inventories	9,272	-	9,272
Total current assets	483,300	244,484	727,784
Noncurrent assets:			
Capital assets, net of accumulated depreciation	67,825	1,751	69,576
TOTAL ASSETS	551,125	246,235	797,360
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	84,876	9,136	94,012
LIABILITIES			
Current liabilities:			
Accounts payable	77	422	499
Salaries and benefits payable	8,979	927	9,906
Unearned revenue	28,926	60	28,986
Total current liabilities	37,982	1,409	39,391
Noncurrent liabilities:			
Total OPEB liability	23,034	1,483	24,517
Net pension liability	246,267	26,679	272,946
Total noncurrent liabilities	269,301	28,162	297,463
Total liabilities	307,283	29,571	336,854
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	4,706	510	5,216
OPEB related deferred inflows	509	33	542
	5,215	543	5,758
NET POSITION			
Net investment in capital assets	67,825	1,751	69,576
Unrestricted	255,678	223,506	479,184
TOTAL NET POSITION	$ 323,503	225,257	548,760

SEE NOTES TO FINANCIAL STATEMENTS.

ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Enterprise Funds		
	School Nutrition	Childcare	Total
OPERATING REVENUE:			
Local sources:			
Charges for service	$ 602,076	85,855	687,931
Miscellaneous	5,755	-	5,755
TOTAL OPERATING REVENUES	607,831	85,855	693,686
OPERATING EXPENSES:			
Non-instructional programs:			
Food service operations:			
Salaries	284,491	-	284,491
Benefits	80,172	-	80,172
Services	200	-	200
Supplies	475,863	-	475,863
Depreciation	8,260	-	8,260
	848,986	-	848,986
Community service operations:			
Salaries	-	31,481	31,481
Benefits	-	14,614	14,614
Services	-	2,221	2,221
Supplies	-	3,382	3,382
Depreciation	-	687	687
Other	-	125	125
Total non-instructional programs	848,986	52,510	901,496
TOTAL OPERATING EXPENSES	848,986	52,510	901,496
OPERATING INCOME(LOSS)	(241,155)	33,345	(207,810)
NON-OPERATING REVENUES:			
State sources	6,389	-	6,389
Federal sources	309,473	-	309,473
Interest income	2,212	1,043	3,255
TOTAL NON-OPERATING REVENUES	318,074	1,043	319,117
Change in net position before other financing uses	76,919	34,388	111,307
Other financing uses:			
Transfer out	(29,857)	-	(29,857)
Change in net position	47,062	34,388	81,450
Net position beginning of year, as restated	276,441	190,869	467,310
Net position end of year	$ 323,503	225,257	548,760

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit I

ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Enterprise Funds		
	School Nutrition	Childcare	Total
Cash flows from operating activities:			
Cash received from sale of lunches and breakfasts	$ 605,764	-	605,764
Cash received from childcare services	-	85,915	85,915
Cash received from miscellaneous	5,755	-	5,755
Cash payments to employees for services	(367,004)	(38,728)	(405,732)
Cash payments to suppliers for goods or services	(416,566)	(5,751)	(422,317)
Net cash provided by(used in) operating activities	(172,051)	41,436	(130,615)
Cash flows from non-capital financing activities:			
Transfer to General Fund	(29,857)	-	(29,857)
State grants received	6,389	-	6,389
Federal grants received	245,346	-	245,346
Net cash provided by non-capital financing activities	221,878	-	221,878
Cash flows from capital and related financing activities:			
Purchase of capital assets	(33,005)	(598)	(33,603)
Cash flows from investing activities:			
Interest on investments	2,212	1,043	3,255
Net increase in cash and pooled investments	19,034	41,881	60,915
Cash and pooled investments beginning of year	453,634	202,603	656,237
Cash and pooled investments end of year	$ 472,668	244,484	717,152
Reconciliation of operating income(loss) to net cash provided by(used in) operating activities:			
Operating income(loss)	$ (241,155)	33,345	(207,810)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Commodities consumed	64,127	-	64,127
Depreciation	8,260	687	8,947
Increase in inventories	(4,510)	-	(4,510)
Increase in accounts receivable	(809)	-	(809)
Decrease in accounts payable	(120)	(23)	(143)
Increase in salaries and benefits payable	448	32	480
Increase in unearned revenue	4,497	60	4,557
Increase in net pension liability	25,377	10,579	35,956
Increase in deferred outflows of resources	(32,137)	(3,640)	(35,777)
Increase in deferred inflows of resources	2,366	293	2,659
Increase in OPEB liability	1,605	103	1,708
Net cash provided by(used in) operating activities	$ (172,051)	41,436	(130,615)

NON-CASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:

During the year ended June 30, 2018, the District received Federal commodities valued at $64,127.

SEE NOTES TO FINANCIAL STATEMENTS.

ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2018

	Private Purpose Trust Scholarship
ASSETS	
Cash and pooled investments	$ 550
LIABILITIES	-
NET POSITION	
Held in trust for scholarships	$ 550

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit K

ADEL-DESOTO-MINBURN 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	$ 1,500
Deductions:	
Instruction:	
Scholarships awarded	1,500
Change in net position	-
Net position beginning of year	550
Net position end of year	$ 550

SEE NOTES TO FINANCIAL STATEMENTS.

(1) Summary of Significant Accounting Policies

The Adel-DeSoto-Minburn 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 Cities of Adel, DeSoto, and Minburn, Iowa, and the predominately agricultural territory in portions of Dallas and Madison Counties. The District is governed by a Board of Education whose members are elected at large, 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. <u>Reporting Entity</u>

For financial reporting purposes, Adel-DeSoto-Minburn 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 Adel-DeSoto-Minburn Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

<u>Jointly Governed Organizations</u> - 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 Dallas and Madison County Assessors' Conference Board.

B. <u>Basis of Presentation</u>

<u>Government-wide Financial Statements</u> - 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 non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

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

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position is often subject to constraints on resources that are 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 other nonmajor governmental funds. Combining schedules are also included for the Capital Project Fund accounts.

The District reports the following major governmental funds:

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

The Management Levy Fund is utilized to account for the tax revenues and the payment of property insurance and unemployment benefits.

The Capital Projects Fund are 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 also reports the following nonmajor proprietary funds which include the following:

The District's Enterprise, School Nutrition Fund is used to account for the food service operations of the District. The District's Enterprise, Childcare Fund is used to account for the District's child care program.

The District also reports the following fiduciary funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating 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, they have a maturity date no longer than three months.

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is 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 1st, 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 estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. 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	50,000
Land improvements	30,000
Intangible assets	150,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	3,500

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

Asset Class	Estimated Useful Lives
Buildings	20-50 years
Land improvements	20 years
Intangibles	3-10 years
Machinery and equipment	5-12 years

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position that applies to a future year(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and contributions from the employer after the measurement date but before the end of the employer'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 in the School Nutrition Fund are monies collected for lunches that have not yet been served. The lunch account balances will either be reimbursed or served lunches. The revenue will be considered earned when services are provided. The lunch account balances are reflected on the Statement of Net Position in the Proprietary Funds.

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

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

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

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.

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.

Assigned - Amounts the Board of Education or Administration intends to use for specific purposes.

Unassigned - All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

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

(2) Cash and Pooled Investments

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

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. At June 30, 2018, the District had no investments.

(3) 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: Physical Plant and Equipment Levy	$ 303,779
Student Activity	General Fund	7,015
Debt Service	Capital Projects: General Obligation Bonds Fund	119,102
General Fund	School Nutrition Fund	29,857
Total		$ 459,753

The transfer from the Capital Projects: Physical Plant and Equipment Levy Fund to the Debt Service Fund was for principal and interest.

The transfer from the General Fund to the Student Activity Fund was for safety equipment.

The transfer from the Capital Projects: General Obligation Bonds Fund to the Debt Service Fund was for remaining bond proceeds.

The transfer from the School Nutrition Fund to the General Fund was for move repairs and indirect costs.

(4) Capital Assets

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

		Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:					
Capital assets not being depreciated:					
Land	$	669,715	-	-	669,715
Construction in progress		2,778,236	743,560	-	3,521,796
Total capital assets not being depreciated		3,447,951	743,560	-	4,191,511
Capital assets being depreciated:					
Buildings		35,486,517	568,393	-	36,054,910
Land improvements		2,877,899	41,488	-	2,919,387
Machinery and equipment		2,557,892	277,320	174,257	2,660,955
Total capital assets being depreciated		40,922,308	887,201	174,257	41,635,252
Less accumulated depreciation for:					
Buildings		10,225,762	1,107,247	-	11,333,009
Land improvements		1,250,005	134,808	-	1,384,813
Machinery and equipment		2,003,540	215,963	174,257	2,045,246
Total accumulated depreciation		13,479,307	1,458,018	174,257	14,763,068
Total capital assets being depreciated, net		27,443,001	(570,817)	348,514	26,872,184
Governmental activities capital assets, net	$	30,890,952	172,743	348,514	31,063,695
Business type activities:					
Machinery and equipment	$	298,413	33,603	-	332,016
Less accumulated depreciation		253,493	8,947	-	262,440
Business type activities capital assets, net	$	44,920	24,656	-	69,576

Depreciation expense was charged by the District as follows:

Governmental activities:		
Instruction:		
Regular	$	5,089
Other		10,984
Support services:		
Instructional staff		16,539
Administration		3,363
Operation and maintenance of plant		18,920
Transportation		161,068
		215,963
Unallocated depreciation		1,242,055
Total governmental activities depreciation expense	$	1,458,018
Business type activities:		
Food service operations		8,260
Childcare operations		687
Total	$	8,947

(5) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2018 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	$ 19,540,000	-	1,430,000	18,110,000	960,000
Revenue bonds	3,060,000	-	235,000	2,825,000	235,000
Capital loan notes	-	570,000	-	570,000	135,000
Termination benefits	-	97,151	-	97,151	97,151
Net pension liability	8,875,224	1,112,950	-	9,988,174	-
Net OPEB liability	788,879	59,115	-	847,994	-
Total	$ 32,264,103	1,839,216	1,665,000	32,438,319	1,427,151
Business type activities:					
Net OPEB liability	22,809	1,708	-	24,517	-
Net pension liability	236,990	35,956	-	272,946	-
Total	$ 259,799	37,664	-	297,463	-

General Obligation Bonds Payable

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

Year Ending June 30,	Bond Issue of May 1, 2012 Interest Rates	Principal	Interest	Bond Issue of May 1, 2014 Interest Rates	Principal	Interest
2019	1.40 %	$ 925,000	87,095	3.00 %	$ -	363,375
2020	1.60	935,000	74,145	3.00	-	363,375
2021	1.80	950,000	59,185	3.00	-	363,375
2022	2.00	960,000	42,085	3.00	-	363,375
2023	2.10	985,000	22,884	3.00	-	363,375
2024-2025	2.20	100,000	2,200	3.00	1,620,000	1,803,975
2029-2033		-	-	3.25-4.00	6,615,000	1,101,175
2034		-	-	4.00	1,485,000	59,400
		$ 4,855,000	287,594		$ 9,720,000	4,781,425

Year Ending June 30,	Bond Issue of June 25, 2015 Interest Rates	Principal	Interest	Total Principal	Interest	Total
2019	2.00 %	$ 35,000	82,382	960,000	532,852	1,492,852
2020	2.10	40,000	81,681	975,000	519,201	1,494,201
2021	2.40	40,000	80,881	990,000	503,441	1,493,441
2022	2.60	45,000	80,081	1,005,000	485,541	1,490,541
2023	2.90	40,000	79,068	1,025,000	465,327	1,490,327
2024-2028	3.10-3.50	3,335,000	196,318	5,055,000	2,002,493	7,057,493
2029-2033	3.25-4.00	-	-	6,615,000	1,101,175	7,716,175
2034	4	-	-	1,485,000	59,400	1,544,400
		3,535,000	600,411	18,110,000	5,669,430	23,779,430

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 March 28, 2016 Series A			Bond Issue of March 28, 2016 Series B			Total		
Ending June 30,	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Principal	Interest	Total
2019	2.50 %	$ 117,500	35,313	1.35 %	117,500	30,529	235,000	65,842	300,842
2020	2.50	120,000	32,375	1.55	120,000	29,178	240,000	61,553	301,553
2021	2.50	120,000	29,375	1.70	120,000	27,591	240,000	56,966	296,966
2022	2.50	122,500	26,375	1.80	122,500	25,731	245,000	52,106	297,106
2023	2.50	125,000	23,313	1.90	125,000	23,691	250,000	47,004	297,004
2024-2028	2.50	665,000	68,438	2.10-2.55	665,000	81,328	1,330,000	149,765	1,479,765
2029	2.50	142,500	3,563	2.70	142,500	11,265	285,000	14,828	299,828
		$ 1,412,500	218,752		1,412,500	229,313	2,825,000	448,064	3,273,064

The District has pledged future statewide sales, services and use tax revenues to repay the $3,160,000 of bonds issued March 2016. The bonds were issued for the purpose of financing a portion of the costs of construction around the District. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2029. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require 19.54% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is $3,273,065. For the current year, $235,000 in principal and $68,779 in interest was paid on the bonds and total statewide sales, services and use tax revenues were $1,539,782.

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

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

Capital Loan Notes

During the year ended June 30, 2018, the District issued Capital Loan Notes to provide funds for the energy savings project. The notes bear interest at 2.65% to 2.90% per annum and are payable from the General Fund. Details of the District's indebtedness under the agreements in effect at June 30, 2018 are as follows:

Year Ending June 30,	Capital Loan Notes dated April 27, 2018 Interest Rates	Principal	Interest	Total
2019	2.65%	$ 135,000	16,014	151,014
2020	2.73	140,000	12,261	152,261
2021	2.82	145,000	8,439	153,439
2022	2.90	150,000	4,350	154,350
		$ 570,000	41,064	611,064

Termination Benefits

In January 2018, the District approved a voluntary early retirement plan for employees. The plan was offered to employees for one year. Eligible employees must be at least age fifty-five and must have completed fifteen years of continuous service to the District. The application for early retirement was subject to approval by the Board of Education. Early retirement benefits were a cash incentive of $20,000 paid out in two equal installments to be paid in June and September 2018.

The District also had obligations to early retirees from previous offerings in the form of District contributions toward premiums for continued coverage in the District's health insurance plan. At June 30, 2018, the District had obligations to four participants totaling $97,751. Actual early retirement expenditures for the year ended June 30, 2018 were $0.

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

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

Inactive employees or beneficiaries currently receiving benefit payments	10
Active employees	245
Total	255

Total OPEB Liability - The District's total OPEB liability of $872,511 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)	2.60% per annum.
Rates of salary increase (effective June 30, 2018)	3.25-16.25% variable based upon years of service, including inflation.
Discount rate (effective June 30, 2018)	3.87% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2018)	7.00% initial rate decreasing by 0.25% annually to an ultimate rate of 4.00%

Discount Rate - The discount rate used to measure the total OPEB liability was 3.87% 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 SOA RPH-2017 total dataset mortality table fully generational using Scale MP-2017. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

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	$ 811,688
Changes for the year:	
Service cost	96,514
Interest	31,696
Changes in assumptions	(21,317)
Benefit payments	(46,070)
Net changes	60,823
Total OPEB liability end of year	$ 872,511

Changes of assumptions reflect a change in the discount rate from 3.58% in fiscal year 2017 to 3.87% 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 (2.87%) or 1% higher (4.87%) than the current discount rate.

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	$ 948,169	872,511	802,226

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 (5.75%) or 1% higher (7.75%) than the current healthcare cost trend rates.

	1% Decrease (5.75%)	Healthcare Cost Trend Rate (6.75%)	1% Increase (7.75%)
Total OPEB liability	$ 764,532	872,511	1,001,970

OPEB Expense and Deferred Outflows of Resources Related to OPEB - For the year ended June 30, 2018, the District recognized OPEB expense of $50,040. At June 30, 2018, the District reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Inflows of Resources
Changes in assumptions	$ 19,270

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

Year Ended June 30,	Amount
2019	$ (2,047)
2020	(2,047)
2021	(2,047)
2022	(2,047)
2023	(2,047)
Thereafter	(9,035)
Total	$ (19,270)

(7) Pension Plan

Plan Description - IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

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

- A multiplier based on years of service.
- The member's highest five-year average salary., except 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 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

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

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

<u>Contributions</u> - 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 percent of covered payroll and the District contributed 8.93 percent of covered payroll for a total rate of 14.88 percent.

The District's contributions to IPERS for the year ended June 30, 2018 were $1,055,500.

<u>Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u> - At June 30, 2018, the District reported a liability of $10,261,120 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 the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2017, the District's proportion was 0.1540416 percent, which was an increase of 0.009250 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of $1,623,793 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	$ 94,207	$ 88,905
Changes of assumptions	1,782,910	-
Net difference between projected and actual earnings on IPERS' investments	-	107,174
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	621,462	-
District contributions subsequent to the measurement date	1,055,500	-
Total	$ 3,554,079	$ 196,079

$1,055,500 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	$ 461,053
2020	961,765
2021	581,931
2022	148,526
2023	149,225
	$ 2,302,500

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 percent per annum
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00 percent, compounded annually, net of investment expense, including inflation
Wage growth (effective June 30, 2017)	4.00% per annum, based on 3.00% inflation and 1.00% real wage inflation

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of 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 pension plan 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 percent. 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, the pension plan's 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 percent, 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 percent) or 1% higher (8.00 percent) 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	$ 16,906,210	10,261,120	4,677,968

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 $120,546 for legally required employer contributions and $80,319 for legally required District contributions withheld from employee wages which had not yet remitted to IPERS.

(8) Risk Management

Adel-DeSoto-Minburn 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 four fiscal years.

(9) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled $692,034 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.

(10) Detailed Reconciliation of Governmental Fund Balances to Net Position

The following is the detailed reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position:

	Net Investment in Capital Assets	Management Levy	Debt Service	Unassigned/ Unrestricted
Fund balance (Exhibit C)	$ -	2,144,315	40,461	2,053,576
Capital assets, net of accumulated depreciation	31,063,695	-	-	-
General obligation bond capitalized indebtedness	(18,110,000)	-	-	-
Revenue bond capitalized indebtedness	(2,825,000)	-	-	-
Termination benefits	-	(97,751)	-	-
Assigned for specific purposes	-	-	-	112,799
Accrued interest payable	-	-	(40,461)	(51,118)
Capital loan note indebtedness	(570,000)	-	-	-
Total OPEB liability	-	-	-	(847,994)
Net pension liability	-	-	-	(9,988,174)
Pension related deferred outflows of resources	-	-	-	3,460,067
Pension related deferred inflows of resources	-	-	-	(190,863)
Total OPEB related deferred inflows of resources	-	-	-	(18,728)
Unamoritized bond premium	-	-	-	(72,376)
Net position (Exhibit A)	$ 9,558,695	2,046,564	-	(5,542,811)

(11) Construction Commitment

The District entered into outstanding contracts totaling $3,608,936 for various projects around the District. As of June 30, 2018, costs of $3,521,796 had been incurred against the contract. The balance remaining at June 30, 2018 will be paid as work on the projects progress.

(12) Categorical Funding

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

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

Program	Amount	
Home school assistance program	$	7,381
Gifted and talented		87,077
Teacher salary supplement		40,299
Market factor		4,396
Successful progression for early readers		59,632
Professional development for model core curriculum		23,296
Limited english proficient		2,067
Teacher leadership state aid		106,920
Total categorical funding	$	331,068

(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.

Tax Abatements of Other Entities

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

Entity	**Tax Abatement Program**	**Amount of Tax Abated**	
City of Adel	Urban Renewal and economic development projects	$	2,337
City of De Soto	Urban Renewal and economic development projects		13,736

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times $5.40 per $1,000 of taxable valuation. For the year ended June 30, 2018, this reimbursement amounted to $7,979.

(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	$ 12,143,440	476,174
OPEB obligation measured under previous standards	485,870	13,945
Total OPEB liability at June 30, 2017	(788,879)	(22,809)
Net position July 1, 2017, as restated	$ 11,840,431	467,310

ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance
Revenues:						
Local sources	$ 10,537,113	696,941	11,234,054	11,190,416	11,190,416	43,638
State sources	12,396,056	6,389	12,402,445	12,699,093	12,699,093	(296,648)
Federal sources	524,312	309,473	833,785	710,000	710,000	123,785
Total revenues	23,457,481	1,012,803	24,470,284	24,599,509	24,599,509	(129,225)
Expenditures/Expenses:						
Instruction	13,070,700	-	13,070,700	14,090,000	14,090,000	1,019,300
Support services	7,166,680	-	7,166,680	8,049,549	8,350,000	1,183,320
Non-instructional programs	4,500	901,496	905,996	1,139,500	1,250,000	344,004
Other expenditures	4,202,083	-	4,202,083	6,967,156	6,967,156	2,765,073
Total expenditures/expenses	24,443,963	901,496	25,345,459	30,246,205	30,657,156	5,311,697
Excess(Deficiency) of revenues over(under) expenditures/expenses	(986,482)	111,307	(875,175)	(5,646,696)	(6,057,647)	5,182,472
Other financing sources, net	604,374	(29,857)	574,517	443,000	443,000	131,517
Excess(Deficiency) of revenues over(under) expenditures/expenses and other financing sources	(382,108)	81,450	(300,658)	(5,203,696)	(5,614,647)	5,313,989
Balances beginning of year, as restated	10,669,950	467,310	11,137,260	10,730,821	10,730,821	(406,439)
Balances end of year	$ 10,287,842	548,760	10,836,602	5,527,125	5,116,174	4,907,550

SEE ACCOMPANYING INDEPENDENT AUDITOR’S REPORT.

ADEL-DESOTO-MINBURN 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 Standard Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the 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 or fund type. 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 functional level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment, increasing budget expenditures by $410,951.

ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST FOUR FISCAL YEARS*

REQUIRED SUPPLEMENTARY INFORMATION

	2018	2017	2016	2015
District's proportion of the net pension liablity	0.154042%	0.144792%	0.146119%	0.142672%
District's proportionate share of the net pension liability	$10,261,120	9,112,214	7,218,985	5,658,244
District's covered payroll	$11,498,463	10,389,821	10,010,473	9,336,290
District's proportionate share of the net pension liability as a percentage of its covered payroll	89.2%	87.70%	72.11%	60.60%
IPERS' net position as a percentage of the total pension liability	82.21%	81.82%	85.19%	87.61%

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

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Statutorily required contribution	$1,055,500	1,026,813	927,812	893,935	833,731	754,230	677,997	572,829	555,792	534,820
Contributions in relation to the statutorily required contribution	(1,055,500)	(1,026,813)	(927,812)	(893,935)	(833,731)	(754,230)	(677,997)	(572,829)	(555,792)	(534,820)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered payroll	$11,819,711	11,498,463	10,389,821	10,010,473	9,336,290	8,699,308	8,401,450	8,242,144	8,357,774	8,422,362
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 percent per year measured from the member's first unreduced retirement age to a 6 percent 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.

ADEL-DESOTO-MINBURN 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	$ 96,514
Interest cost	31,696
Differences between expected and actual experiences	-
Changes in assumptions	(21,317)
Benefit payments	(46,070)
Net change in total OPEB liability	60,823
Total OPEB liability beginning of year, as restated	811,688
Total OPEB liability end of year	$ 872,511
Covered-employee payroll	$ 10,516,016
Total OPEB liability as a percentage of covered-employee payroll	8.30%

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	3.58%
Year ended June 30, 2017	3.87%

ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

Schedule 1

ADEL-DESOTO-MINBURN 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	$ 4,790,122	1,026,481	5,816,603
Receivables:			
Property tax:			
Delinquent	-	1,654	1,654
Succeeding year	-	625,091	625,091
Due from other governments	130,603	31	130,634
TOTAL ASSETS	$ 4,920,725	1,653,257	6,573,982
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 52,649	563,815	616,464
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	625,091	625,091
Fund balances:			
Restricted for:			
School infrastructure	4,868,076	-	4,868,076
Physical plant and equipment levy	-	464,351	464,351
Total fund balances	4,868,076	464,351	5,332,427
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 4,920,725	1,653,257	6,573,982

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Schedule 2

ADEL-DESOTO-MINBURN 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	Construction	Physical Plant and Equipment Levy	Total
REVENUES:				
Local sources:				
Local tax	$ -	-	590,837	590,837
Other	35,546	832	205,530	241,908
State sources	1,539,782	-	9,757	1,549,539
TOTAL REVENUES	1,575,328	832	806,124	2,382,284
EXPENDITURES:				
Current:				
Instruction:				
Regular	-	-	546,902	546,902
Support services:				
Instructional staff	-	-	900	900
Administration	-	-	253,419	253,419
Operation and maintenance of plant services	-	-	39,876	39,876
Transportation	-	-	251,633	251,633
Other expenditures:				
Capital outlay	779,772	387,946	35,230	1,202,948
TOTAL EXPENDITURES	779,772	387,946	1,127,960	2,295,678
Excess(Deficiency) of revenues over(under) expenditures	795,556	(387,114)	(321,836)	86,606
OTHER FINANCING SOURCES(USES):				
Transfer out	(303,779)	(119,102)	-	(422,881)
Sale of equipment	-	-	4,517	4,517
Issuance of capital loan notes	-	-	570,000	570,000
TOTAL OTHER FINANCING SOURCES(USES)	(303,779)	(119,102)	574,517	151,636
Change in fund balances	491,777	(506,216)	252,681	238,242
Fund balances beginning of year	4,376,299	506,216	211,670	5,094,185
Fund balances end of year	$ 4,868,076	-	464,351	5,332,427

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

ADEL-DESOTO-MINBURN 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/ Interfund Transfers	Balance End of Year
Interest	$	-	1,164	35	(1,129)	-
FCCLA		343	-	240	-	103
Cross country		2,066	10,197	8,681	-	3,582
Golf		-	8,088	12,371	4,283	-
Weight		-	3,173	6,776	3,603	-
Boys baskeball		15,206	12,290	6,982	-	20,514
Football		13,001	34,283	28,521	-	18,763
Boys soccer		-	11,126	12,510	1,384	-
Baseball		-	16,672	15,072	-	1,600
Boys track		8,855	3,909	10,362	-	2,402
Wrestling		4,433	20,334	31,706	6,939	-
Girls basketball		2,198	14,282	8,040	-	8,440
Volleyball		10,304	14,229	15,814	-	8,719
Girls soccer		1,943	8,084	6,354	-	3,673
Softball		100	7,835	9,929	1,994	-
Girls track		7,242	8,150	13,699	-	1,693
Athletics		70,467	30,873	31,120	(11,310)	58,910
Ecology club		1	-	-	(1)	-
FFA		6,743	22,737	18,427	-	11,053
Other Clubs		63	-	-	-	63
High school prom		2,580	7,159	5,212	-	4,527
Special events		75,120	76,544	64,719	-	86,945
Drama		2,275	4,296	4,058	-	2,513
Speech contest		3,413	1,207	1,904	-	2,716
French club		135	182	229	-	88
National honor society		-	1,921	1,321	-	600
Danz team		1,987	14,146	14,013	-	2,120
SADD		4,419	-	-	-	4,419
Thespian club		490	862	941	-	411
Student council		4,967	5,282	5,135	-	5,114
TSA		421	3,841	2,027	-	2,235
Yearbook		5,765	9,706	10,458	-	5,013
High school hall of fame		2,600	-	-	-	2,600
Cheerleading		-	13,092	8,562	-	4,530
Academic decathalon		-	1,096	2,348	1,252	-
Middle school Student Council		6,447	2,436	1,335	-	7,548
Middle school yearbook		2,420	460	578	-	2,302
Total	$	256,004	369,656	359,479	7,015	273,196

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Schedule 4

ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND
YEAR ENDED JUNE 30, 2018

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and pooled investments	$ -	31,251	31,251	-
LIABILITIES				
Accounts payable	$ -	31,251	31,251	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Modified Accrual Basis									
	Years Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Local sources:										
Local tax	$ 7,721,772	7,218,108	7,192,335	6,891,190	7,097,886	7,908,199	7,436,891	7,310,269	6,476,345	6,551,598
Tuition	1,761,476	1,813,953	1,704,179	1,405,369	1,282,410	1,218,042	1,102,647	1,016,093	1,048,627	1,078,218
Other	1,053,865	852,020	857,324	707,436	729,757	665,614	705,855	569,000	559,022	663,659
Intermediate sources	-	-	-	-	-	-	-	-	5,975	561
State sources	12,396,056	11,708,404	10,582,046	10,178,808	9,649,853	7,823,750	7,622,899	7,144,349	6,120,576	7,266,572
Federal sources	524,312	429,718	349,082	288,546	301,918	335,172	370,549	865,861	1,072,551	387,486
Total	$ 23,457,481	22,022,203	20,684,966	19,471,349	19,061,824	17,950,777	17,238,841	16,905,572	15,283,096	15,948,094
Expenditures:										
Instruction										
Regular	$ 8,681,055	7,910,637	7,593,239	7,111,568	6,768,308	6,853,587	5,932,346	5,626,948	5,394,692	5,548,645
Special	2,805,185	2,627,142	2,464,471	2,409,015	2,406,788	2,159,102	2,021,498	1,964,644	1,812,095	1,897,554
Other	1,584,460	1,535,723	1,448,325	1,280,307	1,318,975	1,400,653	1,413,393	1,323,624	1,172,293	1,055,468
Support services:										
Student	526,723	498,074	543,413	379,487	434,648	364,950	373,737	411,461	398,045	329,819
Instructional staff	1,166,232	1,261,472	688,787	689,203	549,166	494,517	549,125	485,563	418,460	629,557
Administration	2,484,629	2,451,094	2,113,444	1,914,256	1,752,695	1,611,278	1,593,257	1,451,746	1,492,680	1,648,651
Operation and maintenance of plant	1,977,598	1,798,873	1,628,147	1,517,816	1,311,314	1,214,444	1,181,693	1,210,936	1,218,367	1,308,175
Transportation	1,011,498	839,282	733,730	666,886	904,166	662,537	653,952	521,914	500,867	478,775
Non-instructional programs	4,500	8,566	-	-	-	-	-	-	282	2,934
Capital outlay	1,202,948	2,643,812	8,016,441	6,280,307	682,785	560,796	160,028	299,087	218,170	347,350
Long-term debt:										
Principal	1,665,000	1,154,178	1,772,424	1,176,648	9,493,649	1,210,531	985,000	955,000	920,000	810,000
Interest and fiscal charges	642,101	674,887	602,400	541,220	682,929	576,310	589,597	520,885	551,610	581,370
Other expenditures:										
AEA flow-through	692,034	634,483	613,779	590,160	554,467	521,232	499,852	542,779	522,020	484,444
Total	$ 24,443,963	24,038,223	28,218,600	24,556,873	26,859,890	17,629,937	15,953,478	15,314,587	14,619,581	15,122,742

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 the Adel-DeSoto-Minburn Community School District:

We have audited in accordance with U.S. generally accepted auditing standard 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 Adel-DeSoto-Minburn 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 January 28, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Adel-DeSoto-Minburn 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 Adel-DeSoto-Minburn Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Adel-DeSoto-Minburn 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 and Questioned Costs, we identified deficiencies of internal control we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct 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 deficiencies described in Part I of the accompanying Schedule of Findings and Questioned Costs 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 deficiencies described in Part I of the accompanying Schedule of Findings and Questioned Costs as item I-B-18 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Adel-DeSoto-Minburn 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 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.

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.

Adel-DeSoto-Minburn Community School District's Responses to Findings

Adel-DeSoto-Minburn Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the District's responses, we did not audit Adel-DeSoto-Minburn Community School District's responses and, accordingly, we express no opinion on them.

Purpose of this Report

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

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

Nolte, Cornman & Johnson P.C.

NOLTE, CORNMAN & JOHNSON, P.C.

January 28, 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 - We noted an individual(s) has control over each of the following areas for the District:

1) Financial reporting - preparing, reconciling and approving.

2) Computer systems - performing all general accounting functions and controlling all data input and output.

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 business manager has control over the financial reporting and the computer systems, but the business manager is not performing those duties alone. The District has employed the following procedures to obtain better internal control.

- Accounts Payable: The business manager reviews the invoices and gives them to the accounts payable specialist. The accounts payable specialist inputs the invoices in the computer system. The business manager checks the invoice batches with the supporting documents prior to posting and again after posting. The invoice listing for board approval is created by the accounts payable specialist and checked by the business manager prior to board approval. Checks are locked in a file drawer and all checks used for this process are logged and checked by two people. Printed checks are prepared for mailing by another person in the office.

- Payroll: The payroll specialist puts the contract information in the software system and the business manager checks to make sure they are correct. All timesheets and extra pay entries are made by the payroll specialist. Prior to posting, the business manager checks the data entered with the supporting documents. After posting, the business manager balances the payroll register for IPER's, and federal and state taxes. The direct deposit and TSA transfers require two approvals.

- Cash Receipts: Incoming checks are logged and then given to the business manager's assistant. She also receives money from the other buildings with supporting documents. She writes receipts and enters the data in the computer. Prior to posting the receipts, the business manager checks the receipts with the check log and supporting documents. The payroll specialist checks the receipts with the deposit slip to verify accuracy. Reports are available to administrator and department heads to review receipts recorded. This is an area the District continues to review its control procedures.

- Other: The superintendent's administrative assistant opens incoming mail and logs the checks received. The business manager enters journal entries and the superintendent checks them on a monthly basis. The business manager and the superintendent's administrative assistant work together on the bank reconciliations. A board member also reviews the bank statements with the bank reconciliation each month.

The District will continue to review its control procedures to obtain the maximum internal control.

Conclusion – Response accepted.

I-B-18 Gate Admissions

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

Condition - We noted that the District does not use pre-numbered tickets for all events that require an admission.

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

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

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

a. Cash or change boxes should be established with a specified amount.

b. The District should use pre-numbered tickets.

c. Two or more individuals should be involved in the cash collection/ticket sales process. In addition to cash collection/ticket sales procedures, the individuals should be instructed to not leave the cash/change boxes unattended under any circumstances.

d. At the end of the event, cash should be counted and reconciled (by two or more individuals) to sales/pre-numbered tickets sold including the amount of the beginning cash.

e. To reconcile, the next unsold ticket number less the beginning ticket number determines the number of tickets sold. This number, times the price per ticket equals total sales. Total sales compared to total collected should reconcile. Variances, if any should be minimal.

f. A reconciliation form should be completed and signed off by the individuals responsible for counting and reconciling the cash.

g. The cash and change box should be turned into the Athletic Director (AD) or designee responsible for the "accounting" function at the event.

h. The AD or designee should be required to take the cash collections to the night depository at the bank or at a minimum, lock the cash collections in the District's vault or other secure location at the District's office for deposit on the next working day. District procedures should prohibit individuals from taking cash collections home.

i. A pre-numbered receipt should be issued by the Business Office the next working day in the amount of the confirmed deposit.

j. Administrative personnel should periodically review/test the process to ensure procedures are working as prescribed.

Response - The District will continue to review its control procedures to obtain the maximum internal control

Conclusion – Response accepted.

Part II: Other Findings Related to Required Statutory Reporting:

II-A-18 Certified Budget- No expenditures for the year ended June 30, 2018 exceeded the amended certified budget amounts.

II-B-18 Questionable Disbursements - No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

II-C-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 - No business transactions between the District and District officials or employees were noted.

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 that the coverage is adequate for current operations.

II-F-18 Board Minutes - No transactions requiring Board approval which have not been approved by the Board were noted.

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

II-H-18 Supplementary Weighting - No variances during our audit the supplementary weighting data certified to the Iowa Department of Education were noted.

II-I-18 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

II-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 of categorical funding used to supplant rather than supplement other funds were noted.

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		$ 4,376,299
Revenues:		
Sales tax revenues	$ 1,539,782	
Other local revenues	35,546	1,575,328
Total revenues		5,951,627
Expenditures/transfers out:		
School infrastructure construction	$ 611,159	
Equipment	10,749	
Other	157,864	
Transfers to other funds:		
Debt Service Fund	303,779	1,083,551
Ending balance		$ 4,868,076

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.

APPENDIX E – FORM OF ISSUE PRICE CERTIFICATE

EXHIBIT A
ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT, IOWA
$10,000,000 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 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. The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

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

3. Defined Terms.

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

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

c. Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (November 13, 2019), or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

d. Issuer means Adel-DeSoto-Minburn 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 November 13, 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 interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C., Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By:______________________________

Name:____________________________

Dated: December 20, 2019

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

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

EXHIBIT A
ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT, IOWA
$10,000,000 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 November 13, 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 the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C., Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By:______________________________
Name:____________________________

Dated: December 20, 2019

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)