$9,400,000*
Dike-New Hartford Community School District, Iowa
General Obligation School Bonds
Series 2020

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

DATE:	Monday, June 1, 2020
TIME:	11:00 AM
PLACE:	Central Office 330 Main St. Dike, IA 50624
Telephone:	(319)989-2552
Fax:	(319)989-2735

Standard & Poor's Rating: "A+"

* Preliminary, subject to change

PIPER | SANDLER

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

OFFICIAL BID FORM

TO: Board of Directors of the Dike-New Hartford Community School District, Iowa (the "Issuer")

Re: $9,400,000* General Obligation School Bonds, Series 2020, 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
________	________	June 1, 2021	________	________	June 1, 2031
________	________	June 1, 2022	________	________	June 1, 2032
________	________	June 1, 2023	________	________	June 1, 2033
________	________	June 1, 2024	________	________	June 1, 2034
________	________	June 1, 2025	________	________	June 1, 2035
________	________	June 1, 2026	________	________	June 1, 2036
________	________	June 1, 2027	________	________	June 1, 2037
________	________	June 1, 2028	________	________	June 1, 2038
________	________	June 1, 2029	________	________	June 1, 2039
________	________	June 1, 2030	________	________	June 1, 2040

________ 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

______ We will elect to utilize bond insurance from company ___________ at a premium of $__________

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

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

NET INTEREST COST:$______________________ TRUE INTEREST RATE _________________________%
(Computed from the dated date)

___________________________ ____________________________________
Account Manager Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the Board of Directors of the Dike-New Hartford Community School District, in the Counties of Black Hawk, Butler and Grundy, State of Iowa, this 1st day of May, 2020.

ATTEST: ______________________________ __________________________________
District Secretary Board President

____
* Preliminary, subject to change

OFFICIAL TERMS OF OFFERING

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

The Bonds to be offered are the following:

GENERAL OBLIGATION SCHOOL BONDS, **SERIES 2020**, in the principal amount of $9,400,000* 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. Total par amount will not exceed $9,400,000.

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

Optional Redemption: The Bonds maturing after June 1, 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 December 1, 2020 and semiannually on the 1st day of June and December thereafter. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

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

Good Faith Deposit: A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire in the amount of $94,000* 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.

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* Preliminary, subject to change

Form of Bids: All bids shall be unconditional for the entire issue of Bonds for a price of not less than 98.50% of par, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid, facsimile facilities or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

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

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

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Superintendent, Dike-New Hartford Community School District 330 Main St., Dike, IA 50624.

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%.

Total purchase price (production minus underwriter's discount) may not excess 102.00%

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 A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Issuer and Bond Counsel. All communications required of the Issuer under this Official Terms of Offering to establish the issue price of the Bonds may be communicated on behalf of the Issuer by the Issuer's municipal advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer's municipal advisor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For more information see the Continuing Disclosure section herein.

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

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

PRELIMINARY OFFICIAL STATEMENT DATED MAY 20, 2020

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

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

$9,400,000*
Dike-New Hartford Community School District, Iowa
General Obligation School Bonds
Series 2020

Dated: Date of Delivery

The General Obligation School Bonds, Series 2020 described above (the "Bonds") are issuable as fully registered Bonds in the denomination of $5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by UMB Bank, n.a., as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Bonds.

Interest on the Bonds is payable on June 1, and December 1 in each year, beginning December 1, 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 June 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 **
June 1, 2021	$60,000				June 1, 2031	$530,000			
June 1, 2022	30,000				June 1, 2032	550,000			
June 1, 2023	30,000				June 1, 2033	570,000			
June 1, 2024	165,000				June 1, 2034	595,000			
June 1, 2025	415,000				June 1, 2035	620,000			
June 1, 2026	435,000				June 1, 2036	640,000			
June 1, 2027	450,000				June 1, 2037	670,000			
June 1, 2028	470,000				June 1, 2038	695,000			
June 1, 2029	490,000				June 1, 2039	725,000			
June 1, 2030	510,000				June 1, 2040	750,000			

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

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel. It is expected that the Bonds in the definitive form will be available for delivery through the facilities of DTC on or about July 1, 2020. 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 ______, 2020

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* *Preliminary, subject to change*

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

OFFICIAL STATEMENT
DIKE-NEW HARTFORD COMMUNITY SCHOOL DISTRICT, IOWA
$9,400,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2020

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Dike-New Hartford Community School District, Iowa (the "Issuer"), in connection with the sale of the Issuer's General Obligation School Bonds, Series 2020 (the "Bonds"). The Bonds are being issued to provide funds for (i) remodeling, repairing, improvement, furnishing, equipping and construction of additions to the existing schools buildings and improving the sites, and (ii) to fund bond issuance costs. See "**SOURCES AND USES OF FUNDS**" herein.

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

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

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

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

THE BONDS

General

The Bonds are dated as of the date of delivery and will bear interest at the rates to be set forth on the cover page herein, interest payable on June 1 and December 1 in each year, beginning on December 1, 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 as authorized by the voters of the District at an election held on March 3, 2020.

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 take certain steps to augment transmission to them notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit have agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

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

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

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

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

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

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

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

Transfer and Exchange

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

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

Prepayment

<u>Optional Prepayment</u>: The Bonds maturing after June 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.

<u>Notice of Prepayment.</u> 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.

<u>Mandatory Sinking Fund Redemption</u> The Bonds maturing on _______are subject to mandatory redemption (by lot, as selected by the Registrar) on ____ 1 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.

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

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 multi-residential properties which were previously taxed as commercial properties, and assigns an incremental rollback percentage over several years for multi-residential properties such that the multi-residential 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, 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.

COVID-19

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

The Issuer cannot predict whether continued spread of the disease will materially impact its financial condition. The Bonds are general obligations of the Issuer secured by an unlimited ad valorem property tax as described more fully in the "Source of Security for the Bonds" herein. On March 20, 2020 the Governor of the State of Iowa issued an additional State Public Health Emergency Declaration that temporarily suspends the provisions that require the imposition of penalty and interest for the payment of property tax payments after the date due, and directs that no such penalty or interest may be imposed for the duration of the proclamation and any future extension of the suspension. The proclamation has been extended through May 27, 2020. The Issuer cannot predict whether the proclamation or any further extension thereof will have a material effect on the Issuer's ability to collect property taxes necessary for the payment of principal and interest on the Bonds.

Pension
Pursuant to GASB Statement No. 68, the School reported a liability of $5,255,681 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 0.078899%, which was an increase of 0.002055% from its proportion measured June 30, 2016. See School's Audited Financial Statements, Appendix D, for additional information.

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

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

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

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

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

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

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 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.

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) remodeling, repairing, improvement, furnishing, equipping and construction of additions to the existing schools buildings and improving the sites, and (ii) to fund bond issuance costs.

SOURCES AND USES OF FUNDS *

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

* Preliminary, subject to change

TAX EXEMPTION AND RELATED CONSIDERATIONS

Tax Exemption

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

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

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

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

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

CONTINUING DISCLOSURE

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.

For the five (5) year period beginning May18, 2015 through May 18, 2020, the Issuer has not issued debt which was subject to the disclosure requirements of the Rule or included Disclosure Covenants.

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I have reviewed the information contained within the Official Statement of the Dike-New Hartford Community School District, State of Iowa, and to the best of our knowledge, information and belief said Official Statement does not contain any material misstatements of fact nor omissions of any material fact which is necessary to make the statements and information herein, in light of the circumstances under which they were made, not misleading regarding the issuance of $9,400,000* General Obligation School Bonds, Series 2020.

DIKE-NEW HARTFORD COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/ Julie Merfeld
Board Secretary

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* Preliminary, subject to change

APPENDIX A - INFORMATION ABOUT THE ISSUER

DIKE-NEW HARTFORD COMMUNITY SCHOOL DISTRICT, IOWA
DISTRICT OFFICIALS

PRESIDENT	Christa Lotts
BOARD MEMBERS	Ben Freese Ashlee Tott Jeremiah Lehr Mike McCarter
SUPERINTENDENT	Justin Stockdale
DISTRICT SECRETARY	Julie Merfeld
DISTRICT TREASURER	Julie Merfeld
DISTRICT ATTORNEY	

CONSULTANTS

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

General Information

The Dike-New Hartford Community School District is located in northeastern part of Iowa approximately 10 miles west of the Waterloo-Cedar Falls metropolitan area. Included within the District are the incorporated cities of Dike and New Hartford and portions of Grundy and Butler counties. Transportation facilities are provided to the District by U.S. Highway 20, State Highway 57 and numerous paved county roads. Continuing educational opportunities within easy commuting distance include University of Northern Iowa, Cedar Falls, Hawkeye Community College, Waterloo and Wartburg College, Waverly.

District Facilities

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

Building	Construction Date	Grades Served
High School	1952, 1963, 1982, 2008	9-12
Middle School	1962, 1993, 2008	5-8
Dike Elementary	1957, 1967, 2008	PK-4
New Hartford Elementary	1962, 1993,2008	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-19	2020-21	872.1	57.0	33.0	896.1
October-18	2019-20	867.7	48.0	42.0	873.7
October-17	2018-19	882.2	48.0	47.0	883.2
October-16	2017-18	885.2	55.0	44.0	896.2
October-15	2016-17	899.7	41.0	46.0	894.7

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 145 employees.

Administrators:	7	Media Specialists:	1
Teachers:	73	Nurses:	1
Teacher Aids:	33	Guidance:	2
Custodians:	7	Secretaries:	5
Food Service:	8	Transportation:	8
Other:	0	Maintenance:	0

Source: the Issuer

Other Post-Employment Benefits (OPEB)

Plan Description - The District operates a single-employer health benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses.

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

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

Inactive employees or beneficiaries currently receiving benefit payments	6
Active employees	119
Total	125

Total OPEB Liability – The District's total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017, to be $775,248

Actuarial Assumptions – the total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement:

Rate of inflation (effective 6/30/17)	2.75%
Rates of salary increase (effective 6/30/17) including inflation	3.25%
Discount rate (effective 6/30/17) including inflation	3.56% compounded annually
Healthcare cost trend rate (effective 6/30/17)	6.80% initial rate decreasing by varying amounts to an ultimate rate of 4.40%

Discount Rate – The discount rate used to measure the total OPEB liability was 3.56%, which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP 2000 annuitant generational mortality project fully generational with scale AA, applied on gender specific basis. 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 obligation – beginning of year		$747,650
Changes for the year		
	Service Cost	71,173
	Interest	23,439
	Difference between expected & actual experiences	0
	Change in assumption	(34,576)
	Benefit Payments	(32,258)
Net Changes		$27,778
Net OPEB obligation – end of year		$775,428

Changes of assumptions reflect a change in the discount rate from 2.92% in fiscal year 2016 to 3.56% in fiscal year 2018.

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
2015	$465,216	8.93	$309,948.13	5.95
2016	492,454	8.93	328,119.71	5.95
2017	526,041	8.93	350,498.18	5.95
2018	556,228	8.93	370,610.42	5.95
2019		9.44	404,221.54	6.29

SOURCE: the Issuer

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

The following table sets forth certain information about the funding status of IPERS that has been extracted from the comprehensive annual financial reports of IPERS for the fiscal years ended June 30, 2019 through, and including, 2015 (collectively, the "IPERS CAFRs (2015-2019)"), and the actuarial valuation reports provided to IPERS by Cavanaugh MacDonald Consulting, LLC (collectively, the "IPERS Actuarial Reports (2015-2019)"). 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]]
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	79.27
2019	33,324,327,606	34,010,680,731	39,801,338,797	6,477,011,191	83.73	5,790,658,066	85.45	8,151,043,468	71.04

Source: IPERS Actuarial Reports

For a description of the assumptions used when calculating the funding status of IPERS for the fiscal year noted herein, see IPERS CAFRs

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 %
2015	3.96
2016	2.15
2017	11.70
2018	7.97
2019	8.35

Net Pension Liabilities.

At June 30, 2019, the Issuer reported a liability of $5,255,681 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7%. The Issuer's proportion of the net pension liability was based on the Issuer's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. See "**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS**" for additional information related to the Issuer's deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

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

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

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 March 31, 2020.

Type of Investment	Amount Invested
Local Bank Money Market	$2,078,715.09
Local Bank Deposit Accounts	1,758,047.87
Local Bank Time CD's	1,000,000
ISJIT Money Market	0
ISJIT Time CD's	0

Source: the Issuer

Population

Presented below are population figures for the periods indicated for the cities of Dike and New Hartford.

Year	Dike	New Hartford
2010	1,209	516
2000	944	659
1990	875	683
1980	987	764
1970	794	690

Source: U.S. Census Bureau

Major Employers

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

Employer	Business	Approximate Employees
Dike-New Hartford CSD	Education	145
Delta Sports Products	Archery equipment & supplies	50-99
Rmh Systems	Material handling equipment	20-49
Fox Ridge Golf Club	Golf course	20-49
Dike Fire Department	Fire department	20-49
Heartland Machine & Tool	Welding	20-49
Stout Fire Department	Fire department	20-49
J&J Metal Spinning	Metal spinning	10-19
Konken Electric	Electronic equipment & supplies	10-19
Remington Hybrids	Greenhouse	10-19
Charlie's Day Care	Child care services	10-19
Casey's General Store	Convenience store	10-19
Landus Cooperative	Farm supplies	10-19
Kwik Star	Convenience store	10-19

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
2020-21	55.0743	81.4832	90.0000	71.2500
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, 2019 are used to calculate tax liability for the tax year starting July 1, 2020 through June 30, 2021. Presented below are the historic property valuations of the Issuer by class of property.

Property Valuations

Actual Valuation					
Valuation as of January	2019	2018	2017	2016	2015
Fiscal Year	2020-21	2019-20	2018-17	2017-18	2016-17
Residential:	273,400,325	245,383,163	241,070,534	233,029,341	230,584,353
Agricultural Land:	134,481,207	178,829,676	178,843,494	194,266,199	194,252,022
Ag Buildings:	6,555,010	8,101,060	7,873,410	10,801,310	10,087,870
Commercial:	16,597,978	14,965,064	14,491,408	14,561,851	11,692,123
Industrial:	8,795,631	8,688,933	8,687,484	8,791,347	8,789,958
Multiresidential:	1,984,747	1,951,747	1,911,939	1,917,683	1,917,683
Personal RE:	0	0	0		
Railroads:	1,502,249	1,439,905	1,734,879	1,840,096	1,847,580
Utilities:	4,343,949	4,648,301	4,403,421	4,441,953	4,749,044
Other:	0	8,400	8,400	0	0
Total Valuation:	447,661,096	464,016,249	459,024,969	469,649,780	463,920,633
Less Military:	427,812	435,220	446,332	466,704	479,668
Net Valuation:	447,233,284	463,581,029	458,578,637	469,183,076	463,440,965
TIF Valuation:	4,254,373	12,847,833	14,018,310	12,906,895	12,657,527
Utility Replacement:	26,812,610	26,005,878	23,996,646	25,186,404	10,501,129

Taxable Valuation					
Valuation as of January	2019	2018	2017	2016	2015
Fiscal Year	2020-21	2019-20	2018-17	2017-18	2016-17
Residential:	150,558,566	135,953,471	129,575,109	128,633,582	124,587,583
Agricultural Land:	109,577,082	100,370,534	97,371,494	92,269,554	89,558,590
Ag Buildings:	5,341,234	4,547,317	4,286,925	5,130,543	4,651,188
Commercial:	14,834,332	13,352,781	12,921,536	12,985,784	10,280,136
Industrial:	7,599,117	7,515,523	7,555,126	7,683,378	7,717,530
Multiresidential:	1,414,132	1,463,821	1,505,654	1,582,093	1,654,001
Personal RE:	0	0	0		
Railroads:	1,352,024	1,295,915	1,561,392	1,656,087	1,662,823
Utilities:	4,343,949	4,648,301	4,403,421	4,441,953	4,749,044
Other:	0	8,400	8,400	0	0
Total Valuation:	295,020,436	269,156,063	259,189,057	254,382,974	244,860,895
Less Military:	427,812	435,220	446,332	466,704	479,668
Net Valuation:	294,592,624	268,720,843	258,742,725	253,916,270	244,381,227
TIF Valuation:	4,254,373	12,847,833	14,018,310	12,906,895	12,657,527
Utility Replacement:	11,380,098	12,136,495	11,836,528	12,509,265	4,346,558

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2019	478,300,267	-4.80%	310,227,095	5.63%
2018	502,434,740	1.18%	293,705,171	3.20%
2017	496,593,593	-2.11%	284,597,563	1.88%
2016	507,276,375	4.25%	279,332,430	6.87%
2015	486,599,621	1.91%	261,385,312	2.76%

Source: Iowa Department of Management

Tax Rates

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

Fiscal Year	Operating	Management	Board PPEL	V PPEL	Playground	Debt	Schoolhouse	Total Levy
2020	9.48355	0.92574	0.33000	0.50000	0.00000	0.96017	0.00000	12.19946
2019	10.31663	0.86851	0.33000	0.50000	0.00000	0.18534	0.00000	12.20048
2018	10.28138	0.84451	0.33000	0.50000	0.00000	0.21759	0.00000	12.17348
2017	9.84515	0.72368	0.33000	0.50000	0.00000	0.82511	0.00000	12.22394
2016	9.81404	0.69296	0.33000	0.50000	0.00000	0.86458	0.00000	12.20158
2015	10.57937	0.66368	0.33000	0.50000	0.00000	0.67426	0.00000	12.74731

Source: Iowa Department of Management

Historic Tax Rates

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy
2020	13.58433	12.19946	1.11803	0.00280	0.36533	0.22482	0.00000	4.79261	0.00000	32.28738
2019	11.86548	12.20048	1.01703	0.00290	0.37143	0.23434	0.00000	5.36132	0.00000	31.05298
2018	12.09651	12.17348	0.97071	0.00310	0.37832	0.24213	0.00000	5.07502	0.00000	30.93927
2017	13.24714	12.22394	0.95088	0.00330	0.36838	0.23945	0.00000	5.25000	0.00000	32.28309
2016	13.85626	12.20158	0.95088	0.00330	0.32196	0.23632	0.00000	5.42664	0.00000	32.99694
2015	13.42600	12.74731	0.95088	0.00330	0.48869	0.23239	0.00000	5.66244	0.00000	33.51101

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy
2020	17.14533	12.19946	1.11803	0.00280	0.55304	0.26103	0.00000	5.34147	0.00000	36.62116
2019	17.25674	12.20048	1.01703	0.00290	0.49786	0.25174	0.00000	5.69877	0.00000	36.92552
2018	16.28924	12.17348	0.97071	0.00310	0.55042	0.23966	0.00000	5.43885	0.00000	35.66546
2017	15.79659	12.22394	0.95088	0.00330	0.59709	0.24622	0.00000	5.77473	0.00000	35.59275
2016	18.15331	12.20158	0.95088	0.00330	0.59530	0.18548	0.00000	0.09000	0.00000	32.17985
2015	18.21783	12.74731	0.95088	0.00330	0.47632	0.17508	0.00000	0.09000	0.00000	32.66072

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	$3,452,555	In collection	NA
2019	$3,315,688		
2018	$3,258,789	$3,257,592	99.96%
2017	$3,063,683	$3,065,520	100.06%
2016	$3,009,565	$3,005,235	99.86%
2015	$3,084,687	$3,085,170	100.02%

Source: the Issuer

Largest Taxpayers

Set forth in the following table are the persons or entities which represent the 2019 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	2019 Taxable Valuation	Percent of Total
MidAmerican Energy	$8,554,818	2.76%
Unverferth MFG Co Inc.	6,985,998	2.25%
Kruger Farms Inc	6,443,465	2.08%
FC COOP II	5,497,398	1.77%
DeGroote Farming Company, LLLP	2,636,066	0.85%
Kruger, Kurtis K	2,431,125	0.78%
Fischels Holdings, LLC	2,166,750	0.70%
Qwest Corp	1,623,189	0.52%
Remington Seeds, LLC.	1,588,761	0.51%
Stewart, Robert C	1,557,175	0.50%
	Total	12.73%

Source: County Auditor's Office

(1) Utility Property Tax Replacement

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

The utility replacement tax statute states that the utility replacement tax collected by the State and allocated among local taxing cities (including the Issuer) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. However, utility property is not subject to the levy of property tax by political subdivisions, only the utility replacement tax and statewide property tax. It is possible that the 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, including the Bonds, presented by fiscal year and issue:

Fiscal Year	4/5/17	7/1/20	Total Principal	Total Interest	Total P&I
2020	388,000		388,000	41,507	429,507
2021	398,000	60,000	458,000	377,715	835,715
2022	407,000	30,000	437,000	397,972	834,972
2023	415,000	30,000	445,000	387,900	832,900
2024	296,000	165,000	461,000	377,653	838,653
2025		415,000	415,000	364,600	779,600
2026		435,000	435,000	348,000	783,000
2027		450,000	450,000	330,600	780,600
2028		470,000	470,000	312,600	782,600
2029		490,000	490,000	293,800	783,800
2030		510,000	510,000	274,200	784,200
2031		530,000	530,000	253,800	783,800
2032		550,000	550,000	232,600	782,600
2033		570,000	570,000	210,600	780,600
2034		595,000	595,000	187,800	782,800
2035		620,000	620,000	164,000	784,000
2036		640,000	640,000	139,200	779,200
2037		670,000	670,000	113,600	783,600
2038		695,000	695,000	86,800	781,800
2039		725,000	725,000	59,000	784,000
2040		750,000	750,000	30,000	780,000
Totals:	1,904,000	9,400,000	11,304,000	4,983,948	16,287,948

Source: the Issuer

General Obligation School Capital Loan Notes (PPEL)

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

Anticipatory Warrants

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

School Infrastructure Sales, Services & Use Tax Revenue Bonds

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

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:

1/1/2019 Actual Valuation:	478,300,267
X	0.05
Statutory Debt Limit:	23,915,013
Total General Obligation Debt:	11,304,000
Total Lease Purchases:	
Total Loan Agreements:	
Capital Leases:	
Total Debt Subject to Limit:	11,304,000
Percentage of Debt Limit Obligated:	47.27%

Source: Iowa Department of Management

(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.

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 Dike	$1,500,000	$62,889,262	62,889,262	100.00%	$1,500,000
City of New Hartford	418,400	11,814,272	11,814,272	100.00%	$418,400
Black Hawk County	17,170,000	6,095,422,283	14,547,665	0.24%	$40,979
Butler County	1,545,000	949,441,306	82,378,520	8.68%	$134,052
Grundy County	15,560,000	919,282,871	196,778,986	21.41%	$3,330,728
Hawkeye Community College	20,260,000	11,202,038,981	293,705,171	2.62%	$531,195
Area Education Agency 267	5,829,512	24,234,653,791	293,705,171	1.21%	$70,649
				Total Overlapping & Underlying Debt:	$6,026,003

Source: Iowa Department of Management

FINANCIAL SUMMARY

Actual Value of Property, 2019:	$478,300,267
Taxable Value of Property, 2019:	310,227,095
Direct General Obligation Debt:	$11,304,000
Overlapping Debt:	6,026,003
Direct & Overlapping General Obligation Debt:	$17,330,003
Population, 2010 US Census:	4,338
Direct Debt per Capita:	$2,605.81
Total Debt per Capita:	$3,994.93
Direct Debt to Taxable Valuation:	3.64%
Total Debt to Taxable Valuation:	5.59%
Direct Debt to Actual Valuation:	2.36%
Total Debt to Actual Valuation:	3.62%
Actual Valuation per Capita:	$110,258
Taxable Valuation per Capita:	$71,514

Source: Iowa Department of Management

APPENDIX B – FORM OF LEGAL OPINION

DRAFT

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Directors of the Dike-New Hartford Community School District in the Counties of Grundy, Black Hawk, and Butler, State of Iowa, and acts of administrative officers of the School District (the "Issuer"), relating to the issuance of General Obligation School Bonds, Series 2020, by said Issuer, dated July 1, 2020, in the denominations of $5,000 or multiples thereof, in the aggregate amount of $__________ (the "Bonds").

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

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

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

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

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

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

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

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

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

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

AHLERS & COONEY, P.C.

APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE
DRAFT

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Dike-New Hartford Community School District, State of Iowa (the "Issuer"), in connection with the issuance of $__________ General Obligation School Bonds, Series 2020 (the "Bonds") dated July 1, 2020. The Bonds are being issued pursuant to a Resolution of the Issuer approved on ____________________, 2020 (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 _______________, 2020.

"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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Date: __________ day of _______________, 2020.

DIKE-NEW HARTFORD 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: Dike-New Hartford Community School District, Iowa.

Name of Bond Issue: $__________ General Obligation School Bonds, Series 2020

Dated Date of Issue: July 1, 2020

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___.

DIKE-NEW HARTFORD 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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DIKE-NEW HARTFORD COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2018

TABLE OF CONTENTS

Dike-New Hartford Community School District

Officials

Name	Title	Term Expires
Board of Education		
(Before September 2017 Election)		
Tom Lizer	President	2017
Melissa Hinde	Vice President	2019
Meinard Koop	Board Member	2017
Jerry Nielsen	Board Member	2019
Christa Lotts	Board Member	2017
(After September 2017 Election)		
Melissa Hinde	President	2019
Christa Lotts	Vice President	2021
Jerry Nielsen	Board Member	2019
Ben Freese	Board Member	2021
Ashlee Tott	Board Member	2021
School Officials		
Larry Hunt	Superintendent	2018
Julie Merfeld	District Secretary	2018
Swisher & Cohrt	Attorney	2018
Ahlers & Cooney, P.C.	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 Dike-New Hartford Community School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of Dike-New Hartford Community School District, Dike, Iowa, as of and for the year ended June 30, 2018, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of Dike-New Hartford Community School District at June 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 17 to the financial statements, Dike-New Hartford 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, Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 7 through 15 and 44 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of 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 inquires, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dike-New Hartford Community School District's basic 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 nine years ended June 30, 2017 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 18, 2019 on our consideration of Dike-New Hartford Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Dike-New Hartford Community School District's internal control over financial reporting and compliance.

Nolte, Cornman & Johnson PC

NOLTE, CORNMAN & JOHNSON, P.C.

January 18, 2019
Newton, Iowa

MANAGEMENT'S DISCUSSION AND ANALYSIS

Dike-New Hartford Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2018. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2018 FINANCIAL HIGHLIGHTS

- The District implemented Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during fiscal year 2018. The beginning net position for governmental activities and business type activities were restated by $435,811 and $20,410, 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.

- The District's total net position increased from $5,549,329 restated at July 1, 2017 to $5,210,475 at June 30, 2018. Total revenues increased from $12,482,908 in fiscal year 2017 to $12,487,892 in fiscal year 2018, a 0.04% increase, while total expenses increased from $11,270,044 in fiscal year 2017 to $12,826,746 in fiscal year 2018, a 13.81% increase compared to the prior year.

- General Fund revenues increased from $10,019,164 in fiscal year 2017 to $10,134,381 in fiscal year 2018, while General Fund expenditures increased from $9,629,106 in fiscal year 2017 to $9,703,199 in fiscal year 2018. The District's General Fund balance increased from $2,005,838 at June 30, 2017 to $2,437,020 at June 30, 2018, representing an increase of 21.50%.

- The increase in General Fund revenues was attributable to an increase in local sources received compared to the previous year. The increase in expenditures was due to an increase in support services expenditures incurred compared to the previous year.

- At June 30, 2018, the District's solvency ratio was 20.59% as compared to 16.87% at June 30, 2017.

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 Dike-New Hartford 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 Dike-New Hartford 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 Dike-New Hartford Community School District acts solely as an agent or custodian for the benefit of those outside of the District.

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

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

Supplementary Information provides detailed information about the nonmajor governmental funds.

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

Figure A-1
Dike-New Hartford Community School District Annual Financial Report

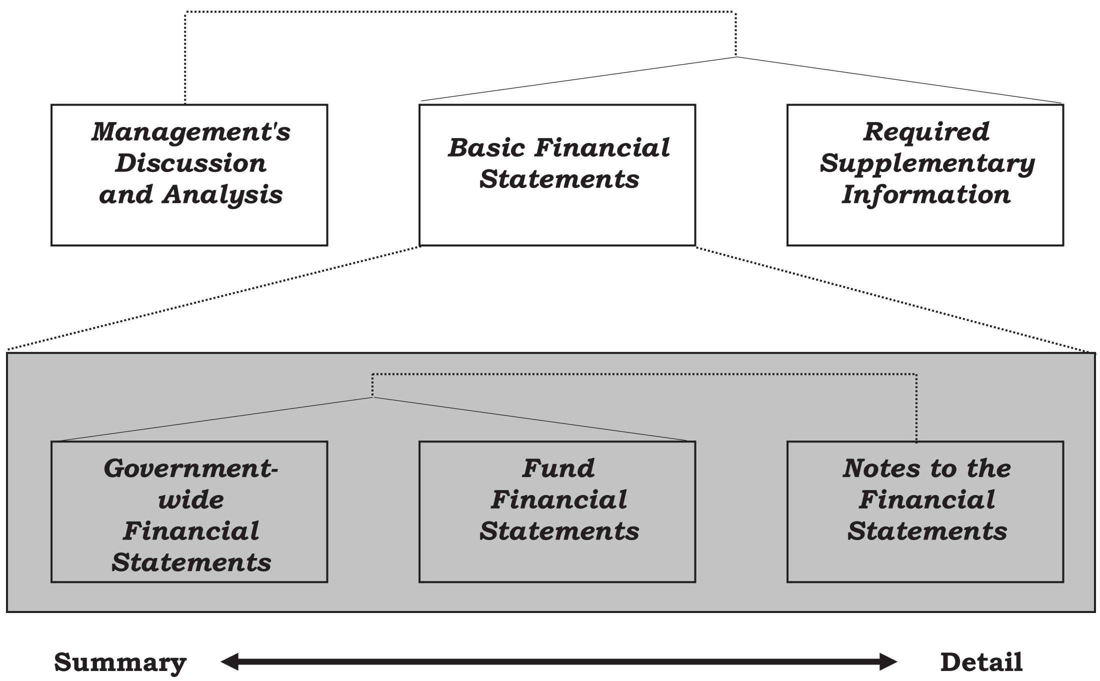

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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

	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
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 preschool
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
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
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
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
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

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

The two government-wide financial statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position is an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

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

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

- *Business type activities*: The District charges fees to help cover the costs of certain services it provides. The District's school nutrition and preschool 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 two 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 the Preschool Fund. The District uses Internal Service Funds, the other kind of proprietary fund, to report activities that provide supplies and services for its other programs and activities. The District currently has one Internal Service Fund used to account for the District's self-insurance.

   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.

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 School District		Total Change
	2018	2017 (Not Restated)	2018	2017 (Not Restated)	2018	2017 (Not Restated)	2017-18
Current and other assets	$ 8,836,928	8,473,340	188,944	198,977	9,025,872	8,672,317	4.08%
Capital assets	7,502,195	7,855,280	54,925	63,183	7,557,120	7,918,463	-4.56%
Total assets	16,339,123	16,328,620	243,869	262,160	16,582,992	16,590,780	-0.05%
Deferred outflows of resources	1,737,082	2,048,513	55,805	66,937	1,792,887	2,115,450	-15.25%
Long-term liabilities	8,270,774	8,028,663	185,147	153,303	8,455,921	8,181,966	3.35%
Other liabilities	1,243,459	1,354,908	18,970	19,983	1,262,429	1,374,891	-8.18%
Total liabilities	9,514,233	9,383,571	204,117	173,286	9,718,350	9,556,857	1.69%
Deferred inflows of resources	3,443,075	3,314,675	3,979	1,830	3,447,054	3,316,505	3.94%
Net position:							
Net investment in capital assets	5,220,195	4,958,494	54,925	63,183	5,275,120	5,021,677	5.05%
Restricted	1,657,018	1,743,786	-	-	1,657,018	1,743,786	-4.98%
Unrestricted	(1,758,316)	(1,023,393)	36,653	90,798	(1,721,663)	(932,595)	-84.61%
Total net position	$ 5,118,897	5,678,887	91,578	153,981	5,210,475	5,832,868	-10.67%

Prior to restatement, the District's total net position decreased by 10.67%, or $622,393, from the prior year. The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position decreased $86,768 or 4.98% from the prior year. This was primarily the result of a decrease in the amount restricted net position 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 $789,068 or 84.61%. This reduction in unrestricted net position was primarily a result of the increase 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		Business Type Activities		Total School District		Total Change
		2018	2017 (Not Restated)	2018	2017 (Not Restated)	2018	2017 (Not Restated)	2017-18
Revenues:								
Program revenues:								
Charges for service	$	952,113	995,618	315,838	329,471	1,267,951	1,325,089	-4.31%
Operating grants, contributions and restricted interest		896,815	1,859,876	196,705	200,837	1,093,520	2,060,713	-46.93%
Capital grants, contributions and restricted interest		11,352	-	-	-	11,352	-	100.00%
General revenues:								
Property tax		3,266,918	3,074,466	-	-	3,266,918	3,074,466	6.26%
Income surtax		440,873	381,997	-	-	440,873	381,997	15.41%
Statewide sales, services and use tax		824,714	860,256	-	-	824,714	860,256	-4.13%
Unrestricted state grants		5,454,093	4,649,862	-	-	5,454,093	4,649,862	17.30%
Unrestricted investment earnings		40,158	56,634	1,436	1,347	41,594	57,981	-28.26%
Other		73,477	72,544	13,400	-	86,877	72,544	19.76%
Total revenues		11,960,513	11,951,253	527,379	531,655	12,487,892	12,482,908	0.04%
Program expenses:								
Instruction		7,897,419	7,056,750	39,747	37,391	7,937,166	7,094,141	11.88%
Support services		3,543,965	2,987,941	-	5,961	3,543,965	2,993,902	18.37%
Non-instructional programs		9,897	11,654	529,625	496,226	539,522	507,880	6.23%
Other expenses		806,093	674,121	-	-	806,093	674,121	19.58%
Total expenses		12,257,374	10,730,466	569,372	539,578	12,826,746	11,270,044	13.81%
Excess (deficiency) of revenues over (under) expenses		(296,861)	1,220,787	(41,993)	(7,923)	(338,854)	1,212,864	-127.94%
Transfers		-	850	-	-	-	850	0.00%
Change in net position		(296,861)	1,221,637	(41,993)	(7,923)	(338,854)	1,213,714	-127.92%
Net position beginning of year, as restated		5,415,758	4,457,250	133,571	161,904	5,549,329	4,619,154	20.14%
Net position end of year	$	5,118,897	5,678,887	91,578	153,981	5,210,475	5,832,868	-10.67%

In fiscal year 2018, property tax, statewide sales, services and use tax and unrestricted state grants accounted for 79.81% of the revenue from governmental activities while charges for service and operating grants and contributions accounted for 97.19% of the revenue from business type activities.

The District's total revenues were approximately $12.49 million of which approximately $11.96 million was for governmental activities and approximately $0.53 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 0.04% increase in revenues and a 13.81% increase in expenses. The increase in expenses is primarily related to increase in instruction expenses incurred over the prior year.

Governmental Activities

Revenues for governmental activities were $11,960,513 and expenses were $12,257,374 for the year ended June 30, 2018.

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

Figure A-5
Total and Net Cost of Governmental Activities

	Total Cost of Services			Net Cost of Services		
	2018	2017 (Not Restated)	Change 2017-18	2018	2017 (Not Restated)	Change 2017-18
Instruction	$ 7,897,419	7,056,750	11.91%	6,536,907	4,206,434	55.40%
Support services	3,543,965	2,987,941	18.61%	3,455,215	2,982,763	15.84%
Non-instructional programs	9,897	11,654	-15.08%	9,897	11,654	-15.08%
Other expenses	806,093	674,121	19.58%	395,075	674,121	-41.39%
Totals	$ 12,257,374	10,730,466	14.23%	10,397,094	7,874,972	32.03%

For the year ended June 30, 2018:

- The cost financed by users of the District's programs was $952,113.
- Federal and state governments along with local sources subsidized certain programs with grants and contributions totaling $908,167.
- The net cost of governmental activities was financed with $3,266,918 in property tax, $440,873 in income surtax, $824,714 in statewide sales, services and use tax, $5,454,093 in unrestricted state grants, $40,158 in interest income, and $73,477 in other general revenues.

Business Type Activities

Revenues of the District's business type activities were $527,379 and expenses were $569,372. The District's business type activities include the School Nutrition Fund and the Preschool Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, investment income and other general revenues.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balances of $3,806,170, which is more than last year's ending combined fund balances of $3,490,312. This increase is primarily a result of the District's General Fund balance increasing during fiscal year 2018.

Governmental Fund Highlights

- The General Fund balance increased from $2,005,838 to $2,437,020, due in part to the increase in local source revenue received during the fiscal year 2018.

- The Capital Projects Fund balance decreased from $1,027,881 to $902,336. Revenues and expenditures were relatively unchanged from the prior year. Total expenditures continued to outpace revenues decreasing fund balance.

Proprietary Fund Highlights

The School Nutrition Fund net position decreased from $155,126 restated at July 1, 2017 to $123,606 at June 30, 2018, representing a decrease of 20.32%.

The Preschool Fund net position decreased from deficit $21,555 restated at July 1, 2017 to deficit $32,028 at June 30, 2018, representing a decrease of 48.59%.

BUDGETARY HIGHLIGHTS

The District's revenues were $162,631 less than budgeted revenues, a variance of 1.29%. The most significant variance resulted from the District receiving less from state sources than originally anticipated.

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

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the District had invested approximately $7.56 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, technology equipment, transportation equipment and intangible assets. (See Figure A-6) This amount represents a net decrease of 4.56% from last year. More detailed information about capital assets is available in Note 5 to the financial statements. Depreciation expense for the year was $857,385.

The original cost of the District's capital assets was approximately $21.17 million. Governmental funds account for approximately $21.06 million with the remainder of approximately $0.11 million in the Proprietary-School Nutrition Fund.

The largest percentage change in capital asset activity during the year occurred in the construction in progress category. The District's construction in progress totaled $0 at June 30, 2018, compared to $18,550 at June 30, 2017. This decrease was due to the District completing construction on the track and bleacher projects.

		Figure A-6 Capital Assets, Net of Depreciation						
		Governmental Activities		Business Type Activities		Total School District		Total Change
		2018	2017	2018	2017	2018	2017	2017-18
Land	$	110,000	110,000	-	-	110,000	110,000	0.00%
Construction in progress		-	18,550	-	-	-	18,550	-100.00%
Buildings		5,965,202	6,222,887	-	-	5,965,202	6,222,887	-4.14%
Land improvements		628,253	328,075	-	-	628,253	328,075	91.50%
Machinery and equipment		798,740	1,175,768	54,925	63,183	853,665	1,238,951	-31.10%
Total	$	7,502,195	7,855,280	54,925	63,183	7,557,120	7,918,463	-4.56%

Long-Term Debt

At June 30, 2018, the District had $2,282,000 in general obligation debt outstanding. This represents a decrease of 18.72% from last year. (See Figure A-7) More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements.

The District had total outstanding general obligation bond indebtedness at June 30, 2018 of $2,282,000.

		Figure A-7 Outstanding Long-Term Obligations		
		Total School District		Total Change
		2018	2017 (As Restated)	2017-18
General obligation bonds	$	2,282,000	2,641,000	-13.59%
Computer lease		-	166,689	-100.00%
Total	$	2,282,000	2,807,689	-18.72%

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- State and federal reductions continue to be a concern for local school districts as these cuts often affect and flow through to the local level as less aid and grant funding.

- Because of steady and/or slightly declining enrollment and low SSA amounts, the Board must continue to monitor salary and benefit expenses through staffing levels and early retirement where feasible.

- Proposed housing developments in the New Hartford area and possibly within Fox Ridge in Dike give the District hope for enrollment increases in the future.

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 Julie Merfeld, District Secretary, Dike-New Hartford Community School District, 330 Main Street, Dike, IA 50624.

Dike-New Hartford Community School District

Basic Financial Statements

EXHIBIT A

DIKE-NEW HARTFORD COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

		Governmental Activities	Business Type Activities	Total
ASSETS				
Cash and pooled investments	$	4,835,765	179,817	5,015,582
Receivables:				
Property tax:				
Delinquent		9,153	-	9,153
Succeeding year		3,315,688	-	3,315,688
Income surtax		393,134	-	393,134
Accounts		21,612	1,470	23,082
Due from other governments		252,785	5,356	258,141
Internal balances		8,791	(8,791)	-
Inventories		-	11,092	11,092
Capital assets not being depreciated:				
Land		110,000	-	110,000
Capital assets, net of accumulated depreciation:				
Buildings, land improvements, and machinery and equipment		7,392,195	54,925	7,447,120
TOTAL ASSETS		16,339,123	243,869	16,582,992
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows		1,703,716	54,868	1,758,584
OPEB related deferred outflows		33,366	937	34,303
TOTAL DEFERRED OUTFLOWS OF RESOURCES		1,737,082	55,805	1,792,887
LIABILITIES				
Accounts payable		296,189	3,968	300,157
Salaries and benefits payable		943,124	7,187	950,311
Accrued interest payable		4,146	-	4,146
Unearned revenue		-	7,815	7,815
Long-term liabilities:				
Portion due within one year:				
General obligation bonds payable		378,000	-	378,000
Termination benefits payable		50,577	-	50,577
Portion due after one year:				
General obligation bonds payable		1,904,000	-	1,904,000
Termination benefits payable		92,235	-	92,235
Net pension liability		5,091,703	163,978	5,255,681
Total OPEB liability		754,259	21,169	775,428
TOTAL LIABILITIES		9,514,233	204,117	9,718,350
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows		97,296	3,134	100,430
OPEB related deferred inflows		30,091	845	30,936
Unavailable property tax revenue		3,315,688	-	3,315,688
TOTAL DEFERRED INFLOWS OF RESOURCES		3,443,075	3,979	3,447,054
NET POSITION				
Net investment in capital assets		5,220,195	54,925	5,275,120
Restricted for:				
Categorical funding		434,826	-	434,826
Debt service		204,773	-	204,773
School infrastructure		889,358	-	889,358
Physical plant and equipment		12,978	-	12,978
Management levy purposes		8,790	-	8,790
Student activities		106,293	-	106,293
Unrestricted		(1,758,316)	36,653	(1,721,663)
TOTAL NET POSITION	$	5,118,897	91,578	5,210,475

SEE NOTES TO FINANCIAL STATEMENTS.

EXHIBIT B

DIKE-NEW HARTFORD 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	$ 4,661,533	395,693	14,573	-	(4,251,267)	-	(4,251,267)
Special	1,452,510	59,328	180,990	-	(1,212,192)	-	(1,212,192)
Other	1,783,376	423,053	286,875	-	(1,073,448)	-	(1,073,448)
	7,897,419	878,074	482,438	-	(6,536,907)	-	(6,536,907)
Support services:							
Student	175,773	-	466	-	(175,307)	-	(175,307)
Instructional staff	544,017	-	248	-	(543,769)	-	(543,769)
Administration	1,416,615	59,625	-	-	(1,356,990)	-	(1,356,990)
Operation and maintenance of plant	871,745	14,414	-	11,352	(845,979)	-	(845,979)
Transportation	535,815	-	2,645	-	(533,170)	-	(533,170)
	3,543,965	74,039	3,359	11,352	(3,455,215)	-	(3,455,215)
Non-instructional programs:							
Food service operations	9,897	-	-	-	(9,897)	-	(9,897)
Long-term debt interest	68,009	-	-	-	(68,009)	-	(68,009)
Other expenditures:							
AEA flowthrough	411,018	-	411,018	-	-	-	-
Depreciation(unallocated)*	327,066	-	-	-	(327,066)	-	(327,066)
	738,084	-	411,018	-	(327,066)	-	(327,066)
Total governmental activities	12,257,374	952,113	896,815	11,352	(10,397,094)	-	(10,397,094)
Business type activities:							
Instruction:							
Other	39,747	17,681	-	-	-	(22,066)	(22,066)
Non-instructional programs:							
Food service operations	529,625	298,157	196,705	-	-	(34,763)	(34,763)
Total business type activities	569,372	315,838	196,705	-	-	(56,829)	(56,829)
Total	$ 12,826,746	1,267,951	1,093,520	11,352	(10,397,094)	(56,829)	(10,453,923)
General Revenues:							
Property tax levied for:							
General purposes					$ 2,973,640	-	2,973,640
Debt service					60,932	-	60,932
Capital outlay					232,346	-	232,346
Income surtax					440,873	-	440,873
Statewide sales, services and use tax					824,714	-	824,714
Unrestricted state grants					5,454,093	-	5,454,093
Unrestricted investment earnings					40,158	1,436	41,594
Other					73,477	13,400	86,877
Total general revenues					10,100,233	14,836	10,115,069
Change in net position					(296,861)	(41,993)	(338,854)
Net position beginning of year, as restated					5,415,758	133,571	5,549,329
Net position end of year					$ 5,118,897	91,578	5,210,475

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

SEE NOTES TO FINANCIAL STATEMENTS.

EXHIBIT C

DIKE-NEW HARTFORD COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Capital Projects	Nonmajor	Total
ASSETS				
Cash and pooled investments:	$ 3,371,498	912,899	468,745	4,753,142
Receivables:				
Property tax				
Delinquent	7,731	624	798	9,153
Succeeding year	2,791,724	236,216	287,748	3,315,688
Income surtax	393,134	-	-	393,134
Due from other funds	8,791	-	-	8,791
Accounts	11,342	-	10,270	21,612
Due from other governments	182,937	69,848	-	252,785
TOTAL ASSETS	$ 6,767,157	1,219,587	767,561	8,754,305
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 214,072	81,035	1,082	296,189
Salaries and benefits payable	931,207	-	11,917	943,124
Total liabilities	1,145,279	81,035	12,999	1,239,313
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	2,791,724	236,216	287,748	3,315,688
Income surtax	393,134	-	-	393,134
Total deferred inflows of resources	3,184,858	236,216	287,748	3,708,822
Fund balances:				
Restricted for:				
Categorical funding	434,826	-	-	434,826
Debt service	-	-	208,919	208,919
School infrastructure	-	889,358	-	889,358
Physical plant and equipment	-	12,978	-	12,978
Management levy purposes	-	-	151,602	151,602
Student activities	-	-	106,293	106,293
Unassigned:				
General	2,002,194	-	-	2,002,194
Total fund balances	2,437,020	902,336	466,814	3,806,170
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 6,767,157	1,219,587	767,561	8,754,305

SEE NOTES TO FINANCIAL STATEMENTS.

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

Total fund balances of governmental funds (page 20)		$ 3,806,170
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.		7,502,195
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(4,146)
Blending of the Internal Service Fund to be reflected on an entity-wide basis.		82,623
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	$ 1,737,082	
Deferred inflows of resources	(127,387)	1,609,695
Income surtax is not yet available to pay current year expenditures and, therefore, is recognized as deferred inflows of resources in the governmental funds.		393,134
Long-term liabilities, including bonds payable, termination benefits payable, net pension liability and total OPEB liability are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		(8,270,774)
Net position of governmental activities (page 18)		$ 5,118,897

SEE NOTES TO FINANCIAL STATEMENTS.

EXHIBIT E

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

	General	Capital Projects	Nonmajor	Total
REVENUES:				
Local sources:				
Local tax	$ 3,170,962	232,346	286,497	3,689,805
Tuition	372,721	-	-	372,721
Other	261,430	20,620	439,884	721,934
State sources	6,016,510	827,054	2,915	6,846,479
Federal sources	311,588	-	-	311,588
TOTAL REVENUES	10,133,211	1,080,020	729,296	11,942,527
EXPENDITURES:				
Current:				
Instruction:				
Regular	4,179,964	20,727	66,600	4,267,291
Special	1,337,017	-	-	1,337,017
Other	1,148,963	-	442,139	1,591,102
	6,665,944	20,727	508,739	7,195,410
Support services:				
Student	159,719	-	-	159,719
Instructional staff	415,902	98,706	-	514,608
Administration	1,000,554	46,425	22,193	1,069,172
Operation and maintenance of plant	702,319	37,965	80,739	821,023
Transportation	347,743	100,149	36,977	484,869
	2,626,237	283,245	139,909	3,049,391
Non-instructional programs:				
Food service operations	-	-	9,897	9,897
Capital outlay	-	366,754	-	366,754
Long-term debt:				
Principal	-	-	525,689	525,689
Interest and fiscal charges	-	-	69,680	69,680
	-	-	595,369	595,369
Other expenditures:				
AEA flowthrough	411,018	-	-	411,018
TOTAL EXPENDITURES	9,703,199	670,726	1,253,914	11,627,839
Excess (Deficiency) of revenues over (under) expenditures	430,012	409,294	(524,618)	314,688
Other financing sources (uses):				
Sale of equipment	1,170	-	-	1,170
Transfer in	-	-	534,839	534,839
Transfer out	-	(534,839)	-	(534,839)
Total other financing sources (uses)	1,170	(534,839)	534,839	1,170
Change in fund balances	431,182	(125,545)	10,221	315,858
Fund balances beginning of year	2,005,838	1,027,881	456,593	3,490,312
Fund balances end of year	$ 2,437,020	902,336	466,814	3,806,170

SEE NOTES TO FINANCIAL STATEMENTS.

DIKE-NEW HARTFORD 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)		$ 315,858
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. These costs are not reported in the Statement of Activities, but they are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay and depreciation expense for the current year are as follows:		
Capital outlay	$ 495,353	
Depreciation expense	(848,438)	(353,085)
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.		525,689
Net change in Internal Service Fund charged back against expenditures made for the benefit programs on an entity-wide basis.		(962)
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.		1,671
The current year District IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position.		538,873
District costs associated with the Total OPEB liability implicit subsidy after the measurement date but before year end.		33,366
Income surtax not collected for several months after year end is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds.		17,986
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:		
Pension expense	(1,334,053)	
Termination benefits	14,906	
Total OPEB liability and related expenses	(57,110)	(1,376,257)
Change in net position of governmental activities (page 19)		$ (296,861)

SEE NOTES TO FINANCIAL STATEMENTS.

EXHIBIT G

DIKE-NEW HARTFORD COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Business Type Activities: Nonmajor Enterprise Funds			Governmental Activities:
	School Nutrition	Preschool	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and pooled investments	$ 179,817	-	179,817	82,623
Accounts receivable	30	1,440	1,470	-
Due from other governments	5,356	-	5,356	-
Inventories	11,092	-	11,092	-
Total current assets	196,295	1,440	197,735	82,623
Noncurrent assets:				
Capital assets:				
Machinery and equipment, net of accumulated depreciation	54,925	-	54,925	-
TOTAL ASSETS	251,220	1,440	252,660	82,623
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	48,186	6,682	54,868	-
OPEB related deferred outflows	621	316	937	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	48,807	6,998	55,805	-
LIABILITIES				
Current liabilities:				
Due to other funds	-	8,791	8,791	-
Accounts payable	3,968	-	3,968	-
Salaries and benefits payable	3,285	3,902	7,187	-
Unearned revenue	7,815	-	7,815	-
Total current liabilities	15,068	12,693	27,761	-
Noncurrent liabilities:				
Net pension liability	144,006	19,972	163,978	-
Total OPEB liability	14,035	7,134	21,169	-
Total noncurrent liabilities	158,041	27,106	185,147	-
TOTAL LIABILITIES	173,109	39,799	212,908	-
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows	2,752	382	3,134	-
OPEB related deferred inflows	560	285	845	-
TOTAL DEFERRED INFLOWS OF RESOURCES	3,312	667	3,979	-
NET POSITION				
Net investment in capital assets	54,925	-	54,925	-
Unrestricted	68,681	(32,028)	36,653	82,623
TOTAL NET POSITION	$ 123,606	(32,028)	91,578	82,623

SEE NOTES TO FINANCIAL STATEMENTS.

EXHIBIT H

DIKE-NEW HARTFORD COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business Type Activities: Nonmajor Enterprise Funds			Governmental Activities:
	School Nutrition	Preschool	Total	Internal Service Fund
OPERATING REVENUES:				
Local sources:				
Charges for service	$ 298,157	17,681	315,838	-
Miscellaneous	1,807	11,593	13,400	195
TOTAL OPERATING REVENUES	299,964	29,274	329,238	195
OPERATING EXPENSES:				
Instruction:				
Other:				
Salaries	-	20,091	20,091	-
Benefits	-	16,635	16,635	-
Services	-	50	50	-
Supplies	-	2,971	2,971	-
	-	39,747	39,747	-
Non-instructional programs:				
Food service operations:				
Salaries	176,112	-	176,112	-
Benefits	71,417	-	71,417	-
Services	554	-	554	-
Supplies	272,358	-	272,358	-
Other	237	-	237	-
Depreciation	8,947	-	8,947	-
	529,625	-	529,625	-
Other enterprise operations:				
Benefits	-	-	-	1,157
TOTAL OPERATING EXPENSES	529,625	39,747	569,372	1,157
OPERATING LOSS	(229,661)	(10,473)	(240,134)	(962)
NON-OPERATING REVENUES:				
State sources	3,645	-	3,645	-
Federal sources	193,060	-	193,060	-
Interest on investments	1,436	-	1,436	-
TOTAL NON-OPERATING REVENUES	198,141	-	198,141	-
Change in net position	(31,520)	(10,473)	(41,993)	(962)
Net position beginning of year, as restated	155,126	(21,555)	133,571	83,585
Net position end of year	$ 123,606	(32,028)	91,578	82,623

SEE NOTES TO FINANCIAL STATEMENTS.

DIKE-NEW HARTFORD COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business Type Activities : Nonmajor Enterprise Funds			Governmental Activities:
	School Nutrition	Preschool	Total	Internal Service Fund
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	$ 297,733	-	297,733	-
Cash received from preschool services	-	17,681	17,681	-
Cash received from miscellaneous	1,807	11,593	13,400	195
Cash payments to employees for services	(225,888)	(34,916)	(260,804)	(1,157)
Cash payments to suppliers for goods or services	(229,766)	(3,021)	(232,787)	-
Net cash used in operating activities	(156,114)	(8,663)	(164,777)	(962)
Cash flows from non-capital financing activities:				
Net Borrowings from General fund	-	8,663	8,663	-
State grants received	3,645	-	3,645	-
Federal grants received	155,931	-	155,931	-
Net cash provided by non-capital financing activities	159,576	8,663	168,239	-
Cash flows from investing activities:				
Interest on investments	1,436	-	1,436	-
Cash flows from capital and related financing activities:				
Purchase of capital assets	(689)	-	(689)	-
Net increase (decrease) in cash and pooled investments	4,209	-	4,209	(962)
Cash and pooled investments at beginning of year	175,608	-	175,608	83,585
Cash and pooled investments at end of year	$ 179,817	-	179,817	82,623
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	$ (229,661)	(10,473)	(240,134)	(962)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Commodities consumed	38,216	-	38,216	-
Depreciation	8,947	-	8,947	-
Decrease in inventories	2,449	-	2,449	-
Decrease in accounts receivable	2,043	-	2,043	-
Increase in accounts payable	2,718	-	2,718	-
Decrease in salary and benefits payable	(600)	(664)	(1,264)	-
Increase in net pension liability	10,531	144	10,675	-
Decrease in deferred outflows of resources	9,488	1,644	11,132	-
Increase in deferred inflows of resources	1,719	430	2,149	-
Decrease in unearned revenue	(2,467)	-	(2,467)	-
Increase in OPEB liability	503	256	759	-
Net cash used in operating activities	$ (156,114)	(8,663)	(164,777)	(962)

NON-CASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:

During the year ended June 30, 2018, the District received Federal commodities valued at $38,216.

SEE NOTES TO FINANCIAL STATEMENTS.

Note 1. Summary of Significant Accounting Policies

Dike-New Hartford Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial educational as well as career and technical and recreational courses. The geographic area served includes the Cities of Dike and New Hartford, Iowa, and the predominate agricultural territory in a portion of Butler, Grundy and Black Hawk Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Dike-New Hartford Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. The District has no component units which meet the Governmental Accounting Standards Board Criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Butler, Grundy and Black Hawk County Assessor's Conference Board.

B. Basis of Presentation

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

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

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

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

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

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

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

The District reports the following major governmental funds:

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

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

The District non-major proprietary funds include the Enterprise: School Nutrition Fund and the Enterprise: Preschool Fund. These funds are used to account for the food service operations and preschool operations of the District.

The District's Internal Service Funds are also reported as a proprietary fund. The Internal Service Funds are used to account for the District's insurance program.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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 balance of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at amortized cost.

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

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

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

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

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

Capital Assets - Capital assets, which include property, machinery, equipment, and intangibles acquired after July 1, 1980, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and 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	$ 2,000
Buildings	10,000
Land improvements	10,000
Intangibles	50,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	2,000

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

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

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position 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 District after the measurement date but before the end of the District's reporting period.

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

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

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

Total OPEB Liability - For purposes of measuring the total OPEB liability, 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 and Enterprise, Preschool Fund.

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

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

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

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

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

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

Unassigned - All amounts not included in preceding classifications.

E. Budgets and Budgetary Accounting

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

Note 2. Cash and Pooled Investments

The District's deposits in banks at June 30, 2018 were entirely covered by federal depository insurance or by the State sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to 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 such investments.

Note 3. Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2018 is as follows:

Receivable Fund	Payable Fund	Amount
General	Enterprise: Preschool	$ 8,791

The Enterprise: Preschool Fund is repaying the General Fund for funds borrowed to cover negative cash at year end.

Note 4. Interfund Transfers

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

Transfer to	Transfer from	Amount
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	$ 534,839

The transfer from the Capital Projects: Statewide Sales, Services and Use Tax Fund to the Debt Service Fund was needed for principal and interest payments on the District's computer lease indebtedness and $365,000 in general obligation debt relief.

Note 5. Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 110,000	-	-	110,000
Construction in progress	18,550	321,197	339,747	-
Total capital assets not being depreciated	128,550	321,197	339,747	110,000
Capital assets being depreciated:				
Buildings	11,746,153	21,412	-	11,767,565
Land improvements	1,022,441	348,147	-	1,370,588
Machinery and equipment	7,664,118	144,344	-	7,808,462
Total capital assets being depreciated	20,432,712	513,903	-	20,946,615
Less accumulated depreciation for:				
Buildings	5,523,266	279,097	-	5,802,363
Land improvements	694,366	47,969	-	742,335
Machinery and equipment	6,488,350	521,372	-	7,009,722
Total accumulated depreciation	12,705,982	848,438	-	13,554,420
Total capital assets being depreciated, net	7,726,730	(334,535)	-	7,392,195
Governmental activities capital assets, net	$ 7,855,280	(13,338)	339,747	7,502,195
Business type activities:				
Machinery and equipment	$ 109,888	689	-	110,577
Less accumulated depreciation	46,705	8,947	-	55,652
Business type activities capital assets, net	$ 63,183	(8,258)	-	54,925

Depreciation expense was charged to the following functions:

Governmental activities:		
Instruction:		
Regular	$	38,880
Other		64,020
Support services:		
Instructional staff		1,964
Administration		252,540
Operation and maintenance of plant		14,314
Transportation		149,654
		521,372
Unallocated depreciation		327,066
Total governmental activities depreciation expense	$	848,438
Business type activities:		
Food service operations	$	8,947

Note 6. Long-Term Debt

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

		Balance Beginning of Year, as restated	Additions	Deletions	Balance End of Year	Due within one year
Governmental Activities:						
General obligation bonds	$	2,641,000	-	359,000	2,282,000	378,000
Computer lease		166,689	-	166,689	-	-
Termination benefits		157,718	31,000	45,906	142,812	50,577
Net pension liability		4,682,730	408,973	-	5,091,703	-
Total OPEB liability		727,240	27,019	-	754,259	-
Total	$	8,375,377	466,992	571,595	8,270,774	428,577
Business Type Activities:						
Net pension liability		153,303	10,675	-	163,978	-
Total OPEB liability		20,410	759	-	21,169	-
Total	$	173,713	11,434	-	185,147	-

General Obligation Bonds

Details of the Districts June 30, 2018 general obligation bonded indebtedness is as follows:

Year Ending June 30,	Bond Issue of April 2017				
	Rate		Principal	Interest	Total
2019	2.18	% $	378,000	49,748	427,748
2020	2.18		388,000	41,508	429,508
2021	2.18		398,000	33,048	431,048
2022	2.18		407,000	24,372	431,372
2023	2.18		415,000	15,500	430,500
2024	2.18		296,000	6,452	302,452
Total		$	2,282,000	170,628	2,452,628

Termination Benefits

The District offers a voluntary early retirement plan to its licensed employees. Eligible employees must be at least age fifty-five and must have completed twenty years of service to the District. Employees must complete an application, which is required to be approved by the Board of Education. The early retirement incentive for each eligible employee is $1,000 per year of actual service. The payout sum shall be applied to the employee's monthly single or family insurance premiums or to be contributed to a 403(b) account in equal installments over five years.

At June 30, 2018, the District had outstanding obligations to eight participants. Early retirement expenditures for the year ended June 30, 2018 totaled $45,906.

Note 7. Other Postemployment Benefits (OPEB)

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	6
Active employees	119
Total	125

Total OPEB Liability - The District's total OPEB liability of $775,428 at June 30, 2018 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2017 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, 2017)	2.75% per annum.
Rates of salary increase (effective June 30, 2017)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2017)	3.56% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2017)	6.80% initial rate decreasing by varying amounts to an ultimate rate of 4.40%

Discount Rate - The discount rate used to measure the total OPEB liability was 3.56% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP 2000 annuitant generational mortality projected fully generational with scale AA, applied on gender specific basis. 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	$ 747,650
Changes for the year:	
Service cost	71,173
Interest	23,439
Changes in assumptions	(34,576)
Benefit payments	(32,258)
Net changes	27,778
Total OPEB liability end of year	$ 775,428

Changes of assumptions reflect a change in the discount rate from 2.92% at June 30, 2016 to 3.56% at the June 30, 2017 measurement date used for the reporting date of June 30, 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 (2.56%) or 1% higher (4.56%) than the current discount rate.

	1% Decrease (2.56%)	Discount Rate (3.56%)	1% Increase (4.56%)
Total OPEB liability	$ 830,017	775,428	724,084

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 (5.80%) or 1% higher (7.80%) than the current healthcare cost trend rates.

	1% Decrease (5.80%)	Healthcare Cost Trend Rate (6.80%)	1% Increase (7.80%)
Total OPEB liability	$ 697,360	775,428	687,600

OPEB Expense and Deferred Outflows of Resources Related to OPEB - For the year ended June 30, 2018, the District recognized OPEB expense of $90,972. At June 30, 2018, the District reported deferred outflows and inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ -	30,936
Contributions between measurement date and reporting date	34,303	-
Total	$ 34,303	30,936

$34,303 reported as deferred outflows of resources related to OPEB resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,		Amount
2019	$	(3,640)
2020		(3,640)
2021		(3,640)
2022		(3,640)
2023		(3,640)
Thereafter		(12,736)
Total	$	(30,936)

Note 8. Pension Plan

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

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

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

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

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 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.

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

In fiscal year 2018, pursuant to the required rate, Regular members contributed 5.95% of covered payroll and the District contributed 8.93% of covered payroll, for a total rate of 14.88%.

The District's contributions to IPERS for the year ended June 30, 2018 were $556,228.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2018, the District reported a liability of $5,255,681 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2017, the District's proportion was 0.078899%, which was an increase of 0.002055% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of $1,375,456. 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	$ 48,252	$ 45,536
Changes of assumptions	913,195	-
Net difference between projected and actual earnings on IPERS' investments	-	54,894
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	240,909	-
District contributions subsequent to the measurement date	556,228	-
Total	$ 1,758,584	$ 100,430

$556,228 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	219,952
2020	475,359
2021	284,412
2022	53,848
2023	68,355
Total	$ 1,101,926

There were no non-employer contributing entities at IPERS.

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

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

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

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

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

Asset Class	**Asset Allocation**	**Long-Term Expected Real Rate of Return**
Domestic equity	24.0%	6.25%
International equity	16.0	6.71
Core plus fixed income	27.0	2.25
Public credit	3.5	3.46
Public real assets	7.0	3.27
Cash	1.0	(0.31)
Private equity	11.0	11.15
Private real assets	7.5	4.18
Private credit	3.0	4.25
Total	100%	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 8,659,254	$ 5,255,681	$ 2,396,026

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 $72,301 for legally required District contributions and $48,174 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 9. Risk Management

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

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled $411,018 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.

Note 11. Tax Abatements

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

Tax Abatements of Other Entities

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2018 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Dike	Urban Renewal and Economic Development Projects	$ 77,589
Butler County	Urban Renewal and Economic Development Projects	$ 3,735

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 $40,012.

Note 12. Categorical Funding

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

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

Program	Amount
Home school assistance program	$ 7,060
Gifted and talented programs	142,005
Returning dropouts and dropout prevention	9,008
Teacher leadership state aid	38,961
Four year old preschool state aid	13,911
Teacher salary supplement	3,050
Iowa early intervention	4
Successful progression for early readers	58,514
Professional development for model core curriculum	90,244
Professional development	72,069
Total	$ 434,826

Note 13. Operating Lease

During fiscal year 2017 the District entered into a five-year copier/printer lease. Monthly payments vary each year from $1,620.85 to $1,870.45 with no interest. Expected annual payments on this lease are as follows:

Year Ending June 30,	Principal
2019	$ 21,120
2020	21,865
2021	22,446
2022	3,311
	$ 68,742

Note 14. Deficit Net Position

At June 30, 2018, the District's Enterprise: Preschool Fund had deficit unrestricted and total net position of $32,028.

Note 15. Budget Overexpenditure

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

Note 16. Reconciliation of Governmental Fund Balances to Net Position

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

	Net investment in Capital Assets	Debt Service	Management Levy	Unassigned/ Unrestricted
Fund balance (Exhibit C)	$ -	208,919	151,602	2,002,194
Capital assets, net of accumulated depreciation/amortization	7,502,195	-	-	-
General obligation bond capitalized indebtedness	(2,282,000)	-	-	-
Accrued interest	-	(4,146)	-	-
Termination benefits	-	-	(142,812)	-
Internal service fund	-	-	-	82,623
Income surtax	-	-	-	393,134
Net pension liability	-	-	-	(5,091,703)
Pension related deferred outflows of resources	-	-	-	1,703,716
Pension related deferred inflows of resources	-	-	-	(97,296)
Total OPEB liability	-	-	-	(754,259)
OPEB related deferred outflows of resources	-	-	-	33,366
OPEB related deferred inflows of resources	-	-	-	(30,091)
Net position (Exhibit A)	$ 5,220,195	204,773	8,790	(1,758,316)

Note 17. Accounting Change/Restatement

The following beginning balance for long-term debt restated to report the copier lease as an operating lease instead of a capital lease. This reporting change was necessitated since the District will be returning the copiers to the lessor upon completion of the lease.

	Balance Beginning of Year	Increases	Decreases	Restated Beginning Balance
Governmental activities:				
General obligation bonds	$ 2,641,000	-	-	2,641,000
Capital leases	255,786	-	89,097	166,689
	$ 2,896,786	-	89,097	2,807,689

Governmental activities were also restated to properly reflect the balance at June 30, 2017 of $83,585 in the District's Internal Service Fund which was omitted from the government-wide Statement of Net Position and Statement of Activities on the prior year audit report.

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, long-term debt and including the internal service fund, as follows:

	Governmental Activities	Business Type Activities		
		School Nutrition	Preschool	Total
Net position June 30, 2017, as previously reported	$ 5,678,887	168,658	(14,677)	153,981
OPEB obligation measured under previous standards	291,429	-	-	-
Total OPEB liability at June 30, 2017	(727,240)	(13,532)	(6,878)	(20,410)
Capital lease balance adjustment	89,097	-	-	-
Internal service balance adjustment	83,585	-	-	-
Net position July 1, 2017, as restated	$ 5,415,758	155,126	(21,555)	133,571

Required Supplementary Information

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

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance
Revenues:						
Local sources	$ 4,784,460	330,674	5,115,134	5,152,264	5,152,264	(37,130)
Intermediate sources	-	-	-	1,800	1,800	(1,800)
State sources	6,846,479	3,645	6,850,124	6,936,473	6,936,473	(86,349)
Federal sources	311,588	193,060	504,648	542,000	542,000	(37,352)
Total revenues	11,942,527	527,379	12,469,906	12,632,537	12,632,537	(162,631)
Expenditures/Expenses:						
Instruction	7,195,410	39,747	7,235,157	7,501,925	7,501,925	266,768
Support services	3,049,391	-	3,049,391	3,512,000	3,512,000	462,609
Non-instructional programs	9,897	529,625	539,522	651,000	651,000	111,478
Other expenditures	1,373,141	-	1,373,141	1,305,694	1,305,694	(67,447)
Total expenditures/expenses	11,627,839	569,372	12,197,211	12,970,619	12,970,619	773,408
Excess (Deficiency) of revenues over (under) expenditures/expenses	314,688	(41,993)	272,695	(338,082)	(338,082)	610,777
Other financing sources, net	1,170	-	1,170	1,000	1,000	170
Excess (Deficiency) of revenues and other financing sources over (under) expenditures/expenses	315,858	(41,993)	273,865	(337,082)	(337,082)	610,947
Balances beginning of year, as restated	3,490,312	133,571	3,623,883	3,390,641	3,390,641	233,242
Balances end of year	$ 3,806,170	91,578	3,897,748	3,053,559	3,053,559	844,189

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

DIKE-NEW HARTFORD 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 Government Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

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

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

During the year ended June 30, 2018, expenditures in the other expenditures functional area exceeded the amounts budgeted.

DIKE-NEW HARTFORD 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	$ 71,173
Interest cost	23,439
Changes in assumptions	(34,576)
Benefit payments	(32,258)
Net change in total OPEB liability	27,778
Total OPEB liability beginning of year, as restated	747,650
Total OPEB liability end of year	$ 775,428
Covered-employee payroll	$ 5,179,572
Total OPEB liability as a percentage of covered-employee payroll	14.97%

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.

Reporting period ended June 30, 2018	3.56%
Reporting period ended June 30, 2017	2.92%

DIKE-NEW HARTFORD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS*
REQUIRED SUPPLEMENTARY INFORMATION

	2018	2017	2016	2015
District's proportion of the net pension liability	0.0788991%	0.0768440%	0.0760420%	0.0733350%
District's proportionate share of the net pension liability	$ 5,255,681	4,836,033	3,756,852	2,967,931
District's covered payroll	$ 5,890,710	5,514,607	5,209,584	4,896,853
District's proportionate share of the net pension liability as a percentage of its covered payroll	89.22%	87.69%	72.11%	60.61%
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.

DIKE-NEW HARTFORD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS
REQUIRED SUPPLEMENTARY INFORMATION

		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Statutorily required contribution	$	556,228	526,041	492,454	465,216	437,289	397,030	317,475	275,976	262,933	254,229
Contributions in relation to the statutorily required contribution		(556,228)	(526,041)	(492,454)	(465,216)	(437,289)	(397,030)	(317,475)	(275,976)	(262,933)	(254,229)
Contribution deficiency (excess)	$	-	-	-	-	-	-	-	-	-	-
District's covered payroll	$	6,228,757	5,890,710	5,514,607	5,209,584	4,896,853	4,579,354	3,934,015	3,970,878	3,953,880	4,003,606
Contributions as a percentage of covered payroll		8.93%	8.93%	8.93%	8.93%	8.93%	8.67%	8.07%	6.95%	6.65%	6.35%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Changes of benefit terms:

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

Changes of assumptions:

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

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

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

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

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

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

Dike-New Hartford Community School District

Supplementary Information

DIKE-NEW HARTFORD COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

		Special Revenue				
		Management Levy	Student Activity	Total	Debt Service	Total
ASSETS						
Cash and pooled investments	$	151,160	108,829	259,989	208,756	468,745
Receivables:						
Property tax:						
Delinquent		635	-	635	163	798
Succeeding year		235,001	-	235,001	52,747	287,748
Accounts		-	10,270	10,270	-	10,270
TOTAL ASSETS	$	386,796	119,099	505,895	261,666	767,561
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	$	193	11,724	11,917	-	1,082
Salaries and benefits payable		-	1,082	1,082	-	11,917
Total liabilities		193	12,806	12,999	-	12,999
Deferred inflows of resources:						
Unavailable revenues:						
Succeeding year property tax		235,001	-	235,001	52,747	287,748
Fund balances:						
Restricted for:						
Debt service		-	-	-	208,919	208,919
Management levy purposes		151,602	-	151,602	-	151,602
Student activities		-	106,293	106,293	-	106,293
Total fund balances		151,602	106,293	257,895	208,919	466,814
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$	386,796	119,099	505,895	261,666	767,561

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Special Revenue				
	Management Levy	Student Activity	Total	Debt Service	Total
REVENUES:					
Local sources:					
Local tax	$ 225,565	-	225,565	60,932	286,497
Other	15,134	422,490	437,624	2,260	439,884
State sources	2,302	-	2,302	613	2,915
TOTAL REVENUES	243,001	422,490	665,491	63,805	729,296
EXPENDITURES:					
Current:					
Instruction:					
Regular	66,600	-	66,600	-	66,600
Other	-	442,139	442,139	-	442,139
Support services:					
Administration	22,193	-	22,193	-	22,193
Operation and maintenance of plant	80,739	-	80,739	-	80,739
Transportation	36,977	-	36,977	-	36,977
Non-instructional programs:					
Food service operations	9,897	-	9,897	-	9,897
Long-term Debt:					
Principal	-	-	-	525,689	525,689
Interest and fiscal charges	-	-	-	69,680	69,680
TOTAL EXPENDITURES	216,406	442,139	658,545	595,369	1,253,914
Excess (Deficiency) of revenues over (under) expendiutres	26,595	(19,649)	6,946	(531,564)	(524,618)
Other financing sources:					
Transfer in	-	-	-	534,839	534,839
Change in fund balances	26,595	(19,649)	6,946	3,275	10,221
Fund balances beginning of year	125,007	125,942	250,949	205,644	456,593
Fund balances end of year	$ 151,602	106,293	257,895	208,919	466,814

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

DIKE-NEW HARTFORD 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	$	894,650	18,249	912,899
Receivables:				
Property tax:				
Delinquent		-	624	624
Succeeding year		-	236,216	236,216
Due from other governments		69,848	-	69,848
TOTAL ASSETS	$	964,498	255,089	1,219,587
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$	75,140	5,895	81,035
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax		-	236,216	236,216
Fund balances:				
Restricted for:				
School infrastructure		889,358	-	889,358
Physical plant and equipment		-	12,978	12,978
Total fund balances		889,358	12,978	902,336
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$	964,498	255,089	1,219,587

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
REVENUES:			
Local sources:			
Local tax	$ -	232,346	232,346
Other	8,314	12,306	20,620
State sources	824,714	2,340	827,054
TOTAL REVENUES	833,028	246,992	1,080,020
EXPENDITURES:			
Current:			
Instruction			
Regular	-	20,727	20,727
Support services:			
Instructional staff	67,740	30,966	98,706
Administration	46,032	393	46,425
Operation and maintenance of plant	-	37,965	37,965
Transportation	-	100,149	100,149
Capital outlay	259,826	106,928	366,754
TOTAL EXPENDITURES	373,598	297,128	670,726
Excess (Deficiency) of revenues over (under) expendiutres	459,430	(50,136)	409,294
Other financing uses:			
Transfer out	(534,839)	-	(534,839)
Change in fund balances	(75,409)	(50,136)	(125,545)
Fund balances beginning of year	964,767	63,114	1,027,881
Fund balances end of year	$ 889,358	12,978	902,336

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

DIKE-NEW HARTFORD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
YEAR ENDED JUNE 30, 2018

Account	Balance Beginning of Year	Revenues	Expenditures	Intrafund Transfers	Balance End of Year
JH Instrumental Music	$ -	-	-	336	336
JH Drama	-	381	414	50	17
JH Vocal Music	-	-	249	250	1
Show Choir Uniforms	-	947	437	965	1,475
Band Uniforms	432	815	267	-	980
Interest Income	97	880	-	-	977
NICL Conference	11,719	4,000	9,850	-	5,869
Auditorium	146	-	-	(140)	6
All State Music	84	-	-	-	84
Instrumental Music	2,730	4,924	4,091	(336)	3,227
Drama	3,074	-	-	-	3,074
Speech	40	11	1,294	1,618	375
Vocal Music	1,016	5,279	6,750	535	80
Musical	28	1,884	1,909	-	3
Music Trip	2,090	6,229	3,231	-	5,088
Annual	367	4,253	9,638	5,020	2
Boys Basketball	-	7,621	4,228	(3,393)	-
Football	-	13,913	24,932	11,019	-
Baseball	-	3,124	5,767	2,643	-
Boys track	-	6,108	7,662	1,554	-
Wrestling	-	5,082	5,182	100	-
Cross Country	-	2,644	1,828	(816)	-
Girls Basketball	-	9,830	9,736	(94)	-
Volleyball	-	8,843	9,668	825	-
Softball	-	2,018	3,088	1,070	-
Girls Track	-	6,047	8,263	2,216	-
Girls Tennis	-	-	239	239	-
Girls Tennis Fundraiser	552	-	-	-	552
Boys Bowling	-	-	200	200	-
Boys Golf	-	1,051	4,264	3,213	-
Girls Golf	-	65	1,928	1,863	-
Boys Soccer	-	-	100	100	-
Girls Soccer	-	-	2,250	2,250	-
JH Boys Basketball	-	-	760	760	-
JH Football	-	-	7,839	7,839	-
JH Baseball	-	-	665	665	-
JH Boys Track	-	884	1,163	279	-
JH Wrestling	-	-	300	300	-
JH Girls Basketball	-	-	1,111	1,111	-
JH Volleyball	-	300	1,474	1,174	-
JH Softball	-	-	668	668	-
JH Girls Track	-	884	1,223	339	-
DNH Tech Club	1,398	-	-	-	1,398
Art Club	1,265	143	381	-	1,027
Dance	211	-	-	(211)	-
Thespians	118	-	-	(118)	-
Cheerleaders	27	1,637	1,791	211	84
Sutdent Council	2,476	4,193	3,605	(3,061)	3
DNH Scholars	131	-	-	-	131
Cheerleading Fund	3,685	16,485	17,533	-	2,637
Character Education	44	-	-	-	44
Concessions	204	68,285	42,775	(24,698)	1,016
Pop Machine	-	50	-	(50)	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Account	Balance Beginning of Year	Revenues	Expenditures	Intrafund Transfers	Balance End of Year
Secondary	963	1,486	1,679	(563)	207
Dike Elementary	783	14,734	15,517	-	-
Service Learning Scholarship	50	-	-	-	50
Outdoor Basketball	1,662	-	-	-	1,662
Athletic Towel Service	2,210	367	406	(2,165)	6
New Hartford Elementary	1,805	6,393	7,520	-	678
Junior High	861	1,174	2,469	448	14
Junior/Senior Prom	847	7,256	5,954	-	2,149
SADD	337	-	-	-	337
Girls Track Fund	256	337	31	-	562
Football Fundraisers	2,326	28,256	28,471	-	2,111
Boys Basketball Fundraisers	1,128	6,398	5,007	-	2,519
Girls Basketball Fundraisers	-	605	13	(592)	-
Softball Fundraisers	4,176	1,721	1,768	-	4,129
Volleyball Fundraisers	11,840	50,581	49,121	-	13,300
Cross Country Fundraisers	15,677	21,452	23,474	-	13,655
Boys Track Fundraisers	682	284	166	-	800
Wrestling Fund	3,896	5,396	4,905	-	4,387
JH Cheerleading	-	710	688	-	22
JH Student Council	-	105	-	181	286
JH Towel Service	-	259	406	165	18
Robotics Club	11,147	11,384	17,511	-	5,020
Trapshooting Club	4,365	15,494	14,634	-	5,225
JH Trip	2,161	13,174	14,180	1,698	2,853
Baseball Fund	5,140	9,299	7,889	-	6,550
Weight Room Fundraisers	3,584	-	-	-	3,584
Athletics	1,390	805	1,988	153	360
Booster Club	709	13,361	13,699	-	371
Sound System	935	-	-	-	935
Bleachers	6,700	-	6,700	-	-
Scoreboard Ads	-	6,500	-	(6,500)	-
Athletic Trainer	4,798	7,725	8,900	-	3,623
Activity Tickets	-	6,550	-	(6,550)	-
Concession Rebate	1	1,000	-	(1,000)	1
FCCLA	36	74	-	-	110
DNH Science Club	1,773	800	290	-	2,283
Vending Machine	1,770	-	-	(1,770)	-
TOTALS	$ 125,942	422,490	442,139	-	106,293

DIKE-NEW HARTFORD 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	$	3,689,805	3,468,576	3,349,641	3,432,647	4,220,320	3,590,684	3,681,580	3,826,533	3,212,200	3,218,098
Tuition		372,721	416,459	286,153	239,409	230,922	219,160	221,331	262,448	238,900	242,459
Other		721,934	708,337	745,455	698,325	656,584	772,269	679,435	608,310	533,074	578,150
State sources		6,846,479	7,043,250	6,147,262	6,192,438	5,079,297	4,958,937	4,403,824	4,018,813	3,489,615	4,113,819
Federal sources		311,588	326,744	295,167	255,756	235,285	245,801	182,363	404,001	620,534	538,571
Total	$	11,942,527	11,963,366	10,823,678	10,818,575	10,422,408	9,786,851	9,168,533	9,120,105	8,094,323	8,691,097
Expenditures:											
Instruction:											
Regular	$	4,267,291	4,522,975	3,896,590	3,984,981	3,750,067	4,179,485	3,364,993	3,326,114	3,348,574	3,350,505
Special		1,337,017	1,489,262	1,192,933	1,005,493	909,441	984,047	866,867	815,261	852,001	895,927
Other		1,591,102	1,187,441	1,650,401	1,517,882	1,307,228	1,248,839	1,242,644	1,231,942	973,830	873,981
Support services:											
Student		159,719	168,005	161,281	166,089	167,798	160,870	151,730	138,728	145,344	129,279
Instructional staff		514,608	587,070	984,834	490,867	388,828	465,294	347,204	749,352	363,785	340,307
Administration		1,069,172	1,036,787	963,037	928,197	925,117	873,985	917,118	830,871	824,292	752,606
Operation and maintenance of plant		821,023	728,179	703,962	731,387	684,163	654,865	577,453	596,211	571,056	584,743
Transportation		484,869	479,637	477,329	507,682	412,872	420,195	370,502	305,706	321,690	504,314
Non-instructional programs		9,897	10,145	10,221	12,174	9,458	7,264	6,606	6,565	6,385	6,525
Capital outlay		366,754	427,423	374,118	321,606	143,506	129,628	178,210	211,662	178,328	998,075
Long-term debt:											
Principal		525,689	3,434,737	487,991	451,330	593,088	604,100	503,815	300,000	375,000	205,000
Interest and fiscal charges		69,680	144,015	149,420	166,532	187,556	193,546	209,914	226,616	246,878	241,973
Other expenditures:											
AEA flow-through		411,018	405,487	384,051	383,849	350,104	325,297	313,697	338,101	335,508	287,737
Total	$	11,627,839	14,621,163	11,436,168	10,668,069	9,829,226	10,247,415	9,050,753	9,077,129	8,542,671	9,170,972

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 Dike-New Hartford Community School District:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Dike-New Hartford 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 18, 2019.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District’s financial statements will not be prevented or detected on a timely basis. We consider the deficiency described in Part I of the accompanying Schedule of Findings as item I-A-18 to be a material weakness.

A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in Part I of the accompanying Schedule of Findings as item I-B-18 to be a significant deficiency.

Compliance and Other Matters

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

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

Dike-New Hartford Community School District's Responses to Findings

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

Purpose of this Report

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

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

Nolte, Cornman & Johnson PC

NOLTE, CORNMAN & JOHNSON, P.C.

January 18, 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 - As part of our audit we noted one individual has control over each of the following areas for the District:

1) Cash - initiating cash receipt and disbursement transactions and handling and recording cash, posting and reconciling.

2) Investments - investing, detailed recordkeeping, custody of investments.

3) Inventories - ordering, receiving, issuing and storing.

4) Receipts - collecting, recording, deposit preparation, journalizing, posting and reconciling.

5) Disbursements - purchase order processing, receiving, mailing and recording.

6) Capital assets - purchasing, recording and reconciling.

7) Wire transfers - processing and approving.

8) Payroll - recording approved pay rates and deductions, recordkeeping, preparation, posting and distribution.

9) Journal Entries - writing, posting and approving.

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

11) School lunch program - recording, journalizing, posting, reconciling, purchase order processing, check preparation, mailing and recording.

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

Effect - Inadequate segregation of duties could adversely affect the District's ability 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 - We will continue to monitor our internal control procedures and make changes where possible.

Conclusion - Response accepted.

I-B-18 Supporting Documentation

Criteria - An effective internal control system provides for internal controls related to credit card purchases to ensure each purchase is properly and adequately supported and reviewed.

Condition - We noted the District did not have a detailed receipt for a purchase made with a District credit card. The District's own credit card policy, #401.10, requires a detailed receipt be remitted for use as supporting documentation for all purchases made with District credit cards.

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

Effect - Without enforcement of District policies and procedures, purchases could be made, which lack documentation to support the public purpose served. These purchases could then be presented to the board for approval even though they are in conflict with District policy.

Recommendation - The District should review their credit card policy with all District employees to ensure credit card procedures are being followed. The District should also take time to review credit card procedures in place to ensure all bills are supported, approved, and paid from an appropriate receipt or invoice. Additionally, the District should adopt processes and procedures for the use of a District credit card when an invoice may not be available, such as requiring additional approval or supporting documentation other than the invoice. This additional approval should be noted in written form as part of the supporting documentation for the purchase made.

Response - The District will communicate to staff regarding required procedures for credit card purchases.

Conclusion - Response accepted.

Part II: Other Findings Related to Required Statutory Reporting:

II-A-18 Certified Budget - Expenditures for the year ended June 30, 2018 exceeded the certified budget amounts in the other expenditures functional area.

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

Response - Future budgets will be amended in a timely manner.

Conclusion - Response accepted.

II-B-18 Questionable Disbursements - We noted during our audit that the District purchased clothing for coaches out of the Special Revenue, Student Activity Fund.

Recommendation - Article III, Section 31 of the Constitution of the State of Iowa requires that public funds may only be spent for the public benefit. Since Student Activity Funds are "public funds" the District must determine the propriety and document the public purpose and public benefit to be derived. The District should establish a policy to preclude purchases of personal clothing from public funds, and/or define the exceptions, if any, including the requirement for Board consideration, documentation of public purpose and approval.

The District may wish to refrain from allowing public funds to be used to purchase personal items of clothing under any circumstances since this establishes a precedent which may be difficult to justify and/or administer fairly and consistently among employees and student groups.

Response - We plan to pay our coaches for their work during off season camps and clinics, and they will purchase their own clothing.

Conclusion - Response accepted.

II-C-18 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

II-D-18 Business Transactions - 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 the coverage is adequate for current operations.

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

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

II-H-18 Supplementary Weighting - No variances regarding the supplementary weighting 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 Iowa Department of Education timely and we noted no significant deficiencies in the amounts reported.

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

II-L-18 Statewide Sales, Services and Use Tax - No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2018, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning Balance		$ 964,767
Revenues:		
Sales tax revenues	$ 824,714	
Other local revenues	8,314	833,028
Total revenues		1,797,795
Expenditures/transfers out:		
School infrastructure construction	248,967	
Equipment	99,273	
Other	25,358	
Transfers to other funds:		
Debt service fund	534,839	908,437
Ending balance		$ 889,358

For the year ended June 30, 2018 the District reduced the following levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa:

	Per $1,000 of Taxable Valuation	Property Tax Dollars
Debt service levy	$ 1.30669	$ 365,000

II-M-18 Financial Condition - At June 30, 2018, the District's Enterprise: Preschool Fund had deficit unrestricted and total net position of $32,028.

Recommendation - The District should monitor this fund and develop a plan to bring it back to a positive amount and self-sustainability.

Response - District staff and parents continue to fundraise to cover this deficit, which includes our pension liability for the Enterprise: Preschool Fund. We would like, with auditor assistance, to explore options for maintaining our 3-year-old preschool program without having to account for it separately in an enterprise fund.

Conclusion - Response accepted.

II-N-18 Interest Account - We noted during our audit that the District is maintaining an interest account within the Student Activity Fund which is carrying a balance at year end.

Recommendation - Interest earned on the Student Activity Fund should be allocated on at least a yearly basis to accounts within the Student Activity Fund which earned the interest.

Response - We will allocate interest earnings to student activity fund accounts in the future.

Conclusion - Response accepted.

II-O-18 Technology Fee - We noted the District charged a technology fee to students, as part of a protection plan during fiscal year 2018. This fee was used to cover a portion of repair costs with the District paying the remaining balances owed. This appears to be an unallowable fee per the Iowa Department of Education. According to the Frequently Asked Questions Regarding the Physical Plant and Equipment Levy Fund put out by the Iowa Department of Education in July 2016, Districts are not allowed to pass insurance and other costs to students or parents. Insurance, maintenance upgrades and normal wear and tear are the responsibility of the District.

The District is allowed to charge a refundable technology deposit to students. If a deposit is charged to students, it must be a reasonable amount. The District should deposit the check but hold the deposits and not use the deposits to pay any expenditure, such as repair or maintenance costs. The amount of the deposit would be returned to he student when the computer/technology is returned to the district: however, the district may reduce the amount of the deposit that it returns to the student by the actual costs of damage inflicted by the student while the computer/technology was in his/her possession (or should have been in his/her possession). Refundable deposits are not subject to the free/reduced waiver provisions.

The District should also have or adopt a policy, approved by its board, on appropriate use, responsibilities, deposits, fees/fines, damage, and theft of computers/technology used by the District students.

Recommendation - We recommend the District review technology or insurance fees currently being charged to students and make the necessary adjustments to comply with the guidance set forth by the Iowa Department of Education.

Response - The District will review our fee structure to comply with Department of Education guidance.

Conclusion - Response accepted.

APPENDIX E – FORM OF ISSUE PRICE CERTIFICATES

EXHIBIT A
DIKE-NEW HARTFORD COMMUNITY SCHOOL DISTRICT, IOWA
$9,400,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2020
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 (June 1, 2020), 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 Dike-New Hartford 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 June 1, 2020.

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the

Bonds, and by Ahlers & Cooney, P.C., Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By:________________________________
Name:_______________________________

Dated: July 1, 2020

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
DIKE-NEW HARTFORD COMMUNITY SCHOOL DISTRICT, IOWA
$9,400,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2020
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 June 1, 2020.

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by 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: July 1, 2020

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID