

Date of Sale: Monday, April 16, 2018
 Between 10:30 and 11:00 A.M., C.D.T. (Closed Speer Auction)
 Until 11:00 A.M., C.D.T. (Sealed Bids)
 (Alternate Bid Methods)

Official Statement

In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming compliance with certain covenants, the interest on the Bonds will be excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax under the Internal Revenue Code of 1986 (the "Code"); provided however such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations for taxable years beginning before January 1, 2018. In the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX EXEMPTION AND RELATED CONSIDERATIONS" herein.



\$1,330,000*
CITY OF OSSIAN
Winneshiek County, Iowa
General Obligation Corporate Purpose Bonds, Series 2018

Dated Date of Delivery Book-Entry Bank Qualified Due Serially June 1, 2019 - 2030

The \$1,330,000* General Obligation Corporate Purpose Bonds, Series 2018 (the "Bonds") are being issued by the City of Ossian, Winneshiek County, Iowa (the "City"). Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2018. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on June 1 in the following years and amounts.

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)	Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)
\$100,000	2019	%	%		\$110,000	2025	%	%	
100,000	2020	%	%		115,000	2026	%	%	
100,000	2021	%	%		115,000	2027	%	%	
105,000	2022	%	%		120,000	2028	%	%	
105,000	2023	%	%		125,000	2029	%	%	
105,000	2024	%	%		130,000	2030	%	%	

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

Bonds due June 1, 2019 - 2025, inclusive, are not subject to optional redemption. Bonds due June 1, 2026 - 2030, inclusive, are callable in whole or in part on any date on or after June 1, 2025, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See "OPTIONAL REDEMPTION" herein.

PURPOSE, LEGALITY AND SECURITY

The proceeds of the Bonds are expected to be used to: (i) construct street, sidewalk, sanitary sewer and storm water drainage improvements, and (ii) pay the costs of issuing the Bonds.

In the opinion of Dorsey & Whitney LLP, Des Moines, Iowa, the Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount. The City will furnish the written approving opinion of Bond Counsel, Dorsey & Whitney LLP, Des Moines, Iowa, evidencing legality of the Bonds and that the interest thereon is exempt from federal and state taxes as and to the extent discussed under the heading "TAX EXEMPTION AND RELATED CONSIDERATIONS" herein.

The City intends to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986.

This Official Statement is dated April 3, 2018 and has been prepared under the authority of the City. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Official Statement Sales Calendar". Additional copies may be obtained from Joyce Bakewell, City Clerk, City of Ossian, 123 West Main Street, Ossian, Iowa, 52161, or from the Registered Municipal Advisors to the City.



*Subject to principal adjustment in accordance with the Official Terms of Offering.

(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The City is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the City.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a “Final Official Statement” of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled “Final Official Statement” rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. **THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.**

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

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OFFICIAL BID FORM
OFFICIAL TERMS OF OFFERING

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Terms of Offering and the Official Bid Form, which are provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

Issuer:	City of Ossian, Winneshiek County, Iowa.
Issue:	\$1,330,000* General Obligation Corporate Purpose Bonds, Series 2018.
Dated Date:	Date of delivery (expected to be on or about May 15, 2018).
Interest Due:	Each June 1 and December 1, commencing December 1, 2018.
Principal Due:	Serially each June 1, commencing June 1, 2019 through 2030, as detailed on the cover page of this Official Statement.
Optional Redemption:	Bonds maturing on or after June 1, 2026, are callable at the option of the City on any date on or after June 1, 2025, at a price of par plus accrued interest. See “OPTIONAL REDEMPTION” herein.
Authorization:	The Bonds are being issued pursuant to authority established in Code of Iowa, Chapter 384, and all laws amendatory thereof and supplementary thereto, and in conformity with a resolution of the City Council duly passed and approved.
Security:	The Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount
No Investment Rating:	The City does not intend to apply for an investment rating on the Bonds.
Purpose:	The proceeds of the Bonds are expected to be used to: (i) construct street, sidewalk, sanitary sewer and storm water drainage improvements, and (ii) pay the costs of issuing the Bonds.
Tax Exemption:	Dorsey & Whitney LLP, Des Moines, Iowa, will provide an opinion as to the tax exemption of the Bonds as discussed under “TAX EXEMPTION AND RELATED CONSIDERATIONS” in this Official Statement.
Bank Qualified:	The City intends to designate the Bonds as “qualified tax-exempt obligations”.
Bond Registrar/Paying Agent:	Bankers Trust Company, Des Moines, Iowa.
Delivery:	The Bonds are expected to be delivered on or about May 15, 2018.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Bonds. See APPENDIX B herein.
Denomination:	\$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Waterloo, Iowa and Chicago, Illinois.

*Subject to change.

CITY OF OSSIAN
Winneshiek County, Iowa

Bill Green
Mayor

Council Members

Bryan Beckman

Mitchell Holthaus

David Knutson

Dan Langreck

Sue Lienau

Officials

Joyce Bakewell
City Clerk

Lee Wilmarth, Esq.
City Attorney

BONDHOLDERS' RISKS

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 any adverse history of economic prospects connected with a particular issue, and secondary marketing practices in connection with a particular bond or note 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.

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 City to pay debt service when due on the Bonds.

Tax Matters, Bank Qualification and Loss of Tax Exemption

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

The City intends to designate the Bonds as “qualified tax-exempt obligations” under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The City has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. Actions, or inactions, by the City in violation of its covenants could affect the designation, which could also affect the pricing and marketability of the Bonds.

It is possible that legislation will be proposed or introduced that could result in changes in the way that tax exemption is calculated, or whether interest on certain securities are exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding any pending or proposed federal income tax legislation. The likelihood of any pending or future legislation being enacted or whether the currently proposed terms of any pending legislation will be altered or removed during the legislative process cannot be reliably predicted.

It is also possible that actions of the City after the closing of the Bonds will alter the tax status of the Bonds, and, in the extreme, remove the tax exempt status from the Bonds. In that instance, the Bonds are not subject to mandatory prepayment, and the interest rate on the Bonds does not increase or otherwise reset. A determination of taxability on the Bonds, after closing of the Bonds, could materially adversely affect the value and marketability of the Bonds.

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 City 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 **APPENDIX B – Describing Book-Entry Only Issuance.**

Continuing Disclosure

A failure by the City to comply with 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 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), 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 judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

Federal Tax Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals pending in Congress that could, if enacted, alter or amend one or more of the federal tax matters described herein in certain respects or would adversely affect the market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further such proposals may impact the marketability or market value of the Bonds simply by being proposed. 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.

Tax Levy Procedures

The Bonds are general obligations of the City, payable from and secured by a continuing ad valorem tax levied against all of the taxable property valuation within the City. See **"PROPERTY ASSESSMENT AND TAX INFORMATION"** herein for more details. As part of the budgetary process each fiscal year, the City will have an obligation to request a debt service levy to be applied against all of the taxable property within the City. A failure on the part of the City to make a timely levy request or a levy request by the City that is inaccurate or is insufficient to make full payments of the debt service of 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. 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 City and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

Other Factors

An investment in the Bonds involves an element of risk. 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.

THE CITY

The City is located in Northeast Iowa and was incorporated in 1855 under the laws of the state of Iowa (the “State”), later amended in July 1975, under the City Home Rule Act. The City is approximately 1.11 square miles with a 2010 Census population of 845. The City is located in Winneshiek County (the “County”).

City Organization and Services

The City operates under a Mayor-Council form of government. The Mayor and Council Members are elected on a non-partisan basis. The City provides numerous services to citizens including, public safety, public works, culture and recreation, community and economic development, and general government services. It also operates and provides water, sewer and sanitation utilities for its citizens. The City contracts with the City of Calmar for police protection.

The City has three people employed on a full-time basis. In addition, there are four part-time and seasonal employees. The City is served by a volunteer Fire Department. Approximately 25 volunteers operate out of a centrally located fire station.

Community Life

The City has several City parks throughout the community. Other recreational and leisure opportunities are located throughout the Winneshiek County area. These opportunities include over 20 public areas to enjoy hiking, biking, hunting, fishing, camping, picnicking, bird watching or any other form of outdoor recreation. Health care is provided by the Winneshiek Medical Center with a clinic in the City and the Gundersen Health System with a clinic in Calmar.

Education

The residents of the City are served by the South Winneshiek Community School District with an enrollment of approximately 497. The District provides a wide range of activities for grades preschool to 12.

Post-secondary educational opportunities are readily available. Northeast Iowa Community College, Luther College in Decorah, Iowa. The University of Dubuque, Clarke University and Loras College are all located in Dubuque, Iowa, which is 90 miles southeast of the City.

Transportation

The City is located along U.S. Highway No. 52. The City is approximately: 3 hours from Minneapolis, Minnesota and Madison, Wisconsin; and 5 hours from Chicago, Illinois. The City is located within 90 miles of the Dubuque Regional Airport. The airport is served by a number of national and regional air carriers.

SOCIOECONOMIC INFORMATION

The following demographic information is for the City. Additional comparisons are made with the County and the State.

Population

The following table reflects population trends for the City, the County and the State.

Population Comparison(1)

<u>Year</u>	<u>The City</u>	<u>Percent Change</u>	<u>The County</u>	<u>Percent Change</u>	<u>The State</u>	<u>Percent Change</u>
1970	847	n/a	21,758	n/a	2,824,376	n/a
1980	829	(2.13%)	21,876	0.54%	2,913,808	3.17%
1990	810	(2.29%)	20,847	(4.70%)	2,776,755	(4.70%)
2000	853	5.31%	21,310	2.22%	2,926,324	5.39%
2010	845	(0.94%)	21,056	(1.19%)	3,046,355	4.10%

Note: (1) Source: U.S. Bureau of the Census.

Employment

Following are lists of large employers located in the surrounding area.

Major Area Employers(1)

<u>Location</u>	<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Decorah	Luther College	Education	640
Calmar	Northeast Iowa Community College	Education	500
Decorah	Stanley Engineered Fasteners and Infastech	Fasteners, Buttons, Needles and Pins	450
Decorah	Winneshiek Medical Center	Healthcare	430
Decorah	Infastech Decorah, LLC	Manufacturing	400
Decorah	Bruening Rock Products	Construction Sand and Gravel	400
Decorah	Walmart	Retail	350
Decorah	Rockwell Collins	Aircraft Electronic Components	260
Decorah	Deco Products Co.	Die-Casting Foundries	225
Decorah	Iowa Rotocast Plastics, Inc.	Plastic Products	160
Decorah	Gemini, Inc.	Signs and Advertising Specialties	108
Calmar	Calmar Mfg. Co., Inc.	Millwork	100
Calmar	Wiltgen Construction, Inc	Construction Materials	30

Note: (1) Source: Area Chamber of Commerce, selected telephone surveys and the 2018 Manufacturers' News Inc.

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The following tables show employment by industry and by occupation for the City, the County and the State as reported by the U.S. Census Bureau 2012 - 2016 American Community Survey 5-year estimated values.

Employment By Industry(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	17	3.3%	1,087	8.9%	61,676	3.9%
Construction.....	62	12.1%	761	6.3%	98,744	6.2%
Manufacturing.....	72	14.0%	1,441	11.8%	241,775	15.2%
Wholesale trade.....	11	2.1%	413	3.4%	45,637	2.9%
Retail trade.....	59	11.5%	1,237	10.2%	184,920	11.7%
Transportation and warehousing, and utilities.....	43	8.4%	434	3.6%	73,083	4.6%
Information.....	9	1.8%	160	1.3%	27,781	1.8%
Finance and insurance, and real estate and rental and leasing.....	26	5.1%	511	4.2%	120,220	7.6%
Professional, scientific, and management, and administrative and waste management services.....	15	2.9%	553	4.5%	114,113	7.2%
Educational services, and health care and social assistance.....	140	27.2%	4,044	33.2%	386,743	24.4%
Arts, entertainment, and recreation, and accommodation and food services.....	29	5.6%	731	6.0%	115,726	7.3%
Other services, except public administration.....	24	4.7%	575	4.7%	67,384	4.2%
Public administration.....	7	1.4%	222	1.8%	49,376	3.1%
Total.....	514	100.0%	12,169	100.0%	1,587,178	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2012 - 2016.

Employment By Occupation(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Management, business, science, and arts occupations.....	136	26.5%	4,500	37.0%	554,422	34.9%
Service occupations.....	83	16.1%	2,083	17.1%	261,576	16.5%
Sales and office occupations.....	118	23.0%	2,587	21.3%	364,658	23.0%
Natural resources, construction, and maintenance occupations.....	69	13.4%	1,238	10.2%	148,783	9.4%
Production, transportation, and material moving occupations.....	108	21.0%	1,761	14.5%	257,739	16.2%
Total.....	514	100.0%	12,169	100.0%	1,587,178	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2012 - 2016.

The annual average unemployment rates for the City are not available following shows the annual average unemployment rates the County, the State and the United States.

Annual Average Unemployment Rates(1)(2)

Calendar Year	The County	The State	United States
2008.....	4.4%	4.2%	5.8%
2009.....	6.3%	6.4%	9.3%
2010.....	5.5%	6.0%	9.6%
2011.....	5.0%	5.5%	8.9%
2012.....	4.6%	5.0%	8.1%
2013.....	4.6%	4.7%	7.4%
2014.....	4.2%	4.3%	6.2%
2015.....	3.7%	3.8%	5.3%
2016.....	3.5%	3.7%	4.9%
2017.....	3.1%	3.1%	4.4%
2018(3).....	4.5%	2.9%	4.1%

Notes: (1) Source: Iowa Workforce Development and U.S. Bureau of Labor Statistics.
 (2) Not seasonally adjusted.
 (3) Preliminary rates for the month of February, 2018.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City's owner-occupied homes was \$100,600. This compares to \$159,400 for the County and \$132,800 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2012 - 2016 American Community Survey.

Home Values(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	40	12.4%	455	7.2%	94,855	10.7%
\$50,000 to \$99,999.....	120	37.2%	1,044	16.4%	210,180	23.8%
\$100,000 to \$149,999.....	88	27.2%	1,329	20.9%	198,528	22.5%
\$150,000 to \$199,999.....	25	7.7%	1,328	20.9%	151,979	17.2%
\$200,000 to \$299,999.....	48	14.9%	1,455	22.9%	139,989	15.9%
\$300,000 to \$499,999.....	0	0.0%	556	8.8%	65,586	7.4%
\$500,000 to \$999,999.....	0	0.0%	128	2.0%	17,262	2.0%
\$1,000,000 or more.....	2	0.6%	59	0.9%	4,740	0.5%
Total.....	323	100.0%	6,354	100.0%	883,119	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 - 2016.

Mortgage Status(1)

Mortgage Status	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Housing units with a mortgage.....	176	54.5%	3,612	56.8%	537,848	60.9%
Housing units without a mortgage.....	147	45.5%	2,742	43.2%	345,271	39.1%
Total.....	323	100.0%	6,354	100.0%	883,119	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 - 2016.

Income

The U.S. Census Bureau 5-year estimated values reported that the City had a median family income of \$64,028. This compares to \$71,560 for the County and \$69,419 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2012 - 2016 American Community Survey.

Family Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000.....	2	0.8%	91	1.7%	26,246	3.3%
\$10,000 to \$14,999.....	10	4.0%	108	2.0%	17,702	2.2%
\$15,000 to \$24,999.....	14	5.5%	282	5.2%	48,901	6.1%
\$25,000 to \$34,999.....	24	9.5%	406	7.6%	64,651	8.1%
\$35,000 to \$49,999.....	32	12.6%	628	11.7%	104,560	13.1%
\$50,000 to \$74,999.....	72	28.5%	1,324	24.6%	173,454	21.7%
\$75,000 to \$99,999.....	53	20.9%	1,191	22.2%	138,749	17.4%
\$100,000 to \$149,999.....	29	11.5%	862	16.0%	141,473	17.7%
\$150,000 to \$199,999.....	10	4.0%	319	5.9%	45,120	5.6%
\$200,000 or more.....	7	2.8%	165	3.1%	37,808	4.7%
Total.....	253	100.0%	5,376	100.0%	798,664	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$50,625. This compares to \$57,009 for the County and \$54,570 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2012 - 2016 American Community Survey.

Household Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000	12	3.1%	326	4.0%	75,624	6.1%
\$10,000 to \$14,999	38	9.7%	468	5.7%	60,809	4.9%
\$15,000 to \$24,999	40	10.2%	806	9.8%	126,359	10.2%
\$25,000 to \$34,999	39	10.0%	892	10.9%	129,439	10.4%
\$35,000 to \$49,999	63	16.1%	986	12.0%	175,853	14.2%
\$50,000 to \$74,999	79	20.2%	1,737	21.2%	246,562	19.8%
\$75,000 to \$99,999	69	17.6%	1,448	17.6%	172,210	13.9%
\$100,000 to \$149,999	32	8.2%	1,005	12.2%	162,741	13.1%
\$150,000 to \$199,999	12	3.1%	362	4.4%	49,988	4.0%
\$200,000 or more	7	1.8%	175	2.1%	43,056	3.5%
Total	391	100.0%	8,205	100.0%	1,242,641	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 - 2016.

Agriculture

Shown below is information on the agricultural value of the County and the statewide average.

Average Value Per Acre(1)

Average Value Per Acre:	2013	2014	2015	2016	2017
Winneshiek County	\$7,712	\$7,139	\$7,054	\$6,592	\$6,856
State of Iowa	8,716	7,943	7,633	7,183	7,326

Note: (1) Source: Cooperative Extension Service - Iowa State University.

Local Option Sales Tax

The City approved a 1% local option sales and service tax (“Local Option Tax”) at a special referendum. The Local Option Tax for the City became effective July 1, 1991 and was renewed at a special election on October 31, 1995. The City’s Local Option Tax referendum question stated that proceeds of such tax would be designated 100% for any lawful purpose of the City.

Once approved, a Local Option Tax can only be repealed through a public referendum at which a majority voting approve the repeal or tax rate change. Contiguous municipalities are one unit for this purpose. If a Local Option Tax is not imposed county-wide, then the question of repeal is voted upon only by voters in such areas of a county where the tax has been imposed. A Local Option Tax may not be repealed within one year of the effective date.

The State of Iowa Department of Revenue (the “Department”) administers collection and disbursement of all local option sales and services taxes in conjunction with administration of the State-wide sales, services and use tax presently assessed at 6%. The Department is required by statute to remit at least 95% of the estimated tax receipts to a county board of supervisors (for taxes imposed in unincorporated areas) and to each incorporated city. Such remittances are on a monthly basis. Once a year the Department reconciles its monthly estimated payments and makes an adjustment payment or debit at the November 10 payment date. Remittance of collections within a county are based upon the following statutory formula for county-wide collections:

- 75 percent: Based on a pro rata share of population (the most recent certified federal census) of those incorporated or unincorporated areas in a county which have approved a Local Option Tax.

25 percent: Based on a pro rata share of total property tax dollars levied during the three year period beginning July 1, 1982, through June 30, 1985, for those incorporated or unincorporated areas of a county which have approved a Local Option Tax.

Local Option Taxes are based on the same sales currently taxed by the state-wide 6% sales and services tax, with the present statutory exceptions of (i) certain sales of motor fuel or special fuel as defined in Chapter 452A, (ii) the rental of rooms, apartments or sleeping quarters taxed under Chapter 423A (hotel/motel tax) during the period the hotel/motel tax is imposed, (iii) the sale of natural gas or electric energy in a city or county where the gross receipts are subject to a franchise fee or user fee during the period the franchise or user fee is imposed, (iv) the sales price from a pay television service consisting of a direct-to-home satellite service, (v) the sale of equipment by the State Department of Transportation or (vi) certain construction-related equipment and other items.

The following table shows the trend of City Local Option tax receipts.

Local Option Tax Receipts(1)

Fiscal Year Ending June 30	Local Option Sales Tax Receipts(2)	Percent Change +(-)
2009.....	\$84,144	n/a
2010.....	82,362	(2.12%)
2011.....	85,062	3.28%
2012.....	89,136	4.79%
2013.....	89,336	0.22%
2014.....	93,999	5.22%
2015.....	95,243	1.32%
2016.....	96,881	1.72%
2017.....	98,265	1.43%
2018.....	93,337(3)	(5.02%)

- Notes: (1) Source: Iowa Department of Revenue.
 (2) Includes a makeup payment in November attributable to the previous fiscal year.
 (3) Collections received or expected to be received, not including any allowance for the reconciliation payment.

Retail Sales

The Department of Revenue of the State of Iowa provides retail sales figures based on sales tax reports for years ending June 30. The Department of Revenue figures provide recent data to confirm trends in retail sales activity in the City. The following amounts exclude the City's Local Option Tax.

Retail Taxable Sales(1)

Fiscal Year Ending June 30	Taxable Sales	Annual Percent Change + (-)
2008(2).....	\$7,439,646	n/a
2009.....	7,314,858	(1.68%)
2010.....	7,193,587	(1.66%)
2011.....	7,689,848	6.90%
2012.....	8,408,808	9.35%
2013.....	8,645,482	2.81%
2014.....	7,475,030	(13.54%)
2015.....	8,577,900	14.75%
2016.....	8,110,031	(5.45%)
2017.....	8,685,299	7.09%

Growth from 2008 to 2017..... 16.74%

- Notes: (1) Source: the Iowa Department of Revenue.
 (2) Fiscal year 2008 amounts reflect a year ending March 31st.

THE PROJECT

The proceeds of the Bonds are expected to be used to: (i) construct street, sidewalk, sanitary sewer and storm water drainage improvements, and (ii) pay the costs of issuing the Bonds.

DEFAULT RECORD

The City has no record of default and has met its debt repayment obligations promptly.

SHORT-TERM BORROWING

The City has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

DEBT INFORMATION

After issuance of the Bonds, the City will have outstanding \$1,800,000* principal amount of general obligation debt.

The City has a general obligation legal debt limit equal to 5% of Actual Valuation. For the January 1, 2016 Actual Valuation of \$43,833,215 (including tax increment valuation and excluding military exemption valuation) applied to fiscal year 2017/18, the total limit is \$2,191,661. Including the Bonds, the estimated principal amount of bonded and non-bonded debt applicable to this limit is \$1,800,000*, resulting in a net legal debt margin of \$391,661*.

The City does not expect to issue any additional general obligation debt in calendar year 2018.

Summary of Outstanding General Obligation Bonded Debt(1) (Principal Only)

Series 2013.....	\$ 470,000
The Bonds(2)	<u>1,330,000</u>
Total(2)	\$1,800,000

Notes: (1) Source: the City.
(2) Subject to change.

*Subject to change.

General Obligation Debt(1) (Principal Only)

Fiscal Year Ending June 30	Series 2013	The Bonds(2)	Total General Obligation Debt(2)	Cumulative Retirement(2)	
				Amount	Percent
2018	\$ 55,000	\$ 0	\$ 55,000	\$ 55,000	3.06%
2019	55,000	100,000	155,000	210,000	11.67%
2020	55,000	100,000	155,000	365,000	20.28%
2021	55,000	100,000	155,000	520,000	28.89%
2022	60,000	105,000	165,000	685,000	38.06%
2023	60,000	105,000	165,000	850,000	47.22%
2024	65,000	105,000	170,000	1,020,000	56.67%
2025	65,000	110,000	175,000	1,195,000	66.39%
2026	0	115,000	115,000	1,310,000	72.78%
2027	0	115,000	115,000	1,425,000	79.17%
2028	0	120,000	120,000	1,545,000	85.83%
2029	0	125,000	125,000	1,670,000	92.78%
2030	0	130,000	130,000	1,800,000	100.00%
Total	\$470,000	\$1,330,000	\$1,800,000		

Notes: (1) Source: the City.
 (2) Subject to change.

Statement of Bonded Indebtedness(1)(2)

City Actual Value, January 1, 2016.....	\$43,833,215
City Taxable Value, January 1, 2016.....	\$26,152,309

	Total	Applicable		Ratio to City Actual Value	Ratio to City Taxable Value	Per Capita (2010 Pop. 845)
		Percent	Amount			
Direct Bonded Debt(3).....	\$ 1,800,000	100.00%	\$1,800,000	4.11%	6.88%	\$2,130.18
Overlapping Debt:						
South Winneshiek Comm School District.....	\$ 0	0.00%	\$ 0	0.00%	0.00%	\$ 0.00
Northeast Iowa Community College(4)	17,110,000	0.22%	37,642	0.09%	0.14%	44.55
Winneshiek County.....	0	0.00%	0	0.00%	0.00%	0.00
Total Overlapping Bonded Debt.....	\$17,110,000	0.22%	\$ 37,642	0.09%	0.14%	\$ 44.55
Total Direct and Overlapping Bonded Debt(3)			\$1,837,642	4.20%	7.02%	\$2,174.72

Per Capita Actual Value	\$51,873.63
Per Capita Taxable Value.....	\$30,949.48

Notes: (1) Source: the City, Audited Financial Statements and EMMA for the County, School District and Community College.
 (2) As of the date of issuance for the Direct Bonded Debt and March 28, 2018 for Overlapping Debt.
 (3) Subject to change.
 (4) Excludes \$26,465,000 in Industrial New Jobs Training Certificates, which are expected to be paid by proceeds from anticipated job credits from withholding taxes.

PROPERTY ASSESSMENT AND TAX INFORMATION

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. Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential 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 Taxable Valuation. Such rollback percentages may be changed in future years. Certain historical rollback percentages for residential, multi-residential, agricultural and commercial valuations are as follows:

Percentages for Taxable Valuation After Rollbacks(1)

<u>Fiscal Year</u>	<u>Residential</u>	<u>Multi-Residential(2)</u>	<u>Ag Land & Buildings</u>	<u>Commercial</u>
2009/10.....	45.5893%	N/A	93.8568%	100.0000%
2010/11.....	46.9094%	N/A	66.2715%	100.0000%
2011/12.....	48.5299%	N/A	69.0152%	100.0000%
2012/13.....	50.7518%	N/A	57.5411%	100.0000%
2013/14.....	52.8166%	N/A	59.9334%	100.0000%
2014/15.....	54.4002%	N/A	43.3997%	95.0000%
2015/16.....	55.7335%	N/A	44.7021%	90.0000%
2016/17.....	55.6259%	86.2500%	46.1068%	90.0000%
2017/18.....	56.9391%	82.5000%	47.4996%	90.0000%
2018/19.....	55.6209%	78.7500%	54.4480%	90.0000%

Notes: (1) Source: the Iowa Department of Revenue.
 (2) New category beginning with fiscal year 2017.

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following tax year. For example, the assessments finalized on January 1, 2016, are used to calculate tax liability for the tax year starting July 1, 2017 through June 30, 2018.

Property Tax Collection

Each county is required by State law to collect all tax levies within its jurisdiction and remit, before the fifteenth of each month, the amount collected through the last day of the preceding month to underlying units of government, including the City. Property tax payments are made at the office of each county treasurer in full or one-half by September 30 and March 31, pursuant to the Code of Iowa, Sections 445.36 and 445.37. Where the first half of any property tax has not been paid by October 1, such installment becomes delinquent. If the second installment is not paid, it becomes delinquent on April 1. Delinquent taxes and special assessments are subject to a penalty at the rate of one and one-half percent per month, to a maximum of eighteen percent per annum.

If taxes are not paid when due, the property may be offered at the regular tax sale on the third Tuesday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property, and funds so received are applied to the payment of taxes. A property owner may redeem from the regular tax sale, but failing redemption within two years, the tax sale purchaser is entitled to a deed which in general conveys the title free and clear of all liens except future installments of taxes.

Actual (100%) Valuations for the City(1)(2)

<u>Property Class</u>	<u>Fiscal Year: Levy Year:</u>	<u>2014/15 2013</u>	<u>2015/16 2014</u>	<u>2016/17 2015</u>	<u>2017/18 2016</u>	<u>Preliminary 2018/19 2017</u>
Residential		\$34,324,990	\$34,793,270	\$36,662,410	\$36,690,090	\$39,504,430
Agricultural		996,970	996,970	1,080,980	1,100,450	902,420
Commercial		4,261,100	4,220,750	3,913,420	4,388,380	4,676,490
Industrial		104,490	104,490	104,490	104,490	100,210
Multi-residential(3).....		0	0	300,610	300,610	300,610
Railroads.....		140,2800	119,816	169,553	202,713	229,008
Utilities without Gas and Electric(4)		60,160	46,512	45,872	45,776	43,904
Gas and Electric Utility(4)		797,664	891,042	976,447	1,080,342	1,228,942
Less: Military Exemption.....		(98,156)	(98,156)	(81,488)	(79,636)	(74,080)
Total		\$40,587,498	\$41,074,694	\$43,172,294	\$43,833,215	\$46,911,934
Percent Change +/-.....		7.47%(5)	1.20%	5.11%	1.53%	7.02%

Notes: (1) Source: Iowa Department of Management.
 (2) The City has no tax increment Finance (TIF) districts.
 (3) New Class as of January 1, 2015, previously reported as Commercial Property.
 (4) See "PROPERTY TAX INFORMATION - Utility Property Tax Replacement" herein.
 (5) Based on 2012 Actual Valuation of \$37,766,172.

For the January 1, 2017 levy year, the City's Taxable Valuation was comprised of approximately 80% residential, 15% commercial, 2% agriculture, 1% utilities, 1% multi-residential, 1% railroad and less than 1% industrial and military exemption.

Taxable ("Rollback") Valuations for the City(1)(2)

Property Class	Fiscal Year:	2014/15	2015/16	2016/17	2017/18	Preliminary
	Levy Year:	2013	2014	2015	2016	2018/19
Residential		\$18,672,861	\$19,391,521	\$20,393,806	\$20,891,022	\$21,972,725
Agricultural		432,681	445,667	498,407	522,710	491,349
Commercial		4,048,068	3,798,675	3,522,078	3,949,542	4,208,841
Industrial		99,266	94,041	94,041	94,041	90,189
Multi-residential(3)		0	0	259,276	248,004	236,729
Railroads		133,266	107,834	152,598	182,442	206,107
Utilities without Gas and Electric(4)		60,160	46,512	45,872	45,776	43,904
Gas and Electric Utility(4)		318,217	313,591	303,314	298,408	281,915
Less: Military Exemption		(98,156)	(98,156)	(81,488)	(79,636)	(74,080)
Total		\$23,666,363	\$24,099,685	\$25,187,904	\$26,152,309	\$27,457,679
Percent Change +/-		7.37%(5)	1.83%	4.52%	3.83%	4.99%

- Notes: (1) Source: Iowa Department of Management.
 (2) The City has no tax increment Finance (TIF) districts.
 (3) New Class as of January 1, 2015, previously reported as Commercial Property.
 (4) See "PROPERTY TAX INFORMATION - Utility Property Tax Replacement" herein.
 (5) Based on 2012 Taxable Valuation of \$22,041,834.

The following shows the trend in the City's tax extensions and collections.

Tax Extensions and Collections(1)

Levy Year	Fiscal Year	Amount Levied	Amount Collected(2)	Percent Collected
2011	2012-13	\$259,906	\$259,524	99.85%
2012	2013-14	268,954	268,449	99.81%
2013	2014-15	291,438	291,045	99.87%
2014	2015-16	300,931	302,623	100.56%
2015	2016-17	309,898	310,652	100.21%
2016	2017-18	321,016	- - In Collection - -	

- Notes: (1) Source: the State of Iowa Department of Management and the City. Does not include Levies or Collections for Utility Replacement.
 (2) Includes delinquent taxes.

Principal Taxpayers(1)

Taxpayer Name	Business/Service	Levy Year 2016 Taxable Valuation(2)
Luana Savings Bank	Banking/Financial Services	\$ 572,292
Structural Contracting Inc	Agricultural Building Services	334,152
Farmers Union Cooperative	Agricultural Services	316,566
Individual	Real Property	312,979
Security State Bank	Banking/Financial Services	246,474
Individual	Real Property	246,112
Alliant Energy	Utility	227,459
Individual	Real Property	223,702
Casey's Marketing Company	Gas Station/General Store	211,491
Robert M. Reilly Revocable Trust	Real Property	204,615
Total		\$2,895,842
Ten Largest Taxpayers as Percent of City's 2016 Taxable Valuation (\$26,152,309)		11.07%

- Notes: (1) Source: the County.
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.

Levy Limits

Normal municipal operations and maintenance costs are generally funded through the corporate property tax levy. Iowa State Code does not allow the municipal general fund to be taxed above \$8.10 per thousand dollars of taxable value in any one year. In addition to the General Fund, there are several other tax funds that the City can create and use for specific purposes.

The property tax rates for the City from levy year 2012 through levy year 2016 are shown below:

Property Tax Rates: Levy Years 2012 - 2016(1)(2) (Per \$1,000 Actual Valuation)

	Fiscal Year: Levy Year:	2013/14 2012	2014/15 2013	2015/16 2014	2016/17 2015	2017/18 2016
City:						
General Fund	\$	8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000
Emergency Levy.....		0.27000	0.27000	0.27000	0.27000	0.27000
Debt Service Fund.....		1.75520	1.71273	1.65553	1.55605	1.46463
Employee Benefits		1.29104	1.45360	1.61833	1.57666	1.66569
Capital Improvement		0.00000	0.00000	0.00000	0.00000	0.00000
Other.....		1.12807	1.12492	1.19190	1.14758	1.11043
Total City.....		\$12.54431	\$12.66125	\$12.83576	\$12.65029	\$12.61075
Winneshiek County.....						
South Winneshiek Community School District	\$	6.54619	\$ 6.41137	\$ 6.41013	\$ 6.39154	\$ 6.35927
Northeast Iowa Community College.....		12.63920	12.64324	12.58048	12.32474	12.52203
Other.....		0.90455	0.90807	0.91036	0.93757	1.09993
Total Tax Rate.....		1.11334	1.04527	0.97290	0.96774	1.07005
Total Tax Rate.....		\$33.74759	\$33.66920	\$33.70963	\$33.27188	\$33.66203

Notes: (1) Source: Iowa Department of Management.
 (2) Does not include the tax rate for agriculture.

Tax Levy Procedures

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

Notwithstanding the foregoing, Iowa Code section 76.2 provides when an Iowa political subdivision issues bonds, “the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditor(s) 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.”

Utility Property Tax Replacement

Property owned by entities involved primarily in the production, delivery, service and sale of electricity and natural gas (“Utilities”) pay a replacement tax based upon the delivery of energy by Utilities in lieu of property taxes. All replacement taxes are allocated among local taxing bodies by the State Department of Revenue 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. Utility properties paying the replacement tax are exempt from the levy of property tax by political subdivisions. In addition to the replacement tax, 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.

By statute, the replacement tax collected by the State and allocated among local taxing bodies (including the City) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. It is possible that the general obligation debt capacity of the City 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 City’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 City can issue or (ii) adversely affect the City’s ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds. Approximately 1% of the City’s levy year 2017 taxable valuation currently is utility property.

Tax Increment Financing

The Code of Iowa currently authorizes the use of two types of tax increment financing by local taxing districts in the State of Iowa. The first type allows local governments to establish TIF districts to be established for the purposes of financing designated urban renewal projects which contribute to the urban redevelopment and economic development of the immediate area.

The second type of tax increment financing was authorized by state legislative action in the mid-1980’s. The area community colleges can establish TIF districts by contract with specific local businesses and industries to provide jobs training programming for new employees of existing expanding businesses or employees of new businesses. The revenues from these job training TIF districts then retires the debt incurred from the issuance of jobs training certificates which finance the cost of jobs training programming over a maximum of ten years. Upon payment of all jobs training certificates, the district dissolves and the incremental value from the new or expanded business reverts to the general tax base. The City has no TIF districts.

Legislation

From time to time, legislative proposals are pending in Congress and the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described herein. 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 valuation, assessment or levy procedures for taxes levied by the City or have an adverse impact on the future tax collections of the City. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed federal or state tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending federal or state tax legislation.

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the “Act”), which the Governor signed into law on June 12, 2013. Among other things, the Act (i) reduces the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property to 3%, (ii) assigns a “rollback” (the percentage of a property’s value that is subject to tax) to commercial, industrial and railroad property of 90%, (iii) creates a new property tax classification for multi-residential properties (apartments, nursing homes, assisted living facilities and certain other rental property) and assigns a declining rollback percentage to such properties for each year until the residential rollback percentage is reached in the 2022 assessment year, after which the rollback percentage for such properties will be equal to the residential rollback percentage each assessment year, and (iv) exempts a specified portion of the assessed value of telecommunication properties.

The Act includes a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. Beginning in fiscal year 2018 the standing appropriation cannot exceed the actual 2017 appropriation amount. The appropriation does not replace losses to local governments resulting from the Act’s provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3%, the gradual transition for multi-residential properties from the residential rollback percentage (currently 53% of market value), or the reduction in the percentage of telecommunications property that is subject to taxation.

Given the wide scope of the statutory changes, and the State’s discretion in establishing the annual replacement amount that is appropriated each year commencing in fiscal 2018, the impact of the Act on the City’s future property tax collections is uncertain and the City has not attempted to quantify the financial impact of the Act’s provisions on the City’s future operations. It has been projected by Moody’s Investor Service that local governments in Iowa are likely to experience sizeable reductions in tax revenues collected starting in fiscal 2018¹. According to Moody’s, local governments that may experience disproportionately higher revenue losses include regions that have a substantial commercial base, a large share of multi-residential developments (such as college towns), or significant amounts of telecommunications property.

Notwithstanding any decrease in property tax revenues that may result from the Act, Iowa Code section 76.2 provides that when an Iowa political subdivision issues 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.”

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

¹ US Public Finance Weekly Credit Outlook, May 30, 2013, Moody’s Investors Service.

FINANCIAL INFORMATION

Financial Reports

The City is not required to undergo an annual audit and its last audit was for the fiscal year ended June 30, 2010. The City's financial statements are completed on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles. See **APPENDIX A** for more detail.

Summary Financial Information

The following tables are summaries and do not purport to be the complete unaudited financial statements, copies of which are available upon request. See **APPENDIX A** for the City's Financial Report filed with the State for fiscal year ended June 30, 2017. The City expects its June 30, 2018 General Fund balance to be approximately \$221,000. The City adopted a budget for fiscal year 2019 with an increase to the General Fund balance of approximately \$6,000.

Statement of Cash Receipts, Disbursements and Changes in Cash Balances(1) General Fund

	Unaudited Fiscal Year Ended June 30				
	2013	2014	2015	2016	2017
REVENUES:					
Property Taxes	\$190,222	\$197,785	\$212,425	\$219,457	\$227,477
Other City Taxes	10,926	11,262	11,562	23,037	32,231
Licenses and Permits	3,539	4,414	2,157	2,322	2,223
Use of Money and Property	2,358	2,994	3,595	4,747	4,854
Intergovernmental	15,455	16,219	19,547	22,026	22,756
Charges for Service.....	66,441	62,821	60,947	60,096	61,039
Special Assessments	470	0	0	0	2,091
Miscellaneous.....	54,865	5,291	63,914	26,252	32,731
Total Receipts	<u>\$344,276</u>	<u>\$300,786</u>	<u>\$374,147</u>	<u>\$357,937</u>	<u>\$385,402</u>
EXPENDITURES:					
Public Safety	\$ 29,600	\$ 32,600	\$ 36,298	\$35,950	\$ 37,328
Public Works	188,772	151,307	170,832	133,544	146,989
Health and Social Services.....	0	0	0	0	0
Culture and Recreation.....	55,837	88,197	114,961	68,394	149,793
Community and Economic Development	0	0	0	0	0
General Government.....	65,863	77,921	87,322	76,800	77,837
Debt Service.....	0	0	0	0	0
Total Disbursements.....	<u>\$340,072</u>	<u>\$350,025</u>	<u>\$409,413</u>	<u>\$314,688</u>	<u>\$411,947</u>
Excess (Deficiency) of Receipts Over (Under) Disbursement.....	<u>\$ 4,204</u>	<u>\$ (49,239)</u>	<u>\$ (35,266)</u>	<u>\$ 43,249</u>	<u>\$ (26,545)</u>
Other Financing Sources (Uses)					
Transfers (Net)	<u>\$ 42,856</u>	<u>\$ 74,196</u>	<u>\$ 34,963</u>	<u>\$ 20,183</u>	<u>\$ 50,357</u>
Net Change in Fund Balances.....	\$ 47,060	\$ 24,957	\$ (303)	\$ 63,432	\$ 23,812
Fund Balance - Beginning	<u>83,419</u>	<u>130,479</u>	<u>155,436</u>	<u>155,128</u>	<u>218,560</u>
Fund Balance - Ending.....	<u>\$130,479</u>	<u>\$155,436</u>	<u>\$155,133</u>	<u>\$218,560</u>	<u>\$242,372</u>

Note: (1) Source: The City's unaudited financial statements for the fiscal years ended June 30, 2013 through 2017.

EMPLOYEE RETIREMENT AND OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS

Pensions

The City also contributes to the Iowa Public Employees' Retirement System ("IPERS"), which is a state-wide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the City are required to participate in IPERS. IPERS benefits are established under Iowa Code, Chapter 97B and the administrative rules thereunder. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the City being required to make annual contributions to IPERS. Contribution amounts are set by State statute. The City's share is payable from the applicable funds of the City. All contributions are on a current basis.

The following table sets forth the contributions made by the City and employees to IPERS for the period indicated. The City has always made their full statutorily required contributions to IPERS. The City cannot predict the levels of funding that will be required in the future.

<u>Fiscal Year</u>	<u>% of Payroll Paid by the City</u>	<u>% of Payroll Paid by Employee</u>
2014.....	8.93%	5.95%
2015.....	8.93%	5.95%
2016.....	8.93%	5.95%
2017.....	8.93%	5.95%
2018.....	8.93%	5.95%

The City 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 City. 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 City 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 fiscal years noted below (collectively, the "IPERS CAFRs). A complete copy of the Reports can be obtained by visiting IPERS website at: <http://www.ipers.org>.

<u>Valuation Date</u>	<u>Actuarial Value of Assets [a]</u>	<u>Market Value of Assets [b]</u>	<u>Actuarial Accrued Liability [c]</u>	<u>Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]</u>	<u>Funded Ratio (Actuarial Value) [a]/[c]</u>	<u>Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]</u>	<u>Funded Ratio (Market Value) [b]/[c]</u>	<u>Covered Payroll [d]</u>	<u>UAAL as a Percentage of Covered (Actuarial Value) [b-a]/[c]</u>
2013.....	\$24,711,096,187	\$24,756,663,715	\$30,498,342,320	\$5,787,246,133	81.02%	\$5,741,678,605	81.17%	\$6,880,131,134	84.12%
2014.....	26,460,428,085	28,038,549,893	32,004,456,088	5,544,028,003	82.68%	3,965,906,195	87.61%	7,099,277,280	78.09%
2015.....	27,915,379,103	28,429,834,829	33,370,318,731	5,454,939,628	83.65%	4,940,483,902	85.19%	7,326,348,141	74.46%
2016.....	29,033,696,587	28,326,433,656	34,619,749,147	5,586,052,560	83.86%	6,293,315,491	81.82%	7,556,515,720	73.92%
2017.....	30,472,423,914	30,779,116,326	37,440,382,029	6,967,958,115	81.39%	6,661,265,703	82.21%	7,863,160,443	88.62%

Source: IPERS Reports.

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

<u>Fiscal Year Ended June 30</u>	<u>Investment Return %</u>
2013.....	10.12%
2014.....	15.88%
2015.....	3.96%
2016.....	2.15%
2017.....	11.70%

Source: IPERS Reports

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

Other Post-Employment Benefits (OPEB)

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

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B - BOOK-ENTRY SYSTEM** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The City shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose by the Bond Registrar in Des Moines, Iowa. The City will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Resolution. Upon surrender for transfer or exchange of any Bond at the principal office maintained for the purpose by the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond following the close of business on the fifteenth day of the month next preceding an interest payment date on such bond (known as the record date), nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a bond surrendered for redemption.

TAX EXEMPTION AND RELATED CONSIDERATIONS

Federal Income Tax Exemption

The opinion of Bond Counsel will state that under present laws and rulings, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed under the Internal Revenue Code of 1986 (the "Code"), provided, however that such interest must be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations for taxable years beginning before January 1, 2018.

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

There may be certain other federal tax consequences to the ownership of the Bonds by certain taxpayers, including without limitation, corporations subject to the branch profit tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will express no opinion with respect to other federal tax consequences to owners of the Bonds. Prospective purchasers of the Bonds should consult with their tax advisors as to such matters.

Proposed Changes in Federal Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress that, if enacted, could alter or amend the federal tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

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

Qualified Tax-Exempt Obligations

In the resolutions authorizing the issuance of the Bonds, the City will designate the Bonds as "qualified tax exempt obligations" within the meaning of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to tax-exempt obligations. In the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Original Issue Premium

The Bonds maturing in the years _____ are being issued at a premium to the principal amount payable at maturity. Except in the case of dealers, which are subject to special rules, Bondholders who acquire the Bonds at a premium must, from time to time, reduce their federal tax bases for the Bonds for purposes of determining gain or loss on the sale or payment of such Bonds. Premium generally is amortized for federal income tax purposes on the basis of a bondholder's constant yield to maturity or to certain call dates with semiannual compounding. Bondholders who acquire any Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such Bonds are sold for an amount equal to or less than their any original cost. Amortized premium is not deductible for federal income tax purposes. Bondholders who acquire any Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the state and local tax consequences of owning and selling the Bonds acquired at a premium.

Original Issue Discount

The Bonds maturing in the years _____ (collectively, the "Discount Bonds") are being sold at a discount from the principal amount payable on such Bonds at maturity. The difference between the price at which a substantial amount of the Discount Bonds of a given maturity is first sold to the public (the "Issue Price") and the principal amount payable at maturity constitutes "original issue discount" under the Code. The amount of original issue discount that accrues to a holder of a Discount Bond under section 1288 of the Code is excluded from federal gross income to the same extent that stated interest on such Discount Bond would be so excluded. The amount of the original issue discount that accrues with respect to a Discount Bond under section 1288 is added to the owner's federal tax basis in determining gain or loss upon disposition of such Discount Bonds (whether by sale, exchange, redemption or payment at maturity).

Interest in the form of original issue discount accrues under section 1288 pursuant to a constant yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of original issue discount that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Bonds, over (2) the amount of stated interest actually payable. For purposes of the preceding sentence, the adjusted issue price is determined by adding to the Issue Price for such Discount Bonds the original issue discount that is treated as having accrued during all prior semiannual accrual periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, then the original issue discount that would have accrued for that semiannual accrual period for federal income tax purposes is allocated ratably to the days in such accrual period.

An owner of a Discount Bond who disposes of such Discount Bond prior to maturity should consult owner's tax advisor as to the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bond prior to maturity.

Owners who purchase Discount Bonds in the initial public offering but at a price different than the Issue Price should consult their own tax advisor with respect to the tax consequences of the ownership of Discount Bonds.

The Code contains provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bond such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Original issue discount that accrues in each year to an owner of a Discount Bond may result in collateral federal income tax consequences to certain taxpayers. No opinion is expressed as to state and local income tax treatment of original issue discount. All owners of Discount Bonds should consult their own tax advisors with respect to the federal, state, local and foreign tax consequences associated with the purchase, ownership, redemption, sale or other disposition of Discount Bonds.

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 City 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, 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, is set forth in “**APPENDIX D – Form of Continuing Disclosure Certificate**”. This covenant is being made by the City 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 City to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

The City has not previous been required to provide any annual disclosures.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

OPTIONAL REDEMPTION

Bonds due June 1, 2019 - 2025 inclusive, are not subject to optional redemption. Bonds due June 1, 2026 - 2030, inclusive, are callable in whole or in part on any date on or after June 1, 2025, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot.

Thirty days’ written notice of redemption shall be given to the registered owner of the Bond. Failure to give written notice to any registered owner of the Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds. All Bonds or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment. Written notice will be deemed completed upon transmission to the owner of record.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the City, threatened against the City that is expected to materially impact the financial condition of the City.

LEGAL MATTERS

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

The legal opinion to be delivered will express the professional judgment of Bond Counsel and by rendering a legal opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment or of the transaction or the future performance of the parties to the transaction.

Bond Counsel has not been engaged, nor has it undertaken, to prepare or to independently verify the accuracy of the Official Statement, including but not limited to financial or statistical information of the City and risks associated with the purchase of the Bonds, except Bond Counsel has reviewed the information and statements contained in the Official Statement under, “**TAX EXEMPTION AND RELATED CONSIDERATIONS**” and “**LEGAL MATTERS**”, insofar as such statements contained under such captions purport to summarize certain provisions of the Internal Revenue Code of 1986, the Bonds and any opinions rendered by Bond Counsel. Bond Counsel has prepared the documents contained in **APPENDIX C** and **APPENDIX D**.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the City, and all expressions of opinion, whether or not so stated, are intended only as such.

This Official Statement is not to be construed as a contract or agreement amongst the City, the Underwriter, or the holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinions contained herein are subject to change without notice and neither the delivery of this Official Statement or the sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. The information contained in this Official Statement is not guaranteed.

UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on Monday, April 16, 2018. The best bid submitted at the sale was submitted by _____ (the “Underwriter”). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$_____ (reflecting the par amount of \$_____, plus a reoffering premium of \$_____, and less an Underwriter’s discount of \$_____). The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the on the cover of the Final Official Statement.

MUNICIPAL ADVISOR

The City has engaged Speer Financial, Inc. as municipal advisor (the “Municipal Advisor”) in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in the Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the City’s continuing disclosure undertaking.

CERTIFICATION

We have examined this Official Statement dated April 3, 2018, for the \$1,330,000* General Obligation Corporate Purpose Bonds, Series 2018, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief, information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ **JOYCE BAKEWELL**
City Clerk
CITY OF OSSIAN
Winneshiek County, Iowa

/s/ **BILL GREEN**
Mayor
CITY OF OSSIAN
Winneshiek County, Iowa

**Subject to change.*

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APPENDIX A

**CITY OF OSSIAN
WINNESHIEK COUNTY, IOWA**

**FINANCIAL REPORT OF THE CITY
FILED WITH THE STATE OF IOWA
FOR THE CITY'S FISCAL YEAR ENDED
JUNE 30, 2017**

STATE OF IOWA
2017
FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 2017

1620960060000
Ossian City Clerk
PO Box 295
Ossian, IA 52161

CITY OF OSSIAN , IOWA
DUE: December 1, 2017

(Please correct any error in name, address, and ZIP Code)

WHEN COMPLETED, PLEASE RETURN TO
Mary Mosiman, CPA
Office of Auditor of State
Lucas State Office Building
321 E. 12th Street, 2nd Floor
Des Moines, IA 50319

NOTE - The information supplied in this report will be shared by the Iowa State Auditor's Office, the U.S. Census Bureau, various public interest groups, and State and federal agencies.

ALL FUNDS

Item description	Governmental (a)	Proprietary (b)	Total actual (c)	Budget (d)
Revenues and Other Financing Sources				
Taxes levied on property	310,652		310,652	309,989
Less: Uncollected property taxes-levy year	0		0	
Net current property taxes	310,652		310,652	309,989
Delinquent property taxes	0		0	
TIF revenues	0		0	
Other city taxes	139,682	0	139,682	117,837
Licenses and permits	2,223	0	2,223	1,825
Use of money and property	4,854	0	4,854	2,800
Intergovernmental	129,024	0	129,024	124,734
Charges for fees and service	61,039	290,046	351,085	371,300
Special assessments	2,091	0	2,091	
Miscellaneous	34,756	30,728	65,484	91,900
Other financing sources	130,771	0	130,771	133,081
Total revenues and other sources	815,092	320,774	1,135,866	1,153,466
Expenditures and Other Financing Uses				
Public safety	37,328	0	37,328	39,200
Public works	268,187	0	268,187	297,860
Health and social services	0	0	0	
Culture and recreation	150,040	0	150,040	199,833
Community and economic development	0	0	0	
General government	88,653	0	88,653	94,039
Debt service	116,635	0	116,635	114,819
Capital projects	346,410	0	346,410	501,000
Total governmental activities expenditures	1,007,253	0	1,007,253	1,246,751
Business type activities	0	263,950	263,950	298,582
Total ALL expenditures	1,007,253	263,950	1,271,203	1,545,333
Other financing uses, including transfers out	84,370	46,401	130,771	133,081
Total ALL expenditures/And other financing uses	1,091,623	310,351	1,401,974	1,678,414
Excess revenues and other sources over (Under) Expenditures/And other financing uses	-276,531	10,423	-266,108	-524,948
Beginning fund balance July 1, 2016	472,307	207,030	679,337	679,937
Ending fund balance June 30, 2017	195,776	217,453	413,229	154,989

Note - These balances do not include \$ _____ held in non-budgeted internal service funds; \$ _____ held in Pension Trust Funds; \$ _____ held in Private Purpose Trust funds and \$ 14,019 held in agency funds which were not budgeted and are not available for city operations.

Indebtedness at June 30, 2017	Amount - Omit cents	Indebtedness at June 30, 2017	Amount - Omit cents
General obligation debt	\$ 526,667	Other long-term debt	\$ 0
Revenue debt	\$ 0	Short-term debt	\$ 0
TIF Revenue debt	\$ 0		
		General obligation debt limit	\$ 2,158,615

CERTIFICATION

THE FOREGOING REPORT IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

Signature of city clerk		Date Published/Posted	Mark (x) one
		August 16, 2017	<input checked="" type="checkbox"/> Date Published
			<input type="checkbox"/> Date Posted
Printed name of city clerk	Telephone	Area Code	Number
Joyce Bakewell	→	563	532-8939
Signature of Mayor or other City official (Name and Title)		Date signed	
		8/7/2017	

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REVENUE AND OTHER FINANCING SOURCES FOR YEAR ENDED JUNE 30, 2017										CITY OF OSSIAN		<input type="checkbox"/> GAAP Indicate by entering an X in the appropriate box on this sheet ONLY		<input checked="" type="checkbox"/> NON-GAAP = CASH BASIS	
Part I	Line No.	Item description	General (a)	Special revenue (b)	TIF special revenue (c)	Debt service (d)	Capital projects (e)	Permanent (f)	Total governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of cols. (g) and (h)) (i)	Line No.		
	1	Section A - TAXES											1		
	2	Taxes levied on property	227,477	45,133		38,042			310,652			310,652	2		
	3	Less: Uncollected property taxes - Levy year						0	0			0	3		
	4	Net current property taxes	227,477	45,133		38,042			310,652		T01	310,652	4		
	5	Delinquent property taxes							0		T01	0	5		
	6	Total property tax	227,477	45,133		38,042		0	310,652		T01	310,652	6		
	7	TIF revenues							0			0	7		
	8	Other city taxes											8		
	9	Utility tax replacement excise taxes	2,799	559		471			3,829		T15	3,829	9		
	10	Utility franchise tax (Chapter 364-2, Code of Iowa)	29,432						29,432		T15	29,432	10		
	11	Parimutuel wager tax							0		C30	0	11		
	12	Gaming wager tax							0		C30	0	12		
	13	Mobile home tax							0		T19	0	13		
	14	Hotel/motel tax							0		T19	0	14		
	15	Other local option taxes	106,421						106,421		T09	106,421	15		
	16	TOTAL OTHER CITY TAXES	32,231	106,421	0	471	0	0	139,682			139,682	16		
	17	Section B - LICENSES AND PERMITS	2,223						2,223		T29	2,223	17		
	18	Section C - USE OF MONEY AND PROPERTY											18		
	19	Interest	2,074						2,074		U20	2,074	19		
	20	Rents and royalties	2,780						2,780		U20	2,780	20		
	21	Other miscellaneous use of money and property							0		U20	0	21		
	22	TOTAL USE OF MONEY AND PROPERTY	4,854	0	0	0	0	0	4,854			4,854	22		
	23	Section D - INTERGOVERNMENTAL											23		
	24	Federal grants and reimbursements											24		
	25	Federal grants							0		B89	0	25		
	26	Community development block grants							0		B50	0	26		
	27	Housing and urban development							0		B50	0	27		
	28	Public assistance grants							0		B79	0	28		
	29	Payment in lieu of taxes							0		B30	0	29		
	30	Total Federal grants and reimbursements	0	0	0	0	0	0	0			0	30		
	31												31		
	32												32		
	33												33		
	34												34		
	35												35		
	36												36		
	37												37		
	38												38		
	39												39		
	40												40		

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REVENUE AND OTHER FINANCING SOURCES FOR YEAR ENDED JUNE 30, 2017 -- Continued										<input type="checkbox"/> GAAP <input checked="" type="checkbox"/> NON-GAAP = CASH BASIS			
CITY OF OSSIAN													
Part I	Line No.	Item description	General (a)	Special revenue (b)	TIF special revenue (c)	Debt service (d)	Capital projects (e)	Permanent (f)	Total governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of cols. (g) and (h)) (i)	Line No.
	41	Section D - INTERGOVERNMENTAL - Continued											41
	42												42
	43	State shared revenues											43
	44	Road use taxes		104,901					104,901		C46	104,901	44
	45												45
	46												46
	47												47
	48	Other state grants and reimbursements											48
	49	State grants	1,144						1,144		C89	1,144	49
	50	Iowa Department of Transportation									C89		50
	51	Iowa Department of Natural Resources									C89		51
	52	Iowa Economic Development Authority									C89		52
	53	CEBA grants									C89		53
	54	Commercial & Industrial Replacement Claim	3,716	742		625			5,083		C89	5,083	54
	55												55
	56												56
	57												57
	58												58
	59												59
	60	Total state	4,860	105,643	0	625	0	0	111,128	0		111,128	60
	61												61
	62	Local grants and reimbursements											62
	63	County contributions	17,896						17,896		D89	17,896	63
	64	Library service									D89		64
	65	Township contributions									D89		65
	66	Fire/EMT service									D89		66
	67										D89		67
	68												68
	69												69
	70	Total local grants and reimbursements	17,896	0	0	0	0	0	17,896	0		17,896	70
	71	TOTAL INTERGOVERNMENTAL (Sum of lines 33, 60, and 70)	22,756	105,643	0	625	0	0	129,024	0		129,024	71
	72	Section E - CHARGES FOR FEES AND SERVICE											72
	73	Water								134,055	A91	134,055	73
	74	Sewer								155,991	A80	155,991	74
	75	Electric									A92		75
	76	Gas									A83		76
	77	Parking									A60		77
	78	Airport									A01		78
	79	Landfill/garbage	58,476						58,476		A81	58,476	79
	80	Hospital									A36		80

REVENUE AND OTHER FINANCING SOURCES FOR YEAR ENDED JUNE 30, 2017 -- Continued										CITY OF OSSIAN			GAAP		NON-GAAP = CASH BASIS	
Part I	Line No.	Item description	General (a)	Special revenue (b)	TIF special revenue (c)	Debt service (d)	Capital projects (e)	Permanent (f)	Total governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of cols. (g) and (h)) (i)	Line No.			
	81	Section E - CHARGES FOR FEES AND SERVICE - Continued											81			
	82	Transit							0		A94	0	82			
	83	Cable TV							0		T15	0	83			
	84	Internet							0		A03	0	84			
	85	Telephone							0		A03	0	85			
	86	Housing authority							0		A50	0	86			
	87	Storm water							0		A80	0	87			
	88	Other:											88			
	89	Nursing home							0		A89	0	89			
	90	Police service fees							0		A89	0	90			
	91	Prisoner care							0		A89	0	91			
	92	Fire service charges							0		A89	0	92			
	93	Ambulance charges							0		A89	0	93			
	94	Sidewalk street repair charges							0		A44	0	94			
	95	Housing and urban renewal charges							0		A50	0	95			
	96	River port and terminal fees							0		A87	0	96			
	97	Public scales							0		A89	0	97			
	98	Cemetery charges							0		A03	0	98			
	99	Library charges	1,192						1,192		A89	1,192	99			
	100	Park, recreation, and cultural charges							0		A61	0	100			
	101	Animal control charges							0		A89	0	101			
	102	Other charges - Specify							0			0	102			
	103	painting lines and sweep streets for locals	1,371						1,371			1,371	103			
	104	TOTAL CHARGES FOR SERVICE	61,039	0	0	0	0	0	61,039	290,046		351,085	104			
	105												105			
	106	Section F - SPECIAL ASSESSMENTS	2,091						2,091		U01	2,091	106			
	107	Section G - MISCELLANEOUS											107			
	108	Contributions	22,628	2,025					24,653	31	U99	24,684	108			
	109	Deposits and sales/fuel tax refunds	517						517		U99	517	109			
	110	Sale of property and merchandise	500						500	167	U11	667	110			
	111	Fines							0		U30	0	111			
	112	Internal service charges							0		NR	0	112			
	113	Other miscellaneous - Specify							0			0	113			
	114	Patronage Dividend	484						484			484	114			
	115	Miscellaneous Grants	2,118						2,118			2,118	115			
	116	Reimbursement	1,271						1,271			1,271	116			
	117	Refunds & Rebates	4,764						4,764	804		5,568	117			
	118	Insurance Proceeds	449						449	29,726		30,175	118			
	119								0			0	119			
	120	TOTAL MISCELLANEOUS	32,731	2,025	0	0	0	0	34,756	30,728		65,484	120			

REVENUE AND OTHER FINANCING SOURCES FOR YEAR ENDED JUNE 30, 2017 - Continued										<input type="checkbox"/> GAAP <input checked="" type="checkbox"/> NON-GAAP = CASH BASIS		
CITY OF OSSIAN												
Line No.	Item description	General (a)	Special revenue (b)	TIF special revenue (c)	Debt service (d)	Capital projects (e)	Permanent (f)	Total governmental (a) through (f) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of cols. (g) and (h)) (i)	Line No.
121	TOTAL ALL REVENUES (Sum of lines 6, 7, 15, 16, 22, 71, 104, 106, and 120)	385,402	259,781	0	39,138	0	0	684,321	320,774		1,005,095	121
122												122
123	Section H - OTHER FINANCING SOURCES											123
124	Proceeds of capital asset sales							0		NR	0	124
125	Proceeds of long-term debt (Excluding TIF internal borrowing)							0		NR	0	125
126	Proceeds of anticipatory warrants or other short-term debt							0		A89	0	126
127	Regular transfers in and interfund loans	50,357	4,013		76,401			130,771			130,771	127
128	Internal TIF loans and transfers in							0			0	128
129								0			0	129
130								0			0	130
131	TOTAL OTHER FINANCING SOURCES	50,357	4,013	0	76,401	0	0	130,771	0		130,771	131
132	TOTAL REVENUES except for beginning balances (Sum of lines 121 and 131)	435,759	263,794	0	115,539	0	0	815,092	320,774		1,135,866	132
133												133
134	Beginning fund balance July 1, 2016	218,560	246,801		6,946			472,307	207,030		679,337	134
135												135
136	TOTAL REVENUES AND OTHER FINANCING SOURCES (Sum of lines 132 and 134)	654,319	510,595	0	122,485	0	0	1,287,399	527,804		1,815,203	136
137												137
138												138
139												139
140												140
141												141
142												142
143												143
144												144
145												145
146												146
147												147
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152												152
153												153
154												154
155												155
156												156
157												157
158												158
159												159

Part II EXPENDITURES AND OTHER FINANCING USES FOR FISCAL YEAR ENDED JUNE 30, 2017 **CITY OF OSSIAN** GAAP NON-GAAP = CASH BASIS

Line No.	Item description	General (a)	Special revenue (b)	TIF special revenue (c)	Debt service (d)	Capital projects (e)	Permanent (f)	Total governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of col. (g)) (i)	Line No.
1	Section A — PUBLIC SAFETY											1
2	Police department/Crime prevention — Current operation	30,500						30,500		E62	30,500	2
3	Purchase of land and equipment							0		G62	0	3
4	Construction							0		F62	0	4
5	Jail — Current operation							0		E04	0	5
6	Purchase of land and equipment							0		G04	0	6
7	Construction							0		F04	0	7
8	Emergency management — Current operation							0		E89	0	8
9	Purchase of land and equipment							0		G89	0	9
10	Flood control — Current operation							0		E59	0	10
11	Purchase of land and equipment							0		G59	0	11
12	Construction							0		F59	0	12
13	Fire department — Current operation	6,828						6,828		E24	6,828	13
14	Purchase of land and equipment							0		G24	0	14
15	Construction							0		F24	0	15
16	Ambulance — Current operation							0		E32	0	16
17	Purchase of land and equipment							0		G32	0	17
18	Building inspections — Current operation							0		E66	0	18
19	Purchase of land and equipment							0		G66	0	19
20	Construction							0		F66	0	20
21	Miscellaneous protective services — Current operation							0		E66	0	21
22	Purchase of land and equipment							0		G66	0	22
23	Construction							0		F66	0	23
24	Animal control — Current operation							0		E32	0	24
25	Purchase of land and equipment							0		G32	0	25
26	Construction							0		F32	0	26
27	Other public safety — Current operation							0		E89	0	27
28	Purchase of land and equipment							0		G89	0	28
29								0			0	29
30								0			0	30
31								0			0	31
32								0			0	32
33								0			0	33
34								0			0	34
35								0			0	35
36								0			0	36
37								0			0	37
38								0			0	38
39								0			0	39
40	TOTAL PUBLIC SAFETY	37,328	0		0	0	0	37,328			37,328	40

Part II EXPENDITURES AND OTHER FINANCING USES FOR FISCAL YEAR ENDED JUNE 30, 2017 -- Continued **CITY OF OSSIAN** GAAP NON-GAAP = CASH BASIS

Line No.	Item description	General (a)	Special revenue (b)	TIF special revenue (c)	Debt service (d)	Capital projects (e)	Permanent (f)	Total governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of col. (g)) (i)	Line No.
41	Section B — PUBLIC WORKS											41
42	Roads, bridges, sidewalks — Current operation		101,378					101,378		E44	101,378	42
43	Purchase of land and equipment									G44	0	43
44	Construction									F44	0	44
45	Parking meter and off-street — Current operation									E60	0	45
46	Purchase of land and equipment									G60	0	46
47	Construction									F60	0	47
48	Street lighting — Current operation	16,317						16,317		E44	16,317	48
49	Traffic control safety — Current operation									E44	0	49
50	Purchase of land and equipment									G44	0	50
51	Construction									F44	0	51
52	Snow removal — Current operation		11,110					11,110		E44	11,110	52
53	Purchase of land and equipment									G44	0	53
54	Highway engineering — Current operation									E44	0	54
55	Purchase of land and equipment									G44	0	55
56	Construction									F44	0	56
57	Street cleaning — Current operation									E81	0	57
58	Purchase of land and equipment									G81	0	58
59	Airport (if not an enterprise) — Current operation									E01	0	59
60	Purchase of land and equipment									F01	0	60
61	Construction									F01	0	61
62	Garbage (if not an enterprise) — Current operation	58,641						58,641		E81	58,641	62
63	Purchase of land and equipment									G81	0	63
64	Construction									F81	0	64
65	Other public works — Current operation	72,031	8,710					80,741		E89	80,741	65
66	Purchase of land and equipment									G89	0	66
67	Construction									F89	0	67
68											0	68
69											0	69
70											0	70
71											0	71
72											0	72
73											0	73
74											0	74
75											0	75
76											0	76
77											0	77
78											0	78
79											0	79
80	TOTAL PUBLIC WORKS	146,989	121,198		0	0	0	268,187			268,187	80

Part II EXPENDITURES AND OTHER FINANCING USES FOR FISCAL YEAR ENDED JUNE 30, 2017 - Continued **CITY OF OSSIAN** GAAP NON-GAAP = CASH BASIS

Line No.	Item description	General (a)	Special revenue (b)	TIF special revenue (c)	Debt service (d)	Capital projects (e)	Permanent (f)	Total governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of col. (g)) (i)	Line No.
81	Section C — HEALTH AND SOCIAL SERVICES											81
82	Welfare assistance — Current operation							0			0	82
83	Purchase of land and equipment							0			0	83
84	City hospital — Current operation							0			0	84
85	Purchase of land and equipment							0			0	85
86	Construction							0			0	86
87	Payments to private hospitals — Current operation							0			0	87
88	Health regulation and inspections — Current operation							0			0	88
89	Purchase of land and equipment							0			0	89
90	Construction							0			0	90
91	Water, air, and mosquito control — Current operation							0			0	91
92	Purchase of land and equipment							0			0	92
93	Construction							0			0	93
94	Community mental health — Current operation							0			0	94
95	Purchase of land and equipment							0			0	95
96	Construction							0			0	96
97	Other health and social services — Current operation							0			0	97
98	Purchase of land and equipment							0			0	98
99	Construction							0			0	99
100								0			0	100
101								0			0	101
102								0			0	102
103	TOTAL HEALTH AND SOCIAL SERVICES	0	0	0	0	0	0	0			0	103
104												104
105												105
106												106
107												107
108												108
109												109
110												110
111												111
112												112
113												113
114												114
115												115
116												116
117												117
118												118
119												119
120												120

EXPENDITURES AND OTHER FINANCING USES FOR FISCAL YEAR ENDED JUNE 30, 2017 -- Continued										CITY OF OSSIAN		<input type="checkbox"/> GAAP <input checked="" type="checkbox"/> NON-GAAP = CASH BASIS	
Line No.	Item description	General (a)	Special revenue (b)	TIF special revenue (c)	Debt service (d)	Capital projects (e)	Permanent (f)	Total governmental (a) through (f) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of col. (g)) (i)	Line No.	
121	Section D — CULTURE AND RECREATION		247					55,274		E52	55,274	121	
122	Library services — Current operation	55,027								G52	0	122	
123	Purchase of land and equipment									F52	0	123	
124	Construction									E61	0	124	
125	Museum, band, theater — Current operation									G61	0	125	
126	Purchase of land and equipment	2,340								E61	0	126	
127	Parks — Current operation							2,340		G61	2,340	127	
128	Purchase of land and equipment									G61	0	128	
129	Construction	59,139								F61	59,139	129	
130	Recreation — Current operation	8,356								E61	8,356	130	
131	Purchase of land and equipment									G61	0	131	
132	Construction									F61	0	132	
133	Cemetery — Current operation	3,915								E03	3,915	133	
134	Purchase of land and equipment									G03	0	134	
135	Community center, zoo, marina, and auditorium	21,016								E61	21,016	135	
136	Other culture and recreation									E61	0	136	
137	Purchase of land and equipment									G61	0	137	
138	Construction									F61	0	138	
139	TOTAL CULTURE AND RECREATION	149,793	247		0	0	0	150,040			150,040	139	
140	Section E — COMMUNITY AND ECONOMIC DEVELOPMENT											140	
141	Community beautification — Current operation									E89	0	141	
142	Purchase of land and equipment									G89	0	142	
143	Economic development — Current operation									E89	0	143	
144	Purchase of land and equipment									G89	0	144	
145	Housing and urban renewal — Current operation									E50	0	145	
146	Purchase of land and equipment									G50	0	146	
147	Construction									F50	0	147	
148	Planning and zoning — Current operation									E29	0	148	
149	Purchase of land and equipment									G29	0	149	
150	Other community and economic development — Current operation									E89	0	150	
151	Purchase of land and equipment									G89	0	151	
152	Construction									F89	0	152	
153	TIF Rebates									E89	0	153	
154	TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	0	0	0	0	0	0	0			0	154	
155												155	
156												156	
157												157	
158												158	

TIF Rebates are expended out of the TIF Special Revenue Fund within the Community and Economic Development program's activity "Other"

Part II		EXPENDITURES AND OTHER FINANCING USES FOR FISCAL YEAR ENDED JUNE 30, 2017 - Continued							CITY OF OSSIAN		<input type="checkbox"/> GAAP <input checked="" type="checkbox"/> NON-GAAP = CASH BASIS	
Line No.	Item description	General (a)	Special revenue (b)	TIF special revenue (c)	Debt service (d)	Capital projects (e)	Permanent (f)	Total governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of col. (g)) (i)	Line No.
159	Section F — GENERAL GOVERNMENT							5,700			5,700	159
160	Mayor, council and city manager — Current operation	5,700										160
161	Purchase of land and equipment							0			0	161
162	Clerk, Treasurer, financial administration — Current operation	28,228	10,816					39,044			39,044	162
163	Purchase of land and equipment							0			0	163
164	Elections — Current operation							0			0	164
165	Purchase of land and equipment							0			0	165
166	Legal services and city attorney — Current operation	1,962						1,962			1,962	166
167	Purchase of land and equipment							0			0	167
168	City hall and general buildings — Current operation	4,454						4,454			4,454	168
169	Purchase of land and equipment							0			0	169
170	Construction							0			0	170
171	Tort liability — Current operation	23,652						23,652			23,652	171
172	Other general government — Current operation	13,841						13,841			13,841	172
173	Purchase of land and equipment							0			0	173
174								0			0	174
175								0			0	175
176	TOTAL GENERAL GOVERNMENT	77,837	10,816	0	0	0	0	88,653			88,653	176
177	Section G — DEBT SERVICE				116,635			116,635			116,635	177
178								0			0	178
179								0			0	179
180								0			0	180
181								0			0	181
182	TOTAL DEBT SERVICE	0	0	0	116,635	0	0	116,635			116,635	182
183	Section H — REGULAR CAPITAL PROJECTS — Specify					172,111		172,111			172,111	183
184	Street Project					174,299		174,299			174,299	184
185	Sewer Interceptor Project					0		0			0	185
186								0			0	186
187	Subtotal Regular Capital Projects	0	0	0	0	346,410	0	346,410			346,410	187
188	— TIF CAPITAL PROJECTS — Specify							0			0	188
189								0			0	189
190								0			0	190
191								0			0	191
192	Subtotal TIF Capital Projects	0	0	0	0	0	0	0			0	192
193	TOTAL CAPITAL PROJECTS	0	0	0	0	346,410	0	346,410			346,410	193
194	TOTAL GOVERNMENTAL ACTIVITIES EXPENDITURES	411,947	132,261	0	116,635	346,410	0	1,007,253			1,007,253	194
195	(Sum of lines 40, 80, 103, 139, 154, 176, 182, 193)											195
196												196

EXPENDITURES AND OTHER FINANCING USES FOR FISCAL YEAR ENDED JUNE 30, 2017 - Continued										CITY OF OSSIAN		<input type="checkbox"/> GAAP <input checked="" type="checkbox"/> NON-GAAP = CASH BASIS	
Line No.	Item description	General (a)	Special revenue (b)	TIF Special revenue (c)	Debt service (d)	Capital projects (e)	Permanent Fund (f)	Total current governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of col. (h)) (i)	Line No.	
197	Section I — BUSINESS TYPE ACTIVITIES											197	
198	Water — Current operation								142,822	E91	142,822	198	
199	Purchase of land and equipment									G91	0	199	
200	Construction									F91	0	200	
201	Sewer and sewage disposal — Current operation								97,911	E80	97,911	201	
202	Purchase of land and equipment									G80	0	202	
203	Construction								23,217	F80	23,217	203	
204	Electric — Current operation									E92	0	204	
205	Purchase of land and equipment									G92	0	205	
206	Construction									F92	0	206	
207	Gas Utility — Current operation									E93	0	207	
208	Purchase of land and equipment									G93	0	208	
209	Construction									F93	0	209	
210	Parking — Current operation									E60	0	210	
211	Purchase of land and equipment									G60	0	211	
212	Construction									F60	0	212	
213	Airport — Current operation									E01	0	213	
214	Purchase of land and equipment									G01	0	214	
215	Construction									F01	0	215	
216	Landfill/Garbage — Current operation									E81	0	216	
217	Purchase of land and equipment									G81	0	217	
218	Construction									F81	0	218	
219	Hospital — Current operation									E36	0	219	
220	Purchase of land and equipment									G36	0	220	
221	Construction									F36	0	221	
222	Transit — Current operation									E94	0	222	
223	Purchase of land and equipment									G94	0	223	
224	Construction									F94	0	224	
225	Cable TV, telephone, Internet — Current operation									E03	0	225	
226	Purchase of land and equipment									G03	0	226	
227	Housing authority — Current operation									E50	0	227	
228	Purchase of land and equipment									G50	0	228	
229	Construction									F50	0	229	
230	Storm water — Current operation									E80	0	230	
231	Purchase of land and equipment									G80	0	231	
232	Construction									F80	0	232	
233												233	
234												234	
235												235	
236												236	

EXPENDITURES AND OTHER FINANCING USES FOR FISCAL YEAR ENDED JUNE 30, 2017 - Continued											CITY OF OSSIAN		<input type="checkbox"/> GAAP <input checked="" type="checkbox"/> NON-GAAP = CASH BASIS	
Line No.	Item description	General (a)	Special revenue (b)	TIF special revenue (c)	Debt service (d)	Capital projects (e)	Permanent (f)	Total governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of cols. (g) and (h)) (i)	Line No.		
Section I - BUSINESS TYPE ACTIVITIES - Cont.														
237	Other business type - Current operation											237		
238	Purchase of land and equipment									E89	0	238		
239	Construction									G89	0	239		
240										F89	0	240		
241											241	241		
242	Enterprise Debt Service										0	242		
243	Enterprise Capital Projects										0	243		
244	Enterprise TIF Capital Projects										0	244		
245	Internal service funds - Specify										0	245		
246											0	246		
247											0	247		
248											0	248		
249											0	249		
250											0	250		
251	TOTAL BUSINESS TYPE ACTIVITIES								263,950		263,950	251		
252												252		
253	TOTAL EXPENDITURES (Sum of lines 194 and 251)	411,947	132,261	0	116,635	346,410	0	1,007,253	263,950		1,271,203	253		
Section J - OTHER FINANCING USES INCLUDING TRANSFERS OUT														
254	Regular transfers out		84,370					84,370	46,401	NE	130,771	254		
255	Internal TIF loans/repayments and transfers out										0	255		
257											0	257		
258	TOTAL OTHER FINANCING USES	0	84,370	0	0	0	0	84,370	46,401		130,771	258		
259	TOTAL EXPENDITURES AND OTHER FINANCING USES (Sum of lines 253 and 258)	411,947	216,631	0	116,635	346,410	0	1,091,623	310,351		1,401,974	259		
260												260		
Ending fund balance June 30, 2017:														
261	Governmental:											261		
262	Nonspendable											262		
263	Restricted		96,245					96,245	0		96,245	263		
264	Committed		6,907		5,850	-346,410		-333,653			-333,653	264		
265	Assigned	42,007	3,503					45,510			45,510	265		
266	Unassigned	200,365	187,309					387,674			387,674	266		
267	Total Governmental	242,372	293,964	0	5,850	-346,410	0	195,776			195,776	267		
268	Proprietary								217,453		217,453	268		
269	Total ending fund balance June 30, 2017	242,372	293,964	0	5,850	-346,410	0	195,776	217,453		413,229	269		
270	TOTAL REQUIREMENTS (Sum of lines 259 and 270)	654,319	510,595	0	122,485	0	0	1,287,399	527,804		1,815,203	270		
271												271		
272												272		

Part III

INTERGOVERNMENTAL EXPENDITURES

Please report below expenditures made by the State or to other local governments on a reimbursement or cost sharing basis. Include these expenditures in part III. Enter amount, omit cents.

Purpose	Amount paid to other local governments
Correction.....	M85 \$
Health.....	M82 \$
Highways.....	M44
Transit subsidies.....	M84
Libraries.....	M82
Police protection.....	M62 30,500
Sewerage.....	M80
Sanitation.....	M81
All other.....	M89 \$

Purpose	Amount paid to State
Highways.....	M44 \$
All other.....	M89 \$

Part IV

SALARIES AND WAGES

Report here the total salaries and wages paid to all employees of your government before deductions of social security, retirement, etc. include also salaries and wages paid to employees of any utility owned and operated by your government, as well as salaries and wages of municipal employees charged to construction projects.

Total salaries and wages paid.....	Z90 \$	Amount - Omit cents	187,599
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Part V

DEBT OUTSTANDING, ISSUED, AND RETIRED

Purpose	Debt during the fiscal year					Debt Outstanding - JUNE 30, 2017			Interest paid this year (h)
	Debt outstanding JULY 1, 2016 (a)	Issued (b)	Retired (c)	General obligation (d)	TF revenue (e)	Revenue (f)	Other (g)		
1. Water utility	19U \$ 29U	39U \$ 49U	39U \$ 49U	49U \$ 49U	49U \$ 49U	49U \$ 49U	49U \$ 49U	191	
2. Sewer utility	19U 93,333	39U 46,666	39U 46,666	46,666	49U 46,667	49U 46,666	49U 46,666	189	
3. Electric utility	19U 29U	39U 39U	39U 39U	49U 49U	49U 49U	49U 49U	49U 49U	192	
4. Gas utility	19U 29U	39U 39U	39U 39U	49U 49U	49U 49U	49U 49U	49U 49U	193	
5. Transit-bus	19U 29U	39U 39U	39U 39U	49U 49U	49U 49U	49U 49U	49U 49U	194	
6. Industrial Revenue	19T 24T	34T 34T	34T 34T	44T 44T	44T 44T	44T 44T	44T 44T	189	
7. Mortgage revenue	19T 24T	34T 34T	34T 34T	44T 44T	44T 44T	44T 44T	44T 44T	189	
8. TIF revenue	19U 29U	39U 39U	39U 39U	49U 49U	49U 49U	49U 49U	49U 49U	189	
9. Shop/Fire Station	19U 535,000	39U 55,000	39U 55,000	49U 480,000	49U 490,000	49U 490,000	49U 490,000	189	
10.	19U 29U	39U 39U	39U 39U	49U 49U	49U 49U	49U 49U	49U 49U	189	
11.	19U 29U	39U 39U	39U 39U	49U 49U	49U 49U	49U 49U	49U 49U	189	
12.	19U 29U	39U 39U	39U 39U	49U 49U	49U 49U	49U 49U	49U 49U	189	
13.	19U 29U	39U 39U	39U 39U	49U 49U	49U 49U	49U 49U	49U 49U	189	
14.	19U 29U	39U 39U	39U 39U	49U 49U	49U 49U	49U 49U	49U 49U	189	
Total long-term debt	629,333	0	101,666	526,667	0	43,172,294	0	14,969	
B. Short-term debt	Amount - Omit cents								0

Outstanding as of JULY 1, 2016

6TV \$	0
64V \$	0
Amount - Omit cents	
	43,172,294
Amount - Omit cents	
	x.05 = \$ 2,158,615

Part VI

DEBT LIMITATION FOR GENERAL OBLIGATION BONDS

Assessed Valuations by Levy Authority and County NY 2015/2017

Actual valuation - January 1, 2015	\$
Actual valuation - June 30, 2017	\$
Amount - Omit cents	
	x.05 = \$

Part VII

CASH AND INVESTMENT ASSETS AS OF JUNE 30, 2017

Type of asset	Bond and interest funds (e)	Bond construction funds (b)	Pension/construction funds (c)	all other funds (d)	Total (e)
Cash and investments - Include cash on hand, CD's, time, checking and savings deposits, Federal securities, Federal agency securities, State and local government securities, and all other accounts. Exclude value of real property.	W01 \$	W31 \$	W61	427,248	427,248
REMARKS				W98	

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (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 each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. 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 the 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 instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings 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.

3. 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 into the transaction. Transfers of ownership interests 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 interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. 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 DTC nominee do not effect 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.

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

6. 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 Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. 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 the City or the Paying 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, the Paying Agent, or the City, 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 the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

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

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

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX C

DRAFT FORM OF OPINION OF BOND COUNSEL

***(Form of Bond Counsel Opinion)**

We hereby certify that we have examined certified copies of the proceedings (the “Proceedings”) of the City Council of the City of Ossian (the “Issuer”), in Winneshiek County, State of Iowa, passed preliminary to the issue by the Issuer of its General Obligation Corporate Purpose Bonds, Series 2018 (the “Bonds”) in the amount of \$1,330,000, in the denomination of \$5,000 each, or any integral multiple thereof, dated May 15, 2018, in evidence of the Issuer’s obligation under a certain loan agreement (the “Loan Agreement”), dated as of May 15, 2018. The Bonds mature on June 1 in each of the respective years and in the principal amounts and bear interest payable semiannually, commencing December 1, 2018, at the respective rates as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>
2019	\$100,000	____%	2025	\$110,000	____%
2020	\$100,000	____%	2026	\$115,000	____%
2021	\$100,000	____%	2027	\$115,000	____%
2022	\$105,000	____%	2028	\$120,000	____%
2023	\$105,000	____%	2029	\$125,000	____%
2024	\$105,000	____%	2030	\$130,000	____%

Principal of the Bonds maturing in the years 2026 to 2030, inclusive, are subject to optional redemption prior to maturity on June 1, 2025, or on any date thereafter on terms of par plus accrued interest.

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

1. The Proceedings show lawful authority for such issue under the laws of the State of Iowa.
2. The Bonds and the Loan Agreement are valid and binding general obligations of the Issuer.
3. All taxable property within the corporate boundaries of the Issuer is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.
4. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes and is not treated as a preference item in calculating the federal alternative minimum tax imposed under the Internal Revenue Code of 1986 (the “Code”); it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations for taxable years beginning before January 1, 2018, such interest is taken into account in determining adjusted current earnings. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

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

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

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

DORSEY & WHITNEY LLP

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

APPENDIX D

DRAFT CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Ossian, Iowa (the “Issuer”), in connection with the issuance of \$1,330,000 General Obligation Corporate Purpose Bonds, Series 2018 (the “Bonds”), dated May 15, 2018. The Bonds are being issued pursuant to a resolution of the Issuer approved on May 7, 2018 (the “Resolution”). The Issuer covenants and agrees as follows:

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

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

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 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.

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

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system available at <http://emma.msrb.org>.

“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.

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

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

“State” shall mean the State of Iowa.

Section 3. Provision of Annual Reports.

(a) To the extent such information is customarily prepared by the Issuer and is made publicly available, not later than June 30 (the "Submission Deadline") of each year following the end of the of the 2016-2017 fiscal year, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file on EMMA an electronic copy of its Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate in a format and accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the changed fiscal year.

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

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

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

(a) **The Audited Financial Statements** of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by State law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA when they become available.

(b) other financial information and operating data regarding the Issuer of the type presented in the final official statement distributed in connection with the primary offering of the Bonds; provided, however, other than information included in its audited financial statements, the Issuer does not customarily prepare or make publicly available, most of the information in the final official statement, and accordingly **no** financial information or operating data (other than that normally included in the audited financial statements) will be provided by the Issuer in the Annual Report.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note to paragraph (12): For the purposes of the event identified in subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

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

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

(a) (i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (ii) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment or waiver either (1) is approved by a majority of the Holders, or (2) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or

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

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

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

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

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

Dated: May 15, 2018

CITY OF OSSIAN, IOWA

By _____
Mayor

Attest:

By _____
City Clerk

OFFICIAL BID FORM

City of Ossian
123 West Main Street
Ossian, Iowa 52161

April 16, 2018
Speer Financial, Inc.
Facsimile: (319) 291-8628

Council Members:

For the \$1,330,000* General Obligation Corporate Purpose Bonds, Series 2018 (the "Bonds"), of the City of Ossian, Winneshiek County, Iowa (the "City"), as described in the annexed Official Terms of Offering, which is expressly made a part of this bid, we will pay you \$_____ (no less than \$1,319,360). The Bonds are to bear interest at the following respective rates (each a multiple of 1/8 or 1/100 of 1%) for the Bonds of each designated maturity.

AMOUNTS* AND MATURITIES – JUNE 1

\$100,0002019 _____%	\$105,0002023 _____%	\$115,0002027 _____%
100,0002020 _____%	105,0002024 _____%	120,0002028 _____%
100,0002021 _____%	110,0002025 _____%	125,0002029 _____%
105,0002022 _____%	115,0002026 _____%	130,0002030 _____%

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Maturities: _____ Term Maturity _____ Maturities: _____ Term Maturity _____
Maturities: _____ Term Maturity _____ Maturities: _____ Term Maturity _____

*Subject to principal adjustment in accordance with the Official Terms of Offering.

In submitting this bid, we represent that (i) this bid constitutes a firm offer to purchase the Bonds, and (ii) we have an established industry reputation for underwriting new issuances of municipal bonds and notes.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa. The City will pay for the legal opinion. **The Purchaser agrees to apply for CUSIP numbers and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.**

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the City's good faith bank and under the terms provided in the Official Terms of Offering for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the City in the amount of the Deposit under the terms provided in the Official Terms of Offering for the Bonds.

Attached hereto is a list of members of our account on whose behalf this bid is made.

Form of Deposit (Check One)

Prior to Bid Opening:
Certified/Cashier's Check
Wire Transfer

Within TWO Hours of Bid Opening:
Wire Transfer

Amount: \$26,600

Account Manager Information

Underwriter/Bank _____
Address _____

Authorized Rep _____
City _____ State/Zip _____
Direct Phone (_____) _____
FAX Number (_____) _____
E-Mail Address _____

Bidders Option Insurance

<p>We have purchased insurance from: <u>Name of Insurer</u> <i>(Please fill in)</i></p> <p>_____</p> <p>Premium: _____</p> <p>Maturities: (Check One) <input type="checkbox"/> _____ Years <input type="checkbox"/> All</p>
--

The foregoing bid was accepted and the Bonds sold by resolution of the City on April 16, 2018, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Terms of Offering.

ATTEST:

CITY OF OSSIAN
WINNESHIEK COUNTY, IOWA

City Clerk

Mayor

-----NOT PART OF THE BID-----
(Calculation of true interest cost)

Gross Interest	\$
Less Premium/Plus Discount	\$
True Interest Cost	\$
True Interest Rate	%
TOTAL BOND YEARS	9,094.11
AVERAGE LIFE	6.838 Years

OFFICIAL TERMS OF OFFERING

\$1,330,000*
CITY OF OSSIAN
Winneshiek County, Iowa
General Obligation Corporate Purpose Bonds, Series 2018

The City of Ossian, Winneshiek County, Iowa, (the “City”), will receive electronic bids on the SpeerAuction (“SpeerAuction”) website address “www.SpeerAuction.com” for its \$1,330,000* General Obligation Corporate Purpose Bonds, Series 2018 (the “Bonds”), on an all or none basis between 10:30 A.M. and 11:00 A.M., C.D.T., Monday, April 16, 2018. To bid electronically, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City’s sale (as described below). The City will also receive sealed bids for the Bonds, on an all or none basis, at the City Hall, 123 West Main Street, Ossian, Iowa, until 11:00 A.M., C.D.T., Monday, April 16, 2018. The City will also receive facsimile bids at (319) 291-8628 for the Bonds, on an all or none basis, until 11:00 A.M., C.D.T., Monday, April 16, 2018. Upon receipt, facsimile bids will be sealed and treated as sealed bids, and along with all other sealed bids will be publicly opened and, together with any electronic bids, read.

Award will be made or all bids rejected at a meeting of the City on that date. The City reserves the right to reject all bids, to reject any bid proposal not conforming to this Official Terms of Offering, and to waive any irregularity or informality with respect to any bid. Additionally, the City reserves the right to modify or amend this Official Terms of Offering; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.

Establishment of Issue Price (10% Test to Apply if Competitive Sale Requirements are Not Satisfied)

The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City 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 forms attached hereto as Exhibit A to this Official Terms of Offering, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel.

The City 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 City shall disseminate this Official Terms 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 City 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 City 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 true 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.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. The City shall treat 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, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. **The City will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use 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. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds.**

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 City 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 the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

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

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Terms of Offering. Further, for purposes of this Official Terms of Offering:

- (1) “public” means any person other than an underwriter or a related party,
- (2) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (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 retail distribution agreement participating in the initial sale of the Bonds to the public),
- (3) 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 (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (4) “sale date” means the date that the Bonds are awarded by the City to the winning bidder.

Bond Details

The Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry form only. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such Bond is registered at the close of business on the fifteenth day of the month next preceding an interest payment date on such bond. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in Des Moines, Iowa. Semiannual interest is due June 1 and December 1 of each year, commencing December 1, 2018 and is payable by Bankers Trust Company, Des Moines, Iowa (the “Bond Registrar”). The Bonds are dated the date of delivery (expected to be on or about May 15, 2018).

AMOUNTS* AND MATURITIES – JUNE 1

\$100,000	2019	\$105,000	2023	\$115,000	2027
100,000	2020	105,000	2024	120,000	2028
100,000	2021	110,000	2025	125,000	2029
105,000	2022	115,000	2026	130,000	2030

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

**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 City or its designee after the determination of the Winning Bidder. The City may increase or decrease each maturity in increments of \$5,000, but the total amount to be issued will not exceed \$1,550,000. Interest rates specified by the Winning Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.*

The dollar amount of the purchase price proposed by the Winning Bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the Winning Bidder’s net compensation, calculated as a percentage of bond principal. The Winning Bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the Winning Bidder.

The Bonds due June 1, 2019 - 2025, inclusive, are non-callable. The Bonds due June 1, 2026 - 2030, inclusive, are callable in whole or in part and on any date on or after June 1, 2025, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in any order of maturity as determined by the City and within any maturity by lot.

Method of Bidding Electronically

Notwithstanding the fact that the City permits receiving bids electronically using SpeerAuction, all bidders must have a signed, but uncompleted, Official Bid Form delivered to Speer Financial, Inc., Suite 608, 531 Commercial Street, Waterloo, Iowa, (319) 291-8628 facsimile, prior to the close of bidding to which a printout of the electronic bid will be attached and delivered to the City.

All-or-none bids must be submitted via the internet address www.SpeerAuction.com. The use of SpeerAuction shall be at the bidder’s risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bids.

To bid via the SpeerAuction webpage, bidders must first visit the SpeerAuction webpage where, if they have not previously registered with either SpeerAuction, Grant Street Group (the “Auction Administrator”) or any other website administered by the Auction Administrator, they may register and then request admission to bid on the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid electronically.

The “Rules” of the SpeerAuction bidding process may be viewed on the SpeerAuction webpage and are incorporated herein by reference. Bidders must comply with the Rules of SpeerAuction in addition to the requirements of the City’s Official Terms of Offering. In the event the Rules of SpeerAuction and this Official Terms of Offering conflict, this Official Terms of Offering shall be controlling.

All electronic bids must be submitted on the SpeerAuction webpage. Electronic bidders may change and submit bids as many times as they choose during the sale period but may not delete a submitted bid. The last bid submitted by an electronic bidder before the deadline for receipt of bids will be compared to all other final bids to determine the winning bidder. During the bidding, no bidder will see any other bidder's bid nor the status of their bid relative to other bids (e.g., whether their bid is a leading bid). The electronic bidder bears all risk of transmission failure. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

Each bidder shall be solely responsible for making necessary arrangements to access SpeerAuction for purposes of submitting its internet bid in a timely manner and in compliance with the requirements of the Terms of Offering. The City is permitting bidders to use the services of the SpeerAuction solely as a communication mechanism to conduct the internet bidding and the SpeerAuction is not an agent of the City. Provisions of the Terms of Offering and Official Bid Form shall control in the event of conflict with information provided by the Internet Bid System.

Electronic Facsimile Bidding: Bids may be submitted via facsimile at (319) 291-8628. Electronic facsimile bids will be sealed and treated as sealed bids. Neither the City nor its agents will assume liability for the inability of the bidder to reach the above named fax numbers prior to the time of sale specified above. Transmissions received after the deadline will be rejected. Bidders electing to submit bids via facsimile transmission bear full and complete responsibility for the transmission of such bid. Neither the City nor its agents will assume responsibility for the inability of the bidder to reach the above specified fax number prior to the time of sale. Time of receipt shall be the time recorded by the person receiving the facsimile and shall be conclusive.

Bidding Parameters and Award of the Bonds

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed six percent (6%). All bids must be for all of the Bonds and must be for not less than \$1,319,360.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage or if all such bids are not submitted electronically, the winning bid shall be determined by lot.

The Bonds will be awarded to the bidder complying with the terms of this Official Terms of Offering whose bid produces the lowest true interest cost rate to the City as determined by the City's Registered Municipal Advisor, which determination shall be conclusive and binding on all bidders; provided, that the City reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Electronic bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of profit per \$1,000 bond as bid.

The true interest cost of each electronic bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the City's Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The City or its Municipal Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association (“SIFMA”) will be required to pay SIFMA’s standard charge per Bond.

The winning purchaser will be required to certify to the City immediately after the opening of bids: (i) the initial public offering price of each maturity of the Bonds (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds (not less than 10% of each maturity) were sold to the public; or (ii) if less than 10% of any maturity has been sold, the price for that maturity determined as of the time of the sale based upon the reasonably expected initial offering price to the public; and (iii) that the initial public offering price does not exceed their fair market value of the Bonds on the sale date. The winning purchaser will be required to provide a certificate satisfactory to Bond Counsel and the City at closing confirming the information required by this paragraph.

Good Faith Deposit and Other Matters

The winning bidder is required to a wire transfer from a solvent bank or trust company to the City’s good faith bank the amount of **TWO PERCENT OF PAR** (the “Deposit”) **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier’s check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the City. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received within such two hour time period provided that such winning bidder’s federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
30 North LaSalle Street
38th Floor
Chicago, IL 60602
ABA # 071003405

Credit To: 3281 Speer Bidding Escrow
RE: City of Ossian, Winneshiek County, Iowa bid for
\$1,330,000* General Obligation Corporate Purpose Bonds, Series 2018

If the wire shall arrive in such account prior to the date and time of the sale of the Bonds. Contemporaneously with such wire transfer, the prospective purchaser shall send an email to biddingscrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such prospective purchaser is not awarded the Bonds. The City and any prospective purchaser who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. (“Speer”) shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful prospective purchaser; (ii) if the bid is accepted, the Deposit shall be forwarded to the City, (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the prospective purchaser; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

The City covenants and agrees to enter into a written agreement, certificate or contract, constituting an undertaking (the “Undertaking”) to provide ongoing disclosure about the City for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the Bonds.

The Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about May 15, 2018. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

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 City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in the Rule. By awarding the Bonds to any underwriter or underwriting syndicate, the City 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, up to 50 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City 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 City 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.

By submission of its bid, the senior managing underwriter of the successful purchaser agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Bonds to the purchaser in New York, New York (or arrange for "FAST" delivery) through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, that the Bonds are lawful and enforceable obligations of the City in accordance with their terms; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the City.

The City intends to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b) (3) of the Internal Revenue Code of 1986, as amended.

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Bonds. Copies of such Official Statement or additional information may be obtained from Joyce Bakewell, City Clerk, City of Ossian, 123 West Main Street, Ossian, Iowa, 52161 or an electronic copy of this Official Statement is available from the www.speerfinancial.com website under "Official Statement Sales/Competitive Calendar" or from the Registered Municipal Advisor to the City, Speer Financial, Inc., 531 Commercial Street, Suite 608, Waterloo, Iowa 50701 (telephone (319) 291-2077), and One North LaSalle Street, Suite 4100, Chicago, Illinois 60602 (telephone (312) 346-3700).

/s/ **JOYCE BAKEWELL**
City Clerk
CITY OF OSSIAN
Winneshiek County, Iowa

EXHIBIT A

EXAMPLE ISSUE PRICE CERTIFICATE

[from bond counsel]

[FORM OF 3 BIDS ISSUE PRICE CERTIFICATE]

\$1,330,000

General Obligation Corporate Purpose Bonds, Series 2018

ISSUE PRICE CERTIFICATE

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

1. Reasonably Expected Initial Offering Price.

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

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

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

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

(a) *Issuer* means the City of Ossian, Iowa.

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

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

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

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was April 16, 2018.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney LLP 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: May 15, 2018

SCHEDULE A
EXPECTED OFFERING PRICES

(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID

(Attached)

[Form of Fewer Than 3 Bids Issue Price Certificate]

\$1,330,000

General Obligation Corporate Purpose Bonds, Series 2018

ISSUE PRICE CERTIFICATE

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

1. ***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. ***Other Maturities.***

(a) [NAME OF UNDERWRITER] offered the Undersold Maturities to the Public for purchase at the specified initial offering prices listed in Schedule B (the “Initial Offering Prices”) on or before the Sale Date. Schedule B also shows for each Undersold Maturity the principal amounts, times and prices of sales of Bonds that are Undersold Maturities and whether such sales were to the Public.

(b) As set forth in the Notice of Sale and bid award, [NAME OF UNDERWRITER] has agreed that, for each Maturity of the Undersold Maturities, [NAME OF UNDERWRITER] from time to time, and upon one or more requests of the Issuer, inform the Issuer in writing of the amounts, times and prices of sales of Bonds that are Undersold Maturities and whether such sales were to the Public until, with respect to a Maturity, at least 10% of that Maturity has been sold to the Public at a single price, or, if earlier, the date on which all Bonds of such Undersold Maturity have been sold to the Public.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds, if any, listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Undersold Maturities* means those Maturities of the Bonds, if any, that are not General Rule Maturities.”

(c) *Issuer* means the City of Ossian Iowa.

(d) *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.

(e) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. Persons generally are “related parties” for purposes of this certificate if they have more than 50 percent common ownership or control, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity of the Bonds. The Sale Date of each Maturity of the Bonds is April 16, 2018.

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

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

[NAME OF UNDERWRITER]

By: _____
Name: _____

Dated: May 15, 2018

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES

Maturity	First price at which at least 10% was sold to the Public

SCHEDULE B

INITIAL OFFERING PRICES AND ACTUAL SALES OF THE UNDERSOLD MATURITIES

Maturity	Initial Offering Price	Principal Amount	Time of Sale	Price of Sale	Sold to Public (Yes or No)