APPENDIX A - INFORMATION ABOUT THE ISSUER

MARTENSDALE-ST. MARYS COMMUNITY SCHOOL DISTRICT, IOWA
DISTRICT OFFICIALS

PRESIDENT	Nicole Bunch
BOARD MEMBERS	Ralph DiCesare Wade Gibson Dawn Reeves Dean Furness
SUPERINTENDENT	Tom Wood
DISTRICT SECRETARY	Jill Gavin
DISTRICT TREASURER	Jill Gavin

General Information

The Martensdale-St Marys Community School District is located within Warren & Madison Counties in south central Iowa, 15-20 miles directly south of the Des Moines metropolitan area. The District serves the communities of Martensdale, St Marys, Prole and Bevington. The campus is located in the City of Martensdale which is located just south of the larger commercial and employment center of Des Moines. The area is served by U.S. Interstate 35, State Highways 28 & 92, a significant county road system, and is just south of U.S. Interstate 80. Commercial and cargo air service is provided nearby at the Des Moines International Airport. Higher education opportunities are available for residents within driving distance at Simpson College, Indianola; Des Moines Area Community College, Des Moines, West Des Moines & Ankeny; Southwestern Community College, Creston and Iowa State University, Ames.

District Facilities

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

Building	Construction Date	Grades Served
Jr/Sr. High School	1975, 1984	7-12
Elementary	1959, 1984, 2004	PK-6
Athletic Complex	2009	K-12

Source: Martesndale-St. Marys CSD

Enrollment

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

Count Date	Fiscal Year	Enrollment
October-14	2015-16	525.7
October-13	2014-15	530.4
October-12	2013-14	531.4
October-11	2012-13	530.2
October-10	2011-12	512.5
October-09	2010-11	524.6

Source: Iowa Department of Education

Open Enrollment

The District has and may have in the future certain students enrolling into or enrolling out of the District. Presented below are open enrollment results for the periods outlined:

Count Date	Enrolled In	Enrolled Out	Net
October-14	110.0	101.7	8.3
October-13	110.0	101.0	9.0
October-12	102.0	103.0	-1.0
October-11	92.1	100.0	-7.9
October-10	86.0	97.1	-11.1
October-09	91.0	86.1	4.9

Source: Iowa Department of Education

Staff

Presented below is a list of the District's 90 employees.

Administrators:	3	Media Specialists:	1
Teachers:	43	Nurses:	1
Teacher Aids:	17	Guidance:	2
Custodians:	4	Secretaries:	4
Food Service:	6	Transportation:	6
Other:	2	Maintenance:	1

Source: Martesndale-St. Marys CSD

District Funds

The District is organized and operates pursuant to Chapter 274 of the Code. The District maintains various funds. Presented below is a description of some of the various funds.

The General Fund

The General Fund receives those revenues of the District not specifically required to be deposited in other funds. General fund revenues are obtained from ad-valorem taxation in the District, State foundation aid payments, and minimal federal sources. In addition, revenues generated as miscellaneous revenues including, but not limited to, general fund investment income, and tuition income are deposited in the general fund. The bulk of the general fund revenues are derived from local and State foundation aid sources.

The District receives a mix of property tax and State foundation aid based on a formula which takes into account District enrollment, District property valuations and District costs per pupil. The description of the formula is found in Chapter 257.1 of the Code and reads as follows:

> "For a budget year, each school district in the State is entitled to receive foundation aid in an amount per pupil equal to the difference between the amount per pupil of foundation property tax in the district, and the combined district cost per pupil, whichever is less."

The Code allowed for an "State Percentage of Growth," defined as ". . . the amount by which State cost per pupil and district cost per pupil will increase from one budget year to the next" which is calculated on or before October 1 of each year by the Department of Management of the State.

Presented below is the State percentage of growth the District has received (in total dollars) for the period indicated:

Fiscal Year	Allowable Growth
2016	$33,772
2015	124,464
2014	70,969
2013	64,646
2012	7,918

Source: Martesndale-St. Marys CSD; Iowa Department of Education

Presented below is the District's per pupil cost for the period indicated:

Fiscal Year	District Per Pupil Cost	State Average Per Pupil Cost
2016	$6,446	$6,446
2015	6,366	6,131
2014	6,121	6,037
2013	6,001	6,001
2012	5,883	5,883

Source: Martesndale-St. Marys CSD; Iowa Department of Education

The District has generated a revenue mix in the operating fund as follows:

Fiscal Year	Property Tax Revenues	State Aid Revenues
2016	$1,642,487	$3,115,732
2015	1,588,115	3,028,725
2014	1,577,421	3,011,627
2013	1,466,730	2,915,487
2012	1,867,028	2,812,479

Source: Martesndale-St. Marys CSD; Iowa Department of Education

Additional General Fund State and Local Revenues

Instructional Support:

Districts are allowed to fund additional educational programs or enhanced current programs under the instructional support program, which allows a district to generate 10% of the total regular program district cost for the budget year. These revenues can be locally generated from either ad valorem taxation, income surtax or both. In addition, revenues are appropriated by the State and provided to each district depending on formula. The District can participate in the instructional support program by generating local revenues after either (i) scheduling and holding an election on the proposed funding, programs, and mix of funding, which requires 50% approval of those voting at a special district election and allows the program to be funded for a period of up to ten years; or (ii) after scheduling and holding a hearing on the program and mix of funding, which can then be implemented after a 28-day period during which voters of the District can force an election or a recission, for a period of up to five years.

Presented below is a summary of the instructional support levy for the periods indicated:

Fiscal Year	ISL Property Tax	ISL State Aid	ISL Income Surtax
2016	$217,824	$0	$29,299
2015	215,045	0	26,219
2014	206,731	0	25,544
2013	202,336	0	24,426
2012	6,209	0	215,166

Source: Martesndale-St. Marys CSD; Iowa Department of Education

Management Levy:

A District can levy for certain costs relating to payment of employee benefits, tort insurance and early retirement outside of the General Operating Levy. These revenues are generated through a property tax, and there is no limitation on the tax rate or amount. Presented below is the management fund levies for the period indicated:

Fiscal Year	Management Levy
2016	$400,000
2015	130,000
2014	121,000
2013	175,000
2012	80,000

Source: Martesndale-St. Marys CSD; Iowa Department of Education

Educational Improvement Program

The District can schedule and hold an election on funding the educational improvement program if the District's per pupil cost is in excess of 110% of the State average per pupil cost, which takes 50% approval and is funded by a combination of property tax and income surtax.

Cash Reserve Levy

The District can certify a cash reserve levy as a part of its general fund levy but in addition to the property tax levied as a part of each of the above general fund levies. This levy covers cash-flow needs and funds programs when the above revenue sources are reduced. This is levied annually at the discretion of the Board of Directors. The District has levied the following in cash reserve for the period indicated:

Fiscal Year	Regular Cash Reserve	Cash Reserve - SBRC
2016	$0	$0
2015	0	0
2014	0	0
2013	0	0
2012	210,000	301,700

Source: Martesndale-St. Marys CSD; Iowa Department of Education

The School Infrastructure Funds

Physical Plant & Equipment Levies

The District can, at Board discretion, annually levy on ad valorem tax of $.33 per $1,000 of assessed valuation for certain capital, land costs etc. In addition, upon voter approval, the District can institute a property tax or property tax income surtax that generates up to $1.34 per $1,000 of assessed valuation. The District has historically levied the Board discretionary and voter authorized Physical Plant and Equipment Levies.

Debt Service Levy

The debt service levy is an ad valorem tax levied for the payment of bonds and interest and is approved at a special election of the District with minimum of 60% in favor of the proposal.

Capital Projects Fund

This fund is used to account for the revenues received from the state-wide school infrastructure sales, services and use tax.

Historic and Potential State and Federal Actions that impact current and future District Budgets

The District's operating budget is subject to change based on events outside of its control, including State and Federal funding. There may be changes in funding that are unknown or unanticipated at this time. Presented on the next page is a discussion of some of the known changes that might impact the District's operating budget:

State Funding
After the appropriation of State Aid (and after the adoption of the District's budget for a particular fiscal year), the Governor and the General Assembly have the ability to rescind all or a portion of the appropriation. Certain areas of the State's budget are exempt from these potential cuts, however, K-12 and community college funding are not exempt from rescission. Historically, rescissions were imposed in an "across-the-board" fashion, and all state funding was reduced in a percentage format. This had the potential to impact schools with low valuation per pupil much greater than schools with high per pupil valuations. In the 2002 General Assembly, the formula for rescission was altered for K-12 funding, such that all future rescissions, if any, would be applied to K-12 education on a "per-pupil" basis.

Historically, the Governor has rescinded state aid percentages since 1980, presented below are the most recent cuts and the fiscal year affected:

Date	Percentage Rescission
2010	10.00%
2009	1.50
2004	2.50
2002	4.30

Source: Iowa Department of Management; Historic Funding and school aid files, aid and levy worksheets

Note – reduction in state aid impacts only the general fund operating account of a district. The revenues pledged for the repayment of these Bonds are not impacted in any away by reductions in State Aid.

Federal Funding
Federal legislation with respect to student achievement in future years may result in sanctions that could have financial implications for the general fund operating budget. The "No Child Left Behind" act of 2001 applies sanctions to under-performing schools that, if the school remains under-performing (as defined by the act) allows the parents of pupils in the school to move to another school, transferring their funding to the new school. This act applies to individual school facilities and does not necessarily apply to school districts, however, the revenue impact to a school district could be material if the school district has a school facility that under-performs and starts to lose enrollment.

GASB 45
In June 2004, the Governmental Accounting Standards Board ("GASB") issued GASB 45, which address how state and local governments are required to account for and report their costs and obligations related to other post employment benefits ("OPEB"), defined to include post retirement healthcare benefits. GASB 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension establishes financial reporting standards designed to measure, recognize and display OPEB costs. OPEB costs would become measurable on an accrual basis of accounting, and contribution rates (actuarially determined) would be prescribed for funding such costs. The provisions of GASB 45 do not require governments to fund their OPEBs. The Issuer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however the unfunded actuarial liability is required to be amortized over future periods. In accordance with the requirements of GASB 45, the Issuer's financial statements must comply with these provisions no later than the fiscal year ending June 30, 2010.

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

In addition, the district provides a Voluntary Early Retirement Program. This program provides a $397.01/month benefit paid by the district towards the health premium, once retired, until Medicare eligibility. This explicit benefit is included in this valuation reflected below. There was most recently 3 eligible active employees that may choose this option upon retirement, and 4 retired employees for which this benefit is already being utilized. This retirement option remains available as a choice for future retirees at this time.

Plan Description - The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 51 active and 4 retired members in the plan. Employees must be age 55 or older at retirement.

The medical/prescription drug benefit is provided through a fully-insured plan with United Healthcare. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

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

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

The following table shows the components of the District's annual OPEB cost for June 30, 2014, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual Required Contribution	$82,000
Interest on net OPEB obligation	13,860
Adjustment to annual required contribution	(10,982)
Annual OPEB costs (expense)	84,878
Contributions made	(40,000)
Increase in net OPEB obligation	44,878
Net OPEB obligation – beginning of year	308,000
Net OPEB obligation – end of year	$352,878

For calculation of the net OPEB obligation, the actuary has set the transition day as of July 1, 2008.

The end of the year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the plans actual contributions for the year ended June 30, 2014.

For the year ended June 30, 2014, the District contributed $40,000 to the medical plan. Plan members eligible for benefits contributed $0 or 0% of the premium costs.

The District's annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2014 are summarized as follows:

Fiscal Year ended	Annual OPEB Cost	Percentage of Annual OPEB cost contributed	Net OPEB obligation
June 30, 2010	$136,000	27.2%	$99,000
June 30, 2011	136,632	33.7	189,632
June 30, 2012	137,210	43.7	266,842
June 30, 2013	84,158	51.1	308,000
June 30, 2014	84,878	52.9	352,878

Funded Status and Funding Progress – As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2013 through June 30, 2014, the actuarial accrued liability was $617,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $617,000. The covered payroll (annual payroll of active employees covered by the plan) was $3,091,538, and the ratio of the UAAL to the covered payroll was 19.9%. As of June 30, 2014, there were no trust fund assets.

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

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

As of July 1, 2012, actuarial valuation date, the alternative measurement method was used. The actuarial assumptions include a 4.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 10%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Assumed percentage of employees who participate in the postemployment health plan upon retirement is 50%.

The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Source: District's 2014 Independent Audited Financial Statement

Investment of Public Funds

The District invests its funds pursuant to Chapter 12B of the Code. Presented below is the District's investing activities as of June 30, 2015.

Type of Investment	Amount Invested
Local Bank Deposit Accounts	$1,057,588.61
Local Bank Time CD's	76,000.00
ISJIT Money Market	2,589,279.23
ISJIT Time CD's	0

Source: Martesndale-St. Marys CSD

Anticipatory Warrants

The District has issued anticipatory warrants as outlined below.:

Fiscal Year	Principal of Warrant Issued
2011B	$0
2011A	0
2010B	0
2010A	651,000
2009B	0
2009A	0
2008B	607,000
2008A	729,000
2007B	450,000
2007A	496,000
2006B	339,000
2006A	481,000

Source: Iowa School Cash Anticipation Program

Pensions

The Issuer contributes to the Iowa Public Employees' Retirement System ("IPERS"), which is a state-wide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the Issuer are required to participate in IPERS. Employees who retire at age 65 (or anytime after age 58 with 30 or more years of service) are entitled to full monthly benefits. IPERS offers five options for distribution of retirement benefits. Prior to July 1, 2012, benefits become fully vested after completing four years of service or after attaining age 55 and after July 1, 2012 benefits become fully vested after completing seven years of service or after attaining age 65.

IPERS plan members are required to contribute a percentage of their annual salary, in addition to the Issuer being required to make annual contributions to IPERS. Contribution amounts are set by State statute. The Issuer's share, payable from the applicable funds of the Issuer, is provided by an annual levy of taxes without limit or restriction as to rate or amount against all the taxable property of the Issuer. All contributions are on a current basis. See "**APPENDIX D — AUDITED FINANCIAL STATEMENTS**" for additional information on IPERS.

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

Fiscal Year	Amount Contributed by Issuer	% of Payroll paid by Issuer	% of Payroll paid by Employee
2008	$151,228	6.05%	3.95%
2009	179,710	6.35	4.10
2010	187,115	6.65	4.30
2011	182,402	6.95	4.50
2012	212,179	8.07	5.38
2013	253,964	8.67	5.78

Source: The District's Independent Auditor's Reports for Fiscal Year Ending June 30, 2013.

The fund is administered by the Board with administration costs paid from income derived from invested funds. IPERS has an unfunded actuarial liability and unrecognized actuarial loss. The following table sets forth certain information about the funding status of IPERS that has been extracted from the Actuarial Valuation Report of IPERS for fiscal years noted below (the "Reports"). A complete copy of the Reports can be obtained by visiting IPERS website at: http://www.ipers.org/ or by writing to IPERS at P.O. Box 9117, Des Moines, Iowa 50306-9117.

Fiscal Year Ended June 30	Actuarial Value of Assets [a]	Actuarial Accrued Liability [b]	Unfunded Actuarial Accrued Liability Actuarial Value [b] – [a]	Funded Ratio {Actuarial Value) [a] / [b]	Covered Payroll [c]	UAL as a % of Covered Payroll (Actuarial Value) [[b-a] / [c]]
2010	21,537,458,560	26,468,419,650	4,930,961,090	81.37	6,571,182,005	75.04
2011	22,575,309,199	28,257,080,114	5,681,770,915	79.89	6,574,872,719	86.42
2012	23,530,094,461	29,446,197,486	5,916,103,025	79.91	6,786,158,720	87.18
2013	24,711,096,187	30,498,342,320	5,787,246,133	81.02	6,880,131,134	84.12
2014	26,460,428,085	32,004,456,088	5,544,028,003	82.68	7,099,277,280	78.09

Source: IPERS

The Reports outline the assumptions made in the above valuations.

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

Population

Presented below are population figures as officially reported by the U.S. Census for the periods indicated for the cities of Martensdale, St. Marys and Bevington.

Year	Martensdale	St. Marys	Bevington
2010	465	127	63
2000	467	134	58
1990	491	113	67
1980	438	111	60
1970	306	105	54
1960	316	94	55
1950	161	89	48

Source: U.S. Census Bureau

Population by Age

Presented below is the 2010 Census figures according to age group for Warren and Madison Counties and the State of Iowa:

Age Group	Warren County	Madison County	State of Iowa
Under 19 years of age	29.1%	29.2%	26.9%
20 to 24 years of age	6.0	3.8	7.0
25 to 44 years of age	24.3	24.5	24.5
45 to 64 years of age	27.2	27.8	26.7
65 to 84 years of age	11.4	12.4	12.4
85 and over	2.0	2.4	2.3
Median age	38.3	39.8	38.1

Source: U.S. Census Bureau

Major Employers

Due to the District's close proximity many district residents find employment in Indianola, Winterset, Norwalk and the Des Moines Metropolitan area.

Unemployment Statistics

The State of Iowa Department of Job Service reports unemployment unadjusted rates as follows (June 2015):

National Average:	5.30%
State of Iowa:	3.70
Warren County:	3.20
Madison County:	3.60

Source: Iowa Workforce Development

Historical Employment Statistics

Presented below are the historical unemployment rates for the years indicated for Warren and Madison Counties and the State of Iowa.

Calendar Year	Warren County	Madison County	State of Iowa
2014	4.10%	4.70%	4.40%
2013	4.40	5.00	4.60
2012	5.10	5.90	5.20
2011	5.50	6.40	5.90
2010	6.40	7.50	6.70

Source: Iowa Workforce Development

Median Family Income

Warren and Madison Counties had an estimated median family income of $62,535 and $57,581, compared to $51,843 for the State of Iowa. The following table represents the distribution of family incomes for the Counties according to the 2009-2013 American Community Survey 5 year estimated table:

	Warren County		Madison County	
Household Income	Number of Households	Percent of Households	Number of Households	Percent of Households
Under $10,000	638	3.7	267	4.4
10,000 to 14,999	501	2.9	209	3.4
15,000 to 24,999	1446	8.3	743	12.2
25,000 to 34,999	1570	9.0	636	10.4
35,000 to 49,999	2375	13.7	800	13.1
50,000 to 74,999	3706	21.3	1179	19.4
75,000 to 99,999	2661	15.3	861	14.1
100,000 to 149,999	3188	18.3	964	15.8
150,000 to 199,999	827	4.8	217	3.6
200,000 or more	466	2.7	216	3.7

Source: U.S. Census Bureau

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, from the current 4% 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 95% for the 2013 assessment year and 90% for the 2014 assessment year and all years thereafter, (iii) creates a new property tax classification for multi-residential properties (mobile home parks, manufactured home communities, land-lease communities, assisted living facilities and property primarily used or intended for human habitation containing three or more separate dwelling units) (“Multi-residential Property”) that begins in the 2015 assessment year, and assigns a declining rollback percentage of 3.75% to such properties for each subsequent year until 2021 assessment year (the rollback percentage for Multi-residential Properties will be equal to the residential rollback percentage in 2022 assessment year and thereafter) and (iv) 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. Prior to Fiscal Year 2017-18, the appropriation is a standing unlimited appropriation, but beginning in fiscal year 2017-18 the standing appropriation cannot exceed the actual fiscal year 2016-17 appropriation amount. The appropriation does not replace losses to local governments resulting from the Act’s provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3% from 4%, the gradual transition for Multi-residential Property from the commercial rollback percentage (100% of Actual Value in Fiscal Year 2013-14) to the residential rollback percentage (currently 54.4002% of Actual Valuation), or the reduction in the percentage of telecommunications property that is subject to taxation.

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

In Moody’s Investor Service US Public Finance Weekly Credit Outlook, dated May 30, 2013, Moody’s Investor Service (“Moody’s”) projected that local governments in the State of Iowa are likely to experience modest reductions in property tax revenues starting in fiscal year 2014-15 as a result of the Act, with sizeable reductions possible starting in fiscal year 2017-18. According to Moody’s, local governments that may experience disproportionately higher revenue losses include regions that have a substantial commercial base, a large share of Multi-residential Property (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 general obligation bonds, “the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full.”

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

Property Tax Assessment

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

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

Fiscal Year	Residential Rollback	Ag. Land & Buildings	Commercial
2015-16	55.7335	44.7021	90.0000
2014-15	54.4002	43.3997	95.0000
2013-14	52.8166	59.9334	100.0000
2012-13	50.7518	57.5411	100.0000
2011-12	48.5299	69.0152	100.0000
2010-11	46.9094	66.2715	100.0000
2009-10	45.5893	93.8568	100.0000
2008-09	44.0803	90.1023	99.7312
2007-08	45.4460	100.0000	100.0000

Source: Iowa Department of Revenue

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2014 are used to calculate tax liability for the tax year starting July 1, 2015 through June 30, 2016. Presented on the next page are the historic property valuations of the Issuer by class of property.

Property Valuations

Actual Valuation						
Valuation as of January	2014	2013	2012	2011	2010	2009
Fiscal Year	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Residential:	194,882,400	190,810,100	190,116,500	189,030,300	181,868,700	179,003,400
Agricultural Land:	52,570,800	50,230,500	37,514,700	37,556,600	28,118,800	28,147,100
Ag Buildings:	2,185,200	2,099,100	1,811,600	1,604,700	1,335,000	1,310,600
Commercial:	7,213,200	7,222,800	6,978,000	7,317,100	7,309,000	7,333,100
Industrial:	148,300	148,300	149,800	149,800	156,700	156,700
Personal RE:	0	0	0	0	0	0
Railroads:	0	0	0	0	0	0
Utilities:	2,990,119	2,787,699	3,162,618	2,908,614	2,773,669	2,653,667
Other:	0	0	0	0	0	0
Total Valuation:	259,990,019	253,298,499	239,733,218	238,567,114	221,561,869	218,604,567
Less Military:	322,248	344,472	350,028	348,176	350,028	353,732
Net Valuation:	259,667,771	252,954,027	239,383,190	238,218,938	221,211,841	218,250,835
TIF Valuation:	0	0	0	0	0	0
Utility Replacement:	4,989,204	4,535,249	5,572,602	5,379,505	5,198,328	5,040,991

Taxable Valuation						
Valuation as of January	2014	2013	2012	2011	2010	2009
Fiscal Year	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Residential:	108,614,770	103,801,050	100,413,065	95,936,302	88,260,714	83,969,459
Agricultural Land:	23,500,259	21,799,875	22,483,823	21,610,493	19,406,213	18,653,515
Ag Buildings:	976,818	911,010	1,085,761	923,365	921,338	868,555
Commercial:	6,491,880	6,861,660	6,978,000	7,317,100	7,309,000	7,333,100
Industrial:	133,470	140,885	149,800	149,800	156,700	156,700
Personal RE:	0	0	0	0	0	0
Railroads:	0	0	0	0	0	0
Utilities:	2,990,119	2,787,699	3,162,618	2,908,614	2,773,669	2,653,667
Other:	0	0	0	0	0	0
Total Valuation:	142,707,316	136,302,179	134,273,067	128,845,674	118,827,634	113,634,996
Less Military:	322,248	344,472	350,028	348,176	350,028	353,732
Net Valuation:	142,385,068	135,957,707	133,923,039	128,497,498	118,477,606	113,281,264
TIF Valuation:	0	0	0	0	0	0
Utility Replacement:	3,537,116	3,497,215	3,533,692	3,526,002	3,572,390	3,361,547

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2014	264,656,975	2.78%	145,922,184	4.64%
2013	257,489,276	5.12%	139,454,922	1.45%
2012	244,955,792	0.56%	137,456,731	4.12%
2011	243,598,443	7.59%	132,023,500	8.17%
2010	226,410,169	1.40%	122,049,996	4.64%
2009	223,291,826	4.78%	116,642,811	2.56%

Source: Iowa Department of Management

Tax Rates

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

Fiscal Year	Operating Fund	Management Fund	Board PPEL	Voter PPEL	Play Ground	Debt Service	School House	Total Levy
2016	11.25591	2.74119	0.33000	0.67000	0.00000	1.12690	0.00000	16.12400
2015	11.38802	0.93220	0.33000	0.67000	0.00000	3.94615	0.00000	17.26637
2014	11.47576	0.88028	0.33000	0.67000	0.00000	3.97325	0.00000	17.32929
2013	11.10961	1.32552	0.33000	0.67000	0.00000	4.01602	0.00000	17.45115
2012	15.29724	0.65547	0.33000	0.67000	0.00000	1.77774	0.00000	18.73045
2011	15.45334	0.42866	0.33000	0.67000	0.00000	1.85211	0.00000	18.73411

Source: Iowa Department of Management

Historic Tax Rates

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Total Levy Rate
2016	12.89209	16.12400	0.67574	0.00330	0.32112	0.14115	0.00000	5.69167	35.84907
2015	12.85336	17.26637	0.65724	0.00330	0.32112	0.05096	0.00000	5.71968	36.87203
2014	12.60568	17.32929	0.69120	0.00300	0.32000	0.05121	0.00000	5.72437	36.72475
2013	12.54061	17.45115	0.58466	0.00300	0.37767	0.05247	0.00000	5.73932	36.74888
2012	12.47948	18.73045	0.59018	0.00300	0.32000	0.05912	0.00000	5.78580	37.96803
2011	12.24866	18.73411	0.56008	0.00300	0.32013	0.06179	0.00000	5.98385	37.91162

Presented below are the tax rates by taxing entity for residents of the City of St.Marys:

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Total Levy Rate
2016	8.10000	16.12400	0.67574	0.00330	0.32112	0.14115	0.00000	5.69167	31.05698
2015	8.10000	17.26637	0.65724	0.00330	0.32112	0.05096	0.00000	5.71968	32.11867
2014	8.10000	17.32929	0.69120	0.00300	0.32000	0.05121	0.00000	5.72437	32.21907
2013	8.10000	17.45115	0.58466	0.00300	0.37767	0.05247	0.00000	5.73932	32.30827
2012	8.10000	18.73045	0.59018	0.00300	0.32000	0.05912	0.00000	5.78580	33.58855
2011	8.10000	18.73411	0.56008	0.00300	0.32013	0.06179	0.00000	5.98385	33.76296

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Total Levy Rate
2016	8.10000	16.12400	0.67574	0.00330	0.35232	0.29914	2.64073	5.38978	33.58501
2015	8.10000	17.26637	0.65724	0.00330	0.36734	0.29795	2.64064	5.28506	34.61790
2014	8.10000	17.32929	0.69120	0.00300	0.38092	0.28977	2.64064	5.31990	34.75472
2013	8.10000	17.45115	0.58466	0.00300	0.41684	0.29229	2.64064	5.31990	34.80848
2012	8.10000	18.73045	0.59018	0.00300	0.49455	0.28970	2.64064	5.31990	36.16842
2011	8.10000	18.73411	0.56008	0.00300	0.50659	0.29496	2.64064	5.35598	36.19536

Source: Iowa Department of Management

Tax Collection History

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

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2016	$2,352,849	In Collection	NA
2015	$2,407,880	$2,425,307	100.72%
2014	$2,382,028	$2,383,315	100.05%
2013	2,303,962	$2,298,340	99.76%
2012	2,286,050	2,298,779	100.56%

Source: Martesndale-St. Marys CSD

Largest Taxpayers

Set forth in the following table are the persons or entities which represent the 2014 largest taxpayers within the Issuer, as provided by the Auditors Offices of each of said counties. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District. The District's tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the District from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.:

Taxpayer	2014 Taxable Valuation	Percent of Total
Midwest Power Systems Inc[1]	2,702,325.0	1.85%
Qwest Corp	1,541,395.0	1.06%
Mid American Energy Company	779,806.0	0.53%
Dillard Farms LLC	663,335.0	0.45%
Morris, Dennis E/Brenda L	582,041.0	0.40%
Kisgen Family Trust	553,621.0	0.38%
Stark, Craig A/Judith D	553,029.0	0.38%
Connor, John A & Marilyn J	488,510.0	0.33%
Magellan Pipeline Company LP	469,625.0	0.32%
RO & BJ Properties, LLC	452,430.0	0.31%
	Total	6.02%

Source: Madison and Warren County Auditors

(1) Utility Property Tax Replacement

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

The utility replacement tax statute states that the utility replacement tax collected by the State and allocated among local taxing cities (including the Issuer) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. However, utility property is not subject to the levy of property tax by political subdivisions, only the utility replacement tax and statewide property tax. It is possible that the general obligation debt capacity of the Issuer could be adjudicated to be proportionately reduced in future years if utility property were determined to be other than "taxable property" for purposes of computing the Issuer's debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the Issuer can issue or (ii) adversely affect the Issuer's ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds. Approximately 1.85% of the Issuer's tax base currently is utility property. Notwithstanding the foregoing, the Issuer has the obligation to levy taxes against all the taxable property in the Issuer sufficient to pay principal of and interest on the Bonds.

Direct Debt

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

Fiscal Year	4/25/12	Total Principal	Total Interest	Total P&I
2016	145,000	145,000	19,440	164,440
2017	145,000	145,000	17,990	162,990
2018	145,000	145,000	16,540	161,540
2019	150,000	150,000	14,438	164,438
2020	150,000	150,000	12,263	162,263
2021	155,000	155,000	9,563	164,563
2022	155,000	155,000	6,773	161,773
2023	160,000	160,000	3,440	163,440
Totals:	1,205,000	1,205,000	100,445	1,305,445

Source: Martesndale-St. Marys CSD

School Infrastructure Sales, Services & Use Tax Revenue Bonds

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

Fiscal Year	5/21/09	Total Principal	Total Interest	Total P&I
2016	160,000	160,000	151,563	311,563
2017	165,000	165,000	145,163	310,163
2018	175,000	175,000	138,563	313,563
2019	185,000	185,000	131,344	316,344
2020	190,000	190,000	123,250	313,250
2021	200,000	200,000	114,463	314,463
2022	210,000	210,000	104,463	314,463
2023	220,000	220,000	93,963	313,963
2024	235,000	235,000	82,963	317,963
2025	245,000	245,000	71,213	316,213
2026	260,000	260,000	58,656	318,656
2027	275,000	275,000	45,331	320,331
2028	290,000	290,000	31,238	321,238
2029	305,000	305,000	16,013	321,013
Totals:	3,115,000	3,115,000	1,308,181	4,423,181

Source: Martesndale-St. Marys CSD

Debt Limit

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

1/1/2014 Actual Valuation:	264,656,975
X	0.05
Statutory Debt Limit:	13,232,849
Total General Obligation Debt:	1,205,000
Total Lease Purchases:	
Total Loan Agreements:	
Capital Leases:	
Total Debt Subject to Limit:	1,205,000
Percentage of Debt Limit Obligated:	9.11%

It has not been determined whether the District's Sales Tax Revenue Bonds do or do not count against the constitutional debt limit. If the Bonds do count against the constitutional debt limit, the amount of debt subject to the debt limit would increase $3,115,000 to be $4,320,000, or 32.65% of the statutory debt limit.

Source: Iowa Department of Management

Overlapping & Underlying Debt

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

Taxing Authority	Outstanding Debt	2014 Taxable Valuation	Taxable Value Within Issuer	Percentage Applicable	Amount Applicable
City of Bevington	$0	$3,366,297	$3,366,297	100.00%	$0
City of Martensdale	206,701	10,660,270	$10,660,270	100.00%	206,701
City of St. Marys	0	3,196,700	$3,196,700	100.00%	0
Madison County	903,509	786,990,543	38,232,540	4.86%	43,893
Warren County	114,263	1,992,607,671	107,689,644	5.40%	6,175
Des Moines Area Community College	60,500,000	40,089,928,553	145,922,184	0.36%	220,212
AEA #11 - Heartland	0	40,089,928,553	145,922,184	0.36%	0

Total Overlapping & Underlying Debt: $476,982

Source: Iowa Department of Management; Iowa State Treasurer

FINANCIAL SUMMARY

Actual Value of Property, 2014:	$264,656,975
Taxable Value of Property, 2014:	145,922,184
Direct General Obligation Debt:	$1,205,000
Overlapping Debt:	476,982
Direct & Overlapping General Obligation Debt:	$1,681,982
Population, 2010 US Census:	2,866
Direct Debt per Capita:	$420.45
Total Debt per Capita:	$586.87
Direct Debt to Taxable Valuation:	0.83%
Total Debt to Taxable Valuation:	1.15%
Direct Debt to Actual Valuation:	0.46%
Total Debt to Actual Valuation:	0.64%
Actual Valuation per Capita:	$92,344
Taxable Valuation per Capita:	$50,915

Source: Iowa Department of Management