$1,295,000 *
Glidden-Ralston Community School District, Iowa
General Obligation School Refunding Bonds
Series 2013

(FAST Closing)
(The Issuer will designate the Bonds as Bank-Qualified as described herein)
(Book Entry Only)
(Parity Bidding Available)

DATE:	Monday, March 18, 2013
TIME:	12:00 NOON
PLACE:	Office of the Superintendent 602 Idaho Glidden, IA 51443
Telephone:	(712)659-3411
Fax:	(712)659-2248

Standard & Poor's Rating "AA-"

* Preliminary, subject to change

PiperJaffray®

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

OFFICIAL BID FORM

TO: Board of Directors of the Glidden-Ralston Community School District, Iowa (the "Issuer")

Re: $1,295,000 General Obligation School Refunding Bonds, dated date of delivery, of the Issuer (the "Bonds")

For all or none of the above Bonds, in accordance with the notice of sale, we will pay you $______ and accrued interest to date of delivery for Bonds bearing interest rates and maturing on June 1 in each of the stated years as follows:

Coupon	Yield	Due	Coupon	Yield	Due
__________	________	2014	__________	________	2018
__________	________	2015	__________	________	2019
__________	________	2016	__________	________	2020
__________	________	2017			

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

Principal Amount	Month and Year (Inclusive)	Maturity Month and Year
$_____________	_______________ to _______________	_______________
$_____________	_______________ to _______________	_______________
$_____________	_______________ to _______________	_______________

Subject to mandatory redemption requirement in the amounts and at the times shown above

__________ We will not elect to have any bonds issued as term bonds

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

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Bond Resolution, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

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

NET INTEREST COST:$____________________________

TRUE INTEREST RATE _______________________%
(Computed from the dated date)

____
Account Manager

____
Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the Board of Directors of the Glidden-Ralston Community School District, in the County of Carroll, State of Iowa, this 18th day of March, 2013.

ATTEST: ___________________________________
District Secretary

____
Board President

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* Preliminary, subject to change

OFFICIAL TERMS OF OFFERING

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

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

GENERAL OBLIGATION SCHOOL REFUNDING BONDS, in the principal amount of $1,295,000 * dated date of delivery in the denomination of $5,000 or multiples thereof, and maturing as shown on the front page of the official statement

* Adjustment to Principal Amount After Determination of Best Bid Each scheduled maturity of the Bonds are subject to increase or decrease. Such adjustments shall be made promptly after the sale and prior to the award of bids by the issuer and shall be in the sole discretion of the Issuer. The Issuer shall only make such adjustments in order to size the Bonds to provide enough funds to refinance the outstanding Bonds and pay costs of issuance. To cooperate with any adjustment in the principal amounts, the Successful Bidder is required, as a part of its bid, to indicate its Initial Reoffering yield and Initial Reoffering price on each maturity of the Bonds (said price shall be calculated to the date as indicated by the Issuer).

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

The Successful Bidder may not withdraw or modify its bid once submitted to the Issuer for any reason, including post bond adjustment. Any adjustment shall be conclusive, and shall be binding upon the Successful Bidder.

Optional Redemption: The Bonds maturing after June 1, 2018, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Interest: Interest on said Bonds will be payable on December 1, 2013, and semiannually on the 1st day of June and December thereafter. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

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

Good Faith Deposit: A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire in the amount of $12,950 for the Bonds, payable to the order of the Issuer, is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. The Financial Advisor or the Issuer will provide the apparent winning bidder (the "Purchaser") with wiring instructions, by facsimilie and email, within 10 minutes of the stated time when bids are due. If the wire is not received at the time indicated above, the Issuer will abandon its plan to award to the Purchaser ("Purchaser"), and will contact the next highest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

Form of Bids: All bids shall be unconditional for the entire issue of Bonds for a price of not less than 99% of par, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid, facsimile facilities or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

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

Sealed Bidding: Sealed bids may be submitted and will be received at the office of Superintendent, Glidden-Ralston Community School District, 602 Idaho, Glidden, Iowa.

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

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

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

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

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

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

Rates must be in level or ascending order.

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

Certificate of Purchaser: The Purchaser will be required to certify to the Issuer 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 purchaser will also be required to provide a certificate satisfactory to the Issuer and Bond Counsel at closing confirming the information required by this paragraph.

Official Statement: The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the Issuer, shall constitute a "Final Official Statement" of the Issuer with respect to the Bonds, as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). By awarding the Bonds to any underwriter or underwriting syndicate submitting an Official Bid Form therefore, the Issuer agrees that, no more than seven (7) business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded up to 25 copies of the Official Statement and the addendum described in the preceding sentence to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The Issuer shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Issuer, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

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

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

Continuing Disclosure: In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Bond Resolution, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided on annual basis, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

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

As the Issuer has not been subject to the mandatory annual reporting requirement in the Rule, instead being subject to the "upon request" portion of the Rule, the Issuer is not aware that it has ever failed to comply with the Rule.

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

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

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 26, 2013

NEW ISSUE - DTC BOOK ENTRY ONLY Standard & Poor's "AA-"

Subject to compliance by the Issuer with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present laws, interest on the Bonds is excluded from gross income for federal income tax purposes and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is included in adjusted current earnings for the purpose of determining the alternative minimum tax imposed on certain corporations. Interest on the Bonds is not exempt from present Iowa income taxes. The Bonds will be designated as "qualified tax exempt obligations." See "TAX MATTERS" herein.

$1,295,000 *
Glidden-Ralston Community School District, Iowa
General Obligation School Refunding Bonds
Series 2013

Dated: Date of Delivery

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

Interest on the Bonds is payable on June 1, and December 1 in each year, beginning December 1, 2013 to the registered owners thereof. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

The Bonds maturing after June 1, 2018 may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

MATURITY SCHEDULE

Bonds Due	Amount*	Rate *	Yield *	Cusip #'s **	Bonds Due	Amount*	Rate *	Yield *	Cusip #'s **
June 1, 2014	$195,000			379301 CJ1	June 1, 2018	$200,000			379301 CN2
June 1, 2015	200,000			379301 CK8	June 1, 2019	200,000			379301 CP7
June 1, 2016	200,000			379301 CL6	June 1, 2020	100,000			379301 CQ5
June 1, 2017	200,000			379301 CM4					

$____ _____% Term bond due _______, priced to yield _______, CUSIP # _____________**

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel. It is expected that the Bonds in the definitive form will be available for delivery on or about May 1, 2013. The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

The Date of this Official Statement is ______, 2013

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* *Preliminary, subject to change*

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

OFFICIAL STATEMENT
$1,295,000 *
GENERAL OBLIGATION SCHOOL REFUNDING BONDS
GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT, IOWA
SERIES 2013

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Glidden-Ralston Community School District, Iowa (the "Issuer"), in connection with the sale of the Issuer's General Obligation School Refunding Bonds (the "Bonds"). The Bonds are being issued to provide for the current refunding of the District's outstanding General Obligation School Refunding Bonds, dated November 1, 2005. See "**THE BONDS - Sources and Uses of Funds**" herein.

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

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

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

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

THE BONDS

General

The Bonds are dated as of date of delivery and will bear interest at the rates to be set forth on the cover page herein, interest payable on June 1 and December 1 in each year, beginning on December 1, 2013, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

Authorization for the Issuance

The Bonds are being issued pursuant to the Code of Iowa, 2013, as amended, Chapter 298.

Book Entry Only System

The following information concerning The Depository Trust Company ("DTC"), New York, New York and DTC's book-entry system has been obtained from sources the Issuer believes to be reliable. However, the Issuer takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

The Depository Trust Company ("DTC"), New York, NY will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S equity, corporate and municipal debt issues and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participations include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, national Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relation ship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered in the transaction. Transfers of ownership interest in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other nominee do not 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.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to taken certain steps to augment transmission to them notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit have agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial owners may wish to provide their names and addresses to the registrar and request that copies of the notices by provided directly to them.]

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

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

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

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [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 [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 [Tender/Remarketing] Agent's DTC account.

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

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

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

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

Transfer and Exchange

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

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

Prepayment

<u>Optional Prepayment</u>: The Bonds maturing after June 1, 2018, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

<u>Notice of Prepayment.</u> Prior to the redemption of any Bonds under the provisions of the Resolution, the Registrar shall give written notice not less than thirty (30) days prior to the redemption date to each registered owner thereof.

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

____ Term Bond

Mandatory Sinking Fund Date	Principal Amount
	$
(maturity)	

Selection of Bonds for Redemption Bonds subject to redemption will be selected in such order of maturity as the Issuer may direct. If less than all of the Bonds of a single maturity are to be redeemed, the Bonds to be redeemed will be selected by lot or other random method by the Registrar in such a manner as the Registrar may determine.

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

Source of Security for the Bonds

These Bonds are general obligations of the Issuer. 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 amount.

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 adverse history of economic prospects connected with a particular issue, and secondary marketing practices in connection with a particular Bond or Bonds issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

Ratings Loss

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

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

Forward-Looking Statements

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

Loss of Tax Exemption

As discussed under the heading "Tax Exemption" 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 Issuer 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.

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 proposed federal income tax legislation being enacted or whether the proposed terms will be altered or removed during the legislative process cannot be reliably predicted.

DTC-Beneficial Owners

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

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

Other Factors

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

Pending Federal Tax Legislation

From time to time, legislative proposals are pending in Congress that would, 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. 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.

Summary

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

LITIGATION

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

ACCOUNTANT

The accrual-basis financial statements of the Issuer included as APPENDIX D to this Official Statement have been examined by Burton E. Tracy & Co., to the extent and for the periods indicated in their report thereon. Such financial statements have been included herein without permission of said CPA, and said CPA expresses no opinion with respect to the Bonds or the Official Statement. The audited financial statements contained herein are not complete and cannot be relied on to fully portray the financial position of the Issuer.

UNDERWRITING

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

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

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

THE PROJECT

Proceeds of this issue will be used to provide for the current refunding of the District's outstanding General Obligation School Refunding Bonds, dated November 1, 2005 as well as pay for costs of issuance of the Bonds.

SOURCES AND USES OF FUNDS *

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

* Preliminary, subject to change

TAX MATTERS

Tax Exemption

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

Subject to Issuer's compliance with the above-referenced covenants, in the opinion of Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is included in adjusted current earnings for the purpose of determining the alternative minimum tax imposed on certain corporations.

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

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

Qualified Tax-Exempt Obligations

The Issuer will 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”), 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.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "Tax Exemption". Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds (the "Premium Bonds") may be greater than the amount of such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Related Tax Matters

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

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

There are or may be pending in the Congress of the United States, legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to in this section or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal or state tax legislation.

Opinions

Bond Counsel's opinion is not a guarantee of a result, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Issuer described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel's opinion is not binding on the Service. Bond Counsel assumes no obligation to update its opinion after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

Bond Counsel has not participated in the preparation of this Official Statement except for guidance concerning the section regarding "TAX MATTERS," and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements, or data contained in this Official Statement, and will express no opinion with respect thereto.

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 proposed federal income tax legislation being enacted or whether the proposed terms will be altered or removed during the legislative process cannot be reliably predicted.

FINANCIAL CONSULTANT

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

CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Bond Resolution, to provide reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, and the events as to which notice is to be given, if material, is summarized below under the caption "**APPENDIX C - Form of Continuing Disclosure Certificate**" herein for more information

As the Issuer has not been subject to the mandatory annual reporting requirement in the Rule, instead being subject to the "upon request" portion of the Rule, the Issuer is not aware that it has ever failed to comply with the Rule.

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I have reviewed the information contained within the Official Statement of the Glidden-Ralston Community School District, State of Iowa, and to the best of our knowledge, information and belief said Official Statement does not contain any material misstatements of fact nor omissions of any material fact regarding the issue of $1,295,000* General Obligation School Refunding Bonds, Series 2013 of the Issuer to be issued under date of April 1, 2013.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/ Denise Best
Board Secretary

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* Preliminary, subject to change

APPENDIX A - INFORMATION ABOUT THE ISSUER

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT, IOWA
DISTRICT OFFICIALS

PRESIDENT	Matt Conner
BOARD MEMBERS	Butch Gregory Linda Buss Renee Schon Karla Brown
SUPERINTENDENT	David Haggard
DISTRICT SECRETARY	Denise Best
DISTRICT TREASURER	Denise Best

CONSULTANTS

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

General Information

The Glidden-Ralston Community School District is located in west central Iowa in Carroll County, approximately 8 miles east of the city of Carroll. Included with the District are the communities of Glidden and Ralston. Transportation facilities are provided by U.S. Highway 30, State Highway 286 and numerous paved county roads. Continuing educational opportunities are provided by Des Moines Area Community College, Carroll.

District Facilities

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

Building	Construction Date	Grades Served
Elementary/Middle /High School	1921, 1992	PK-12

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-12	2013-14	305.1
October-11	2012-13	325.1
October-10	2011-12	337.4
October-09	2010-11	349.6
October-08	2009-10	357.8
October-07	2008-09	368.0

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-12	56.9	18.0	38.0
October-11	48.8	27.0	21.8
October-10	50.8	23.3	27.5
October-09	52.0	20.6	31.4
October-08	45.0	20.6	24.4
October-07	49.0	23.8	25.2

Staff

Presented below is a list of the District's 53 employees.

Administrators:	2	Media Specialists:	1
Teachers:	31	Nurses:	1
Teacher Aids:	7	Guidance:	1
Custodians:	1.8	Secretaries:	2
Food Service:	3.8	Transportation:	2.2
Other:	0	Maintenance:	1

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 "Allowable 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 allowable growth the District has received (in total dollars) for the period indicated:

Fiscal Year	Allowable Growth
2013	$-72,528
2012	-7,190
2011	20,649
2010	-43,993
2009	20,880

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

Fiscal Year	District Per Pupil Cost	State Average Per Pupil Cost
2013	$6,004	$6,001
2012	5,886	5,883
2011	5,886	5,883
2010	5,771	5,768
2009	5,549	5,546

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

Fiscal Year	Property Tax Revenues	State Aid Revenues
2013	$1,113,782	$1,559,566
2012	1,121,469	1,645,341
2011	1,058,914	1,624,574
2010	992,260	1,789,521
2009	1,042,763	1,530,598

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
2013	$7,786	$0	$155,647
2012	19,240	0	147,337
2011	27,293	4,780	138,463
2010	34,921	9,055	127,026
2009	48,396	11,016	116,179

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
2013	$55,000
2012	80,000
2011	85,000
2010	85,000
2009	80,000

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
2013	$0	$0
2012	0	0
2011	0	0
2010	0	0
2009	0	0

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. Principal and interest on the Bonds will be paid from this levy.

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 below 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 in the following percentages since 1980:

Date	Percentage Rescission
10/5/2009	10.00%
12/23/2008	1.50
10/10/2003	2.50
11/1/2001	4.30
4/8/1992	0.62
7/1/1991	3.25
9/3/1983	2.80
12/15/1980	1.00
8/12/1980	3.60

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 $0/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 1 eligible active employees that may choose this option upon retirement, and 5 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 48 active and 6 retired members in the plan. Employees must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through a fully-insured plan with Wellmark. 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, 2011, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual Required Contribution	$125,000
Interest on net OPEB obligation	4,185
Adjustment to annual required contribution	(3,548)
Annual OPEB costs (expense)	125,637
Contributions made	35,000
Increase in net OPEB obligation	90,637
Net OPEB obligation – beginning of year	93,000
Net OPEB obligation – end of year	183,637

For calculation of the net OPEB obligation, the actuary has set the transition day as of July 1, 2009. 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, 2011.

For the year ended June 30, 2011, the District contributed $35,000 to the medical plan. Plan members eligible for benefits contributed $45,816.

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, 2011 are summarized as follows:

Fiscal Year ended	Annual OPEB Cost	Percentage of Annual OPEB cost contributed	Net OPEB obligation
June 30, 2010	$125,000	25.6%	$93,000
June 30, 2011	125,637	28.9%	183,637

<u>Funded Status and Funding Progress</u> – As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2010 through June 30, 2011, the actuarial accrued liability was $1,127,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $1,127,000. The covered payroll (annual payroll of active employees covered by the plan) was $1,310,000, and the ratio of the UAAL to the covered payroll was 86.0%. As of June 30, 2011, there were no trust fund assets.

<u>Acturial Methods and Assumptions</u> – Actuarial valuations of the an ongoing plan involve estimates of the value of reported amounts and assumptions about the probility of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healtcare 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 benefts 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 effets of short-term volatility in actuarial accrued liabilites and the acturial value of assets, consistent with the long-term perspective of the calculations.

As of July 1, 2009, actuarial valution date, the unit credit actuarial cost 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 11%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.05% 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. Annual retirement probilities were developed from the retirement probilities from the IPERS Actuarial Valuation Report as of June 30, 2007 and applying the termination factors unsed in IPERS Actuarial Report as of June 30, 2007.

The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Source: District's 2011 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 December 31, 2012.

Type of Investment	Amount Invested
Local Bank Money Market	$0
Local Bank Deposit Accounts	3,591,347.06
Local Bank Time CD's	923,874.00
ISJIT Money Market	0
ISJIT Time CD's	0

Anticipatory Warrants

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

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. Benefits become fully vested after completing four years of service or after attaining age 55.

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	$115,496	6.05%	3.95%
2009	129,241	6.35	4.10
2010	130,809	6.65	4.30
2011	133,588	6.95	4.50

Source: Glidden-Ralston Community School District Independent Auditor's Reports for Fiscal Year Ending June 30, 2011.

The fund is administered by the State 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 comprehensive annual financial report of IPERS for fiscal year 2011 (the "IPERS CAFR"). A complete copy of the IPERS CAFR can be obtained by visiting IPERS website at: http://www.ipers.org/publications/misc/pdf/financial/cafr/cafr.pdf or by writing to IPERS at P.O. Box 9117, Des Moines, Iowa 50306-9117. According to IPERS, as of the end of fiscal year 2012, there were approximately 335,098 total members participating in IPERS, including Issuer employees. IPERS does not break out the funding status for each participating entity, therefore, it is not possible to determine the Issuer's allocable share of the funding status of IPERS.

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]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[b-a]/[c]]
2006	$19,144,036,519	$21,651,122,419	$2,507,085,900	88.42%	$5,523,863,321	45.39%
2007	20,759,628,415	23,026,113,782	2,266,485,367	90.16	5,781,706,199	39.20
2008	21,857,423,183	24,522,216,589	2,664,793,406	89.13	6,131,445,367	43.46
2009	21,123,979,941	26,018,593,823	4,894,613,882	81.19	6,438,643,124	76.02
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

Source: IPERS Comprehensive Annual Financial Report (Fiscal Year 2012)

When calculating the funding status of IPERS for fiscal year 2012, the following assumptions were used: (1) the amortization period for the total unfunded actuarial liability is 30 years (which is consistent with the maximum acceptable amortization period set forth by the Governmental Accounting Standards Board ("GASB") in GASB Statement No. 25); (2) the rate of return on investments is assumed to be

7.5%; (3) salaries are projected to increase 4.0-17% for IPERS, depending on years of service; and (4) the rate of inflation is assumed to be 3.25% for prices and 4.0% for wages.

Bond Counsel, the Issuer and the Financial 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 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 Glidden and Ralston:

Year	Glidden	Ralston
2010	1146	79
2000	1253	98
1990	1099	119
1980	1076	108
1970	964	129

Population by Age

Presented below is the 2010 Census figures according to age group for Carroll County and the State of Iowa:

Age Group	Carroll County	State of Iowa
Under 19 years of age	26.8%	26.9%
20 to 24 years of age	4.5	7.0
25 to 44 years of age	22.1	24.5
45 to 64 years of age	28.0	26.7
65 to 84 years of age	15.0	12.4
85 and over	3.6	2.3
Median age	42.3	38.1

Major Employers

Due to the District's close proximity, many residents find employment in Carroll.

Employer	Business	Approximate Employees
Iowa Corn Processors	Dry corn milled products	26
Farner-Bocken Co	Wholesale/food service	524
St. Anthony's Regional Hospital	Health care	515
American Home Shield	Call center for home warranty contracts	510
New Hope	Facility for handicapped and disabled adults	362
Pella Corporation	Manufacturer of windows and doors	358
Wal-Mart Supercenter	Discount retailer	235
The Graphic Edge	Custom screenprinting and embroidery	225
Farmland Foods	Pork processing plant	146
United Technology Aerospace Systems	Aerospace products	140
Carroll County	County government	110
Hy-vee	Grocery store	102
City of Carroll	City government	90
New Opportunties Inc	Social services/human services	80

Unemployment Statistics

The State of Iowa Department of Job Service reports unemployment unadjusted rates as follows (December 2012):

National Average:	7.8%
State of Iowa:	4.9
Carroll County	3.4

Historical Employment Statistics

Presented below are the historical unemployment rates for the years indicated for Carroll County and the State of Iowa.

Calendar Year	Carroll County	State of Iowa
2011	4.00%	5.90%
2010	4.70	6.70
2009	3.90	6.00
2008	2.80	4.10
2007	2.70	3.80

Retail Sales

Presented below are retail sales statistics for the City of Glidden, for the period indicated:

Year Ended	Retail Sales	Number of Permits
2012*	$7,919,213	47
2011*	7,900,695	46
2010*	7,454,596	46
2009*	7,422,654	48
2008**	6,731,052	46

* reported as of June 30
** reported as of March 31

Median Family Income

Carroll County had a 2000 median family income of $37,275 compared to $39,469 for the State of Iowa. The following table represents the distribution of family incomes for the Counties at the time of the 2000 census:

Household Income	Number of Households	Percent of Households
Under $10,000	708	8.3
10,000 to 14,999	677	8.0
15,000 to 24,999	1217	14.4
25,000 to 34,999	1426	16.8
35,000 to 49,999	1508	17.8
50,000 to 74,999	1890	22.3
75,000 to 99,999	562	6.6
100,000 to 149,999	327	3.9
150,000 to 199,999	76	.9
200,000 or more	89	1.0

Effective Buying Income

The private publication “Sales & Marketing Management” has developed a wealth indicator termed “effective buying income” (EBI) defined as personal income less personal tax and non tax payments, which is considered by the publication to be a bulk measurement of market potential.

	2009 County	2009 State
Retail Sales (000)	$271,955	$40,982,154
Total EBI (000)	395,490	57,558,473
Median Household EBI	38,068	38,919
% of Households by EBI		
$10,000 to $19,999	20.9	19.9%
$20,000 to $34,999	24.7	24.2
$35,000 to $49,999	19.8	20.5
$50,000 and over	34.6	35.4

Legislation

It can be anticipated that, from time to time, legislative proposals may be considered by the Iowa General Assembly that would, if enacted, alter or amend one or more of the tax matters described herein. 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.

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."

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
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

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, 2011 are used to calculate tax liability for the tax year starting July 1, 2012 through June 30, 2013. Presented below are the historic property valuations of the Issuer by class of property.

Property Valuations

Actual Valuation					
Valuation as of January	2011	2010	2009	2008	2007
Fiscal Year	2012-13	2011-12	2010-11	2009-10	2008-09
Residential:	55,375,530	54,746,970	53,568,720	51,597,918	50,729,778
Agricultural Land:	108,559,640	82,965,510	82,991,520	46,034,050	46,035,250
Ag Buildings:	11,411,880	9,810,230	9,661,710	13,951,440	13,617,550
Commercial:	12,934,560	12,145,361	12,135,535	11,851,491	11,283,742
Industrial:	6,326,560	6,326,560	6,326,560	6,326,560	6,140,442
Personal RE:	0	0	0	0	0
Railroads:	4,455,671	3,484,907	3,207,639	2,753,720	2,691,213
Utilities:	2,654,227	2,519,342	2,476,441	2,272,363	2,210,508
Other:	0	0	0	0	0
Total Valuation:	201,718,068	171,998,880	170,368,125	134,787,542	132,708,483
Less Military:	198,164	205,572	207,424	212,980	220,388
Net Valuation:	201,519,904	171,793,308	170,160,701	134,574,562	132,488,095
TIF Valuation:	198,720	0	365,000	1,575,052	1,410,562
Utility Replacement:	5,610,998	5,299,952	5,017,171	4,575,357	3,963,090

Taxable Valuation					
Valuation as of January	2011	2010	2009	2008	2007
Fiscal Year	2012-13	2011-12	2010-11	2009-10	2008-09
Residential:	28,006,196	26,568,659	24,934,965	22,666,153	21,573,079
Agricultural Land:	62,466,411	57,258,814	54,999,698	43,206,099	41,478,831
Ag Buildings:	6,566,521	6,770,544	6,402,960	13,094,381	12,269,668
Commercial:	12,934,560	12,145,361	12,135,535	11,851,491	11,253,413
Industrial:	6,326,560	6,326,560	6,326,560	6,326,560	6,140,442
Personal RE:	0	0	0	0	0
Railroads:	4,455,671	3,484,907	3,207,639	2,753,720	2,683,980
Utilities:	2,654,227	2,519,342	2,476,441	2,272,363	2,210,508
Other:	0	0	0	0	0
Total Valuation:	123,410,146	115,074,187	110,483,798	102,170,767	97,609,921
Less Military:	198,164	205,572	207,424	203,720	211,128
Net Valuation:	123,211,982	114,868,615	110,276,374	101,967,047	97,398,793
TIF Valuation:	198,720	0	365,000	1,565,792	1,401,302
Utility Replacement:	2,405,786	2,430,648	2,339,295	2,477,071	2,432,023

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2012	208,475,061	0.55%	130,481,239	3.71%
2011	207,329,622	17.07%	125,816,488	7.26%
2010	177,093,260	0.88%	117,299,263	6.02%
2009	175,542,872	24.74%	110,641,374	4.37%
2008	140,724,971	2.08%	106,009,910	4.72%
2007	137,861,747		101,232,118	

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
2013	8.86644	0.43784	0.33000	0.00000	0.00000	0.91403	0.00000	10.54831
2012	9.56075	0.68202	0.33000	0.00000	0.00000	0.35363	0.00000	10.92640
2011	9.40290	0.75478	0.33000	0.00000	0.00000	0.67914	0.00000	11.16682
2010	9.50039	0.81383	0.33000	0.00000	0.00000	0.62612	0.00000	11.27034
2009	10.44530	0.80136	0.33000	0.00000	0.00000	0.83709	0.00000	12.41375

Historic Tax Rates

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy Rate
2013	15.10287	10.54831	0.58466	0.00300	0.26051	0.16116	0.00000	4.53149	0.00000	31.19200
2012	15.44985	10.92640	0.59018	0.00300	0.26112	0.17583	0.00000	5.05166	0.00000	32.45804
2011	16.67256	11.16682	0.56008	0.00300	0.25325	0.19126	0.00000	6.04936	0.00000	34.89633
2010	16.74597	11.27034	0.56778	0.00300	0.22005	0.19504	0.00000	6.06266	0.00000	35.06484
2009	18.46371	12.41375	0.56386	0.00350	0.26296	0.19558	0.00000	6.31085	0.00000	38.21421

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy Rate
2013	14.78613	10.54831	0.58466	0.00300	0.26051	0.16116	0.00000	4.53149	0.00000	30.87526
2012	14.16651	10.92640	0.59018	0.00300	0.26112	0.17583	0.00000	0.09000	0.00000	26.21304
2011	14.26091	11.16682	0.56008	0.00300	0.25325	0.19126	0.00000	0.09000	0.00000	26.52532
2010	13.87600	11.27034	0.56778	0.00300	0.22005	0.19504	0.00000	0.09000	0.00000	26.22221
2009	13.20143	12.41375	0.56386	0.00350	0.26296	0.19558	0.00000	0.09000	0.00000	26.73108

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

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy Rate
2013	7.41791	10.54831	0.58466	0.00300	0.26051	0.16116	0.00000	4.53149	0.00000	23.50704
2012	7.41643	10.92640	0.59018	0.00300	0.26112	0.17583	0.00000	0.09000	0.00000	19.46296
2011	7.41673	11.16682	0.56008	0.00300	0.25325	0.19126	0.00000	0.09000	0.00000	19.68114
2010	7.52307	11.27034	0.56778	0.00300	0.22005	0.19504	0.00000	0.09000	0.00000	19.86928
2009	7.50002	12.41375	0.56386	0.00350	0.26296	0.19558	0.00000	0.09000	0.00000	21.02967

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
2013	1,325,301	In Collection	In Collection
2012	1,281,658	$1,282,651	100.08%
2011	1,257,928	1,259,551	100.13%
2010	1,178,618	1,177,426	99.90%
2009	1,240,910	1,212,324	97.70%
2008	1,104,997	1,104,815	99.98%
2007	1,111,185	1,108,659	99.77%
2006	1,182,053	1,185,643	100.30%

Largest Taxpayers

Set forth in the following table are the persons or entities which represent the 2012 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	2012 Taxable Valuation	Percent of Total
West Central Cooperative	$9,621,150	7.65%
Union Pacific Railroad	4,686,904	3.73%
Burdine, Ronald D Revocable	2,926,560	2.33%
RH Van Horn Farms	2,500,870	1.99%
Collison, Richard W and Maxine T	2,244,730	1.78%
Wenck Farms, Inc	1,867,190	1.48%
New Cooperative, INC	1,582,880	1.26%
Halbur, James S	1,725,930	1.37%
Windstream Iowa Telecom	1,455,965	1.16%
Reever, Harry	1,384,000	1.10%
	Total of Top 10 Taxpayers:	23.84%

Direct Debt

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

Fiscal Year	P & I 1-Nov-05	P & I Future	P&I Total
2013	190,282	0	190,282
2014	0	204,620	204,620
2015	0	208,100	208,100
2016	0	207,200	207,200
2017	0	206,100	206,100
2018	0	204,800	204,800
2019	0	203,200	203,200
2020	0	101,200	101,200
Totals	190,282	1,335,220	1,525,502

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:

1/1/2011 Actual Valuation:	207,329,622
X	0.05
Statutory Debt Limit:	10,366,481
Total General Obligation Debt:	1,460,000
Total Lease Purchases:	
Total Loan Agreements:	
Capital Leases:	
Total Debt Subject to Limit:	1,460,000
Percentage of Debt Limit Obligated:	14.08%

Overlapping & Underlying Debt

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

Taxing Authority	Outstanding Debt	2011 Taxable Valuation	Taxable Value Within Issuer	Percentage Applicable	Amount Applicable
City of Glidden	824,985	25,474,182	25,474,182	100.00%	$824,985
City of Lanesboro	0	2,566,189	2,566,189	100.00%	0
City of Ralston	0	13,599,487	13,599,487	100.00%	0
Carroll County	0	1,103,180,728	207,329,622	18.79%	0
DMACC - XI	76,595,000	37,105,777,783	207,329,622	0.56%	427,977
#11 Heartland	0	37,105,777,783	207,329,622	0.56%	0

Total Overlapping & Underlying Debt: $1,252,962

FINANCIAL SUMMARY

Actual Value of Property, 2011:	$207,329,622
Taxable Value of Property, 2011:	125,816,488
Direct General Obligation Debt:	$1,460,000
Overlapping Debt:	1,252,962
Direct & Overlapping General Obligation Debt:	$2,712,962
Population, 2010 US Census:	1,883
Direct Debt per Capita:	$775.36
Total Debt per Capita:	$1,440.77
Direct Debt to Taxable Valuation:	1.16%
Total Debt to Taxable Valuation:	2.16%
Direct Debt to Actual Valuation:	0.70%
Total Debt to Actual Valuation:	1.31%
Actual Valuation per Capita:	$110,106
Taxable Valuation per Capita:	$66,817

APPENDIX B – FORM OF LEGAL OPINION

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Directors of the Glidden-Ralston Community School District in the Counties of Carroll and Greene, State of Iowa, and acts of administrative officers of the School District (the "Issuer"), relating to the issuance of General Obligation School Refunding Bonds, Series 2013, dated the date of delivery, in the denominations of $5,000 or multiples thereof, in the aggregate amount of $1,295,000[1] (the "Bonds").

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

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

We have not been engaged to or undertaken to review the accuracy, completeness or sufficiency of the official statement or other offering material relating to the Bonds and we express no opinion relating thereto.

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

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

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

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

4. The interest on the Bonds is excluded from gross income for federal income tax purposes and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is included in adjusted current earnings for the purpose of determining the alternative minimum tax imposed on such corporations.

For the purpose of rendering the opinion set forth in paragraph numbered 4 above, we have assumed compliance by the Issuer with requirements of the Internal Revenue Code of 1986 (the "Code"), that must be met subsequent to the issuance of the Bonds in order that interest thereon be and remain excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with such requirements.

It is to be understood that the rights of the holders 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 that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

AHLERS & COONEY, P.C.

[1]Preliminary, subject to change.

APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Glidden-Ralston Community School District, State of Iowa (the "Issuer"), in connection with the issuance of $1,295,000† General Obligation School Refunding Bonds, Series 2013 (the "Bonds"), dated the date of delivery. The Bonds are being issued pursuant to a Resolution of the Issuer approved on April 15, 2013 (the "Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

"Annual 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.

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

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

"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, 1900 Duke Street, Suite 600, Alexandria, VA 22314.

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

"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(b)(5) 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) The Issuer shall, or shall cause the Dissemination Agent to, not later than two hundred ten (210) days after the end of the Issuer's fiscal year (presently June 30th), commencing with the report for the 2012/2013 fiscal year, provide to the National Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Report may be submitted as a single document or as separate documents comprising a package. The Annual Report 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 date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

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

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†Preliminary, subject to change.

(c) The Dissemination Agent shall:

(i) each year file the Annual Report with the National Repository; and

(ii) (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Report has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

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

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

b) A table, schedule or other information of the type contained in the final Official Statement under the captions: "Enrollment," "Open Enrollment," "Population," "Historical Employment Statistics," "Retail Sales," "Property Valuations," "Tax Rates," "Historic Tax Rates," "Tax Collection History," "Largest Taxpayers," "Direct Debt," "Overlapping & Underlying Debt," "Debt Limit," and "Financial Summary."

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

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 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 in a timely manner not later than 10 Business Days after the day of the occurrence of the event;

(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 relating to the Bonds 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-exempt status of the Series Bonds, or material events affecting the tax-exempt status of the Bonds;

(7) Modifications to rights of Holders of the Bonds, if material;

(8) Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;

(9) Defeasances of the Bonds;

(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) Rating changes on the Bonds;

(12) Bankruptcy, insolvency, receivership or similar event of the Issuer;

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

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

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

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

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate 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. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

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

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

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

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

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

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

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

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

Date: May 1, 2013.

Glidden-Ralston Community
School District, STATE OF IOWA

By: ____________________________________
President of the Board of Directors

ATTEST:

By: ____________________________________
Secretary of the Board of Directors

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Glidden-Ralston Community School District, Iowa.

Name of Bond Issue: $1,295,000* General Obligation School Refunding Bonds, Series 2013

Dated Date of Issue: Date of Delivery

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

Dated: __________ day of _______________, __________.

Glidden-Ralston Community
School District, STATE OF IOWA

By: ____
Its: ____

*Preliminary, subject to change.

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER

This Appendix contains the entire 2011 audited financial statement of the issuer. The Auditor of State of the State of Iowa (the "State Auditor") maintains a webpage that contains prior years' audits of city, county, school district and community college, including audits of the Issuer, which can be found at the following link http://auditor.iowa.gov/reports/index.html.

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GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

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

June 30, 2011

Table of Contents

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Officials

Name	Title	Term Expires
	Board of Education	
Michele Schroeder	President	2011
Susan Freml	Vice President	2011
Robert Gregory	Board Member	2013
Matt Conner	Board Member	2013
Renee Schon	Board Member	2013
	School Officials	
Vicki Lowe	Superintendent	
Denise Best	District Secretary/Treasurer	

BURTON E. TRACY & CO., P.C.
Certified Public Accountants

Gary E. Horton CPA

PO Box 384
Clarion, IA 50525-0384
(515)532-6681 Phone
(515) 532-2405 Fax
BETCO@mchsi.com E-mail

Independent Auditor's Report

To the Board of Education of
Glidden-Ralston Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Glidden-Ralston Community School District, Glidden, Iowa, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements of the District's primary government listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

Except as noted in the following paragraph, we conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the primary government of the Glidden-Ralston Community School District, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the District's legal entity. The financial statements do not include financial data for the District's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the District's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Glidden-Ralston Community School District at June 30, 2011, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information for the primary government of Glidden-Ralston Community School District at June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated March 28, 2012 on our consideration of Glidden-Ralston Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, Budgetary Comparison Information and the schedule of Funding Progress for the Retiree Health Plan on pages 4 through 11 and 35 through 37 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Glidden-Ralston Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the seven years ended June 30, 2010, (which are not presented herein) and expressed qualified opinions on those financial statements due to the omission of a component unit, the Elmer Smith Trust, from the financial statements. Other supplementary information included in Schedules 1 through 6, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BURTON E. TRACY & CO., P.C.
Certified Public Accountants

March 28, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Glidden - Ralston Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2011. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Glidden - Ralston Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Glidden - Ralston Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds.

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Other Supplementary Information provides detailed information about the nonmajor funds.

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities*: The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

   The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

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

   The required financial statements for proprietary funds include a statement of net assets, a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

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

Government-Wide Financial Analysis

Figure A-1 below provides a summary of the District's net assets at June 30, 2011 compared to June 30, 2010.

Figure A-1

	Condensed Statement of Net Assets						
	Governmental Activities		**Business-type Activities**		**Total School District**		**Percentage Change**
	2011	**2010**	**2011**	**2010**	**2011**	**2010**	**2010-2011**
	$	$	$	$	$	$	
Current and other assets	5,582,837	5,052,035	20,085	16,813	5,741,960	5,602,922	11%
Capital assets	3,266,428	3,397,347	51,687	50,560	3,318,115	3,447,907	-4%
Total assets	8,849,265	8,449,382	71,772	67,373	9,060,075	8,921,037	5%
Long-term liabilities	1,771,372	1,827,311	5,565	2,818	1,776,937	1,830,129	-3%
Other liabilities	1,722,379	1,634,476	5,380	4,953	1,866,797	1,727,759	5%
Total liabilities	3,493,751	3,461,787	10,945	7,771	3,643,734	3,504,696	1%
Net Assets:							
Invested in capital assets, net of related debt	1,691,428	1,672,347	51,687	50,560	1,743,115	1,722,907	1%
Restricted	748,714	669,388	-	-	748,714	669,388	12%
Unrestricted	2,915,372	2,645,860	9,140	9,042	2,924,512	2,654,902	10%
TOTAL NET ASSETS	5,355,514	4,987,595	60,827	59,602	5,416,341	5,047,197	7%

The District's combined net assets increased by nearly 7%, or approximately $369,144, over the prior year. The largest portion of the District's net assets is the invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net assets increased approximately $79,326 or 12% over the prior year. The increase was primarily a result of increased revenues from operating grants and contributions.

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased approximately $269,610, or 10%. This change in unrestricted net assets was a result of increased revenues from income surtax, unrestricted state grants and investment earnings.

Figure A-2 shows the change in net assets for the years ended June 30, 2011 compared to the year ended June 30, 2010.

Figure A-2

	Change in Net Assets						
	Governmental Activities		Business-type Activities		Total School District		Percentage Change
	2011	2010	2011	2010	2011	2010	2010-2011
	$	$	$	$	$	$	
Revenues							
Program Revenues:							
Charges for services	536,572	587,624	103,275	117,282	639,847	704,906	-9%
Operating grants & contributions	665,149	800,240	80,394	77,074	745,543	877,314	-15%
Capital grants & contributions	-	-	-	-		-	
General Revenues:							
Property taxes	1,259,949	1,178,038	-	-	1,259,949	1,178,038	7%
Income Surtax	158,817	149,361	-	-	158,817	149,361	6%
Statewide sales & service tax	242,916	226,730	-	-	242,916	226,730	7%
Unrestricted state grants	1,141,882	1,034,950	-	-	1,141,882	1,034,950	10%
Unrestricted investment earnings	29,475	4,772	218	40	29,693	4,812	517%
Other revenue	459	3,596	-	-	459	3,596	-87%
Total Revenues	4,035,219	3,985,311	183,887	194,396	4,219,106	4,179,707	1%
Expenses:							
Instruction	2,161,703	2,188,358	-	-	2,161,703	2,188,358	-1%
Support services	1,114,313	1,040,914	-	-	1,114,313	1,040,914	7%
Non-instructional programs	-	-	182,662	185,286	182,662	185,286	-1%
Other expenditures	391,284	431,761		-	391,284	431,761	-9%
Total expenses	3,667,300	3,661,033	182,662	185,286	3,849,962	3,846,319	<1%
Change in net assets before transfers	-	324,278	-	9,110	-	333,388	-100%
Transfers	-	(15,935)	-	15,935	-	-	-
CHANGE IN NET ASSETS	367,919	308,343	1,225	25,045	369,144	333,388	11%
Net assets beginning of year	4,987,595	4,679,252	59,602	34,557	5,047,197	4,713,809	7%
Net assets end of year	5,355,514	4,987,595	60,827	59,602	5,416,341	5,047,197	7%

Property tax and unrestricted state grants account for 57% of the total revenue. The District's expenses primarily relate to instruction and support services, which account for 85% of the total expenses.

Governmental Activities

Revenues for governmental activities were $4,035,219 and expenses were $3,667,300.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses.

Figure A-3 **Total and Net Cost of Governmental Activities**

	Total Cost of Services 2011	Total Cost Of Services 2010	Net Cost of Services 2011	Net Cost of Services 2010
	$	$	$	$
Instruction	2,161,703	2,188,358	1,105,378	934,879
Support Services	1,114,313	1,040,914	1,103,992	1,040,914
Other Expenses	391,284	431,761	256,209	297,376
TOTAL	3,667,300	3,661,033	2,465,579	2,273,169

- The cost financed by users of the District's programs was $536,572.
- Federal and state governments and others subsidized certain programs with grants and contributions totaling $665,149.
- The net cost of governmental activities was financed with $1,661,682 in property and other taxes and $1,141,882 in unrestricted state grants.

Business Type Activities

Revenues for business type activities were $183,887 and expenses were $182,662. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of $3,714,367.

Governmental Fund Highlights

- The General Fund balance increased from $2,628,001 to $2,965,783. The increase was due primarily to implemented budget reductions, staff restructuring, and additional revenues from State and federal sources.

- The Capital Project Fund includes revenues from sales tax and from the physical plant and equipment property tax levy. These two revenue streams and the related expenditures are tracked separately in the District's accounting records, but are combined into one Capital Projects Fund for financial reporting. The monies in the Capital Projects fund will be used for future capital improvements and equipment purchases.

    - The Physical Plant and Equipment Levy account balance increased from (19,598) at June 30, 2010 to $8,922 at June 30, 2011.

    - The Statewide Sales Tax account balance decreased from $580,073 at June 30, 2010 to $572,782 at June 30, 2011**.**

Proprietary Fund Highlights

School Nutrition Fund net assets increased from $59,602 at June 30, 2010 to $60,827 at June 30, 2011, representing a increase of approximately 2%.

BUDGETARY HIGHLIGHTS

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

In spite of the District's budgetary practice, the certified budget was exceeded in the other expenditure functional area due to the timing of expenditures at year-end without sufficient time to amend the certified budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2011, the District had invested $3,318,115 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-4) This represents a net decrease of 4% from last year. More detailed information about the District's capital assets is presented in Note 5 to the financial statements. Depreciation expense for the year was $143,529.

Figure A-4

Capital Assets (net of depreciation)

	Governmental Activities		**Business type Activities**		**Total School District**		**Percentage Change**
	2011	**2010**	**2011**	**2010**	**2011**	**2010**	**2010-2011**
	$	$	$	$	$	$	
Land	10,000	10,000	-	-	10,000	10,000	0%
Buildings	3,041,705	3,129,115	-	-	3,041,705	3,129,115	-3%
Equipment & Furniture	214,723	258,232	51,687	50,560	266,410	308,812	-14%
TOTAL	3,266,428	3,397,347	51,687	50,560	3,318,115	3,447,927	-4%

Long-Term Debt

At June 30, 2011, the District had $1,776,937 in general obligation and other long-term debt outstanding. (See Figure A-5) Additional information about the District's long-term debt is presented in Note 6 to the financial statements.

Figure A-5
Outstanding Long-Term Obligations

	Total School District		**Percentage Change**
	2011	2010	2008-2009
	$	$	
Governmental activities:			
General obligation bonds	1,575,000	1,725,000	-9%
Termination benefits	18,300	12,129	51%
Net OPEB liability	178,072	93,000	91%
	1,771,372	1,830,129	-3%
Business type activities:			
Net OPEB liability	5,565	2,818	97%

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- During FY10 the Glidden-Ralston district was underfunded by $55 per student and further reduced by $410 per student in the 10% ATB cut. During FY11 the district will again be underfunded by approximately $290 per student. The state's share of the Instructional Support was underfunded in FY10 and is expected to not be funded at all in FY11. Phase I monies were unfunded by the state in FY10 resulting in $34,798 less money to the district. Current and future underfunding will have a negative effect on the district's general fund and cash fund balances.

- All bargaining unit contracts are one-year contracts, and open for renegotiation for next year. Salary and benefits represent over 75% of general fund expenditures. Salary and benefit settlements, with any employee group, exceeding rate of growth of state funding will have an adverse impact upon the District's General Fund budget.

- School financing is highly dependent upon student enrollment. The District's September 2011 enrollment decreased by 12.3 students.

- Increased opportunities for sharing (between neighboring districts and DMACC-Carroll Campus) may increase costs or decrease costs depending on annual negotiated agreements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Denise Best, District Secretary/Treasurer and Business Manager, Glidden-Ralston Community School District, 602 Idaho, Glidden, Iowa 51443.

BASIC FINANCIAL STATEMENTS

Exhibit A

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2011

	Governmental Activities	Business Type Activities	Total
	$	$	$
Assets			
Cash and cash equivalents	4,031,788	16,239	4,048,027
Receivables:			
Property tax:			
Delinquent	9,487	-	9,487
Succeeding year	1,281,758	-	1,281,758
Accounts	-	30	30
Due from other governments	247,094	-	247,094
Inventories	-	3,816	3,816
Bond discount	12,710	-	12,710
Capital assets, net of accumulated depreciation	3,266,428	51,687	3,318,115
Total assets	8,849,265	71,772	8,921,037
Liabilities			
Accounts payable	34,000	-	34,000
Salaries and benefits payable	335,219	1,920	337,139
Accrued interest payable	5,082	-	5,082
Deferred revenue:			
Succeeding year property tax	1,281,758	-	1,281,758
Other	66,320	3,460	69,780
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	160,000	-	160,000
Termination benefits	18,300	-	18,300
Portion due after one year:			
General obligation bonds payable	1,415,000	-	1,415,000
Net OPEB liability	178,072	5,565	183,637
Total liabilities	3,493,751	10,945	3,504,696
Net assets			
Invested in capital assets, net of related debt	1,691,428	51,687	1,743,115
Restricted for:			
Categorical funding	19,969	-	19,969
Management levy	85,658	-	85,658
Physical plant and equipment levy	8,922	-	8,922
Sales tax capital projects	572,782	-	572,782
Student activities	61,383	-	61,383
Unrestricted	2,915,372	9,140	2,924,512
Total net assets	5,355,514	60,827	5,416,341

See notes to financial statements.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year ended June 30, 2011

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
	$	$	$	$
Governmental activities:				
Instruction:				
Regular	1,488,952	412,185	407,214	-
Special	279,277	-	21,255	-
Other	393,474	114,702	100,969	-
	2,161,703	526,887	529,438	-
Support services:				
Student	180,747	-	-	-
Instructional staff	150,157	-	-	-
Administration	327,688	-	-	-
Operation and maintenance of plant	297,778	9,685	-	-
Transportation services	157,943	-	636	-
	1,114,313	9,685	636	-
Other expenditures:				
Facilities acquisition	95,575	-	-	-
Long-term debt interest	67,655	-	-	-
AEA flowthrough	135,075	-	135,075	-
Depreciation (unallocated)*	92,979	-	-	-
	391,284	-	135,075	-
Total governmental activities	3,667,300	536,572	665,149	-
Business type activities:				
Non-instructional programs:				
Food service operations	182,662	103,275	80,394	-
Total business type activities	3,849,962	639,847	745,543	-
General Revenues:				
Property taxes levied for:				
General purposes				
Debt service				
Capital outlay				
Income surtax				
Statewide sales, services and use tax				
Unrestricted state grants				
Unrestricted investment earnings				
Other				
Total general revenues				
Change in net assets				
Net assets beginning of year				
Net assets end of year				

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

Exhibit B

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business Type Activities	Total
$	$	$
(669,553)	-	(669,553)
(258,022)	-	(258,022)
(177,803)	-	(177,803)
(1,105,378)	-	(1,105,378)
(180,747)	-	(180,747)
(150,157)	-	(150,157)
(327,688)	-	(327,688)
(288,093)	-	(288,093)
(157,307)	-	(157,307)
(1,103,992)	-	(1,103,992)
(95,575)	-	(95,575)
(67,655)	-	(67,655)
-	-	-
(92,979)	-	(92,979)
(256,209)	-	(256,209)
(2,465,579)	-	(2,465,579)
-	1,007	1,007
(2,465,579)	1,007	(2,464,572)
1,145,753	-	1,145,753
76,832	-	76,832
37,364	-	37,364
158,817	-	158,817
242,916	-	242,916
1,141,882	-	1,141,882
29,475	218	29,693
459	-	459
2,833,498	218	2,833,716
367,919	1,225	369,144
4,987,595	59,602	5,047,197
5,355,514	60,827	5,416,341

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Balance Sheet
Governmental Funds

June 30, 2011

	General	Capital Projects	Nonmajor Governmental	Total
	$	$	$	$
Assets				
Cash and pooled investments	3,362,243	502,529	167,016	4,031,788
Receivables:				
Property tax:				
Delinquent	7,989	280	1,218	9,487
Succeeding year	1,121,569	38,709	121,480	1,281,758
Interfund receivable	-	-	2,210	2,210
Due from other governments	168,199	78,895	-	247,094
Total assets	4,660,000	620,413	291,924	5,572,337
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	30,436	-	3,564	34,000
Salaries and benefits payable	335,219	-	-	335,219
Interfund payable	2,210	-	-	2,210
Deferred revenue:				
Succeeding year property tax	1,121,569	38,709	121,480	1,281,758
Income surtax	138,463	-	-	138,463
Other	66,320	-	-	66,320
Total liabilities	1,694,217	38,709	125,044	1,857,970
Fund balances:				
Restricted for:				
Categorical funding	19,969	-	-	19,969
Debt service	-	-	1,539	1,539
Management levy	-	-	103,958	103,958
Student activities	-	-	61,383	61,383
School infrastructure	-	572,782	-	572,782
Physical plant and equipment	-	8,922	-	8,922
Unassigned	2,945,814	-	-	2,945,814
Total fund balances	2,965,783	581,704	166,880	3,714,367
Total liabilities and fund balances	4,660,000	620,413	291,924	5,572,337

See notes to financial statements.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets

June 30, 2011

	$
Total fund balances of governmental funds (Exhibit C)	3,714,367
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	3,266,428
Unamortized bond discount.	12,710
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	138,463
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(5,082)
Long-term liabilities, including bonds payable, termination benefits and other post employment benefits are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.	(1,771,372)
Net assets of governmental activities (Exhibit A)	5,355,514

See notes to financial statements.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year ended June 30, 2011

	General	Capital Projects	Nonmajor Governmental	Total
	$	$	$	$
Revenues:				
Local sources:				
Local tax	1,207,996	280,280	161,969	1,650,245
Tuition	291,067	-	-	291,067
Other	149,592	5,672	120,175	275,439
State sources	1,604,371	3,516	69	1,607,956
Federal sources	199,075	-	-	199,075
Total revenues	3,452,101	289,468	282,213	4,023,782
Expenditures:				
Current:				
Instruction:				
Regular	1,431,274	-	-	1,431,274
Special	268,291	-	-	268,291
Other	297,047	-	96,427	393,474
	1,996,612	-	96,427	2,093,039
Support services:				
Student	175,254	-	-	175,254
Instructional staff	150,157	-	-	150,157
Administration	312,127	-	-	312,127
Operation and maintenance of plant	234,935	25,815	35,680	296,430
Transportation	110,159	-	-	110,159
	982,632	25,815	35,680	1,044,127
Other expenditures:				
Facilities acquisition	-	102,424	-	102,424
Long-term debt:				
Principal	-	-	150,000	150,000
Interest and fiscal charges	-	-	66,680	66,680
AEA flowthrough	135,075	-	-	135,075
	135,075	102,424	216,680	454,179
Total expenditures	3,114,319	128,239	348,787	3,591,345
Excess (deficiency) of revenues over (under) expenditures	337,782	161,229	(66,574)	432,437
Other financing sources (uses):				
Operating transfers in	-	-	140,000	140,000
Operating transfers out	-	(140,000)	-	(140,000)
Total other financing sources (uses)	-	(140,000)	140,000	-
Net change in fund balances	337,782	21,229	73,426	432,437
Fund balances beginning of year, as restated	2,628,001	560,475	93,454	3,281,930
Fund balances end of year	2,965,783	581,704	166,880	3,714,367

See notes to financial statements.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Year ended June 30, 2011

	$	$
Net change in fund balances - total governmental funds (Exhibit E)		432,437
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Expenditures for capital assets	6,849	
Depreciation expense	(137,768)	(130,919)
Amortization of bond discount.		(1,412)
Income surtaxes not collected for several months after the District's fiscal year ends are not considered "available" revenues in the governmental funds and are included as deferred revenues. They are, however, recorded as revenues in the Statement of Activities.		11,437
Repayment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		150,000
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		437
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:		
Compensated absences	(6,171)	
Other postemployment benefits	(87,890)	(94,061)
Changes in net assets of governmental activities (Exhibit B)		367,919

See notes to financial statements.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Statement of Net Assets
Proprietary Funds

June 30, 2011

	Nonmajor School Nutrition
	$
Assets	
Cash and cash equivalents	16,239
Accounts receivable	30
Inventories	3,816
Capital assets, net of accumulated depreciation	51,687
Total assets	71,772
Liabilities	
Salaries and benefits payable	1,920
Deferred revenue	3,460
Net OPEB liability	5,565
Total liabilities	10,945
Net assets	
Invested in capital assets	51,687
Unrestricted	9,140
Total net assets	60,827

See notes to financial statements

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds

Year ended June 30, 2011

	Nonmajor School Nutrition
	$
Operating revenues:	
Local sources:	
Charges for service	103,275
Operating expenses:	
Non-instructional programs:	
Salaries	46,646
Benefits	15,599
Supplies	114,656
Depreciation	5,761
Total operating expenses	182,662
Operating income (loss)	(79,387)
Non-operating revenues:	
State sources	1,834
Federal sources	78,560
Interest income	218
Total non-operating revenues	80,612
Change in net assets	1,225
Net assets beginning of year	59,602
Net assets end of year	60,827

See notes to financial statements.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Statement of Cash Flows
Proprietary Funds

Year ended June 30, 2011

	Nonmajor School Nutrition
	$
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	103,260
Cash payments to employees for services	(58,798)
Cash payments to suppliers for goods or services	(101,411)
Net cash used by operating activities	(56,949)
Cash flows from non-capital financing activities:	
State grants received	1,834
Federal grants received	63,254
Net cash provided by non-capital financing activities	65,088
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(6,888)
Cash flows from investing activities:	
Interest on investments	218
Net increase (decrease) in cash and cash equivalents	1,469
Cash and cash equivalents at beginning of year	14,770
Cash and cash equivalents at end of year	16,239
Reconciliation of operating income (loss) to net cash used by operating activities:	
Operating income (loss)	(79,387)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:	
Commodities used	15,306
Depreciation	5,761
Decrease (increase) in inventories	(2,061)
Decrease (increase) in accounts receivable	258
(Decrease) increase in salaries and benefits payable	700
(Decrease) increase in deferred revenue	(273)
(Decrease) increase in other postemployment benefits	2,747
Net cash used by operating activities	(56,949)

Non-cash investing, capital and financing activities:

During the year ended June 30, 2011, the District received $15,306 of federal commodities.

See notes to financial statements.

1. Summary of Significant Accounting Policies

Glidden-Ralston Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. The geographic area served includes the Cities of Glidden and Ralston, Iowa and the predominately agricultural territory in a portion of Carroll and Greene Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Glidden-Ralston Community School District has included all funds, organizations, agencies, boards, commissions, and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. The Elmer Smith Scholarship School Trust meets the criteria for a component unit.

The board of directors of the Glidden-Ralston Community School District is also the trustee of the Elmer Smith Scholarship School Trust. Up to 60% of the Trust's income may benefit the Glidden-Ralston Community School District, $750 annually benefits other local charities and the rest of the income provides college scholarships to graduates of the Glidden-Ralston Community School District. Under U.S. generally accepted governmental accounting standards the Trust should be included the District's financial statements. The Trust has not been included in these financial statements upon the advice of the Trust's legal counsel.

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

B. Basis of Presentation

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

The Statement of Net Assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

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

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

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

Fund Financial Statements – Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for the Capital Project Fund accounts.

The District reports the following major governmental fund:

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

The proprietary fund of the District applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

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

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

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

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

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

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

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

Property tax revenue recognized in these funds became due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2009 assessed property valuations; is for the tax accrual period July 1, 2010 through June 30, 2011 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2010.

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

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

Capital Assets – Capital assets, which include property, furniture and equipment and intangibles, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
	$
Land	5,000
Buildings	5,000
Improvements other than buildings	5,000
Intangibles	25,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,500

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

Asset Class	Estimated Useful Lives
Buildings	50 years
Improvements other than buildings	5-25 years
Intangibles	3-20 years
Furniture and equipment	3-15 years

The District's collection of library books and other similar materials are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to District policy that requires proceeds from the sale of these items, if any, to be used to acquire other collection items.

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

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, as well as property tax receivable and other receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Assets consists of unspent grant proceeds, amounts received in advance for meal sales and succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use. Employees are not paid for unused vacation and sick leave benefits when employment with the District ends.

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

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

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

Unassigned – All amounts not included in other classifications.

Restricted Net Assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

E. Budgeting and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2011, expenditures exceeded the amounts budgeted in the other expenditures function.

2. Cash and Pooled Investments

The District's deposits in banks at June 30, 2011 were entirely covered by Federal depository insurance, or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

The District had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3 as amended by Statement No. 40.

3. Interfund Receivables and Payables

The detail of interfund receivables and payables at June 30, 2011 is as follows:

Receivable Fund	Payable Fund	Amount
		$
Nonmajor Governmental - Student Activity Fund	General Fund	2,210

The General Fund owes the Activity Fund for expenses paid by the Activity Fund.

4. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2011 is as follows:

Transfer To	Transfer From	Amount
		$
Nonmajor Governmental – Debt Service Fund	Capital Projects	140,000

This transfer moved revenues from the fund statutorily required to collect the resources to the fund that spent the resources.

5. Capital Assets

Capital assets activity for the year ended June 30, 2011 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
	$	$	$	$
Governmental activities:				
Capital assets not being depreciated:				
Land	10,000	-	-	10,000
Capital assets being depreciated:				
Buildings	4,749,696	-	-	4,749,696
Furniture and equipment	581,179	6,849	-	588,028
Total capital assets being deprec.	5,330,875	6,849	-	5,337,724
Less accumulated depreciation for:				
Buildings	1,620,581	87,410	-	1,707,991
Furniture and equipment	322,947	50,358	-	373,305
Total accumulated depreciation	1,943,528	137,768	-	2,081,296

Total capital assets being depreciated, net	3,387,347	(130,919)	-	3,256,428
Governmental activities capital assets, net	3,397,347	(130,919)	-	3,266,428

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
	$	$	$	$
Business type activities:				
Furniture and equipment	168,261	6,888	-	175,149
Less accumulated depreciation	117,701	5,761	-	123,462
Business type activities capital assets, net	50,560	1,127	-	51,687

Depreciation expense was charged to the following functions:

	$
Support services:	
Administration	1,150
Operation and maintenance	1,348
Transportation	42,291
	44,789
Unallocated depreciation	92,979
Total depreciation expense – governmental activities	137,768
Business type activities:	
Food services	5,761

6. Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2011, are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
	$	$	$	$	$
Governmental activities:					
General obligation bonds	1,725,000	-	150,000	1,575,000	160,000
Termination benefits	12,129	18,300	12,129	18,300	18,300
Net OPEB liability	90,182	87,890	-	178,072	-
Total	1,827,311	106,190	162,129	1,771,372	178,300
Business type activities:					
Net OPEB liability	2,818	2,747	-	5,565	-

Termination Benefits

The District offers a voluntary early retirement plan to its employees. Eligible employees must have completed at least twenty years of full-time service to the District and must have reached the age of fifty-five on or before June 30 in the calendar year in which early retirement commences. The application for early retirement is subject to approval by the Board of Education.

Early retirement benefits will be paid in the next year.

At June 30, 2011, the District has an obligation to one participant with a total liability of $18,300. Actual early retirement expenditures for the year ended June 30, 2011 totaled $12,129.

General Obligation Bonds Payable

Details of the District's June 30, 2011 general obligation bonded indebtedness are as follows:

	Bond Issue of November 2005			
Year Ended June 30,	Interest Rates	Principal	Interest	Total
	%	$	$	$
2012	3.55	160,000	60,980	220,980
2013	3.60	160,000	55,300	215,300
2014	3.70	165,000	49,540	214,540
2015	3.80	175,000	43,435	218,435
2016	3.90	175,000	36,785	211,785
2017-2020	4.00-4.10	740,000	73,635	813,635
		1,575,000	319,675	1,894,675

7. Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer 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. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 4.50% of their annual covered salary and the District is required to contribute 6.95% of annual covered salary. Contribution requirements are established by state statute. The District's contributions to IPERS for the years ended June 30, 2011, 2010, and 2009 were $133,588, $130,809 and $129,241 respectively, equal to the required contributions for each year.

8. Other Postemployment Benefits (OPEB)

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 48 active and 6 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through a fully-insured plan with Wellmark. 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 Cost and Net OPEB Obligation - The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, 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 the year ended June 30, 2011, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

	$
Annual required contribution	125,000
Interest on net OPEB obligation	4,185
Adjustment to annual required contribution	(3,548)
Annual OPEB cost	125,637
Contributions made	35,000
Increase in net OPEB obligation	90,637
Net OPEB obligation beginning of year	93,000
Net OPEB obligation end of year	183,637

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2011.

For the year ended June 30, 2011, the District contributed $35,000 to the medical plan. Plan members eligible for benefits contributed $45,816.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2011 are summarized as follows:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
	$	%	$
2010	125,000	25.6%	93,000
2011	125,637	28.9%	183,637

Funded Status and Funding Progress - As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2010 through June 30, 2011, the actuarial accrued liability was $1,127,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $1,127,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately $1,310,000 and the ratio of the UAAL to covered payroll was 86.0%. As of June 30, 2011, 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 health care 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 progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued 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 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 the July 1, 2009 actuarial valuation date, the alternative measurement method was used. The actuarial assumptions includes a 4.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 11%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.05% 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. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2007 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2007.

The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

9. Risk Management

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

10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled $135,075 for the year ended June 30, 2011 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

11. Categorical Funding

The District's restricted fund balance for categorical funding at June 30, 2011 is comprised of the following programs:

Program	Amount
	$
Home School Assistance Program	4,250
At-Risk	6,307
Educator quality, professional development	9,412
	19,969

12. Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund type Definitions, was implemented during the year ended 2011. The effect of fund type reclassifications is as follows:

	Capital Projects	Special Revenue, Physical Plant and Equipment Levy
	$	$
Balances June 30, 2010, as previously reported	580,073	(19,598)
Change in fund type classification per implementation of GASB Statement No. 54	(19,598)	19,598
Balances July 1, 2010, as restated	560,475	-

REQUIRED SUPPLEMENTARY INFORMATION

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses, and Changes in Balances -
Budget and Actual - All Governmental Funds and Proprietary Fund

Required Supplementary Information

Year ended June 30, 2011

	Governmental Fund Actual	Proprietary Fund Actual	Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance - Positive (Negative)
	$	$	$	$	$	$
Revenues:						
Local sources	2,216,751	103,493	2,320,244	2,514,558	2,514,558	(194,314)
State sources	1,607,956	1,834	1,609,790	1,770,304	1,770,304	(160,514)
Federal sources	199,075	78,560	277,635	262,000	262,000	15,635
Total revenues	4,023,782	183,887	4,207,669	4,546,862	4,546,862	(339,193)
Expenditures/Expenses:						
Instruction	2,093,039	-	2,093,039	3,630,557	3,630,557	1,537,518
Support services	1,044,127	-	1,044,127	1,445,752	1,445,752	401,625
Non-instructional programs	-	182,662	182,662	232,957	232,957	50,295
Other expenditures	454,179	-	454,179	137,013	137,013	(317,166)
Total expenditures/expenses	3,591,345	182,662	3,774,007	5,446,279	5,446,279	1,672,272
Excess (deficiency) of revenues over (under) expenditures/expenses	432,437	1,225	433,662	(899,417)	(899,417)	1,333,079
Balance beginning of year	3,281,930	59,602	3,341,532	2,520,832	2,520,832	820,700
Balance end of year	3,714,367	60,827	3,775,194	1,621,415	1,621,415	2,153,779

See accompanying independent auditor's report

Notes to Required Supplementary Information - Budgetary Reporting

Year ended June 30, 2011

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

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

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

During the year ended June 30, 2011, expenditures exceeded the amount budgeted in the other expenditures function.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of Funding Progress for the Retiree Health Plan

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
		$	$	$	%	$	%
2010	July 1, 2009	-	1,127,000	1,127,000	0.0%	1,140,000	98.9%
2011	July 1, 2009	-	1,127,000	1,127,000	0.0%	1,310,000	86.0%

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

OTHER SUPPLEMENTARY INFORMATION

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2011

	Special Revenue Funds			
Assets	Management Levy	Student Activity	Debt Service	Total
	$	$	$	$
Cash and pooled investments	103,317	62,737	962	167,016
Receivables:				
Property tax:				
Delinquent	641	-	577	1,218
Succeeding year	80,000	-	41,480	121,480
Interfund receivable	-	2,210	-	2,210
Total assets	183,958	64,947	43,019	291,924
Liabilities & Fund Balances				
Liabilities:				
Accounts payable	-	3,564	-	3,564
Deferred revenue:				
Succeeding year property tax	80,000	-	41,480	121,480
Total liabilities	80,000	3,564	41,480	125,044
Fund balances:				
Restricted for:				
Debt service	-	-	1,539	1,539
Management levy	103,958	-	-	103,958
Student activities	-	61,383	-	61,383
Total fund balances	103,958	61,383	1,539	166,880
Total liabilities and fund balances	183,958	64,947	43,019	291,924

Schedule 2

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds

Year ended June 30, 2011

	Special Revenue Funds			
	Management Levy	Student Activity	Debt Service	Total
	$	$	$	$
Revenues:				
Local sources:				
Local tax	85,137	-	76,832	161,969
Other	4,995	115,180	-	120,175
State sources	36	-	33	69
Total revenues	90,168	115,180	76,865	282,213
Expenditures:				
Current:				
Instruction:				
Other	-	96,427	-	96,427
Support services:				
Operation and maintenance of plant	35,680	-	-	35,680
Other expenditures:				
Long-term debt:				
Principal	-	-	150,000	150,000
Interest and fiscal charges	-	-	66,680	66,680
Total expenditures	35,680	96,427	216,680	348,787
Excess (deficiency) of revenues over (under) expenditures	54,488	18,753	(139,815)	(66,574)
Other financing sources (uses):				
Operating transfers in	-	-	140,000	140,000
Net change in fund balance	54,488	18,753	185	73,426
Fund balances beginning of year, as restated	49,470	42,630	1,354	93,454
Fund balances end of year	103,958	61,383	1,539	166,880

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet
Capital Project Accounts

June 30, 2011

	Capital Projects		
Assets	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
	$	$	$
Cash and pooled investments	493,887	8,642	502,529
Receivables:			
Property tax:			
Delinquent	-	280	280
Succeeding year	-	38,709	38,709
Due from other governments	78,895	-	78,895
Total assets	572,782	47,631	620,413
Liabilities & Fund Balances			
Liabilities:			
Deferred revenue:			
Succeeding year property tax	-	38,709	38,709
Fund balances:			
Restricted for:			
School infrastructure	572,782	-	572,782
Physical plant and equipment	-	8,922	8,922
Total fund balances	572,782	8,922	581,704
Total liabilities and fund balances	572,782	47,631	620,413

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Combining Schedule of Revenues, Expendiutes and Changes in Fund Balances
Capital Project Accounts

Year ended June 30, 2011

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
	$	$	$
Revenues:			
Local sources:			
Local tax	242,916	37,364	280,280
Other	2,502	3,170	5,672
State sources	3,500	16	3,516
Total revenues	248,918	40,550	289,468
Expenditures:			
Current:			
Support services:			
Operation and maintenance of plant	25,815	-	25,815
Other expenditures:			
Facilities acquisition	90,394	12,030	102,424
Total expenditures	116,209	12,030	128,239
Excess (deficiency) of revenues over (under) expenditures	132,709	28,520	161,229
Other financing sources (uses):			
Operating transfers out	(140,000)	-	(140,000)
Net change in fund balance	(7,291)	28,520	21,229
Fund balances beginning of year, as restated	580,073	(19,598)	560,475
Fund balance end of year	572,782	8,922	581,704

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2011

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
	$	$	$	$
Officials	(438)	-	490	(928)
Drama	131	-	-	131
Speech	(225)	-	352	(577)
Vocal	(119)	30	197	(286)
Instrumental	1,621	6,318	5,088	2,851
Boys high school basketball	1,016	4,164	3,780	1,400
Junior high basketball	(1,045)	-	1,025	(2,070)
High school football	5,013	29,213	23,128	11,098
Junior high football	(540)	-	390	(930)
Baseball	(3,191)	397	2,808	(5,602)
Boys high school track	(345)	25	597	(917)
Girls high school basketball	472	2,705	1,520	1,657
Cheerleading	2,311	780	12	3,079
Dance team	500	-	50	450
Volleyball	(1,347)	1,742	1,184	(789)
Junior high volleyball	(300)	-	240	(540)
Softball	(1,942)	1,737	2,904	(3,109)
Girls high school track	(330)	30	512	(812)
Junior high track	(33)	-	500	(533)
Student services	-	1,306	1,158	148
Towels & padlocks	1,099	810	-	1,909
Fund raiser	-	1,273	1,160	113
Resale	-	2,304	1,537	767
Activities resale	9,052	16,216	17,395	7,873
Activity tickets	6,185	6,267	-	12,452
Class of 2009	75	-	-	75
Class of 2010	435	-	-	435
Class of 2011	462	980	1,424	18
Class of 2012	2,995	1,810	3,280	1,525
Class of 2013	330	2,560	1,085	1,805
Class of 2014	308	902	140	1,070
Class of 2015	25	50	-	75
FFA	11,579	15,533	17,225	9,887
FHA	841	1,059	748	1,152
Golf	(965)	14	914	(1,865)
Interest	(851)	547	1,378	(1,682)
Science club	90	157	-	247
Spanish club	2,175	2,440	2,300	2,315
Art club	53	-	-	53

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2011

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
	$	$	$	$
Student council	4,476	1,004	1,109	4,371
Yearbook	5,165	10,993	4,537	11,621
Glidden school newspaper	746	-	325	421
Undesignated	(1,521)	1,814	(6,296)	6,589
Acccruals end of year	(1,333)	-	2,231	(3,564)
Totals	42,630	115,180	96,427	61,383

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds

For the Last Eight Years

	Modified Accrual Basis							
	2011	2010	2009	2008	2007	2006	2005	2004
	$	$	$	$	$	$	$	$
Revenues:								
Local sources:								
Local tax	1,650,245	1,543,282	1,662,973	1,427,211	1,455,241	1,293,991	1,322,892	1,492,713
Tuition	291,067	267,262	289,657	250,925	210,555	190,555	167,328	120,103
Other	275,439	332,069	311,201	309,670	236,498	300,778	192,146	213,455
State sources	1,607,956	1,479,943	1,826,112	1,876,970	1,694,426	1,576,713	1,589,601	1,385,722
Federal sources	199,075	355,247	141,917	141,766	125,152	309,604	146,316	186,944
Total revenues	4,023,782	3,977,803	4,231,860	4,006,542	3,721,872	3,671,641	3,418,283	3,398,937
Expenditures:								
Instruction:								
Regular	1,431,274	1,468,617	1,416,188	1,471,511	1,363,502	1,080,908	1,354,536	1,318,801
Special	268,291	261,329	265,548	202,786	258,081	225,238	250,374	249,298
Other	393,474	416,495	449,658	439,349	434,083	433,517	346,666	393,174
Support services:								
Student	175,254	139,914	154,582	128,839	127,748	163,758	140,147	142,473
Instructional staff	150,157	214,362	195,013	143,006	162,873	222,871	65,348	62,310
Administration	312,127	315,866	304,656	299,061	265,158	268,196	293,552	258,168
Operation and maintenance	296,430	274,744	268,289	285,027	301,348	271,928	191,399	194,765
Transportation	110,159	100,459	128,023	98,903	164,648	110,003	96,621	79,725
Other expenditures:								
Facilities acquisition	102,424	149,503	70,342	80,939	197,596	97,977	41,733	24,576
Long-term debt:								
Principal	150,000	120,000	140,000	135,000	130,000	195,000	110,000	105,000
Interest and other charges	66,680	71,175	75,614	79,291	82,465	145,680	104,665	108,812
AEA flowthrough	135,075	134,385	126,171	124,474	114,464	106,775	107,439	107,798
Total expenditures	3,591,345	3,666,849	3,594,084	3,488,186	3,601,966	3,321,851	3,102,480	3,044,900

See accompanying independent auditor's report.

BURTON E. TRACY & CO., P.C.
Certified Public Accountants

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

To the Board of Education of
Glidden-Ralston Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Glidden-Ralston Community School District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated March 28, 2012. Because the financial statements referred to above include only the primary government of the Glidden-Ralston Community School District, they do not purport to, and do not present fairly, the financial position and changes in financial position of the Glidden-Ralston Community School District in conformity with accounting principles generally accepted in the United States of America. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Glidden-Ralston Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Glidden-Ralston Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Glidden-Ralston Community School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies in internal control described in Part I of the accompanying Schedule of Findings and Responses as items 11-I-A, 11-I-B and 11-I-C to be material weaknesses.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2011 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

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

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Glidden-Ralston Community School District and other parties to whom Glidden-Ralston Community School District may report, and is not intended to be and should not be used by anyone other than these specified parties.

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

BURTON E. TRACY & CO., P.C.
Certified Public Accountants

March 28, 2012

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

Year ended June 30, 2011

Part I: Findings Related to the Financial Statements:

Internal Control Deficiencies:

11-I-A Segregation of Duties: The limited number of personnel makes it difficult to achieve adequate internal accounting control through the segregation of duties and responsibilities, such as recording and processing cash receipts, preparing checks and bank reconciliations, payroll processing, preparing and posting general journal entries, preparation of journals and general financial information for ledger posting, and the analysis of financial information. A small staff makes it difficult to establish an ideal system of automatic internal checks on accounting record accuracy and reliability, although we noted the District had taken steps to segregate duties between the present personnel. This is not an unusual condition but it is important the District officials are aware that the condition exists.

Recommendation: We realize that with a limited number of office employees, segregation of duties is difficult. However, the District should review its control procedures and increase monitoring procedures to obtain the maximum internal control possible under the circumstances.

District Response: We will continue to review our procedures and implement additional controls where possible.

Conclusion: Response accepted.

11-I-B Financial Statement Preparation: Financial statement preparation is the responsibility of the District. At the present time District personnel do not have the skills necessary to be able to write the District's financial statements and the related note disclosures. This is not an unusual situation for small governmental entities.

Recommendation: District personnel should attend any governmental accounting and reporting training sessions that may be offered by the Iowa Department of Education, State Auditor's Office or Iowa Association of School Business Officials. The school business office should also have governmental accounting and reporting reference materials.

District Response: As a school we certainly understand the need for continuing education classes for all of our staff. However, we have a limited budget and must continually prioritize needs. At this point in time it is not cost effective to train our staff to the level necessary that would enable them to write the financial statements, nor is it feasible to hire additional employees that already possess the skills.

Conclusion: Response accepted.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

Year ended June 30, 2011

Part I: Findings Related to the Financial Statements (continued):

11-I-C Signature Stamp: We noted that a stamp bearing the signatures of the Board President and Board Secretary is used to sign checks. The Board Secretary prints the checks and uses the stamp to sign the checks.

Recommendation: This practice negates the control established by requiring two signatures on the checks. The board secretary should not have access to or use a stamp with the Board President's signature.

District Response: We will discuss methods to limit access to the stamp.

Conclusion: Response accepted.

Instances of Noncompliance:

No matters were reported

Part II: Other Findings Related to Required Statutory Reporting:

11-II-A Certified Budget: Expenditures for the year ended June 30, 2011, exceeded the certified budget amount in the other expenditures function.

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

District Response: Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion: Response accepted.

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

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

11-II-D Business Transactions: Business transactions between the District and District officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
♦ Susan Freml, Board Member, Loan Officer & Asst. Trust Officer at United Bank of Iowa	School Banking	-

Susan Freml is an officer of the bank that handles the majority of the bank transactions for the District. The Board should be mindful of the potential for a conflict when the bank may indirectly benefit from Board action.

Recommendation: The District should consult legal counsel to determine the disposition of these matters.

District Response: We will consult with our attorney.

Conclusion: Response accepted.

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

11-II-F Board Minutes: We noted no transactions requiring Board approval that had not been approved by the Board.

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

Part II: Other Findings Related to Required Statutory Reporting (continued):

11-II-H Supplementary Weighting: No variances regarding supplementary weighting certified to the Department of Education were noted.

11-II-I Deposits and Investments: We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy.

11-II-J Certified Annual Report (CAR): The Certified Annual Report was certified to the Iowa Department of Education by the due date.

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

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

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2011, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

	$	$
Beginning balance		580,073
Revenues/transfers in:		
Statewide sales, services and use tax revenue	242,916	
Other local revenues	2,502	
State revenues	3,500	248,918
Expenditures/transfers out:		
School infrastructure construction	90,394	
Other	25,815	
Transfers to debt service fund	140,000	256,209
Ending balance		572,782

For the year ended June 30, 2011, the District reduced the following levies as a result of the moneys received under Chapter 423E of 423F of the Code of Iowa:

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

Year ended June 30, 2011

Part II: Other Findings Related to Required Statutory Reporting (continued):

	Rate of Levy Reduction Per $1,000 of Taxable Valuation	Property Tax Dollars Reduced
Debt service Levy	$1.1239	$140,000

11-II-M Interfund Loans: On October 22, 2009 the Iowa Department of Education issued a revised Declaratory Order, covering interfund loans. The Order states that all loans between funds must be approved by the board of directors, interest must be paid on the interfund loan and the loan must be repaid before the October 1 of the following year.

Recommendation: The District should follow the October 22, 2009 Declaratory Order with respect to interfund loans.

District Response: We will retire interfund loans with interest on a timely basis in the future.

Conclusion: Response accepted.

11-II-N Student Activity Fund Deficits: We noted several accounts in the Student Activity Fund with deficit balances.

Recommendation: The District should seek ways to eliminate the deficits.

District Response: We are trying to reduce those accounts with deficit balances.

Conclusion: Response accepted.