NEW ISSUE: FULL BOOK ENTRY **RATINGS BY S&P: "AA" (Enhanced)**
"A" (Underlying)
(**North Dakota School District Credit Enhancement Program)**
(See "*Rating*" herein)

In the opinion of Arntson Stewart Wegner PC, Bismarck, North Dakota, Bond Counsel, the interest to be paid on the Certificates is not includable in gross income of the recipient for United States or State of North Dakota income tax purposes. (See "STATE AND FEDERAL TAX CONSIDERATIONS" herein.

OFFICIAL STATEMENT
$14,215,000 STATE AID REFUNDING CERTIFICATES OF INDEBTEDNESS, SERIES 2019
WILLISTON PUBLIC SCHOOL DISTRICT NO. 1
(Williams County, North Dakota)

Dated: June 20, 2019 **Principal Due:** August 1, 2019 through 2030

The $14,215,000 State Aid Refunding Certificates of Indebtedness, Series 2019 (the "Certificates") issued by Williston Public School District No. 1, North Dakota (the "District") will be issued pursuant to the provisions of Chapter 21-02 of the North Dakota Century Code. The proceeds of the Certificates will be issued for the purpose of (i) refunding the Certificate of Indebtedness, Series 2015 (the "Prior Certificate"), and (ii) paying the costs associated with the issuance of the Certificates. The Certificates are a valid and binding limited obligation of the Issuer, payable from the State Appropriations to be received from the North Dakota Department of Public Instruction. (see "Security and Source of Payment" herein).

The Certificates will be issued as fully registered certificates without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Certificates. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Certificates purchased. Principal of the Certificates, payable annually on August 1, 2019 through 2030, and interest, payable semiannually on each February 1 and August 1 commencing August 1, 2019, will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Certificates as described herein.

The Certificates will mature on August 1 in the years and amounts as follows:

Year	Principal	Interest Rate	Yield	CUSIP	Year	Principal	Interest Rate	Yield	CUSIP
2019	$ 1,350,000	4.000%	1.600%	970718GM8	2025	$ 1,180,000	3.000%	1.900%	970718GT3
2020	970,000	4.000%	1.650%	970718GN6	2026	1,215,000	3.000%	2.000%	970718GU0
2021	1,005,000	4.000%	1.700%	970718GP1	2027	1,250,000	3.000%	2.100%	970718GV8
2022	1,045,000	4.000%	1.750%	970718GQ9	2028	1,285,000	3.000%	2.200%	970718GW6
2023	1,090,000	4.000%	1.800%	970718GR7	2029	1,325,000	3.000%	2.300%	970718GX4
2024	1,135,000	4.000%	1.850%	970718GS5	2030	1,365,000	3.000%	2.450%	970718GY2

The Certificates maturing on August 1, 2025 and thereafter are subject to optional redemption on August 1, 2024 and any date thereafter at a price of par plus accrued interest to the redemption date.

NOT BANK QUALIFIED: The Certificates are not "Qualified Tax-Exempt Obligations."

LEGAL OPINION: Arntson Stewart Wegner PC, Bismarck, North Dakota

REGISTRAR/PAYING AGENT: U.S. Bank, National Association, St. Paul, Minnesota

Robert W. Baird & Co, Inc. as syndicate purchaser, has agreed to purchase the Certificates from the District for an aggregate price of **$14,751,192.44**. The Bonds will be available for delivery on or about June 20, 2019.

The date of this Official Statement is June 6, 2019.

(This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision.)

BAIRD

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No dealer, broker, salesman or other person has been authorized by the District, the Municipal Advisor or the Underwriters to give any information or to make any representations other than those contained in this Official Statement or the Final Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the District, the Municipal Advisor or the Underwriters. This Official Statement or the Final Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there by any sale of the Certificates by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District and other sources which are believed to be reliable, but it is not to be construed as a representation by the Municipal Advisor or Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement or the Final Official Statement nor any sale made thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the District or in any other information contained herein, since the date hereof.

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

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INTRODUCTION TO THE OFFICIAL STATEMENT

The following information is furnished solely to provide limited introductory information regarding the $14,215,000 State Aid Refunding Certificates of Indebtedness, Series 2019 (the "Certificates") issued by Williston Public School District No. 1, North Dakota (the "District") and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement, including the appendices hereto.

Issuer:	Williston Public School District No. 1, North Dakota (the "District").	
Authority of Issuance:	The Certificates are being issued by the District pursuant to Chapter 21-02 of the North Dakota Century Code, and pursuant to a resolution to be adopted by the District on June 5, 2019.	
Purpose:	The Certificates will be issued to (i) refund the Certificate of Indebtedness, Series 2015, and (ii) pay the costs associated with the issuance of the Certificates.	
Security:	The Certificates are special limited obligations of the District for the payment of which it pledges its State Appropriations to be received by the District from the North Dakota Department of Public Instruction.	
Principal Payment:	Principal and interest on the Certificates will be payable from State Aid to be received by the District from the North Dakota Department of Public Instruction.	
Interest Payment:	Interest on the Certificates is payable on February 1 and August 1, commencing August 1, 2019.	
Optional Redemption	The Certificates maturing on August 1, 2025 and thereafter are subject to optional redemption on August 1, 2024 and any date thereafter at a price of par plus accrued interest.	
Credit Enhancement:	The District will participate in the North Dakota School District Credit Enhancement Program.	
Denominations:	$5,000 or integral multiples thereof of a single maturity.	
Book-Entry Only:	The Certificates will be issued as book-entry only securities through the Depository Trust Company.	
Not Bank Qualified:	The Certificates are not designated as "Qualified Tax-Exempt Obligations"	
Registrar & Paying Agent	U.S. Bank, National Association	
Professional Consultants:	*Municipal Advisor:*	PFM Financial Advisors LLC Fargo, North Dakota Minneapolis, Minnesota
	Bond Counsel:	Arntson Stewart Wegner PC Fargo, North Dakota
	Paying Agent:	U.S. Bank, National Association St. Paul, Minnesota
Legal Matters:	Validity, tax exemption, and legal matters incident to the authorization and issuance of the Certificates are subject to the opinion of Arntson Stewart Wegner, PC, Bond Counsel. The opinion will be substantially in the form set forth in Appendix B attached hereto.	
Dated Date/Delivery Date:	On or about June 20, 2019	

The information set forth herein has been obtained from the District and other sources which are believed to be reliable, but it is not to be construed as a representation by the Municipal Advisor or Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the District or in any other information contained herein, since the date hereof.

Questions regarding the Bonds or the Official Statement can be directed to, and additional copies of the Official Statement, the District's audited financial reports and the documents described herein may be obtained from, PFM Financial Advisors LLC, 50 South Sixth Street, Suite 2250, Minneapolis, Minnesota 55402 (612/338-3535 or 612/338-7264 fax), the District's Municipal Advisor.

(The remainder of this page has been left blank intentionally.)

DESCRIPTION OF THE CERTIFICATES

Authority and Purpose

The Certificates are being issued by the District pursuant to and in full conformity with the Constitution and laws of the State of North Dakota, including Chapter 21-02 of the North Dakota Century Code, as amended, and as authorized by the Bond Resolution adopted by the District on June 5, 2019 (the "Resolution"). The Resolution creates a valid lien on the State Appropriations to be received by the District from the State of North Dakota.

The proceeds of the Certificates will be used to prepay the $18,000,000 State Aid Certificate of Indebtedness, Series 2015 (the "Prior Certificate") issued to the Bank of North Dakota. The District will prepay the Prior Certificate on June 21, 2019 in the amount of approximately $14,660,194.50 which includes accrued interest. The Prior Certificate was issued for the purpose of constructing and equipping a new high school.

Security and Source of Payment

The Certificates are valid and binding limited obligations of the District, payable from the State Appropriations to be received from the North Dakota Department of Public Instruction pledged under the Resolution.

So long as any of the Certificates are outstanding and unpaid, the Business Manager shall maintain a sinking fund to be designated "Certificates of Indebtedness, Series 2019 Fund" (the "Certificate Fund") as a separate and special bookkeeping account on the official books and records of the District to be used for no purpose other than the payment of the principal of and interest on the Certificates and such other certificates of the District as have been or may be directed to be paid from the Certificate Fund. State appropriations distributed by the State to the District are required to be deposited by the District in the Certificate Fund to the extent necessary, with other available funds, until the amount on deposit for that fiscal year is at least equal to the principal of and interest on the Certificates due for that fiscal year. All moneys and investments in the Certificate Fund are irrevocably pledged and appropriated to the equal and ratable payment of the principal of and interest on the Certificates. If the balance in the Certificate Fund is ever insufficient to pay all principal and interest then due on such Certificates, the Business Manager shall nevertheless provide sufficient money from other funds of the District which are available for that purpose, and such other funds shall be reimbursed from the revenues of the State Appropriations.

State Aid

History of State Aid for the District

The following table shows the State Aid received by the District.

Fiscal Year	Amount
2019	$ 33,921,220
2018	28,525,077
2017	27,055,082
2016	25,416,431
2015	23,948,249
2014	23,413,143
2013	18,195,612
2012	16,148,140
2011	14,482,939
2010	14,967,936
2009	10,347,890

(1) Balance as of April, 2019

Source: North Dakota Department of Public Instruction.

Debt Service Coverage

The following table sets forth debt service coverage of the Certificates based on the State Aid available for debt service

Table 1
Debt Service Coverage

Calendar Year	Principal	Interest	Total	Coverage to State Aid[1]
2019	$ 1,350,000	$ 56,079	$ 1,406,079	24.12x
2020	970,000	438,400	1,408,400	24.08x
2021	1,005,000	399,600	1,404,600	24.15x
2022	1,045,000	359,400	1,404,400	24.15x
2023	1,090,000	317,600	1,407,600	24.10x
2024	1,135,000	274,000	1,409,000	24.07x
2025	1,180,000	228,600	1,408,600	24.08x
2026	1,215,000	193,200	1,408,200	24.09x
2027	1,250,000	156,750	1,406,750	24.11x
2028	1,285,000	119,250	1,404,250	24.16x
2029	1,325,000	80,700	1,405,700	24.13x
2030	1,365,000	40,950	1,405,950	24.13x

(1) Coverage Calculation is based on the total projected State Aid for the 2018/2019 fiscal year of $33,921,220, and assumes no annual increase or decrease.

Parity Obligations

The District may issue additional parity certificates and bonds (the "Parity Obligations") to provide funds to finance the acquisition, construction and equipping of District facilities, the repair and improvement of facilities, or the refunding of outstanding evidences of indebtedness, upon the following conditions:

(i) A certificate of the District stating and confirming that the State Aid received by the District for each of the two Fiscal Years preceding the issuance of the Parity Obligations was equal to at least 2.0 times the maximum annual Debt Service on the Outstanding Certificates or Bonds, the proposed Additional Bonds. In calculating the maximum annual Debt Service, there shall be deducted from such Debt Service the amount on deposit in a Reserve Fund, if any, (to the extent expected to pay Debt Service on the Outstanding Certificates or Additional Bonds) or in any irrevocable escrow fund being held for the payment of principal of and/or interest on the Certificates or Bonds.

All Certificates or Bonds issued in accordance with the Resolution shall have a lien on the State Aid which is equal to the lien of the Certificates and all Parity Obligations issued in accordance with the Resolution. Nothing in the Resolution shall preclude the District from issuing additional bonds which are expressly made subordinate to the pledge of State Aid to the Certificates. Notwithstanding the foregoing, the District may issue parity bonds with the written consent of the owners of all of the outstanding principal of the Certificates.

Provided, however, that prior to the issuance of any additional Parity Obligations, the Business Manager shall certify that the state funds available to the District under N.D.C.C. Chapter 15.1-27 are at least two times the maximum annual debt service amount for all obligations.

Bondholders' Risks

A number of factors could prevent the receipt of or reduce the amount of available State Aid Revenues for payment of debt service on the Certificates and Parity Obligations. The ability of the District to generate sufficient State Aid Revenues is dependent upon a number of conditions and risk factors that are unpredictable including student enrollment.

NO REPRESENTATION OR ASSURANCE CAN BE MADE THAT STATE AID REVENUES WILL BE REALIZED BY THE DISTRICT IN AMOUNTS SUFFICIENT TO PAY MATURING PRINCIPAL OF AND INTEREST ON THE CERTIFICATES AND THE OTHER OUTSTANDING OBLIGATIONS. Prospective purchasers of the Certificates should be aware that investment in the Certificates entails some degree of rick. Each prospective investor in the Certificates is encouraged to read this Official Statement in its entirety. Particular attention should be given to the factors described below which, among others could affect the payment of debt service on the Certificates and which could also affect the market price of the Certificates to an extent that cannot be determined. This discussion of risk factors is not, and is not intended to be exhaustive.

Limited Obligation

The obligation of the District to pay debt service on the Certificates is a special limited obligation of the District. The full faith and credit and taxing powers of the District are not pledged to pay debt service on the Certificates and the District does not have the authority to levy ad valorem property taxes without limit in order to pay debt service on the Certificates. As further described elsewhere herein, debt service on the Certificates is payable from State Aid Revenues received from the North Dakota Department of Public Instruction. While it is believed that State Aid Revenues will continue to be received from the North Dakota Department of Public Instruction and will be sufficient to pay debt service on the Certificates when due, a number of other factors described below, or factors not presently anticipated, may affect the receipt of sufficient revenues for such purposes.

Nature of Debt Service Coverage

Certain historical State Aid Revenues and other financial information for the District, including debt service coverage, are included in this Official Statement under the caption "Debt Service Coverage." The coverage is merely a mathematical computation as reflected in the applicable table, and constitutes no assurance as to the future debt of the District or the sufficiency of State Aid Revenues to satisfy the operations of the District and other debt service requirements.

General Factors that May Affect Sufficiency of State Aid Revenues

A decrease in the number of students registered at the District would have the most significant impact on State Aid Revenues as these revenues are calculated on a per student basis. Such a decrease would reduce the amount of State Aid Revenues to pay debt service on the Certificates.

Additional Parity Debt

Upon the satisfaction of certain conditions set forth in the Resolution, the District may issue Parity Obligations to provide funds to finance the acquisition, construction and equipping of District facilities, the repair and improvement of facilities or the refunding of outstanding evidences of indebtedness. The District may also issue Subordinated Obligations and other additional bonds not secured by the Resolution and the specifically pledged State Aid Revenues of the District, but payable from other revenues of the District. Such other additional bonds may be issued for any purpose permitted by law, including acquisition and construction of additional facilities or equipment.

Secondary Market

There can be no guarantee that there will be a secondary market for the Certificates or, if a secondary market exists, that such Certificates can be sold for any particular price. Such prices could be substantially different from the original purchase price of the Certificates.

EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE CERTIFICATES AND MUST BE ABLE TO BEAR THE ECONOMIC RISK OF SUCH INVESTMENT. THE SECONDARY MARKET FOR THE CERTIFICATES, IF ANY, COULD BE LIMITED.

Changes in Legislation

The future financial condition of the District and its ability to receive State Aid Revenues could be affected adversely by legislative and other regulatory actions, to the extent such changes are material and adversely alter the current operation of the District. The District cannot and does not make any predictions about such future legislative changes other than to note that any number of possible changes may adversely affect the operations of the District.

North Dakota School Credit Enhancement Program

The District has elected to participate in the North Dakota School District Credit Enhancement Program (the "Program"). Under the Program, if a school district is unable to make a bond payment, upon receipt of a notice of potential default, the State of North Dakota (the "State") will make the payment three days prior to the bond payment date from funds due, or payable, or appropriated to the school district under Chapter 15.1-27 of the North Dakota Century Code. To participate in the Program, the District's school board must adopt a resolution (the "Resolution") wherein the school district elects to participate in the Program, obligates the school district to be bound by the provisions of Section 6-09.4-23 and authorizes the withholding of state funds as required by the Program. The Resolution must further provide that the election to participate in the Program is irrevocable so long as the evidence of indebtedness enhanced by the Program remains outstanding and unpaid. The Resolution also must require the school district to deposit a bond payment with the paying agent five days before the payment date to the bondholders; certify that the state funds available to the school district under NDCC Chapter 15.1-27 are at least 2 times the maximum annual debt service on the Certificates; and provide for an additional bonds test requiring at least 2 times coverage of the maximum annual debt service for all outstanding bonds and subsequent bonds issued under the Program. The maximum annual debt service for all outstanding issues in the credit enhancement program is $3,380,465 in the year ending August 1, 2026. The total state aid due to the District for the 2018-19 school year is $33,921,220. The state aid provides 10.03 times coverage for the maximum annual debt service of all outstanding bonds in the Program.

Redemption Provisions

Optional Redemption

The Certificates maturing on August 1, 2025 and thereafter are subject to optional redemption on August 1, 2024 and any date thereafter at a price of par plus accrued interest to the redemption date.

Interest

Interest on the Certificates will be payable annually on each February 1 and August 1, commencing August 1, 2019. Interest will be computed on a 360-day year, 30-day month basis, and paid to the owners of record as of the close of business on the fifteenth day of the immediately preceding month. Payments coming due on a non-business day will be paid on the next business day.

Sources and Uses of Funds

The sources and uses of funds in connection with the issuance of the Certificates are as follows:

Table 2
Sources and Uses of Funds

Sources of Funds	
Par Amount	$ 14,215,000.00
Premium	666,308.65
Total Sources of Funds	$ 14,881,308.65
Uses of Funds	
Deposit to Refunding Fund	$ 14,659,773.10
Cost of Issuance/Underwriter's Discount	218,216.21
Additional Proceeds	3,319.34
Total Uses of Funds	$ 14,881,308.65

Book-Entry Only System

The information contained in the following paragraphs of this subsection "Book-Entry Only System" has been extracted from a schedule prepared by Depository Trust Company ("DTC") entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY ONLY ISSUANCE." The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

The information contained in the following paragraphs of this subsection "Book-Entry-Only SYSTEM" has been extracted from a schedule prepared by Depository Trust Company ("DTC") entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING DTC AND BOOK-ENTRY-ONLY ISSUANCE." The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

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

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear

through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

4. To facilitate subsequent transfers, all Certificates 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 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

8. Redemption proceeds, distributions, and dividend payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District 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, Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

NEITHER THE DISTRICT NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE CERTIFICATES UNDER THE RESOLUTION; (III) THE SELECTION BY DTC OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE CERTIFICATES OF A SERIES; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE CERTIFICATES; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF CERTIFICATES; OR (VI) ANY OTHER MATTER.

Continuing Disclosure

In order to permit bidders for the Certificates and other participating underwriters in the primary offering of the Certificates 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 District shall, or shall cause any Dissemination Agent to, not later than 365 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2019, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 in the Continuing Disclosure Certificate ("Disclosure Certificate") found in Appendix C of this Official Statement.

Within the last five years, the District has filed timely the financial operating data required by its prior continuing disclosure certificates. The District did not file its audited financial statements for its 2013-2017 fiscal years by the reporting dates, but in all cases unaudited financial statements were filed along with the timely filing of the financial and operating data. The District's audited financial statements were filed after they have become available. Failure-to-file notices were filed on June 26, 2017 and June 26, 2018 concerning its audited financial statements for its fiscal years ended June 30, 2016 and June 30, 2017.

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

(The remainder of this page has been left blank intentionally.)

THE DISTRICT

General Information

The District is located in northwestern North Dakota in Williams County (the "County") and includes the City of Williston (the "City") and the surrounding area. The City is located on the Missouri River and is approximately 68 miles south of the Canadian border and 18 miles east of the Montana border. The District has a population of approximately 24,458 and covers an area of 14.75 squares miles.

Table 3 provides a description of the District's current facilities.

Table 3
District Facilities

Building	Year Built	Additions	Grades	Estimated Capacity	Current Enrollment
Hagan Elementary	1980	Modular	K-6	300	488
Lewis & Clark Elementary	1950		K-6	225	273
McVay Elementary	1950		K-6	150	434
Rickard Elementary	1950	Modular	K-6	300	292
Wilkinson Elementary	1950		K-6	175	281
Williston Middle School & High School	1950	2004, 2014	7-12	1,300	1,312
Bakken Elementary			5-6		--
New High School	2016		6-12	1,200	1,195
Total					4,275

Organization and Administration

The school board is the policy-making body. Among some of the roles of the School Board are to approve the budget, establish goals and priorities, acquire and dispose of property, serve as a link between the school system and the public and interpret educational needs and concerns of the community. The Board of Education is made up of five residents of the District elected at large to four-year terms. Board meetings are held the second and fourth Mondays of each month at 6:00 p.m. The school board and the current administration are presented in the following table.

Table 4
School Board

Name	Position	Expiration Date
Joanna Baltes	President	July 2022
Thomas Kalil	Vice President	July 2022
Theresa Heege	Member	July 2022
Sara Kasmer	Member	July 2020
Heather Wheeler	Member	July 2020

Table 5
District Administration

Name	Position
Dr. Jeff Thake	Superintendent
Jodi Germundson	Business Manager

Enrollment Trends

The District provides a complete curriculum to students in grades Kindergarten through 12th grade. Enrollments in the District for the last five years are set forth in Table 6 below. The District's enrollment for the 2018/19 school year is 4,349.

Table 6
Historical Enrollment

School Year	Students
2017/18	4,081
2016/17	3,840
2015/16	3,678
2014/15	3,371
2013/14	3,183
2012/13	2,842

Source: North Dakota Department of Public Instruction.

Pension Plans

North Dakota Teachers Fund For Retirement (TFFR)

The following brief description of TFFR is provided for general information purposes only. Participants should refer to the North Dakota Century Code ("NDCC") Chapter 15-39.1 for more complete information.

TFFR is a cost-sharing multiple-employer defined benefit pension plan covering all North Dakota public teachers and certain other teachers who meet various membership requirements. TFFR provides for pension, death and disability benefits. The cost to administer the TFFR plan is financed by investment income and contributions.

Responsibility for administration of the TFFR benefits program is assigned to a seven-member Board of Trustees (Board). The Board consists of the State Treasurer, the Superintendent of Public Instruction, and five members appointed by the Governor. The appointed members serve five-year terms which end on June 30 of alternate years. The Appointed Board members must include two active teachers, one active school administrator, and two retired members. The TFFR Board submits any necessary or desirable changes in statutes relating to the administration of the fun, including benefit terms, to the Legislative Assembly for consideration. The Legislative Assembly has final authority for changes to benefit terms and contribution rates.

Pension Benefits

For purposes of determining pension benefits, members are classified within one of three categories. Tier 1 grandfathered and Tier 1 non-grandfathered members are those with service credit on file as of July 1, 2008. Tier 2 members are those newly employed and returning

Tier 1 Grandfathered

A Tier 1 grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or the sum of the age and years of service credit equals or exceeds 85. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 6% per year for every year the member's retirement age is less than 65 years or the date as of which age plus service equal 85. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten, or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 1 Non-grandfathered

A Tier-1 non-grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or has reached age 60 and the sum of age and years of service years equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten, or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 2

A Tier 2 member is entitled to receive unreduced benefits when five or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten, or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Death and Disability Benefits

Death benefits may be paid to a member’s designated beneficiary. If a member’s death occurs before retirement, the benefit options available are determined by the member’s vesting status prior to death. If a member’s death occurs after retirement, the death benefit received by the beneficiary (if any) is based on the retirement plan the member selected at retirement.

An active member is eligible to receive disability benefits when: (a) a total disability lasting 12 months or more does not allow the continuation of teaching, (b) the member has accumulated five years of credited service in North Dakota, and (c) the Board of Trustees of TFFR has determined eligibility based upon medical evidence. The amount of the disability benefit is computed by the retirement formula in NDCC Section 15-39.1-10 without consideration of age and uses the member’s actual years of credited service. There is no actuarial reduction for reason of disability retirement.

Member and Employer Contributions

Member and employer contributions paid to TFFR are set by NDCC Section 15-39.1-09. Every eligible teacher in the State of North Dakota is required to be a member of TFFR and is assessed at a rate of 11.75% of salary as defined by NDCC Section 15-39.1-04. Every governmental body employing a teacher must also pay into TFFR a sum equal to

12.75% of the teacher's salary. Member and employer contributions will be reduced to 7.75% each when the fund reaches 100% funded ratio on an actuarial basis.

A vested member who terminates covered employment may elect a refund of contributions paid plus 6% interest or defer payment until eligible for pension benefits. A non-vested member who terminates covered employment must claim a refund of contributions paid before age $70^{1/2}$. Refunded members forfeit all service credits under TFFR. These service credits may be repurchased upon return to covered employment under certain circumstances, as defined by the NDCC.

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources Related to Pensions

At June 30, 2018, the District reported a liability of $38,725,636 for its proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of covered payroll in the pension plan relative to the covered payroll of all participating TFFR employers. At July 1, 2017, the District's proportion was 2.81943282 percent, which was a decrease of .01074058 from its proportion measured as of July 1, 2016.

For the year ended June 30, 2018, the District recognized pension expense of $4,414,126. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 148,540	$ 422,744
Changes in assumptions	2,760,219	--
Net difference between projected and actual earnings on pension plan investments	514,910	--
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,159,407	112,041
Employer contributions subsequent to the measurement date	2,447,342	--
Total	$ 9,050,418	$ 535,145

$2,447,342 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2018	$ 1,354,735
2019	2,193,764
2020	1,668,445
2021	746,853
2022	166,158
Thereafter	(62,024)

Actuarial Assumptions

The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	4.25% to 14.50%, varying by service, including inflation and productivity
Investment rate of return	7.75% net of investment expenses
Cost-of-living adjustments	None

For active and inactive members, mortality rates were based on the RP-2014 Employee Mortality Table, projected generationally using Scale MP-2014. For healthy retirees, mortality rates are based on the RP-2014 Healthy Annuitant Mortality Table set back one year, multiplied by 50% for ages under 75 and grading up to 100% by age 80, projected generationally using Scale MP-2014. For disabled retirees, mortality rates were based on the RP-2014 Disabled Mortality Table set forward four years.

The actuarial assumptions used were based on the results of an actuarial experience study dated April 30, 2015. They are the same as the assumptions used in the July 1, 2017, funding actuarial valuation for TFFR.

As a result of the April 30, 2015 actuarial experience study, the TFFR Board adopted several assumption changes, including the following:

- Investment return assumption lowered from 8% to 7.75%.
- Inflation assumption lowered from 3% to 2.75%
- Total salary scale rates lowered by 0.25% due to lower inflation
- Added explicit administrative expense assumption, equal to prior year administrative expense plus inflation.
- Rates of turnover and retirement were changed to better reflect anticipated future experience.
- Updated mortality assumption to the RP-2014 mortality tables with generational improvement.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equities	58%	6.7%
Global fixed income	23%	0.8%
Global real assets	18%	5.2%
Cash Equivalents	1%	0.0%

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at rates equal to those based on the July 1, 2017, Actuarial Valuation Report. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of net pension liability	$ 51,486,420	$ 38,725,636	$ 28,102,668

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TFFR financial report, located in the North Dakota Retirements and Investments Office's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. Additional financial and actuarial information is available on their website or may be obtained by writing to ND Retirement and Investment office, 3442 East Century Avenue, PO Box 7100, Bismarck, North Dakota, 58507-7100 or by calling (701) 328-9885.

North Dakota Public Employees Retirement System (NDPERS)

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of seven members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system; one member elected by the retired public employees; and two members of the legislative assembly appointed by the chairman of the legislative management.

Pension Benefits

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Member of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 will be replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. The plan permits early retirement at ages 55-64 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members; accumulate contributions plus interest.

Death and Disability Benefits

Death and disability benefits are set by statute. F an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of $100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition for disabled is set by the NDPERS in the North Dakota Administrative Code.

Refunds of Member Account Balance

Upon termination, if a member of the Main System is not vested (is not 65 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer contributions rates and 7.12% of covered compensation.

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is $25 and the maximum may not exceed the following:

1 to 12 months of service – Greater of one percent of monthly salary or $25
13 to 24 months of service – Greater of two percent of monthly salary or $25
25 to 36 months of service – Greater of three percent of monthly salary or $25
Longer than 36 months of service – Greater of four percent of monthly salary or $25

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the District reported a liability of $11,104,307 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of the covered payroll in the Main System pension plan relative to the covered payroll of all participating Main system employers. At June 30, 2017, the District's proportion was 0.690855 percent, which was an increase of 0.078696 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 208, the District recognized pension expense of $2,055,364. At June 30, 2018,, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 66,003	$ 54,102
Changes in assumptions	4,553,515	250,453
Net difference between projected and actual earnings on pension plan investments	149,344	--
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,476,542	1
Employer contributions subsequent to the measurement date	516,773	--
Total	$ 6,762,177	$ 304,556

$516,773 reported as a deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2018	$ 1,342,567
2019	1,547,485
2020	1,391,425
2021	1,143,004
2022	516,367
Thereafter	--

Actuarial Assumptions

The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5%	
Salary increases	Service at the Beginning of Year	Increase Rate
	0	15.00%
	1	10.00%
	2	8.00%
	Age*	
	Under 36	8.00%
	36-40	7.50%
	41-49	6.00%
	50+	5.00%
	* Age-based salary increase rates apply for employees with three or more years of service	
Investment rate of return	7.75% net of investment expenses	
Cost-of-living adjustments	None	

For active members, inactive members and healthy retirees, mortality rates were based on the RP-2000 Combined Healthy Mortality Table set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table set back one year for males (no setbacks for females) multiplied by 125%.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	31%	6.05%
International equity	21%	6.70%
Private equity	5%	10.20%
Domestic fixed income	17%	1.43%
International fixed income	5%	-0.45%
Global real assets	20%	5.16%
Cash equivalents	1%	0.00%

Discount Rate

For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contribution, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined to and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investment (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

The pension plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments through the year of 2061. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2061, and the municipal bond rate was applied to all benefit payments after that date. For the purpose of this valuation, the expected rate of return on pension plan investments in 7.75%; the municipal bond rate in 3.56%; and the resulting Single Discount Rate is 6.44%.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following present the District's proportionate share of the net pension liability calculated using the discount rate of 6.44 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.44 percent) or 1-percentage-point higher (7.44 percent) than the current rate:

	1% Decrease (5.44%)	Current Discount Rate (6.44%)	1% Increase (7.44%)
District's proportionate share of net pension liability	$ 15,074,437	$ 11,104,307	$ 7,801,325

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report.

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ECONOMIC AND DEMOGRAPHIC INFORMATION

General Information about the Area

The City of Williston (the "City"), the County Seat of Williams County (the "County"), is located in Northwestern North Dakota. The City was incorporated as a City in 1904. The City is situated on the Missouri River 18 miles from the Montana border and 68 miles south of the Canadian border.

Oil and Mineral Production

In recent years oil production has been an important economic activity in the Williston area. The County overlays part of the Williston Basin which covers hundreds of square miles. The discovery of gas and oil in the County in the early 1950's expanded the County's production of natural resources. The City, as one of the larger communities in the area, realized much of the growth stimulated by the new industry.

As of May, 2019, there were 66 active drilling rigs in the State, according to the North Dakota Industrial Commission, Oil and Gas Division. Williams County's barrels of oil produced during March of 2019 were 6,922,763. Several major oil companies are investing significant capital in exploration and development of the Williston Basin, including Continental Resources, Marathon Oil, Halliburton, Hess Corporation, Brigham Exploration and many others.

In the period of 2013-2019 monthly barrels of oil produced in Williams County reached its peak in January, 2019 at 7.292 million.

Population

Table 7 shows the population of the City of Williston and Williams County as recorded in the past four decennial censuses plus a recent estimate.

Table 7
Population Statistics

Census Year	City of Williston[1]	Williams County[1]
2017[1]	25,586	36,804
2010	14,176	22,398
2000	12,512	19,761
1990	13,131	21,129
1980	13,354	22,237

[1] July 2017 Estimate.

Source: U.S. Census Bureau, www.census.gov

Labor Force and Unemployment Statistics

Average annual labor force and unemployment rates for Williams County for the last five years and the most recent data available are presented in Table 8 below, along with the unemployment rates for the State of North Dakota and the United States.

Table 8
Labor Force and Unemployment Statistics

	Williams County		North Dakota	United States
Year	Labor Force	Unemployment Rate	Unemployment Rate	Unemployment Rate
2019[1]	24,083	2.1%	3.0%	3.9%
2018	22.604	2.0%	2.6%	3.9%
2017	23.178	2.1%	2.7%	4.1%
2016	21,897	3.7%	2.9%	4.7%
2015	25.375	3.4%	3.0%	5.0%
2014	32,932	1.2%	2.6%	5.6%

(1) Date reflects March, 2019.

Source: Job Service of North Dakota

Housing and Income Statistics

Table 9 below presents key housing and income statistics for the County as compared with the State of North Dakota.

Table 9
Housing and Income Statistics

	Williams County	State of North Dakota
Median Value of Home (2013-2017)	$ 238,900	$ 174,100
Median Household Income (2013-2017)	$ 89,874	$ 61,285
Per Capita Personal Income		
2017	$ 66,397	$ 52,269
2016	64,056	52,632
2015	80,131	53,559
2014	102,551	56,004

Source: U.S. Census Bureau, www.census.gov.
Bureau of Economic Analysis, www.bea.gov.

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Major Employers

The majority of the major employers in the County and the District are located in the City of Williston. Table 10 presents a listing of the principal private employers within the County.

Table 10
Principal Employers

Employer	Location	Product or Service	Employees
Halliburton	Williston	Oil Field Service	900
Nabors Drilling USA LP	Williston	Drilling & Boring Contractors	700
Mercy Medical Center	Williston	Hospitals	474
Hexom Earth Construction Inc.	Williston	General Contractors	400
Republic Services	Williston	Environmental and Ecological Services	400
Walmart Supercenter	Williston	Department Stores	335
B &G Roustabout Service Inc.	Williston	Oil Field Service	300
Grand Treasure Casino	Williston	Casinos	300
Nebors Completion & Production	Williston	Drilling & Boring Contractors	300
Triangle Electric Inc.	Williston	Electric Contractors	300

Source: Reference USA.

Major Industries

Table 11 below shows the distribution of industries in the County for the 1st quarter of 2019.

Table 11
Principal Employers

Rank	Industry Sector	Establishments	Employees
1	Mining, Quarrying, and Oil and Gas Extraction	241	9,924
2	Construction	259	3,115
3	Government	75	2,364
4	Retail Trade	128	2,360
5	Transportation and Warehousing	198	2,173
6	Accommodation and Food Services	134	1,840
7	Wholesale Trade	178	1,714
8	Health Care and Social Assistance	112	1,527
9	Real Estate and Rental and Leasing	122	955
10	Administrative and Waste Services	114	864

Source: Job Service of North Dakota.

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FINANCIAL SUMMARY

(This summary is subject in all respects to more complete information contained in this Official Statement.)

2018/19 Market Value (100%)	$2,367,032,742
2018/19 Assessed Value (50%)	$1,183,516,371
2018/19 Taxable Value	$ 112,315,251
General Obligation Long-Term Debt	$ 40,393,948
Limited Tax Long-Term Debt	$ 1,310,000
Certificates of Indebtedness (This Issue)	$ 14,215,000
Overlapping Debt	$ 40,763,682
District Population (U.S. Census Bureau 2017 Estimate)	24,458
Land Area	14.75 square miles

Debt Ratios:

	Amount	Debt Per Capita (24,458)	% of Market Value
General Obligation Long-Term Debt	$ 40,393,948	$1,652	1.71%
Limited Tax Long-Term Debt	1,310,000	54	0.06%
Certificates of Indebtedness	14,215,000	581	0.60%
Overlapping Debt	40,763,682	1,667	1.72%
Total Long-Term Debt	$ 96,682,630	$3,953	4.08%

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DEBT STRUCTURE

General Obligation Long-Term Debt

Table 12 below summarizes the total general obligation long-term debt of the District as of April 1, 2019. Table 13 presents the annual maturity schedules for the bonds supported by debt service levy and Table 14 on the next page presents the annual maturity schedule for the bonds supported by the building fund levy.

Table 12
General Obligation Long-Term Debt by Issue

Date	Purpose	Original Issue Size	Interest Range	Maturity Dates Outstanding	Principal Amount Outstanding
G.O. Debt Supported By Debt Service Levy					
10/15/14	School Building Bonds[1]	$ 9,895,000	2.50%-3.50%	08/01/2026-34	$ 9,895,000
05/28/15	School Building Bonds[1]	4,105,000	2.00%-3.00%	08/01/2019-25	3,810,000
09/18/15	School Construction Loan	20,000,000	2.00%	04/01/2020-35	17,583,948
Total G.O. Debt Supported by Debt Service Levy					$ 31,288,948
G.O. Debt Supported by Building Fund Levy					
11/05/15	Building Fund Bonds[1]	$ 3,965,000	2.00%-3.00%	08/01/2019-35	$ 3,510,000
04/05/16	Building Fund Bonds[1]	6,035,000	3.00%	08/01/2019-35	5,595,000
Total G.O. Debt Supported by Building Fund Levy					$ 9,105,000
Total General Obligation Debt Long-Term Debt					$ 40,393,948

(1) These bonds participate in the North Dakota School Credit Enhancement Program.

Table 13
General Obligation Long-Term Debt
Supported by Debt Service Levy
Annual Maturity Schedule

Calendar Year (December 1)	Principal	Interest	Total
2019	$ 579,944	375,409	955,354
2020	1,051,353	735,633	1,786,986
2021	1,188,125	714,424	1,902,549
2022	1,331,758	690,471	2,022,229
2023	1,487,347	658,336	2,145,683
2024	1,649,991	621,928	2,271,919
2025	1,819,793	584,882	2,404,675
2026	1,956,864	543,804	2,500,668
2027	2,031,318	499,522	2,530,840
2028	2,108,275	451,102	2,559,377
2029	2,192,863	400,942	2,593,805
2030	2,285,214	346,201	2,631,415
2031	2,375,469	289,249	2,664,718
2032	2,473,774	227,365	2,701,139
2033	2,580,284	163,061	2,743,345
2034	2,690,160	93,110	2,783,271
2035	1,486,415	22,204	1,508,619
Total	$ 31,288,948	$ 7,417,644	$ 38,706,592

Table 14
General Obligation Long-Term Debt
Supported by Building Fund Levy
Annual Maturity Schedule

Calendar Year (December 1)	Principal	Interest	Total
2019	$ 425,000	$ 129,520	$ 554,520
2020	440,000	247,990	687,990
2021	455,000	236,540	691,540
2022	460,000	224,690	684,690
2023	475,000	212,690	687,690
2024	490,000	200,290	690,290
2025	495,000	187,490	682,490
2026	515,000	174,350	689,350
2027	525,000	160,500	685,500
2028	540,000	144,750	684,750
2029	560,000	128,550	688,550
2030	575,000	111,750	686,750
2031	590,000	94,500	684,500
2032	615,000	76,800	691,800
2033	630,000	58,350	688,350
2034	645,000	39,450	684,450
2035	670,000	20,100	690,100
Total	$ 9,105,000	$ 2,448,310	$ 11,553,310

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Limited Tax Long-Term Debt

Table 15 below summarizes the total limited tax long-term debt of the District payable solely from a special levy which may be levied upon all taxable property located in the District at the rate of 15 mills for 15 years. Table 16 below presents the annual maturity schedules for such long-term debt as of the issuance of the Bonds.

Table 15
Limited Tax Long-Term Debt by Issue

Date	Purpose	Original Issue Size	Interest Range	Maturity Dates Outstanding	Principal Amount Outstanding
06/01/11	Limited Tax School Building	$ 2,690,000	1.70%-3.10%	10/01/2019-24	$ 1,310,000
Total Limited Tax Long-Term Debt					$ 1,310,000

Table 16
Limited Tax Long-Term Debt
Annual Maturity Schedule

Calendar Year (December 31)	Principal	Interest	Total
2019	$ 205,000	$ 18,730	$ 223,730
2020	210,000	32,540	242,540
2021	215,000	26,870	241,870
2022	220,000	20,635	240,635
2023	225,000	14,035	239,035
2024	235,000	7,285	242,285
Total	$ 1,310,000	$ 120,095	$ 1,430,095

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Certificates of Indebtedness

Table 17 and Table 18 summarize the District's State Aid Refunding Certificates of Indebtedness, Series 2019.

Table 17
Certificates of Indebtedness

Date	Purpose	Original Issue Size	Interest Range	Maturity Dates Outstanding	Principal Amount Outstanding
05/20/19	Refunding Certificates of Indebtedness	$ 14,215,000	3.00% - 4.00%	08/01/2019-30	$ 14,215,000
Total Certificates of Indebtedness					$ 14,215,000

(1) These certificates participate in the North Dakota School Credit Enhancement Program.

Table 18
Certificates of Indebtedness
Annual Maturity Schedule

Calendar Year (December 31)	Principal	Interest	Total
2019	$ 1,350,000	$ 56,079	$ 1,406,079
2020	970,000	438,400	1,408,400
2021	1,005,000	399,600	1,404,600
2022	1,045,000	359,400	1,404,400
2023	1,090,000	317,600	1,407,600
2024	1,135,000	274,000	1,409,000
2025	1,180,000	228,600	1,408,600
2026	1,215,000	193,200	1,408,200
2027	1,250,000	156,750	1,406,750
2028	1,285,000	119,250	1,404,250
2029	1,325,000	80,700	1,405,700
2030	1,365,000	40,950	1,405,950
Total	$ 14,215,000	$ 2,664,529	$ 16,879,529

Future Financing

The District does not anticipate that it will issue additional general obligation bonds within the next six months.

Debt Limitation

According to Article V, Section 15 of the North Dakota Constitution and Section 21-03-04 of the North Dakota Century Code, North Dakota Schools Districts may not become indebted for any purpose in excess of 5% of their assessed value except that a school district by a majority vote of the qualified voters voting upon the question at a general or special election, may increase such limitation of indebtedness five percent on such assessed value beyond the five percent limit. Since the 1950s, the District's debt limit has been 10%. Section 57-02-01(16) of the North Dakota Century Code defines "Assessed Value" as 50% of the true and full value of the property. Table 19 presents the debt limit of the District.

Table 19
Debt Limit Computation

Assessed Value (2018/19)	$ 1,183,516,371
Limit Percentage	10%
Authorized Debt Limit (100.00%)	$ 118,351,637
Debt Subject to Limit (35.24%)	41,703,948
Debt Margin (64.76%)	$ 76,647,689

Overlapping Debt

There are two taxing jurisdictions which overlap the District and had general obligation debt as of April 1, 2019. Table 20 sets forth the general obligation debt for those jurisdictions and the amount of their debt allocable to the District. General Obligation debt includes all debt payable from general tax levies and special assessments and all annual appropriation lease obligations.

Table 20
Overlapping Debt

Entity	General Obligation Debt	% of Debt Allocable to the District	Portion Allocable to the District
Williams County	$ 90,000[(1)]	31.47%	$ 28,326
City of Williston	40,735,356[(2)]	100.00%	40,735,356
Total	$ 40,825,356		$ 40,763,682

(1) General obligation debt of the County does not include outstanding revenue obligations and the outstanding $11,640,137 loan from the Bank of North Dakota.
(2) General obligation debt of the City does not include outstanding revenue obligations.

Source: The County

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FINANCIAL INFORMATION

Financial Reports

The District's financial statements are audited by an independent auditor. Copies of the District's audited financial statements for the fiscal years ended June 30, 2015 through 2018 are available upon request from PFM Financial Advisors LLC, the District's Municipal Advisor.

Results of Operations

Statements of revenues and expenditures of the General Fund of the District have been compiled from the District's audited financial statements. They have been presented in such a manner as to facilitate year-to-year comparison. Table 21 below presents a Statement of Revenues, Expenditures and Changes in Fund Balance for the District's General Fund for the fiscal years ended June 30, 2015 through 2018.

Table 21
Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund
(Years Ended June 30)

Revenues	2018	2017	2016	2015
Local Sources	$ 14,709,915	$ 17,967,722	$ 17,990,256	$ 11,889,816
State Sources	27,744,879	26,722,534	25,502,977	23,752,284
Federal Sources	1,311,794	1,123,010	1,729,878	1,733,483
Other Sources	103,087	84,819	31,116	6,568
Total Revenues	$ 43,869,675	$ 45,898,085	$ 45,254,227	$ 37,382,151
Expenditures				
Current				
Regular Instruction	$ 26,829,687	$ 27,887,322	$ 26,170,544	$ 22,817,607
Federal Programs	1,198,917	1,059,328	1,788,722	1,603,738
Special Education	2,573,064	2,478,124	2,907,530	2,818,701
Vocational Education	769,316	893,243	725,209	723,067
District Wide Services	3,052,252	2,216,429	2,342,710	1,780,551
General Administration	2,194,222	1,540,919	1,666,693	1,561,854
Operation & Maintenance	3,710,933	3,576,395	2,919,786	2,424,812
Student Transportation	712,579	718,637	593,825	469,116
Student Activities	1,122,479	1,113,571	895,851	622,538
Community Service	22,254	3,427	157,494	122,780
Capital Outlay	37,876	2,589	186,115	926,459
Debt Service				
Principal	1,321,084	1,157,323	--	48,821
Interest	358,644	475,568	--	--
Total Expenditures	$ 43,903,307	$ 43,122,920	$ 40,354,479	$ 35,920,044
Excess of Revenues over Expenditures	$ (33,362)	$ 2,775,165	$ 4,899,748	$ 1,462,107
Transfers In (Out)	--	--	(90,045)	--
Net Change in Fund Balance	$ (33,362)	$ 2,775,165	$ 4,809,703	$ 1,462,107
Prior Period Adjustments	--	--	(41,899)	--
Fund Balance - July 1	12,255,141	9,479,976	4,712,172	3,250,065
Fund Balance - June 30	$ 12,221,509	$ 12,255,141	$ 9,479,976	$ 4,712,172

General Fund Budget

Table 22 provides a summary of the District's budget for the General Fund for the 2018/19 school year.

Table 22
General Fund Budget

	Adopted Budget 2018/2019
Revenues	
Local Sources	$ 9,728,092
State and County Sources	36,549,837
Federal Sources	1,767,122
Total Revenues	$ 48,045,051
Expenditures	$ 50,468,081

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PROPERTY VALUATIONS AND TAXES

The City Assessor's office establishes an estimated market value on all properties. The assessed value is computed at 50% of estimated market value. The taxable value is then computed in the following manner: on residential property the taxable value is 9% of the assessed value; on agricultural property, commercial property, and railroad and other utilities the taxable value is 10% of the assessed value. Table 23 shows the taxable values of taxable property in the District for assessment year 2018 collectible in 2019. Table 24 shows the trend in property valuations over the last five years.

Table 23
Property Values in the District
(2018 Assessment Year)

	Market Value	Assessed Value	Equalization Factor	Taxable Value
Real Property				
Residential	$ 1,207,287,222	$ 603,643,611	9.00%	$ 54,327,925
Agricultural	905,860	452,930	10.00%	45,293
Commercial	1,117,788,220	558,894,110	10.00%	55,889,411
Utilities				
Railroad	5,089,600	2,544,800	10.00%	254,480
Other Utilities	35,961,840	17,980,920	10.00%	1,798,092
Total	$ 2,367,032,742	$ 1,183,516,371		$ 112,315,251

Source: Williams County.

Table 24
Trend in Valuations in the District

Assessment Year/ Collection Year	Market Value	Assessed Value	Taxable Value
2017/18	$ 2,380,499,796	$ 1,190,087,285	$ 113,056,666
2016/17	2,741,952,909	1,370,976,454	130,143,102
2015/16	2,753,446,151	1,376,273,075	130,941,025
2014/15	2,331,605,154	1,165,802,577	111,706,432
2013/14	1,683,349,059	841,674,530	79,180,409

Source: Williams County.

Property Tax Levies and Collections

After final equalization by assessing authorities in September of each year, the County Auditor calculates mill rates and spreads taxes. The resulting taxes are payable on the following January 1.

Taxes are collected by the County in two semiannual installments, and the receipts are distributed by the County to the local government entities. A discount of five percent is given on the tax bill if the entire payment is made by February 15. Discounts given are subtracted from the levy amount by the County Auditor. If taxes are not paid by March 1, a three percent penalty is charged with the penalty being raised on May 1 to six percent, on July 1 to nine percent, and on October 15 to twelve percent.

North Dakota residents over 65 years of age whose income is less than $42,000 receive a homestead property tax credit. The credit is subtracted from their tax bill. Local government entities are reimbursed by the state for all homestead credits. Therefore, the District as well as other local government entities has no loss in tax revenues from the credit.

Table 25 shows the District's tax levies and collections for levy years 2014 through 2019.

Table 25
Tax Collections

				Net Levy Collected as of 04/25/2019	
Levy Year	Collection Year	Amount of Levy	Net Levy (95% of Levy)	Amount	% of Net Levy
2018	2019	$ 14,690,989	$ 13,956,439	In process of collection	
2017	2018	13,997,723	13,297,837	$ 12,151,921	92.08%
2016	2017	14,141,452	13,434,379	13,113,905	97.61%
2015	2016	12,283,288	11,669,124	11,528,558	98.80%
2014	2015	11,132,439	10,575,817	10,575,044	99.99%

Source: Williams County.

Principal Taxpayers

A list of the principal taxpaying parcels in the District with the highest taxable valuations for the 2018 assessment, for taxes payable in 2019, is presented in Table 26 below.

Table 26
Principal Taxpayers

Taxpayer	Assessed Value	Taxable Value	% of Total Taxable Valuation(1)
Montana Dakota Utilities	$ 25,654,440	$ 2,565,444	2.28%
Wal-Mart Real Estate	23,923,700	2,392,370	2.13%
Halliburton Energy Services	22,335,300	2,233,530	1.99%
ND Renaissance Apartments LLC	21,312,600	2,131,260	1.90%
IP S&B Williston Properties	17,209,200	1,720,920	1.53%
Fair Hills Apartment, LLC	15,794,100	1,579,410	1.41%
1505 15th Ave CO, LLC	15,382,000	1,538,200	1.37%
Eagle Crest Apartments LLC	11,879,100	1,187,910	1.06%
Mercy Medical Center	11,017,100	1,101,710	0.98%
NW Properties LLC	11,001,100	1,100,110	0.98%
Total	$ 175,508,640	$ 17,550,864	15.63%

(1) Based on the 2018/19 Taxable Value of $112,315,251.

Source: Williams County Auditor.

Mill Levy Summary

The table below shows the total mills currently by the District and other taxing entities in the City of Williston for the last five years.

Table 27
Mill Levy Summary

	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015
Williston School District					
General	81.02	80.02	70.00	64.25	63.93
Building Fund	10.76	9.75	10.34	9.82	9.54
Special Reserve Levy	3.03	2.92	3.10	2.95	2.86
Sinking and Interest	15.03	18.94	10.65	15.98	13.62
Special Assessment Levy	6.27	4.91	6.11	--	--
Miscellaneous	8.02	7.92	7.24	4.91	4.95
Total	124.13	124.46	107.44	97.91	94.90
Other Funding					
State and County	36.32	32.20	46.24	48.78	N/A
City of Williston	35.62	35.80	31.16	30.99	N/A
Total	196.07	192.46	184.84	177.68	N/A

Source: District and Williams County Auditor.

RATING

S&P Global Ratings ("S&P") has assigned an underlying rating of "A" to the Certificates and an enhanced rating of "AA" based on the District's participation in the North Dakota School District Credit Enhancement Program. A rating is subject to withdrawal at any time; withdrawal of a rating may have an adverse effect on the marketability of the Certificates. For an explanation of the significance of the rating, an investor should communicate with the rating agency.

TAX EXEMPTION

The interest on the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that for the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings.

Noncompliance by the District following the issuance of the Certificates with its covenants in the resolution under which the Certificates are issued relating to certain continuing requirements of the Internal Revenue Code of 1986 (the "Code") may result in inclusion of interest to be paid on the Certificates in gross income of the recipient for United States income tax purposes.

Interest to be paid on the Certificates is also includable in the computation of alternative minimum taxable income for purposes of the environmental tax imposed by Section 59A of the Code on corporations. In the case of an insurance company subject to the tax imposed by Section 831 of the Code the amount which otherwise would be taken into account as losses incurred under Section 832(b)(5) of the Code must be reduced by an amount equal to fifteen percent of the interest to be paid on the Certificates that is received or accrued during the taxable year. Interest on the

Certificates may additionally be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code.

The foregoing is not intended to be an exhaustive discussion of collateral tax consequences arising from ownership or disposition of the Certificates or receipt of interest on the Certificates. Prospective purchasers or certificate holders should consult their tax advisors with respect to collateral tax consequences and applicable state and local tax rules in states other than North Dakota.

Bond Premium

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

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Certificates will not be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to carrying and acquiring tax-exempt obligations.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Certificates are subject to the opinion of Arntson Stewart Wegner PC, Bismarck, North Dakota, as to validity and tax exemption. Bond Counsel has not participated in the preparation of this Official Statement.

MUNICIPAL ADVISOR

The District has retained PFM Financial Advisors, LLC, of Minneapolis, Minnesota, as Municipal Advisor (the "Municipal Advisor") in connection with the issuance of the Certificates. In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Certificates.

Requests for information concerning the District should be addressed to PFM Financial Advisors LLC, 50 South Sixth Street, Suite 2250, Minneapolis, Minnesota 55402 (612/338-3535) or 1726 Prairie Lane, Fargo, North Dakota 58103 (701/235-4416).

UNDERWRITING

On April 1, 2019, Baird Financial Corporation, the parent company of Robert W. Baird & Co. Incorporated ("Baird"), acquired HL Financial Services, LLC, its subsidiaries, affiliates and assigns (collectively "Hilliard Lyons"). As a result of such common control, Baird and Hilliard Lyons are now affiliated. It is expected that Hilliard Lyons will merge with and into Baird later in 2019

CLOSING DOCUMENTS

Simultaneously with the delivery of and payment for the Certificates by the original purchasers thereof, the District will furnish to the original purchasers the customary closing documents in form satisfactory to Bond Counsel.

CERTIFICATION

The District will furnish a statement to the effect that this Official Statement, to the best of its knowledge and belief as of the date of sale and the date of delivery, is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading.

NO LITIGATION

There is no litigation now pending or, to the knowledge of District officials, threatened which questions the validity of the Certificates or of any proceedings of the District taken with respect to the issuance or sale thereof.

MISCELLANEOUS

Any 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 execution and delivery of this Official Statement by its Superintendent has been duly authorized by the District.

WILLISTON PUBLIC SCHOOL DISTRICT NO. 1

By: /s/____________________________________

Superintendent

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APPENDIX A

The District's Audited Financial Statements
for the Fiscal Year Ended June 30, 2018

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WILLISTON PUBLIC SCHOOL DISTRICT #1

FINANCIAL STATEMENTS
JUNE 30, 2018

WITH INDEPENDENT AUDITOR'S REPORT

WILLISTON PUBLIC SCHOOL DISTRICT #1

TABLE OF CONTENTS
FOR THE YEAR ENDED JUNE 30, 2018

WILLISTON PUBLIC SCHOOL DISTRICT #1

SCHOOL OFFICIALS
FOR THE YEAR ENDED JUNE 30, 2018

Current

Joanna Baltes	Board President
Thomas Kalil	Board Vice President
Sara Kasmer	Board Member
Heather Wheeler	Board Member
Dr. Theresa Hegge	Board Member
Dr. Jeff Thake	Superintendent
Lori Olson	Interim Assistant Superintendent/ Curriculum Director

June 30, 2018

Kimberly Semenko	Board President
Sara Kasmer	Board Vice President
Brion Norby	Board Member
Brett Vibeto	Board Member
David Richter	Board Member
Michael Campbell	Superintendent
Pamela Lambert	Assistant Superintendent of Business Services

WIDMER ROEL
CPAs • BUSINESS ADVISORS

4334 18th Avenue S.
Ste 101
Fargo, ND 58103-7414

Phone: 701.237.6022
Toll Free: 888.237.6022
Fax: 701.280.1495

INDEPENDENT AUDITOR'S REPORT

School Board and Administration
Williston Public School District #1
Williston, North Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Williston Public School District #1** (School District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

WILLISTON PUBLIC SCHOOL DISTRICT #1

STATEMENT OF NET POSITION
JUNE 30, 2018

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	27,294,483
Taxes receivable		1,678,353
Intergovernmental receivable		3,895,607
Inventory		22,611
Prepaid expenses		340,583
Capital assets, not being depreciated		
Land		3,078,290
Construction in progress		23,607
Capital assets, net of accumulated depreciation		
Buildings		79,293,241
Modular leasehold improvements		3,473,317
Furniture and equipment		2,589,547
Vehicles		507,714
Land and building improvements		1,140,518
Total assets		123,337,871
DEFERRED OUTFLOWS OF RESOURCES		
Pension plans		15,812,595
Total assets and deferred outflows of resources	$	139,150,466
LIABILITIES		
Checks in excess of deposits	$	251,309
Accounts payable		36,964
Salaries and benefits payable		4,442,189
Interest payable		415,955
Unearned revenue		56,839
Long-term liabilities		
Portion due or payable within one year		
Compensated absences payable		111,748
Bond payable		765,000
Construction loan payable		2,373,905
Portion due or payable after one year		
Compensated absences		446,990
Bond payable		24,120,000
Bond premium		303,197
Construction loan payable		31,125,378
Net pension liability		49,829,943
Total liabilities		114,279,417

See Notes to Financial Statements

(Continued)

WILLISTON PUBLIC SCHOOL DISTRICT #1

STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
DEFERRED INFLOWS OF RESOURCES	
Pension plans	839,701
NET POSITION	
Net investment in capital assets	31,721,950
Restricted for	
Debt services	1,894,596
Special reserve	1,637,638
Capital projects	11,275,939
Unrestricted	(22,498,775)
Total net position	24,031,348
Total liabilities, deferred inflows of resources and net position	$ 139,150,466

WILLISTON PUBLIC SCHOOL DISTRICT #1

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

		Program Revenues		Net Revenue (Expense) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Total
GOVERNMENTAL ACTIVITIES				
Regular instruction	$ 31,966,407	$ 365,963	$ 2,503,050	$ (29,097,394)
Federal programs	1,290,056	-	1,311,794	21,738
Special education	2,921,194	-	1,632,789	(1,288,405)
Vocational education	790,232	-	75,512	(714,720)
District wide services	2,850,545	-	-	(2,850,545)
Administration	2,508,100	-	-	(2,508,100)
Operations and maintenance	4,949,062	-	-	(4,949,062)
Food service	2,796,121	1,442,803	951,163	(402,155)
Transportation	918,528	-	-	(918,528)
Student activities	1,232,253	36,830	-	(1,195,423)
Community services	5,164	-	-	(5,164)
Interest expense and fees	1,395,831	-	-	(1,395,831)
Total governmental activities	$ 53,623,493	$ 1,845,596	$ 6,474,308	(45,303,589)
GENERAL REVENUES				
Property taxes; levied for general purposes				12,065,820
In lieu of taxes				137,117
Sales tax levy				2,148,663
Oil and gas tax				4,125,739
State aid not restricted to specific program				25,999,073
Earnings on investments				156,971
Loss on sale of assets				785
Miscellaneous revenues				341,047
Total general revenues				44,975,215
Change in net position				(328,374)
Net position - July 1				24,359,722
Net position - June 30				$ 24,031,348

WILLISTON PUBLIC SCHOOL DISTRICT #1

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Building Fund	Debt Service Fund
ASSETS			
Cash and cash equivalents	$ 12,540,847	$ 11,251,598	$ 1,868,574
Taxes receivable	1,188,889	205,706	242,834
Intergovernmental receivable	3,863,935	3,766	-
Inventory	-	-	-
Prepaid expenses	2,907	337,676	-
Total assets	$ 17,596,578	$ 11,798,746	$ 2,111,408
LIABILITIES			
Checks in excess of deposits	$ -	$ -	$ -
Accounts payable	36,566	-	-
Salaries and benefits payable	4,272,251	-	-
Unearned revenue - food service	-	-	-
Total liabilities	4,308,817	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Property taxes	1,066,252	185,131	216,812
FUND BALANCES			
Nonspendable	2,907	337,676	-
Restricted for			
Debt services	-	-	1,894,596
Special reserve	-	-	-
Capital outlay	-	11,275,939	-
Unassigned	12,218,602	-	-
Total fund balances	12,221,509	11,613,615	1,894,596
Total liabilities, deferred inflows of resources, and fund balances	$ 17,596,578	$ 11,798,746	$ 2,111,408

Food Service Fund	Special Reserve Funds	Total Government Funds
$ -	$ 1,633,464	$ 27,294,483
-	40,924	1,678,353
27,906	-	3,895,607
22,611	-	22,611
-	-	340,583
$ 50,517	$ 1,674,388	$ 33,231,637
$ 251,309	$ -	$ 251,309
398	-	36,964
169,938	-	4,442,189
56,839	-	56,839
478,484	-	4,787,301
-	36,750	1,504,945
22,611	-	363,194
-	-	1,894,596
-	1,637,638	1,637,638
-	-	11,275,939
(450,578)	-	11,768,024
(427,967)	1,637,638	26,939,391
$ 50,517	$ 1,674,388	$ 33,231,637

WILLISTON PUBLIC SCHOOL DISTRICT #1

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2018

Total fund balances for governmental funds	$ 26,939,391
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds	90,106,234
Accrued interest payable for long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds	(415,955)
Property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflows of resources in the funds	1,504,945
Compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the funds	(558,738)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds	14,972,894
Long-term liabilities applicable to the School District's net pension liability are not due and payable in the current period and accordingly are not reported as fund liabilities - both current and long-term are reported in the statement of net position	(49,829,943)
Long-term liabilities, including bonds and loans payable and financing leases, are not due and payable in the current period, and therefore, are not reported in the funds	(58,687,480)
Total net position of governmental activities	$ 24,031,348

WILLISTON PUBLIC SCHOOL DISTRICT #1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Building Fund	Debt Service Fund
REVENUES			
Local sources	$ 14,709,915	$ 1,625,374	$ 2,288,562
State sources	27,744,879	2,465,545	-
Federal sources	1,311,794	-	-
Other sources	103,087	72,127	3,824
Total revenues	43,869,675	4,163,046	2,292,386
EXPENDITURES			
Current			
Regular instruction	26,829,687	-	-
Federal programs	1,198,917	-	-
Special education	2,573,064	-	-
Vocational education	769,316	-	-
District wide services	3,052,252	-	-
Administration	2,194,222	-	-
Operations and maintenance	3,710,933	672,208	-
Food service	-	-	-
Transportation	712,579	-	-
Student activities	1,122,479	-	-
Community services	22,254	-	-
Capital outlay	37,876	32,440	-
Debt service			
Principal	1,321,084	882,766	1,176,832
Interest and fees	358,644	187,186	930,153
Total expenditures	43,903,307	1,774,600	2,106,985
Net change in fund balances	(33,632)	2,388,446	185,401
FUND BALANCES - JULY 1	12,255,141	9,225,169	1,709,195
FUND BALANCES - JUNE 30	$ 12,221,509	$ 11,613,615	$ 1,894,596

Food Service Fund	Special Reserve Funds	Total Government Funds
$ 1,446,803	$ 343,606	$ 20,414,260
12,505	-	30,222,929
934,658	-	2,246,452
-	785	179,823
2,393,966	344,391	53,063,464
-	-	26,829,687
-	-	1,198,917
-	-	2,573,064
-	-	769,316
-	-	3,052,252
-	-	2,194,222
-	-	4,383,141
2,426,859	-	2,426,859
-	-	712,579
-	-	1,122,479
-	-	22,254
-	-	70,316
-	-	3,380,682
-	-	1,475,983
2,426,859	-	50,211,751
(32,893)	344,391	2,851,713
(395,074)	1,293,247	24,087,678
$ (427,967)	$ 1,637,638	$ 26,939,391

WILLISTON PUBLIC SCHOOL DISTRICT #1

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds		$ 2,851,713
Amount reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period these amounts are:		
Current year capital outlay	220,981	
Depreciation expense	(3,277,817)	
		(3,056,836)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		3,380,682
Governmental funds report the effect of premiums on refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities.		28,944
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Net decrease in compensated absences	42,453	
Net decrease in interest payable	55,317	
		97,770
In the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. In the government funds, however, the contributions are reported as expense.		(3,862,301)
Some revenues reported in the statement of activities are not reported as revenues in the governmental funds since they do not represent available resources to pay current expenditures. This consists of the decrease in taxes receivable along with tuition for local education agencies.		231,654
Change in net position of governmental activities		$ (328,374)

WILLISTON PUBLIC SCHOOL DISTRICT #1

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2018

	Agency Fund
ASSETS	
Cash and investments	$ 749,866
Accounts receivable	11,207
Total assets	$ 761,073
LIABILITIES	
Due to others	$ 453,999
Due to primary government	307,074
Total liabilities	$ 761,073

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The financial statements of the Williston Public School District #1 ("School District"), Williston, North Dakota, have been prepared in conformity with accounting principles general accepted in the United States of America ("GAAP") as applied to government units. The Government Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

The accompanying financial statements present the activities of the Williston Public School District #1. The School District has considered all potential component units for which the School District is financially accountable and other organizations for which the nature and significance of their relationships with the School District are such that exclusion would cause the School District's financial statements to be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. Their criteria include appointing a voting majority of an organization's governing board and (1) the ability of the School District to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or imposed financial burdens on the School District.

Based on these criteria, there are no component units to be included within the School District as a reporting entity.

Basis of Presentation

Government-Wide Financial Statements: The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government of the School District. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund Financial Statements: The fund financial statements provide information about the School District's funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, displayed in a separate column. All remaining governmental funds are aggregate and reported as non-major funds.

(Continued)

Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. These financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. All revenues are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgements, and compensated absences, which are recognized as expenditures to the extent they have matured. General 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.

All revenues are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenue items are considered to be measurable and available only when cash is received by the government.

The School District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Building Fund: This fund accounts for financial resources dedicated to the construction of new school buildings, additions to old school buildings, the making of major repairs to existing buildings, or to make annual debt service payments on outstanding debt issues related to the building fund.

Debt Service Fund: This fund is used to account for the accumulation of resources for, and the payment of principal, interest and related costs for the general obligation school building bonds.

Food Service Fund: The fund is used to account for the proceeds of food service revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.

Special Reserve Fund: The fund is used to collect property tax revenue to cover excess expenditures that may occur during the year that the District did not originally budget for.

The School District reports the following fund type:

Agency Fund: This fund accounts for assets held by the School District in a custodial capacity as an agent on behalf of others. The School District's agency fund is used to account for various deposits of the teacher learning center, Leon Olson Scholarship Fund and student activity funds.

(Continued)

Cash and Cash Equivalents

Cash and cash equivalents includes amounts in demand deposits and certificates of deposit, which have maturity dates of six months or less.

Inventory

The School District accounts for the inventory of the food service fund which is valued at cost, which approximates market, using the FIFO (first in first out) method. Reported inventories are equally offset by fund balance designation which indicates the inventories do not constitute "available spendable resources."

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Reported prepaid expenses are equally offset by fund balance designation which indicates the prepaid expenses do not constitute "available spendable resources."

Capital Assets

Capital assets include property, plant and equipment. Assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of $5,000 or more. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not capitalized.

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

Land and building improvements	20 to 40 years
Modular leasehold improvements	20 to 40 years
Buildings	20 to 50 years
Vehicles	8 to 15 years
Furniture and equipment	5 to 10 years

Compensated Absences

Vested or accumulated vacation leave is reported in the government-wide statement of net position. The School District allows unused vacation leave to be carried over to a maximum of one year's vacation time.

Vested or accumulated sick leave is reported in government-wide statement of net position. Sick leave is accumulated at a rate of 10 days per year with no limit. Although employees accrue sick leave on an annual basis, the accrual for sick leave vests only if the employee has at least 12 years of continuous service. The leave will be paid at a rate of 40% of the base pay rate for the employee's position.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources

(Continued)

(expense/expenditure) until then. The School District has two items that qualify for reporting in this category. They are the contributions made to pension plans after the measurement date and prior to the fiscal year-end, and changes in the net pension liability not included in pension expense reported in the government-wide statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has three types of items that qualify for reporting in this category. The School District reports unavailable revenues from property taxes and unavailable revenues from local education agencies on the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item is changes in the net pension liability not included in pension expense reported in the government-wide statement of net position.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as assets and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Financial Statements

Government fund equity is classified as fund balance, and may distinguish between "Restricted" and "Unrestricted" components. Fiduciary fund equity (except for Agency Funds, which have no fund equity) is reported as net position held in trust for other purposes.

Restricted and Unrestricted Resources

It is the School District's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance and Classification Policies and Procedures

The School District classifies governmental fund balances as follows:

> ***Nonspendable*** – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
>
> ***Restricted*** – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Manager.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The School District uses *restricted/committed* amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the School District would first use *committed, then assigned, and lastly unassigned amounts* of unrestricted fund balance when expenditures are made.

The School District does not have a formal minimum fund balance policy.

Program Revenues

In the government-wide statement of activities, reported program revenues derive from the program itself or from parties other than the School District's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

Charges for services – these arise from charges to customers, applicants, or other who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.

Program-specific operating grants and contributions – these arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.

Program-specific capital grants and contributions – these arise from mandatory and voluntary non-exchange transactions and other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

Accounts Payable

Accounts payable consists of amounts owed for goods and services received prior to June 30 and chargeable to the appropriations for the year then ended, but paid subsequent to that date.

Salaries and Benefits Payable

Salaries and benefits payable consists of salaries earned by employees but not paid until after year-end. It also consists of benefits owed to federal, state, and private agencies for amounts withheld from teacher's salaries as of June 30.

(Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System ("NDPERS") and the North Dakota Teachers' Fund for Retirement ("TFFR") and additions to/deductions from NDPERS's and TFFR's fiduciary net positions have been determined on the same basis as they are reported by NDPERS and TFFR. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – CASH AND CASH EQUIVALENTS

In accordance with North Dakota Statutes, the District maintains deposits at the depository banks designated by the governing board. All depositories are members of the Federal Reserve System.

Deposits must either be deposited with the Bank of North Dakota or in another financial institution situated and doing business within the state. Deposits, other than with the Bank of North Dakota, must be fully insured or bonded. In lieu of a bond, a financial institution may provide a pledge of securities of 110% of the deposits not covered by insurance or bonds.

Authorized collateral includes bills, notes, or bonds issued by the United States government, its agencies or instrumentalities, all bonds and notes guaranteed by the United States government, Federal Land Bank bonds, bonds, notes, warrants, certificates of indebtedness, insured certificates of deposit, shares of investment companies registered under the Investment Companies Act of 1940, and all other forms of securities issued by the State of North Dakota, its boards, agencies or instrumentalities, or by any county, city, township, school district, park district, or other political subdivision of the state of North Dakota, whether payable from special revenues or supported by the full faith and credit of the issuing entity and bonds issued by any other state of the United States or such other securities approved by the banking board.

At year ended June 30, 2018, the District's carrying amount of deposits was $27,793,040 and the bank balances were $29,241,091. Of the bank balance, $10,124,421 was covered by Federal Depository Insurance. The remaining balance of $19,116,670 was collateralized with securities held by the pledging financial institution's agent in the government's name.

Interest Rate Risk

The School District does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from changing interest rates. All investments are certificates of deposit that mature within one year.

Credit Risk

The District may invest idle funds as authorized in North Dakota Statutes, as follows:

(a) Bonds, treasury bills and notes, or other securities that are a direct obligation insured or guaranteed by the Treasury of the United States, or its agencies, instrumentalities, or organizations created by an Act of Congress.
(b) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are the type listed above.

(c) Certificates of Deposit fully insured by the Federal Deposit Insurance Corporation.
(d) Obligations of the state.

At June 30, 2018 the District held certificates of deposit in the amount of $9,673,732 which are all considered deposits and included in the above amount of total deposits.

Concentration of Credit Risk

The District does not have a policy limiting the amount the District may invest in any one issuer.

NOTE 3 – TAXES RECEIVABLE

Taxes receivable represents the past three years of uncollected current and delinquent taxes. No allowance has been established for uncollectible taxes receivable.

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Any material tax collections are distributed after the end of each month.

Property taxes are levied as of January 1. The property taxes attach as an enforceable lien on property on January 1 and may be paid in two installments. The first installment includes one-half of the real estate taxes and all the special assessments and the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A 5% discount on property taxes is allowed if all taxes and special assessments are paid by February 15. After the due dates, the bill becomes delinquent and penalties are assessed.

Property owners generally choose to pay property taxes and special assessments in a single payment on or before February 15 and receive the discount on the property taxes.

NOTE 4 – INTERGOVERNMENTAL RECEIVABLE

Intergovernmental receivables consist of reimbursements due for expenses in the operation of various school programs. These amounts consist of a mix of state and federal dollars.

NOTE 5 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2018:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets not being depreciated				
Land	$ 3,078,290	$ -	$ -	$ 3,078,290
Construction in progress	-	23,607	-	23,607
Total capital assets not being depreciated	3,078,290	23,607	-	3,101,897
Capital assets, being depreciated				
Buildings	92,949,502	-	-	92,949,502
Modular leasehold improvements	4,025,848	-	-	4,025,848
Furniture and equipment	5,587,353	115,194	-	5,702,547
Vehicles	1,927,269	36,679	-	1,963,948
Land and building improvements	3,635,161	45,501	-	3,680,662
Total capital assets, being depreciated	108,125,133	197,374	-	108,322,507
Less accumulated depreciation for				
Buildings	11,434,030	2,222,231	-	13,656,261
Modular leasehold improvements	408,625	143,906	-	552,531
Furniture and equipment	2,454,928	658,072	-	3,113,000
Vehicles	1,326,779	129,455	-	1,456,234
Land and building improvements	2,415,991	124,153	-	2,540,144
Total accumulated depreciation	18,040,353	3,277,817	-	21,318,170
Total capital assets, being depreciated, net	90,084,780	(3,080,443)	-	87,004,337
Governmental activities capital assets, net	$ 93,163,070	$ (3,056,836)	$ -	$ 90,106,234

(Continued)

Depreciation expense was charged to functions/programs of the District as follows:

Regular instruction	$	1,951,985
Special education		188,902
Vocational education		62,967
District wide services		220,385
Administration		157,418
Operations and maintenance		314,836
Food service		157,418
Student activities		94,451
Vehicles		129,455
	$	3,277,817

NOTE 6 – LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

During the year ended June 30, 2018, the following changes occurred in liabilities reported in the long-term liabilities:

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance	Due Within One Year
General obligation building bonds	$ 44,394,522	$ -	$ 650,000	$ (18,859,522)	$ 24,885,000	$ 765,000
Bond premium	332,141	-	28,944	-	303,197	-
Construction loan	16,842,677	-	2,202,916	18,859,522	33,499,283	2,373,905
Modulars capital lease	527,766	-	527,766	-	-	-
Compensated absences	601,191	1,760,403	1,802,856	-	558,738	111,748
Net pension liability	47,429,784	2,400,159	-	-	49,829,943	-
Total	$ 110,128,081	$ 4,160,562	$ 5,212,482	$ -	$ 109,076,161	$ 3,250,653

Governmental Activities

The compensated absences liability attributable to the governmental activities will be liquidated by the General Fund. The payments on the bonds will be made by the Debt Service Fund.

Outstanding debt at June 30, 2018 consists of the following issues:

General Obligation Bonds

$2,690,000 General Obligation School Building Bonds of 2011, due in annual installments of $40,000 to $235,000 through October, 2024; interest at 0.75% to 3.10%.	$ 1,510,000
$9,895,000 General Obligation School Building Bond, Series 2014, due in annual installments of $980,000 to $1,240,000 beginning on August 1, 2026 through August 1, 2034; interest at 2.5% to 3.5%.	9,895,000
$4,105,000 General Obligation School Building Bonds, Series 2015A, due in annual installments of $50,000 to $890,000 through August 1, 2025; interest at 2% to 3%.	3,955,000
$3,965,000 General Obligation School Building Bond, Series 2015C, due in annual installments of $120,000 to $255,000 through August 1, 2035; interest at 2% to 3%.	3,680,000
$6,035,000 General Obligation School Building Bonds, Series 2016A, due in annual installments of $190,000 to $415,000 through August 1, 2035; interest at 2% to 3%.	5,845,000
Total general obligation bonds	$ 24,885,000

Debt service requirements on the general obligation bonds, including interest, at June 30, 2018 are as follows:

	Principal	Interest	Total
2019	$ 765,000	$ 705,265	$ 1,470,265
2020	860,000	685,355	1,545,355
2021	975,000	663,260	1,638,260
2022	1,095,000	638,158	1,733,158
2023	1,210,000	607,614	1,817,614
2024-2028	7,245,000	2,473,647	9,718,647
2029-2033	8,350,000	1,372,455	9,722,455
2034-3036	4,385,000	172,035	4,557,035
	$ 24,885,000	$ 7,317,789	$ 32,202,789

(Continued)

Construction Loans

$18,000,000 Construction Loan, monthly principal and interest payments of $153,848, maturing in December 2027 with a variable interest rate at LIBOR + 1.5%	$ 15,521,593
$20,000,000 Construction Loan due in annual installments of $500,000 to $770,000 maturing on October 1, 2034; interest at 2%.	17,977,690
Total construction loans	$ 33,499,283

Debt service requirements on the construction loans, including interest, at June 30, 2018 are as follows:

	Principal	Interest	Total
2019	$ 2,373,905	$ 757,746	$ 3,131,651
2020	2,432,421	699,230	3,131,651
2021	2,492,410	639,241	3,131,651
2022	2,553,913	577,739	3,131,652
2023	2,616,965	514,686	3,131,651
2024-2028	13,243,169	1,575,771	14,818,940
2029-2033	5,908,514	518,845	6,427,359
2034-3036	1,877,986	37,931	1,915,917
	$ 33,499,283	$ 5,321,189	$ 38,820,472

NOTE 7 – PENSION PLANS

General Information about the TFFR Pension Plan

North Dakota Teacher's Fund for Retirement ("TFFR")

The following brief description of TFFR is provided for general information purposes only. Participants should refer to North Dakota Century Code ("NDCC") Chapter 15-39.1 for more complete information.

TFFR is a cost-sharing multiple-employer defined benefit pension plan covering all North Dakota public teachers and certain other teachers who meet various membership requirements. TFFR provides for pension, death and disability benefits. The cost to administer the TFFR plan is financed by investment income and contributions.

Responsibility for administration of the TFFR benefits program is assigned to a seven-member Board of Trustees (Board). The Board consists of the State Treasurer, the Superintendent of Public Instruction, and five members appointed by the Governor. The appointed members serve five-year terms which end on June 30 of alternate years. The appointed Board members must include two active teachers, one active school administrator, and two retired members. The TFFR Board submits any necessary or desirable changes in statutes relating to the administration of the fund, including benefit terms, to the Legislative Assembly for consideration. The Legislative Assembly has final authority for changes to benefit terms and contribution rates.

Pension Benefits

For purposes of determining pension benefits, members are classified within one of three categories. Tier 1 grandfathered and Tier 1 non-grandfathered members are those with service credit on file as of July 1, 2008. Tier 2 members are those newly employed and returning refunded members on or after July 1, 2008.

Tier 1 Grandfathered

A Tier 1 grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or the sum of age and years of service credit equals or exceeds 85. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 6% per year for every year the member's retirement age is less than 65 years or the date as of which age plus service equal 85. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 1 Non-grandfathered

A Tier 1 non-grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 2

A Tier 2 member is entitled to receive unreduced benefits when five or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the five highest annual salaries earned divided by 60 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

(Continued)

Death and Disability Benefits

Death benefits may be paid to a member's designated beneficiary. If a member's death occurs before retirement, the benefit options available are determined by the member's vesting status prior to death. If a member's death occurs after retirement, the death benefit received by the beneficiary (if any) is based on the retirement plan the member selected at retirement.

An active member is eligible to receive disability benefits when: (a) a total disability lasting 12 months or more does not allow the continuation of teaching, (b) the member has accumulated five years of credited service in North Dakota, and (c) the Board of Trustees of TFFR has determined eligibility based upon medical evidence. The amount of the disability benefit is computed by the retirement formula in NDCC Section 15-39.1-10 without consideration of age and uses the member's actual years of credited service. There is no actuarial reduction for reason of disability retirement.

Member and Employer Contributions

Member and employer contributions paid to TFFR are set by NDCC Section 15-39.1-09. Every eligible teacher in the State of North Dakota is required to be a member of TFFR and is assessed at a rate of 11.75% of salary as defined by NDCC Section 15-39.1-04. Every governmental body employing a teacher must also pay into TFFR a sum equal to 12.75% of the teacher's salary. Member and employer contributions will be reduced to 7.75% each when the fund reaches 100% funded ratio on an actuarial basis.

A vested member who terminates covered employment may elect a refund of contributions paid plus 6% interest or defer payment until eligible for pension benefits. A non-vested member who terminates covered employment must claim a refund of contributions paid before age 70½. Refunded members forfeit all service credits under TFFR. These service credits may be repurchased upon return to covered employment under certain circumstances, as defined by the NDCC.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the District reported a liability of $38,725,636 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of covered payroll in the pension plan relative to the covered payroll of all participating TFFR employers. At July 1, 2017, the District's proportion was 2.81943282 percent, which was a decrease of .01074058 from its proportion measured as of July 1, 2016.

(Continued)

For the year ended June 30, 2018, the District recognized pension expense of $4,414,126. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 148,540	$ 422,744
Changes of assumptions	2,760,219	-
Net difference between projected and actual earnings on pension plan investments	534,910	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,159,407	112,401
Employer contributions subsequent to the measurement date	2,447,342	-
	$ 9,050,418	$ 535,145

$2,447,342 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	$ 1,354,735
2019	2,193,764
2020	1,668,445
2021	746,853
2022	166,158
Thereafter	(62,024)

Actuarial Assumptions

The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	4.25% to 14.50%, varying by service, including inflation and productivity
Investment rate of return	7.75%, net of investment expenses
Cost-of-living adjustments	None

For active and inactive members, mortality rates were based on the RP-2014 Employee Mortality Table, projected generationally using Scale MP-2014. For healthy retirees, mortality rates are based on the RP-2014 Healthy Annuitant Mortality Table set back one year, multiplied by 50% for ages under 75 and grading up to 100% by age 80, projected generationally using Scale MP-2014. For disabled retirees, mortality rates were based on the RP-2014 Disabled Mortality Table set forward four years.

The actuarial assumptions used were based on the results of an actuarial experience study dated April 30, 2015. They are the same as the assumptions used in the July 1, 2017, funding actuarial valuation for TFFR.

As a result of the April 30, 2015 actuarial experience study, the TFFR Board adopted several assumption changes, including the following:

- Investment return assumption lowered from 8% to 7.75%.
- Inflation assumption lowered from 3% to 2.75%
- Total salary scale rates lowered by 0.25% due to lower inflation.
- Added explicit administrative expense assumption, equal to prior year administrative expense plus inflation.
- Rates of turnover and retirement were changed to better reflect anticipated future experience.
- Updated mortality assumption to the RP-2014 mortality tables with generational improvement.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equities	58%	6.7%
Global fixed income	23%	0.8%
Global real assets	18%	5.2%
Cash equivalents	1%	0.0%

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at rates equal to those based on the July 1, 2017, Actuarial Valuation Report. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

(Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of net pension liability	$ 51,486,420	$ 38,725,636	$ 28,102,668

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TFFR financial report, located in the North Dakota Retirement and Investments Office's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. Additional financial and actuarial information is available on their website www.nd.gov/rio/sib/publications/cafr/default.htm, or may be obtained by writing to ND Retirement and Investment office, 3442 East Century Avenue, PO Box 7100, Bismarck, North Dakota, 58507-7100 or by calling (701) 328-9885.

General Information about the NDPERS Pension Plan

North Dakota Public Employees Retirement System (Main System) ("NDPERS")

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDCC Chapter 54-52 for more complete information.

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of seven members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system; one member elected by the retired public employees; and two members of the legislative assembly appointed by the chairman of the legislative management.

Pension Benefits

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Member of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 will be replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. The plan permits early retirement at ages 55-64 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of $100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition for disabled is set by the NDPERS in the North Dakota Administrative Code.

Refunds of Member Account Balance

Upon termination, if a member of the Main System is not vested (is not 65 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer contribution rates are 7.12% of covered compensation.

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is $25 and the maximum may not exceed the following:

1 to 12 months of service – Greater of one percent of monthly salary or $25
13 to 24 months of service – Greater of two percent of monthly salary or $25
25 to 36 months of service – Greater of three percent of monthly salary or $25
Longer than 36 months of service – Greater of four percent of monthly salary or $25

(Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the District reported a liability of $11,104,307 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of the covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At June 30, 2017, the District's proportion was 0.690855 percent, which was an increase of 0.078696 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of $2,055,364. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 66,003	$ 54,102
Changes of assumptions	4,553,515	250,453
Net difference between projected and actual earnings on pension plan investments	149,344	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,476,542	1
District contributions subsequent to the measurement date	516,773	-
	$ 6,762,177	$ 304,556

$516,773 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2018	$ 1,342,567
2019	1,547,485
2020	1,391,425
2021	1,143,004
2022	516,367
Thereafter	-

Actuarial Assumptions

The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5%	
Salary increases	Service at Beginning of Year	Increase Rate
	0	15.00%
	1	10.00%
	2	8.00%
	Age*	
	Under 36	8.00%
	36-40	7.50%
	41-49	6.00%
	50+	5.00%
	*Age-based salary increase rates apply for employees with three or more years of service	
Investment rate of return	7.75%, net of investment expenses	
Cost-of-living adjustments	None	

For active members, inactive members and healthy retirees, mortality rates were based on the RP-2000 Combined Healthy Mortality Table set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table set back one year for males (no setback for females) multiplied by 125%.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	31%	6.05%
International equity	21%	6.70%
Private equity	5%	10.20%
Domestic fixed income	17%	1.43%
International fixed income	5%	-0.45%
Global real assets	20%	5.16%
Cash equivalents	1%	0.00%

Discount Rate

For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

The pension plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments through the year of 2061. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2061, and the municipal bond rate was applied to all benefit payments after that date. For the purpose of this valuation, the expected rate of return on pension plan investments is 7.75%; the municipal bond rate is 3.56%; and the resulting Single Discount Rate is 6.44%.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.44 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.44 percent) or 1-percentage-point higher (7.44 percent) than the current rate:

	1% Decrease (5.44%)	Current Discount Rate (6.44%)	1% Increase (7.44%)
District's proportionate share of net pension liability	$ 15,074,437	$ 11,104,307	$ 7,801,325

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report.

NOTE 8 – RISK MANAGEMENT

The School District is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

In 1986, the state agencies and political subdivisions of the state of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The School District pays an annual premium to NDIRF for its general liability, automobile, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of $2,000,000 per occurrence for general liability and automobile; and $772,421 for public asset coverage.

The School District also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The District pays an annual premium to the Fire and Tornado Fund to cover property damage to buildings and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third party insurance carrier for losses in excess of two million dollars per occurrence during a 12-month period. The State Bonding Fund currently provides the District with blanket fidelity bond coverage in the amount of $2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

The School District has worker's compensation with the Department of Workforce Safety and Insurance. The School District pays part of the health insurance premiums for their employees.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 9 – RELATED PARTY

In March 2017, the School District entered into an agreement with an Entity, which is owned by the School Board Vice-President's family, to lease land held by the School District for oil drilling. The agreement has a 36 month term and the District will receive royalties from the company for 21% their annual proceeds.

NOTE 10 – SUBSEQUENT EVENTS

On February 18, 2019, the School Board approved the sale of the apartment complex owned by the District. The District received $333,988 for the sale of the real property on March 1, 2019.

WILLISTON PUBLIC SCHOOL DISTRICT #1

REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

WILLISTON PUBLIC SCHOOL DISTRICT #1

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
North Dakota Teacher's Fund for Retirement				
Employer's proportion of the net pension liability	2.819433%	2.801734%	2.673772%	2.393571%
Employer's proportionate share of the net pension liability	$ 38,725,636	$ 41,463,698	$ 34,969,066	$ 25,080,381
Employer's covered-employee payroll	$ 19,030,364	$ 18,388,340	$ 16,446,502	$ 13,883,985
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	203.49%	225.49%	212.62%	180.64%
Plan fiduciary net position as a percentage of the total pension liability	63.2%	59.2%	62.1%	99.0%
North Dakota Public Employees Retirement System				
Employer's proportion of the net pension liability	0.690855%	0.612159%	0.440092%	0.413951%
Employer's proportionate share of the net pension liability	$ 11,104,307	$ 5,966,086	$ 2,992,550	$ 2,627,435
Employer's covered-employee payroll	$ 7,052,545	$ 6,169,114	$ 3,920,682	$ 3,487,039
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	157.45%	96.71%	76.33%	75.35%
Plan fiduciary net position as a percentage of the total pension liability	61.98%	70.46%	77.15%	93.00%

*Complete data for this schedule is not available prior to 2015.

WILLISTON PUBLIC SCHOOL DISTRICT #1

SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS*

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
North Dakota Teacher's Fund for Retirement					
Statutorily required contribution	$ 2,447,342	$ 2,344,514	$ 2,096,828	$ 1,424,497	$ 1,492,515
Contributions in relation to the statutorily required contribution	$ (2,447,342)	$ (2,344,514)	$ (2,096,828)	$ (1,424,497)	$ (1,492,515)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 19,194,831	$ 18,388,340	$ 16,446,502	$ 13,883,985	$ 11,706,000
Contributions as a percentage of covered-employee payroll	12.75%	12.75%	12.75%	10.26%	12.75%
North Dakota Public Employees Retirement System					
Statutorily required contribution	$ 511,395	$ 446,634	$ 297,808	$ 248,277	$ 261,528
Contributions in relation to the statutorily required contribution	(502,193)	(487,626)	(333,909)	(248,277)	(261,528)
Contribution deficiency (excess)	9,202	(40,992)	(36,101)	-	-
Employer's covered-employee payroll	7,052,545	6,169,114	3,920,682	3,487,039	3,487,039
Contributions as a percentage of covered-employee payroll	7.12%	7.90%	7.60%	7.12%	7.50%

*Complete data for this schedule is not available prior to 2014.

WILLISTON PUBLIC SCHOOL DISTRICT #1

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
REVENUES				
Local sources	$ 13,791,190	$ 13,791,190	$ 14,709,915	$ 918,725
State sources	27,333,003	27,333,003	27,744,879	411,876
Federal sources	1,542,844	1,542,844	1,311,794	(231,050)
Other sources	21,500	21,500	103,087	81,587
Total revenues	42,688,537	42,688,537	43,869,675	1,181,138
EXPENDITURES				
Current				
Regular instruction	28,504,682	28,504,682	26,829,687	(1,674,995)
Federal programs	1,582,769	1,582,769	1,198,917	(383,852)
Special education	2,613,124	2,613,124	2,573,064	(40,060)
Vocational education	1,090,883	1,090,883	769,316	(321,567)
District wide services	3,307,350	3,307,350	3,052,252	(255,098)
Administration	1,516,844	1,516,844	2,194,222	677,378
Operations and maintenance	3,477,187	3,477,187	3,710,933	233,746
Transportation	765,012	765,012	712,579	(52,433)
Student activities	1,173,784	1,173,784	1,122,479	(51,305)
Community services	28,400	28,400	22,254	(6,146)
Capital outlay	152,500	152,500	37,876	(114,624)
Debt service				
Principal	-	-	1,321,084	1,321,084
Interest	1,584,000	1,584,000	358,644	(1,225,356)
Total expenditures	45,796,535	45,796,535	43,903,307	(1,893,228)
Net change in fund balance	(3,107,998)	(3,107,998)	(33,632)	3,074,366
FUND BALANCE, JULY 1	12,255,141	12,255,141	12,255,141	-
FUND BALANCE, JUNE 30	$ 9,147,143	$ 9,147,143	$ 12,221,509	$ 3,074,366

NOTE 1 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information:

The Board of Education adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States for the general fund, special revenue funds, debt service funds, and capital project funds.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

a) The annual budget must be prepared and School District taxes must be levied on or before the fifteenth day of August of each year.
b) The taxes levied must be certified to the county auditor by twenty-fifth of August.
c) The operating budget includes proposed expenditures and means of financing them.
d) Each budget is controlled by the business manager at the revenue and expenditure function/object level.
e) The current budget, except for property taxes, may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared.
f) All appropriations lapse at year-end.

North Dakota Teacher's Fund for Retirement Changes of Assumptions

Amounts reported in 2016 and later reflect the following actuarial assumption changes based on the results of an actuarial experiences study dated April 30, 2015.

- Investment return assumption lowered from 8% to 7.75%
- Inflation assumption lowered from 3% to 2.75%
- Total salary scale rates lowered by 0.25% due to lower inflation.
- Added explicit administrative expense assumption, equal to prior year administrative expense plus inflation.
- Rates of turnover and retirement were changed to better reflect anticipated future experience.
- Updated mortality assumption to the RP-2014 mortality tables with generational improvement.

North Dakota Public Employees Retirement System Changes of Assumptions

Amounts reported in 2018 reflect the following actuarial assumption changes effective July 1, 2017 based on the results of an actuarial experiences study completed in 2015. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale, and percent married assumption.

<u>APPENDIX B</u>

Form of Legal Opinion

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June 20, 2019

Williston PSD No. 1
PO Box 1407
Williston, ND 58802

Robert W. Baird & Co., Inc.
777 East Wisconsin Ave
Milwaukee, WI 53203

$14,215,000
WILLISTON PUBLIC SCHOOL DISTRICT NO. 1
STATE AID REFUNDING CERTIFICATES OF INDEBTEDNESS, SERIES 2019

We have acted as Bond Counsel in connection with the issuance by the Williston Public School District No. 1, Williams County, North Dakota (the "**Issuer**"), of $14,215,000 State Aid Refunding Certificates of Indebtedness, Series 2019 dated June 20, 2019 (the "**Certificates**"), issued pursuant to North Dakota Century Code, Chapter 21-02 and the Resolution Authorizing Issuance adopted by the Issuer on June 5, 2019 (the "**Resolution**").

In such capacity, we have examined the law and such certified proceedings and other documents as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Issuer validly exists as a body corporate and politic and public instrumentality of the State of North Dakota with the power to adopt the Resolution, to perform the agreements on its part contained therein and issue the Certificates.

2. The Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable against the Issuer. The Resolution creates a valid lien on the State Appropriations to be received from the State of North Dakota (the "State Appropriations") by the Issuer for the payment of the Certificates.

3. The Certificates have been duly authorized, executed and delivered by the Issuer and are valid and binding limited obligations of the Issuer, payable solely from the State Appropriations pledged under the Resolution.

4. Interest on the Certificates is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Certificates in order that interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Certificates to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Certificates. We express no opinion regarding other federal tax consequences arising with respect to the Certificates.

5. The interest on the Certificates is excludable from gross income for State of North Dakota income tax purposes.

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

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the official statement or other offering material relating to the Certificates (except to the extent, if any, stated in the official statement) and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the official statement).

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

Sincerely,

ARNTSON STEWART WEGNER PC

<u>APPENDIX C</u>

Form of Continuing Disclosure Certificate

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CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate") is made and entered into as of June 20, 2019, by Williston Public School District No. 1 of Williams County, North Dakota (the "District"), in connection with the issuance of the District's $14,215,000 State Aid Refunding Certificates of Indebtedness, Series 2019 (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted June 5, 2019 (the "Resolution"), and the Bonds will be delivered to the Purchaser on the date hereof. Pursuant to Section 6.05 of the Resolution, the District covenants and agrees as follows:

SECTION 1. <u>PURPOSE OF THIS DISCLOSURE CERTIFICATE</u>. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Owners of the Bonds and in order to assist the Participating Underwriters within the meaning of SEC Rule 15c2-12(b)(5) (the "Rule") in complying with the Rule. This Disclosure Certificate constitutes the written undertaking required by the Rule.

SECTION 2. <u>DEFINITIONS</u>. In addition to the definitions set forth in the Resolution, which apply to any capitalized term use in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the District pursuant to and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Disclosure Representative" means the Business Manager of the District or his or her designee, or such other person as the District shall designate in writing to the Dissemination Agent, if any, from time to time.

"Dissemination Agent" means any Dissemination Agent appointed hereunder, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Final Official Statement" means the deemed final official statement dated June 6, 2019, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

"Financial Obligation" means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of a debt obligation or derivative instrument. Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Financial Statements" means the District's audited or, if unavailable, unaudited annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the District intends to continue to prepare in substantially the same form. If unaudited financial statements are provided, audited financial statements will be provided when and if available.

"Fiscal Year" means the fiscal year of the District.

"MSRB" means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

"Owner" means the person in whose name the Bond is registered or a beneficial owner of such Bond.

"Participating Underwriter" means any of the original underwriters of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

"Repository" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA®) system or any other nationally recognized municipal securities information repository recognized from time to time by the SEC for purposes of the Rule.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

"SEC" means the Securities and Exchange Commission.

"Specified Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(*a*) The District shall, or shall cause any Dissemination Agent to, not later than 365 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2019, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report to the Dissemination Agent, if any. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited Financial Statements of the District may be submitted separately from the balance of the Annual Report.

(*b*) If by fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repositories, the Dissemination Agent, if any, has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with subsection (a).

(*c*) If the Dissemination Agent, if any, is unable to verify that an Annual Report has been provided to the Repositories by the date required in subsection (a), the Dissemination Agent shall send a notice to the Repository in substantially the form attached as Exhibit A.

(*d*) The Disclosure Representative or the Dissemination Agent, if any, shall:

(*i*) determine each year prior to the date for providing the Annual Report the name and address of the Repository;

(*ii*) transmit the Annual Report to the Repository by (A) electronic facsimile transmissions, confirmed by first class mail, postage prepaid, or (B) first class mail, postage prepaid, or any overnight delivery service selected by the Disclosure Representative or the Dissemination Agent; and

(*iii*) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided, and listing all the Repositories to which it was provided.

SECTION 4. CONTENT OF ANNUAL REPORTS. The District's Annual Report shall contain or incorporate by reference the following:

(*a*) audited Financial Statements; and

(*b*) updated information contained in the Final Official Statement as listed in Exhibit B to this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the District is an "obligated person" (as defined by the Rule), which have been filed with the Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so incorporated by reference.

SECTION 5. REPORTING OF SPECIFIED EVENTS.

(*a*) The District shall also provide in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events or conditions of which any of its Board Members or employees has actual knowledge:

(*i*) Principal and interest payment delinquencies;

(*ii*) Non-payment related defaults;

(*iii*) Unscheduled draws on debt service reserves reflecting financial difficulties (the Bond issue has no debt service reserve);

(*iv*) Unscheduled draws on credit enhancements reflecting financial difficulties;

(*v*) Substitution of credit or liquidity providers, or their failure to perform (the Bond issue has no credit or liquidity providers);

(*vi*) Adverse tax opinions the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;

(*vii*) Modifications to rights of Owners of the Bonds, if material;

(*viii*) Bond calls, if material, and tender offers;

(*ix*) Defeasances;

(*x*) Release, substitution, or sale of property securing repayment of the Bonds;

(*xi*) Rating changes;

(*xii*) Bankruptcy, insolvency, receivership or similar events of the District;

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

(*xiv*) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(*xv*) Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and

(*xvi*) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(*b*) Unless otherwise required by law, the District shall provide notices of Specified Events required by this Section to the Repository.

(*c*) Unless otherwise required by law and subject to technical and economic feasibility, the District shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the District's information.

SECTION 6. TERMINATION OF REPORTING OBLIGATION. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. DISSEMINATION AGENT. The District 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. If at any time there is no other designated Dissemination Agent, the Business Manager of the District shall be the Dissemination Agent.

SECTION 8. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Certificate, the District and the Dissemination Agent may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the District) and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule. This Disclosure Certificate, or any provision hereof, shall be null and void in the event that the District receives an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of this Disclosure Certificate may be amended without the consent of the Owners of the Bonds, but only upon the receipt by the District of an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Disclosure Certificate by the District with the Rule.

SECTION 9. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the District 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 Specified Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Specified Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Specified Event.

SECTION 10. DEFAULT. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Certificate, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall), or any Owner, including beneficial owners, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. 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 District or the Dissemination Agent 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 District 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 attorney's 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 District 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 District, the Dissemination Agent, the Participating Underwriters, and Owners, including beneficial owners, from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. COUNTERPARTS. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the District has caused this Disclosure Certificate to be executed by its duly authorized officers, all as of the date first above written.

WILLISTON PUBLIC SCHOOL DISTRICT NO. 1, WILLIAMS COUNTY, NORTH DAKOTA

____
President of the School Board

ATTEST:

____
Business Manager

EXHIBIT A

NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Williston Public School District No. 1

Name of Bond Issue: State Aid Refunding Certificates of Indebtedness, Series 2019

Name of District: Williston Public School District No. 1

Date of Issuance: June 20, 2019

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named bonds as required by Section 6.05 of the Resolution adopted June 5, 2019. The District anticipates that the Annual Report will be filed by ____________________.

Dated: _________________________.

,
on behalf of the DISTRICT

cc: District

EXHIBIT B

Table 1	Debt Service Coverage
Financial Summary	
Table 12	General Obligation Long-Term Debt by Issue
Table 13	General Obligation Long-Term Debt Supported by Debt Service Levy, Annual Maturity Schedule
Table 14	General Obligation Long-Term Debt Supported by Building Fund Levy, Annual Maturity Schedule
Table 15	Limited Tax Long-Term Debt by Issue
Table 16	Limited Tax Long-Term Debt, Annual Maturity Schedule
Table 17	Certificates of Indebtedness
Table 18	Certificates of Indebtedness, Annual Maturity Schedule