PRELIMINARY OFFICIAL STATEMENT DATED APRIL 18, 2016

New and Refunding Issue **Rating: Application Made to Moody's Investors Service**

In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions (assuming compliance with certain covenants), interest on the Bonds will be excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986, provided, however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes). The City will designate the Bonds as "qualified tax-exempt obligations." See "TAX EXEMPTION AND RELATED CONSIDERATIONS" herein.

CITY OF KNOXVILLE, IOWA

$2,715,000* General Obligation Corporate Purpose and Refunding Bonds, Series 2016A

BIDS RECEIVED: Monday, May 2, 2016, 10:00 o'clock A.M., Central Time
AWARD: Monday, May 2, 2016, 6:15 o'clock P.M., Central Time

Dated: Date of Delivery (June 1, 2016) **Principal Due:** June 1, as shown inside front cover

The $2,715,000* General Obligation Corporate Purpose and Refunding Bonds, Series 2016A (the "Bonds") are being issued pursuant to Division III of Chapter 384 of the Code of Iowa, and a resolution to be adopted by the City Council of the City of Knoxville, Iowa (the "City"). The Bonds are being issued to provide funds for constructing street improvements, including incidental water, sanitary sewer, sidewalk, storm water drainage infrastructure and constructing public recreation trails and related improvements. The Bonds are also being issued to current refund on June 1, 2016, $460,000 of the City's outstanding General Obligation Refunding Capital Loan Notes, Series 2007A, originally dated September 19, 2007, maturing June 1, 2017 through 2019 (the "Series 2007A Notes"). The purchaser of the Bonds agrees to enter into a loan agreement (the "Loan Agreement") with the City pursuant to the authority contained in Section 384.24A of the Code of Iowa. The Bonds are issued in evidence of the City's obligations under the Loan Agreement. The Bonds are general obligations of the City for which the City will pledge its power of levy direct ad valorem taxes to the repayment of the Bonds.

The Bonds will be issued as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. 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 Bonds purchased. Principal of the Bonds, payable annually on each June 1, beginning June 1, 2017 and interest on the Bonds, payable initially on December 1, 2016 and thereafter on each June 1 and December 1, will be paid to DTC by the City's Registrar/Paying Agent, Bankers Trust Company, Des Moines, Iowa (the "Registrar"). DTC will in turn remit such principal and interest to its participants for subsequent disbursements to the beneficial owners of the Bonds as described herein. Interest and principal shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as the 15th day of the month preceding such interest payment date (the "Record Date").

THE BONDS WILL MATURE AS LISTED ON THE INSIDE FRONT COVER

MINIMUM BID:	$2,687,850
GOOD FAITH DEPOSIT:	Required of Purchaser Only
TAX MATTERS:	Federal: Tax-Exempt State: Taxable See *"TAX EXEMPTION AND RELATED CONSIDERATIONS"* for more information.

The Bonds are offered, subject to prior sale, withdrawal or modification, when, as, and if issued subject to the legal opinion of Dorsey & Whitney LLP, Bond Counsel, Des Moines, Iowa, to be furnished upon delivery of the Bonds. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about June 1, 2016. This Preliminary Official Statement will be further supplemented by offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, anticipated delivery date, and underwriter, together with any other information required by law, and shall constitute a final "Official Statement" of the City with respect to the Bonds, as defined in Rule 15c2-12.

* Preliminary; subject to change.

CITY OF KNOXVILLE, IOWA

$2,715,000* General Obligation Corporate Purpose and Refunding Bonds, Series 2016A

MATURITY: The Bonds will mature June 1 in the years and amounts as follows:

Year	Amount*	Year	Amount*
2017	$220,000	2023	$230,000
2018	220,000	2024	235,000
2019	160,000	2025	240,000
2020	215,000	2026	245,000
2021	220,000	2027	250,000
2022	225,000	2028	255,000

*** PRINCIPAL ADJUSTMENT:** Preliminary; subject to change. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of $5,000 but the total amount to be issued will not exceed $2,800,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

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

INTEREST: Interest on the Bonds will be payable on December 1, 2016 and semiannually thereafter.

REDEMPTION: The Bonds due after June 1, 2024 will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the City, upon terms of par plus accrued interest to date of call. Notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Municipal obligations (issued in an aggregate amount over $1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure.

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to prospective bidders. Its primary purpose is to disclose information regarding the Bonds to prospective bidders in the interest of receiving competitive bids in accordance with the TERMS OF OFFERING contained herein. Unless an addendum is received prior to the sale, this document shall be deemed the “Near Final Official Statement”.

Review Period: This Preliminary Official Statement has been distributed to City staff as well as to prospective bidders for an objective review of its disclosure. Comments or omissions or inaccuracies must be submitted to Public Financial Management, Inc. (the “Municipal Advisor”) at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will <u>not</u> be considered a qualification of a bid received. If there are any changes, corrections or additions to the Preliminary Official Statement, prospective bidders will be informed by an addendum at least one business day prior to the sale.

Final Official Statement: Upon award of sale of the Bonds, the legislative body will authorize the preparation of a Final Official Statement that includes the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, anticipated delivery date and other information required by law and the identity of the underwriter (the “Syndicate Manager”) and syndicate members. Copies of the final Official Statement will be delivered to the Syndicate Manager within seven business days following the bid acceptance.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations, other than those contained in the Preliminary Official Statement. This Preliminary Official Statement does not constitute any offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Preliminary Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Preliminary Official Statement and any addenda thereto were prepared relying on information from the City and other sources, which are believed to be reliable.

Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein.

Compensation of the Municipal Advisor, payable entirely by the City, is contingent upon the sale of the issue.

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CITY OF KNOXVILLE, IOWA

City Council

Brian Hatch	Mayor
Dawn Allspach-Kline	Council Member/Mayor Pro-Tem
Rick Kingery	Council Member
James Lane	Council Member
Cal Stephens	Council Member
Craig Kelley	Council Member

Administration

Aaron Adams, City Manager
Heather Ussery, City Clerk

City Attorney

Robert Stuyvesant
Carlisle, Iowa

Bond Counsel

Dorsey & Whitney LLP
Des Moines, Iowa

Municipal Advisor

Public Financial Management, Inc.
Des Moines, Iowa

TERMS OF OFFERING

CITY OF KNOXVILLE, IOWA

Bids for the purchase of the City of Knoxville, Iowa's (the "City") $2,715,000* General Obligation Corporate Purpose and Refunding Bonds, Series 2016A (the "Bonds") will be received on Monday, May 2, 2016 before 10:00 o'clock A.M. Central Time after which time they will be tabulated. The City Council will consider award of the Bonds at 6:15 o'clock P.M. Central Time, on the same day. Questions regarding the sale of the Bonds should be directed to the City's Municipal Advisor at (515) 243-2600. Information can also be obtained from Heather Ussery, City Clerk, City of Knoxville, 305 South Third Street, Knoxville, Iowa 50138, or by telephoning (641) 828-0550. The following section sets forth the description of certain terms of the Bonds as well as the TERMS OF OFFERING with which all bidders and bid proposals are required to comply, as follows:

DETAILS OF THE BONDS

GENERAL OBLIGATION CORPORATE PURPOSE AND REFUNDING BONDS, SERIES 2016A, in the principal amount of $2,715,000* to be dated the date of delivery (anticipated to be June 1, 2016) in the denomination of $5,000 or multiples thereof, will mature on June 1 as follows:

Year	Amount*	Year	Amount*
2017	$220,000	2023	$230,000
2018	220,000	2024	235,000
2019	160,000	2025	240,000
2020	215,000	2026	245,000
2021	220,000	2027	250,000
2022	225,000	2028	255,000

ADJUSTMENT TO BOND MATURITY AMOUNTS

The City reserves the right to increase or decrease the aggregate principal amount of the Bonds and to increase or reduce each scheduled maturity thereof after the determination of the successful bidder. The City may increase or decrease each maturity in increments of $5,000 but the total amount to be issued will not exceed $2,800,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

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

TERM-BOND OPTION

Bidders shall have the option of designating the Bonds as serial bonds or term bonds, or both. The bid must designate whether each of the principal amounts shown above represent a serial maturity or a mandatory redemption requirement for a term note maturity. (See the OFFICIAL BID FORM for more information.) In any event, the above principal amount scheduled shall be represented by either serial note maturities or mandatory redemption requirements, or a combination of both.

*Preliminary; subject to change.

OPTIONAL REDEMPTION

Bonds due after June 1, 2024 will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the City, upon terms of par plus accrued interest to date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

INTEREST

Interest on the Bonds will be payable on December 1, 2016 and semiannually on the 1st day of June and December thereafter. Principal and interest shall be paid to the registered holder of a Bond as shown on the records of ownership maintained by the registrar as of the 15th day of the month preceding the payment date (the “Record Date”). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board.

GOOD FAITH DEPOSIT

A good faith deposit in the amount of $27,150 (the “Deposit”) is required from the lowest bidder only. The lowest bidder is required to submit such Deposit payable to the order of the City, not later than 12:00 o’clock P.M. Central Times on the day of the sale of the Bonds in the form of either (i) a cashier’s check provided to the City or its Municipal Advisor or (ii) a wire transfer as instructed by the City’s Municipal Advisor. If not so received, the bid of the lowest bidder may be rejected and the City may direct the second lowest bidder to submit a Deposit and thereafter may award the sale of the Bonds to the same. No interest on a Deposit will accrue to the successful bidder (the “Purchaser”). The Deposit will be applied to the purchase price of the Bonds. In the event a Purchaser fails to honor its accepted bid proposal, the Deposit will be retained by the City.

FORM OF BIDS AND AWARD

All bids shall be unconditional for the Bonds for a price not less than $2,687,850 plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations as set forth in the “BIDDING PARAMETERS” section. Bids must be submitted on or in substantial compliance with the OFFICIAL BID FORM provided by the City. The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a true interest cost (the “TIC”) basis assuming compliance with the “GOOD FAITH DEPOSIT” section. The TIC shall be determined by the present value method, i.e., by ascertaining the semiannual rate, compounded semiannually, necessary to discount to present value as of the dated date of the Bonds, the amount payable on each interest payment date and on each stated maturity date or earlier mandatory redemption, so that the aggregate of such amounts will equal the aggregate purchase price offered therefore. The TIC shall be stated in terms of an annual percentage rate and shall be that rate of interest which is twice the semiannual rate so ascertained (also known as the Canadian Method). The TIC shall be as determined by the Municipal Advisor based on the TERMS OF OFFERING and all amendments, and on the bid as submitted. The Municipal Advisor's computation of the TIC of each bid shall be controlling. In the event of tie bids for the lowest TIC, the Bonds will be awarded by lot.

The City will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Bonds, (ii) reject all bids without cause and (iii) reject any bid which the City determines to have failed to comply with the terms herein.

BIDDING PARAMETERS

Each bidder's proposal must conform to the following limitations:

1. Each annual maturity shall bear a single rate of interest from the dated date of the Bonds to the date of maturity.
2. Rates of interest bid must be in multiples of one-eighth or one-twentieth of one percent.
3. The initial price to the public for each maturity must be 98% or greater.

RECEIPT OF BIDS

Forms of Bids: Bids must be submitted on or in substantial compliance with the TERMS OF OFFERING and OFFICIAL BID FORM provided by the City or through PARITY® competitive bidding system (the "Internet Bid System"). The City shall not be responsible for malfunction or mistake made by any person, or as a result of the use of an electronic bid or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

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

Sealed Bids: Sealed bids may be submitted and will be received at the office of the City Clerk, City of Knoxville, 305 South Third Street, Knoxville, Iowa 50138.

Electronic Internet Bidding: Electronic internet bids will be received at the office of the City's Municipal Advisor, Public Financial Management, Inc., 801 Grand Ave, Suite 3300, Des Moines, Iowa, 50309 and must be submitted through the Internet Bid System. Information about the Internet Bid System may be obtained by calling (212) 849-5021.

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

Electronic Facsimile Bids: Electronic facsimile bids will be received at the office of the City's Municipal Advisor, Public Financial Management, Inc., (facsimile number: (515) 243-6994). Electronic facsimile bids will be sealed and treated as sealed bids.

Electronic facsimile bids received after the deadline will be rejected. Bidders electing to submit bids via facsimile transmission bear full responsibility for the transmission of such bid. Neither the City nor its agents shall be responsible for malfunction or mistake made by any person, or as a result of the use of the facsimile facilities or any other means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received. Neither the City nor its agents will assume liability for the inability of the bidder to reach the above named facsimile numbers prior to the time of sale specified above. Time of receipt shall be the time recorded by the facsimile operator receiving the bids.

BOOK-ENTRY-ONLY ISSUANCE

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

MUNICIPAL BOND INSURANCE AT PURCHASER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser, except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that initial rating fee. Any other rating agency fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery on the Bonds. The City reserves the right in its sole discretion to accept or deny changes to the financing documents requested by the insurer selected by the Purchaser.

DELIVERY

The Bonds will be delivered to the Purchaser via Fast Automated Securities Transfer ("FAST") delivery with the Registrar holding the Bonds on behalf of DTC, against full payment in immediately available cash or federal funds. The Bonds are expected to be delivered within forty-five days after the sale. Should delivery be delayed beyond sixty days from the date of sale for any reason except failure of performance by the Purchaser, the Purchaser may withdraw their bid and thereafter their interest in and liability for the Bonds will cease. When the Bonds are ready for delivery, the City will give the Purchaser five working days notice of the delivery date and the City will expect payment in full on that date; otherwise, reserving the right at their option to determine that the Purchaser failed to comply with the offer of purchase.

INFORMATION FROM PURCHASER

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

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds. The Preliminary Official Statement when further supplemented with offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, anticipated delivery date and the identity of the underwriters, together with any other information required by law or deemed appropriate by the City, shall constitute a Final Official Statement of the City with respect to the Bonds, as that term is defined in Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the “Rule”). By awarding the Bonds to any underwriter or underwriting syndicate submitting an OFFICIAL BID FORM therefore, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded up to 15 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in Rule 15c2-12) to comply with the provisions of the Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to the Participating Underwriter. Any underwriter executing and delivering an OFFICIAL BID FORM with respect to the Bonds agrees thereby that if its bid is accepted by the City, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other Participating Underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of the Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended, the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the resolution authorizing the issuance of the Bonds and the Continuing Disclosure Certificate, to provide Annual Financial Information filings of specified information and notice of the occurrence of certain material events as hereinafter described (the “Undertakings”). The information to be provided on an annual basis, the events as to which notice is to be given and a summary of other provisions of the Undertakings, including termination, amendment and remedies, are set forth as APPENDIX C to this Preliminary Official Statement.

In accordance with the reporting requirements of paragraph (f)(3) of the Rule, during the past five years, to the best of its knowledge, the City has complied in all material respects with its previous continuing disclosure undertakings entered into under the Rule.

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

CUSIP NUMBERS

It is anticipated that Committee on Uniform Security Identification Procedures (“CUSIP”) numbers will be printed on the Bonds and the Purchaser must agree in the bid proposal to pay the cost thereof. In no event will the City, Bond Counsel or Municipal Advisor be responsible for the review or express any opinion that the CUSIP numbers are correct. Incorrect CUSIP numbers on said Bonds shall not be cause for the Purchaser to refuse to accept delivery of said Bonds.

BY ORDER OF THE CITY COUNCIL
Heather Ussery, City Clerk
City of Knoxville, Iowa

SCHEDULE OF BOND YEARS

$2,715,000*
CITY OF KNOXVILLE, IOWA
General Obligation Corporate Purpose and Refunding Bonds, Series 2016A

Bonds Dated: June 1, 2016
Interest Due: December 1, 2016 and each June 1 and December 1 to maturity
Principal Due: June 1, 2017-2028

Year	Principal*	Bond Years	Cumulative Bond Years
2017	$220,000	220.00	220.00
2018	220,000	440.00	660.00
2019	160,000	480.00	1,140.00
2020	215,000	860.00	2,000.00
2021	220,000	1,100.00	3,100.00
2022	225,000	1,350.00	4,450.00
2023	230,000	1,610.00	6,060.00
2024	235,000	1,880.00	7,940.00
2025	240,000	2,160.00	10,100.00
2026	245,000	2,450.00	12,550.00
2027	250,000	2,750.00	15,300.00
2028	255,000	3,060.00	18,360.00

Average Maturity (dated date): 6.762 Years

* Preliminary; subject to change.

PRELIMINARY OFFICIAL STATEMENT

CITY OF KNOXVILLE, IOWA

$2,715,000* General Obligation Corporate Purpose and Refunding Bonds, Series 2016A

INTRODUCTION

This Preliminary Official Statement contains information relating to the City of Knoxville, Iowa (the "City") and its issuance of $2,715,000* General Obligation Corporate Purpose and Refunding Bonds, Series 2016A (the "Bonds"). This Preliminary Official Statement has been executed on behalf of the City and its City Clerk and may be distributed in connection with the sale of the Bonds authorized therein. Inquiries may be made to the City's Municipal Advisor, Public Financial Management, Inc., 801 Grand Avenue, Suite 3300, Des Moines, Iowa 50309 or by telephoning 515-243-2600. Information can also be obtained from Ms. Heather Ussery, City Clerk, City of Knoxville, 305 South Third Street, Knoxville, Iowa 50138, or by telephoning (641) 828-0550.

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to Division III of Chapter 384 of the Code of Iowa, and a resolution to be adopted by the City Council of the City. The Bonds are being issued to provide funds for constructing street improvements, including incidental water, sanitary sewer, sidewalk, storm water drainage infrastructure and constructing public recreation trails and related improvements. The Bonds are also being issued to current refund on June 1, 2016, $460,000 of the City's outstanding General Obligation Refunding Capital Loan Notes, Series 2007A, originally dated September 19, 2007, maturing 2017 through 2019 (the "Series 2007A Notes"). The purchaser of the Bonds agrees to enter into a loan agreement (the "Loan Agreement") with the City pursuant to the authority contained in Section 384.24A of the Code of Iowa. The Bonds are issued in evidence of the City's obligations under the Loan Agreement.

Name of Issue to be Refunded	Call Date	Call Price	Maturities to be Refunded	Principal Amount	Coupon
Series 2007A Notes	6/1/2016	100%	6/1/2017	$150,000	4.00%
			6/1/2018	150,000	4.05%
			6/1/2019	160,000	4.05%
		Total:		$460,000	

The estimated Sources and Uses of the Bonds are as follows:

Sources of Funds		
Par Amount of Bonds	$2,715,000.00	*
Uses of Funds		
Deposit to Project Funds	$2,182,222.83	
Funds for Redemption of the Series 2007A Notes	460,000.00	
Underwriter's Discount	27,150.00	*
Cost of Issuance and Contingency	45,627.17	*
Total Uses	$2,715,000.00	*

* Preliminary; subject to change.

OPTIONAL REDEMPTION

Bonds due after June 1, 2024 will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the City, upon terms of par plus accrued interest to date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

INTEREST

Interest on the Bonds will be payable on December 1, 2016 and semiannually on the 1st day of June and December thereafter. Principal and interest shall be paid to the registered holder of a Bond as shown on the records of ownership maintained by the registrar as of the 15th day of the month preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board.

PAYMENT OF AND SECURITY FOR THE BONDS

The Bonds constitute valid and binding general obligations of the City, and all taxable property within the corporate boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds. If the amount credited to the debt service fund for payment of the Bonds is insufficient to pay principal and interest, whether from transfers or from original levies, the City must use funds in its treasury and is required to levy ad valorem taxes upon all taxable property in the City sufficient to pay the debt service deficiency without limit as to rate or amount.

BOOK-ENTRY-ONLY ISSUANCE

The information contained in the following paragraphs of this subsection "Book-Entry-Only Issuance" 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 City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

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 (the "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 (the "Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

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.

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

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

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

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

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

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.

FUTURE FINANCING

The City anticipates no additional general obligation borrowings within 90 days of the date of this Preliminary Official Statement.

LITIGATION

The City is not aware of any threatened or pending litigation affecting the validity of the Bonds or the City's ability to meet its financial obligations.

DEBT PAYMENT HISTORY

The City knows of no instance in which it has defaulted in the payment of principal or interest on its debt.

LEGALITY

Bond Counsel has not been engaged, nor has it undertaken, to prepare or to independently verify the accuracy of the Preliminary Official Statement, including but not limited to financial or statistical information of the City and risks associated with the purchase of the Bonds, except Bond Counsel has reviewed the information and statements contained in the Preliminary Official Statement under the first paragraph of "AUTHORITY AND PURPOSE", "PAYMENT OF AND SECURITY FOR THE BONDS", and under "TAX EXEMPTION AND RELATED CONSIDERATIONS" insofar as such statements contained under such captions purport to summarize certain provisions of the Internal Revenue Code of 1986, the Bonds and any opinions rendered by Bond Counsel. Bond Counsel has prepared the documents contained in APPENDIX A and APPENDIX C.

TAX EXEMPTION AND RELATED CONSIDERATIONS

Federal Income Tax Exemption: The opinion of Bond Counsel will state that under present laws and rulings, interest on the Bonds (including any original issue discount properly allocable to an owner thereof) 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 under the Internal Revenue Code of 1986, as amended (the "Code"), provided, however, that such interest must be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes).

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

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

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

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

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

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

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

An owner of an Discount Bond who disposes of such Discount Bond prior to maturity should consult owner's tax advisor as to the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bond prior to maturity. Owners who purchase Discount Bonds in the initial public offering but at a price different than the Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership Discount Bonds.

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

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

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

RELATED TAX MATTERS

Information Reporting and Back-up Withholding; Audits: In general, information reporting requirements will apply with respect to payments to an owner of principal and interest (and with respect to annual accruals of OID) on the Bonds, and with respect to payments to an owner of any proceeds from a disposition of the Bonds. This information reporting obligation, however, does not apply with respect to certain owners including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. In the event that an owner subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or is notified by the Internal Revenue Service (the "Service") that it has failed to properly report payments of interest and dividends, a backup withholding tax (currently at a rate of 28%) generally will be imposed on the amount of any interest and principal and the amount of any sales proceeds received by the owner on or with respect to the Bonds.

Any amounts withheld under the backup withholding provisions may be credited against the United States federal income tax liability of the beneficial owner, and may entitle the beneficial owner to a refund, provided that the required information is furnished to the Service.

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

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

RATING

The City has requested a rating on the Bonds from Moody's Investors Service, Inc. ("Moody's"). Currently, Moody's maintains ratings of 'A2' on the City's outstanding general obligation long-term debt and 'A1' on the City's outstanding sewer revenue debt. The existing rating on long-term debt reflects only the view of the rating agency and with any explanation of the significance of such rating may only be obtained from Moody's. There is no assurance that such rating will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of the rating may have an effect on the market price of the Bonds.

MUNICIPAL ADVISOR

The City has retained Public Financial Management, Inc., Des Moines, Iowa as Municipal Advisor (the "Municipal Advisor") in connection with the preparation of the issuance of the Bonds. In preparing the Preliminary Official Statement, the Municipal Advisor has relied on government officials, and other sources to provide accurate information for disclosure purposes. The Municipal Advisor is not obligated to undertake, and has not undertaken, an independent verification of the accuracy, completeness, or fairness of the information contained in the Preliminary Official Statement. Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other Participating Underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of the Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended, the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the resolution authorizing the issuance of the Bonds and the Continuing Disclosure Certificate, to provide Annual Financial Information filings of specified information and notice of the occurrence of certain material events as hereinafter described (the "Undertakings"). The information to be provided on an annual basis, the events as to which notice is to be given and a summary of other provisions of the Undertakings, including termination, amendment and remedies, are set forth as APPENDIX C to this Preliminary Official Statement.

In accordance with the reporting requirements of paragraph (f)(3) of the Rule, during the past five years, to the best of its knowledge, the City has complied in all material respects with its previous continuing disclosure undertakings entered into under the Rule.

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

CERTIFICATION

The City has authorized the distribution of this Preliminary Official Statement for use in connection with the initial sale of the Bonds. The City has reviewed the information contained within the Preliminary Official Statement prepared on behalf of the City of Knoxville, Iowa, by Public Financial Management, Inc., Des Moines, Iowa, and, to the best of our knowledge, information and belief, said Preliminary Official Statement does not contain any material misstatements of fact nor omission of any material fact regarding the issuance of $2,715,000* General Obligation Corporate Purpose and Refunding Bonds, Series 2016A.

CITY OF KNOXVILLE, IOWA
/s/ Ms. Heather Ussery, City Clerk

* Preliminary, subject to change

CITY PROPERTY VALUES

IOWA PROPERTY VALUATIONS

In compliance with Section 441.21 of the Code of Iowa, the State Director of Revenue annually directs the county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The Marion County Auditor adjusted the final Actual Values for 2014. The reduced values, determined after the application of rollback percentages, are the Taxable Values subject to tax levy. For assessment year 2014, the taxable value rollback rate was 55.7335% of actual value for residential property; 44.7021% of actual value for agricultural property; and 90% of actual value for commercial, industrial, and railroad property. No adjustment was ordered for utility property because its assessed value did not increase enough to qualify for reduction. Utility property is limited to an 8% annual growth.

The Legislature's intent has been to limit the growth of statewide taxable valuations for the specific classes of property to 3% annually. Political subdivisions whose taxable values are thus reduced or are unusually low in growth are allowed to appeal the valuations to the State Appeal Board, in order to continue to fund present services.

PROPERTY VALUATIONS (1/1/2014 Valuations for Taxes Payable July 1, 2015 to June 30, 2016)

	100% Actual Value	Taxable Value (With Rollback)
Residential	$213,937,338	$119,225,343
Commercial	58,948,821	52,865,197
Industrial	10,068,556	9,054,927
Railroads	1,275,928	1,148,335
Utilities w/o Gas & Electric	587,848	587,848
Gross valuation	$284,818,491	$182,881,650
Less military exemption	(813,954)	(813,954)
Net valuation	$284,004,537	$182,067,696
TIF Increment (used to compute debt service levies and constitutional debt limit)	$20,164,874 1)	$15,377,036 2)
Taxed separately		
Ag. Land & Buildings	$899,864 3)	$383,713 3)
Gas & Electric Utilities	$8,164,509	$4,504,592

1) Excludes $56,826 of Ag. TIF Increment valuation.
2) Excludes $43,950 of Ag. Taxable TIF Increment valuation.
3) Reduced by $3,704 of Ag military exemption.

2014 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY 1)

	Taxable Valuation	Percent Total
Residential	$119,225,343	63.63%
Commercial, Industrial and Utilities	62,507,972	33.36%
Railroads	1,148,335	0.61%
Gas & Electric Utilities	4,504,592	2.40%
Total Gross Taxable Valuation	$187,386,242	100.00%

1) Excludes Taxable TIF Increment, Ag. Land and Ag. Buildings.

TREND OF VALUATIONS

Assessment Year	Payable Fiscal Year	100% Actual Valuation	Net Taxable Valuation (With Rollback)	Taxable TIF Increment
2011	2012-13	$307,835,232	$182,613,745	$7,049,674
2012	2013-14	310,579,266	186,283,966	10,483,765
2013	2014-15	313,823,408	189,517,122	15,721,929
2014	2015-16	313,286,906	186,572,288	15,377,036
2015 [1)]	2016-17	327,054,333	192,715,658	15,530,115

1) The City's 1/1/2015 valuations are now available from the State of Iowa and become effective July 1, 2016.

The 100% Actual Valuation, before rollback and after reduction of military exemption, includes Ag. Land, Ag. Buildings, TIF Increment and Gas & Electric Utilities. The Taxable Valuation, with the rollback and after the reduction of military exemption, includes Gas & Electric Utilities and excludes Ag. Land, Ag. Buildings and the Taxable TIF Increment. Iowa cities certify operating levies against Taxable Valuation excluding the Taxable TIF Increment and debt service levies are certified against Taxable Valuations including the Taxable TIF Increment.

LARGER TAXPAYERS

Set forth in the following table are the persons or entities which represent larger taxpayers within the boundaries of the City, as provided by the Marion County Auditor's Office. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City. With the exception of the electric and natural gas provider noted below (which is subject to an excise tax in accordance with Iowa Code chapter 437A), the County's mill levy is applicable to all of the properties included in the table, and thus taxes expected to be received by the City from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the mill levies of the other taxing entities which overlap the properties.

Taxpayer [1)]	Type of Property/Business	1/1/2014 Taxable Valuation [2)]
Minnesota Mining & Manufacturing Co. (3M)	Industrial	$6,739,470
Weiler, Inc	Ag., Comm. & Industrial	5,165,454
Wal Mart Real Estate Business Trust	Commercial	4,396,761
Homestead of Knoxville LLC	Commercial	3,903,788
MidAmerican Energy	Utility	3,307,966
Hormel Foods Corporation	Industrial	2,126,943
Van Zee, Galen & Roxanne	Residential & Commercial	1,951,040
Central States Shopping Center Development	Commercial	1,579,725
Knoxville Hotel Group LLC	Commercial	1,522,377
Care Initiatives	Residential	1,386,264

1) This list represents some of the larger taxpayers in the City, not necessarily the 10 largest taxpayers.
2) The Taxable Valuation listed represents only those valuations associated with the title holder and may not necessarily represent the entire taxable valuation.

Source: Marion County Auditor's Office.

PROPERTY TAX LEGISLATION

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the "Act"), which the Governor signed into law on June 12, 2013. Among other things, the Act (i) reduces the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property, from the current 4% to 3%, (ii) assigns a "rollback" (the percentage of a property's value that is subject to tax) to commercial, industrial and railroad property of 95% for the 2013 assessment year and 90% for the 2014 assessment year and all years thereafter, (iii) creates a new property tax classification for multi-residential properties (mobile home parks, manufactured home communities, land-lease communities, assisted living facilities and property primarily used or intended for human habitation containing three or more separate dwelling units) ("Multi-residential Property") that begins in the 2015 assessment year, and assigns a declining rollback percentage of 3.75 percent to such properties for each subsequent year until 2021 assessment year (the rollback percentage for Multi-residential Properties will be equal to the residential rollback percentage in 2022 assessment year and thereafter) and (iv) exempts a specified portion of the assessed value of telecommunication properties.

The Act includes a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. Prior to fiscal year 2017-18, the appropriation is a standing unlimited appropriation, but beginning in fiscal year 2017-18 the standing appropriation cannot exceed the actual fiscal year 2016-17 appropriation amount. The appropriation does not replace losses to local governments resulting from the Act's provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3% from 4%, the gradual transition for Multi-residential Property from the commercial rollback percentage (100% of Actual Value) to the residential rollback percentage (currently 55.7335% of Actual Valuation), or the reduction in the percentage of telecommunications property that is subject to taxation.

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

In Moody's Investor Service US Public Finance Weekly Credit Outlook, dated May 30, 2013, Moody's Investor Service ("Moody's") projected that local governments in the State of Iowa are likely to experience modest reductions in property tax revenues starting in fiscal year 2014-15 as a result of the Act, with sizeable reductions possible starting in fiscal year 2017-18. According to Moody's, local governments that may experience disproportionately higher revenue losses include regions that have a substantial commercial base, a large share of Multi-residential Property (such as college towns), or significant amounts of telecommunications property.

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

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

CITY INDEBTEDNESS

DEBT LIMIT

Article XI, Section 3 of the State of Iowa Constitution limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than 5% of the actual value of all taxable property within the corporate limits, as taken from the last state and county tax list. The debt limit for the City, based on its 2014 Actual Valuation currently applicable to the fiscal year 2015-16, is as follows:

2014 Actual Valuation of Property	$313,302,286
Legal Debt Limit of 5%	0.05
Legal Debt Limit	$15,665,114
Less: G. O. Debt Subject to Debt Limit	(7,885,000)
TIF Rebate Agreements	(2,335,716)
Net Debt Limit	$5,444,398

DIRECT DEBT

General Obligation Debt Paid by Taxes (Includes the Bonds)

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 06/01/16 1)
9/07A	$1,765,000	City Improvements	6/16	$0 2)
8/10C	3,539,000	City Improvements and Refunding	6/22	1,515,000
11/10D	710,000	City Improvements	6/23	535,000
5/12A	1,235,000	Refunding	6/20	725,000
6/16A	2,715,000*	City Improvements and Refunding	6/28	2,715,000 *
Subtotal				$5,490,000 *

1) Excludes June 1, 2016 principal payments.
2) The 2017 through 2019 maturities are to be current refunded by the Bonds on June 1, 2016.

General Obligation Debt Paid by Local Option Sales Tax Revenues

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 06/01/16 1)
6/13	$3,360,000	City Improvements	6/23	$2,395,000

1) Excludes June 1, 2016 principal payments.

Total General Obligation Debt Subject to Debt Limit: $7,885,000*

* Preliminary; subject to change.

Annual Fiscal Year Debt Service Payments [1)]

General Obligation Debt Paid by Property Taxes (Includes the Bonds)

	Current Outstanding Debt		The Bonds		Total Outstanding Debt	
Fiscal Year	Principal	Principal & Interest	Principal*	Principal & Interest*	Principal*	Principal & Interest*
2016-17	$475,000	$538,970	$220,000	$278,009	$695,000	$816,979
2017-18	485,000	540,495	220,000	275,369	705,000	815,864
2018-19	505,000	550,798	160,000	212,311	665,000	763,109
2019-20	515,000	549,688	215,000	264,831	730,000	814,519
2020-21	350,000	372,575	220,000	266,176	570,000	638,751
2021-22	360,000	372,855	225,000	267,128	585,000	639,983
2022-23	85,000	87,295	230,000	267,583	315,000	354,878
2023-24			235,000	267,500	235,000	267,500
2024-25			240,000	266,907	240,000	266,907
2025-26			245,000	265,811	245,000	265,811
2026-27			250,000	264,294	250,000	264,294
2027-28			255,000	262,344	255,000	262,344
	$2,775,000		$2,715,000*		$5,490,000*	

1) Excludes June 1, 2016 principal and interest payments.

* Preliminary; subject to change.

General Obligation Debt Paid by Local Option Sales Tax [1)]

Fiscal Year	Principal	Principal and Interest
2016-17	$330,000	$360,415
2017-18	330,000	358,105
2018-19	335,000	360,300
2019-20	340,000	361,950
2020-21	345,000	362,870
2021-22	355,000	367,695
2022-23	360,000	366,660
Total	$2,395,000	

1) Excludes June 1, 2016 principal and interest payments.

OTHER DEBT

The City has revenue debt payable solely from the net revenues of the Municipal Sewer System as follows:

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 06/01/16[1)]
2/10	$2,756,000	Sewer Improvements (SRF Loan)	6/31	$2,150,000
3/10	1,705,000	Refunding	6/17	270,000
4/15A	3,180,000	Refunding	6/27	3,180,000
6/15	2,518,000	Sewer Improvements (SRF Loan)	6/31	2,296,000 [2)]
Total				$7,896,000

1) Excludes June 1, 2016 principal payments
2) Represents the amount drawn to date of total $2,518,000 SRF loan.

INDIRECT GENERAL OBLIGATION DEBT

Taxing District	1/1/2014 Taxable Valuation 1)	Portion of Taxable Valuation Within City 2)	Percent In City	G.O. Debt 3)	City's Proportionate Share
Marion County	$1,385,970,018	$202,373,283	14.60%	$2,935,000	$428,510
Knoxville CSD	391,525,782	202,373,283	51.69%	0	0
Des Moines Area Community College	40,089,928,553	202,373,283	0.50%	72,605,000	363,025
City share of total overlapping debt					$791,535

1) Taxable Valuation includes Ag. Land & Buildings, all Utilities and Taxable TIF Increment.
2) Includes $43,950 of Ag Taxable TIF Increment valuation.
3) Includes general obligation bonds, PPEL notes, certificates of participation and new jobs training certificates.

DEBT RATIOS

	G.O. Debt	Debt/Actual Market Value ($313,286,906) 1)	Debt/7,313 Population 2)
Total General Obligation Debt	$7,885,000*	2.52%	$1,078.22
City's share of overlapping debt	$791,535	0.25%	$108.24

1) Based on the City's 2014 Actual Valuation; includes Ag. Land & Buildings, all Utilities and Taxable TIF Increment.
2) Based on the City's 2010 U.S. Census.

* Preliminary; subject to change.

LEVIES AND TAX COLLECTIONS

Collection Period	Levy	Collected During Collection Year	Percent Collected
2011-12	$2,907,933	$2,906,370	99.95%
2012-13	2,941,550	2,940,370	99.96%
2013-14	3,018,767	3,017,047	99.94%
2014-15	3,086,827	3,084,349	99.92%
2015-16	3,206,663	-------In process of collection------	

Collections include delinquent taxes from all prior years. Taxes in Iowa are delinquent each October 1 and April 1 and a late payment penalty of 1% per month of delinquency is enforced as of those dates. If delinquent taxes are not paid, the property may be offered at the regular tax sale on the third Monday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property and funds so received are applied to taxes. A property owner may redeem from the regular tax sale but, failing redemption within three years, the tax sale purchaser is entitled to a deed, which in general conveys the title free and clear of all liens except future tax installments.

TAX RATES

	FY 2011-12 $/$1,000	FY 2012-13 $/$1,000	FY 2013-14 $/$1,000	FY 2014-15 $/$1,000	FY 2015-16 $/$1,000
Marion County	6.83648	6.75229	6.72081	6.43728	6.43613
City of Knoxville	15.79450	15.89874	15.89976	15.89683	16.81074
Knoxville CSD	17.79702	16.74255	14.94920	15.12802	16.07441
Des Moines Area Com. College	0.59018	0.58466	0.69120	0.65724	0.67574
County Assessor	0.35604	0.36253	0.30557	0.30676	0.32430
County Ag. Extension	0.19732	0.20104	0.19417	0.19303	0.19722
State of Iowa	0.00320	0.00330	0.00330	0.00330	0.00330
Total Tax Rate	41.57474	40.54511	38.76401	38.62246	40.52184

LEVY LIMITS

A City's general fund tax levy is limited to $8.10 per $1,000 of taxable value, with provision for an additional $0.27 per $1,000 levy for an emergency fund which can be used for general fund purposes (Code of Iowa, Chapter 384, Division I). Cities may exceed the $8.10 limitation upon authorization by a special levy election. Further, there are limited special purpose levies which may be certified outside of the above described levy limits (Code of Iowa, Section 384.12). The amount of the City general fund levy subject to the $8.10 limitation is $8.10 for Fiscal Year 2015-16. In addition, the City does levy costs for tort liability and other insurance expense, support of the public library and employee benefits in addition to the $8.10 general fund limit as authorized by law. Currently, the City does not levy for an emergency fund. Debt service levies are not limited.

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CITY FUNDS ON HAND (Cash and Investments as of February 29, 2016)

General	$707,872.29	
Road Use	453,684.91	
Employee Benefit	38,956.70	
Local Option Tax Fund	1,216,230.77	
I-JOBS	3,090.93	
Police Retirement	295,040.40	
Emergency Fund	776.19	
Five Star TIF	75,723.69	
Westridge TIF	30,923.18	
Park Lane TIF	4,213.34	
Urban Renewal	3,906.28	
Revolving Loan	115,744.88	
Self-Supporting Municipal District	2,691.09	
Police Dept. Trust	10,882.73	
Fire/Rescue Donations	9,298.47	
Library Gift & Memorial	16,551.38	
Recreation Trail	4,832.74	
Auld Park PLYG Trust	34,171.13	
K-9 Unit Program	(8,044.69)	1)
Debt Service	447,491.50	
Cemetery Roads	53,396.90	
Bike Trail Project	214,326.26	
GO Bond Projects	208,349.55	
Entrance Signs	3,659.50	
’07 CDBG Housing	(10,245.05)	2)
’09 CDBG NSP Prog.	19,620.35	
Equipment Replacement	859,135.64	
BLDG Replacement	65,237.50	
Perpetual Care	266,424.63	
Library-Reaver	500.00	
Sewer	1,539,161.74	
Sewer Rev. Sinking	467,647.37	
Sewer Rev. Bond Reserve	808,960.00	
Airport Improvements	(989,058.23)	3)
Airport Operations	(195,241.50)	4)
Self Fund Insurance	128,638.36	
Total Cash and Investments	$6,904,550.93	

1) This program no longer receives donations and will eventually be rolled into police department operating fund.
2) Deficit will be resolved after end of year budget transfer.
3) Requested drawdown, waiting for FAA grant funding.
4) Previous expenditures have exceeded revenues. City has forecasted and budgeted transfers to eliminate the deficit.

THE CITY

CITY GOVERNMENT

The City of Knoxville, Iowa (the "City") is the County Seat of Marion County. The City operates under a home rule charter with a Mayor-Manager-Council form of government. Council members serve four-year terms and the Mayor serves a two-year term, and all are elected on a non-partisan basis. A full-time City Manager and City Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

Iowa Public Employees Retirement System ("IPERS"): The City has 40 full and 56 part-time employees, including 13 full-time police officers. Of the City's 106 employees, 44 are enrolled in IPERS pension plan administered by the State of Iowa. . The City's contributions to IPERS for the years ended June 30, 2013, 2014 and 2015 as shown below equal the required contributions for each year.

	FY 2012-13	FY 2013-14	FY 2014-15
IPERS City Contribution	$110,421	$133,966	$139,379

The IPERS's Comprehensive Annual Financial Report (the "CAFR") is available on the IPERS website, https://www.ipers.org/financial-and-investment, or by contacting IPERS at 7401 Register Drive P.O. Box 9117, Des Moines, IA 50321.

Pursuant to Governmental Accounting Standards Board ("GASB") Statement No. 68, the City reported a liability of $715,132 within its Independent Auditor's Reports as of June 30, 2015 for its proportionate share of the net pension liability. The net pension liability is the amount by which the total actuarial liability exceeds the pension plan's net assets or fiduciary net position (essentially the market value) available for paying benefits. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the City's proportion was 0.017670% which was an increase of 0.000204% from its proportion measured as of June 30, 2013.

Municipal Fire and Police Retirement System of Iowa ("MFPRSI"): The City contributes to MFPRSI, which is a cost-sharing multiple-employer defined benefit pension plan. MFPRSI provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statute, and vest after four years of credited service.

MFPRSI plan members are required to contribute a percentage of their annual covered salary, and the City is required to contribute at an actuarially determined rate of annual covered payroll. The contribution requirements of plan members and the City are established, and may be amended by state statute. The City contributed the required amount to MFPRSI for each year as follows:

	FY 2012-13	FY 2013-14	FY 2014-15
MFPRSI City Contribution	$157,131	$194,529	$203,389

The MFPRSI Independent Auditors Report is available on the MFPRSI website, http://www.mfprsi.org/about-mfprsi/publications/, or by contacting MFPRSI at 7155 Lake Drive, Suite 201, West Des Moines, IA 50266.

Pursuant to GASB Statement No. 68, the City reported a liability of $923,284 within its Independent Auditor's Reports as of June 30, 2105 for its proportionate share of the MFPRSI net pension liability. The net pension liability is the amount by which the total actuarial liability exceeds the pension plan's net assets or fiduciary net position (essentially the market value) available for paying benefits. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2014, the City's proportion was 0.254700% which was an increase of 0.0014173% from its proportion measured as of June 30, 2013.

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

For additional information, refer to Note 5 on page 30 of the City's June 30, 2015 Independent Auditor's Reports contained as APPENDIX B of this Preliminary Official Statement.

OTHER POST-EMPLOYMENT BENEFITS

Plan Description: The City operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees and retirees and their spouses. There are 48 active and 1 retired member in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees.

Funding Policy: The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the City and plan members are $412 for single coverage and $772 for family coverage. The same monthly premiums apply to retirees. For the year ended June 30, 2015, the City contributed $149,430 and plan members eligible for benefits contributed $55,616 to the plan.

UNION CONTRACTS

The City currently has a negotiated contract with the following union shown in the table below.

Union Name	Contract Expiration Date
Public Professional and Maintenance Employees, Local 2003, IUPAT AFL-CIO	June 30, 2018

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INSURANCE

The City's insurance coverage is as follows:

Type of Insurance		Limit
General Liability		$5,000,000
Automobile Liability		$5,000,000
Wrongful Acts – Public Officials		$5,000,000
Law Enforcement Liability		$5,000,000
Boiler & Machinery		
Blanket		$6,275,000
Extra Expense and Loss of use		$100,000
Property		
Blanket		$18,000,319
Fidelity Bond – Faithful Performance		$75,000
Excess coverage on Treasurer and Assistant Treasurer		$50,000
Workers Compensation		Statutory
Employers Liability	Each Person Accident	$1,000,000
	Policy Limit Disease	$1,000,000
	Each Person Disease	$1,000,000
Airport Commission		
General Liability	Each Occurrence	$3,000,000
	Aggregate Limit	None
	Products/Completed Operations	$1,000,000
	Aggregate Products/Completed Operations	$1,000,000
Hanger Keepers Legal Liability		
	Each Aircraft	$50,000
	Each Loss	$1,000,000

GENERAL INFORMATION

LOCATION AND TRANSPORTATION

The City, with a 2010 Census population of 7,313, comprising an area of 5 square miles, serves as the County seat for Marion County. The City lies at the intersection of Highways 92, 5 and 14. The City is approximately 35 miles southeast of Des Moines, Iowa. The Des Moines International Municipal Airport, located three miles southwest of Des Moines, Iowa, provides air service through all major commercial airlines.

LARGER EMPLOYERS

A representative list of larger employers located in or near the City is as follows:

Employer	Type of Business	Approximate Number of Employees [1)]
3M Company	Manufacturing	550
Knoxville Raceway	Sprint Car Racing/County Fair	325
Weiler, Inc.	Manufacture Paving Equipment	317
Knoxville Community School District	Education	265
Knoxville Hospital and Clinics	Healthcare	249
Marion County	County Government	241
Hormel Foods	Meat Products/Processing	160
Wal Mart	Retail	160
Hy Vee Stores	Grocery	139
City of Knoxville	Municipal Government	106

1) Number of employees includes full-time, part-time, and seasonal employees.

Source: City of Knoxville and telephone surveys April 2016.

BUILDING PERMITS

City officials reported the following construction activity as of February 29, 2016. Permits for the City are reported on a calendar year basis.

	2012	2013	2014	2015	2016
Residential Family Homes:					
No. of new homes:	3	0	4	1	0
Valuation:	$448,000	$0	$666,769	$111,336	$0
Additions & Alterations:	46	9	50	22	1
Valuation:	$57,370	$156,500	$187,106	$99,364	$0
Commercial/Industrial/Other:					
No. of new buildings:	4	0	6	2	1
Valuation:	$7,521,372	$0	$3,133,310	$5,219,328	$6,820,000
Additions & Alterations:	4	0	4	3	0
Valuation:	$273,000	$0	$248,821	$563,792	$0
Total Permits:	57	9	64	28	2
Total Valuations:	$8,299,742	$156,500	$4,236,006	$5,993,820	$6,820,000

U.S. CENSUS DATA

Population Trend	1990 U.S. Census	8,232
	2000 U.S. Census	7,731
	2010 U.S. Census	7,313

Source: U.S. Census Bureau website.

UNEMPLOYMENT RATES

		Marion County	State of Iowa
Annual Averages:	2012	4.8%	5.1%
	2013	4.5%	4.7%
	2014	3.8%	4.2%
	2015	3.2%	3.7%
	2016 through February	4.1%	4.5%

Source: Iowa Workforce Development Center website.

EDUCATION

Public education to the City is provided by the Knoxville Community School District (the "District"), with a certified enrollment of 1,776.7 for the 2016-17 school year. The District owns and operates three elementary schools, one middle school, one high school and one alternative learning center and adult evening classes. Four year college programs and vocational training are available throughout the Des Moines metropolitan area including Des Moines Area Community College, Drake University and Grand View College.

FINANCIAL SERVICES

Financial services for resident of the City are provided by Iowa State Savings Bank and branch offices of Wells Fargo Bank, N.A and Great Southern Bank. Iowa State Savings Bank and the branch office of Wells Fargo Bank, N.A. located within the City report the following deposits as of June 30 for each year:

Year	Iowa State Savings Bank	Wells Fargo Bank, N.A.
2011	$87,993,000	$67,862,000
2012	93,209,000	78,060,000
2013	107,782,000	79,529,000
2014	111,476,000	77,853,000
2015	116,214,000	76,200,000

Source: Federal Deposit Insurance Corporation website.

FINANCIAL STATEMENTS

The City's INDEPENDENT AUDITOR'S REPORTS for the fiscal year ended June 30, 2015 is reproduced in APPENDIX B. The City's certified public accountant has not consented to distribution of the audited financial statements and has not undertaken added review of their presentation. Further information regarding financial performance and copies of the City's prior Independent Auditor's Reports may be obtained from the City's Municipal Advisor, Public Financial Management, Inc.

APPENDIX A

FORM OF LEGAL OPINION

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APPENDIX B

JUNE 30, 2015 INDEPENDENT AUDITOR'S REPORTS

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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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OFFICIAL BID FORM

TO: The City Council of
City of Knoxville, Iowa

Sale Date: May 2, 2016
10:00 A.M. Central Time

RE: $2,715,000* General Obligation Corporate Purpose and Refunding Bonds, Series 2016A (the "Bonds")

For all or none of the above Bonds, in accordance with the TERMS OF OFFERING, we will pay you $____________________ (not less than $2,687,850) plus accrued interest to date of delivery for the Bonds bearing interest rates and maturing in the stated years as follows:

Coupon	Maturity	Reoffering	Coupon	Maturity	Reoffering	Coupon	Maturity	Reoffering
_________	2017	_________	_________	2021	_________	_________	2025	_________
_________	2018	_________	_________	2022	_________	_________	2026	_________
_________	2019	_________	_________	2023	_________	_________	2027	_________
_________	2020	_________	_________	2024	_________	_________	2028	_________

* Preliminary; subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Bonds and to increase or reduce each scheduled maturity thereof after the determination of the successful bidder. The City may increase or decrease each maturity in increments of $5,000 but the total amount to be issued will not exceed $2,800,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

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

We hereby designate that the following Bonds to be aggregated into term bonds maturing on June 1 of the following years and in the following amounts (leave blank if no term bonds are specified):

Years Aggregated	Maturity Year	Aggregate Amount
_______ through _______	_____________	_____________
_______ through _______	_____________	_____________
_______ through _______	_____________	_____________
_______ through _______	_____________	_____________

In making this offer we accept all of the terms and conditions of the TERMS OF OFFERING published in the Preliminary Official Statement dated April 18, 2016. In the event of failure to deliver these Bonds in accordance with the TERMS OF OFFERING as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: $_________________________________

TRUE INTEREST COST: _________________________________% (Based on dated date of June 1, 2016)

Account Manager: ____ By: ____

Account Members:

____

The foregoing offer is hereby accepted by and on behalf of the City Council of City of Knoxville, Iowa on this 2nd day of May, 2016.

Attest: ____ By: ____

Title: ____ Title: ____