URBANDALE COMMUNITY SCHOOL DISTRICT

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

June 30, 2014

Table of Contents

		Page
Board of Education and School District Officials		2
Independent Auditor's Report		3-4
Management's Discussion and Analysis (MD&A)		5-14
Basic Financial Statements:	Exhibit	
Government-Wide Financial Statements:		
Statement of Net Position	A	16-17
Statement of Activities	B	18
Governmental Funds Financial Statements:		
Balance Sheet	C	19
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	D	20
Statement of Revenues, Expenditures and Changes in Fund Balances	E	21-22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds To the Statement of Activities	F	23
Proprietary Funds Financial Statements:		
Statement of Net Position	G	24
Statement of Revenues, Expenses and Changes in Fund Net Position	H	25
Statement of Cash Flows	I	26
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Position	J	27
Notes to Financial Statements		28-44
Required Supplementary Information:		
Schedule of Funding Progress for the Retiree Health Plan		46
Budgetary Comparison Schedule of Revenues, Expenditures and Changes in Balances - Budget and Actual - All Governmental Funds and Proprietary Funds		47
Notes to Required Supplementary Information - Budgetary Reporting		48
Supplementary Information:	Schedule/Statement	
Non-major Governmental Funds:		
Combining Balance Sheet	1	50
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	51
Schedule of Changes in Special Revenue Fund, Student Activity Accounts	3	52-53
Capital Projects Accounts:		
Combining Balance Sheet	4	54
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	5	55
Proprietary Funds:		
Combining Statement of Net Position	6	56
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	7	57
Combining Statement of Cash Flows	8	58
Agency Fund:		
Schedule of Changes in Fiduciary Assets and Liabilities	9	59
Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds	10	60
Schedule of Expenditures of Federal Awards	11	61
Notes to Schedule of Expenditures of Federal Awards		62
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*		63-64
Independent Auditor's Report on Compliance for Each Major Federal Program and Internal Control over Compliance Required by OMB Circular A-133		65-66
Schedule of Findings and Questioned Costs		67-69

Urbandale Community School District
Board of Education and School District Officials
Year Ended June 30, 2014

Name	Title	Term Expires
Board of Education		
	(Before September 2013 Election)	
Adam Obrecht	President	2015
Ryan Judas	Vice President	2013
Jeffrey Farrell	Board Member	2013
Shawn St. John	Board Member	2013
Kyle Kruidenier	Board Member	2015
Cate Newberg	Board Member	2015
Mark Wierson	Board Member	2015
	(After September 2013 Election)	
Adam Obrecht	President	2015
Kyle Kruidenier	Vice President	2015
Cate Newberg	Board Member	2015
Mark Wierson	Board Member	2015
Aaron Applegate	Board Member	2017
Graham Giles	Board Member	2017
Christopher Gunnare	Board Member	2017
School District Officials		
Doug Stilwell	Superintendent	2015
Shelly Clifford	District Secretary/Treasurer and Business Manager	2015
Dickinson, Mackaman, Tyler, and Hagan	Attorneys	Indefinite

705 Main Street
Pella, IA 50219
Ph.: 641-628-3737
Fax: 641-628-3757

www.vanmaanencpa.com

Van Maanen, Sietstra, Meyer & Nikkel, PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Education of Urbandale Community School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Urbandale Community School District, Urbandale, Iowa, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Urbandale Community School District as of June 30, 2014, and the respective changes in financial position and where applicable cash flows, thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 5 through 14 and 46 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Urbandale Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2013, (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit* Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated October 16, 2014 on our consideration of the Urbandale Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Urbandale Community School District's internal control over financial reporting and compliance.

Van Maanen, Sietstra, Meyer & Nikkel PC

Van Maanen, Sietstra, Meyer & Nikkel, PC
Certified Public Accountants

October 16, 2014

The Urbandale Community School District is pleased to provide this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the District's financial performance is for the fiscal year ended June 30, 2014. We encourage readers to consider this information in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

- General Fund revenues were $40,204,858 in fiscal year 2014, increased by over $2.5 million or 6.7 percent, as compared to $37,678,771 in fiscal year 2013. General Fund expenditures were $40,262,229 in fiscal year 2014, compared to $37,200,854 in fiscal year 2013, an increase of $3.06 million or 8.2 percent. The increase in General Fund expenses was due to increasing staff numbers in several categories of instruction and support services.

- After several years of successfully building reserves, the General Fund balance held steady at $4,838,670, for fiscal year-end 2014, compared to $4,837,299 in 2013, an increase of just $1,371 over the prior year. The General Fund solvency ratio at June 30, 2014 is 12.4 percent. The solvency ratio is widely used as a comparative tool and considered to be a good measure of a District's financial health. A graph showing the District's solvency ratio history is included later in this section.

- The District began a self-funded program for its health and dental insurance plans on July 1, 2012. The District utilizes a governmental internal services fund for accounting and reporting purposes. Revenues include withholdings from employee payrolls for monthly insurance premiums, and payments of monthly premiums from retirees who remain on the plan. Expenses include claims paid, third-party claims administration, re-insurance premiums, and consultant costs. The fund's revenues for fiscal year 2014 totaled $3.3 million, and expenses were $2.67 million. The District's transition to a self-funded insurance program has been deemed highly successful, with a net position of $1,231,832 after two years.

Overview of the Financial Statements

This annual report consists of five parts:

1. Management's Discussion and Analysis (this section)
2. Basic Financial Statements
3. Notes to Financial Statements
4. Required Supplementary Information
5. Other Supplementary Information

The Basic Financial Statements include two kinds of statements that present different views of the District:

- The first, the Statement of net Assets, and the Statement of Activities, are *District-wide Financial Statements* that provide information about the District as a whole and present an overall view of the District's finances

- The second are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the District-wide statements as follows:

    - The *Governmental Fund Statements* explain how basic service such as regular and special education were financed in the *short-term* as well as what remains for future spending.

    - The *Proprietary Fund Statements* offer short-term and long-term financial information about the activities the District operates like businesses, such as food services.

    - The statements for *Fiduciary Funds* provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

The statements are followed by a section of Required Supplementary Information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Other Supplementary Information provides detailed information about the non-major Special Revenue and Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various programs benefiting the District.

Figure A-1 shows how the various parts of the annual report are arranged and related to one another.

Figure A-1
Urbandale Community School District
Annual Financial Report

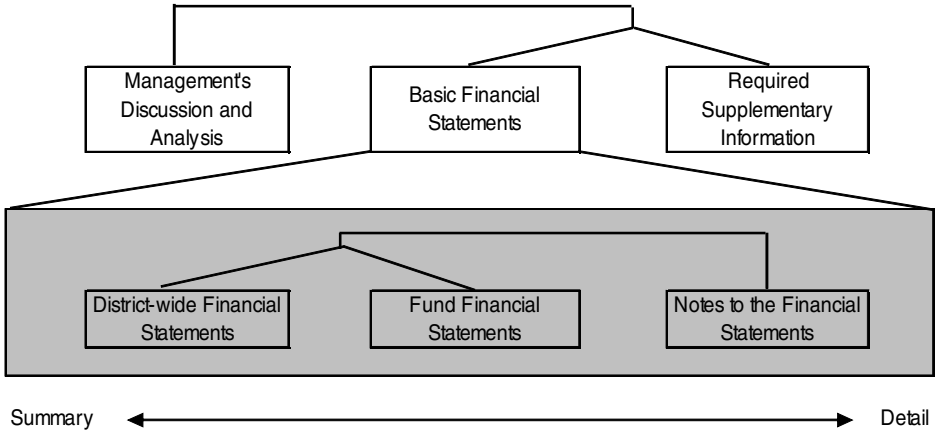


Figure A-2 below summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2
Major Features of the Government-Wide and Fund Financial Statements

		Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services, student construction and childcare	Instances in which the district administers resources on behalf of someone else, such as scholarship programs.
Required Financial Statements	* Statement of net position * Statement of activities	* Balance Sheet * Statement of revenues, expenditures, and changes in fund balances	* Statement of net position * Statement of revenues, expenses and changes in fund net position * Statement of cash flows	* Statement of fiduciary net position * Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-wide Financial Statements

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

The two District-wide statements report the District's *net assets* and how they have changed. Net assets - the difference between the District's assets and liabilities - are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the District's overall health, readers should consider additional non-financial factors, such as changes in the District's property tax base and the condition of school building and other facilities.

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

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state aid finance most of these activities.

- *Business type activities*: The District charges fees to help it cover the cost of certain services it provides. The District's food service operations and child care programs would be included here.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes, such as accounting for various student activity funds or to demonstrate that it is properly using certain revenues.

The District has three kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

    - The District's governmental funds include the General Fund, the Management Levy Fund, the Student Activity Fund, the Physical Education and Recreation Levy (PERL) Fund, the Capital Projects - Sales and Services Tax Fund, The Physical Plant and Equipment Levy (PPEL) Fund, and the Debt Service Fund.

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

- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements.

- The District's enterprise funds (one type of proprietary fund) are the same as its business type activities but provide more detail and additional information, such as cash flows. The District has four enterprise funds: the Nutrition Fund, the Adventuretime (Childcare) Fund, and the Building Trades (Student Construction) Fund, and the Community Education Fund..

- *Internal service funds*, (the other type of proprietary fund) are optional and available to report activities that provide supplies and services for other District programs and activities. The District began a self-funded insurance program July 1, 2012, and utilizes an internal service fund for its health insurance transactions.

- *Fiduciary funds:* The District is the trustee, or fiduciary, for assets that belong to others, such as a PTA organization. The District accounts for outside donations to specific District schools for specific purposes in this fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

Net position – Figure A-3 provides a summary of the District's net position for the year ended June 30, 2014 compared to 2013.

Figure A-3
Condensed Statement of Net Position

	Governmental activities		Business type activities		Total		Total Change
	June 30,		June 30,		June 30,		June 30,
	2014	2013	2014	2013	2014	2013	2013-2014
Current assets	$ 53,982,187	59,595,432	1,639,355	1,602,119	55,621,542	61,197,551	-9.1%
Capital assets, net	92,143,566	94,680,565	553,648	641,052	92,697,214	95,321,617	-2.8%
Total assets	146,125,753	154,275,997	2,193,003	2,243,171	148,318,756	156,519,168	-5.2%
Deferred outflow of resources	968,061	1,065,681	-	-	968,061	1,065,681	-9.2%
Current liabilities	22,119,860	14,983,939	237,482	94,765	22,357,342	15,078,704	48.3%
Long-term liabilities	71,310,010	86,998,278	58,470	62,029	71,368,480	87,060,307	-18.0%
Total liabilities	93,429,870	101,982,217	295,952	156,794	93,725,822	102,139,011	-8.2%
Deferred inflow of resources	19,547,513	19,600,958	-	-	19,547,513	19,600,958	-0.3%
Net position:							
Invested in capital assets, net of related debt	19,253,695	18,011,246	553,648	641,052	19,807,343	18,652,298	6.2%
Restricted	9,712,403	10,515,990	-	-	9,712,403	10,515,990	-7.6%
Unrestricted	5,150,333	5,231,267	1,343,403	1,445,325	6,493,736	6,676,592	-2.7%
Total net position	$ 34,116,431	33,758,503	1,897,051	2,086,377	36,013,482	35,844,880	0.5%

The District's combined total net position increased from $35,844,880 in prior year to $36,013,482 for 2014, a half percent increase. The gain was primarily in the capital assets, net of related debt, which increased by $1.16 million, or 6.2 percent over prior year. As noted earlier, net assets may serve over time as useful indicators of a government's financial position.

Significant portions of the District's total net position reflect its investment in capital assets, which are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, the resources necessary to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Long-term debt liabilities decreased from $87 million in 2013 to $71 million in 2014, an 18.0 percent decrease from prior year. These long term liabilities include general obligation and revenue bonds, which are paid from future property and sales taxes collections.

As shown in A-3, total assets decreased by $8.2 million, or 5.2 percent, primarily due to large payments on debt as the District refinances older bonds to reduce long-term interest costs. Current liabilities increased by $7.2 million, primarily due to refunding activity causing changes in the scheduled general obligation bond payments. Regularly scheduled payments on principal, along with a large payment from previously escrowed bond proceeds, resulted in a $16 million decrease to long-term liabilities. The net effect on total liabilities was an overall decrease of $8.9 million, or 8.2 percent, compared to prior year.

Changes in Net Position – Figure A-4 below summarizes and compares the District's revenues and expenses for the fiscal years ended June 30, 2014 and 2013. These two main components calculate a change in net position under the full accrual method of accounting. The change in net position for 2014 was an increase of $168,000, or 0.5 percent over prior year.

Revenue is divided into two major components in this analysis: program revenue and general revenue. Program revenue is defined as charges for services and sales, or as operating grants and contributions. Charges for services increased by 7.4 percent; while operating grants, contributions, and restricted interest increased by 5.5 percent as compared to prior year. General revenue includes levied taxes and unrestricted grants such as State foundation aid. Property tax revenues increased by $0.75 million, or 4 percent over the prior fiscal year. Property tax rates were $17.67 per $1000 of taxable valuation, a three cent increase over prior year. Unrestricted state grants increased by 5.3 percent, due to increases in District enrollment and the Legislated budgetary growth for 2014. Total revenues increased by $2.9 million, or 5.8 percent over the prior year.

The District's expenses were primarily in the instruction and support services functions, which represented 81 percent of the total expenses shown in Figure A-4. The District's total expenses for fiscal year 2014 were $3.98 million higher, an 8.1 percent increase over prior year.

Figure A-4
Changes in Net Position

	Governmental Activities		Business Type Activities		Total District		Total Change
	Year ended June 30,		Year ended June 30,		Year ended June 30,		June 30,
	2014	2013	2014	2013	2014	2013	2013-2014
Revenues:							
Program revenues:							
Charges for service	$ 7,425,040	6,969,437	3,169,470	2,892,594	10,594,510	9,862,031	7.4%
Operating grants, contributions and restricted interes	5,240,895	5,021,088	833,216	734,016	6,074,111	5,755,104	5.5%
General revenues:							
Property tax	19,581,000	18,826,632	-	-	19,581,000	18,826,632	4.0%
Statewide sales and services tax	2,943,580	2,877,524	-	-	2,943,580	2,877,524	2.3%
Unrestricted state grants	13,984,543	13,284,256	-	-	13,984,543	13,284,256	5.3%
Unrestricted investment earnings	83,926	85,359	18	44	83,944	85,403	-1.7%
Other	687,382	322,497	-	-	687,382	322,497	113.1%
Total revenues	49,946,366	47,386,793	4,002,704	3,626,654	53,949,070	51,013,447	5.8%
Program expenses:							
Governmental activities:							
Instruction	28,443,380	26,585,703	-	-	28,443,380	26,585,703	7.0%
Support services	15,038,904	12,959,116	-	-	15,038,904	12,959,116	16.0%
Non-instructional programs	83,415	158,401	4,192,030	3,683,768	4,275,445	3,842,169	11.3%
Other expenses	6,022,739	5,882,369	-	-	6,022,739	5,882,369	2.4%
Total expenses	49,588,438	45,585,589	4,192,030	3,683,768	53,780,468	49,269,357	9.2%
Increase in net position	357,928	1,801,204	(189,326)	(57,114)	168,602	1,744,090	-90.3%
Net position at the beginning of year	33,758,503	31,957,299	2,086,377	2,143,491	35,844,880	34,100,790	5.1%
Net position end of year	$ 34,116,431	33,758,503	1,897,051	2,086,377	36,013,482	35,844,880	0.5%

Governmental Activities

Total revenues shown in A-4 for governmental activities in 2014 were $49,946,366 and total expenses were $49,588,438. The net change in governmental assets was an increase of $357,928 during the period, compared to a net increase of $1,801,204 during the prior year. The business type activities had total revenues of $4,002,704 and total expenses of $4,192,030. This business type activities decrease in net position of $189,326 for 2014 is primarily in the Child Care activities, where net position decreased by $140,351 during 2014.

Figure A-5 presents the cost of three major District activities: instruction, support services, and other expenses. The table shows each activity's *net* cost, which is the total expense less any fees generated by the activities and intergovernmental aid provided for specific programs. Therefore, the net cost indicates the financial burden placed on the District's taxpayers for each of these District functions.

Figure A-5
Total and Net Cost of Governmental Activities

	Total Cost of Services		Total Change	Net Cost of Services		Total Change
	2014	2013	2013-2014	2014	2013	2013-2014
Instruction	$ 28,443,380	26,585,703	7.0%	17,368,342	16,058,672	8.2%
Support services	15,038,904	12,959,116	16.0%	14,765,615	12,721,416	16.1%
Non-instructional	83,415	158,401	-47.3%	83,415	158,401	-47.3%
Other expenses	6,022,739	5,882,369	2.4%	4,705,131	4,656,575	1.0%
Totals	$ 49,588,438	45,585,589	8.8%	36,922,503	33,595,064	9.9%

The total cost of all governmental activities as shown above was $49,588,438. Some of this cost, $7.4 million, was financed by users of the District's programs, such as from fees or admissions revenues. Another $3.8 million was subsidized by federal and state governments through restricted program grants and contributions and $1.3 million was levied on behalf of the Area Education Agency as flow-through funding. These revenues are categorized as program revenues because they are specifically related to a certain program and, therefore, must be expended within that program.

The net cost of services for all governmental activities for 2014 was $36,922,503, financed with approximately $14 million in unrestricted state aid, $2.9 million in state-wide sales tax revenues, and $19.5 million in local tax revenues. State aid and local property tax revenues are examples of general revenues, since they are not specific to a program and are available to be expended for more universal purposes within a specific fund. The total cost of all governmental activities not subsidized by grants and contributions or financed by users increased by $2.8 million or 8.3 percent over the prior year. The Statement of Activities report in the basic financial statements section provides additional detail on the District's total and net cost of activities.

Business-type Activities

As previously discussed, the District's business-type funds include four enterprise funds: the Nutrition Fund, the Adventuretime (child care) Fund, and the Building Trades (student construction) Fund, and the Community Education Fund. More detail on these funds can be found in the Combining Statement of Revenues, Expenses and Changes in Fund Net Position in the Other Supplementary Information section of this report.

Revenues for the Nutrition Fund were $1,866,583 for 2014, a decrease of $32,684, or 2 percent over prior year. Nutrition Fund expenses were $1,862,697 for 2014, an increase of just $6,921 over prior year. Nutrition fund net position was $1,788,590 at June 30, 2014, compared to $1,784,704 for prior year, an increase of $3,886.

The Adventuretime Fund had revenues of $1,625,115 for 2014, an increase of $76,675, or 5 percent over prior year. The program provides preschool, child care services before and after school, and all day during summer months. Expenses for 2014 were $1,765,466 and increased by $101,256, or 6.1 percent compared to fiscal year 2013. Adventuretime Fund net assets at end of 2014 were $15,048, compared to $155,399 for 2013, a decrease of 90 percent. Expenses are appropriate for services provided, so with this second year of decrease in net position, the District will consider price increases to reverse the trend.

The Building Trades Fund accounts for financial activities associated with providing student instruction in the building trades industries. Each year, students in this course of study construct a residential home, and sales proceeds remain in the fund to provide resources to cash flow the program in future years. Inter-fund loans from the Capital Project Fund are utilized to fund the construction project until sold. Finished inventory of several successful home constructions have been sold since the program became financed through the District. Net position for this fund at fiscal year-end 2014 was $82,457. End of year inventory was $334,011 including one finished home, and two residential building lots.

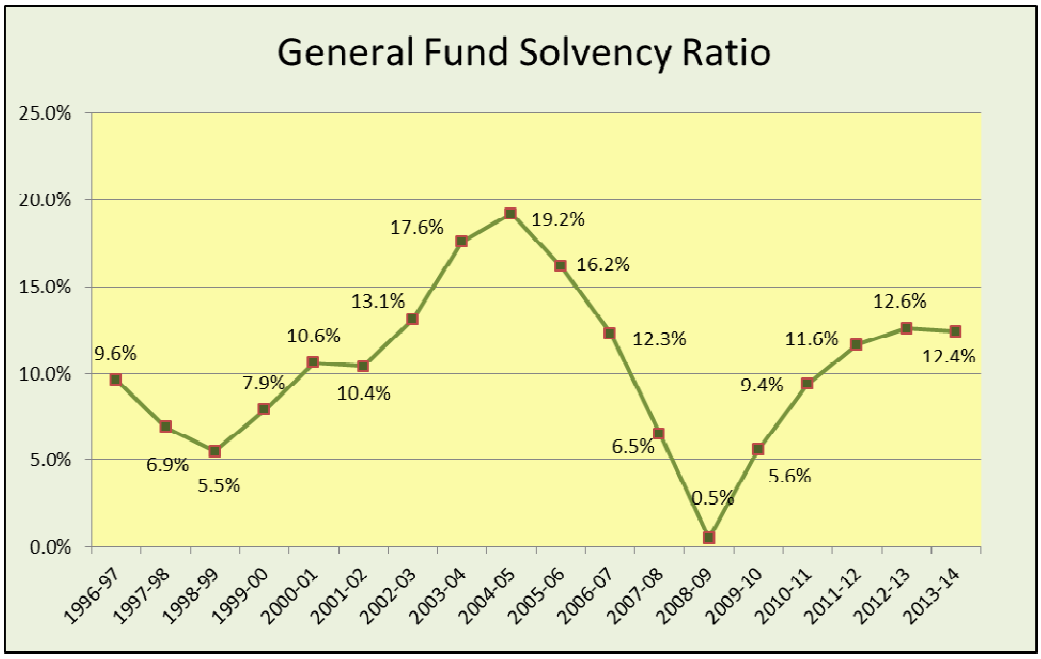
Financial Analysis of the District's Funds

The Urbandale Community School District uses fund accounting to ensure and demonstrate compliance with finance-related statutory requirements. A summary financial analysis of individual District funds follows, categorized into governmental and business types:

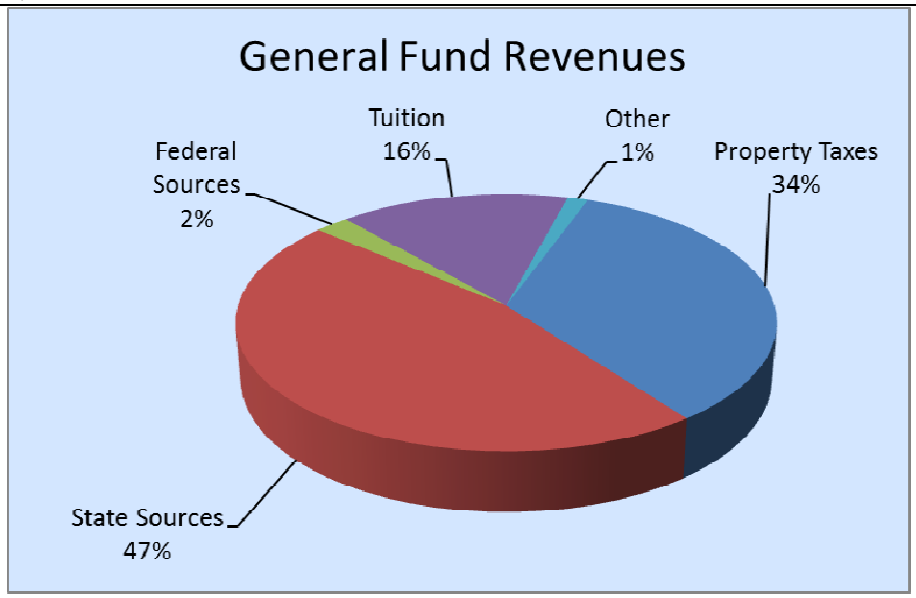
Governmental Fund Highlights

The financial performance of the District as a whole is largely reflected in its governmental funds, particularly by analysis of the fund balances. Overall, the District's governmental funds had combined fund balances of $28,164,775 at June 30, 2014, a decrease of $7,069,647, or 20 percent over prior year. The following is a closer look at each individual major fund:

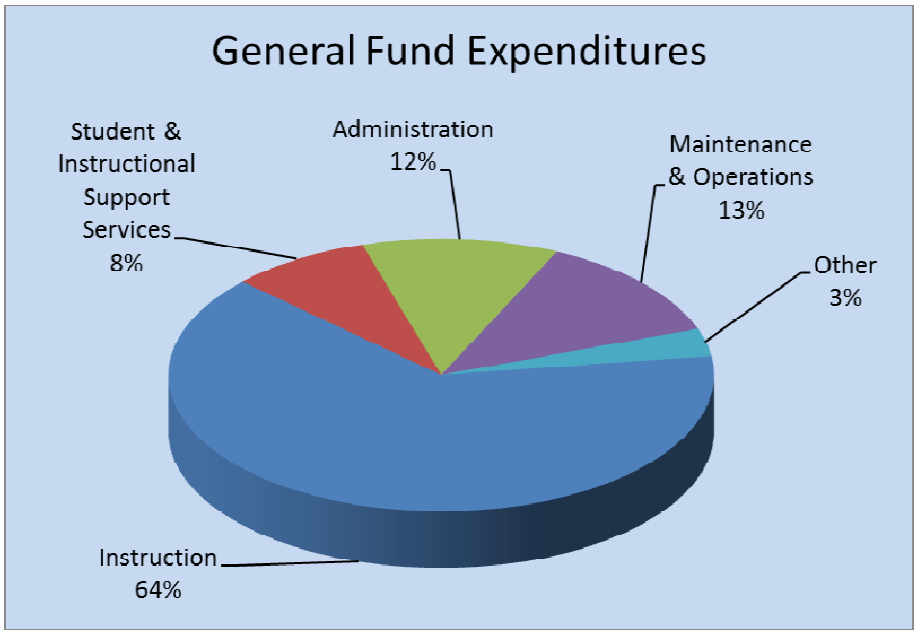
The **General Fund** ending fund balance held steady at $4,838,670 for 2014, increasing just $1,371 over prior year. The solvency ratio decreased just slightly from 12.6 percent in 2013 to 12.4 percent for 2014. As previously mentioned, the solvency ratio is used as a measure of financial health and is a calculation of the general fund unrestricted, unassigned fund balance divided by actual revenues less AEA flow-through monies. A history of Urbandale's general fund solvency ratio is shown below. The Board of Directors had set a minimum target of 7.5 percent for solvency ratio, and the Iowa Association of School Boards recommends a ratio between 5 and 15 percent.



General Fund revenues totaled $40,204,858 for fiscal year 2014, an increase of $2.5 million or 6.7 percent over 2013. The graph below shows percentage totals for the major revenue streams according to the source of funding. Local property tax revenues were $13.7 million, or 34 percent of the total. State sources were $18.7 million, representing 47 percent of total revenues. The other largest revenue stream at 16 percent is for tuition payments from other school districts for open enrollment and special education services, which totaled over $6.2 million. As the Urbandale District is highly desired as an open enrollment school choice, this category has seen a steady trend of increase in recent years and was up $0.7 million or 13.1 percent over prior year.



Total General Fund expenses for fiscal year 2014 were $40,262,229, an increase of $3.06 million or 8.2 percent over prior year. Of all the governmental funds, the General Fund is the largest, comprising 70.6 percent of the total $57 million in governmental fund expenses for the fiscal year. The graph below indicates how General Fund monies were spent according to functional categories.



Instructional costs were $25.7 million, comprising 64 percent of all General Fund expenses. Expenses for student and instructional support services were $3.53 million or 8 percent, administrative services were 12 percent at $4.66 million, and the maintenance and operations expenses, including transportation, totaled $5 million or 13 percent of all costs.

The **Debt Service Fund** is used to account for current year principal and interest payments on debt to the District's bond holders or other long term debt holders. Twenty million in crossover refunding bonds were sold during fiscal year 2013, resulting in $1.4 million in future savings. The proceeds are reported on the balance sheet, held in escrow to refund selected future payments of General Obligation Bonds. The prior year Debt Service Fund balance at fiscal year end 2013 was $20,893,619, including the large escrow balance. Payments from this escrow are scheduled during fiscal years 2014 and 2015. Revenues from property taxes and other local sources in 2014 were $4.5 million. An additional $2.1 million was transferred in from the Capital Projects Sales Tax fund for payments on sales tax revenue bonds. Expenditures totaling $13.37 million included $9.74 million reducing principle, and $3.63 million in interest and fiscal charges.

The **Capital Projects Funds** include the Physical Plant and Equipment Levy (PPEL) Fund and the Capital Projects Sales Tax Fund. Revenues totaled $3.334 million for 2014, same as prior year. Revenues are nearly all derived from the statewide sales tax and property taxes, which accounted for $3.329 million for 2014, a 2.3 percent increase over prior year. Capital Projects Funds expenses totaled $1.7 million for 2014, compared to $1.05 million in fiscal year 2013. Technology purchases and several small projects were contracted during fiscal year 2014, including parking lot repairs or expansions, and structural repairs to school buildings. The combined Capital Projects Funds balance was $8 million at June 30, 2014, including $2.1 million reserved for debt service. The remaining $5.9 million in cash reserves is restricted funding for school infrastructure or equipment.

Budgetary Highlights

As prescribed by GASB Statement No. 41 – *Budgetary Comparison Schedules – Perspective Differences*, the District reports budgetary comparison schedules in the Required Supplementary Information section of this report. In accordance with the Code of Iowa, the District's Board of Education annually adopts and certifies a budget for all funds except fiduciary funds. This certified budget is based on program expenditures within four functional areas, as shown below. This comparison shows the variance of final amended budget amounts as compared to the actual expenditures for fiscal year 2014 in each functional area.

	Budget	Expenditures	Variance
Instruction	$ 26,807,935	26,658,667	149,268
Support services	14,442,846	14,569,075	(126,229)
Non-instructional programs	4,450,000	4,192,030	257,970
Other expenditures	20,083,335	15,788,271	4,295,064
	$ 65,784,116	61,208,043	4,576,073

The District exceeded the budget for Support Services by an amount less than the positive variance amount in each of the other categories. Support Services expenses increased more than previously budgeted due to the District restoring administrative positions that had previously been cut in 2010. The larger variance of $4.3 million in 'Other expenditure' category is due to a larger estimate for capital projects that could occur during the following fiscal year, often a difficult estimate at budget certification.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2014, the District had invested $92,697,214, net of accumulated depreciation, in a broad range of assets, including school buildings, athletic facilities, computer and audiovisual equipment. As shown in Figure A-6 below, the Buildings, Improvements, and Equipment and Furniture categories each reported a decrease, due to annual accumulated depreciation. No significant increases to capital assets occurred, since most equipment additions during fiscal year 2014 fell below the District's capitalization threshold of $5000 per unit. The total decrease for all categories was 2.8 percent.

Figure A-6
Capital Assets, net of depreciation

	Governmental Activities		Business type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2014	2013	2014	2013	2014	2013	2013-2014
Land	$ 1,533,992	1,533,992	-	-	1,533,992	1,533,992	0.0%
Buildings	89,886,284	92,317,765	-	-	89,886,284	92,317,765	-2.6%
Improvements	314,261	362,829	-	-	314,261	362,829	-13.4%
Equipment and furniture	409,029	465,979	553,648	641,052	962,677	1,107,031	-13.0%
Total	$ 92,143,566	94,680,565	553,648	641,052	92,697,214	95,321,617	-2.8%

Long-Term Debt

As shown in Figure A-7 below, the District had $87,638,515 in long-term debt obligations at year-end 2014, a 9.65 percent decrease from prior year. As previously discussed, this decrease is largely due to payment on debt from a crossover refunding bonds escrow. With $6.7 million paid from escrow, and other scheduled payments on principal, general obligation bonds decreased by 12.22 percent, and revenue bonds decreased by 3.9 percent. Obligations for the early retirement program increased by 69.77 percent and obligations for other postemployment benefits decreased by 8.35 percent as obligations to many former employees were fulfilled. The 2014 early retirement program will be funded through property tax revenues in the Management Fund over a five-year period. No tax rate increase was necessary to fund the early retirement program.

Figure A-7
Outstanding Long-Term Obligations, net of discounts and premiums

	Total District June 30, 2014	Total District June 30, 2013	Total Change June 30, 2013-2014
General obligation bonds	$ 62,818,044	71,566,976	-12.22%
Revenue bonds	23,409,888	24,358,986	-3.90%
Early retirement	891,928	525,378	69.77%
Compensated absences	71,655	62,930	13.86%
Other postemployment benefits	447,000	487,745	-8.35%
Total	$ 87,638,515	97,002,015	-9.65%

Factors Bearing on District's Future

At the time these financial statements were prepared and audited, the District was aware of these existing circumstances that could affect the organization's future financial health:

- The District has continued to improve its financial health for the past several years. The District's target for solvency ratio was set at a minimum of 7.5 percent and the solvency ratio has risen in recent years to a ratio of 12.4 percent. The District's target for unspent authorized budget (UAB) ratio is a minimum of 10 percent, and the balance is now projected to be 11.3 percent. The Iowa Association of School Boards suggests a range of 5 to 15 percent for both solvency and UAB ratios. Maintaining these key indicators within a desired range for financial health is an important District goal. To do so will require a spending plan that is closely related to the District's budgetary allowable growth each year. Recurring expenses such as salaries and benefits, representing 80 percent of the operating budget, must be scrutinized and adjusted as necessary to maintain the District's financial health.

- Under Iowa's school funding formula, the District's spending authority is highly dependent upon student enrollment. Future enrollment stability is a critical element in maintaining a sound financial foundation. The District's total number of students served decreased at the start of the 2014-15 school year by 37 students. While this decrease will have a negative financial effect in fiscal year 2016, the District is financially positioned to maintain all current operations during 2015. District administration will continue to monitor staffing levels and make any necessary adjustments in order to maintain the District's financial targets..

- Urbandale Community School District is one of the smallest urban districts in the Des Moines metro area. It is unique with smaller elementary schools tucked into its residential neighborhoods. The District has completed major construction projects in recent years including a new High School and Elementary School, along with Additions and Renovation at the Middle School. The District will now focus on upgrades to nearly all six Elementary sites, with a multi-year project schedule. Utilizing the District's existing and future capital funding streams, the projects will be scheduled as funding allows.

Contacting the District's Financial Management

The financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's commitment of accountability for the money it receives. If you have questions about this report or need additional financial information, contact Shelly Clifford, Chief Financial Officer, Urbandale Community School District, 11152 Aurora Avenue, Urbandale, Iowa 50322.

Basic Financial Statements

Exhibit A

Urbandale Community School District
Statement of Net Position
June 30, 2014

	Governmental Activities	Business type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 30,897,281	1,569,739	32,467,020
Receivables:			
Property tax:			
Delinquent	138,919	-	138,919
Succeeding year	19,547,513	-	19,547,513
Accounts	2,098	163	2,261
Due from other funds	306,507	(306,507)	-
Due from other governments	3,089,869	-	3,089,869
Inventories	-	375,960	375,960
Total current assets	53,982,187	1,639,355	55,621,542
Non-current assets:			
Capital assets:			
Capital assets, nondepreciable	1,533,992	-	1,533,992
Capital assets, depreciable, net of depreciation	90,609,574	553,648	91,163,222
Total non-current assets	92,143,566	553,648	92,697,214
Total assets	146,125,753	2,193,003	148,318,756
Deferred Outflows of Resources			
Deferred charge on refunding	968,061	-	968,061
Total deferred outflows of resources	968,061	-	968,061
Liabilities			
Current liabilities:			
Accounts payable	302,195	46,738	348,933
Medical insurance claims payable	337,090	-	337,090
Accrued salaries and benefits payable	3,877,823	26,493	3,904,316
Due to other governments	367,717	-	367,717
Advances from grantors	90	-	90
Advances for services	153,152	154,323	307,475
Accrued interest payable	821,686	-	821,686
General obligation bonds payable	14,948,932	-	14,948,932
Revenue bonds payable	989,098	-	989,098
Early retirement	260,350	-	260,350
Compensated absences	61,727	9,928	71,655
Total current liabilities	22,119,860	237,482	22,357,342
Non-current liabilities:			
General obligation bonds payable	47,869,112	-	47,869,112
Revenue bonds payable	22,420,790	-	22,420,790
Early retirement	631,578	-	631,578
Other postemployment benefits	388,530	58,470	447,000
Total non-current liabilities	71,310,010	58,470	71,368,480
Total liabilities	93,429,870	295,952	93,725,822

Exhibit A

Urbandale Community School District
Statement of Net Position
June 30, 2014

	Governmental Activities	Business type Activities	Total
Deferred Inflows of Resources			
Unavailable property tax revenue	19,547,513	-	19,547,513
Total deferred inflows of resouces	19,547,513	-	19,547,513
Net Position			
Net investment in capital assets	19,253,695	553,648	19,807,343
Restricted for:			
Categorical funding	288,608	-	288,608
Debt service	3,131,224	-	3,131,224
Student activities	332,771	-	332,771
Public education & recreation levy purposes	71,468	-	71,468
School infrastructure	5,567,445	-	5,567,445
Physical plant and equipment	320,887	-	320,887
Unrestricted	5,150,333	1,343,403	6,493,736
Total net position	$ 34,116,431	1,897,051	36,013,482

See notes to financial statements.

Exhibit B

Urbandale Community School District
Statement of Activities
Year Ended June 30, 2014

		Program Revenues			Net (Expense) Revenue & Changes in Net Position		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Functions/Programs							
Governmental activities:							
Instruction:							
Regular	$ 17,375,238	4,894,965	3,030,921	-	(9,449,352)	-	(9,449,352)
Special	6,254,016	1,563,153	726,225	-	(3,964,638)	-	(3,964,638)
Other	4,814,126	801,806	57,968	-	(3,954,352)	-	(3,954,352)
	28,443,380	7,259,924	3,815,114	-	(17,368,342)	-	(17,368,342)
Support Service:							
Student	2,164,344	-	-	-	(2,164,344)	-	(2,164,344)
Instructional staff	2,262,897	-	-	-	(2,262,897)	-	(2,262,897)
Administration	4,962,111	-	-	-	(4,962,111)	-	(4,962,111)
Operating and maintenance of plant	4,415,930	104,718	-	-	(4,311,212)	-	(4,311,212)
Transportation	1,233,622	60,398	108,173	-	(1,065,051)	-	(1,065,051)
	15,038,904	165,116	108,173	-	(14,765,615)	-	(14,765,615)
Non-instructional programs	83,415	-	-	-	(83,415)	-	(83,415)
Other expenditures:							
Facilities acquisition	983,648	-	-	-	(983,648)	-	(983,648)
Long-term debt interest	3,721,483	-	-	-	(3,721,483)	-	(3,721,483)
AEA flowthrough	1,317,608	-	1,317,608	-	-	-	-
	6,022,739	-	1,317,608	-	(4,705,131)	-	(4,705,131)
Total governmental activities	49,588,438	7,425,040	5,240,895	-	(36,922,503)	-	(36,922,503)
Business type activities:							
Non-instructional programs:							
Nutrition services	1,862,697	1,105,300	761,265	-	-	3,868	3,868
Child Care services	1,765,466	1,553,164	71,951	-	-	(140,351)	(140,351)
Student Construction services	365,529	356,137	-	-	-	(9,392)	(9,392)
Community Education	198,219	154,869	-	-	-	(43,350)	(43,350)
J Hawk Camp	119	-	-	-	-	(119)	(119)
	4,192,030	3,169,470	833,216	-	-	(189,344)	(189,344)
Total primary government	$ 53,780,468	10,594,510	6,074,111	-	(36,922,503)	(189,344)	(37,111,847)
General Revenues:							
Property tax levied for:							
General purposes					14,546,552	-	14,546,552
Debt service					4,503,176	-	4,503,176
Capital outlay					531,272	-	531,272
Statewide sales, services and use tax					2,943,580	-	2,943,580
Unrestricted state grants					13,984,543	-	13,984,543
Unrestricted investment earnings					83,926	18	83,944
Other general revenues					687,382	-	687,382
Total general revenues, capital contributions and transfers					37,280,431	18	37,280,449
Change in net position					357,928	(189,326)	168,602
Net position beginning of year					33,758,503	2,086,377	35,844,880
Net position end of year					$ 34,116,431	1,897,051	36,013,482

See notes to financial statements.

Exhibit C

Urbandale Community School District
Balance Sheet
Governmental Funds
June 30, 2014

	General	Debt Service	Capital Projects	Non-major Governmental	Total
Assets					
Cash and pooled investments	$ 6,787,235	14,179,641	7,239,695	1,121,788	29,328,359
Receivables:					
Property tax:					
Current year delinquent	94,374	35,096	3,004	6,445	138,919
Succeeding year	13,474,656	4,730,176	386,104	956,577	19,547,513
Accounts	2,098	-	-	-	2,098
Due from other funds	10,369	-	300,000	-	310,369
Due from other governments	2,623,993	-	465,876	-	3,089,869
Total assets	$ 22,992,725	18,944,913	8,394,679	2,084,810	52,417,127
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	$ 283,515	4,000	8,070	6,610	302,195
Salaries and benefits payable	3,874,925	-	-	2,898	3,877,823
Advances from grantors	90	-	-	-	90
Advances for services	153,152	-	-	-	153,152
Due to other funds	-	-	-	3,862	3,862
Due to other governments	367,717	-	-	-	367,717
Total liabilities	4,679,399	4,000	8,070	13,370	4,704,839
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	13,474,656	4,730,176	386,104	956,577	19,547,513
Total deferred inflows of resources	13,474,656	4,730,176	386,104	956,577	19,547,513
Fund balances:					
Restricted for:					
Categorical funding	288,608	-	-	-	288,608
Debt service	-	14,210,737	2,112,173	-	16,322,910
Management levy purposes	-	-	-	710,624	710,624
Student activities	-	-	-	332,771	332,771
Public education & recreation levy purposes	-	-	-	71,468	71,468
School infrastructure	-	-	5,567,445	-	5,567,445
Physical plant and equipment	-	-	320,887	-	320,887
Unassigned	4,550,062	-	-	-	4,550,062
Total fund balances	4,838,670	14,210,737	8,000,505	1,114,863	28,164,775
Total liabilities, deferred inflows of resources and fund balances	$ 22,992,725	18,944,913	8,394,679	2,084,810	52,417,127

See notes to financial statements.

Exhibit D

Urbandale Community School District
Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
June 30, 2014

Total fund balances of governmental funds (Exhibit C)			$	28,164,775
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.				92,143,566
The Internal Service Fund is used by management to charge the costs of partial self funding of the District's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.				1,231,832
Long-term liabilities, including bonds payable and notes payable, compensated absences and other postemployment benefits are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Those liabilities at year-end consist of:				
General obligation bonds payable	$	(63,395,000)		
Revenue bonds payable		(23,345,000)		
Bond discounts		615,543		
Deferred amount on refunding		968,061		
Bond premiums		(103,475)		
Accrued interest		(821,686)		
Early retirement		(891,928)		
Compensated absences		(61,727)		
Other postemployment benefits		(388,530)		(87,423,742)
Net position of governmental activities (Exhibit A)			$	34,116,431

See notes to financial statements.

Exhibit E

Urbandale Community School District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended June 30, 2014

	General	Debt Service	Capital Projects	Non-major Governmental	Total
Revenues:					
Local sources:					
Local tax	$ 13,737,373	4,503,176	385,425	955,026	19,581,000
Tuition	6,270,499	-	-	-	6,270,499
Other	505,500	72,930	5,149	815,572	1,399,151
Intermediate sources	52,333	-	-	-	52,333
State sources	18,703,214	1,454	2,943,704	330	21,648,702
Federal sources	935,939	-	-	-	935,939
Total revenues	40,204,858	4,577,560	3,334,278	1,770,928	49,887,624
Expenditures:					
Current:					
Instruction:					
Regular	15,990,540	-	-	192,982	16,183,522
Special	5,901,859	-	-	-	5,901,859
Other	3,842,677	-	-	730,609	4,573,286
	25,735,076	-	-	923,591	26,658,667
Support services:					
Student	1,986,932	-	-	-	1,986,932
Instructional staff	1,541,444	-	603,192	-	2,144,636
Administration	4,663,305	-	-	221,451	4,884,756
Operation and maintenance of plant	3,784,081	-	13,000	521,887	4,318,968
Transportation	1,233,783	-	-	-	1,233,783
	13,209,545	-	616,192	743,338	14,569,075
Other expenditures:					
Facilities acquisition	-	-	1,095,988	4,429	1,100,417
Long-term debt:					
Principal	-	9,740,000	-	-	9,740,000
Interest and fiscal charges	-	3,630,246	-	-	3,630,246
AEA flowthrough	1,317,608	-	-	-	1,317,608
	1,317,608	13,370,246	1,095,988	4,429	15,788,271
Total expenditures	40,262,229	13,370,246	1,712,180	1,671,358	57,016,013
Excess (deficiency) of revenues over (under) expenditures	(57,371)	(8,792,686)	1,622,098	99,570	(7,128,389)

Exhibit E

Urbandale Community School District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended June 30, 2014

	General	Debt Service	Capital Projects	Non-major Governmental	Total
Other financing sources (uses):					
Proceeds from sale of capital assets	58,742	-	-	-	58,742
Operating transfers in	-	2,109,804	-	-	2,109,804
Operating transfers out	-	-	(2,109,804)	-	(2,109,804)
Total other financing sources (uses)	58,742	2,109,804	(2,109,804)	-	58,742
Change in fund balances	1,371	(6,682,882)	(487,706)	99,570	(7,069,647)
Fund balances beginning of year	4,837,299	20,893,619	8,488,211	1,015,293	35,234,422
Fund balances end of year	$ 4,838,670	14,210,737	8,000,505	1,114,863	28,164,775

See notes to financial statements.

Exhibit F

Urbandale Community School District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds to the Statement of Activities
Year ended June 30, 2014

Net change in fund balances - total governmental funds (Exhibit E)			$ (7,069,647)
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Position and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation expense in the current year as follows:			
Capital Outlay	$ 116,769		
Depreciation expense	(2,653,768)		(2,536,999)
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of issuance costs and premiums, whereas these amounts are deferred in and amortized in the Statement of Activities. Current year items are as follows:			
Repayments of bond and note principal	9,740,000		
Amortization of bond premiums	7,105		
Amortization of bond discounts	(49,075)		
Amortization of deferred amount on refunding	(97,620)		9,600,410
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.			48,353
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.			
Early retirement	(366,550)		
Compensated absences	(5,282)		
Other postemployment benefits	37,186		(334,646)
The Internal Service Fund is used by management to charge the costs of employee health benefits to individual funds. The change in Net Position of the Internal Service Fund is reported with governmental activities.			650,457
Change in net position of governmental activities (Exhibit B)			$ 357,928

See notes to financial statements.

Exhibit G

Urbandale Community School District
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Assets		
Current assets:		
Cash and pooled investments	$ 1,569,739	1,568,922
Receivables:		
Other	163	
Inventories	375,960	-
Total current assets	1,945,862	1,568,922
Noncurrent assets:		
Capital assets, net of accumulated depreciation	553,648	-
Total assets	$ 2,499,510	1,568,922
Liabilities		
Current liabilities:		
Accounts payable	$ 46,738	-
Medical insurance claims liability	-	337,090
Salaries and benefits payable	26,493	-
Due to other funds	306,507	-
Advances for services	154,323	-
Compensated absences	9,928	-
Total current liabilities	543,989	337,090
Noncurrent liabilities:		
Other postemployment benefits	58,470	-
Total noncurrent liabilities	58,470	-
Total liabilities	602,459	337,090
Net Position		
Net investment in capital assets	553,648	-
Unrestricted	1,343,403	1,231,832
Total net position	$ 1,897,051	1,231,832

See notes to financial statements.

Exhibit H

Urbandale Community School District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year ended June 30, 2014

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Operating revenue:		
Local sources:		
Charges for services	$ 3,169,470	3,320,138
Operating expenses:		
Instructional Programs:		
Support services:		
Administrative services:		
Other	-	2,669,681
	-	2,669,681
Non-instructional programs:		
Community service operations:		
Other	1,963,804	-
Food service operations:		
Depreciation	87,664	-
Other	1,775,033	-
Other enterprise operations:		
Other	365,529	-
	4,192,030	-
Total operating expenses	4,192,030	2,669,681
Operating income (loss)	(1,022,560)	650,457
Non-operating revenue:		
State sources	86,515	-
Federal sources	746,701	-
Interest income	18	-
Total non-operating revenue	833,234	-
Change in net position	(189,326)	650,457
Net position beginning of year	2,086,377	581,375
Net position end of year	$ 1,897,051	1,231,832

See notes to financial statements.

Exhibit I

Urbandale Community School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2014

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	$ 1,089,935	-
Cash received from miscellaneous operating activities	2,189,784	3,320,138
Cash payments to employees for services	(2,531,833)	(2,666,482)
Cash payments to suppliers for goods or services	(1,370,130)	-
Net cash provided (used) by operating activities	(622,244)	653,656
Cash flows from non-capital financing activities:		
Due to other funds proceeds	6,507	-
State grants received	86,515	-
Federal grants received	630,499	-
Net cash provided by non-capital financing activities	723,521	-
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(260)	-
Net cash provided by investing activities	(260)	-
Cash flows from investing activities:		
Interest on cash and investments	18	-
Net cash provided by investing activities	18	-
Net increase in cash and cash equivalents	101,035	653,656
Cash and cash equivalents at beginning of year	1,468,704	915,266
Cash and cash equivalents at end of year	$ 1,569,739	1,568,922
Reconciliation of operating loss to net cash used by operating activities:		
Operating income (loss)	$ (1,022,560)	650,457
Adjustments to reconcile operating loss to net cash used by operating activities:		
Commodities used	116,202	-
Depreciation	87,664	-
(Increase) in receivables	(163)	-
Decrease in due from other funds	434	-
Decrease in inventories	57,455	-
Increase in accounts payable	39,744	-
Increase in medical insurance claims payable	-	3,199
(Decrease) in salaries and benefits payable	(10,882)	-
Increase in unearned revenue	109,978	-
Increase in compensated absences	3,443	-
(Decrease) in other postemployment benefits	(3,559)	-
Net cash provided (used) by operating activities	$ (622,244)	653,656

Non-cash investing, capital and financing activities:

During the year ended June 30, 2014, the District received federal commodities valued at $116,202.

See notes to financial statements.

Exhibit J

Urbandale Community School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Agency
Assets	
Cash and pooled investments	$ 155,448
Receivables:	
Other	2,896
Total assets	158,344
Liabilities	
Accounts payable	5,039
Due to other entities	153,305
Total liabilities	158,344
Net position	$ -

See notes to financial statements.

(1) Summary of Significant Accounting Policies

Urbandale Community School District is a political subdivision of the State of Iowa and operates public schools for children in preschool and grades kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the City of Urbandale, Iowa. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Urbandale Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. Urbandale Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

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

B. Basis of Presentation

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

The Statement of Net Position presents the District's non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

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

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management which can be removed or modified.

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

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other non-major governmental funds. Combining schedules are also included for the Capital Project Fund accounts.

The District reports the following major governmental funds:

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

Debt Service Fund: The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the District's general long-term debt.

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

The other governmental funds of the District are considered non-major and are as follows:

Special Revenue Funds: The Special Revenue Funds account for the revenue sources that are legally restricted to expenditures for specific purposes. These funds consist of the following:

Student Activity Funds: This fund accounts for transactions that occur due to student-related activities from groups and organizations such as athletic and activity events, fundraising and other extra-curricular or co-curricular activities.

Management Fund: This fund is authorized by Iowa Code Section 298.4 and accounts for transactions related to unemployment, early retirement, judgments and settlements and the cost of liability insurance as it relates to property and casualty.

Public Education and Recreation Levy (PERL) Fund: This fund is authorized by Iowa Code 300.2 and accounts for transactions related to schoolhouse playgrounds and recreational activities within the District. This fund also accounts for community education activity.

The following proprietary funds of the District are considered non-major:

The Enterprise, School Nutrition Fund accounts for the food service operations of the District.

The Enterprise, Child Care Fund, also called Adventuretime, accounts for transactions for before and after school child care and summer child care programs authorized by Iowa Code 298A.12 and 279.49.

The Enterprise, Student Construction Fund accounts for transactions for the home building/remodeling activity performed by students as part of their instructional or extracurricular program. This fund also accounts for the sale of those homes.

The Enterprise, J-Hawk Camp Fund accounts for transactions involved in operating District-sponsored youth sports camps.

The District has the following internal service funds:

Self-Insurance Fund: This fund accounts for transactions for self-insured health insurances including medical, dental, prescription and vision received by District employees in which the District is responsible for paying all claims and administrative costs attributable to the insurances listed above.

The District also reports fiduciary funds which focus on net position and changes in net position. The District has the following fiduciary fund type:

The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations or other governments. The Agency fund is custodial in nature, assets equal liabilities, and does not involve measurement of results of operations.

C. Measurement Focus and Basis of Accounting

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

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

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

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

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted Net Position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.
When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

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

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

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

D. Assets, Liabilities and Fund Equity

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

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments in the Wells Fargo Adv Government MM Fund and the Federal Home Loan Notes are stated at fair value. The Investments in the Iowa Schools Joint investment Trust and the IPAS education Institutional MM Fund are at amortized cost.

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2012 assessed property valuations; is for the tax accrual period July 1, 2013 through June 30, 2014 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2013.

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

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

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

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

Property, furniture and equipment are depreciated using the straight line method of depreciation over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings	50 years
Improvements other than buildings	20-50 years
Furniture and equipment	5-15 years

Deferred Outflows of Resources - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

Advances – Proceeds received by the District for which services will be rendered in a succeeding fiscal year, such as prepaid registration fees, health payments and lunch money.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2014. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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

Deferred Inflows of Resources - Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consists of the succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

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

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

Committed – Amounts which an be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Unassigned – All amounts not included in other spendable classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2014, expenditures did exceed the amounts budgeted in the support services function area.

(2) Cash and Pooled Investments

The District's deposits in banks at June 30, 2014 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

At June 30, 2014, the District had investments as follows:

Wells Fargo Adv Government MM Fund	$	5,151,321
The Education Liquidity Fund		2,002,301
US Treasury Notes		12,590,166
Iowa School Joint Investment Trust:		
Diversified Portfolio		1,265,425
	$	21,009,213

The investments in the Iowa School Joint Investment Trust and The Education Liquidity Fund are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. The negotiable investments in the Wells Fargo Adv Government MM Fund, the Federal Home Loan Notes and U.S. Treasury Notes are reported at fair value.

Interest rate risk: The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District.

Credit risk: The investments in the Wells Fargo Adv Government Money Market Fund is not rated and the U.S. Treasury Notes, The Education Liquidity Fund and the Iowa School Joint Investment Trust Diversified Portfolio were rated Aaa by Moody's Investors Service.

(3) Due From and Due to Other Funds

The detail of interfund receivable and payables for the year ended June 30, 2014 is as follows:

Receivable Fund	Payable Fund		Amount
General Fund	Student Activity	$	3,862
General Fund	Enterprise Fund - Childcare		6,507
Capital Projects - Statewide Sales, Services and Use Tax	Enterprise Fund - Student Construction		300,000
		$	310,369

The Student Activity Fund and the Childcare Enterprise Fund are repaying the General Fund for items not reimbursed in the prior year. The balance is to be repaid by June 30, 2015. The Enterprise Fund - Student Construction is temporarily borrowing from the Capital Projects - Statewide Sales, Services and Use Tax Fund for construction projects and will be repaid once project is sold.

(4) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2014 is as follows:

Transfer to	Transfer from		Amount
Debt Service	Capital Projects - Statewide Sales, Services and Use Tax	$	2,109,804
		$	2,109,804

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

(5) Capital Assets

Capital assets activity for the year ended June 30, 2014 was as follows:

	Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,533,992	-	-	1,533,992
Total capital assets not being depreciated	1,533,992	-	-	1,533,992
Capital assets being depreciated:				
Buildings	118,597,497	-	-	118,597,497
Improvements other than buildings	689,480	-	-	689,480
Furniture and equipment	2,090,783	116,769	-	2,207,552
Leased equipment	1,546,105	-	-	1,546,105
Total capital assets being depreciated	122,923,865	116,769	-	123,040,634
Less accumulated depreciation for:				
Buildings	26,279,732	2,431,481	-	28,711,213
Improvements other than buildings	326,651	48,568	-	375,219
Furniture and equipment	1,624,804	173,719	-	1,798,523
Leased equipment	1,546,105	-	-	1,546,105
Total accumulated depreciation	29,777,292	2,653,768	-	32,431,060
Total capital assets being depreciated, net	93,146,573	(2,536,999)	-	90,609,574
Governmental activities capital assets, net	$ 94,680,565	(2,536,999)	-	92,143,566
Business type activities:				
Furniture and equipment	$ 1,453,633	260	-	1,453,893
Less accumulated depreciation	812,581	87,664	-	900,245
Business type activities capital assets, net	$ 641,052	(87,404)	-	553,648

Depreciation expense was charged by the District as follows:

Governmental activities:	
Instruction:	
Regular	$ 1,133,874
Special	431,438
Other	297,488
Support services:	
Student support	153,591
Instructional staff	81,351
Administration	310,255
Operation and maintenance of plant	131,403
Transportation	-
Noninstructional	114,368
Total governmental activities depreciation expense	$ 2,653,768
Business type activities:	
Food services	$ 87,664

(6) Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2014 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	$ 72,190,000	-	8,795,000	63,395,000	14,995,000
Premiums on general obligation bonds	41,594	-	3,007	38,587	3,007
Disccounts on general obligation bonds	(664,618)	-	(49,075)	(615,543)	(49,075)
Subtotal general obligation bonds	71,566,976	-	8,748,932	62,818,044	14,948,932
Revenue bonds	24,290,000	-	945,000	23,345,000	985,000
Premiums on revenue bonds	68,986	-	4,098	64,888	4,098
Subtotal revenue bonds	24,358,986	-	949,098	23,409,888	989,098
Early retirement	525,378	531,795	165,245	891,928	260,350
Compensated absences	56,445	61,727	56,445	61,727	61,727
Net OPEB liability	425,716	-	37,186	388,530	-
Subtotal, governmental activities	96,933,501	593,522	9,956,906	87,570,117	16,260,107
Business type activities:					
Compensated absences	6,485	9,928	6,485	9,928	9,928
Net OPEB liability	62,029	-	3,559	58,470	-
Subtotal, business type activities	68,514	9,928	10,044	68,398	9,928
Total	$ 97,002,015	603,450	9,966,950	87,638,515	16,270,035

General Obligation Bonds

Details of the District's June 30, 2014 general obligation bonded indebtedness are as follows:

Year ending June 30,	Bond Issue on July 1, 2006			
	Interest Rate	Principal	Interest	Total
2015	4.375%	$ 710,000	506,890	1,216,890
2016	4.500%	745,000	475,828	1,220,828
2017	4.500%	775,000	443,234	1,218,234
2018	4.550%	815,000	408,359	1,223,359
2019	4.600%	850,000	371,684	1,221,684
2020	4.625%	890,000	333,009	1,223,009
2021	4.625%	935,000	292,069	1,227,069
2022	4.625%	975,000	248,825	1,223,825
2023	4.625%	1,025,000	203,731	1,228,731
2024	4.625%	1,075,000	156,325	1,231,325
2025	4.625%	1,125,000	106,606	1,231,606
2026	4.625%	1,180,000	54,575	1,234,575
		11,100,000	3,601,135	14,701,135

General Obligation Bonds (continued)

Year ending	Bond Issue on January 1, 2007			
June 30,	Interest Rate	Principal	Interest	Total
2015	3.65%	250,000	310,240	560,240
2016	3.65%	245,000	301,115	546,115
2017	3.70%	250,000	292,172	542,172
2018	3.75%	275,000	282,923	557,923
2019	3.85%	260,000	272,610	532,610
2020	3.90%	270,000	262,600	532,600
2021	3.90%	275,000	252,070	527,070
2022	3.95%	290,000	241,345	531,345
2023	3.95%	295,000	229,890	524,890
2024	3.95%	285,000	218,238	503,238
2025	3.95%	2,570,000	206,980	2,776,980
2026	3.95%	2,670,000	105,465	2,775,465
		7,935,000	2,975,648	10,910,648

Year ending	Bond Issue on May 1, 2010			
June 30,	Interest Rate	Principal	Interest	Total
2015		-	540,770	540,770
2016		-	540,770	540,770
2017		-	540,770	540,770
2018		-	540,770	540,770
2019		-	540,770	540,770
2020		-	540,770	540,770
2021		-	540,770	540,770
2022		-	540,770	540,770
2023		-	540,770	540,770
2024		-	540,770	540,770
2025		-	540,770	540,770
2026		-	540,770	540,770
2027	4.25%	3,710,000	540,770	4,250,770
2028	4.30%	3,865,000	383,095	4,248,095
2029	4.50%	4,030,000	216,900	4,246,900
2030	4.50%	790,000	35,550	825,550
		12,395,000	7,665,555	20,060,555

Year ending	Refunding Bond Issue on May 1, 2010			
June 30,	Interest Rate	Principal	Interest	Total
2015	3.000%	1,115,000	401,662	1,516,662
2016	3.000%	1,110,000	368,362	1,478,362
2017	3.250%	1,085,000	334,988	1,419,988
2018	3.750%	1,070,000	300,581	1,370,581
2019	3.850%	1,055,000	266,294	1,321,294
2020	3.375%	1,195,000	230,869	1,425,869
2021	3.625%	1,235,000	190,312	1,425,312
2022	3.750%	1,240,000	146,319	1,386,319
2023	3.875%	1,295,000	99,644	1,394,644
2024	4.000%	1,315,000	50,644	1,365,644
2025	4.000%	-	10,625	10,625
2026	4.000%	-	10,625	10,625
2027	4.250%	250,000	10,625	260,625
		11,965,000	2,421,550	14,386,550

General Obligation Bonds (continued)

Year ending June 30,	Crossover Refunding Bond Issue on December 1, 2011			
	Interest Rate	Principal	Interest	Total
2015		-	206,298	206,298
2016	0.900%	220,000	206,298	426,298
2017	1.200%	670,000	204,318	874,318
2018	1.450%	1,025,000	196,278	1,221,278
2019	1.750%	1,040,000	181,415	1,221,415
2020	1.900%	1,060,000	163,215	1,223,215
2021	2.100%	1,085,000	143,075	1,228,075
2022	2.250%	1,100,000	120,290	1,220,290
2023	2.400%	1,130,000	95,540	1,225,540
2024	2.500%	1,160,000	68,420	1,228,420
2025	2.600%	1,190,000	39,420	1,229,420
2026	2.650%	320,000	8,480	328,480
		10,000,000	1,633,047	11,633,047

Year ending June 30,	Crossover Refunding Bond Issue on January 1, 2012			
	Interest Rate	Principal	Interest	Total
2015	1.00%	550,000	186,312	736,312
2016	1.00%	1,415,000	180,812	1,595,812
2017	1.20%	1,035,000	166,662	1,201,662
2018	1.45%	735,000	154,242	889,242
2019	1.75%	820,000	143,585	963,585
2020	1.90%	735,000	129,235	864,235
2021	2.10%	750,000	115,270	865,270
2022	2.25%	760,000	99,520	859,520
2023	2.40%	780,000	82,420	862,420
2024	2.50%	820,000	63,700	883,700
2025	2.70%	35,000	43,200	78,200
2026	2.70%	1,565,000	42,255	1,607,255
		10,000,000	1,407,213	11,407,213

Year ending June 30,	Total Bond Indebtedness		
	Principal	Interest	Total
2015	2,625,000	2,152,172	4,777,172
2016	3,735,000	2,073,185	5,808,185
2017	3,815,000	1,982,144	5,797,144
2018	3,920,000	1,883,153	5,803,153
2019	4,025,000	1,776,358	5,801,358
2020	4,150,000	1,659,698	5,809,698
2021	4,280,000	1,533,566	5,813,566
2022	4,365,000	1,397,069	5,762,069
2023	4,525,000	1,251,995	5,776,995
2024	4,655,000	1,098,097	5,753,097
2025	4,920,000	947,601	5,867,601
2026	5,735,000	762,170	6,497,170
2027	3,960,000	551,395	4,511,395
2028	3,865,000	383,095	4,248,095
2029	4,030,000	216,900	4,246,900
2030	790,000	35,550	825,550
	$ 63,395,000	19,704,148	83,099,148

Advance Refunding – May 1, 2011

The District issued $16,000,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of $14,600,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by $1,374,810. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 16 years by $318,975 and resulted in an economic gain of $178,136.

Crossover Refundings – December 1, 2012 and January 1, 2013

On December 1, 2012 and January 1, 2013, the District issued $10,000,000 and $10,000,000, respectively, in general obligation bonds to advance refund $6,375,000 of outstanding general obligation bonds dated October 1, 2005, $10,390,000 of outstanding general obligation bonds dated July 1, 2006 and $1,980,000 of outstanding general obligation bonds dated January 1, 2007 in a crossover refunding. The proceeds of the refunding bonds have placed in an irrevocable escrow account and have been invested in U.S. Government Obligations whish have been certified to be sufficient to pay all principal and interest due on the Series 2005 bonds after June 1, 2015, principal and interest due on the Series 2006 bonds after June 1, 2014 and principal of $1,980,000 on the Series 2007 issue on June 1, 2015. The new refunding bonds have been added to the appropriate financial statements and schedules. The district remains contingently liable in the remote possibility the account is insufficient to pay the refunding bonds. At June 30, 2014, $19,035,000 of such bonds is outstanding. The district remains liable for the principal and interest on the non-callable portion of the bonds though fiscal year end 2015. The escrow funds pays interest on the new advance refunding bonds until that time. One advance payment on the general obligation bonds was paid in the current year in the amount of $6,375,000 and final payment to pay off these bonds is expected to take place June 1, 2015. This advance refunding was undertaken to reduce total debt service payments over the next 13 years by $1,385,360 and resulted in an economic gain of $1,033,387.

Revenue Bonds

Details of the District's June 30, 2014 statewide sales, service and use tax revenue bonded indebtedness are as follows:

Year ending	Revenue bond Issue of April 9, 2009			
June 30,	Interest Rate	Principal	Interest	Total
2015	4.125%	985,000	1,104,488	2,089,488
2016	4.125%	1,025,000	1,063,032	2,088,032
2017	4.125%	1,065,000	1,019,926	2,084,926
2018	4.125%	1,110,000	975,066	2,085,066
2019	4.375%	1,160,000	928,247	2,088,247
2020	4.500%	1,205,000	877,963	2,082,963
2021	4.700%	1,260,000	823,254	2,083,254
2022	4.800%	1,315,000	764,001	2,079,001
2023	5.000%	1,375,000	700,099	2,075,099
2024	5.000%	1,440,000	631,099	2,071,099
2025	5.125%	1,515,000	557,224	2,072,224
2026	5.150%	1,590,000	478,605	2,068,605
2027	5.250%	1,670,000	394,859	2,064,859
2028	5.250%	1,755,000	305,788	2,060,788
2029	5.375%	1,850,000	211,156	2,061,156
2030	5.375%	3,025,000	110,322	3,135,322
		$ 23,345,000	10,945,129	34,290,129

The District has pledged future statewide sales, services and use tax revenues for the purpose of defraying a portion of the cost of school infrastructure. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. The total principal and interest remaining to be paid on the notes is $34,290,129. For the current year, $945,000 principal and $1,144,294 in interest was paid on the bonds and total statewide sales, services and use tax revenues were $2,943,580.

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes the following provisions:

a) $2,616,000 of the proceeds from the issuance of the revenue bonds shall be deposited to the Reserve Account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the Sinking Account. The balance of the proceeds shall be deposited to the Project Account.
b) All proceeds from the statewide sales, services and use tax shall be placed in a Revenue Account.
c) Monies in the Revenue Account shall be disbursed to make deposits into a Sinking Account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
d) Any monies remaining in the Revenue Account after the required transfer to the Sinking Account may be transferred to the Project Account to be used for any lawful purpose.

The District complied with all of the provisions during the year ended June 30, 2014.

As of June 30, 2014, the District did not exceed its legal debt margin, computed as follows:

Total assessed valuation	$	1,841,846,096
Debt limit of 5% of total assessed valuation	$	92,092,305
Amount of debt applicable to debt limit		86,740,000
Crossover bond proceeds held in trust for refunding purposes		(11,295,000)
Excess of debt limit over bonded debt issued, legal debt margin.	$	16,647,305

Early Retirement

The District has two voluntary early retirement plans in effect at June 30, 2014. Eligibility for both plans is dependent on the employee's age and years of full-time continuous service to the District. Full time service is defined as at least thirty (30) hours per week. The employee must have been continuously employed on a regular contract or letter of assignment, and part-time years may not be accumulated to equal a full-time year. Years of service as a substitute employee do not count as a year of service. Any annuities offered on early retirement plans are calculated on base salary only, (excluding longevity, teacher compensation supplements, flex spending, car allowance, extra duty, shift differential, overtime pay, or TSA allowances.) All applications for voluntary early retirement were subject to approval by the Board of Education.

The first plan was offered during fiscal year ending June 30, 2011. To be eligible for the benefits under the 2011 plan, an employee needed to have completed at least fifteen (15) years of full-time continuous service to the District and must have reached the age of fifty-five on or before June 30 in the calendar year in which early retirement commences. Early retirement benefits offered on the plan included an annuity benefit equal to 15% of base salary, payable over two (2) years; and single insurance coverage until the employee is eligible for Medicare, limited to a maximum premium cost of $600 per month. Early retirement annuity benefits are paid in two equal installments beginning in January following the start of retirement. The second payment is made the following July.

The second plan was offered during fiscal year ending June 30, 2014. To be eligible for the benefits under the 2014 plan, an employee needed to have completed at least fifteen (15) years of full-time continuous service to the District and must have reached the age of fifty-five on or before August 15, 2014. Early retirement benefits offered on the plan included an annuity benefit equal to 45% of base salary, payable over five (5) years. The early retirement annuity contribution shall be made in equal payments annually on November 1. The early retirement annuity contribution shall not be made if the employee dies after the Board has approved the early retirement but prior to the end of the final contract year of employment. If the employee dies on or after the end of the final contract year, the District shall make the early retirement contribution.

Under the 2011 plan, the District had no further obligations at June 30, 2014 to participants for annuity benefits. A total of 25 participants continue to receive single health insurance coverage with premium costs ranging from $455 to $526 per month under the 2011 plan. For the 2014 plan, there were a total of 18 participants who will receive $106,359 per year in the form of an annuity for a total of five years, beginning November 1, 2014. The District's actual early retirement expenditures for the year ended June 30, 2014 totaled $165,245.

(7) Operating Leases

The District entered into a seven year and one month agreement which expires January 31, 2015 for the lease of its administrative offices. The agreement requires minimum base rents at various monthly rates plus a prorated share of the property and operating expenses. The District had a one-time right to terminate the lease on January 31, 2013. The total minimum lease commitment under the agreement is as follows:

Year ending June 30,	Minimum Lease Payments
2015	25,740
	$ 25,740

The total lease expense for the year ended June 30, 2014 was $44,126.

(8) Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 5.95% of their annual covered salary and the District is required to contribute 8.93% of annual covered salary. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2014, 2013 and 2012, were $2,436,538, $2,211,352, and $1,968,505, respectively, equal to the required contributions for each year.

(9) Other Post-Employment Benefits (OPEB)

Plan Description - The District operates a retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 406 active and 33 retired members in the plan. Participants must be age 55 or older at retirement and must have been employed full time by the District for a minimum of 15 continuous years prior to the retirement year. "Full-time" service is defined as at least 30 hours per week. Years of service as a substitute employee shall not count as a year of service. The employee must have been employed on a regular contract. Part-time years may not be accumulated to equal a full-time year.

The medical/prescription drug coverage is provided through an insurance program administered by Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

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

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

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

Annual required contribution	$	228,000
Interest on net OPEB obligation		22,000
Adjustment to annual required contribution		(18,745)
Annual OPEB cost		231,255
Contributions made		(272,000)
Increase in net OPEB obligation		(40,745)
Net OPEB obligation beginning of year		487,745
Net OPEB obligation end of year	$	447,000

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2014.

For the year ended June 30, 2014, the District contributed $6,730 per employee. Retiree and active members were not required to contribute.

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

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	$ 834,000	68.35%	$ 370,000
June 30, 2011	835,555	68.22%	635,555
June 30, 2012	398,000	113.32%	582,555
June 30, 2013	397,190	123.87%	488,000
June 30, 2014	231,255	117.75%	447,000

Funded Status and Funding Progress - As of July 1, 2013, the most recent actuarial valuation date for the period July 1, 2013 through June 30, 2014, the actuarial accrued liability was $2,125,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $2,125,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately $22,845,386, and the ratio of the UAAL to covered payroll was 9.3%. As of June 30, 2014, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of the July 1, 2013 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumption includes a 4.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 9%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2013 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2013.

Projected claim costs of the medical plan are $695 per month for retirees less than age 65 and $834 per month for retirees who have attained age 65. The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(10) Risk Management

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

The District operates a self-funded insurance medical plan and dental plan administered by a third party administrator for its employees and eligible dependents. The medical plan is supplemented with reinsurance (specific and aggregate protection), which limits the District's liability to $35,000 per individual medical claim and an aggregate limit of 125% during the contractual plan year which aligns with fiscal year. Reinsurance is not purchased for the dental plan. The dental plan liability is limited to $1,000 per individual per year and the dental plan does not exceed the two percent of the general fund budget; thus, actuarial opinions are not obtained nor is the dental plan required to file with the State of Iowa Insurance Division.

The medical plan received an annual actuarial opinion and the annual report is filed with the State of Iowa Insurance Division. The medical insurance claims liability of $337,090 at June 30, 2014 is based on the requirements of Section 509A.15 of the Iowa Code and the requirements of the GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Such liabilities are the amount for claims that have been incurred but not reported.

(11) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled $1,317,608 for the year ended June 30, 2014 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

12) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27.* This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the government's proportionate share of the employee pension plan.

Required Supplementary Information

Urbandale Community School District
Schedule of Funding Progress for the Retiree Health Plan
Required Supplementary Information
Year ended June 30, 2014

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	July 1, 2008	$ -	4,317,000	4,317,000	0.0%	$ 22,608,950	19.1%
2010	July 1, 2009	-	7,900,000	7,900,000	0.0%	23,053,600	34.3%
2011	July 1, 2009	-	7,900,000	7,900,000	0.0%	22,644,748	34.9%
2012	July 1, 2011	-	4,100,000	4,100,000	0.0%	24,327,520	16.9%
2013	July 1, 2012	-	4,100,000	4,100,000	0.0%	22,731,852	18.0%
2014	July 1, 2013		2,125,000	2,125,000	0.0%	22,845,386	9.3%

See Note 9 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.

Urbandale Community School District
Budgetary Comparison Schedule of Revenues, Expenditures, and Changes in Balances
Budget and Actual - All Governmental Funds and Proprietary Funds
Required Supplementary Information
Year ended June 30, 2014

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance- Positive (Negative)
Revenues:						
Local sources	$ 27,250,650	3,169,488	30,420,138	29,991,865	29,991,865	428,273
Intermediate sources	52,333	-	52,333	5,000	5,000	47,333
State sources	21,648,702	86,515	21,735,217	21,408,535	21,408,535	326,682
Federal sources	935,939	746,701	1,682,640	1,565,000	1,565,000	117,640
Total revenues	49,887,624	4,002,704	53,890,328	52,970,400	52,970,400	919,928
Expenditures:						
Instruction	26,658,667	-	26,658,667	26,807,935	26,807,935	149,268
Support services	14,569,075	-	14,569,075	14,442,846	14,442,846	(126,229)
Non-instructional programs	-	4,192,030	4,192,030	4,450,000	4,450,000	257,970
Other expenditures	15,788,271	-	15,788,271	10,441,658	20,083,335	4,295,064
Total expenditures	57,016,013	4,192,030	61,208,043	56,142,439	65,784,116	4,576,073
Excess (deficiency) of revenues over (under) expenditures	(7,128,389)	(189,326)	(7,317,715)	(3,172,039)	(12,813,716)	5,496,001
Other financing sources, net	58,742	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	(7,069,647)	(189,326)	(7,317,715)	(3,172,039)	(12,813,716)	5,496,001
Balances beginning of year	35,234,422	2,086,377	37,320,799	34,662,614	34,662,614	2,658,185
Balances end of year	$ 28,164,775	1,897,051	30,003,084	31,490,575	21,848,898	8,154,186

See accompanying independent auditor's report.

Basis of Presentation

The District operates within the budget requirements for school districts as specified by state law and as prescribed by the Iowa Department of Management. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

For the fiscal year beginning July 1, a proposed budget is adopted by the Board and filed with the County Auditor no later than April 15. The budget is certified by the County Auditor to the Department of Management.

Once adopted, the budget can be amended by the Board. The amendment must be published and a public hearing conducted prior to the amendment. Any amendments must be certified to the County Auditor no later than May 31. The proposed expenditure budget is advertised in the local newspaper, together with a notice of public hearing.

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the functional area for budgeted governmental and enterprise funds in total, rather than by individual fund type. Formal and legal budgetary control is based on four major classes of expenditures known as functional areas. These four functional areas are instruction, support services, non-instructional programs and other expenditures. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. Authorized expenditures cannot exceed the lesser of the certified budget plus any allowable amendments, or the authorized budget, which is the sum of the District's cost for that year plus the actual miscellaneous income received for that year plus the actual unspent balance from the preceding year. Appropriations, as adopted and amended, lapse at the end of the fiscal year. During the year ended June 30, 2014, actual expenditures did exceed budgeted amounts in the support services function area.

The District is required by the Code of Iowa to budget for its share of media, education services and special education support provided through the local area education agency. The District's actual amount for this purpose totaled $1,317,608 for the year ended June 30, 2014.

Supplementary Information

Schedule 1

Urbandale Community School District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Special Revenue Funds			
	Management	Student Activity	Public Education & Recreation Levy	Total
Assets				
Cash and pooled investments	$ 706,070	341,236	74,482	1,121,788
Receivables:				
Property tax:				
Delinquent	5,461	-	984	6,445
Succeeding year	809,999	-	146,578	956,577
Total assets	$ 1,521,530	341,236	222,044	2,084,810
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$ 907	1,705	3,998	6,610
Salaries and benefits payable	-	2,898	-	2,898
Interfund payable	-	3,862	-	3,862
Total liabilities	907	8,465	3,998	13,370
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	809,999	-	146,578	956,577
Total deferred inflows of resources	809,999	-	146,578	956,577
Fund Balances:				
Restricted for:				
Management levy purposes	710,624	-	-	710,624
Student activities	-	332,771	-	332,771
Public education & recreation levy purposes	-	-	71,468	71,468
Unassigned	710,624	332,771	71,468	1,114,863
Total liabilities, deferred inflows of resources and fund equity	$ 1,521,530	341,236	222,044	2,084,810

See accompanying independent auditor's report.

Schedule 2

Urbandale Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year ended June 30, 2014

	Special Revenue Funds			
	Management	Student Activity	Public Education & Recreation Levy	Total
Revenues:				
Local sources:				
Local tax:				
Property tax	$ 757,736	-	136,575	894,311
Utility tax replacement excise tax	51,443	-	9,272	60,715
	809,179	-	145,847	955,026
Other local sources:				
Interest on investments	-	60	-	60
Other	19,830	795,682	-	815,512
	19,830	795,742	-	815,572
	829,009	795,742	145,847	1,770,598
State sources:				
Revenue in lieu of taxes :				
Military credit	280	-	50	330
Total revenues	829,289	795,742	145,897	1,770,928
Expenditures:				
Current:				
Instruction:				
Regular	192,982	-	-	192,982
Other	-	730,609	-	730,609
Support services:				
Administration:	93,643	-	127,808	221,451
Operation and maintenance of plant	521,887	-	-	521,887
Other expenditures:				
Facilities acquisition	-	-	4,429	4,429
Total expenditures	808,512	730,609	132,237	1,671,358
Excess (deficiency) of revenues over (under) expenditures	20,777	65,133	13,660	99,570
Fund balances beginning of year	689,847	267,638	57,808	1,015,293
Fund balances end of year	$ 710,624	332,771	71,468	1,114,863

See accompanying independent auditor's report.

Schedule 3

Urbandale Community School District
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year ended June 30, 2014

Account	Balance Beginning of Year	Interaccount Transfers	Revenues and Financing Sources	Expenditures	Balance End of Year
Jensen Activity	$ 8,802	-	110	107	8,805
Jensen Picture	6,217	-	-	-	6,217
Jensen Web Clickers	189	(189)	-	-	-
K.A. Elementary-Activity	8,106	-	-	609	7,497
K.A. Elementary-Picture	3,133	-	570	-	3,703
K.A. Elementary-Student	202	-	791	262	731
K.A. Elementary-Student Senate	811	-	-	-	811
Olmsted Activity	7,311	1	2,568	3,269	6,611
Olmsted Picture	407	-	-	407	-
Olmsted Student	202	-	1,101	346	957
Rolling Green Activity	5,386	1	892	1,166	5,113
Rolling Green Picture	925	-	-	-	925
Valerius Activity	22,959	-	310	2,828	20,441
Valerius Picture	1,219	-	-	-	1,219
Valerius Web Clickers	29	(29)	-	-	-
Webster Activity	5,187	-	1,730	3,320	3,597
Webster Picture	2,678	-	-	1,209	1,469
Webster Student	580	-	-	290	290
Webster Web Clickers	2,605	(2,605)	-	-	-
Elementary Band	16,948	-	3,723	6,650	14,021
Web Clickers	-	2,823	93	17	2,899
Middle School:					
Activities	-	300	-	298	2
Drama	2,658	-	465	1,795	1,328
Vocal	29,525	-	5,393	5,934	28,984
Instrumental	2,556	-	10,970	6,388	7,138
Boys Basketball	-	(251)	2,514	2,263	-
Boys Cross Country	-	177	-	177	-
Boys Football	-	11,763	-	11,763	-
Boys Track	-	(2,446)	3,541	1,095	-
Boys Wrestling	-	843	528	1,371	-
Girls Basketball	-	312	1,706	2,018	-
Girls Cross Country	-	92	-	92	-
Girls Softball	-	802	-	802	-
Girls Track	-	(2,360)	3,075	715	-
Girls Volleyball	-	(1,928)	3,799	1,871	-
Library	-	-	1,162	884	278
Student Senate	-	4,627	1,433	676	5,384
Student Interest	165	-	35	-	200
Memory Book	-	-	5,825	4,895	930
Building Activity	2,876	1	2,601	1,680	3,798
Picture	5,283	(4,927)	1,596	-	1,952
High School:					
Activity/Athletic Sponsor	-	30,538	97,872	101,001	27,409
Art	2,714	-	-	24	2,690
Art Club	127	-	-	-	127
At Risk	599	-	-	-	599
Bowling	-	50	-	50	-
Boys Basketball	-	(231)	24,593	24,362	-
Boys Baseball	-	10,386	20,981	31,367	-
Boys Cross Country	-	(495)	1,501	1,006	-
Football	-	(17,819)	62,399	44,580	-
Boys Golf	-	1,139	1,013	2,152	-
Boys Soccer	-	(6,335)	13,161	6,826	-

Schedule 3

Urbandale Community School District
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year ended June 30, 2014

Account	Balance Beginning of Year	Interaccount Transfers	Revenues and Financing Sources	Expenditures	Balance End of Year
Boys Tennis	-	(1,250)	1,250	-	-
Boys Track	-	(5,847)	7,180	1,333	-
Wrestling	-	(5,535)	14,159	8,624	-
Building Activity	-	-	18,680	16,269	2,411
Cadet Teachers	520	-	-	-	520
Character Counts	194	-	-	-	194
Cheerleaders	-	109	424	533	-
DECA	-	-	8,773	7,295	1,478
Drama	11,929	-	4,250	7,846	8,333
Drug Foundation	450	-	-	-	450
Environmental Club	204	-	-	77	127
Family Consumer Science	13	-	-	-	13
Future Business Leaders	81	-	-	-	81
German Club	971	-	50,746	48,867	2,850
Girls Basketball	-	(7,576)	15,982	8,406	-
Girls Cross Country	-	(294)	955	661	-
Girls Golf	-	35	425	460	-
Girls Soccer	-	(2,872)	7,868	4,996	-
Girls Softball	-	(508)	6,402	5,894	-
Girls Tennis	-	(2,867)	2,960	93	-
Girls Track	-	(1,536)	2,863	1,327	-
Girls Volleyball	-	3,902	16,674	20,576	-
Industrial Arts Club	3,212	-	1,344	1,440	3,116
Instrumental Music	-	-	46,594	44,871	1,723
Interest Student Fund	25	-	24	-	49
Japanese Trip	617	-	-	-	617
Jayhawker	2,708	-	-	402	2,306
Jaywalkers	-	-	18,598	12,274	6,324
Key Club	4,837	-	968	1,483	4,322
Library	5,596	-	468	38	6,026
Memory Book	2,645	-	-	-	2,645
Parenting Network	850	-	-	-	850
Peer Helpers	303	-	588	432	459
Physics	4	-	-	-	4
Picture	1,770	-	-	-	1,770
Science Activity	174	-	-	-	174
Spanish Honor Society	2,429	-	-	-	2,429
Spanish Trip	445	-	390	-	835
Special Ed	500	-	-	-	500
Student Senate	15,151	-	4,284	231	19,204
Tag Activities	80	7,031	-	-	7,111
Tag Activities Fees	7,032	(7,032)	-	-	-
The Roaring Leo Club	491	-	120	250	361
Vocal Music	36,566	-	275,693	255,184	57,075
Yearbook	27,442	-	9,029	4,182	32,289
	$ 267,638	-	795,742	730,609	332,771

See accompanying independent auditor's report.

Schedule 4

Urbandale Community School District
Combining Balance Sheet
Capital Project Accounts
June 30, 2014

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	$ 6,921,812	317,883	7,239,695
Receivables:			
Property tax:			
Current year delinquent	-	3,004	3,004
Succeeding year	-	386,104	386,104
Due from other funds	300,000	-	300,000
Due from other governments	465,876	-	465,876
Total assets	$ 7,687,688	706,991	8,394,679
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ 8,070	-	8,070
Total liabilities	8,070	-	8,070
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	386,104	386,104
Total deferred inflows of resources	-	386,104	386,104
Fund balances:			
Restricted for:			
Debt service	2,112,173	-	2,112,173
School infrastructure	5,567,445	-	5,567,445
Physical plant and equipment	-	320,887	320,887
	7,679,618	320,887	8,000,505
Total liabilities, deferred inflows of resources and fund balances	$ 7,687,688	706,991	8,394,679

See accompanying independent auditor's report.

Schedule 5

Urbandale Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Project Accounts
Year ended June 30, 2014

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax:			
Property tax	$ -	362,714	362,714
Utility tax replacement excise tax	-	22,711	22,711
	-	385,425	385,425
Other local sources:			
Interest on investments	5,138	11	5,149
	5,138	11	5,149
	5,138	385,436	390,574
State sources:			
Revenue in lieu of taxes :			
Statewide sales, services and use tax	2,943,580	-	2,943,580
Military credit	-	124	124
	2,943,580	124	2,943,704
Total revenues	2,948,718	385,560	3,334,278
Expenditures:			
Current:			
Support Services:			
Instructional staff:			
Property	261,800	341,392	603,192
Operation and maintenance of plant:			
Property	-	13,000	13,000
	261,800	354,392	616,192
Other expenditures:			
Facilities acquisition			
Purchased services	969,827	5,042	974,869
Property	103,252	17,867	121,119
	1,073,079	22,909	1,095,988
Total expenditures	1,334,879	377,301	1,712,180
Excess (deficiency) of revenues over (under) expenditures	1,613,839	8,259	1,622,098
Other financing uses:			
Operating transfers out	(2,109,804)	-	(2,109,804)
Total other financing uses	(2,109,804)	-	(2,109,804)
Change in fund balances	(495,965)	8,259	(487,706)
Fund balances beginning of year	8,175,583	312,628	8,488,211
Fund balances end of year	$ 7,679,618	320,887	8,000,505

See accompanying independent auditor's report.

Schedule 6

Urbandale Community School District
Combining Statement of Net Position
Proprietary Funds
June 30, 2014

	Business Type Activities						Governmental Activities
	Enterprise Funds						Internal Service Funds
	School Nutrition	Child Care	Student Construction	Community Education	J Hawk Camp	Total	Self -funded Insurance
Assets							
Current assets:							
Cash and pooled investments	$ 1,276,658	168,828	78,569	45,684	-	1,569,739	1,568,922
Receivables:							
Other	-	163	-	-	-	163	-
Inventories	41,949	-	334,011	-	-	375,960	-
Total current assets	1,318,607	168,991	412,580	45,684	-	1,945,862	1,568,922
Noncurrent assets:							
Capital assets:							
Equipment	1,453,893	-	-	-	-	1,453,893	-
Accumulated depreciation	(900,245)	-	-	-	-	(900,245)	-
Total noncurrent assets	553,648	-	-	-	-	553,648	-
Total assets	$ 1,872,255	168,991	412,580	45,684	-	2,499,510	1,568,922
Liabilities							
Current liabilities:							
Accounts payable	$ 8,465	5,720	30,123	2,430	-	46,738	-
Medical insurance claims liability	-	-	-	-	-	-	337,090
Salaries and benefits payable	-	21,899	-	4,594	-	26,493	-
Due to other funds	-	6,507	300,000	-	-	306,507	-
Advances for services	38,493	89,664	-	26,166	-	154,323	-
Compensated absences	5,164	4,764	-	-	-	9,928	-
Total current liabilities	52,122	128,554	330,123	33,190	-	543,989	337,090
Noncurrent liabilities:							
Other postemployment benefits	31,543	25,389	-	1,538	-	58,470	-
Total noncurrent liabilities	31,543	25,389	-	1,538	-	58,470	-
Total liabilities	83,665	153,943	330,123	34,728	-	602,459	337,090
Net Position							
Net investment in capital assets	553,648	-	-	-	-	553,648	-
Unrestricted	1,234,942	15,048	82,457	10,956	-	1,343,403	1,231,832
Total Net Position	$ 1,788,590	15,048	82,457	10,956	-	1,897,051	1,231,832

See accompanying independent auditor's report.

Schedule 7

Urbandale Community School District
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year ended June 30, 2014

	Business Type Activities						Governmental Activities
	Enterprise Funds						Internal Service Funds
	School Nutrition	Child Care	Student Construction	Community Education	J Hawk Camp	Total	Self -funded Insurance
Operating revenue:							
Local sources:							
Other local sources:							
Sale of lunches and breakfasts	$ 1,093,488	-	-	-	-	1,093,488	-
Sale of services	-	1,549,216	-	131,776	-	1,680,992	3,320,138
Student activities	-	-	355,897	-	-	355,897	-
Other revenues	11,812	3,948	240	23,093	-	39,093	-
Total operating revenue	1,105,300	1,553,164	356,137	154,869	-	3,169,470	3,320,138
Operating expenses:							
Instructional Programs:							
Support services:							
Administrative services:							
Salaries	-	-	-	-	-	-	1,350
Benefits	-	-	-	-	-	-	2,667,106
Services	-	-	-	-	-	-	1,225
	-	-	-	-	-	-	2,669,681
Non-instructional programs:							
Community service operations:							
Salaries	-	1,299,586	-	45,180	-	1,344,766	-
Benefits	-	351,544	-	10,254	-	361,798	-
Services	-	47,460	-	27,623	-	75,083	-
Supplies	-	66,876	-	114,766	119	181,761	-
Other	-	-	-	396	-	396	-
	-	1,765,466	-	198,219	119	1,963,804	-
Food services operations:							
Salaries	610,100	-	-	-	-	610,100	-
Benefits	204,171	-	-	-	-	204,171	-
Services	45,634	-	-	-	-	45,634	-
Supplies	915,128	-	-	-	-	915,128	-
Depreciation	87,664	-	-	-	-	87,664	-
	1,862,697	-	-	-	-	1,862,697	-
Other enterprise operations:							
Services	-	-	365,529	-	-	365,529	-
	-	-	365,529	-	-	365,529	-
Total operating expenses	1,862,697	1,765,466	365,529	198,219	119	4,192,030	2,669,681
Operating income (loss)	(757,397)	(212,302)	(9,392)	(43,350)	(119)	(1,022,560)	650,457
Non-operating revenue:							
State sources	14,564	71,951	-	-	-	86,515	-
Federal sources	746,701	-	-	-	-	746,701	-
Interest income	18	-	-	-	-	18	-
Total non-operating revenue	761,283	71,951	-	-	-	833,234	-
Change in net position	3,886	(140,351)	(9,392)	(43,350)	(119)	(189,326)	650,457
Net position beginning of year	1,784,704	155,399	91,849	54,306	119	2,086,377	581,375
Net position end of year	$ 1,788,590	15,048	82,457	10,956	-	1,897,051	1,231,832

See accompanying independent auditor's report.

Schedule 8

Urbandale Community School District
Combining Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2014

	Business Type Activities						Governmental Activities
	Enterprise Funds						Internal Service Funds
	Student Nutrition	Child Care	Student Construction	Community Education	J Hawk Camp	Total	Self -funded Insurance
Cash flows from operating activities:							
Cash received from sale of lunches and breakfasts	$ 1,089,935	-	-	-	-	1,089,935	-
Cash received from miscellaneous operating activities	11,812	1,640,800	356,137	181,035	-	2,189,784	3,320,138
Cash payments to employees for services	(811,610)	(1,668,754)	-	(51,001)	(468)	(2,531,833)	(2,666,482)
Cash payments to suppliers for goods or services	(834,398)	(111,531)	(283,727)	(140,355)	(119)	(1,370,130)	-
Net cash provided (used) by operating activities	(544,261)	(139,485)	72,410	(10,321)	(587)	(622,244)	653,656
Cash flows from non-capital financing activities:							
Due to other funds proceeds	-	6,507	-	-	-	6,507	-
State grants received	14,564	71,951	-	-	-	86,515	-
Federal grants received	630,499	-	-	-	-	630,499	-
Net cash provided by non-capital financing activities	645,063	78,458	-	-	-	723,521	-
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(260)	-	-		-	(260)	-
Net cash provided by investing activities	(260)	-	-	-	-	(260)	-
Cash flows from investing activities:							
Interest on cash and investments	18	-	-		-	18	-
Net cash provided by investing activities	18	-	-	-	-	18	-
Net increase (decrease) in cash and cash equivalents	100,560	(61,027)	72,410	(10,321)	(587)	101,035	653,656
Cash and cash equivalents at beginning of year	1,176,098	229,855	6,159	56,005	587	1,468,704	915,266
Cash and cash equivalents at end of year	$ 1,276,658	168,828	78,569	45,684	-	1,569,739	1,568,922
Reconciliation of operating gain (loss) to net cash provided (used) by operating activities:							
Operating gain (loss)	$ (757,397)	(212,302)	(9,392)	(43,350)	(119)	(1,022,560)	650,457
Adjustments to reconcile operating gain (loss) to net cash provided (used) by operating activities:							
Commodities used	116,202	-	-	-	-	116,202	-
Depreciation	87,664	-	-	-	-	87,664	-
(Increase) in accounts receivable	-	(163)	-	-	-	(163)	-
Decrease in due from other funds	434	-	-	-	-	434	-
Decrease in inventories	1,697	-	55,758	-	-	57,455	-
Increase in accounts payable	8,465	2,805	26,044	2,430	-	39,744	-
Increase in medical insurance claims payable	-	-	-	-	-	-	3,199
Increase (decrease) in salaries and benefits payable	-	(15,008)	-	4,594	(468)	(10,882)	-
Increase (decrease) in unearned revenue	(3,987)	87,799	-	26,166	-	109,978	-
Increase (decrease) in compensated absences	4,257	(814)	-	-	-	3,443	-
(Decrease) in other postemployment benefits	(1,596)	(1,802)	-	(161)	-	(3,559)	-
Net cash provided (used) by operating activities	$ (544,261)	(139,485)	72,410	(10,321)	(587)	(622,244)	653,656

Non-cash investing, capital and financing activities:

During the year ended June 30, 2014, the District received federal commodities valued at $116,202.

See accompanying independent auditor's report.

Schedule 9

Urbandale Community School District
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Fund
Year ended June 30, 2014

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets				
Cash	$ 132,035	23,413	-	155,448
Accounts receivable	-	2,896	-	2,896
Total assets	$ 132,035	26,309	-	158,344
Liabilities				
Accounts payable	$ -	5,039	-	5,039
Fiduciary liabilities	132,035	21,270	-	153,305
Total liabilities	$ 132,035	26,309	-	158,344

See accompanying independent auditor's report.

Schedule 10

Urbandale Community School District
Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds
For the Last Ten Years

	Modified Accrual Basis									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues:										
Local sources:										
Local tax	$ 19,581,000	21,704,156	21,940,384	21,754,245	19,485,359	18,940,867	14,962,156	12,462,245	11,744,150	9,750,575
Tuition	6,270,499	5,540,588	4,438,667	4,268,376	3,965,443	3,973,010	3,983,075	3,579,207	3,029,192	2,808,071
Other	1,399,151	1,800,402	1,488,778	1,184,939	1,835,991	1,874,410	5,453,760	5,919,637	4,960,173	4,464,451
Intermediate sources	52,333	3,500	3,500	5,000	3,500	6,010	86,218	3,500	59,245	64,032
State sources	21,648,702	17,322,913	17,105,839	15,409,640	12,926,783	14,830,127	13,872,501	12,806,667	11,988,093	11,253,792
Federal sources	935,939	1,015,234	936,609	1,810,673	2,934,121	1,034,983	655,751	547,590	622,358	465,842
Total	$ 49,887,624	47,386,793	45,913,777	44,432,873	41,151,197	40,659,407	39,013,461	35,318,846	32,403,211	28,806,763
Expenditures:										
Instruction:										
Regular	$ 16,183,522	15,776,861	15,323,113	14,923,016	14,533,963	14,714,892	13,940,787	12,592,354	11,229,073	11,603,223
Special	5,901,859	4,946,672	4,100,174	3,864,902	3,719,448	3,803,760	3,304,600	2,938,166	2,764,943	2,293,389
Other	4,573,286	4,486,896	4,490,219	4,128,343	3,941,227	3,531,145	3,334,317	3,177,877	3,303,712	2,234,517
Support services:										
Student	1,986,932	1,738,728	1,725,888	1,640,619	1,713,989	1,641,787	1,450,069	1,380,503	1,215,891	1,154,219
Instructional staff	2,144,636	1,776,430	1,846,474	1,566,762	1,665,018	1,715,917	1,939,644	1,528,527	1,071,345	863,833
Administration	4,884,756	4,144,826	3,885,949	3,632,494	3,910,411	3,581,516	3,718,777	3,182,290	3,338,334	2,756,534
Operation and maintenance of plant	4,318,968	3,795,226	3,669,040	3,388,286	3,495,405	3,395,839	3,226,000	3,200,792	2,778,499	2,189,167
Transportation	1,233,783	1,205,409	1,156,656	1,097,086	1,026,983	1,006,725	1,008,137	938,182	819,778	795,186
Non-instructional programs	-	-	-	-	7,341	-	-	-	-	-
Other expenditures:										
Facilities acquisition	1,100,417	804,294	2,948,619	11,378,207	10,134,199	18,444,338	19,663,395	7,987,873	17,376,103	3,672,970
Long-term debt:										
Principal	9,740,000	3,270,000	3,387,024	2,436,898	14,478,977	1,943,268	1,558,749	1,398,299	3,943,464	1,622,214
Interest and other charges	3,630,246	3,739,283	3,902,369	3,558,611	3,487,380	2,487,967	2,357,532	1,763,878	1,105,710	1,049,009
AEA flowthrough	1,317,608	1,225,794	1,216,996	1,296,055	1,259,842	1,109,997	1,034,898	970,817	892,229	846,216
Total	$ 57,016,013	46,910,419	47,652,521	52,911,279	63,374,183	57,377,151	56,536,905	41,059,558	49,839,081	31,080,477

See accompanying independent auditor's report.

Schedule 11

Urbandale Community School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2014

Grantor/Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
School Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 14	$ 78,199
National School Lunch Program	10.555	FY 14	668,502 *
			746,701
U.S. Department of Justice:			
Iowa Department of Human Services:			
Juvenile Justice and Delinquency Prevention	16.540	FY 14	26,156
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 14	273,102
Special Education - Grants to States (Part B Section 611)(High Cost Claim)	84.027	FY 14	24,996
Vocational Education - Basic Grants to States	84.048	FY 14	53,034
Improving Teacher Quality State Grants	84.367	FY 14	59,178
Grants for State Assessments and Related Activities	84.369	FY 14	21,268
Heartland Area Education Agency:			
Special Education - Grants to States (Part B Section 611)(Mandated flowthrough)	84.027	FY 14	171,563
U.S. Department of Health and Human Services:			
Iowa Department of Human Services:			
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	FY 14	592
Total			$ 1,376,590

* Includes $116,202 of non-cash rewards.

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Urbandale Community School District and is presented in conformity with the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See Notes to Schedule of Expenditures of Federal Awards.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Urbandale Community School District for the year ended June 30, 2014. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of states, Local Governments and Nonprofit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Significant Accounting Policies

For governmental funds, in accordance with the modified accrual basis of accounting, revenue from federal grants is recognized when they become both measureable and available. For proprietary funds, in accordance with the accrued basis of accounting, revenues from federal grants are recognized in the period they are earned. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Note 3. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of $116,202 related to USDA Commodities grants provided by the U.S. Department of Agriculture passed through the Iowa Department of Education, CFDA No. 10.555

705 Main Street
Pella, IA 50219
Ph.: 641-628-3737
Fax: 641-628-3757

www.vanmaanencpa.com

Van Maanen, Sietstra, Meyer & Nikkel, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Education of Urbandale Community School District:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Urbandale Community School District, Urbandale, Iowa, as of and for the year ended June 30, 2014, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 16, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Urbandale Community School District's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Urbandale Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Urbandale Community School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2014 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Urbandale School District's Responses to the Findings

Urbandale Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Urbandale Community School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Van Maanen, Sietstra, Meyer & Nikkel PC

Van Maanen, Sietstra, Meyer & Nikkel, PC
Certified Public Accountants

October 16, 2014

705 Main Street
Pella, IA 50219
Ph.: 641-628-3737
Fax: 641-628-3757

www.vanmaanencpa.com

Van Maanen, Sietstra, Meyer & Nikkel, PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133

To the Board of Education of Urbandale Community School District:

Report on Compliance for Each Major Federal Program

We have audited Urbandale Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014. Urbandale Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Urbandale Community School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Urbandale Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each of the major federal programs. However, our audit does not provide a legal determination of Urbandale Community School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Urbandale Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

The management of Urbandale Community School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Urbandale Community School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Urbandale Community School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Van Maanen, Sietstra, Meyer & Nikkel PC

Van Maanen, Sietstra, Meyer & Nikkel, PC
Certified Public Accountants

October 16, 2014

Part I: Summary of the Independent Auditor's Results

(a) Unmodified opinions were issued on the financial statements.

(b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.

(c) The audit did not disclose any non-compliance which is material to the financial statements.

(d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.

(e) An unmodified opinion was issued on compliance with requirements applicable to each major program.

(f) Major programs were as follows:

- CFDA Number 84.010– Title 1 Grants to Local Educational Agencies
- Clustered programs:
  - CFDA Number 10.553 - School Breakfast Program
  - CFDA Number 10.555 - National School Lunch Program

(g) The dollar threshold used to distinguish between Type A and Type B programs was $300,000.

(h) Urbandale Community School District qualified as a low-risk auditee.

Part II: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Part IV: Other Findings Related to Required Statutory Reporting

IV-A-14 Certified Budget - Expenditures for the year ended June 30, 2014, exceeded the amended certified budget amounts support services function.

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

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

Conclusion - Response accepted.

IV-B-14 Questionable Expenditures - No expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

IV-C-14 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-D-14 Business Transactions - Business transactions between the District and District officials or employees for the year ended June 30, 2014 are detailed as follows:.

Name, Title and Business Connection	Transaction Description	Amount
Wayne Fleishman, Teacher Owner of Fleishman construction Services, Inc.	Construction Services	$ 28,404

Recommendation – The District should consult legal counsel to determine whether this transaction is in violation of the Code of Iowa.

Response – We will consult with legal counsel.

Conclusion – Response accepted.

IV-E-14 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.

IV-F-14 Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.

IV-G-14 Certified Enrollment – A variance in the basic enrollment data certified to the Department of Education was noted.

Recommendation – The certified enrollment data should be corrected for students who exit the District.

Response – We will correct the certified enrollment in the future for students exiting the system.

Conclusion – Response accepted.

IV-H-14 Deposits and Investments - No instances of noncompliance were noted with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy.

IV-I-14 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely.

IV-J-14 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

IV-K-14 Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.

IV-L-14 Statewide Sales, Services and Use Tax – No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2014, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		$ 8,175,583
Revenues/transfers in:		
Sales tax revenues	$ 2,943,580	
Other local revenues	5,138	
Transfers from other funds:		
Other capital projects	-	2,948,718
		11,124,301
Expenditures/transfers out:		
School infrastructure construction	1,334,879	
Transfers to other funds:		
Debt service funds	2,109,804	3,444,683
Ending balance		$ 7,679,618

For the year ended June 30, 2014, the District reduced the following levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa:

	Rate of Levy Reduction Per $1000 of Taxable Valuation	Property Tax Dollars Reduced
Debt service levy	$ 1.80455	2,109,804