URBANDALE COMMUNITY SCHOOL DISTRICT

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

June 30, 2015

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Urbandale Community School District
Board of Education and School District Officials
Year Ended June 30, 2015

Name	Title	Term Expires
Board of Education		
	(Before September 2014 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
	(After September 2014 Election)	
Christopher Gunnare	President	2017
Cate Newberg	Vice President	2015
Adam Obrecht	Board Member	2015
Kyle Kruidenier	Board Member	2015
Mark Wierson	Board Member	2015
Aaron Applegate	Board Member	2017
Graham Giles	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

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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, 2015, 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, 2015, 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements, Urbandale Community School District adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27.* Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 5 through 14 and 48 through 53 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, 2014, (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 11, 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 November 13, 2015 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

November 13, 2015

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, 2015. 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 $40,893,759 in fiscal year 2015, increasing by $0.69 million or 1.7 percent, as compared to $40,204,858 in prior year. General Fund expenditures were $41,312,699 in fiscal year 2015, compared to $40,262,229 in fiscal year 2014, an increase of $1.05 million or 2.6 percent. District expenses were in excess of revenues for fiscal year 2015 by $0.4 million; however, the District's key financial indicators are within the established financial targets.

- A voter-approved Physical Plant and Equipment Levy (PPEL) passed in February 2015, authorized for a 10-year period beginning with fiscal year 2016. The additional cash levy authorization will provide significant funding for equipment purchases and future capital projects in the Master Plan for Elementary Facilities. While the District is authorized to levy up to an additional $1.34 per $1000 of taxable valuation, the Board of Directors' intent is to limit the combined levy rate for Debt Service and Voter-Approved PPEL to a maximum of $4.05 per $1000 of taxable valuation. The District's fiscal year 2016 levy rates for Debt Service and Voter-Approved PPEL are $3.55 and $0.49 respectively.

- The District began reporting net pension fund liabilities for fiscal year 2015 in accordance with Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27*. This additional long term debt represents the District's portion of the Iowa Public Employee Retirement System (IPERS) liability. Several exhibits throughout this report show significant change in net position due to the restatement of beginning net positions for GASB 68 implementation. The District's total net pension liability at June 30, 2015 totaled $16.5 million for all funds. Additional detail is provided in the notes to Financial Statements Section.

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 Position, 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

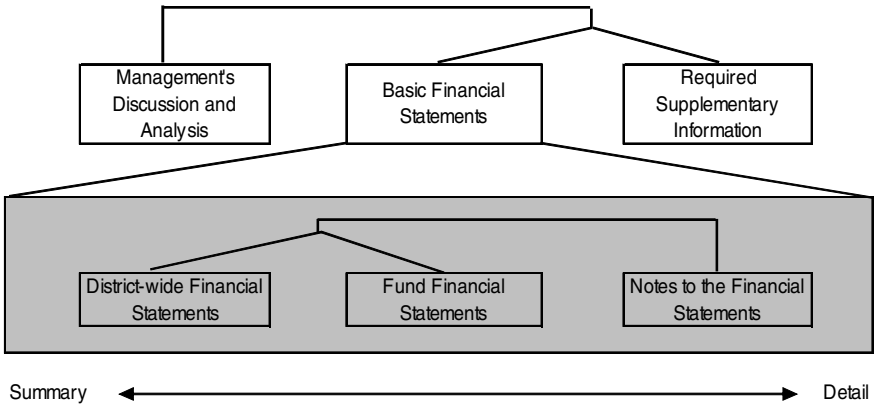


Figure A-2 below summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents 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 deferred outflow / inflow information	Consumption / acquisition of net position that is applicable to a future reporting period	Consumption / acquisition of fund balance that is applicable to a future reporting period	Consumption / acquisition of net position that is applicable to a future reporting period	Consumption / acquisition of net position that is applicable to a future reporting period
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 Position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. 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 position* and how it has changed. Net position is one way to measure the District's financial health or financial position.

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

- 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 are 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 fund 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 at June 30, 2015 compared to 2014.

Figure A-3
Condensed Statement of Net Position

	Governmental activities		Business type activities		Total		Total Change
	June 30,		June 30,		June 30,		June 30,
	2015	2014 (Not restated)	2015	2014 (Not restated)	2015	2014 (Not restated)	2014-2015
Current assets	$ 43,395,377	53,982,187	1,722,960	1,639,355	45,118,337	55,621,542	-18.9%
Capital assets, net	89,623,968	92,143,566	466,592	553,648	90,090,560	92,697,214	-2.8%
Total assets	133,019,345	146,125,753	2,189,552	2,193,003	135,208,897	148,318,756	-8.8%
Deferred outflow of resources	4,676,547	3,288,723	299,052	182,338	4,975,599	3,471,061	43.3%
Current liabilities	10,451,306	22,119,860	161,506	237,482	10,612,812	22,357,342	-52.5%
Long-term liabilities	82,878,146	71,310,010	1,257,641	58,470	84,135,787	71,368,480	17.9%
Total liabilities	93,329,452	93,429,870	1,419,147	295,952	94,748,599	93,725,822	1.1%
Deferred inflow of resources	25,943,798	19,547,513	459,403	-	26,403,201	19,547,513	35.1%
Net position:							
Invested in capital assets, net of related debt	19,955,921	19,253,695	466,592	553,648	20,422,513	19,807,343	3.1%
Restricted	10,231,246	9,712,403	-	-	10,231,246	9,712,403	5.3%
Unrestricted	(11,764,525)	7,470,995	143,462	1,525,741	(11,621,063)	8,996,736	-229.2%
Total net position	$ 18,422,642	36,437,093	610,054	2,079,389	19,032,696	38,516,482	-50.6%

The District's combined total net position decreased from $38.5 million in prior year to $19 million for 2015, a 50.6 percent decrease. The reduction was primarily in the long-term liabilities and deferred inflow of resources, which increased by 17.9 percent and 35.1 percent, respectively, over prior year. As noted earlier, the District now reports its portion of IPERS net pension fund liability, which significantly increased liabilities. Other significant changes were a decrease of $10.5 million in current assets, and an $11.7 decrease in current liabilities. This similar reduction in both classifications is the result of general obligation bond payments from escrowed proceeds of crossover refunding bonds sold in fiscal year 2013.

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 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. The District's 2015 total net position for investment in capital assets, net of related debt was $20.4 million, a 3.1 percent increase over prior year.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. Figure A-3 shows the District's restricted net position increased from $9.7 million to $10.2 million, a 5.3 percent increase over prior year. Unrestricted net position includes resources that can be used to finance daily operations, because they have no constraints or legal restrictions that specifies their use. The unrestricted net position fell from a positive $7.5 million in 2014 to negative $11.8 million for 2015. This large reduction is primarily due to the District's net pension liability recorded in the current year as required by GASB 68.

Changes in Net Position – Figure A-4 below summarizes and compares the District's revenues and expenses for the fiscal years ended June 30, 2015 and 2014. These two main components calculate a change in net position under the full accrual method of accounting.

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,
	2015	2014 (Not restated)	2015	2014 (Not restated)	2015	2014 (Not restated)	2014-2015
Revenues:							
Program revenues:							
Charges for service	$ 7,577,841	$ 7,425,040	3,650,930	3,169,470	11,228,771	10,594,510	6.0%
Operating grants, contributions and restricted interes	5,526,052	5,240,895	794,607	833,216	6,320,659	6,074,111	4.1%
General revenues:							
Property tax	19,544,606	19,581,000	-	-	19,544,606	19,581,000	-0.2%
Statewide sales and services tax	3,205,976	2,943,580	-	-	3,205,976	2,943,580	8.9%
Unrestricted state grants	14,688,319	13,984,543	-	-	14,688,319	13,984,543	5.0%
Unrestricted investment earnings	54,077	83,926	10	18	54,087	83,944	-35.6%
Other	475,596	687,382	-	-	475,596	687,382	-30.8%
Total revenues	51,072,467	49,946,366	4,445,547	4,002,704	55,518,014	53,949,070	2.9%
Program expenses:							
Governmental activities:							
Instruction	28,703,735	28,443,380	-	-	28,703,735	28,443,380	0.9%
Support services	13,889,979	15,038,904	-	-	13,889,979	15,038,904	-7.6%
Non-instructional programs	68,276	83,415	4,287,197	4,192,030	4,355,473	4,275,445	1.9%
Other expenses	5,708,954	6,022,739	-	-	5,708,954	6,022,739	-5.2%
Total expenses	48,370,944	49,588,438	4,287,197	4,192,030	52,658,141	53,780,468	-2.1%
Change in net position	2,701,523	357,928	158,350	(189,326)	2,859,873	168,602	1596.2%
Net position at the beginning of year, as restated	15,721,119	33,758,503	451,704	2,086,377	16,172,823	35,844,880	-54.9%
Net position end of year	$ 18,422,642	$ 34,116,431	610,054	1,897,051	19,032,696	36,013,482	-47.2%

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 6 percent; while operating grants, contributions, and restricted interest increased by 4.1 percent as compared to prior year. General revenue includes levied taxes and unrestricted grants such as State foundation aid. Property tax revenues decreased by a slight 0.2 percent compared to prior fiscal year, while unrestricted state grants increased by 5 percent for the same period. This was primarily due to late legislation that reduced budgeted levy rates and funded allowable budget growth through State aid. Property tax rates were $17.55 per $1000 of taxable valuation, a 12 cent decrease compared to prior year. Total revenues increased by $1.57 million, or 2.9 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 2015 were $1.12 million lower, a 2.1 percent decrease over prior year.

Total revenues shown in A-4 for governmental activities in 2015 were $51 million and total expenses were $48.3 million. The business type activities had total revenues of $4.45 million and total expenses of $4.29 million. However, beginning net positions were restated to account for IPERS net pension fund liability reporting, implemented in 2015 in accordance with GASB 68. The significant effect of this new reporting requirement for 2015 reporting is a decrease of $17 million, or 47.2 percent compared to prior year.

Governmental Activities

Figure A-5 presents the cost of the District's major governmental activities: instruction, support services, non-instructional, 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
	2015	2014 (Not restated)	2014-2015	2015	2014 (Not restated)	2014-2015
Instruction	$ 28,703,735	28,443,380	0.9%	17,239,686	17,368,342	-0.7%
Support services	13,889,979	15,038,904	-7.6%	13,629,032	14,765,615	-7.7%
Non-instructional	68,276	83,415	-18.1%	68,276	83,415	-18.1%
Other expenses	5,708,954	6,022,739	-5.2%	4,330,057	4,705,131	-8.0%
Totals	$ 48,370,944	49,588,438	-2.5%	35,267,051	36,922,503	-4.5%

The total cost of all governmental activities for 2015 as shown above was $48.4 million. Some of this cost, $7.6 million, was financed by users of the District's programs, such as from fees or admissions revenues. Another $3.9 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 2015 was $35.3 million, financed primarily with $14.7 million in unrestricted state aid, $3.2 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 net cost of services for all governmental activities – those not subsidized by grants and contributions or financed by users decreased by $1.66 million or 4.5 percent as compared to 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, the Building Trades (student construction) Fund, and the Community Education Fund. Information about the District's Internal Service Fund for health insurance is included here as well. 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 $1,882,150 for 2015, an increase of $15,567, or 1 percent over prior year. Nutrition Fund expenses were $1,890,640 for 2015, an increase of $27,943, or 1.5 percent over prior year. Nutrition fund beginning net position was restated to account for pension fund liability, and end of year net position for 2015 was $1,302,853.

The Adventuretime Fund implemented price increases for 2015 and reported revenues of $1,991,901, an increase of $366,786, or 22.6 percent over prior year. The program provides preschool, child care services before and after school, and all day during summer months. Expenses for 2015 were $1,852,644 and increased by $87,178, or 4.9 percent compared to fiscal year 2014. Adventuretime Fund beginning net position was restated to account for pension fund liability, so despite a positive operations income, the net position at year end fell to ($772,133.)

The Building Trades Fund accounts for financial activities associated with providing student instruction in the building trades industries. 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 2015 was $107,467.

The Community Education Fund reported revenues of $234,557 and expenses of $231,984 for 2015. Despite this positive change in net position from operations, the Community Education beginning net position was restated in accordance with GASB 68 implementation, and net position at year end fell to ($28,133) at June 30, 2015.

The Internal Service Fund for Self-funded health insurance reported revenues of $3.3 million and expenses of $2.7 million, an increase of $0.6 million to net position. With steady growth since the District became self-funded, net position at June 30, 2015 was $1.824 million.

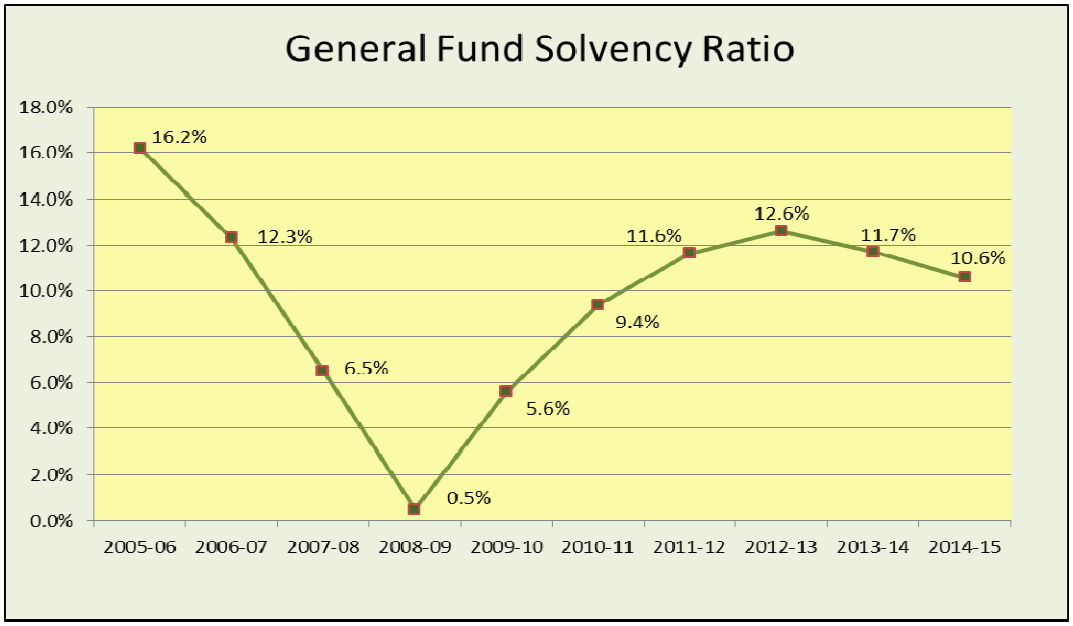
Financial Analysis of the District's Funds

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.

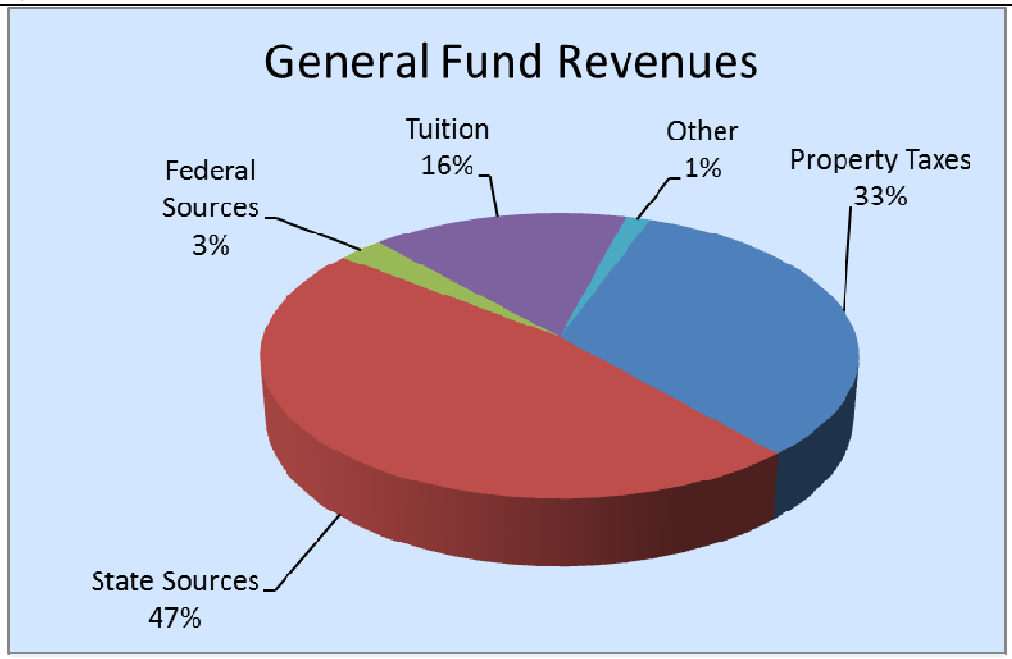
Governmental Fund Highlights

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 $15,821,087 at June 30, 2015, a decrease of $12,343,688, or 43.8 percent over prior year. The following is a closer look at each individual major fund:

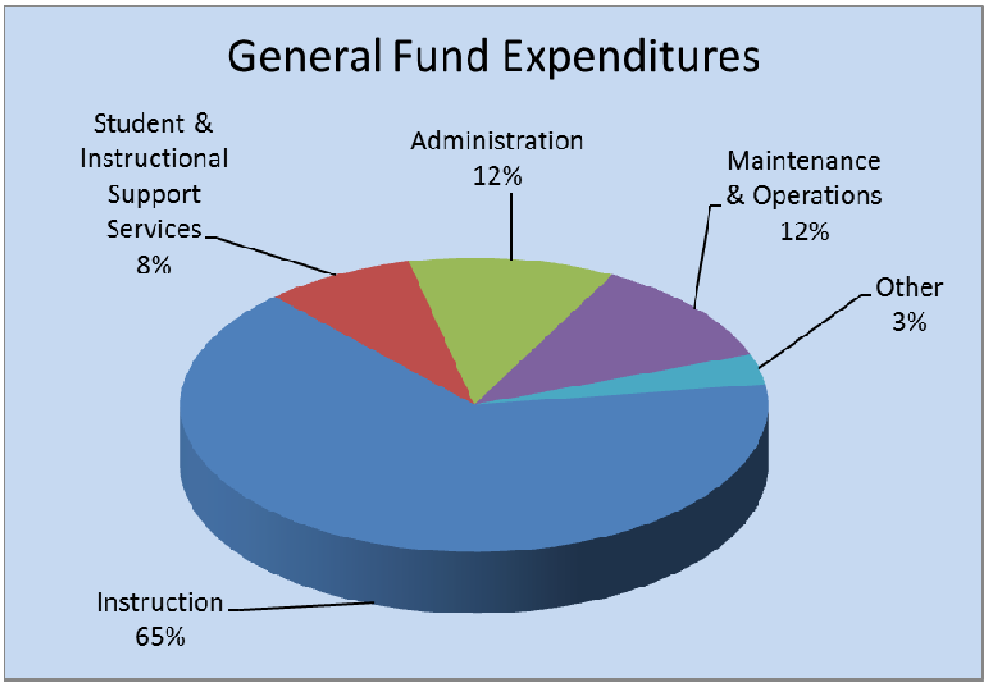
The **General Fund** ending fund balance was $4,430,882 for 2015, as compared to $4,838,670 in 2014, a decrease of $407,788 or 8.4 percent over prior year. The solvency ratio decreased from 11.7 percent in 2014 to 10.6 percent for 2015. As previously mentioned, the solvency ratio is used as a measure 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 $40,893,759 for fiscal year 2015, an increase of $0.69 million or 1.7 percent over 2014. The graph below shows percentage totals for the major revenue streams according to the source of funding. Local property tax revenues were $13.5 million, or 33 percent of the total. State sources were $19.2 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 $6.4 million. As the Urbandale District is highly desired in the Des Moines metro area as an open enrollment school choice, this category has seen a steady trend of increase in recent years.



Total General Fund expenses for fiscal year 2015 were $41,312,699, an increase of $1.05 million or 2.6 percent over prior year. Of all the governmental funds, the General Fund is the largest, comprising 60 percent of the total $69.2 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 $27 million, comprising 65 percent of all General Fund expenses. Expenses for student and instructional support services were $3.43 million or 8 percent, administrative services were 12 percent at $4.8 million, and the maintenance and operations expenses, including transportation, totaled $4.8 million or 12 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 were held in escrow to refund selected future payments of General Obligation Bonds in fiscal years 2014 and 2015. In addition, a $5.655 million bond issue was sold in 2015 to defease a remaining issue from 2007. Revenues from property taxes and other local sources in 2015 were $4.8 million. An additional $2.1 million was transferred in from the Capital Projects Sales Tax fund for payments on sales tax revenue bonds. The total $25 million expended in 2015 included $21.7 million reducing principle, and $3.3 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 $3.6 million for 2015, a 7.9 increase over prior year. Revenues are nearly all derived from the statewide sales tax and property taxes. Capital Projects Funds expenses totaled $1.2million for 2015, compared to $1.7 million in fiscal year 2014. Technology purchases and several small projects were contracted during fiscal year 2015. The combined Capital Projects Funds balance was $8.3 million at June 30, 2015, including $2.1 million reserved for debt service. The remaining $6.2 million in cash reserves is restricted funding for school infrastructure projects or equipment purchases.

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.

	Budget	Expenditures	Variance
Instruction	$ 29,186,530	28,025,985	1,160,545
Support services	16,039,213	13,863,389	2,175,824
Non-instructional programs	4,450,000	4,287,197	162,803
Other expenditures	31,151,862	27,283,118	3,868,744
	$ 80,827,605	73,459,689	7,367,916

This comparison shows the variance of final amended budget amounts as compared to the actual expenditures for fiscal year 2015 in each functional area. The District amended the certified budget to allow for increased expenses in three categories, including those associated with the sale of bonds in April 2015, expended to call Series 2007 bonds.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2015, the District had invested $90 million, 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 2015 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,
	2015	2014	2015	2014	2015	2014	2014-2015
Land	$ 1,533,992	1,533,992	-	-	1,533,992	1,533,992	0.0%
Buildings	87,459,694	89,886,284	-	-	87,459,694	89,886,284	-2.7%
Improvements	265,696	314,261	-	-	265,696	314,261	-15.5%
Equipment and furniture	364,586	409,029	466,592	553,648	831,178	962,677	-13.7%
Total	$ 89,623,968	92,143,566	466,592	553,648	90,090,560	92,697,214	-2.8%

Long-Term Debt

As shown in Figure A-7 below, the District had $88 million in long-term debt obligations at year-end 2015, a 19.75 percent decrease from prior year. General obligation bonds decreased significantly by $14.7 million, or 23.4 percent. Large payments were made from escrow and the April 2015 refunding bond proceeds to defease two old bond series. Additional details on long-term obligations and the current portion due within one year can be found in the notes to financial statements.

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

	Total District June 30, 2015	Total District June 30, 2,014	Total Change June 30, 2014-2015
General obligation bonds	$ 48,117,698	62,818,044	-23.40%
Revenue bonds	22,420,790	23,409,888	-4.23%
Early retirement	635,972	891,928	-28.70%
Compensated absences	88,442	71,655	23.43%
Net pension liability	16,535,981	22,277,088	-25.77%
Other postemployment benefits	404,376	447,000	-9.54%
Total	$ 88,203,259	109,915,603	-19.75%

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's solvency ratio now stands at 10.6 percent, above the minimum target of 7.5 percent set by the Board of Directors. The District's target for unspent authorized budget (UAB) ratio is a minimum of 10 percent, and that balance is now projected to be 12.5 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 increased at the start of the 2015-16 school year by 60 students. While this increase will have a positive effect in fiscal year 2017, the amount of budgetary growth allowed by the State Legislature is not yet known. District administration will continue to monitor staffing levels and other expenditures and make any necessary adjustments in order to maintain the District's financial targets.

- A voter-approved Physical Plant and Equipment Levy (PPEL) passed in February 2015, authorized for a 10-year period beginning with fiscal year 2016. The additional cash levy authorization is projected to provide up to $15 million over 10 years for capital projects or equipment purchases. The high approval margin of 80 percent on passage of the PPEL demonstrates the community's strong commitment for providing safe and adequate facilities for student learning and activities.

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, 2015

	Governmental Activities	Business type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 19,470,843	1,714,550	21,185,393
Receivables:			
Property tax:			
Succeeding year	20,096,853	-	20,096,853
Due from other funds	300,000	(300,000)	-
Due from other governments	3,527,681	-	3,527,681
Inventories	-	308,410	308,410
Total current assets	43,395,377	1,722,960	45,118,337
Non-current assets:			
Capital assets:			
Capital assets, nondepreciable	1,533,992	-	1,533,992
Capital assets, depreciable, net of depreciation	88,089,976	466,592	88,556,568
Total non-current assets	89,623,968	466,592	90,090,560
Total assets	133,019,345	2,189,552	135,208,897
Deferred Outflows of Resources			
Deferred charge on refunding	870,441	-	870,441
Pension related deferred outflows	3,806,106	299,052	4,105,158
Total deferred outflows of resources	4,676,547	299,052	4,975,599
Liabilities			
Current liabilities:			
Accounts payable	1,100,593	46,448	1,147,041
Medical insurance claims payable	338,380	-	338,380
Accrued salaries and benefits payable	4,017,823	28,383	4,046,206
Advances for services	137,408	68,420	205,828
Property tax overpayment	59,455	-	59,455
Accrued interest payable	756,733	-	756,733
General obligation bonds payable	2,728,790	-	2,728,790
Revenue bonds payable	1,029,098	-	1,029,098
Early retirement	212,839	-	212,839
Compensated absences	70,187	18,255	88,442
Total current liabilities	10,451,306	161,506	10,612,812
Non-current liabilities:			
General obligation bonds payable	45,388,908	-	45,388,908
Revenue bonds payable	21,391,692	-	21,391,692
Early retirement	423,133	-	423,133
Net pension liability	15,331,372	1,204,609	16,535,981
Other postemployment benefits	343,041	53,032	396,073
Total non-current liabilities	82,878,146	1,257,641	84,135,787
Total liabilities	93,329,452	1,419,147	94,748,599
Deferred Inflows of Resources			

Exhibit A

Urbandale Community School District
Statement of Net Position
June 30, 2015

	Governmental Activities	Business type Activities	Total
Unavailable property tax revenue	20,096,853	-	20,096,853
Pension related deferred inflows	5,846,945	459,403	6,306,348
Total deferred inflows of resouces	25,943,798	459,403	26,403,201
Net Position			
Net investment in capital assets	19,955,921	466,592	20,422,513
Restricted for:			
Categorical funding	233,746	-	233,746
Debt service	3,245,628	-	3,245,628
Management levy purpose	154,685	-	154,685
Student activities	316,882	-	316,882
Public education & recreation levy purposes	67,771	-	67,771
School infrastructure	5,786,076	-	5,786,076
Physical plant and equipment	426,458	-	426,458
Unrestricted	(11,764,525)	143,462	(11,621,063)
Total net position	$ 18,422,642	610,054	19,032,696

See notes to financial statements.

Exhibit B

Urbandale Community School District
Statement of Activities
Year Ended June 30, 2015

		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	$ 17,654,053	4,972,417	3,278,669	-	(9,402,967)	-	(9,402,967)
Special	6,272,704	1,694,538	708,680	-	(3,869,486)	-	(3,869,486)
Other	4,776,978	766,667	43,078	-	(3,967,233)	-	(3,967,233)
	28,703,735	7,433,622	4,030,427	-	(17,239,686)	-	(17,239,686)
Support Service:							
Student	1,997,383	-	-	-	(1,997,383)	-	(1,997,383)
Instructional staff	1,767,666	-	-	-	(1,767,666)	-	(1,767,666)
Administration	4,797,521	-	-	-	(4,797,521)	-	(4,797,521)
Operating and maintenance of plant	4,127,868	82,655	-	-	(4,045,213)	-	(4,045,213)
Transportation	1,199,541	61,564	116,728	-	(1,021,249)	-	(1,021,249)
	13,889,979	144,219	116,728	-	(13,629,032)	-	(13,629,032)
Non-instructional programs	68,276	-	-	-	(68,276)	-	(68,276)
Other expenditures:							
Facilities acquisition	743,915	-	-	-	(743,915)	-	(743,915)
Long-term debt interest	3,586,142	-	-	-	(3,586,142)	-	(3,586,142)
AEA flowthrough	1,378,897	-	1,378,897	-	-	-	-
	5,708,954	-	1,378,897	-	(4,330,057)	-	(4,330,057)
Total governmental activities	48,370,944	7,577,841	5,526,052	-	(35,267,051)	-	(35,267,051)
Business type activities:							
Non-instructional programs:							
Nutrition services	1,890,640	1,135,755	746,385	-	-	(8,500)	(8,500)
Child Care services	1,852,644	1,943,679	48,222	-	-	139,257	139,257
Student Construction services	311,929	336,939	-	-	-	25,010	25,010
Community Education	231,984	234,557	-	-	-	2,573	2,573
	4,287,197	3,650,930	794,607	-	-	158,340	158,340
Total primary government	$ 52,658,141	11,228,771	6,320,659	-	(35,267,051)	158,340	(35,108,711)
General Revenues:							
Property tax levied for:							
General purposes					14,290,987	-	14,290,987
Debt service					4,721,632	-	4,721,632
Capital outlay					531,987	-	531,987
Statewide sales, services and use tax					3,205,976	-	3,205,976
Unrestricted state grants					14,688,319	-	14,688,319
Unrestricted investment earnings					54,077	10	54,087
Other general revenues					475,596	-	475,596
Total general revenues, capital contributions and transfers					37,968,574	10	37,968,584
Change in net position					2,701,523	158,350	2,859,873
Net position beginning of year, as restated					15,721,119	451,704	16,172,823
Net position end of year					$ 18,422,642	610,054	19,032,696

See notes to financial statements.

Exhibit C

Urbandale Community School District
Balance Sheet
Governmental Funds
June 30, 2015

	General	Debt Service	Capital Projects	Non-major Governmental	Total
Assets					
Cash and pooled investments	$ 6,580,148	1,923,575	7,610,582	1,192,826	17,307,131
Receivables:					
Property tax:					
Succeeding year	14,019,970	4,207,497	969,889	899,497	20,096,853
Due from other funds	-	-	300,000	-	300,000
Due from other governments	3,031,147	-	496,534	-	3,527,681
Total assets	$ 23,631,265	6,131,072	9,377,005	2,092,323	41,231,665
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	$ 987,850	15,206	80,815	15,168	1,099,039
Salaries and benefits payable	4,017,264	-	-	559	4,017,823
Advances for services	137,408	-	-	-	137,408
Property tax overpayment	37,891	18,181	1,594	1,789	59,455
Total liabilities	5,180,413	33,387	82,409	17,516	5,313,725
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	14,019,970	4,207,497	969,889	899,497	20,096,853
Total deferred inflows of resources	14,019,970	4,207,497	969,889	899,497	20,096,853
Fund balances:					
Restricted for:					
Categorical funding	233,746	-	-	-	233,746
Debt service	-	1,890,188	2,112,173	-	4,002,361
Management levy purposes	-	-	-	790,657	790,657
Student activities	-	-	-	316,882	316,882
Public education & recreation levy purposes	-	-	-	67,771	67,771
School infrastructure	-	-	5,786,076	-	5,786,076
Physical plant and equipment	-	-	426,458	-	426,458
Unassigned	4,197,136	-	-	-	4,197,136
Total fund balances	4,430,882	1,890,188	8,324,707	1,175,310	15,821,087
Total liabilities, deferred inflows of resources and fund balances	$ 23,631,265	6,131,072	9,377,005	2,092,323	41,231,665

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, 2015

Total fund balances of governmental funds (Exhibit C)			$ 15,821,087
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.			89,623,968
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.			1,823,778
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:			
Deferred outflows of resources	$	3,806,106	
Deferred inflows of resources		(5,846,945)	(2,040,839)
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		(48,117,698)	
Revenue bonds payable		(22,420,790)	
Deferred amount on refunding		870,441	
Accrued interest		(756,733)	
Early retirement		(635,972)	
Compensated absences		(70,187)	
Net pension liability		(15,331,372)	
Other postemployment benefits		(343,041)	(86,805,352)
Net position of governmental activities (Exhibit A)			$ 18,422,642

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, 2015

	General	Debt Service	Capital Projects	Non-major Governmental	Total
Revenues:					
Local sources:					
Local tax	$ 13,479,675	4,721,632	385,298	958,001	19,544,606
Tuition	6,441,098	-	-	-	6,441,098
Other	568,757	50,639	2,485	789,956	1,411,837
Intermediate sources	47,159	-	-	-	47,159
State sources	19,215,674	41,222	3,209,340	8,983	22,475,219
Federal sources	1,141,396	-	-	-	1,141,396
Total revenues	40,893,759	4,813,493	3,597,123	1,756,940	51,061,315
Expenditures:					
Current:					
Instruction:					
Regular	17,055,303	-	-	264,608	17,319,911
Special	6,075,902	-	-	-	6,075,902
Other	3,857,014	-	-	773,158	4,630,172
	26,988,219	-	-	1,037,766	28,025,985
Support services:					
Student	1,950,183	-	-	-	1,950,183
Instructional staff	1,484,539	-	265,879	-	1,750,418
Administration	4,699,194	-	-	144,962	4,844,156
Operation and maintenance of plant	3,585,716	-	-	506,769	4,092,485
Transportation	1,225,951	-	-	196	1,226,147
	12,945,583	-	265,879	651,927	13,863,389
Other expenditures:					
Facilities acquisition	-	-	898,165	6,800	904,965
Long-term debt:					
Principal	-	21,685,000	-	-	21,685,000
Interest and fiscal charges	-	3,263,811	-	-	3,263,811
Purchased services	-	50,445	-	-	50,445
AEA flowthrough	1,378,897	-	-	-	1,378,897
	1,378,897	24,999,256	898,165	6,800	27,283,118
Total expenditures	41,312,699	24,999,256	1,164,044	1,696,493	69,172,492
Excess (deficiency) of revenues over (under) expenditures	(418,940)	(20,185,763)	2,433,079	60,447	(18,111,177)

Exhibit E

Urbandale Community School District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended June 30, 2015

	General	Debt Service	Capital Projects	Non-major Governmental	Total
Other financing sources (uses):					
Proceeds from sale of capital assets	11,152	-	-	-	11,152
General obligation refunding bonds issued	-	5,655,000	-	-	5,655,000
General obligation refunding bond premium	-	139,395	-	-	139,395
General obligation refunding bond discount		(38,058)			(38,058)
Operating transfers in	-	2,108,877	-	-	2,108,877
Operating transfers out	-	-	(2,108,877)	-	(2,108,877)
Total other financing sources (uses)	11,152	7,865,214	(2,108,877)	-	5,767,489
Change in fund balances	(407,788)	(12,320,549)	324,202	60,447	(12,343,688)
Fund balances beginning of year	4,838,670	14,210,737	8,000,505	1,114,863	28,164,775
Fund balances end of year	$ 4,430,882	1,890,188	8,324,707	1,175,310	15,821,087

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, 2015

Net change in fund balances - total governmental funds (Exhibit E)		$ (12,343,688)
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	$ 161,050	
Depreciation expense	(2,680,648)	(2,519,598)
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:		
Proceeds of bonds issued	(5,655,000)	
Premiums on bonds issued	(139,395)	
Discounts on bonds issued	38,058	
Repayments of bond and note principal	21,685,000	
Amortization of bond premiums	19,777	
Amortization of bond discounts	(258,996)	
Amortization of deferred amount on refunding	(97,620)	15,591,824
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.		64,953
The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.		2,320,662
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	255,956	
Compensated absences	(8,460)	
Pension expense	(1,297,561)	
Other postemployment benefits	45,489	(1,004,576)
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.		591,946
Change in net position of governmental activities (Exhibit B)		$ 2,701,523

See notes to financial statements.

Exhibit G

Urbandale Community School District
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Assets		
Current assets:		
Cash and pooled investments	$ 1,714,550	2,163,712
Inventories	308,410	-
Total current assets	2,022,960	2,163,712
Noncurrent assets:		
Capital assets, net of accumulated depreciation	466,592	-
Total assets	2,489,552	2,163,712
Deferred Outflows of Resources		
Pension related deferred outflows	299,052	-
Liabilities		
Current liabilities:		
Accounts payable	46,448	1,554
Medical insurance claims liability	-	338,380
Salaries and benefits payable	28,383	-
Due to other funds	300,000	-
Advances for services	68,420	-
Compensated absences	18,255	-
Total current liabilities	461,506	339,934
Noncurrent liabilities:		
Net pension liability	1,204,609	-
Other postemployment benefits	53,032	-
Total noncurrent liabilities	1,257,641	-
Total liabilities	1,719,147	339,934
Deferred Inflows of Resources		
Pension related deferred inflows	459,403	-
Net Position		
Net investment in capital assets	466,592	-
Unrestricted	143,462	1,823,778
Total net position	$ 610,054	1,823,778

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, 2015

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Operating revenue:		
Local sources:		
Charges for services	$ 3,650,930	3,317,593
Operating expenses:		
Instructional Programs:		
Support services:		
Administrative services:		
Other	-	2,725,647
	-	2,725,647
Non-instructional programs:		
Community service operations:		
Other	2,084,628	-
Food service operations:		
Depreciation	87,612	-
Other	1,803,028	-
Other enterprise operations:		
Other	311,929	-
	4,287,197	-
Total operating expenses	4,287,197	2,725,647
Operating income (loss)	(636,267)	591,946
Non-operating revenue:		
State sources	62,114	-
Federal sources	732,493	-
Interest income	10	-
Total non-operating revenue	794,617	-
Change in net position	158,350	591,946
Net position beginning of year, as restated	451,704	1,231,832
Net position end of year	$ 610,054	1,823,778

See notes to financial statements.

Exhibit I

Urbandale Community School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2015

	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	$ 1,089,523	-
Cash received from miscellaneous operating activities	2,475,667	3,317,593
Cash payments to employees for services	(2,716,395)	(2,722,803)
Cash payments to suppliers for goods or services	(1,375,817)	-
Net cash provided (used) by operating activities	(527,022)	594,790
Cash flows from non-capital financing activities:		
Due to other funds proceeds	(6,507)	-
State grants received	62,114	-
Federal grants received	616,772	-
Net cash provided by non-capital financing activities	672,379	-
Cash flows from capital and related financing activities:		
Loan proceeds	300,000	-
Loan repayments	(300,000)	-
Acquisition of capital assets	(556)	-
Net cash provided by investing activities	(556)	-
Cash flows from investing activities:		
Interest on cash and investments	10	-
Net cash provided by investing activities	10	-
Net increase in cash and cash equivalents	144,811	594,790
Cash and cash equivalents at beginning of year	1,569,739	1,568,922
Cash and cash equivalents at end of year	$ 1,714,550	2,163,712
Reconciliation of operating loss to net cash used by operating activities:		
Operating income (loss)	$ (636,267)	591,946
Adjustments to reconcile operating loss to net cash used by operating activities:		
Commodities used	115,721	-
Depreciation	87,612	-
Decrease in receivables	163	-
Decrease in inventories	67,550	-
(Decrease) in accounts payable	(290)	1,554
Increase in medical insurance claims payable	-	1,290
Increase in salaries and benefits payable	1,890	-
(Decrease) in advances for services	(85,903)	-
Increase in compensated absences	8,327	-
(Decrease) in net pension liability	(418,227)	-
(Increase) in deferred outflows of resources	(121,563)	-
Increase in deferred inflows of resources	459,403	-
(Decrease) in other postemployment benefits	(5,438)	-
Net cash provided (used) by operating activities	$ (527,022)	594,790

Non-cash investing, capital and financing activities:

During the year ended June 30, 2015, the District received federal commodities valued at $115,721.

See notes to financial statements.

Exhibit J

Urbandale Community School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Agency
Assets	
Cash and pooled investments	$ 164,158
Receivables:	
Other	2,064
Total assets	166,222
Liabilities	
Accounts payable	1,725
Due to other entities	164,497
Total liabilities	166,222
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 preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

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

Fund Financial Statements - Separate financial statements are provided for governmental, 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.

Fund accounting - The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, deferred inflows/outflows, fund balance/net position, revenues and expenditures or expenses, as appropriate. The District has the following funds:

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following is the District's major governmental funds:

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

Proprietary Fund Types: Proprietary fund types are used to account for the District's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows. The following are the District's proprietary funds:

Enterprise Funds: Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the District has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, issued on or

before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements.

The District reports the following non-major proprietary funds:

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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources 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, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2014.

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 - Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense, contributions from the employer after the measurement date but before the end of the employer's reporting period and the deferred charge on refunding reported in the government-wide statement of net position. The 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, 2015. 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.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to / deductions from IPERS' fiduciary net position have been

determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. 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 and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

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, 2015, 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, 2015, 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, 2015, the District had investments as follows:

Wells Fargo Adv Government MM Fund	$	6,237,700
The Education Liquidity Fund		502,250
Iowa School Joint Investment Trust:		
Diversified Portfolio		1,267,198
	$	8,007,148

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, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
Capital Projects -	Enterprise Fund -	
Statewide Sales, Services and Use Tax	Student Construction	$ 300,000
		$ 300,000

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, 2015 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Capital Projects -	
	Statewide Sales, Services and Use Tax	$ 2,108,877
		$ 2,108,877

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, 2015 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	2,207,552	161,050	-	2,368,602
Leased equipment	1,546,105	-	-	1,546,105
Total capital assets being depreciated	123,040,634	161,050	-	123,201,684
Less accumulated depreciation for:				
Buildings	28,711,213	2,426,590	-	31,137,803
Improvements other than buildings	375,219	48,565	-	423,784
Furniture and equipment	1,798,523	205,493	-	2,004,016
Leased equipment	1,546,105	-	-	1,546,105
Total accumulated depreciation	32,431,060	2,680,648	-	35,111,708
Total capital assets being depreciated, net	90,609,574	(2,519,598)	-	88,089,976
Governmental activities capital assets, net	$ 92,143,566	(2,519,598)	-	89,623,968
Business type activities:				
Furniture and equipment	$ 1,453,893	556	735	1,453,714
Less accumulated depreciation	900,245	87,612	735	987,122
Business type activities capital assets, net	$ 553,648	(87,056)	-	466,592

Depreciation expense was charged by the District as follows:

Governmental activities:	
Instruction:	
Regular	$ 1,164,114
Special	445,172
Other	312,580
Support services:	
Student support	149,097
Instructional staff	76,256
Administration	299,697
Operation and maintenance of plant	130,142
Transportation	-
Noninstructional	103,590
Total governmental activities depreciation expense	$ 2,680,648
Business type activities:	
Food services	$ 87,612

(6) Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2015 are summarized as follows:

	Balance Beginning of Year as restated	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	$ 63,395,000	5,655,000	20,700,000	48,350,000	2,745,000
Premiums on general obligation bonds	38,587	139,395	15,679	162,303	15,679
Disccounts on general obligation bonds	(615,543)	(38,058)	(258,996)	(394,605)	(31,889)
Subtotal general obligation bonds	62,818,044	5,756,337	20,456,683	48,117,698	2,728,790
Revenue bonds	23,345,000	-	985,000	22,360,000	1,025,000
Premiums on revenue bonds	64,888	-	4,098	60,790	4,098
Subtotal revenue bonds	23,409,888	-	989,098	22,420,790	1,029,098
Early retirement	891,928	-	255,956	635,972	212,839
Compensated absences	61,727	70,187	61,727	70,187	70,187
Net pension liability	20,654,252	-	5,322,880	15,331,372	-
Net OPEB liability	388,530	-	45,489	343,041	-
Subtotal, governmental activities	108,224,369	5,826,524	27,131,833	86,919,060	4,040,914
Business type activities:					
Compensated absences	9,928	18,255	9,928	18,255	18,255
Net pension liability	1,622,836	-	418,227	1,204,609	-
Net OPEB liability	58,470	-	5,438	53,032	-
Subtotal, business type activities	1,691,234	18,255	433,593	1,275,896	18,255
Total	$ 109,915,603	5,844,779	27,565,426	88,194,956	4,059,169

General Obligation Bonds

Details of the District's June 30, 2015 general obligation bonded indebtedness are as follows:

Year ending June 30,	Bond Issue on May 1, 2010			
	Interest Rate	Principal	Interest	Total
2016	4.25%	$ -	540,770	540,770
2017	4.25%	-	540,770	540,770
2018	4.25%	-	540,770	540,770
2019	4.25%	-	540,770	540,770
2020	4.25%	-	540,770	540,770
2021	4.25%	-	540,770	540,770
2022	4.25%	-	540,770	540,770
2023	4.25%	-	540,770	540,770
2024	4.25%	-	540,770	540,770
2025	4.25%	-	540,770	540,770
2026	4.25%	-	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	7,124,785	19,519,785

General Obligation Bonds (continued)

Year ending	Refunding Bond Issue on May 1, 2010			
June 30,	Interest Rate	Principal	Interest	Total
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
		10,850,000	2,019,888	12,869,888

Year ending	Crossover Refunding Bond Issue on December 1, 2011			
June 30,	Interest Rate	Principal	Interest	Total
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	1,426,749	11,426,749

Year ending	Crossover Refunding Bond Issue on January 1, 2012			
June 30,	Interest Rate	Principal	Interest	Total
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
		9,450,000	1,220,901	10,670,901

General Obligation Bonds (continued)

Year ending	Refunding Bond Issue on April 2, 2015			
June 30,	Interest Rate	Principal	Interest	Total
2016	2.50%	-	176,941	176,941
2017	2.50%	-	163,750	163,750
2018	2.50%	-	163,750	163,750
2019	2.50%	-	163,750	163,750
2020	2.50%	-	163,750	163,750
2021	2.50%	-	163,750	163,750
2022	2.50%	-	163,750	163,750
2023	2.50%	-	163,750	163,750
2024	2.50%	-	163,750	163,750
2025	2.50%	1,180,000	163,750	1,343,750
2026	3.00%	580,000	134,250	714,250
2027	3.00%	-	116,850	116,850
2028	3.00%	-	116,850	116,850
2029	3.00%	-	116,850	116,850
2030	3.00%	2,260,000	116,850	2,376,850
2031	3.00%	1,635,000	49,050	1,684,050
		5,655,000	2,301,391	7,956,391

Year ending	Total Bond Indebtedness		
June 30,	Principal	Interest	Total
2016	2,745,000	1,473,183	4,218,183
2017	2,790,000	1,410,488	4,200,488
2018	2,830,000	1,355,621	4,185,621
2019	2,915,000	1,295,814	4,210,814
2020	2,990,000	1,227,839	4,217,839
2021	3,070,000	1,153,177	4,223,177
2022	3,100,000	1,070,649	4,170,649
2023	3,205,000	982,124	4,187,124
2024	3,295,000	887,284	4,182,284
2025	2,405,000	797,765	3,202,765
2026	2,465,000	736,380	3,201,380
2027	3,960,000	668,245	4,628,245
2028	3,865,000	499,945	4,364,945
2029	4,030,000	333,750	4,363,750
2030	3,050,000	152,400	3,202,400
2031	1,635,000	49,050	1,684,050
	$ 48,350,000	14,044,664	62,394,664

Revenue Bonds

Details of the District's June 30, 2015 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
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
		$ 22,360,000	9,840,641	32,200,641

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 $32,200,641. For the current year, $985,000 principal and $1,104,488 in interest was paid on the bonds and total statewide sales, services and use tax revenues were $3,205,976.

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, 2015.

As of June 30, 2015, the District did not exceed its legal debt margin, computed as follows:

Total assessed valuation	$ 1,826,024,134
Debt limit of 5% of total assessed valuation	$ 91,301,207
Amount of debt applicable to debt limit	70,710,000
Excess of debt limit over bonded debt issued, legal debt margin.	$ 20,591,207

Early Retirement

The District has two voluntary early retirement plans in effect at June 30, 2015. 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 19 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, 2015 totaled $255,956.

(7) Operating Leases

The District entered into a seven year agreement which expires January 31, 2022 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 has a one-time right to terminate the lease on January 31, 2020. The total minimum lease commitment under the agreement is as follows:

Year ending June 30,	Minimum Lease Payments
2016	$ 44,315
2017	44,769
2018	45,223
2019	45,677
2020	46,131
2021	46,585
2022	27,329
	$ 300,029

The total lease expense for the year ended June 30, 2015 was $44,126.

(8) Pension Plan

Pension Description – IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa, 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first.. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In the fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the District contributed 8.93 percent for a total rate of 14.88 percent.

The District's contributions to IPERS for the year ended June 30, 2015 were $2,503,000.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the District reported a liability of $16,535,981 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the District's proportion was 0.408590 percent, which was an increase of 0.015141 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of $1,399,513. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 179,714	-
Changes of assumptions	729,770	-
Net difference between projected and actual earnings on pension plan investments	-	6,306,348
Changes in proportion and differences between District contributions and proportionate share of contributions	692,674	-
District contributions subsequent to the measurement date	2,503,000	-
Total	$ 4,105,158	6,306,348

$2,503,000 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June, 30	
2016	$ (1,202,251)
2017	(1,202,251)
2018	(1,202,251)
2019	(1,202,251)
2020	104,814
	$ (4,704,190)

There are no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2014)	3.00 percent
Salary increases (effective June 30, 2014)	4.00 percent, average, including inflation
Investment rate of return (effective June 30, 1996)	7.50 percent per annum, compounded annually, net pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
US Equity	23%	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher 8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
District's proporationate share of the net pension liability	$ 31,244,274	$ 16,535,981	$ 4,120,660

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to the Pension Plan - At June 30, 2015, the District reported payables to the defined benefit pension plan of $366,642 for legally required employer contributions and $244,292 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

(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, 2015, 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		20,115
Adjustment to annual required contribution		(17,042)
Annual OPEB cost		231,073
Contributions made		(282,000)
Increase in net OPEB obligation		(50,927)
Net OPEB obligation beginning of year		447,000
Net OPEB obligation end of year	$	396,073

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, 2015.

For the year ended June 30, 2015, 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, 2015 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
June 30, 2015	231,073	122.04%	396,073

Funded Status and Funding Progress - As of July 1, 2013, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, 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 $23,277,744, and the ratio of the UAAL to covered payroll was 9.1%. As of June 30, 2015, 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 $338,380 at June 30, 2015, 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 $1,378,897 for the year ended June 30, 2015, and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

12) Accounting Change/Restatement

The Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27* was implemented during fiscal year 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, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental and business type activities were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	Governmental Activities	Business type Activities
Net position June 30, 2014, as previously reported	$ 34,116,431	1,897,051
Net pension liability at June 30, 2014	(20,654,252)	(1,622,836)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	2,258,940	177,489
Net position July 1, 2014, as restated:	$ 15,721,119	451,704

Required Supplementary Information

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, 2015

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance- Positive (Negative)
Revenues:						
Local sources	$ 27,397,541	3,650,940	31,048,481	31,128,716	31,128,716	(80,235)
Intermediate sources	47,159	-	47,159	5,000	5,000	42,159
State sources	22,475,219	62,114	22,537,333	22,969,840	22,969,840	(432,507)
Federal sources	1,141,396	732,493	1,873,889	1,690,000	1,690,000	183,889
Total revenues	51,061,315	4,445,547	55,506,862	55,793,556	55,793,556	(286,694)
Expenditures:						
Instruction	28,025,985	-	28,025,985	28,635,832	29,186,530	1,160,545
Support services	13,863,389	-	13,863,389	15,531,339	16,039,213	2,175,824
Non-instructional programs	-	4,287,197	4,287,197	4,450,000	4,450,000	162,803
Other expenditures	27,283,118	-	27,283,118	24,116,862	31,151,862	3,868,744
Total expenditures	69,172,492	4,287,197	73,459,689	72,734,033	80,827,605	7,367,916
Excess (deficiency) of revenues over (under) expenditures	(18,111,177)	158,350	(17,952,827)	(16,940,477)	(25,034,049)	7,081,222
Other financing sources, net	5,767,489	-	5,767,489	6,000,000	6,000,000	(232,511)
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	(12,343,688)	158,350	(12,185,338)	(10,940,477)	(19,034,049)	6,848,711
Balances beginning of year, as restated	28,164,775	451,704	28,616,479	25,394,147	25,394,147	3,222,332
Balances end of year	$ 15,821,087	610,054	16,431,141	14,453,670	6,360,098	10,071,043

See accompanying independent auditor's report.

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment, increasing budgeted expenditures by $8,093,572.

During the year ended June 30, 2015, expenditures did not exceed the amounts budgeted and the District did not exceed its General Fund unspent authorized budget.

Urbandale Community School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Iowa Public Employee's Retirement System
Last Fiscal Year* (In Thousands)
Required Supplementary Information

		2015
District's proportion of the net pension liability		0.408590%
District's proportion of the net pension pension liability	$	16,536
District's covered-employee payroll	$	27,285
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		60.60%
Plan fiduciary net position as a percentage of the total pension liability		87.61%

*The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Urbandale Community School District
Schedule of District Contributions
Iowa Public Employees' Retirement System
Last 10 Fiscal Years (In Thousands)
Required Supplementary Information

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Statutorily required contribution	$ 2,503	2,437	2,211	1,969	1,614	1,568	1,465	1,280	1,096	939
Contributions in relation to the statutorily required contribution	(2,503)	(2,437)	(2,211)	(1,969)	(1,614)	(1,568)	(1,465)	(1,280)	(1,096)	(939)
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	$ 28,029	27,285	25,506	24,393	23,217	23,578	22,709	20,726	18,457	16,476
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%	6.95%	6.65%	6.45%	6.18%	5.94%	5.70%

See accompanying independent auditor's report.

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rated of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implements the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

Urbandale Community School District
Schedule of Funding Progress for the Retiree Health Plan
Required Supplementary Information
Year ended June 30, 2015

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%
2015	July 1, 2013	-	2,125,000	2,125,000	0.0%	23,277,744	9.1%

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.

Supplementary Information

Schedule 1

Urbandale Community School District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2015

	Special Revenue Funds			
	Management	Student Activity	Public Education & Recreation Levy	Total
Assets				
Cash and pooled investments	$ 792,066	332,302	68,458	1,192,826
Receivables:				
Property tax:				
Succeeding year	750,005	-	149,492	899,497
Total assets	$ 1,542,071	332,302	217,950	2,092,323
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$ -	15,168	-	15,168
Salaries and benefits payable	-	252	307	559
Property tax overpayment	1,409	-	380	1,789
Total liabilities	1,409	15,420	687	17,516
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	750,005	-	149,492	899,497
Total deferred inflows of resources	750,005	-	149,492	899,497
Fund Balances:				
Restricted for:				
Management levy purposes	790,657	-	-	790,657
Student activities	-	316,882	-	316,882
Public education & recreation levy purposes	-	-	67,771	67,771
Unassigned	790,657	316,882	67,771	1,175,310
Total liabilities, deferred inflows of resources and fund equity	$ 1,542,071	332,302	217,950	2,092,323

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, 2015

	Special Revenue Funds			
	Management	Student Activity	Public Education & Recreation Levy	Total
Revenues:				
Local sources:				
Local tax:				
Property tax	$ 769,052	-	139,049	908,101
Utility tax replacement excise tax	42,260	-	7,640	49,900
	811,312	-	146,689	958,001
Other local sources:				
Interest on investments	-	60	-	60
Other	32,491	757,405	-	789,896
	32,491	757,465	-	789,956
	843,803	757,465	146,689	1,747,957
State sources:				
Revenue in lieu of taxes :				
Military credit	272	-	49	321
Commercial & industrial replacement tax	7,335	-	1,327	8,662
	7,607	-	1,376	8,983
Total revenues	851,410	757,465	148,065	1,756,940
Expenditures:				
Current:				
Instruction:				
Regular	264,608	-	-	264,608
Other	-	773,158	-	773,158
Support services:				
Administration:	-	-	144,962	144,962
Operation and maintenance of plant	506,769	-	-	506,769
Student transportation	-	196	-	196
Other expenditures:				
Facilities acquisition	-	-	6,800	6,800
Total expenditures	771,377	773,354	151,762	1,696,493
Excess (deficiency) of revenues over (under) expenditures	80,033	(15,889)	(3,697)	60,447
Fund balances beginning of year	710,624	332,771	71,468	1,114,863
Fund balances end of year	$ 790,657	316,882	67,771	1,175,310

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, 2015

Account	Balance Beginning of Year	Interaccount Transfers	Revenues and Financing Sources	Expenditures	Balance End of Year
Jensen Activity	$ 8,805	6,183	150	174	14,964
Jensen Picture	6,217	(6,217)	-	-	-
Jensen Memory Book	-	34	464	498	-
K.A. Elementary-Activity	7,497	4,103	-	893	10,707
K.A. Elementary-Picture	3,703	(4,103)	400	-	-
K.A. Elementary-Student	731	-	637	253	1,115
K.A. Elementary-Student Senate	811	-	-	143	668
Olmsted Activity	6,611	-	1,212	2,072	5,751
Olmsted Student	957	-	856	496	1,317
Rolling Green Activity	5,113	925	1,165	1,680	5,523
Rolling Green Picture	925	(925)	-	-	-
Valerius Activity	20,441	1,440	391	2,916	19,356
Valerius Picture	1,219	(1,219)	-	-	-
Valerius Memory Book	-	(221)	221	-	-
Webster Activity	3,597	1,469	751	1,980	3,837
Webster Picture	1,469	(1,469)	-	-	-
Webster Student	290	-	-	-	290
Elementary Band	14,021	-	2,662	10,138	6,545
Web Clickers	2,899	-	-	-	2,899
Middle School:					
Activities	2	1,032	-	1,034	-
Drama	1,328	-	1,128	1,353	1,103
Vocal	28,984	-	5,271	7,650	26,605
Instrumental	7,138	-	10,994	7,586	10,546
Boys Basketball	-	(1,307)	3,670	2,363	-
Boys Cross Country	-	167	-	167	-
Boys Football	-	14,386	3,486	17,872	-
Boys Track	-	(967)	1,941	974	-
Boys Wrestling	-	(752)	1,208	456	-
Girls Basketball	-	196	1,336	1,532	-
Girls Cross Country	-	168	-	168	-
Girls Softball	-	4,259	-	4,259	-
Girls Track	-	(1,255)	2,314	1,059	-
Girls Volleyball	-	(2,172)	3,842	1,670	-
Library	278	-	1,105	-	1,383
Student Senate	5,384	-	1,323	709	5,998
Student Interest	200	-	35	-	235
Memory Book	930	-	7,065	7,310	685
Building Activity	3,798	1,952	2,801	2,117	6,434
Picture	1,952	(1,952)	-	-	-
High School:					
Activity/Athletic Sponsor	27,409	60,883	75,609	107,823	56,078
Art	2,690	-	85	-	2,775
Art Club	127	-	-	-	127
At Risk	599	-	-	-	599
Bowling	-	2,060	-	2,060	-
Boys Basketball	-	(6,346)	19,945	13,599	-
Boys Baseball	-	7,902	16,992	24,894	-
Boys Cross Country	-	(757)	1,378	621	-
Football	-	(25,606)	55,540	29,934	-
Boys Golf	-	41	1,840	1,881	-
Boys Soccer	-	(5,327)	10,965	5,638	-

Schedule 3

Urbandale Community School District
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year ended June 30, 2015

Account	Balance Beginning of Year	Interaccount Transfers	Revenues and Financing Sources	Expenditures	Balance End of Year
Boys Tennis	-	(1,045)	1,045	-	-
Boys Track	-	(5,186)	7,237	2,051	-
Wrestling	-	(10,735)	17,561	6,826	-
Building Activity	2,411	-	-	-	2,411
Building	-	-	16,599	16,449	150
Cadet Teachers	520	-	-	-	520
Character Counts	194	-	-	-	194
Cheerleaders	-	(7,884)	8,883	999	-
DECA	1,478	-	15,583	16,565	496
Drama	8,333	-	3,060	9,596	1,797
Drug Foundation	450	-	-	-	450
Environmental Club	127	-	89	45	171
Family Consumer Science	13	-	-	-	13
Future Business Leaders	81	-	-	-	81
German Club	2,850	-	931	1,105	2,676
Girls Basketball	-	(6,237)	12,507	6,270	-
Girls Cross Country	-	1,052	500	1,552	-
Girls Golf	-	(150)	560	410	-
Girls Soccer	-	(2,497)	8,139	5,642	-
Girls Softball	-	(921)	7,606	6,685	-
Girls Tennis	-	(1,757)	3,326	1,569	-
Girls Track	-	(4,261)	9,222	4,961	-
Girls Volleyball	-	(6,875)	16,015	9,140	-
Industrial Arts Club	3,116	-	584	660	3,040
Instrumental Music	1,723	-	229,210	218,857	12,076
Interest Student Fund	49	-	25	-	74
Japanese Trip	617	-	28,600	28,329	888
Jayhawker	2,306	-	160	979	1,487
Jaywalkers	6,324	(109)	21,078	27,293	-
Key Club	4,322	-	870	1,013	4,179
Library	6,026	-	642	2,841	3,827
Memory Book	2,645	-	-	-	2,645
Parenting Network	850	-	-	-	850
Peer Helpers	459	-	897	388	968
Physics	4	-	-	-	4
Picture	1,770	-	-	-	1,770
Science Activity	174	-	-	-	174
Spanish Honor Society	2,429	-	-	-	2,429
Spanish Trip	835	-	-	-	835
Special Ed	500	-	-	-	500
Student Senate	19,204	-	16,039	17,648	17,595
Tag Activities	7,111	-	-	897	6,214
The Roaring Leo Club	361	-	216	400	177
Vocal Music	57,075	-	84,801	117,838	24,038
Yearbook	32,289	-	6,698	374	38,613
	$ 332,771	-	757,465	773,354	316,882

See accompanying independent auditor's report.

Schedule 4

Urbandale Community School District
Combining Balance Sheet
Capital Project Accounts
June 30, 2015

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	$ 7,182,530	428,052	7,610,582
Receivables:			
Property tax:			
Succeeding year	-	969,889	969,889
Due from other funds	300,000	-	300,000
Due from other governments	496,534	-	496,534
Total assets	$ 7,979,064	1,397,941	9,377,005
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ 80,815	-	80,815
Property tax overpayment	-	1,594	1,594
Total liabilities	80,815	1,594	82,409
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	969,889	969,889
Total deferred inflows of resources	-	969,889	969,889
Fund balances:			
Restricted for:			
Debt service	2,112,173	-	2,112,173
School infrastructure	5,786,076	-	5,786,076
Physical plant and equipment	-	426,458	426,458
	7,898,249	426,458	8,324,707
Total liabilities, deferred inflows of resources and fund balances	$ 7,979,064	1,397,941	9,377,005

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, 2015

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax:			
Property tax	$ -	366,604	366,604
Utility tax replacement excise tax	-	18,694	18,694
	-	385,298	385,298
Other local sources:			
Interest on investments	2,479	6	2,485
	2,479	6	2,485
	2,479	385,304	387,783
State sources:			
Revenue in lieu of taxes :			
Statewide sales, services and use tax	3,205,976	-	3,205,976
Military credit	-	120	120
Commercial & industrial replacement tax	-	3,244	3,244
	3,205,976	3,364	3,209,340
Total revenues	3,208,455	388,668	3,597,123
Expenditures:			
Current:			
Support Services:			
Instructional staff:			
Property	3,711	262,168	265,879
	3,711	262,168	265,879
Other expenditures:			
Facilities acquisition			
Purchased services	485,366	1,592	486,958
Property	391,870	19,337	411,207
	877,236	20,929	898,165
Total expenditures	880,947	283,097	1,164,044
Excess (deficiency) of revenues over (under) expenditures	2,327,508	105,571	2,433,079
Other financing uses:			
Operating transfers out	(2,108,877)	-	(2,108,877)
Total other financing uses	(2,108,877)	-	(2,108,877)
Change in fund balances	218,631	105,571	324,202
Fund balances beginning of year	7,679,618	320,887	8,000,505
Fund balances end of year	$ 7,898,249	426,458	8,324,707

See accompanying independent auditor's report.

Schedule 6

Urbandale Community School District
Combining Statement of Net Position
Proprietary Funds
June 30, 2015

	Business Type Activities					Governmental Activities
	Enterprise Funds					Internal Service Funds
	School Nutrition	Child Care	Student Construction	Community Education	Total	Self -funded Insurance
Assets						
Current assets:						
Cash and pooled investments	$ 1,350,827	188,890	136,688	38,145	1,714,550	2,163,712
Inventories	33,712	-	274,698	-	308,410	-
Total current assets	1,384,539	188,890	411,386	38,145	2,022,960	2,163,712
Noncurrent assets:						
Capital assets:						
Equipment	1,453,714	-	-	-	1,453,714	-
Accumulated depreciation	(987,122)	-	-	-	(987,122)	-
Total noncurrent assets	466,592	-	-	-	466,592	-
Total assets	1,851,131	188,890	411,386	38,145	2,489,552	2,163,712
Deferred Outflows of Resources						
Pension related deferred outflows	98,746	191,687	-	8,619	299,052	-
Liabilities						
Current liabilities:						
Accounts payable	25,746	10,471	3,919	6,312	46,448	1,554
Medical insurance claims liability	-	-	-	-	-	338,380
Salaries and benefits payable	-	24,564	-	3,819	28,383	-
Due to other funds	-	-	300,000	-	300,000	-
Advances for services	36,255	18,655	-	13,510	68,420	-
Compensated absences	7,380	8,926	-	1,949	18,255	-
Total current liabilities	69,381	62,616	303,919	25,590	461,506	339,934
Noncurrent liabilities:						
Net pension liability	397,756	772,130	-	34,723	1,204,609	-
Other postemployment benefits	28,194	23,496	-	1,342	53,032	-
Total noncurrent liabilities	425,950	795,626	-	36,065	1,257,641	-
Total liabilities	495,331	858,242	303,919	61,655	1,719,147	339,934
Deferred Inflows of Resources						
Pension related deferred inflows	151,693	294,468	-	13,242	459,403	-
Net Position						
Net investment in capital assets	466,592	-	-	-	466,592	-
Unrestricted	836,261	(772,133)	107,467	(28,133)	143,462	1,823,778
Total Net Position	1,302,853	(772,133)	107,467	(28,133)	610,054	1,823,778

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, 2015

	Business Type Activities					Governmental Activities
	Enterprise Funds					Internal Service Funds
	School Nutrition	Child Care	Student Construction	Community Education	Total	Self -funded Insurance
Operating revenue:						
Local sources:						
Other local sources:						
Sale of lunches and breakfasts	$ 1,091,761	-	-	-	1,091,761	-
Sale of services	-	1,942,323	336,939	226,757	2,506,019	3,317,593
Other revenues	43,994	1,356	-	7,800	53,150	-
Total operating revenue	1,135,755	1,943,679	336,939	234,557	3,650,930	3,317,593
Operating expenses:						
Instructional Programs:						
Support services:						
Administrative services:						
Salaries	-	-	-	-	-	32
Benefits	-	-	-	-	-	2,662,206
Services	-	-	-	-	-	63,409
	-	-	-	-	-	2,725,647
Non-instructional programs:						
Community service operations:						
Salaries	-	1,413,312	-	55,940	1,469,252	-
Benefits	-	313,989	-	6,653	320,642	-
Services	-	50,795	-	15,209	66,004	-
Supplies	-	73,873	-	154,182	228,055	-
Other	-	675	-	-	675	-
	-	1,852,644	-	231,984	2,084,628	-
Food services operations:						
Salaries	662,523	-	-	-	662,523	-
Benefits	188,370	-	-	-	188,370	-
Services	56,665	-	-	-	56,665	-
Supplies	895,470	-	-	-	895,470	-
Depreciation	87,612	-	-	-	87,612	-
	1,890,640	-	-	-	1,890,640	-
Other enterprise operations:						
Services	-	-	311,929	-	311,929	-
	-	-	311,929	-	311,929	-
Total operating expenses	1,890,640	1,852,644	311,929	231,984	4,287,197	2,725,647
Operating income (loss)	(754,885)	91,035	25,010	2,573	(636,267)	591,946
Non-operating revenue:						
State sources	13,892	48,222	-	-	62,114	-
Federal sources	732,493	-	-	-	732,493	-
Interest income	10	-	-	-	10	-
Total non-operating revenue	746,395	48,222	-	-	794,617	-
Change in net position	(8,490)	139,257	25,010	2,573	158,350	591,946
Net position beginning of year, as restated	1,311,343	(911,390)	82,457	(30,706)	451,704	1,231,832
Net position end of year	$ 1,302,853	(772,133)	107,467	(28,133)	610,054	1,823,778

See accompanying independent auditor's report.

Schedule 8

Urbandale Community School District
Combining Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2015

	Business Type Activities					Governmental Activities
	Enterprise Funds					Internal Service Funds
	Student Nutrition	Child Care	Student Construction	Community Education	Total	Self -funded Insurance
Cash flows from operating activities:						
Cash received from sale of lunches and breakfasts	$ 1,089,523	-	-	-	1,089,523	-
Cash received from miscellaneous operating activities	43,994	1,872,833	336,939	221,901	2,475,667	3,317,593
Cash payments to employees for services	(878,570)	(1,773,894)	-	(63,931)	(2,716,395)	(2,722,803)
Cash payments to suppliers for goods or services	(810,896)	(120,592)	(278,820)	(165,509)	(1,375,817)	-
Net cash provided (used) by operating activities	(555,949)	(21,653)	58,119	(7,539)	(527,022)	594,790
Cash flows from non-capital financing activities:						
Due to other funds payment	-	(6,507)	-	-	(6,507)	-
State grants received	13,892	48,222	-	-	62,114	-
Federal grants received	616,772	-	-	-	616,772	-
Net cash provided by non-capital financing activities	630,664	41,715	-	-	672,379	-
Cash flows from capital and related financing activities:						
Loan proceeds	-	-	300,000	-	300,000	
Loan repayments	-	-	(300,000)	-	(300,000)	
Acquisition of capital assets	(556)	-	-		(556)	-
Net cash provided by investing activities	(556)	-	-	-	(556)	-
Cash flows from investing activities:						
Interest on cash and investments	10	-	-		10	-
Net cash provided by investing activities	10	-	-	-	10	-
Net increase (decrease) in cash and cash equivalents	74,169	20,062	58,119	(7,539)	144,811	594,790
Cash and cash equivalents at beginning of year	1,276,658	168,828	78,569	45,684	1,569,739	1,568,922
Cash and cash equivalents at end of year	$ 1,350,827	188,890	136,688	38,145	1,714,550	2,163,712
Reconciliation of operating gain (loss) to net cash provided (used) by operating activities:						
Operating gain (loss)	$ (754,885)	91,035	25,010	2,573	(636,267)	591,946
Adjustments to reconcile operating gain (loss) to net cash provided (used) by operating activities:						
Commodities used	115,721	-	-	-	115,721	-
Depreciation	87,612	-	-	-	87,612	-
Decrease in accounts receivable	-	163	-	-	163	-
Decrease in inventories	8,237	-	59,313	-	67,550	-
Increase (decrease) in accounts payable	17,281	4,751	(26,204)	3,882	(290)	1,554
Increase in medical insurance claims payable	-	-	-	-	-	1,290
Increase (decrease) in salaries and benefits payable	-	2,665	-	(775)	1,890	-
(Decrease) in advances for services	(2,238)	(71,009)	-	(12,656)	(85,903)	-
Increase in compensated absences	2,216	4,162	-	1,949	8,327	-
(Decrease) in net pension liability	(138,097)	(268,075)	-	(12,055)	(418,227)	-
(Increase) in deferred outflows of resources	(40,140)	(77,920)	-	(3,503)	(121,563)	-
Increase in deferred inflows of resources	151,693	294,468	-	13,242	459,403	-
(Decrease) in other postemployment benefits	(3,349)	(1,893)	-	(196)	(5,438)	-
Net cash provided (used) by operating activities	$ (555,949)	(21,653)	58,119	(7,539)	(527,022)	594,790

Non-cash investing, capital and financing activities:

During the year ended June 30, 2015, the District received federal commodities valued at $115,721.

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, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets				
Cash	$ 155,448	8,710	-	164,158
Accounts receivable	2,896	-	832	2,064
Total assets	$ 158,344	8,710	832	166,222
Liabilities				
Accounts payable	$ 5,039	-	3,314	1,725
Fiduciary liabilities	153,305	11,192	-	164,497
Total liabilities	$ 158,344	11,192	3,314	166,222

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Local sources:										
Local tax	$ 19,544,606	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
Tuition	6,441,098	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
Other	1,411,837	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
Intermediate sources	47,159	52,333	3,500	3,500	5,000	3,500	6,010	86,218	3,500	59,245
State sources	22,475,219	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
Federal sources	1,141,396	935,939	1,015,234	936,609	1,810,673	2,934,121	1,034,983	655,751	547,590	622,358
Total	$ 51,061,315	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
Expenditures:										
Instruction:										
Regular	$ 17,319,911	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
Special	6,075,902	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
Other	4,630,172	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
Support services:										
Student	1,950,183	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
Instructional staff	1,750,418	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
Administration	4,844,156	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
Operation and maintenance of plant	4,092,485	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
Transportation	1,226,147	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
Non-instructional programs	-	-	-	-	-	7,341	-	-	-	-
Other expenditures:										
Facilities acquisition	904,965	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
Long-term debt:										
Principal	21,685,000	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
Interest and other charges	3,314,256	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
AEA flowthrough	1,378,897	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
Total	$ 69,172,492	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

See accompanying independent auditor's report.

Schedule 11

Urbandale Community School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2015

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 15	$ 78,933
National School Lunch Program	10.555	FY 15	653,560
			732,493
U.S. Department of Justice:			
Iowa Department of Human Services:			
Juvenile Justice and Delinquency Prevention	16.540	FY 15	28,392
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 15	273,763
Vocational Education - Basic Grants to States	84.048	FY 15	38,651
Improving Teacher Quality State Grants	84.367	FY 15	51,543
Grants for State Assessments and Related Activities	84.369	FY 15	19,670
Heartland Area Education Agency:			
Special Education - Grants to States (Part B Section 611)(Mandated flowthrough)	84.027	FY 15	170,635
Total			$ 1,315,147

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, 2015. 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 $115,721 related to USDA Commodities grants provided by the U.S. Department of Agriculture passed through the Iowa Department of Education, CFDA No. 10.555

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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, as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2015.

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, 2015 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

November 13, 2015

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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, 2015. 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, 2015.

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

November 13, 2015

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-15 Certified Budget - Expenditures for the year ended June 30, 2015, did not exceed the amended certified budget amounts.

IV-B-15 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-15 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-15 Business Transactions - Business transactions between the District and District officials or employees for the year ended June 30, 2015 are detailed as follows:.

Name, Title and Business Connection	Transaction Description	Amount
Wayne Fleishman, Teacher Owner of Fleishman Construction Services, Inc.	Construction Services	$ 38,499
Aaron Applegate, Board Member Sales Director, Aramark	Services	$ 28,865

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-15 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-15 Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.

IV-G-15 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-15 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-15 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely.

IV-J-15 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

IV-K-15 Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.

IV-L-15 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, 2015, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		$ 7,679,618
Revenues/transfers in:		
Sales tax revenues	$ 3,205,976	
Other local revenues	2,479	
Transfers from other funds:		
Other capital projects	-	3,208,455
		10,888,073
Expenditures/transfers out:		
School infrastructure construction	880,947	
Transfers to other funds:		
Debt service funds	2,108,877	2,989,824
Ending balance		$ 7,898,249

For the year ended June 30, 2015, 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