URBANDALE COMMUNITY SCHOOL DISTRICT

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

June 30, 2020

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Urbandale Community School District
Board of Education and School District Officials
Year Ended June 30, 2020

Name	Title	Term Expires
	Board of Education	
Katherine Howsare	President	2023
Sarah Schmitz	Vice President	2021
Stacy Andersen	Board Member	2021
Mark Smith	Board Member	2021
Ashley Anderson	Board Member	2023
Judy Downs	Board Member	2023
Brianna Sayre Geiser	Board Member	2023
School District Officials		
Steve Bass	Superintendent	2020
Mary Beth Fast	District Secretary/Treasurer and Chief Financial Officer	2020
Ahlers & Cooney, P.C.	School Attorney	Indefinite
Dickinson, Mackaman, Tyler, and Hagan	Attorneys	Indefinite

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

Independent Auditor's Report

To the Board of Education of Urbandale Community School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Urbandale Community School District, Urbandale, Iowa, as of and for the year ended June 30, 2020, 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, 2020, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 14 to the financial Statements, Urbandale Community School District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. 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 Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 5 through 16 and 52 through 57 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, 2019, (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 10, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), 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 December 3, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's 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

December 3, 2020

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, 2020. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

Financial Highlights

- General Fund revenues were $ 46,058,321 in fiscal year 2020, increasing by $520,180 as compared to $45,538,141 in the prior year. General Fund expenditures were $46,220,779, in fiscal year 2020, compared to $45,105,444 in fiscal year 2019, an increase of $1,115,335. The District had expenses in excess of revenues for fiscal year 2020 of $162,458, continuing to maintain the District's key financial indicators within the established financial targets.

- The District passed a $59 million bond referendum for the purpose of building 2 new elementary buildings and a high school fitness center in February, 2018. During FY20 the District sold another approximately $10 million in bonds to fund Elementary #1. The high school fitness center was completed in the summer of 2020 at a cost of approximately $4.5 million. Additionally, during FY20, the District refinanced $5.64 million in general obligation bonds from 2015, representing a $500,000 savings over the remaining life of the bonds.

- The District began reporting net pension fund liabilities in 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. The District's total net pension liability at June 30, 2020 totaled $21.9 million for all funds. Additional detail is provided in the notes to Financial Statements Section.

- The District's tax base continues to grow at an average rate of over 7% per year over the past 6 years.

- In March, 2020, the District began feeling the impact the of the COVID 19 pandemic. The school was shut down for the remainder of the school year. This had a significant impact on miscellaneous income as no facilities were available for rent. The Daycare Fund suffered the most notably, having all revenue streams halted while the Activity Fund and Community Ed Fund also experienced significant loss of revenue in the form of gate receipts and program funding. While it is unknown the impact that COVID 19 will have on the overall economy, an enrollment decrease in the Fall of 2020, coupled with a State Supplemental Aid (SSA) increase of anything less than 2%, will result in the District seeking the Budget Guarantee. The Budget Guarantee allows for a budget equal to 101% of the previous year's regular program budget, and is funded completely by property tax.

Using This Annual Report

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. Supplementary Information

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

- The *Government-wide Financial Statements* consist of a Statement of Net Position and a Statement of Activities. These provide information about the District as a whole and present an overall view of the District's finances

- The *Fund Financial Statements* provide more detailed information about the District's funds, focusing on its most significant 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. The District has three kinds of funds:

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

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

- *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.

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

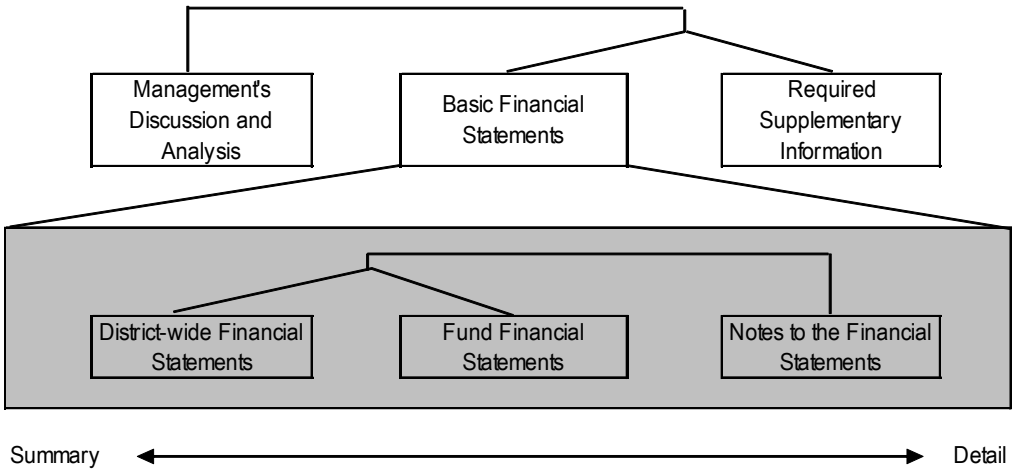


Figure A-2 below summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents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

Reporting the District's Financial Activities

The Government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net 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 government-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, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

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

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property 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 show that it is properly using certain revenues, such as federal grants.

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 3 Enterprise Funds: the Nutrition Fund, the Adventuretime (Childcare) 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 PTO 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.

Government-wide Financial Analysis

Net position – Figure A-3 below provides a summary of the District's net position at June 30, 2020 compared to 2019.

Figure A-3
Condensed Statement of Net Position

	Governmental activities		Business type activities		Total		Total Change
	June 30,		June 30,		June 30,		June 30,
	2020	2019	2020	2019	2020	2019	2019-2020
Current assets	$ 67,543,132	$ 66,063,742	1,884,925	2,394,562	69,428,057	68,458,304	1.4%
Capital assets, net	102,687,750	88,407,918	122,295	163,478	102,810,045	88,571,396	16.1%
Total assets	170,230,882	154,471,660	2,007,220	2,558,040	172,238,102	157,029,700	9.7%
Deferred outflow of resources	6,366,521	9,272,901	478,016	711,011	6,844,537	9,983,912	-31.4%
Current liabilities	13,848,775	11,800,912	163,370	106,195	14,012,145	11,907,107	17.7%
Long-term liabilities	91,002,323	89,246,385	1,809,467	1,999,951	92,811,790	91,246,336	1.7%
Total liabilities	104,851,098	101,047,297	1,972,837	2,106,146	106,823,935	103,153,443	3.6%
Deferred inflow of resources	30,486,353	28,197,613	391,282	317,076	30,877,635	28,514,689	8.3%
Net position:							
Invested in capital assets, net of related debt	43,584,728	35,779,028	122,295	163,478	43,707,023	35,942,506	21.6%
Restricted	9,461,700	9,120,003	-	-	9,461,700	9,120,003	3.7%
Unrestricted	(11,786,476)	(10,399,380)	(1,178)	682,351	(11,787,654)	(9,717,029)	-21.3%
Total net position	$ 41,259,952	$ 34,499,651	121,117	845,829	41,381,069	35,345,480	17.1%

The District's total net position increased from $35 million in prior year to $41 million for 2020, a 17 percent increase. The increase is primarily in the invested in capital assets, net of related debt position which increased by $7.8 million or 22% over prior year. The District reports net pension liability related to the Iowa Public Employees' Retirement System (IPERS) The increase is the net difference between projected and actual earnings on IPERS pension plan investments. Other assets and liability categories reported insignificant changes as compared to prior year.

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 2020 total net position for investment in capital assets, net of related debt was $44 million.

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 $9.1 million to $9.5 million. 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 decreased by 21 percent to negative $11.8 million. The unrestricted net position became negative in 2015 due to reporting on the District's net pension liability, 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, 2020 and 2019. 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 Year ended June 30,		Business Type Activities Year ended June 30,		Total District Year ended June 30,		Total Change June 30,
	2020	2019	2020	2019	2020	2019	2019-2020
Revenues:							
Program revenues:							
Charges for service	$ 7,850,616	$ 8,355,497	2,370,522	3,278,746	10,221,138	11,634,243	-12.1%
Operating grants, contributions and restricted interest	7,163,684	7,002,170	1,058,094	978,974	8,221,778	7,981,144	3.0%
General revenues:							
Property tax	23,791,179	23,255,089	-	-	23,791,179	23,255,089	2.3%
Statewide sales and services tax	3,783,307	3,492,705	-	-	3,783,307	3,492,705	8.3%
Unrestricted state grants	15,535,806	15,224,330	-	-	15,535,806	15,224,330	2.0%
Unrestricted investment earnings	717,895	286,293	20,966	34,499	738,861	320,792	130.3%
Contributions	57,463	83,060	-	-	57,463	83,060	-30.8%
Other	1,040,145	953,827	-	-	1,040,145	953,827	9.0%
Transfers	-	-	-	-	-	-	0.0%
Total revenues	59,940,095	58,652,971	3,449,582	4,292,219	63,389,677	62,945,190	0.7%
Program expenses:							
Governmental activities:							
Instruction	32,894,811	32,805,895	-	-	32,894,811	32,805,895	0.3%
Support services	16,696,273	17,125,696	-	-	16,696,273	17,125,696	-2.5%
Non-instructional programs	117,323	71,143	4,174,294	4,285,836	4,291,617	4,356,979	-1.5%
Other expenses	3,471,387	3,266,611	-	-	3,471,387	3,266,611	6.3%
Total expenses	53,179,794	53,269,345	4,174,294	4,285,836	57,354,088	57,555,181	-0.3%
Increase in net position	6,760,301	5,383,626	(724,712)	6,383	6,035,589	5,390,009	12.0%
Net position at the beginning of year	34,499,651	29,116,025	845,829	839,446	35,345,480	29,955,471	18.0%
Net position end of year	$ 41,259,952	$ 34,499,651	121,117	845,829	41,381,069	35,345,480	17.1%

Total net position including all funds increased by 17 percent over prior year. Revenue is divided into two major components in this analysis: program revenue and general revenue. Program revenue is defined as charges for services and sales, or as operating grants and contributions. Operating grants, contributions, and restricted interest increased by $240,000, or 3% compared to prior year. General revenue includes levied taxes and unrestricted grants such as State foundation aid. Property tax revenues increased by 2.3% compared to prior fiscal year, while other general revenues increased by 9%, and investment earnings raised from $320,792to $738,861, due to increased investment opportunities.

The District's expenses were largely in the instruction and support services functions, which represent 87 percent of the total expenses shown in Figure A-4. The COVID-19 pandemic impacted expenses for the last quarter of the fiscal year. The instructional and support services categories, which include most of the District's salaries and benefits, increased by .3 percent and decreased by 2.5 percent, respectively. Non-instructional program expenses such as for Nutrition Services and other enterprises were 1.5% lower than prior year, and other expenses such as for construction or debt service increased by 6.3% compared to 2019. The District's total expenses for all funds in fiscal year 2019 were $57.4 million, down $200,000 from the 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
	2020	2019	2019-2020	2020	2019	2019-2020
Instruction	$ 32,894,811	$ 32,805,895	0.3%	$ 19,623,745	$ 19,198,789	2.2%
Support services	16,696,273	17,125,696	-2.5%	16,450,359	16,857,665	-2.4%
Non-instructional	117,323	71,143	64.9%	117,323	71,143	64.9%
Other expenses	3,471,387	3,266,611	6.3%	1,974,067	1,784,081	10.6%
Totals	$ 53,179,794	$ 53,269,345	-0.2%	$ 38,165,494	$ 37,911,678	0.7%

The total cost of all governmental activities for 2020 as shown above was $53 million. Some of this cost, $7.7 million, was financed by users of the District's programs, such as from fees or admissions revenues. Another $5.6 million was subsidized by federal and state governments through restricted program grants and contributions, and $1.5 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 2020 was $38.2 million, financed primarily with $11.8 million in unrestricted state aid, $3.8 million in state-wide sales tax revenues, and $22.7 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 increased by $254,000 or .67 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 three enterprise funds: the Nutrition Fund, the Adventuretime (child care) 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. Enterprise funds that utilize a high ratio of labor to total expenses, such as Adventuretime and Community Education are the most affected by pension fund liability reporting, as required by GASB 68 implementation in 2015. More detail is found in the Supplementary Information section.

Operating revenues for the Nutrition Fund were $745,861 for 2020, compared to $1,067,806 in prior year. Nutrition Fund operating expenses were $1,883,513 for 2020, compared to $1,981,405 for the prior year. The net change of ($99,424) decreased the end of year net position for this fund to $1,035,917 for 2020. These fluctuations were due primarily to the COVID-19 pandemic impact as the last quarter of the fiscal year ended.

The Adventuretime Fund reported revenues of $1,392,764 for the 2020 fiscal year, 31 percent less than the $2,024,110 received the prior year. The program provides preschool, child care services before and after school, and all day during summer months. Expenses for 2020 were $2,075,836, as compared to $2,064,891as compared to fiscal year 2019, a .5% increase. A negative net change of $643,225 resulted in an end of year net position of ($1,081,776). This fund was significantly impacted from the COVID-19 pandemic as all services shutdown for the last quarter of FY20. Additionally, the fund is still recovering from the GASB 68 implementation.

The Community Education Fund reported operating revenues of $231,897 and expenses of $214,945 for 2020. Net position at fiscal year-end was $166,976 compared to $149,039 in prior year.

The Internal Service Fund for Self-funded health and dental insurance reported revenues of $4 million and expenses of $3.7 million, an increase of $418,347 to net position. The District became self-funded in fiscal year 2013, with no increase to premiums for several years. This fund has reported steady increases to net position and now stands at $3.78 million for 2020.

Individual Fund Analysis

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

The financial performance of the District as a whole is reflected primarily in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of $30,556,747 at June 30, 2020, a decrease of $2,138,376 or 7 percent from prior year. The following highlights provide a closer look at each individual major fund:

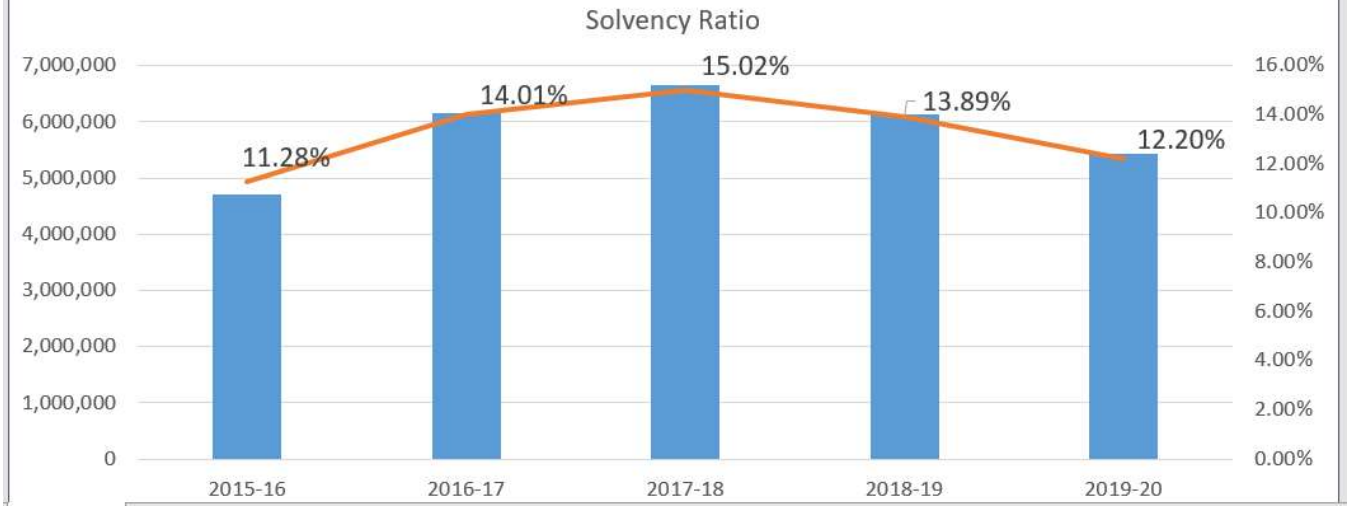
Governmental Fund Highlights

The **General Fund** ending fund balance was $6,898,787 in 2020, as compared to $7,055,823 in 2019, a decrease of $157,036 or 9.78 percent over prior year. The solvency ratio decreased from 13.9 percent in 2019 to 12.2 percent for 2020. 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. The Iowa Association of School Boards recommends a ratio between 5 and 15 percent. A history of Urbandale's general fund solvency ratio is shown below. The Board of Directors recently set new financial goals, increasing their target for minimum solvency ratio from 7.5 to 10 percent. The District has successfully maintained the solvency ratio between 10 and 15 percent for the past 5 years.

SOLVENCY HISTORY

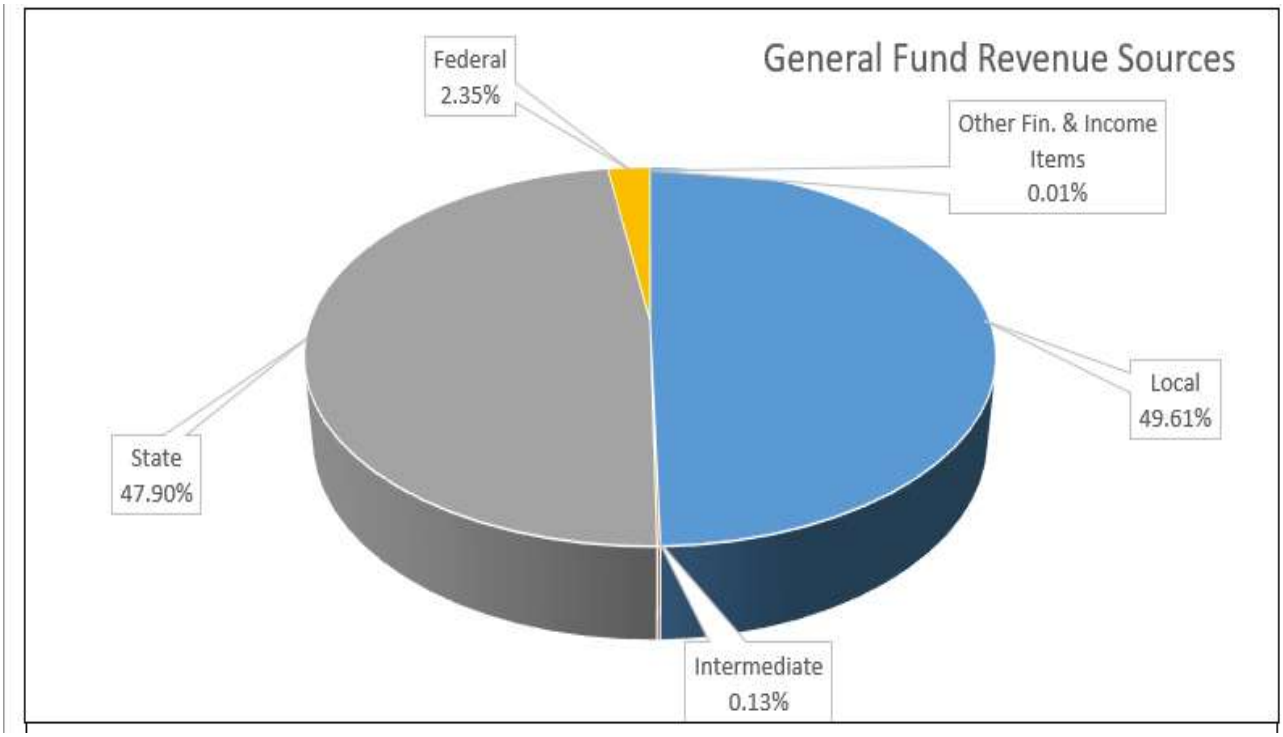
Urbandale Community School District | FY20 Final

Fiscal Year	HISTORICAL				
	2015-16	2016-17	2017-18	2018-19	2019-20
Assigned/Unassigned Dollars	4,714,690	6,143,775	6,646,843	6,120,743	5,437,804
Total Revenue	43,176,487	45,282,735	45,713,192	45,548,062	46,063,743
Total Expenditures	42,281,275	43,562,974	45,213,000	45,984,493	46,435,710
AEA Flowthrough	1,384,477	1,415,944	1,451,025	1,482,530	1,497,320
Solvency Ratio	11.28%	14.01%	15.02%	13.89%	12.20%
Maximum Cash Reserve Levy	$ 3,741,564	$ 2,568,820	$ 2,395,757	$ 3,076,156	$ 3,849,338

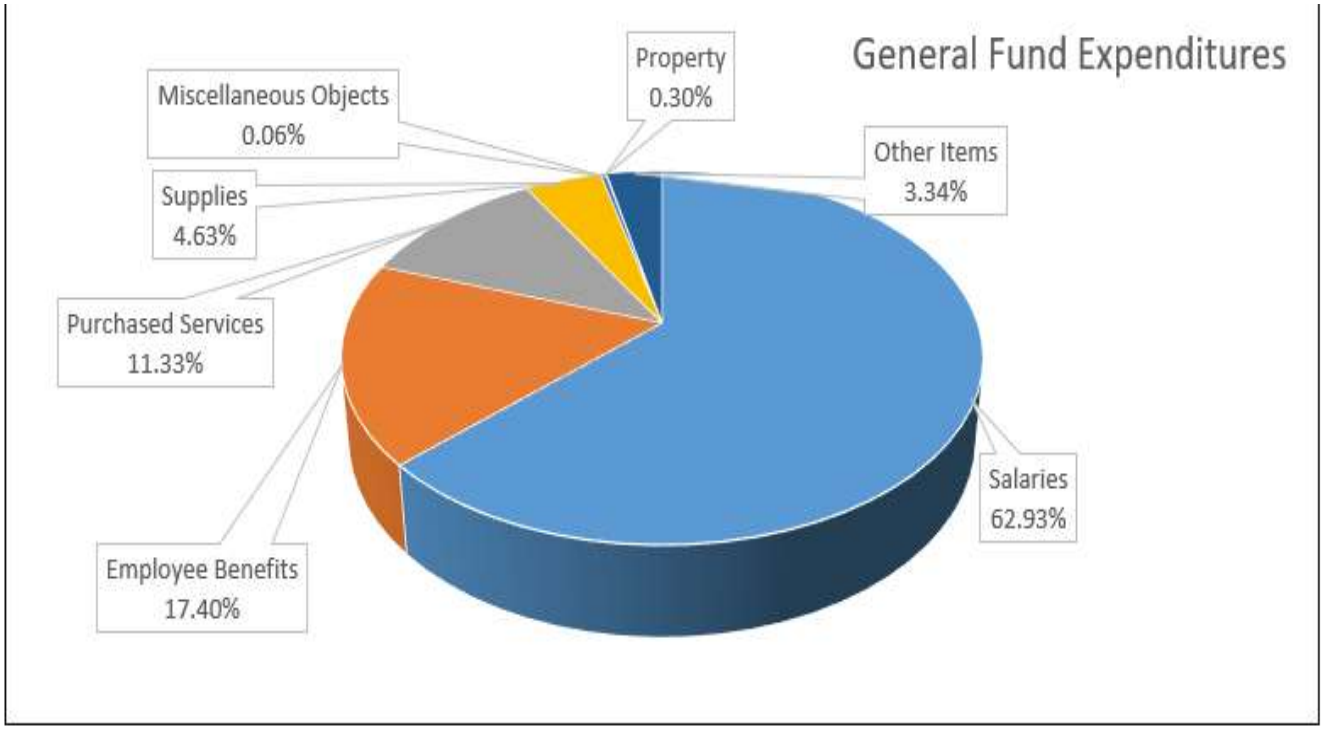


General Fund revenues decreased slightly from the previous year, while expenditures had a modest increase. The net result was approximately $157,000 decrease in the General Fund balance.

The following General Fund Revenues graph shows percentage totals for the major revenue streams according to the source of funding. Local property tax revenues were $14.9 million, or 32% of the total. State sources were $22 million, representing 48% of total revenues. The other large local revenue stream at 15 percent is for tuition payments from other school districts for open enrollment and special education services, which totaled over $7.1 million. Urbandale schools are highly desired for open enrollments from other school districts in and around the Des Moines metro area; therefore, this category has shown steady revenue increases for several years.



Total General Fund expenses for fiscal year 2020 were $46,058,321, an increase of $409,000 or .9 percent over prior year. The General Fund is the largest of the governmental fund group, comprising 59% of the total $77.9 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 related to direct instruction in classrooms were $29.7 million, comprising 64 percent of all General Fund expenses. Expenses for student and instructional support services such as guidance, technology costs, professional development, and libraries were $4.2 million or 4%. Administrative services were 12 percent at $5.6 million, and the maintenance and operations expenses, such as custodial, utilities, and transportation, totaled $4.9 million or 11 percent of all costs. Some of these costs may be skewed as the COVID-19 pandemic shut down the school in the 2nd quarter of 2020 and the school continued to pay staff and other ongoing 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. Revenues from property taxes and other local sources in 2020 were $5.7 million. An additional $1.8 million was transferred in from the Capital Projects Sales Tax fund for payments on sales tax revenue bonds. The total $13 million expended in 2020 included $11.2 million used in principal reduction, and $2.1 million in interest and fiscal agency charges.

The **Capital Projects Funds** include the Physical Plant and Equipment Levy (PPEL) Fund and the Capital Projects Sales Tax Fund. Revenues totaled $6.7 million for 2020, an 14% increase over prior year. While the Statewide Sales Tax revenues are these funds' largest source of revenue, totaling $3.8 million in 2020. Capital Projects Funds expenses totaled $17.3 million for 2020, compared to $4 million in fiscal year 2019. This was due to construction costs of the High School Fitness Center and Elementary School #1. Technology purchases and other capital projects totaled $314,000. The combined Capital Projects Funds balance was $19 million at June 30, 2020, including $10.1 million reserved for debt service and general obligation bonds issued. The remaining $8.9 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.

Certified Budget Comparison Budget vs. Projected	FY20 Certified	FY20 Budget	Variance		FY20 Certified	FY20 Projected	Variance
Instruction	32,971,020	31,809,123	1,161,897		32,971,020	31,484,395	1,486,625
Support Services	17,441,815	17,392,188	49,627		17,441,815	17,001,675	440,140
Non-Instructional Programs	3,890,850	3,502,270	388,580		3,890,850	3,192,352	698,498
Other	21,284,422	18,671,487	2,612,935		21,284,422	30,595,184	(9,310,762)
Total	**$75,588,107**	**$71,375,067**	**$4,213,040**		**$75,588,107**	**$82,273,605**	**($6,685,498)**

This comparison shows the variance of final amended budget amounts as compared to the actual expenditures for fiscal year 2020 in each functional area. The District was required to certify the budget by the April 15 deadline. The state supplemental aid was set in February, 2020. Unknown factors that contributed the large variance in the "other" category included timing of construction payments and variability in work and related construction items due to the COVID-19 pandemic.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2020, the District had invested $102.7 million, net of accumulated depreciation, in a broad range of assets, including school buildings, athletic facilities, computers and other equipment. As shown in Figure A-6 below, the Buildings and Improvements categories each reported a decrease, primarily due to annual accumulated depreciation. Equipment and furniture increased due to purchases. Construction in progress increased from $2.4 million in FY19 to $18.2 million, as the district had substantial activity on construction of Elementary School #1. No other significant increases to capital assets occurred, since most equipment additions during fiscal year 2020 fell below the District's capitalization threshold of $5000 per unit.

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,
	2020	2019	2020	2019	2020	2019	2019-2020
Land	$ 1,533,992	$ 1,533,992	-	-	1,533,992	1,533,992	0.0%
Construction in progress	18,219,684	2,409,568	-	-	18,219,684	2,409,568	100.0%
Buildings	80,627,557	82,982,290	-	-	80,627,557	82,982,290	-2.8%
Improvements	735,771	751,332	-	-	735,771	751,332	-2.1%
Equipment and furniture	1,570,746	730,736	122,295	163,478	1,693,041	894,214	89.3%
Total	$102,687,750	$ 88,407,918	122,295	163,478	102,810,045	88,571,396	16.1%

Long-Term Debt

As shown in Figure A-7 below, the District had $99 million in long-term debt obligations at year-end 2020, a 10.73% increase from prior year. Early retirement debt was extinguished during FY20. Net pension liability declined by $2.2 million or 8.57%. OPEB changes due to GASB 75, had decreases of $265,000. These changes are specifically due to an overall decrease in the IPERS liability and the implicit rate subsidies related to retiree health insurance. More detail 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, 2020	Total District June 30, 2019	Total Change June 30, 2018-2019
General obligation bonds	$ 61,304,217	$ 55,361,462	10.73%
Revenue bonds	13,078,000	14,520,000	-9.93%
Early retirement	-	6,000	-100.00%
Compensated absences	174,234	135,055	29.01%
Net pension liability	23,609,265	25,821,426	-8.57%
Other postemployment benefits	762,476	1,027,943	-25.83%
Total	$ 98,928,192	$ 96,871,886	2.12%

Economic 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 12.2%, and the Board of Directors has set a financial target of 10 percent as a minimum solvency ratio. The Board's target for unspent authorized budget (UAB) ratio is also a minimum of 10 percent, and that balance is 19.4%. 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 requires a spending plan that is closely related to the District's budgetary allowable growth each year. Recurring expenses such as salaries and benefits, representing about 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 overall enrollment was up by 64 students. The District's total number of students served increased at the start of the 2019-20 school year by a net total of 38 students. While the resident student count increased by 54, the number of open enrolled students served in the District decreased by 13. Open enrolled students into the District is a steady trend, and reliable revenue stream totaling over $5 million per year. Nearly 20 percent of all students served are open enrolled into Urbandale from other surrounding school districts. With significant increases in test scores, student achievement, and a graduation rate of 98 percent, the District expects this trend to continue. Monitoring the demographics of enrollment is important for major financial decisions such as staffing levels, new programing, and facility planning.

- The District had in excess of $1.29 million in General Fund restricted fund balance at fiscal year-end 2020. The revenue and the spending authority to utilize it was received during 2020 or prior years. These balances are restricted because they must be used for various categorical State initiatives, such as Teacher Leadership and Compensation, and Teacher Professional Development. As the District spends down these reserves over time, these categorical expenses will reduce both the fund balance and spending authority in General Fund. This may affect future results of operations such that expenses will purposely be budgeted in excess of revenues during one or more future fiscal years. The District will closely monitor the new allocations and restricted reserves of categorical funding and budget total expenses accordingly.

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 Mary Beth Fast, 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, 2020

	Governmental Activities	Business type Activities	Total
Assets			
Current assets:			
Cash, cash equivalents and pooled investments	$ 36,645,387	1,734,561	38,379,948
Receivables:			
Property tax:			
Delinquent	82,037	-	82,037
Succeeding year	25,679,863	-	25,679,863
Accounts	204,252	461	204,713
Due from other governments	5,000,507	75,521	5,076,028
Internal balances	(68,914)	68,914	-
Inventories	-	5,468	5,468
Total current assets	67,543,132	1,884,925	69,428,057
Non-current assets:			
Capital assets:			
Capital assets, nondepreciable	19,753,676	-	19,753,676
Capital assets, depreciable, net of depreciation	82,934,074	122,295	83,056,369
Total non-current assets	102,687,750	122,295	102,810,045
Total assets	170,230,882	2,007,220	172,238,102
Deferred Outflows of Resources			
Pension related deferred outflows	6,366,521	478,016	6,844,537
Total deferred outflows of resources	6,366,521	478,016	6,844,537
Liabilities			
Current liabilities:			
Excess of outstanding warrants over bank balance	-	9,745	9,745
Accounts payable	1,812,454	11,047	1,823,501
Medical insurance claims payable	511,835	-	511,835
Accrued salaries and benefits payable	4,428,060	55,467	4,483,527
Due to other governments	723,207	-	723,207
Advances for services	9,127	78,332	87,459
Advances from grantors	39,558	-	39,558
Accrued interest payable	216,911	-	216,911
General obligation bonds payable	4,500,168	-	4,500,168
Revenue bonds payable	1,442,000	-	1,442,000
Compensated absences	165,455	8,779	174,234
Total current liabilities	13,848,775	163,370	14,012,145
Non-current liabilities:			
General obligation bonds payable	56,804,049	-	56,804,049
Revenue bonds payable	11,636,000	-	11,636,000
Net pension liability	21,901,892	1,707,373	23,609,265
Other postemployment benefits	660,382	102,094	762,476
Total non-current liabilities	91,002,323	1,809,467	92,811,790
Total liabilities	104,851,098	1,972,837	106,823,935
Deferred Inflows of Resources			
Unavailable property tax revenue	25,679,863	-	25,679,863
Pension related deferred inflows	4,475,040	340,040	4,815,080

Exhibit A

Urbandale Community School District
Statement of Net Position
June 30, 2020

	Governmental Activities	Business type Activities	Total
OPEB related deferred inflows	331,450	51,242	382,692
Total deferred inflows of resouces	30,486,353	391,282	30,877,635
Net Position			
Net investment in capital assets	43,584,728	122,295	43,707,023
Restricted for:			
Categorical funding	1,299,845	-	1,299,845
Debt service	1,841,796	-	1,841,796
Management levy purpose	1,076,448	-	1,076,448
Student activities	248,944	-	248,944
Public education & recreation levy purposes	401,996	-	401,996
School infrastructure	863,714	-	863,714
Physical plant and equipment	3,728,957	-	3,728,957
Unrestricted	(11,786,476)	(1,178)	(11,787,654)
Total net position	$ 41,259,952	121,117	41,381,069

See notes to financial statements.

Exhibit B

Urbandale Community School District
Statement of Activities
Year Ended June 30, 2020

		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	$ 19,394,117	5,783,536	3,949,250	-	(9,661,331)	-	(9,661,331)
Special	7,285,264	1,464,766	797,594	-	(5,022,904)	-	(5,022,904)
Other	6,215,430	460,222	815,698	-	(4,939,510)	-	(4,939,510)
	32,894,811	7,708,524	5,562,542	-	(19,623,745)	-	(19,623,745)
Support Service:							
Student	1,932,829	-	-	-	(1,932,829)	-	(1,932,829)
Instructional staff	2,953,867	-	-	-	(2,953,867)	-	(2,953,867)
Administration	6,220,049	-	-	-	(6,220,049)	-	(6,220,049)
Operating and maintenance of plant	3,944,058	87,622	-	-	(3,856,436)	-	(3,856,436)
Transportation	1,645,470	54,470	103,822	-	(1,487,178)	-	(1,487,178)
	16,696,273	142,092	103,822	-	(16,450,359)	-	(16,450,359)
Non-instructional programs	117,323	-	-	-	(117,323)	-	(117,323)
Other expenditures:							
Long-term debt interest	1,974,067	-	-	-	(1,974,067)	-	(1,974,067)
AEA flowthrough	1,497,320	-	1,497,320	-	-	-	-
	3,471,387	-	1,497,320	-	(1,974,067)	-	(1,974,067)
Total governmental activities	53,179,794	7,850,616	7,163,684	-	(38,165,494)	-	(38,165,494)
Business type activities:							
Non-instructional programs:							
Nutrition services	1,883,513	745,861	1,020,710	-	-	(116,942)	(116,942)
Child Care services	2,075,836	1,392,764	37,384	-	-	(645,688)	(645,688)
Community Education	214,945	231,897	-	-	-	16,952	16,952
	4,174,294	2,370,522	1,058,094	-	-	(745,678)	(745,678)
Total primary government	$ 57,354,088	10,221,138	8,221,778	-	(38,165,494)	(745,678)	(38,911,172)
General Revenues:							
Property tax levied for:							
General purposes					15,610,438	-	15,610,438
Debt service					5,670,532	-	5,670,532
Capital outlay					2,510,209	-	2,510,209
Statewide sales, services and use tax					3,783,307	-	3,783,307
Unrestricted state grants					15,535,806	-	15,535,806
Unrestricted investment earnings					717,895	20,966	738,861
Contributions					57,463	-	57,463
Gain on sale of assets					5,422	-	5,422
Other general revenues					1,034,723	-	1,034,723
Total general revenues and transfers					44,925,795	20,966	44,946,761
Change in net position					6,760,301	(724,712)	6,035,589
Net position beginning of year					34,499,651	845,829	35,345,480
Net position end of year					$ 41,259,952	121,117	41,381,069

See notes to financial statements.

Exhibit C

Urbandale Community School District
Balance Sheet
Governmental Funds
June 30, 2020

	General	Debt Service	Capital Projects	Non-major Governmental	Total
Assets					
Cash, cash equivalents and pooled investments	$ 7,973,816	2,038,835	20,588,914	1,746,302	32,347,867
Receivables:					
Property tax:					
Delinquent	51,612	19,422	8,009	2,994	82,037
Succeeding year	15,959,364	6,089,293	2,510,894	1,120,312	25,679,863
Accounts	203,802	450	-	-	204,252
Due from other governments	4,343,974	-	656,533	-	5,000,507
Total assets	$ 28,532,568	8,148,000	23,764,350	2,869,608	63,314,526
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	$ 405,551	-	1,381,591	21,908	1,809,050
Salaries and benefits payable	4,428,060	-	-	-	4,428,060
Due to other governments	723,207	-	-	-	723,207
Due to other funds	68,914	-	-	-	68,914
Advances for services	9,127	-	-	-	9,127
Advances from grantors	39,558	-	-	-	39,558
Total liabilities	5,674,417	-	1,381,591	21,908	7,077,916
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	15,959,364	6,089,293	2,510,894	1,120,312	25,679,863
Total deferred inflows of resources	15,959,364	6,089,293	2,510,894	1,120,312	25,679,863
Fund balances:					
Restricted for:					
Categorical funding	1,299,845	-	-	-	1,299,845
Debt service	-	2,058,707	-	-	2,058,707
Management levy purposes	-	-	-	1,076,448	1,076,448
Student activities	-	-	-	248,944	248,944
Public education & recreation levy purposes	-	-	-	401,996	401,996
School infrastructure	-	-	16,142,908	-	16,142,908
Physical plant and equipment	-	-	3,728,957	-	3,728,957
Unassigned	5,598,942	-	-	-	5,598,942
Total fund balances	6,898,787	2,058,707	19,871,865	1,727,388	30,556,747
Total liabilities, deferred inflows of resources and fund balances	$ 28,532,568	8,148,000	23,764,350	2,869,608	63,314,526

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, 2020

Total fund balances of governmental funds (Exhibit C)			$ 30,556,747
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.			102,687,750
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.			3,782,281
Pension and OPEB 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	$	6,366,521	
Deferred inflows of resources		(4,806,490)	1,560,031
Long-term liabilities, including bonds payable and notes payable, compensated absences, deferred amount on refunding, accrued interest, early retirement, other postemployment benefits and net pension liability, 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		(61,304,217)	
Revenue bonds payable		(13,078,000)	
Accrued interest		(216,911)	
Compensated absences		(165,455)	
Net pension liability		(21,901,892)	
Other postemployment benefits		(660,382)	(97,326,857)
Net position of governmental activities (Exhibit A)			$ 41,259,952

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, 2020

	General	Debt Service	Capital Projects	Non-major Governmental	Total
Revenues:					
Local sources:					
Local tax	$ 14,918,345	5,670,532	2,338,218	864,084	23,791,179
Tuition	7,130,579	-	-	-	7,130,579
Other	802,159	9,361	547,755	414,536	1,773,811
Intermediate sources	57,659	-	-	-	57,659
State sources	22,065,610	157,334	3,848,183	26,349	26,097,476
Federal sources	1,083,969	-	-	-	1,083,969
Total revenues	46,058,321	5,837,227	6,734,156	1,304,969	59,934,673
Expenditures:					
Current:					
Instruction:					
Regular	17,649,744	-	465,482	157,890	18,273,116
Special	6,730,058	-	-	-	6,730,058
Other	5,358,380	-	-	383,082	5,741,462
	29,738,182	-	465,482	540,972	30,744,636
Support services:					
Student	1,776,844	-	-	-	1,776,844
Instructional staff	2,580,899	-	778,926	-	3,359,825
Administration	5,646,710	-	29,399	203,731	5,879,840
Operation and maintenance of plant	3,352,598	-	336,872	250,605	3,940,075
Transportation	1,621,274	-	-	23,609	1,644,883
	14,978,325	-	1,145,197	477,945	16,601,467
Noninstructional programs:					
Food service operations	-	-	-	48,436	48,436
Community service operations	6,952	-	-	-	6,952
	6,952	-	-	48,436	55,388
	44,723,459	-	1,610,679	1,067,353	47,401,491
Other expenditures:					
Facilities acquisition	-	-	15,673,660	-	15,673,660
Long-term debt:					
Principal	-	11,237,000	-	-	11,237,000
Interest and fiscal charges	-	2,000,830	-	-	2,000,830
Purchased services	-	96,093	-	-	96,093
AEA flowthrough	1,497,320	-	-	-	1,497,320
	1,497,320	13,333,923	15,673,660	-	30,504,903
Total expenditures	46,220,779	13,333,923	17,284,339	1,067,353	77,906,394
Excess (deficiency) of revenues over (under) expenditures	(162,458)	(7,496,696)	(10,550,183)	237,616	(17,971,721)
Other financing sources (uses):					
Proceeds from sale of capital assets	5,422	-	-	-	5,422
General obligation bonds issued	-	5,640,000	9,995,000	-	15,635,000
Bond premiums	-	120,195	163,007	-	283,202
Bond discounts	-	(46,202)	(44,077)	-	(90,279)
Transfers in	-	1,841,474	-	-	1,841,474
Transfers out	-	-	(1,841,474)	-	(1,841,474)
Total other financing sources (uses)	5,422	7,555,467	8,272,456	-	15,833,345
Change in fund balances	(157,036)	58,771	(2,277,727)	237,616	(2,138,376)
Fund balances beginning of year	7,055,823	1,999,936	22,149,592	1,489,772	32,695,123
Fund balances end of year	$ 6,898,787	2,058,707	19,871,865	1,727,388	30,556,747

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, 2020

Net change in fund balances - total governmental funds (Exhibit E)		$ (2,138,376)
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. These costs are not reported in the Statement of Activities , but they are allocated over their estimated useful lives of the capital assets as depreciation/amortization expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation/amortization expense in the current year as follows:		
Expenditures for capital assets	$ 16,964,055	
Depreciation/amortization expense	(2,684,223)	14,279,832
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year issuances exceeded repayments, as follows:		
Issuance of bond and note principal	(15,635,000)	
Repayments of bond and note principal	11,237,000	
Bond premiums on issued bonds	(283,202)	
Bond discounts on issued bonds	90,279	
Amortization of bond premiums	133,268	
Amortization of bond discounts	(43,100)	(4,500,755)
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 governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		32,688
The current year District 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.		2,789,692
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:		
Early retirement	6,000	
Compensated absences	(36,114)	
Pension expense	(4,032,918)	
Other postemployment benefits	(58,095)	(4,121,127)
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.		418,347
Change in net position of governmental activities (Exhibit B)		$ 6,760,301

See notes to financial statements.

Exhibit G

Urbandale Community School District
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business Type Activities			Governmental Activities
	Child Care Fund	Non-major Enterprise Funds	Total	Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalent	$ -	1,734,561	1,734,561	4,297,520
Receivables:				
Accounts	-	461	461	-
Receivable from General Fund	68,914	-	68,914	
Due from other governments	-	75,521	75,521	-
Inventories	-	5,468	5,468	-
Total current assets	68,914	1,816,011	1,884,925	4,297,520
Noncurrent assets:				
Capital assets, net of accumulated depreciation	-	122,295	122,295	-
Total assets	68,914	1,938,306	2,007,220	4,297,520
Deferred Outflows of Resources				
Pension related deferred outflows	301,289	176,727	478,016	-
Liabilities				
Current liabilities:				
Excess of outstanding warrants over bank balance	9,745	-	9,745	-
Accounts payable	57	10,990	11,047	3,404
Medical insurance claims liability	-	-	-	511,835
Salaries and benefits payable	55,359	108	55,467	-
Advances for services	-	78,332	78,332	-
Compensated absences	8,779	-	8,779	-
Total current liabilities	73,940	89,430	163,370	515,239
Noncurrent liabilities:				
Net pension liability	1,093,366	614,007	1,707,373	-
Other postemployment benefits	46,524	55,570	102,094	-
Total noncurrent liabilities	1,139,890	669,577	1,809,467	-
Total liabilities	1,213,830	759,007	1,972,837	515,239
Deferred Inflows of Resources				
Pension related deferred inflows	214,798	125,242	340,040	-
OPEB related deferred inflows	23,351	27,891	51,242	-
Total deferred inflows of resources	238,149	153,133	391,282	-
Net Position				
Net investment in capital assets	-	122,295	122,295	-
Unrestricted	(1,081,776)	1,080,598	(1,178)	3,782,281
Total net position	$ (1,081,776)	1,202,893	121,117	3,782,281

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, 2020

	Business Type Activities			Governmental Activities
	Child Care Fund	Non-major Enterprise Funds	Total	Internal Service Funds
Operating revenue:				
Local sources:				
Charges for services	$ 1,391,139	954,007	2,345,146	4,002,045
Other revenue	1,625	23,751	25,376	19,394
	1,392,764	977,758	2,370,522	4,021,439
Operating expenses:				
Instructional Programs:				
Instruction:				
Regular:				
Other	423,082	214,043	637,125	-
Support services:				
Administrative services:				
Other	388,838	902	389,740	3,677,044
Student Transportation:				
Other	10,467	-	10,467	-
	822,387	214,945	1,037,332	3,677,044
Non-instructional programs:				
Community service operations:				
Other	1,253,449	-	1,253,449	-
Food service operations:				
Depreciation	-	69,906	69,906	-
Other	-	1,813,607	1,813,607	-
	1,253,449	1,883,513	3,136,962	-
Total operating expenses	2,075,836	2,098,458	4,174,294	3,677,044
Operating income (loss)	(683,072)	(1,120,700)	(1,803,772)	344,395
Non-operating revenue:				
State sources	37,384	13,228	50,612	-
Federal sources	-	1,007,015	1,007,015	-
Contributions	-	467	467	
Interest income	2,463	18,503	20,966	73,952
Total non-operating revenue	39,847	1,039,213	1,079,060	73,952
Income(loss) before transfers	(643,225)	(81,487)	(724,712)	418,347
Transfer out	-	-	-	-
Change in net position	(643,225)	(81,487)	(724,712)	418,347
Net position beginning of year	(438,551)	1,284,380	845,829	3,363,934
Net position end of year	$ (1,081,776)	1,202,893	121,117	3,782,281

See notes to financial statements.

Exhibit I

Urbandale Community School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2020

	Business Type Activities			Governmental Activities
	Child Care Fund	Non-major Enterprise Funds	Total	Internal Service Fund
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	$ -	776,722	776,722	-
Cash received from miscellaneous operating activities	1,392,284	232,573	1,624,857	4,021,439
Cash paid to employees for services	(1,877,512)	(965,320)	(2,842,832)	-
Cash paid to suppliers for goods or services	(107,917)	(866,739)	(974,656)	(3,572,834)
Net cash provided (used) by operating activities	(593,145)	(822,764)	(1,415,909)	448,605
Cash flows from non-capital financing activities:				
Contributions received	-	467	467	-
State grants received	37,384	13,228	50,612	-
Federal grants received	-	795,417	795,417	
Advance to General Fund	(68,914)	-	(68,914)	-
Net cash provided by non-capital financing activities	(31,530)	809,112	777,582	-
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	(28,811)	(28,811)	-
Net cash provided (used) by investing activities	-	(28,811)	(28,811)	-
Cash flows from investing activities:				
Interest on cash and investments	2,463	18,503	20,966	73,952
Net cash provided by investing activities	2,463	18,503	20,966	73,952
Net increase (decrease) in cash and cash equivalents	(622,212)	(23,960)	(646,172)	522,557
Cash and cash equivalents at beginning of year	612,467	1,758,521	2,370,988	3,774,963
Cash and cash equivalents at end of year	$ (9,745)	1,734,561	1,724,816	4,297,520
Reconciliation of operating loss to net cash used by operating activities:				
Operating income (loss)	$ (683,072)	(1,120,700)	(1,803,772)	344,395
Adjustments to reconcile operating loss to net cash used by operating activities:				
Commodities used	-	140,572	140,572	-
Depreciation	-	69,906	69,906	-
Loss on asset disposal	-	88	88	-
(Increase) in receivables	-	(461)	(461)	-
Decrease in inventories	-	13,611	13,611	-
Increase (decrease) in accounts payable	(7,417)	6,155	(1,262)	1,979
Increase in medical insurance claims payable	-	-	-	102,231
Increase in salaries and benefits payable	14,001	108	14,109	-
Increase (decrease) in advances for services	(480)	31,998	31,518	-
Increase in compensated absences	3,065	-	3,065	-
(Decrease) in net pension liability	(102,568)	(52,370)	(154,938)	-
Decrease in deferred outflows of resources	159,585	73,410	232,995	-
Increase (decrease) in deferred inflows of resources	39,939	34,267	74,206	-
Increase (decrease) in other post employment benefits	(16,198)	(19,348)	(35,546)	-
Net cash provided (used) by operating activities	$ (593,145)	$ (822,764)	$ (1,415,909)	448,605

Non-cash investing, capital and financing activities:
During the year ended June 30, 2020, the District received $140,572 of federal commodities.

See notes to financial statements.

Exhibit J

Urbandale Community School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Custodial
Assets	
Cash, cash equivalent and pooled investments	$ 180,687
Total assets	180,687
Liabilities	
Accounts payable	63
Total liabilities	63
Net Position:	
Restricted for other organizations	180,624
Total Net position	$ 180,624

See notes to financial statements.

Exhibit K

Urbandale Community School District
Staement of Changes in Fiduciary Net Position
Fiduciary Funds
Year ended June 30, 2020

	Custodial Funds
Additions:	
Gifts, contributions and other revenues	$ 76,802
Total additions	76,802
Deductions:	
Other expenditures	77,046
Total deductions	77,046
Change in net position	(244)
Net position beginning of year, as restated	180,868
Net position end of year	$ 180,624

(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 career and technical 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 position 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 non-major governmental funds. Combining schedules are also included for the Capital Projects Fund accounts.

The District reports the following major governmental funds:

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

The 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.

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 following enterprise fund of the District are considered major:

The Child Care Fund: This fund accounts for transactions for children's programs with an instructional component for children who have not yet met the age requirement for school-aged education.

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

The School Nutrition Fund: This fund accounts for transactions related to the school lunch, breakfast and summer food programs authorized by Iowa Code 283A.

Community Education Fund: This fund accounts for transactions for facilities and services to provide further education opportunities to the local area.

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.

Flexible benefits: This fund accounts for transactions for certain benefits available to District employees in which the District is responsible for paying all premiums or costs specified by the employees.

The District also reports fiduciary funds which focus on net position and changes in net position. The District's fiduciary funds include the following:

The Custodial Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments.

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 the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net 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.

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 Balance/Net Position

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

Cash, Cash Equivalents and Pooled Investments – The cash balances of most District funds are pooled and invested. The Investments in the Iowa Schools Joint investment Trust and the Education Liquidity 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 reported as a deferred inflow of resources 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, 2018 assessed property valuations; is for the tax accrual period July 1, 2019 through June 30, 2020 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2019.

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 if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. 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. Reportable 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 applicable to a future year(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, the unamortized portion of the net difference between projected and actual earnings on pension plan investments contributions from the District after the measurement date but before the end of the District's reporting period.

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, 2020. 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. The net position liability attributable to the governmental activities will be paid primarily by the General Fund.

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the Urbandale Community School District's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Enterprise, School Nutrition Fund.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position applicable to a future year(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 in the fund financial statements consist of property tax receivable and other receivables not collected within sixty days after and succeeding year property tax receivable that will not be recognized until the year for which it is levied.

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 unrecognized items not yet charged to pension and OPEB expense.

Fund Balance – 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 are 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 the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2020, expenditures exceeded the amounts budgeted in the non-instructional programs and other expenditures functions and the District did not exceed its General Fund unspent authorized budget.

(2) Cash, Cash Equivalents and Pooled Investments

The District's deposits in banks at June 30, 2020 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, 2020, the District had investments as follows:

Type		
Iowa Schools Joint Investment Trust (ISJIT)	$	12,544,933
Certificate of Deposit - Green State Credit Union		5,149,437
	$	17,694,370

The investments in TELF and ISJIT are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. There is no material difference from fair value. In addition, the fair value of the District's financial position in the pool is the same as the value of the pool shares.
Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy requires operating funds to be invested in investments that mature within 397 days or less. When investing other than operating funds, the investments must mature according to the needs of the funds. Operating funds of the District are funds which are reasonably expected to be used during a current budget year or within 15 months or receipt. The maturity of the District's position in an external investment pool is based on the average maturity of the pool's investments.

Credit risk: The investments in the Iowa Schools Joint Investment Trust was rated AAAm by Standard & Poor's Rating Service. The Iowa Schools Joint Investment Trust is sponsored by the Iowa Association of School Boards, governed by a representative board of trustees. The board of trustees serves as the regulatory oversight of the pool. The investments in The Education Liquidity Fund (TELF) pool are registered and not subject to rating. The District's investment policy does not formally address credit risk.

Custodial credit risk for deposits: In the case of deposits, this is a risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Chapter 12C of the Code of Iowa requires all District funds be deposited into an approved depository and be either insured or collateralized.

The District has no investments meeting the disclosure requirements of Governmental Accounting Standards Board No. 72

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2020 is as follows:

Transfer to	Transfer from		Amount
Debt Service	Capital Projects -		
	Statewide Sales, Services and Use Tax	$	1,841,474
		$	1,841,474

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

Capital Projects – Statewide Sales, Services and Use Tax Fund transferred to the Debt Service Fund to pay for revenue bonds.

(4) Capital Assets

Capital assets activity for the year ended June 30, 2020 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,533,992	-	-	1,533,992
Construction in progress	2,409,568	15,810,116	-	18,219,684
Total capital assets not being depreciated	3,943,560	15,810,116	-	19,753,676
Capital assets being depreciated:				
Buildings	123,979,144	-	-	123,979,144
Improvements other than buildings	1,342,666	49,967	-	1,392,633
Furniture and equipment	3,433,584	1,103,972	-	4,537,556
Leased equipment	1,546,105	-	-	1,546,105
Total capital assets being depreciated	130,301,499	1,153,939	-	131,455,438
Less accumulated depreciation for:				
Buildings	40,996,854	2,354,733	-	43,351,587
Improvements other than buildings	591,334	65,528	-	656,862
Furniture and equipment	2,702,848	263,962	-	2,966,810
Leased equipment	1,546,105	-	-	1,546,105
Total accumulated depreciation	45,837,141	2,684,223	-	48,521,364
Total capital assets being depreciated, net	84,464,358	(1,530,284)	-	82,934,074
Governmental activities capital assets, net	$ 88,407,918	14,279,832	-	102,687,750
Business type activities:				
Furniture and equipment	$ 1,484,440	28,811	5,246	1,508,005
Less accumulated depreciation	1,320,962	69,906	5,158	1,385,710
Business type activities capital assets, net	$ 163,478	(41,095)	88	122,295

Depreciation expense was charged by the District as follows:

Governmental activities:	
Instruction:	
Regular	$ 1,146,340
Special	394,642
Other	338,264
Support services:	
Student support	111,611
Instructional staff	151,154
Administration	341,615
Operation and maintenance of plant	119,726
Transportation	265
Noninstructional	80,606
Total governmental activities depreciation expense	$ 2,684,223
Business type activities:	
Food services	$ 69,906

(5) Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2020 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	$ 54,815,000	15,635,000	9,795,000	60,655,000	4,410,000
Premiums on general obligation bonds	943,589	283,203	133,268	1,093,524	133,268
Disccounts on general obligation bonds	(397,127)	(90,280)	(43,100)	(444,307)	(43,100)
Subtotal general obligation bonds	55,361,462	15,827,923	9,885,168	61,304,217	4,500,168
Revenue bonds	14,520,000	-	1,442,000	13,078,000	1,442,000
Early retirement	6,000	-	6,000	-	-
Compensated absences	129,341	165,455	129,341	165,455	165,455
Net pension liability	23,959,115	-	2,057,223	21,901,892	-
Net OPEB liability	890,303	-	229,921	660,382	-
Subtotal, governmental activities	94,866,221	15,993,378	13,749,653	97,109,946	6,107,623
Business type activities:					
Compensated absences	5,714	8,779	5,714	8,779	8,779
Net pension liability	1,862,311	-	154,938	1,707,373	-
Net OPEB liability	137,640	-	35,546	102,094	-
Subtotal, business type activities	2,005,665	8,779	196,198	1,818,246	8,779
Total	$ 96,871,886	16,002,157	13,945,851	98,928,192	6,116,402

General Obligation Bonds

Details of the District's June 30, 2020 general obligation bonded indebtedness are as follows:

Year ending June 30,	Refunding Bond Issue 2018A			
	Interest Rate	Principal	Interest	Total
2021	3.000%	-	247,650	247,650
2022	3.000%	-	247,650	247,650
2023	3.000%	-	247,650	247,650
2024	3.000%	-	247,650	247,650
2025	3.000%	125,000	247,650	372,650
2026	3.000%	875,000	243,900	1,118,900
2027	3.000%	2,080,000	217,650	2,297,650
2028	3.000%	2,360,000	155,250	2,515,250
2029	3.000%	2,250,000	84,450	2,334,450
2030	3.000%	565,000	16,950	581,950
		8,255,000	1,956,450	10,211,450

Year ending June 30,	Refunding Bond Issue 2018B			
	Interest Rate	Principal	Interest	Total
2021	2.000%	1,865,000	197,350	2,062,350
2022	3.000%	1,765,000	160,050	1,925,050
2023	3.000%	1,640,000	107,100	1,747,100
2024	3.000%	665,000	57,900	722,900
2025	3.000%	-	37,950	37,950
2026	3.000%	490,000	37,950	527,950
2027	3.000%	775,000	23,250	798,250
		7,200,000	621,550	7,821,550

General Obligation Bonds (continued)

Year ending	Refunding Bond Issue 2018C			
June 30,	Interest Rate	Principal	Interest	Total
2021	2.00%	1,075,000	155,200	1,230,200
2022	3.00%	900,000	130,950	1,030,950
2023	3.00%	1,040,000	101,850	1,141,850
2024	3.00%	1,325,000	66,375	1,391,375
2025	3.00%	1,550,000	23,250	1,573,250
		5,890,000	477,625	6,367,625

Year ending	Refunding Bond Issue 2018D			
June 30,	Interest Rate	Principal	Interest	Total
2021	3.00%	830,000	126,150	956,150
2022	3.00%	910,000	100,050	1,010,050
2023	3.00%	990,000	71,550	1,061,550
2024	3.00%	970,000	42,150	1,012,150
2025	3.00%	160,000	25,200	185,200
2026	3.00%	760,000	11,400	771,400
		4,620,000	376,500	4,996,500

Year ending	General Obligation Bond 2018E			
June 30,	Interest Rate	Principal	Interest	Total
2021	3.00%	-	318,275	318,275
2022	3.00%	-	318,275	318,275
2023	3.00%	-	318,275	318,275
2024	3.00%	-	318,275	318,275
2025	3.00%	-	318,275	318,275
2026	3.00%	-	318,275	318,275
2027	3.00%	-	318,275	318,275
2028	3.00%	250,000	318,275	568,275
2029	3.00%	635,000	310,775	945,775
2030	3.25%	150,000	291,725	441,725
2031	3.30%	1,300,000	286,850	1,586,850
2032	3.35%	900,000	243,950	1,143,950
2033	3.40%	900,000	213,800	1,113,800
2034	3.45%	1,000,000	183,200	1,183,200
2035	3.55%	1,000,000	148,700	1,148,700
2036	3.60%	1,000,000	113,200	1,113,200
2037	3.65%	1,000,000	77,200	1,077,200
2038	3.70%	1,100,000	40,700	1,140,700
		9,235,000	4,456,300	13,691,300

General Obligation Bonds (continued)

Year ending	General Obligation Bond 2019			
June 30,	Interest Rate	Principal	Interest	Total
2021	3.00%	-	294,600	294,600
2022	3.00%	-	294,600	294,600
2023	3.00%	-	294,600	294,600
2024	3.00%	-	294,600	294,600
2025	3.00%	-	294,600	294,600
2026	3.00%	-	294,600	294,600
2027	3.00%	-	294,600	294,600
2028	3.00%	-	294,600	294,600
2029	3.00%	-	294,600	294,600
2030	3.00%	-	294,600	294,600
2031	3.00%	-	294,600	294,600
2032	3.00%	925,000	294,600	1,219,600
2033	3.00%	1,000,000	266,850	1,266,850
2034	3.00%	1,000,000	236,850	1,236,850
2035	3.00%	1,000,000	206,850	1,206,850
2036	3.00%	1,100,000	176,850	1,276,850
2037	3.00%	1,200,000	143,850	1,343,850
2038	3.00%	1,200,000	107,850	1,307,850
2039	3.00%	2,395,000	71,850	2,466,850
		9,820,000	4,746,150	14,566,150

Year ending	General Obligation Bond 2020A			
June 30,	Interest Rate	Principal	Interest	Total
2021	3.000%	605,000	225,786	830,786
2022	3.000%	-	209,534	209,534
2023	3.000%	-	209,534	209,534
2024	3.000%	-	209,534	209,534
2025	3.000%	-	209,534	209,534
2026	3.000%	-	209,534	209,534
2027	3.000%	-	209,534	209,534
2028	3.000%	-	209,534	209,534
2029	3.000%	-	209,534	209,534
2030	3.000%	-	209,534	209,534
2031	3.000%	-	209,534	209,534
2032	2.000%	735,000	209,534	944,534
2033	2.000%	745,000	194,834	939,834
2034	2.000%	725,000	179,934	904,934
2035	2.000%	810,000	165,434	975,434
2036	2.125%	795,000	149,234	944,234
2037	2.125%	780,000	132,340	912,340
2038	2.200%	770,000	115,765	885,765
2039	2.250%	770,000	98,825	868,825
2040	2.500%	3,260,000	81,500	3,341,500
		9,995,000	3,648,526	13,643,526

Year ending	General Obligation Refunding Bond 2020B			
June 30,	Interest Rate	Principal	Interest	Total
2021	2.00%	35,000	109,353	144,353
2022	2.00%	-	112,100	112,100
2023	2.00%	-	112,100	112,100
2024	2.00%	-	112,100	112,100
2025	2.00%	1,180,000	112,100	1,292,100
2026	2.00%	580,000	88,500	668,500
2027	2.00%	-	76,900	76,900
2028	2.00%	-	76,900	76,900
2029	2.00%	-	76,900	76,900
2030	2.00%	2,260,000	76,900	2,336,900
2031	2.00%	1,585,000	31,700	1,616,700
		5,640,000	985,553	6,625,553

Year ending June 30,	Total Bond Indebtedness		
	Principal	Interest	Total
2021	4,410,000	1,674,364	6,084,364
2022	3,575,000	1,573,209	5,148,209
2023	3,670,000	1,462,659	5,132,659
2024	2,960,000	1,348,584	4,308,584
2025	3,015,000	1,268,559	4,283,559
2026	2,705,000	1,204,159	3,909,159
2027	2,855,000	1,140,209	3,995,209
2028	2,610,000	1,054,559	3,664,559
2029	2,885,000	976,259	3,861,259
2030	2,975,000	889,709	3,864,709
2031	2,885,000	822,684	3,707,684
2032	2,560,000	748,084	3,308,084
2033	2,645,000	675,484	3,320,484
2034	2,725,000	599,984	3,324,984
2035	2,810,000	520,984	3,330,984
2036	2,895,000	439,284	3,334,284
2037	2,980,000	353,390	3,333,390
2038	3,070,000	264,315	3,334,315
2039	3,165,000	170,675	3,335,675
2040	3,260,000	81,500	3,341,500
	$ 60,655,000	17,268,654	77,923,654

During the year ended June 30, 2020, the District issued $15,635,000 of new general obligation bonds. $9,955,000 was done to finance capital projects and $5,640,000 was to refund a prior year bond issue.

Revenue Bonds

Details of the District's June 30, 2020 statewide sales, service and use tax revenue bonded indebtedness are as follows:

Year ending June 30,	Revenue Bond Issue 2018A			
	Interest Rate	Principal	Interest	Total
2021	2.740%	900,000	224,680	1,124,680
2022	2.740%	900,000	200,020	1,100,020
2023	2.740%	900,000	175,360	1,075,360
2024	2.740%	1,000,000	150,700	1,150,700
2025	2.740%	1,000,000	123,300	1,123,300
2026	2.740%	1,000,000	95,900	1,095,900
2027	2.740%	1,000,000	68,500	1,068,500
2028	2.740%	1,000,000	41,100	1,041,100
2029	2.740%	500,000	13,700	513,700
		$ 8,200,000	1,093,260	9,293,260

Year ending June 30,	Revenue Bond Issue 2018A			
	Interest Rate	Principal	Interest	Total
2021	2.770%	542,000	135,120	677,120
2022	2.770%	542,000	120,108	662,108
2023	2.770%	542,000	105,094	647,094
2024	2.770%	542,000	90,080	632,080
2025	2.770%	542,000	75,067	617,067
2026	2.770%	542,000	60,054	602,054
2027	2.770%	542,000	45,040	587,040
2028	2.770%	542,000	30,026	572,026
2029	2.770%	542,000	15,014	557,014
		$ 4,878,000	675,603	5,553,603

Year ending June 30,	Total Revenue Bond Indebtedness		
	Principal	Interest	Total
2021	1,442,000	359,800	1,801,800
2022	1,442,000	320,128	1,762,128
2023	1,442,000	280,454	1,722,454
2024	1,542,000	240,780	1,782,780
2025	1,542,000	198,367	1,740,367
2026	1,542,000	155,954	1,697,954
2027	1,542,000	113,540	1,655,540
2028	1,542,000	71,126	1,613,126
2029	1,042,000	28,714	1,070,714
	$ 13,078,000	1,768,863	14,846,863

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 $14,846,863. For the current year, $1,442,000 principal and $399,474 in interest was paid on the bonds and total statewide sales, services and use tax revenues were $3,783,307.

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

a) All proceeds from the statewide sales, services and use tax shall be placed in a Revenue Account.
b) 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.
c) 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, 2020.

As of June 30, 2020, the District did not exceed its legal debt margin, computed as follows:

Total assessed valuation	$ 2,220,320,615
Debt limit of 5% of total assessed valuation	$ 111,016,031
Amount of debt applicable to debt limit	73,733,000
Excess of debt limit over bonded debt issued, legal debt margin.	$ 37,283,031

Early Retirement

The District had one voluntary early retirement plans in effect for the year ending June 30, 2020. Eligibility for the plan 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 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.

Under the 2011 plan, the District had no further obligations at June 30, 2014 to participants for annuity benefits. One participant received single health insurance coverage with premium costs of $600 per month under the 2011 plan. This plan is completed as of June 30, 2020. The District's actual early retirement expenditures for the year ended June 30, 2020 totaled $6,000.

(6) 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
2021	46,585
2022	27,329
	$ 73,914

The total lease expense for the year ended June 30, 2020 was $46,131.

(7) Pension Plan

Plan 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 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, except members with service before June 30, 2012 will use the highest three-year average salary as of that date 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% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month 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 – Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State 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 2020, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll, for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2020 were $2,999,797.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the District reported a liability of $23,609,265 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2019, the District's proportion was 0.404992%, which was a decrease of 0.003171% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of $4,350,759. At June 30, 2020, 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	$ 65,451	848,866
Changes of assumptions	2,528,890	-
Net difference between projected and actual earnings on IPERS' investments	1,116,080	3,776,557
Changes in proportion and differences between District contributions and proportionate share of contributions	134,319	189,657
District contributions subsequent to the measurement date	2,999,797	-
Total	$ 6,844,537	4,815,080

$2,999,797 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, 2021. 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		
2021	$	487,667
2022		(570,009)
2023		(383,114)
2024		(440,054)
2025		(64,830)
	$	(970,340)

There are no non-employer contributing entities to IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, as follows:

Rate of Inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation Rates vary by membership group
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2018 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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**
Domestic equity	22.0%	5.60%
International equity	15.0	6.08
Global smart beta equity	3.0	5.82
Core plus fixed income	27.0	1.71
Public credit	3.5	3.32
Public real assets	7.0	2.81
Cash	1.0	(0.21)
Private equity	11.0	10.13
Private real assets	7.5	4.76
Private credit	3.0	3.01
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' 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 7.00%, 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% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proporationate share of the net pension liability	$ 41,922,438	$ 23,609,265	$ 8,248,382

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

Payables IPERS - At June 30, 2020, the District reported no amounts payable to IPERS for legally required District contributions or for legally required employee contributions withheld from employee wages.

(8) Other Post-Employment Benefits (OPEB)

Plan Description - The District administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits for employees are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75.

OPEB Benefits – Individuals who are employed by Urbandale Community School District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	12
Active employees	444
	456

Total OPEB Liability – The District's total OPEB liability of $762,476 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of Inflation (effective June 30, 2020)	2.75% per annum.
Rates of salary increase (effective June 30, 2020)	0.00% per annum including inflation
Discount rate (effective June 30, 2020)	3.15% compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2020)	6.00% initial rate decreasing by 0.50% annually to an ultimate rate of 4.50%

Discount Rate – The discount rate used to measure the total OPEB liability was 3.15% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA RPH-2017 total dataset mortality table fully generational using Scale MP-2017. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience studies with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	$ 1,027,943
Changes for the year:	
Service cost	82,719
Interest	23,756
Differences between expected and actual experiences	-
Changes in assumptions	(285,089)
Changes in demographics	(64,691)
Recognition of deferred inflows/outflows	(6,776)
Benefit payments	(15,386)
	(265,467)
	$ 762,476

Changes of assumptions reflect a change in the discount rate from 3.72% in fiscal year 2019 to 3.15% in fiscal year 2020.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be it were calculated using a discount rate that is 1% lower (2.15%) or 1% higher (4.15%) than the current discount rate.

	1% Decrease (2.15%)	Discount Rate (3.15%)	1% Increase (4.15%)
Total OPEB liability	$ 857,539	762,476	679,410

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District as what the District's total liability would be it were calculated using healthcare cost trend rates that are 1% lower (5.00%) or 1% higher (7.00%) than the current healthcare cost trend rates.

	1% Decrease (5.00%)	Healthcare Cost Trend Rate (6.00%)	1% Increase (7.00%)
Total OPEB liability	$ 647,758	762,476	903,644

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2020, the District recognized OPEB expense of $67,076. At June 30, 2020, the District reported deferred inflows of resources related to OPEB from the following resources:

	Deferred Inflows of Resources
Changes in demographics	$ 67,080
Changes in assumptions	315,612
Total	$ 382,692

The amount reported as deferred inflows of resources related to OPEB will be recognized as an offset to OPEB expense as follows:

Year ending June 30,	Amount
2021	$ (24,013)
2022	(24,013)
2023	(24,013)
2024	(24,013)
2025	(24,013)
Thereafter	(262,627)
	$ (382,692)

(9) 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 $511,835 at June 30, 2020, 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.

(10) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled $1,497,320 for the year ended June 30, 2020, and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(11) Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2020 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Urbandale	Urban renewal and economic development projects	$ 99,088
City of Grimes	Urban renewal and economic development projects	414
		$ 99,502

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times $5.40 per $1,000 of taxable valuation. For the year ended June 30, 2020, this reimbursement amounted to $48,586.

(12) Construction Commitment

The District has active construction projects as of June 30, 2020. The projects are listed and a summary of the projected costs of each project and the costs incurred through June 30, 2020 is as follows:

Project	Estimated Contract Amount	Costs through June 30, 2019
New Elementary School #1	$ 28,868,423	9,256,647
New Elementary School #2	30,000,000	143,886
High School Lockers/Concessions/Fitness Center	6,014,973	5,643,757
High School HVAC system	3,167,475	2,688,016
High School Entry and Webster Entry/Computer Lab	619,000	17,513
Turf upgrade	503,011	469,865
Total Construction In Progress	$ 69,172,882	18,219,684

(13) Deficit Net Position

A net position deficit of $1,081,776 exists in the Enterprise, Child Care Fund.

(14) Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, was implemented during fiscal year 2020. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments which report fiduciary activity. Beginning new position for fiduciary funds was restated to retroactively report the change in net position as follows:

		Fiduciary Activities
Net position June 30, 2019, as previously reported.	$	-
Change to implement GASB No. 84		180,868
Net position July 1, 2019, as restated	$	180,868

(15) Categorical Funding

In accordance with Iowa Administrative Code Section 98.1, categorical funding is financial support from the state and federal governments targeted for particular categories of students, special programs, or special purposes. This support is in addition to school district or area education agency general purpose revenue, for purposes beyond the basic educational program and most often has restrictions on its use. Any portion of categorical funding provided by the state that is not expended by the end of the fiscal year must be carried forward as a restricted fund balance.

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2020.

Program		Amount
Teacher Leadership State Aid	$	879,267
Teacher Salary Supplement		35,893
Successful progression for early readers		21,179
Professional development supplement		243,806
Community College Equipment and Training Fund		-
Textbook aid for nonpublic students		9,711
Home School Assistance Program (HSAP)		109,989
Total	$	1,299,845

(16) Subsequent Events

The District passed a $59 million bond referendum for the purpose of building 2 new elementary buildings and a high school fitness center. The new elementary buildings will be built on the site of two of the District's current elementary building sites with the end result being a district of 4 elementary buildings instead of 6 elementary buildings. The general obligation bonds will be sold over a period of 7 years. The first sale of $9,320,000 general obligations took place in June of 2018 and the second sale of $9,995,000 general obligation bonds took place in June 2020. An additional bond sale is anticipated in 2021.

Required Supplementary Information

Urbandale Community School District
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses, and Changes in Balances
Budget and Actual - All Governmental Funds and Proprietary Fund
Required Supplementary Information
Year ended June 30, 2020

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original and Final	Final to Actual Variance- Positive (Negative)
Revenues:					
Local sources	$ 32,695,569	2,391,955	35,087,524	36,922,730	(1,835,206)
Intermediate sources	57,659	-	57,659	53,839	3,820
State sources	26,097,476	50,612	26,148,088	25,800,701	347,387
Federal sources	1,083,969	1,007,015	2,090,984	1,982,249	108,735
Total revenues	59,934,673	3,449,582	63,384,255	64,759,519	(1,375,264)
Expenditures:					
Instruction	30,744,636	-	30,744,636	32,971,020	2,226,384
Support services	16,601,467	-	16,601,467	17,441,815	840,348
Non-instructional programs	55,388	4,174,294	4,229,682	3,890,850	(338,832)
Other expenditures	30,504,903	-	30,504,903	21,284,422	(9,220,481)
Total expenditures	77,906,394	4,174,294	82,080,688	75,588,107	(6,492,581)
Excess (deficiency) of revenues over (under) expenditures	(17,971,721)	(724,712)	(18,696,433)	(10,828,588)	(7,867,845)
Other financing sources (uses), net	15,833,345	-	15,833,345	31,837,503	(16,004,158)
Change in fund balance	(2,138,376)	(724,712)	(2,863,088)	21,008,915	(23,872,003)
Balances beginning of year	32,695,123	845,829	33,540,952	118,705,695	(85,164,743)
Balances end of year	$ 30,556,747	121,117	30,677,864	139,714,610	(109,036,746)

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 did not adopt a budget amendment.

During the year ended June 30, 2020, expenditures in the non-instructional programs and other expenditures function areas exceeded the amounts budgeted. 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 Six Years* (In Thousands)
Required Supplementary Information

		2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability		0.404992%	0.408163%	0.404199%	0.404560%	0.406527%	0.408590%
District's proportion of the net pension pension liability	$	23,609	25,821	26,684	25,229	20,210	16,536
District's covered-employee payroll	$	30,704	30,948	29,912	28,768	28,029	27,285
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		76.89%	83.43%	89.21%	87.70%	72.10%	60.60%
Plan fiduciary net position as a percentage of the total pension liability		85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

*In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

See accompanying independent auditor's report.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily required contribution	$ 2,986	2,898	2,764	2,671	2,569	2,503	2,437	2,211	1,969	1,614
Contributions in relation to the statutorily required contribution	(2,986)	(2,898)	(2,764)	(2,671)	(2,569)	(2,503)	(2,437)	(2,211)	(1,969)	(1,614)
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	$ 31,632	30,704	30,948	29,912	28,768	28,029	27,285	25,506	24,393	23,217
Contributions as a percentage of covered-employee payroll	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%	8.67%	8.07%	6.95%

See accompanying independent auditor's report.

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rated of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rated of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

Urbandale Community School District
Schedule of Changes in the District's
Total OPEB Liability, Related Ratios and Notes
For the Last Three Years
Required Supplementary Information

	2020	2019	2018
Service cost	$ 82,719	$ 105,590	105,776
Interest cost	23,756	37,851	33,747
Difference between expected and actual experiences	-	(30,350)	(22,457)
Changes in assumptions	(285,089)	-	-
Changes in demographics	(64,691)	-	-
Recognition of deferred inflows and outflows	(6,776)	-	-
Benefit payments	(15,386)	(12,866)	(14,975)
Net change in total OPEB liability	(265,467)	100,225	102,091
Total OPEB liability beginning of year, as restated	1,027,943	927,718	825,627
Total OPEB liability end of year	$ 762,476	$ 1,027,943	927,718
Covered-employee payroll	$ 33,541,479	$ 31,773,709	26,217,960
Total OPEB liability as a percentage of covered-employee payroll	2.27%	3.24%	3.54%

Notes to Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2020	3.15%
Year ended June 30, 2019	3.72%
Year ended June 30, 2018	3.72%
Year ended June 30, 2017	4.00%

See accompanying independent auditor's report.

Supplementary Information

Schedule 1

Urbandale Community School District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020

	Special Revenue Funds			
	Student Activity	Management	Public Education & Recreation Levy	Total
Assets				
Cash, cash equivalents and pooled investments	$ 268,852	1,076,050	401,400	1,746,302
Receivables:				
Property tax:				
Delinquent	-	2,398	596	2,994
Succeeding year	-	933,316	186,996	1,120,312
Accounts	-	-	-	-
Total assets	$ 268,852	2,011,764	588,992	2,869,608
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$ 19,908	2,000	-	21,908
Total liabilities	19,908	2,000	-	21,908
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	933,316	186,996	1,120,312
Total deferred inflows of resources	-	933,316	186,996	1,120,312
Fund Balances:				
Restricted for:				
Management levy purposes	-	1,076,448	-	1,076,448
Student activities	248,944	-	-	248,944
Public education & recreation levy purposes	-	-	401,996	401,996
Total fund balances	248,944	1,076,448	401,996	1,727,388
Total liabilities, deferred inflows of resources and fund equity	$ 268,852	2,011,764	588,992	2,869,608

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, 2020

	Special Revenue Funds			
	Student Activity	Management	Public Education & Recreation Levy	Total
Revenues:				
Local sources:				
Local tax:				
Property tax	$ -	637,795	158,498	796,293
Utility tax replacement excise tax	-	54,298	13,493	67,791
	-	692,093	171,991	864,084
Other local sources:				
Interest on investments	986	1,478	985	3,449
Other	380,906	30,181	-	411,087
	381,892	31,659	985	414,536
	381,892	723,752	172,976	1,278,620
State sources:				
Revenue in lieu of taxes :				
Military credit	-	156	39	195
Commercial & industrial replacement tax	-	20,948	5,206	26,154
	-	21,104	5,245	26,349
Total revenues	381,892	744,856	178,221	1,304,969
Expenditures:				
Current:				
Instruction:				
Regular	-	157,890	-	157,890
Other	383,082	-	-	383,082
	383,082	157,890	-	540,972
Support services:				
Administration:	-	162,724	41,007	203,731
Operation and maintenance of plant	-	250,605	-	250,605
Transportation	-	23,609	-	23,609
	-	436,938	41,007	477,945
Noninstructional programs:				
Food service operations	-	48,436	-	48,436
Other expenditures:				
Facilities acquisition	-	-	-	-
Total expenditures	383,082	643,264	41,007	1,067,353
Excess (deficiency) of revenues over (under) expenditures	(1,190)	101,592	137,214	237,616
Fund balances beginning of year	250,134	974,856	264,782	1,489,772
Fund balances end of year	$ 248,944	1,076,448	401,996	1,727,388

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, 2020

Account	Balance Beginning of Year	Revenues and Financing Sources	Expenditures	Transfer Balance	Balance End of Year
Jensen Activity	$ 13,224	-	-	(10,373)	2,851
KA Activity	8,322	-	260		8,062
KA Student Senate	668	-	-		668
KA Boys Group	1,287	-	-		1,287
Olmsted Activity	513	-	-		513
Rolling Green Activity	4,839	-	-	(204)	4,635
Valerius Activity	19,684	-	889	(18,796)	(0)
Webster Activity	256	-	256		0
Webster Best Buddies	103	243	27		319
Elementary Band Fundraiser	1,015	-	639		376
Web Clickers	2,411	-	-		2,411
Middle School:					
Drama	642	-	384		258
Vocal	6,117	6,317	8,113		4,320
Instrumental	3,918	6,393	6,688		3,623
Acivitity MS	4,726	12,682	12,103		5,305
Best Buddies	175	-	-		175
Student Senate	6,934	410	774		6,569
Memory Book	2,482	-	-		2,482
Building Activity	8,918	50	-		8,968
High School:					
Activities	16,132	995	48		17,079
Drama	14,528	3,319	326		17,521
Vocal	20,307	90,893	84,200		27,000
Band	10,254	31,636	30,227		11,663
Jaywalkers	10,152	11,592	5,637		16,107
Athletics	(40,600)	133,573	207,080	114,373	265
Art	4,795	-	75		4,720
Deca	850	1,728	1,250		1,328
Key Club	4,598	777	865		4,510
German Club	12,563	22,655	5,680		29,538
National Honor Society	289	-	-		289
Indust Arts Club	171	-	-		171
Battle of the Books	73	258	15		316
Student Senate	42,167	11,854	16,378	(37,642)	0
Hope In Action	267	215	-		482
Yearbook	53,995	46,092	-	(47,358)	52,729
The Roaring Leo Club	297	-	-		297
Best Buddies	2,539	211	1,165		1,585
Tag Activities	5,233	-	-		5,233
Spanish Honor Society	3,264	-	-		3,264
Environmental Club	658	-	-		658
Interact Club	31	-	-		31
Japanese Trip	1,337	-	-		1,337
	$ 250,134	381,892	383,082	-	248,944

See accompanying independent auditor's report.

Schedule 4

Urbandale Community School District
Combining Balance Sheet
Capital Projects Fund Accounts
June 30, 2020

	Capital Projects			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	Total
Assets				
Cash, cash equivalents and pooled investments	$ 332,188	3,665,377	16,591,349	20,588,914
Receivables:				
Property tax:				
Delinquent	-	8,009	-	8,009
Succeeding year	-	2,510,894	-	2,510,894
Due from other governments	580,534	75,999	-	656,533
Total assets	$ 912,722	6,260,279	16,591,349	23,764,350
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$ 49,008	20,428	1,312,155	1,381,591
Total liabilities	49,008	20,428	1,312,155	1,381,591
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	2,510,894	-	2,510,894
Total deferred inflows of resources	-	2,510,894	-	2,510,894
Fund balances:				
Restricted for:				
School infrastructure	863,714	-	15,279,194	16,142,908
Physical plant and equipment	-	3,728,957	-	3,728,957
Total fund balances	863,714	3,728,957	15,279,194	19,871,865
Total liabilities, deferred inflows of resources and fund balances	$ 912,722	6,260,279	16,591,349	23,764,350

See accompanying independent auditor's report.

Schedule 5

Urbandale Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund Accounts
Year ended June 30, 2020

	Capital Projects			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	Total
Revenues:				
Local sources:				
Local tax:				
Property tax	$ -	2,171,299	-	2,171,299
Utility tax replacement excise tax	-	166,919	-	166,919
	-	2,338,218	-	2,338,218
Other local sources:				
Interest on investments	6,897	75,236	445,871	528,004
Other	-	19,751	-	19,751
	6,897	94,987	445,871	547,755
	6,897	2,433,205	445,871	2,885,973
State sources:				
Revenue in lieu of taxes :				
Statewide sales, services and use tax	3,783,307	-	-	3,783,307
Military credit	-	478	-	478
Commercial & industrial replacement tax	-	64,398	-	64,398
	3,783,307	64,876	-	3,848,183
Total revenues	3,790,204	2,498,081	445,871	6,734,156
Expenditures:				
Current:				
Instruction:				
Regular:				
Property	55,486	409,996	-	465,482
	55,486	409,996	-	465,482
Support Services:				
Instructional staff:				
Purchased services	126,973	102,023	-	228,996
Supplies	14,388	1,322	-	15,710
Property	172,276	361,944	-	534,220
	313,637	465,289	-	778,926
Administration:				
Purchased services	-	6,604	22,795	29,399
	-	6,604	22,795	29,399
Operation and maintenance of plant services:				
Purchased services	-	166,123	-	166,123
Property	-	170,749	-	170,749
	-	336,872	-	336,872
Other expenditures:				
Facilities acquisition				
Purchased services	2,575,330	556,690	11,888,795	15,020,815
Property	13,510	17,747	621,588	652,845
	2,588,840	574,437	12,510,383	15,673,660
Total expenditures	2,957,963	1,793,198	12,533,178	17,284,339
Excess (deficiency) of revenues over (under) expenditures	832,241	704,883	(12,087,307)	(10,550,183)
Other financing uses:				
General obligation bonds issued	-	-	9,995,000	9,995,000
Bond premiums	-	-	163,007	163,007
Bond discount	-	-	(44,077)	(44,077)
Transfers out	(1,841,474)	-	-	(1,841,474)
Total other financing uses	(1,841,474)	-	10,113,930	8,272,456
Change in fund balances	(1,009,233)	704,883	(1,973,377)	(2,277,727)
Fund balances beginning of year	1,872,947	3,024,074	17,252,571	22,149,592
Fund balances end of year	$ 863,714	3,728,957	15,279,194	19,871,865

See accompanying independent auditor's report.

Schedule 6

Urbandale Community School District
Combining Statement of Net Position
Proprietary Funds
June 30, 2020

	Business Type Activities			Governmental Activities		
	Nonmajor Enterprise Funds			Internal Service Funds		
	School Nutrition	Community Education	Total	Flexible Benefits	Self-funded Health Plan	Total
Assets						
Current assets:						
Cash, cash equivalents and pooled investments	$ 1,521,264	213,297	1,734,561	$ 45,780	4,251,740	4,297,520
Receivables:						
Accounts	461	-	461			
Due from other governments	75,521	-	75,521	-	-	-
Inventories	5,468	-	5,468	-	-	-
Total current assets	1,602,714	213,297	1,816,011	45,780	4,251,740	4,297,520
Noncurrent assets:						
Capital assets:						
Equipment	1,508,005	-	1,508,005	-	-	-
Accumulated depreciation	(1,385,710)	-	(1,385,710)	-	-	-
Total noncurrent assets	122,295	-	122,295	-	-	-
Total assets	1,725,009	213,297	1,938,306	45,780	4,251,740	4,297,520
Deferred Outflows of Resources						
Pension related deferred outflows	163,311	13,416	176,727	-	-	-
Liabilities						
Current liabilities:						
Accounts payable	10,144	846	10,990	-	3,404	3,404
Incurred but not reported claims	-	-	-	-	511,835	511,835
Salaries and benefits payable	108	-	108			
Advances for services	78,332	-	78,332	-	-	-
Total current liabilities	88,584	846	89,430	-	515,239	515,239
Noncurrent liabilities:						
Net pension liability	565,340	48,667	614,007	-	-	-
Other postemployment benefits	55,570	-	55,570	-	-	-
Total noncurrent liabilities	620,910	48,667	669,577	-	-	-
Total liabilities	709,494	49,513	759,007	-	515,239	515,239
Deferred Inflows of Resources						
Pension related deferred inflows	115,018	10,224	125,242	-	-	-
OPEB related deferred inflows	27,891	-	27,891	-	-	-
Total deferred inflows	142,909	10,224	153,133	-	-	-
Net Position						
Net investment in capital assets	122,295	-	122,295	-	-	-
Unrestricted	913,622	166,976	1,080,598	45,780	3,736,501	3,782,281
Total Net Position	$ 1,035,917	166,976	1,202,893	$ 45,780	3,736,501	3,782,281

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, 2020

	Business Type Activities			Governmental Activities		
	Non-Major Enterprise Funds			Internal Service Funds		
	School Nutrition	Community Education	Total	Flexible Benefits	Self-funded Health Plan	Total
Operating revenue:						
Local sources:						
Other local sources:						
Sale of lunches and breakfasts	$ 745,185	-	745,185	$ -	-	-
Sale of services	-	208,822	208,822	-	4,002,045	4,002,045
Other revenues	676	23,075	23,751	13,994	5,400	19,394
Total operating revenue	745,861	231,897	977,758	13,994	4,007,445	4,021,439
Operating expenses:						
Instructional programs:						
Instruction:						
Regular:						
Salaries	-	66,124	66,124	-	-	-
Benefits	-	12,838	12,838	-	-	-
Purchased services	-	14,398	14,398	-	-	-
Supplies	-	120,683	120,683	-	-	-
	-	214,043	214,043	-	-	-
Support Services:						
Administration:						
Salaries	-	780	780	-	-	-
Benefits	-	122	122	-	3,633,360	3,633,360
Services	-	-	-	-	35,911	35,911
Supplies	-	-	-	-	6,656	6,656
Other	-	-	-	-	1,117	1,117
	-	902	902	-	3,677,044	3,677,044
Non-instructional programs:						
Food services operations:						
Salaries	675,341	-	675,341	-	-	-
Benefits	246,182	-	246,182	-	-	-
Services	1,681	-	1,681	-	-	-
Supplies	889,905	-	889,905	-	-	-
Other	498	-	498			
Depreciation	69,906	-	69,906	-	-	-
	1,883,513	-	1,883,513	-	-	-
Total operating expenses	1,883,513	214,945	2,098,458	-	3,677,044	3,677,044
Operating income (loss)	(1,137,652)	16,952	(1,120,700)	13,994	330,401	344,395
Non-operating revenue:						
State sources	13,228	-	13,228	-	-	-
Federal sources	1,007,015	-	1,007,015	-	-	-
Contributions	467	-	467	-	-	-
Interest income	17,518	985	18,503	493	73,459	73,952
Total non-operating revenue	1,038,228	985	1,039,213	493	73,459	73,952
Change in net position	(99,424)	17,937	(81,487)	14,487	403,860	418,347
Net position beginning of year	1,135,341	149,039	1,284,380	31,293	3,332,641	3,363,934
Net position end of year	$ 1,035,917	166,976	1,202,893	$ 45,780	3,736,501	3,782,281

See accompanying independent auditor's report.

Schedule 8

Urbandale Community School District
Combining Statement of Cash Flows
Non-Major Proprietary Funds
Year ended June 30, 2020

	Business Type Activities			Governmental Activities		
	Non-Major Enterprise Funds			Internal Service Funds		
	Student Nutrition	Community Education	Total	Flexible Benefits	Self-funded Health Plan	Total
Cash flows from operating activities:						
Cash received from sale of lunches and breakfasts	$ 776,722	-	776,722	$ -	-	-
Cash received from miscellaneous operating activities	676	231,897	232,573	13,994	4,007,445	4,021,439
Cash paid to employees for services	(888,044)	(77,276)	(965,320)	-	-	-
Cash paid to suppliers for goods or services	(729,514)	(137,225)	(866,739)	-	(3,572,834)	(3,572,834)
Net cash provided (used) by operating activities	(840,160)	17,396	(822,764)	13,994	434,611	448,605
Cash flows from non-capital financing activities:						
Contributions received	467	-	467	-	-	-
State grants received	13,228	-	13,228	-	-	-
Federal grants received	795,417	-	795,417	-	-	-
Net cash provided by non-capital financing activities	809,112	-	809,112	-	-	-
Cash flows from capital and related financing activities:						
Purchase of assets	(28,811)	-	(28,811)	-	-	-
Net cash used in investing activities	(28,811)	-	(28,811)	-	-	-
Cash flows from investing activities:						
Interest on cash and investments	17,518	985	18,503	493	73,459	73,952
Net cash provided by investing activities	17,518	985	18,503	493	73,459	73,952
Net increase (decrease) in cash and cash equivalents	(42,341)	18,381	(23,960)	14,487	508,070	522,557
Cash and cash equivalents at beginning of year	1,563,605	194,916	1,758,521	31,293	3,743,670	3,774,963
Cash and cash equivalents at end of year	$ 1,521,264	213,297	1,734,561	$ 45,780	4,251,740	4,297,520
Reconciliation of operating gain (loss) to net cash provided (used) by operating activities:						
Operating gain (loss)	$ (1,137,652)	16,952	(1,120,700)	$ 13,994	330,401	344,395
Adjustments to reconcile operating gain (loss) to net cash provided (used) by operating activities:						
Commodities used	140,572	-	140,572	-	-	-
Depreciation	69,906	-	69,906	-	-	-
Loss on asset disposal	88	-	88	-	-	-
(Increase) decrease in accounts receivable	(461)	-	(461)	-	-	-
(Increase) decrease in inventories	13,611	-	13,611	-	-	-
Increase (decrease) in accounts payable	8,299	(2,144)	6,155	-	1,979	1,979
Increase (decrease) in incurred but not reported claims	-	-	-	-	102,231	102,231
Increase (decrease) in salaries and benefits payable payable	108	-	108	-	-	-
Increase (decrease) in advances for services	31,998	-	31,998	-	-	-
Increase (decrease) in net pension liability	(48,161)	(4,209)	(52,370)	-	-	-
(Increase) decrease in deferred outflows of resources	67,418	5,992	73,410	-	-	-
Increase (decrease) in deferred inflows of resources	33,462	805	34,267	-	-	-
Increase (decrease) in other postemployment benefits	(19,348)	-	(19,348)	-	-	-
Net cash provided (used) by operating activities	$ (840,160)	17,396	(822,764)	$ 13,994	434,611	448,605

Non-cash investing, capital and financing activities:
During the year ended June 30, 2020, the District received $140,572 of federal commodities.

See accompanying independent auditor's report.

Schedule 9

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

	Modified Accrual Basis									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Local sources:										
Local tax	$ 23,791,179	23,255,090	21,477,995	20,924,315	20,059,084	19,544,606	19,581,000	21,704,156	21,940,384	21,754,245
Tuition	7,130,579	7,502,810	7,069,200	7,374,464	6,654,194	6,441,098	6,270,499	5,540,588	4,438,667	4,268,376
Other	1,773,811	1,409,605	1,435,180	1,334,721	1,375,537	1,411,837	1,399,151	1,800,402	1,488,778	1,184,939
Intermediate sources	57,659	53,778	53,839	51,573	50,283	47,159	52,333	3,500	3,500	5,000
State sources	26,097,476	25,352,472	25,026,525	24,951,763	24,099,695	22,475,219	21,648,702	17,322,913	17,105,839	15,409,640
Federal sources	1,083,969	1,069,693	1,137,586	1,010,165	958,661	1,141,396	935,939	1,015,234	936,609	1,810,673
Total	$ 59,934,673	58,643,448	56,200,325	55,647,001	53,197,454	51,061,315	49,887,624	47,386,793	45,913,777	44,432,873
Expenditures:										
Instruction:										
Regular	$ 18,273,116	19,098,866	18,913,423	18,013,409	17,544,776	17,319,911	16,183,522	15,776,861	15,323,113	14,923,016
Special	6,730,058	6,285,139	6,449,019	6,200,676	5,738,416	6,075,902	5,901,859	4,946,672	4,100,174	3,864,902
Other	5,741,462	5,370,555	4,827,567	4,731,689	5,582,662	4,630,172	4,573,286	4,486,896	4,490,219	4,128,343
Support services:										
Student	1,776,844	1,682,928	1,761,169	1,701,680	1,305,528	1,950,183	1,986,932	1,738,728	1,725,888	1,640,619
Instructional staff	3,359,825	3,381,346	3,419,593	3,121,089	2,665,705	1,750,418	2,144,636	1,776,430	1,846,474	1,566,762
Administration	5,879,840	5,320,779	5,136,152	5,075,669	4,984,682	4,844,156	4,884,756	4,144,826	3,885,949	3,632,494
Operation and maintenance of plant	3,940,075	4,694,751	4,288,449	4,045,744	4,080,341	4,092,485	4,318,968	3,795,226	3,669,040	3,388,286
Transportation	1,644,883	1,440,176	1,402,655	1,300,724	1,223,161	1,226,147	1,233,783	1,205,409	1,156,656	1,097,086
Non-instructional programs	55,388	-	-	-	-	-	-	-	-	-
Other expenditures:										
Facilities acquisition	15,673,660	2,642,899	1,426,661	2,344,723	3,430,883	904,965	1,100,417	804,294	2,948,619	11,378,207
Long-term debt:										
Principal	11,237,000	24,746,000	38,270,000	3,855,000	3,770,000	21,685,000	9,740,000	3,270,000	3,387,024	2,436,898
Interest and other charges	2,096,923	2,365,650	2,547,590	2,438,763	2,541,566	3,314,256	3,630,246	3,739,283	3,902,369	3,558,611
AEA flowthrough	1,497,320	1,482,530	1,451,025	1,415,944	1,384,477	1,378,897	1,317,608	1,225,794	1,216,996	1,296,055
Total	$ 77,906,394	78,511,619	89,893,303	54,245,110	54,252,197	69,172,492	57,016,013	46,910,419	47,652,521	52,911,279

See accompanying independent auditor's report.

Schedule 10

Urbandale Community School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2020

Grantor/Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	FY20	$ 83,507
National School Lunch Program	10.555	FY20	922,821 *
Summer Food Service Program for Children	10.559	FY20	687
			1,007,015
U.S. Department of Justice:			
Iowa Department of Human Services:			
Juvenile Justice and Delinquency Prevention	16.540	FY20	31,069
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY20	293,414
Career and Technical Education - Basic Grants to States	84.048	FY20	15,956
Title III - English Language Acquisition State Grants	84.365	FY20	9,655
Supporting Effective Instruction State Grants	84.367	FY20	52,106
Student Support and Academic Enrichment Program	84.424	FY20	4,299
Education Stabilization Fund (Elementary and Secondary School Emergency Relief Fund)	84.425	FY20	184,952
Heartland Area Education Agency:			
Special Education - Grants to States (Part B Section 611)(Mandated flowthrough) **	84.027	FY20	164,076
Total			$ 1,762,542

* Includes $140,572 of non-cash awards.

See Notes to Schedule of Expenditures of Federal Awards.

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Urbandale Community School District under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Urbandale Community School District, it is not intended to and does not present the financial position, changes in financial position or cash flows of Urbandale Community School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

Note 3. Indirect Cost Rate

Urbandale Community School District uses a federally negotiated indirect cost rate as allowed under the Uniform Guidance.

Note 4. Pass-through Funding

Of the federal expenditures presented in the schedule, the District provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Career and Technical Education - Basic Grants to States	84.048	$ 9,606

Note 5. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of $140,572 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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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, 2020, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2020.

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 results of our tests disclosed no instances of non-compliance or other matters which are required to be reported under *Governmental Auditing Standards.* However, we noted certain immaterial instances of non-compliance or other matters which 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, 2020 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 results 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

December 3, 2020

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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 the Uniform Guidance

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) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2020.

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 the Uniform Guidance, 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 the Uniform Guidance. 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

December 3, 2020

Part I: Summary of the Independent Auditor's Results

(a) Unmodified opinions were issued on the financial statements prepared in accordance with U. S. generally accepted accounting principles.

(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) The audit did not disclose any audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516(a).

(g) Major programs were as follows:

- Clustered programs:
  - CFDA Number 10.553 - School Breakfast Program
  - CFDA Number 10.555 - National School Lunch Program
  - CFDA Number 10.559 – Summer Food Service Program for Children

(h) The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

(i) 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-20 Certified Budget - Expenditures for the year ended June 30, 2020, exceeded the amended certified budget amounts in the non-instructional programs and other expenditures functions. The District did not exceed its General Fund unspent authorized budget for the year ended June 30, 2020.

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

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

Conclusion – Response accepted.

IV-B-20 Questionable Expenditures - No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-C-20 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-20 Business Transactions – There were no business transactions between the District and District officials or employees for the year ended June 30, 2020.

IV-E-20 Restricted Donor Activity – No transactions were noted between the District, District officials, District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

IV-F-20 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-G-20 Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.

IV-H-20 Certified Enrollment – Variance in the basic enrollment data certified to the Iowa Department of Education were noted.

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

Response – The Iowa Department of Education and the Iowa Department of Management will be notified of the error.

Conclusion – Response accepted.

IV-I-20 Supplementary Weighting –Variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

Recommendation – The supplementary weighting data should be corrected.

Response – The Iowa Department of Education and the Iowa Department of Management will be notified of the error.

Conclusion – Response accepted.

IV-J-20 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-K-20 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely.

IV-L-20 Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.

IV-M-20 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, 2020, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		$ 1,872,947
Revenues/transfers in:		
Sales tax revenues	$ 3,783,307	
Other local revenues	6,897	
Transfers from other funds:		
Other capital projects	-	3,790,204
		5,663,151
Expenditures/transfers out:		
School infrastructure construction	2,957,963	
Transfers to other funds:		
Debt service funds	1,841,474	4,799,437
Ending balance		$ 863,714

For the year ended June 30, 2020, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

IV-N-20 Deficit Balances –The Enterprise, Child Care had a deficit balances at June 30, 2020.

Recommendation – The District should continue to investigate alternatives to eliminate this deficit balance in order to return this fund to a sound financial condition.

Response – We will continue to investigate alternatives to eliminate this deficit at the end of the fiscal year.

Conclusion – Response accepted.