

URBANDALE COMMUNITY SCHOOL DISTRICT

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

June 30, 2023

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**Urbandale Community School District
Board of Education and School District Officials
Year Ended June 30, 2023**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Katherine Howsare	President	2023
Brianna Sayre-Geiser	Vice President	2023
Ashley Anderson	Board Member	2023
Daniel Gutmann	Board Member	2023
Rachel Kent	Board Member	2025
Jenny Meade	Board Member	2025
Jason Menke	Board Member	2025
School District Officials		
Dr. Rosalie Daca	Superintendent	2023
Steve Richman	District Secretary/Treasurer and Chief Financial Officer	2023
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

Opinions

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 the Urbandale Community School District, Urbandale, Iowa, as of and for the year ended June 30, 2023, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

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 the Urbandale Community School District as of June 30, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof for the year ended in accordance with U.S. general accepted accounting principles.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Urbandale Community School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of 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. 96, Subscription-Based Information Technology Arrangements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Urbandale Community School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Urbandale Community School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Urbandale Community School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability (Asset), the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 6 through 18 and 61 through 66 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who 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 auditing standards generally accepted in the United States of America, 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 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, 2022, (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 by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost of 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.

Such 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. The 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 auditing standards generally accepted by the United States of America. In our opinion, the supplementary information in Schedules 1 through 10 is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Governmental Auditing Standards, we have also issued our report dated November 30 2023, 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

November 30 2023

**Urbandale Community School District
Management's Discussion & Analysis
Year ended June 30, 2023**

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, 2023. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

Financial Highlights

- General Fund revenues were \$54,468,417 in fiscal year 2023, increasing by \$4,274,286 as compared to \$50,194,131 in the prior year. General Fund expenditures were \$53,668,332 in fiscal year 2023, compared to \$51,802,683 in fiscal year 2022, an increase of \$1,865,649. These large differences in comparison to prior years were due to the revenue and expenditures associated with funding associated with the COVID-19 pandemic. The District had revenue in excess of expenditures for fiscal year 2023 of \$800,085.
- 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, 2023 totaled \$15,666,849 for all funds. Additional detail is provided in the notes to Financial Statements Section.
- The District received Federal and State COVID 19-related grants plus ESSER 3 funds.
- In March, 2020, the District began feeling the impact 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. This resulted in requests to the School Budget Review Committee for a request of a permanent transfer of approximately \$1,030,000 from the General Fund to the Daycare Fund. In FY23 The District request to the Urbandale School Board to transfer about \$850,000 from the Daycare Fund to the General Fund. This was due to Daycare Fund receiving \$1,057,955 in stabilization Grants.

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.

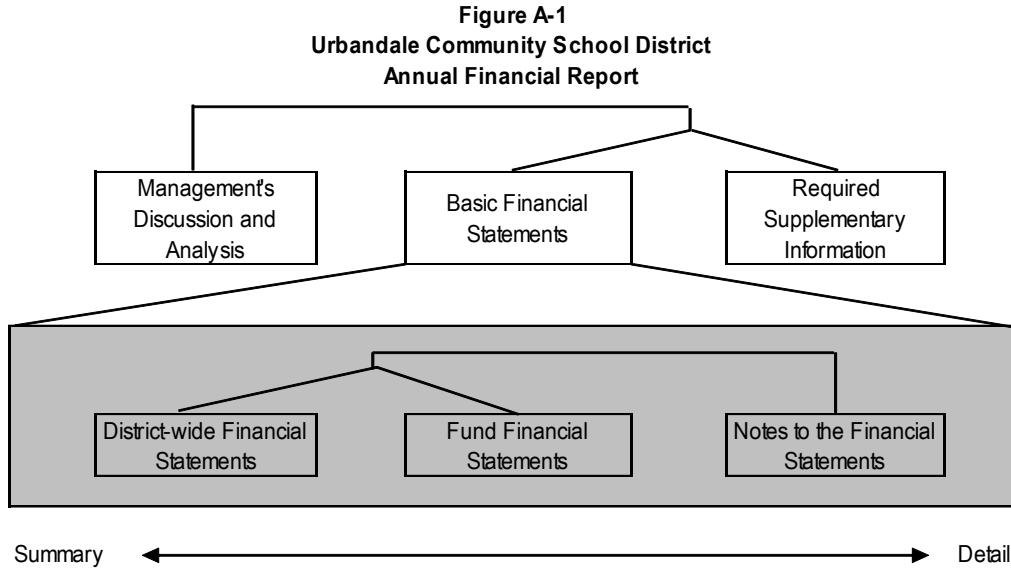
**Urbandale Community School District
Management's Discussion & Analysis
Year ended June 30, 2023**

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.



**Urbandale Community School District
Management's Discussion & Analysis
Year ended June 30, 2023**

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				
	Government-wide Statements	Fund 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.

**Urbandale Community School District
Management's Discussion & Analysis
Year ended June 30, 2023**

- *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, 2023 compared to 2021.

Figure A-3 Condensed Statement of Net Position							
	Governmental activities		Business type activities		Total	Total Change	
	June 30,		June 30,		June 30,	June 30,	
	2023	2022	2023	2022	2023	2022	2022-2023
Current assets	\$ 63,916,279	\$ 80,611,437	5,331,664	4,980,964	69,247,943	85,592,401	-19.1%
Capital assets, net	150,253,437	130,562,129	94,642	109,740	150,348,079	130,671,869	15.1%
Total assets	214,169,716	211,173,566	5,426,306	5,090,704	219,596,022	216,264,270	1.5%
Deferred outflow of resources	17,796,697	6,418,507	1,310,865	425,478	19,107,562	6,843,985	179.2%
Current liabilities	7,421,867	13,404,025	125,582	274,220	7,547,449	13,678,245	-44.8%
Long-term liabilities	113,174,315	98,786,787	1,057,006	65,653	114,231,321	98,852,440	15.6%
Total liabilities	120,596,182	112,190,812	1,182,588	339,873	121,778,770	112,530,685	8.2%
Deferred inflow of resources	45,137,946	50,711,907	1,186,980	1,509,258	46,324,926	52,221,165	-11.3%
Net position:							
Invested in capital assets, net of related debt	52,709,168	52,252,663	94,642	103,512	52,803,810	52,356,175	0.9%
Restricted	20,129,875	13,228,586	-	-	20,129,875	13,228,586	52.2%
Unrestricted	(6,606,758)	(10,791,895)	4,272,961	3,563,539	(2,333,797)	(7,228,356)	67.7%
Total net position	\$ 66,232,285	\$ 54,689,354	4,367,603	3,667,051	70,599,888	58,356,405	21.0%

The District's total net position increased from \$54.6 million in prior year to \$66.2 million for 2023, a 17 percent increase. The increase is primarily in Restricted funds which increased by \$6.9 million or 34% 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 2023 total net position for investment in capital assets, net of related debt was \$52 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 \$13.2 million to \$20.1 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 39 percent to negative \$6.6 million. The unrestricted net position became negative in 2015 due to reporting on the District's net pension liability, as required by GASB 68.

**Urbandale Community School District
Management's Discussion & Analysis
Year ended June 30, 2023**

Changes in Net Position – Figure A-4 below summarizes and compares the District's revenues and expenses for the fiscal years ended June 30, 2023 and 2022. These two main components calculate a change in net position under the full accrual method of accounting.

Figure A-4 Changes in Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change June 30, 2022-2023
	Year ended June 30,		Year ended June 30,		Year ended June 30,		
	2023	2022	2023	2022	2023	2022	
Revenues:							
Program revenues:							
Charges for service	\$ 9,241,430	\$ 8,260,900	3,260,178	2,110,146	12,501,608	10,371,046	20.5%
Operating grants, contributions and restricted interest	8,654,378	8,596,434	2,413,517	4,023,620	11,067,895	12,620,054	-12.3%
General revenues:							
Property tax	27,496,109	26,793,884	-	-	27,496,109	26,793,884	2.6%
Statewide sales and services tax	4,678,593	4,065,588	-	-	4,678,593	4,065,588	15.1%
Unrestricted state grants	17,843,450	16,388,979	-	-	17,843,450	16,388,979	8.9%
Unrestricted investment earnings	1,132,865	323,146	164,203	49,227	1,297,068	372,373	248.3%
Contributions	34,902	28,533	-	-	34,902	28,533	22.3%
Other	326,882	1,087,762	-	-	326,882	1,087,762	-69.9%
Capital contributions	-	-	-	-	-	-	#DIV/0!
Transfers	850,000	(1,030,298)	(850,000)	1,030,298	-	-	0.0%
Total revenues	<u>70,258,609</u>	<u>64,514,928</u>	<u>4,987,898</u>	<u>7,213,291</u>	<u>75,246,507</u>	<u>71,728,219</u>	<u>4.9%</u>
Program expenses:							
Governmental activities:							
Instruction	34,820,998	32,274,391	-	-	34,820,998	32,274,391	7.9%
Support services	19,565,891	20,686,422	-	-	19,565,891	20,686,422	-5.4%
Non-instructional programs	121,174	112,507	4,287,346	3,629,719	4,408,520	3,742,226	17.8%
Other expenses	4,266,059	4,283,165	-	-	4,266,059	4,283,165	-0.4%
Total expenses	<u>58,774,122</u>	<u>57,356,485</u>	<u>4,287,346</u>	<u>3,629,719</u>	<u>63,061,468</u>	<u>60,986,204</u>	<u>3.4%</u>
Increase in net position	11,484,487	7,158,443	700,552	3,583,572	12,185,039	10,742,015	13.4%
Net position at the beginning of year, as restated	<u>54,747,798</u>	<u>47,530,911</u>	<u>3,667,051</u>	<u>83,479</u>	<u>58,414,849</u>	<u>47,614,390</u>	<u>22.7%</u>
Net position end of year	<u>\$ 66,232,285</u>	<u>\$ 54,689,354</u>	<u>4,367,603</u>	<u>3,667,051</u>	<u>70,599,888</u>	<u>58,356,405</u>	<u>21.0%</u>

Total net position including all funds increased by 37 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 \$5.7. This was due primarily to a transfer of Adventertime funds, increase in Other Revenue, and interest earnings at better rates.

The District's expenses were largely in the instruction and support services functions, which represent 92 percent of the total expenses shown in Figure A-4. The instructional and support services categories, which include most of the District's salaries and benefits, increased by 7 percent and decreased by 5 percent, respectively. Non-instructional program expenses such as for Nutrition Services and other enterprises were 7% higher than prior year, and other expenses such as for construction or debt service decreased by 1% compared to 2022. The District's total expenses for all funds in fiscal year 2023 were \$62.4 million, up \$1.4 million from the prior year.

**Urbandale Community School District
Management's Discussion & Analysis
Year ended June 30, 2023**

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 2022-2023	Net Cost of Services		Total Change 2021-2022
	2023	2022		2023	2022	
Instruction	\$ 34,770,922	\$ 32,274,391	7.7%	\$ 18,783,697	\$ 17,270,337	8.8%
Support services	19,565,891	20,686,422	-5.4%	19,326,968	20,439,864	-5.4%
Non-instructional	121,174	112,507	7.7%	121,174	112,507	7.7%
Other expenses	4,266,059	4,283,165	-0.4%	2,596,399	2,676,443	-3.0%
Totals	\$ 58,724,046	\$ 57,356,485	2.4%	\$ 40,828,238	\$ 40,499,151	0.8%

The total cost of all governmental activities for 2023 as shown above was \$58 million. Some of this cost, \$9.2 million, was financed by users of the District's programs, such as from fees or admissions revenues. Another \$8.5 million was subsidized by federal and state governments through restricted program grants and contributions, and \$1.6 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 2023 was \$40.8 million, financed primarily with \$17.8 million in unrestricted state aid, \$4.6 million in state-wide sales tax revenues, and \$27.4 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.

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 \$1,121,077 for 2023, compared to \$250,645 in prior year. Nutrition Fund operating expenses were \$2,286,095 for 2023, compared to \$1,759,515 for the prior year. The net change of \$715,561 increased the end of year net position for this fund to \$3,420,859 for 2023.

The Adventuretime Fund reported revenues of \$1,851,652 for the 2023 compared to \$1,593,193 in prior year. The program provides preschool, child care services before and after school, and all-day during summer months. Expenses for 2023 were \$1,766,760 as compared to \$1,218,509 in fiscal year 2022. Again, due to the impact of Covid-19. A net change of \$94,994 decrease resulted in an end of year net position of \$1,023,213.

The Community Education Fund reported operating revenues of \$287,449 and expenses of \$234,491 for 2023. Net position at fiscal year-end was (\$76,469) compared to \$(156,454) in prior year.

The Internal Service Fund for Self-funded health and dental insurance reported revenues of \$5.2 million and expenses of \$4.6 million, an increase of \$525,558 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 \$4.6 million for 2023.

Individual Fund Analysis

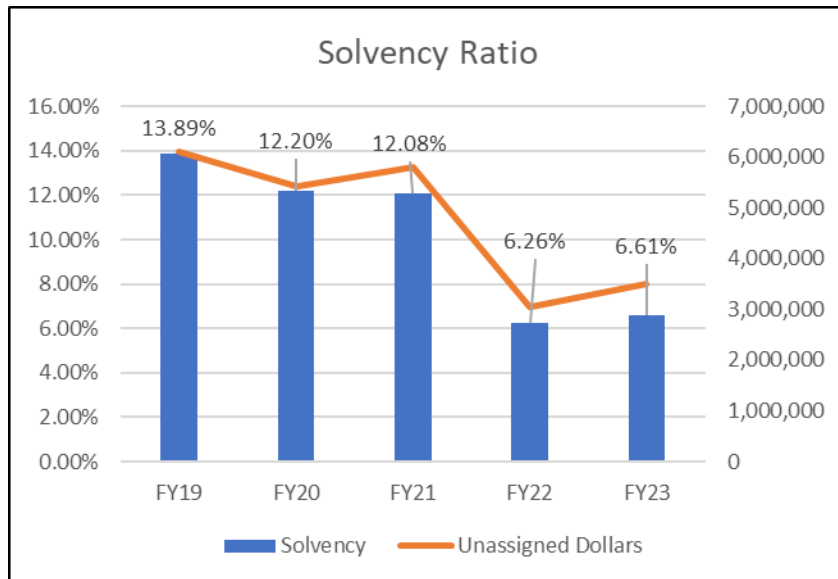
The Urbandale Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A summary financial analysis of individual District funds follows, categorized into governmental and business types.

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 \$13,248,888 at June 30, 2023, a decrease of \$19,047,713, a decrease of 41 percent from prior year due in large part to capital projects being finished. The following highlights provide a closer look at each individual major fund:

Governmental Fund Highlights

The **General Fund** ending fund balance was \$5,418,216.26 in 2023, as compared to \$4,668,207 in 2022, a increase of \$2,710,417 or 14 percent over prior year. The solvency ratio increased from 6.26 percent in 2022 to 6.61 percent for 2023. 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.

Fiscal Year	HISTORICAL				
	2018-19	2019-20	2020-21	2021-22	2022-23
Assigned/Unassigned Dollars	\$6,120,743	\$5,437,804	\$5,811,129	\$3,040,219	\$3,492,091
Total Revenue	\$45,548,062	\$46,063,743	\$49,684,838	\$50,194,132	\$54,468,417
Total Expenditures	\$45,984,493	\$46,377,208	\$49,034,877	\$52,913,533	\$53,668,332
AEA Flowthrough	\$1,482,530	\$1,497,320	\$1,579,970	\$1,606,722	\$1,669,660
Solvency Ratio	13.89%	12.20%	12.08%	6.26%	6.61%



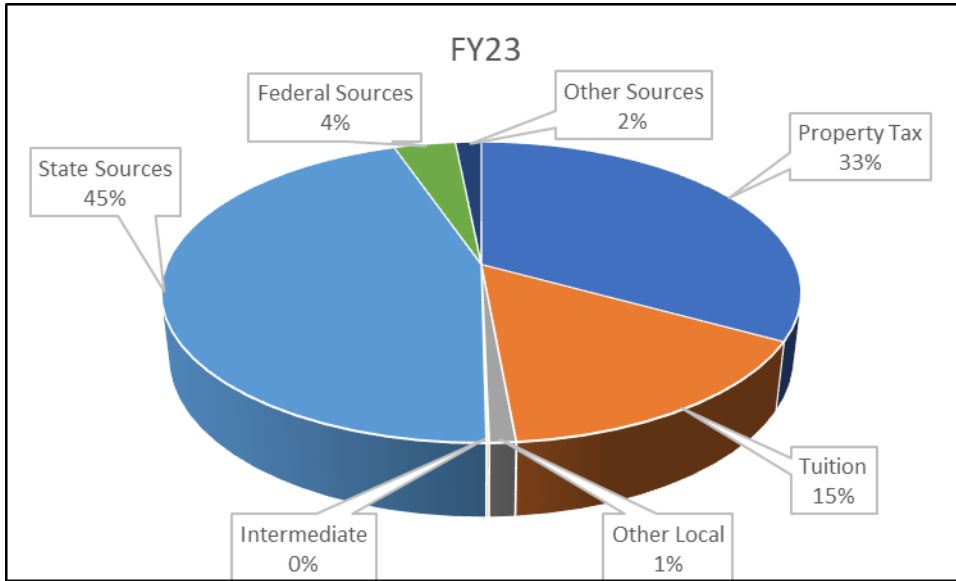
General Fund revenues increased from the previous year, while expenditures also increased. The net result was approximately \$2,710,417 decrease in the General Fund balance.

Urbandale Community School District
Management's Discussion & Analysis
Year ended June 30, 2023

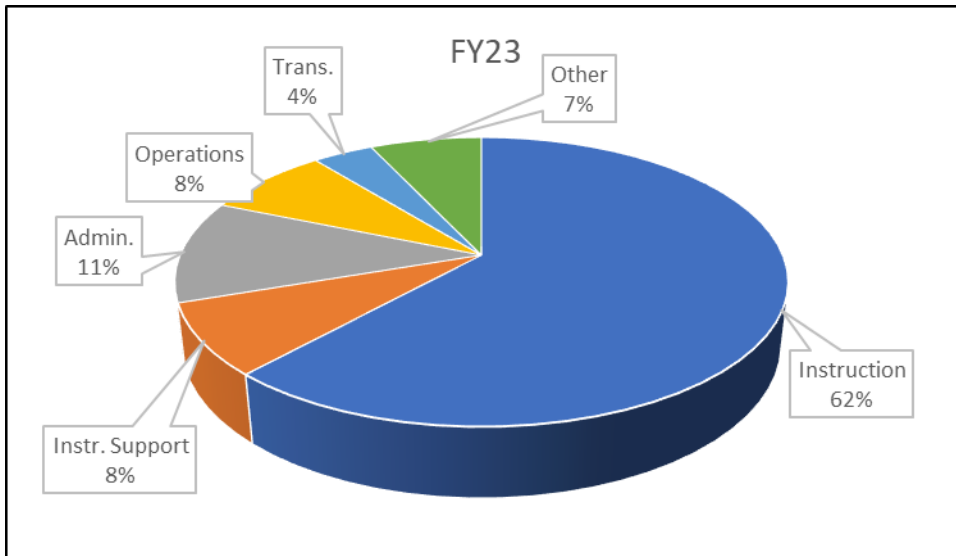
Urbandale Community School District	
General Fund - FY23 Actual	
REVENUE	FY - 2023
Local	\$27,058,059
Intermediate	61,119
State	24,474,692
Federal	2,022,497
Other Fin. & Income Items	852,049
TOTAL REVENUE	\$54,468,417
EXPENDITURES	FY - 2023
Salaries	\$32,513,259
Employee Benefits	9,306,327
Purchased Services	6,695,518
Supplies	3,389,534
Property	63,349
Miscellaneous Objects	30,685
Other Items	1,669,660
TOTAL EXPENDITURES	\$53,668,332

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 \$15.3 million, or 33% of the total. State sources were \$22.8, million, representing 45% 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 \$7.4 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.

**Urbandale Community School District
Management's Discussion & Analysis
Year ended June 30, 2023**



Total General Fund expenses for fiscal year 2023 were \$53,668,332 an increase of \$1,865,649 or 3.5 percent over prior year. The General Fund is the largest of the governmental fund group, comprising 61% of the total \$88.1 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 \$34.9 million, comprising 62 percent of all General Fund expenses. Expenses for student and instructional support services such as guidance, technology costs, professional development, and libraries were \$4.4 million or 7%. Administrative services were 11 percent at \$6.8 million, and the maintenance and operations expenses, such as custodial, utilities, and transportation, totaled \$5.7 million or 8 percent of all costs.

The **Debt Service Fund** is used to account for current year principal and interest payments on debt to the District's bond holders or other long-term debt holders. Revenues from property taxes and other local sources in 2023 were \$6.1 million. An additional \$2.5 million was transferred in from the Capital Projects Sales Tax fund for payments on sales tax revenue bonds. The total \$8.6 million expended in 2023 included \$5.8 million used in principal reduction, and \$2.7 million in interest and fiscal agency charges.

**Urbandale Community School District
Management’s Discussion & Analysis
Year ended June 30, 2023**

The **Capital Projects Funds** include the Physical Plant and Equipment Levy (PEEL) Fund and the Capital Projects Sales Tax Fund. Revenues totaled \$8 million for 2023. While the Statewide Sales Tax revenues are these funds’ largest source of revenue, totaling \$4.6 million in 2023. Capital Projects Funds expenses totaled \$24.6 million for 2023. These expenditures were largely due to construction costs of Elementary School #1 and 2. Technology purchases and other capital projects totaled \$2.2 million. The combined Capital Projects Funds balance was \$32.2 million at June 30, 2023.

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	FY23 Certified	FY23 Budget	Variance	FY23 Certified	FY23 Actual	Variance From Certified
Instruction	32,773,609	32,605,606	168,003	35,238,148	34,941,807	296,341
Support Services	23,907,654	19,843,365	4,064,289	22,437,734	20,460,007	1,977,727
Non-Instructional Programs	3,493,887	3,147,545	346,342	3,876,413	4,312,168	(177,620)
Other	32,649,174	37,492,704	(4,843,530)	31,916,049	32,680,981	764,932
Total	\$92,824,324	\$93,089,220	(\$264,896)	\$93,468,344	\$92,394,963	\$1,331,516

This comparison shows the variance of final amended budget amounts as compared to the actual expenditures for fiscal year 2023 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, 2022. 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, 2023, the District had invested \$150.2 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 category reported a decrease, primarily due to annual accumulated depreciation. Equipment and furniture increased due to purchases. Construction in progress decreased from \$45.7 million in FY22 to \$61.2 million, as the district had substantial activity on construction of Elementary School #2. No other significant increases to capital assets occurred, since most equipment additions during fiscal year 2023 fell below the District’s capitalization threshold of \$5000 per unit.

**Urbandale Community School District
Management's Discussion & Analysis
Year ended June 30, 2023**

**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,	
	2022		2023	2022	2023	2022	2022-2023
Land	\$ 1,533,992	\$ 1,533,992	-	-	1,533,992	1,533,992	0.0%
Construction in progress	61,275,010	45,715,922	-	-	61,275,010	45,715,922	34.0%
Buildings	79,634,306	75,918,092	-	-	79,634,306	75,918,092	4.9%
Improvements	5,052,242	5,046,493	-	-	5,052,242	5,046,493	0.1%
Equipment and furniture	2,443,997	1,958,504	94,642	109,740	2,538,639	2,068,244	22.7%
Right-to-use real property	225,833	389,126	-	-	225,833	389,126	-42.0%
Right-to-use subscription asset	88,057	58,444	-	-	88,057	58,444	50.7%
Total	\$ 150,253,437	\$ 130,620,573	94,642	109,740	150,348,079	130,730,313	15.0%

Long-Term Debt

As shown in Figure A-7 below, the District had \$114 million in long-term debt obligations at year-end 2023. Net pension liability increased by \$15,666,849 million or 2748%. OPEB changes due to GASB 75, had increases of \$88,327. These changes are specifically due to an a shortage in the market 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		Total Change
	June 30,		June 30,
	2023	2022	2022-2023
Lease Agreements	\$ 235,442	\$ 396,104	-40.56%
General obligation bonds	80,126,827	83,971,612	-4.58%
Revenue bonds	17,182,000	19,194,000	-10.48%
Compensated absences	185,684	185,422	0.14%
Net pension liability	15,666,849	550,058	2748.22%
Other postemployment benefits	846,441	758,114	11.65%
Total	\$ 114,243,243	\$ 105,055,310	8.75%

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 6.61%, 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 18.6%. 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 76 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 56 students. The net open enrollment for students coming into the district versus leaving the district increased by 61 students. These two key enrollment figures were attributed to the change in Open Enrollment law. Typically, open enrolled students into the District is a steady trend, and reliable revenue stream totaling over \$5.9 million per year. Nearly 24 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 96 percent, the District expects this trend to continue. Monitoring the demographics of enrollment is important for major financial decisions such as staffing levels, new programming, and facility planning. The District adjusted compensate for the decrease in enrollment but does expect enrollment to rebound at least partially in FY23.
- The District had in excess of \$1.9 million in General Fund restricted fund balance at fiscal year-end 2023. The revenue and the spending authority to utilize it was received during 2023 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. Normal operating of the district regarding training and travel, for which some of the restricted funds may be used, were greatly impacted by the Covid-19 pandemic, limiting the amount that was expended in FY23.

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 Steve Richman, Director of Business Services, Urbandale Community School District, 11152 Aurora Avenue, Urbandale, Iowa 50322.

Urbandale Community School District

Basic Financial Statements

Exhibit A

**Urbandale Community School District
Statement of Net Position
June 30, 2023**

	Governmental Activities	Business type Activities	Total
Assets			
Cash, cash equivalents and pooled investments	\$ 30,506,211	5,279,336	35,785,547
Receivables:			
Property tax:			
Delinquent	64,875	-	64,875
Succeeding year	28,107,080	-	28,107,080
Due from other governments	5,238,113	37,836	5,275,949
Inventories	-	14,492	14,492
Capital assets:			
Capital assets, nondepreciable	62,809,002	-	62,809,002
Capital assets, depreciable, net of depreciation/amortization	87,444,435	94,642	87,539,077
Total assets	214,169,716	5,426,306	219,596,022
Deferred Outflows of Resources			
Pension related deferred outflows	17,796,697	1,310,865	19,107,562
Total deferred outflows of resources	17,796,697	1,310,865	19,107,562
Liabilities			
Accounts payable	602,913	10,933	613,846
Medical insurance claims payable	607,067	-	607,067
Salaries and benefits payable	4,733,405	48,763	4,782,168
Due to other governments	1,108,205	-	1,108,205
Other payables	3,225	-	3,225
Advances from Federal Grantors	50,076	-	50,076
Advances for services	-	53,963	53,963
Accrued interest payable	316,976	-	316,976
Long-term liabilities:			
Portion due within one year:			
Lease agreements	92,136	-	92,136
General obligation bonds payable	4,059,785	-	4,059,785
Revenue bonds payable	2,112,000	-	2,112,000
Compensated absences	173,762	11,923	185,685
Portion due after one year:			
Lease agreements	143,306	-	143,306
General obligation bonds payable	76,067,042	-	76,067,042
Revenue bonds payable	15,070,000	-	15,070,000
Net pension liability	14,650,537	1,016,312	15,666,849
Other postemployment benefits	805,747	40,694	846,441
Total liabilities	120,596,182	1,182,588	121,635,464
Deferred Inflows of Resources			
Unavailable property tax revenue	28,107,080	-	28,107,080
Pension related deferred inflows	16,496,334	1,159,983	17,656,317
OPEB related deferred inflows	534,532	26,997	561,529
Total deferred inflows of resources	45,137,946	1,186,980	46,324,926

Exhibit A

**Urbandale Community School District
Statement of Net Position
June 30, 2023**

	Governmental Activities	Business type Activities	Total
Net Position			
Net investment in capital assets	52,709,168	94,642	52,803,810
Restricted for:			
Categorical funding	1,926,119	-	1,926,119
Debt service	2,082,509	-	2,082,509
Management levy purpose	1,588,813	-	1,588,813
Student activities	265,945	-	265,945
Public education & recreation levy purposes	1,017,601	-	1,017,601
School infrastructure	8,289,782	-	8,289,782
Physical plant and equipment	4,959,106	-	4,959,106
Unrestricted	(6,606,758)	4,272,961	(2,333,797)
Total net position	\$ 66,232,285	4,367,603	70,599,888

See notes to financial statements.

Exhibit B

**Urbandale Community School District
Statement of Activities
Year Ended June 30, 2023**

	Program Revenues				Net (Expense) Revenue & Changes in Net Position		Total
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	
Functions/Programs:							
Governmental activities:							
Instruction:							
Regular	\$ 20,828,492	6,539,733	4,958,903	-	(9,329,856)	-	(9,329,856)
Special	8,128,899	1,943,390	1,097,384	-	(5,088,125)	-	(5,088,125)
Other	5,813,531	592,617	855,198	-	(4,365,716)	-	(4,365,716)
	<u>34,770,922</u>	<u>9,075,740</u>	<u>6,911,485</u>	<u>-</u>	<u>(18,783,697)</u>	<u>-</u>	<u>(18,783,697)</u>
Support Service:							
Student	1,817,635	-	-	-	(1,817,635)	-	(1,817,635)
Instructional staff	3,879,194	-	-	-	(3,879,194)	-	(3,879,194)
Administration	6,681,304	-	-	-	(6,681,304)	-	(6,681,304)
Operating and maintenance of plant	5,049,291	124,022	-	-	(4,925,269)	-	(4,925,269)
Transportation	2,138,467	41,668	73,233	-	(2,023,566)	-	(2,023,566)
	<u>19,565,891</u>	<u>165,690</u>	<u>73,233</u>	<u>-</u>	<u>(19,326,968)</u>	<u>-</u>	<u>(19,326,968)</u>
Non-instructional programs	<u>121,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(121,174)</u>	<u>-</u>	<u>(121,174)</u>
Other expenditures:							
Long-term debt interest	2,596,399	-	-	-	(2,596,399)	-	(2,596,399)
AEA flowthrough	1,669,660	-	1,669,660	-	-	-	-
	<u>4,266,059</u>	<u>-</u>	<u>1,669,660</u>	<u>-</u>	<u>(2,596,399)</u>	<u>-</u>	<u>(2,596,399)</u>
Total governmental activities	<u>58,724,046</u>	<u>9,241,430</u>	<u>8,654,378</u>	<u>-</u>	<u>(40,828,238)</u>	<u>-</u>	<u>(40,828,238)</u>
Business type activities:							
Non-instructional programs:							
Nutrition services	2,286,095	1,121,077	1,810,971	-	-	645,953	645,953
Child Care services	1,766,760	1,851,652	602,546	-	-	687,438	687,438
Community Education	234,491	287,449	-	-	-	52,958	52,958
	<u>4,287,346</u>	<u>3,260,178</u>	<u>2,413,517</u>	<u>-</u>	<u>-</u>	<u>1,386,349</u>	<u>1,386,349</u>
Total primary government	<u>\$ 63,011,392</u>	<u>12,501,608</u>	<u>11,067,895</u>	<u>-</u>	<u>(40,828,238)</u>	<u>1,386,349</u>	<u>(39,441,889)</u>

Exhibit B

**Urbandale Community School District
Statement of Activities
Year Ended June 30, 2023**

	Program Revenues			Net (Expense) Revenue & Changes in Net Position		Total
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	
General Revenues:						
Property tax levied for:						
General purposes				18,734,632	-	18,734,632
Debt service				5,871,529	-	5,871,529
Capital outlay				2,889,948	-	2,889,948
Statewide sales, services and use tax				4,678,593	-	4,678,593
Unrestricted state grants				17,843,450	-	17,843,450
Unrestricted investment earnings				1,132,865	164,203	1,297,068
Contributions				34,902	-	34,902
Gain on sale of assets				2,049	-	2,049
Other general revenues				324,833	-	324,833
Transfers				850,000	(850,000)	-
Total general revenues and transfers				52,362,801	(685,797)	51,677,004
Change in net position				11,534,563	700,552	12,235,115
Net position beginning of year, as restated				54,697,722	3,667,051	58,364,773
Net position end of year				\$ 66,232,285	4,367,603	70,599,888

See notes to financial statements.

Exhibit C

Urbandale Community School District
 Balance Sheet
 Governmental Funds
 June 30, 2023

	General	Debt Service	Capital Projects	Non-major Governmental	Total
Assets					
Cash, cash equivalents and pooled investments	\$ 6,866,105	2,432,473	13,002,348	2,876,382	25,177,308
Receivables:					
Property tax:					
Delinquent	42,938	13,514	6,191	2,232	64,875
Succeeding year	18,848,114	6,029,228	2,724,312	505,426	28,107,080
Due from other governments	4,835,698	-	402,415	-	5,238,113
Total assets	\$ 30,592,855	8,475,215	16,135,266	3,384,040	58,587,376
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 434,467	-	159,555	5,913	599,935
Salaries and benefits payable	4,733,405	-	-	-	4,733,405
Due to other governments	1,105,352	-	2,511	342	1,108,205
Advances from Federal Grantors	50,076	-	-	-	50,076
Other current liabilities	3,225	-	-	-	3,225
Total liabilities	6,326,525	-	162,066	6,255	6,494,846
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	18,848,114	6,029,228	2,724,312	505,426	28,107,080
Total deferred inflows of resources	18,848,114	6,029,228	2,724,312	505,426	28,107,080
Fund balances:					
Restricted for:					
Categorical funding	1,926,119	-	-	-	1,926,119
Debt service	-	2,445,987	-	-	2,445,987
Management levy purposes	-	-	-	1,588,813	1,588,813
Student activities	-	-	-	265,945	265,945
Public education & recreation levy purposes	-	-	-	1,017,601	1,017,601
School infrastructure	-	-	8,289,782	-	8,289,782
Physical plant and equipment	-	-	4,959,106	-	4,959,106
Unassigned	3,492,097	-	-	-	3,492,097
Total fund balances	5,418,216	2,445,987	13,248,888	2,872,359	23,985,450
Total liabilities, deferred inflows of resources and fund balances	\$ 30,592,855	8,475,215	16,135,266	3,384,040	58,587,376

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, 2023**

Total fund balances of governmental funds (Exhibit C) \$ 23,985,450

***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. 150,253,437

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. 4,718,858

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	\$	17,796,697	
Deferred inflows of resources		(17,030,866)	765,831

Long-term liabilities, including lease agreements payable, 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:

Lease agreements payable		(235,442)	
General obligation bonds payable		(80,126,827)	
Revenue bonds payable		(17,182,000)	
Accrued interest		(316,976)	
Compensated absences		(173,762)	
Net pension liability		(14,650,537)	
Other postemployment benefits		(805,747)	(113,491,291)

Net position of governmental activities (Exhibit A) \$ 66,232,285

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, 2023**

	General	Debt Service	Capital Projects	Non-major Governmental	Total
Revenues:					
Local sources:					
Local tax	\$ 18,002,820	5,871,529	2,690,008	931,752	27,496,109
Tuition	8,444,089	-	-	-	8,444,089
Other	611,150	256,757	712,156	598,027	2,178,090
Intermediate sources	61,119	-	-	-	61,119
State sources	24,474,692	32,329	4,693,404	4,231	29,204,656
Federal sources	2,022,497	-	-	-	2,022,497
Total revenues	53,616,367	6,160,615	8,095,568	1,534,010	69,406,560
Expenditures:					
Current:					
Instruction:					
Regular	20,696,186	-	67,609	157,320	20,921,115
Special	8,164,989	-	-	-	8,164,989
Other	5,352,292	-	-	503,411	5,855,703
	34,213,467	-	67,609	660,731	34,941,807
Support services:					
Student	1,834,602	-	-	-	1,834,602
Instructional staff	2,594,453	-	1,909,819	-	4,504,272
Administration	6,870,570	-	5,801	26,901	6,903,272
Operation and maintenance of plant	4,367,212	-	289,934	413,787	5,070,933
Transportation	2,118,368	-	-	28,560	2,146,928
	17,785,205	-	2,205,554	469,248	20,460,007
Noninstructional programs:					
Food service operations	-	-	-	24,822	24,822
	51,998,672	-	2,273,163	1,154,801	55,426,636
Other expenditures:					
Facilities acquisition	-	-	22,350,972	-	22,350,972
Long-term debt:					
Principal	-	5,885,327	-	-	5,885,327
Interest and fiscal charges	-	2,765,522	-	-	2,765,522
Purchased services	-	9,500	-	-	9,500
AEA flowthrough	1,669,660	-	-	-	1,669,660
	1,669,660	8,660,349	22,350,972	-	32,680,981
Total expenditures	53,668,332	8,660,349	24,624,135	1,154,801	88,107,617
Excess (deficiency) of revenues over (under) expenditures	(51,965)	(2,499,734)	(16,528,567)	379,209	(18,701,057)

Exhibit E

**Urbandale Community School District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended June 30, 2023**

Other financing sources (uses):					
Proceeds from sale of capital assets	2,049	-	-	-	2,049
Transfers in	850,000	2,519,146	-	-	3,369,146
Transfers out	-	-	(2,519,146)	-	(2,519,146)
Total other financing sources (uses)	<u>852,049</u>	<u>2,519,146</u>	<u>(2,519,146)</u>	<u>-</u>	<u>852,049</u>
Change in fund balances	800,084	19,412	(19,047,713)	379,209	(17,849,008)
Fund balances beginning of year, as restated	<u>4,618,132</u>	<u>2,426,575</u>	<u>32,296,601</u>	<u>2,493,150</u>	<u>41,834,458</u>
Fund balances end of year	<u>\$ 5,418,216</u>	<u>2,445,987</u>	<u>13,248,888</u>	<u>2,872,359</u>	<u>23,985,450</u>

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, 2023**

Net change in fund balances - total governmental funds (Exhibit E) \$ (17,849,008)

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	\$ 22,948,703	
Depreciation/amortization expense	<u>(3,315,839)</u>	19,632,864

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 lease agreements	-	
Issuance of bond and note principal	-	
Repayments of bond and note principal	5,842,662	
Amortization of bond premiums	232,655	
Amortization of bond discounts	<u>(57,870)</u>	6,017,447

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. 46,502

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. 2,848,553

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, 2023**

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:

Compensated absences	(1,559)	
Pension expense	295,555	
Other postemployment benefits	<u>(45,658)</u>	248,338

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.

589,867

Change in net position of governmental activities (Exhibit B)

\$ 11,534,563

See notes to financial statements.

Exhibit G

**Urbandale Community School District
Statement of Net Position
Proprietary Funds
June 30, 2023**

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Funds
Assets		
Current assets:		
Cash and cash equivalent	\$ 5,279,336	5,328,903
Due from other governments	37,836	-
Inventories	14,492	-
Total current assets	<u>5,331,664</u>	<u>5,328,903</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	94,642	-
Total assets	<u>5,426,306</u>	<u>5,328,903</u>
Deferred Outflows of Resources		
Pension related deferred outflows	<u>1,310,865</u>	-
Liabilities		
Current liabilities:		
Accounts payable	10,933	2,978
Medical insurance claims liability	-	607,067
Salaries and benefits payable	48,763	-
Advances for services	53,963	-
Compensated absences	11,923	-
Total current liabilities	<u>125,582</u>	<u>610,045</u>
Noncurrent liabilities:		
Net pension liability	1,016,312	-
Other postemployment benefits	40,694	-
Total noncurrent liabilities	<u>1,057,006</u>	<u>-</u>
Total liabilities	<u>1,182,588</u>	<u>610,045</u>
Deferred Inflows of Resources		
Pension related deferred inflows	1,159,983	-
OPEB related deferred inflows	26,997	-
Total deferred inflows of resources	<u>1,186,980</u>	<u>-</u>
Net Position		
Net investment in capital assets	94,642	-
Unrestricted	4,272,961	4,718,858
Total net position	<u>\$ 4,367,603</u>	<u>4,718,858</u>

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, 2023

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Funds
Operating revenue:		
Local sources:		
Charges for services	\$ 3,250,964	5,133,129
Other revenue	9,214	13,184
	<u>3,260,178</u>	<u>5,146,313</u>
Operating expenses:		
Instructional Programs:		
Instruction:		
Regular:		
Salaries and benefits	351,502	-
Services and supplies	192,955	-
Support services:		
Instructional staff		
Supplies	8,209	-
Administrative services:		
Salaries and benefits	271,825	4,627,085
Services and supplies	1,035	24,532
Operation and maintenance of plant services		
Services and supplies	18,123	-
Student Transportation:		
Services and supplies	10,433	-
	<u>854,082</u>	<u>4,651,617</u>
Non-instructional programs:		
Community service operations:		
Salaries and benefits	1,113,632	-
Services and supplies	60,904	-
Food service operations:		
Depreciation	15,098	-
Salaries and benefits	988,371	-
Services and supplies	1,255,259	-
	<u>3,433,264</u>	<u>-</u>
Total operating expenses	<u>4,287,346</u>	<u>4,651,617</u>
Operating income (loss)	<u>(1,027,168)</u>	<u>494,696</u>

Exhibit H

**Urbandale Community School District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year ended June 30, 2023**

Non-operating revenue:		
State sources	70,241	-
Federal sources	2,342,079	-
Contributions	1,197	-
Interest income	164,203	95,171
Total non-operating revenue	<u>2,577,720</u>	<u>95,171</u>
Income(loss) before capital contributions and transfers	1,550,552	589,867
Transfers out	(850,000)	-
Change in net position	<u>700,552</u>	<u>589,867</u>
Net position beginning of year	<u>3,667,051</u>	<u>4,128,991</u>
Net position end of year	<u>\$ 4,367,603</u>	<u>4,718,858</u>

See notes to financial statements.

Exhibit I

**Urbandale Community School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2023**

	Business Type Activities Non-major Enterprise Funds	Governmental Activities Internal Service Funds
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 1,112,003	-
Cash received from miscellaneous operating activities	2,026,563	5,160,416
Cash paid to employees for services	(2,955,134)	(4,664,678)
Cash paid to suppliers for goods or services	(1,325,994)	(24,532)
Net cash provided (used) by operating activities	<u>(1,142,562)</u>	<u>471,206</u>
Cash flows from non-capital financing activities:		
Contributions	1,197	-
State grants received	70,241	-
Federal grants received	2,116,337	-
Transfers out to other funds	(850,000)	-
Net cash provided by non-capital financing activities	<u>1,337,775</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>
Cash flows from investing activities:		
Interest on cash and investments	164,203	95,171
Net cash provided by investing activities	<u>164,203</u>	<u>95,171</u>
Net increase (decrease) in cash and cash equivalents	359,416	566,377
Cash and cash equivalents at beginning of year	<u>4,919,920</u>	<u>4,762,526</u>
Cash and cash equivalents at end of year	<u><u>5,279,336</u></u>	<u><u>5,328,903</u></u>

Exhibit I

Urbandale Community School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2023

Reconciliation of operating loss to net cash used by operating activities:

Operating income (loss)	(1,027,168)	494,696
Adjustments to reconcile operating loss to net cash used by operating activities:		
Commodities used	235,807	-
Depreciation	15,098	-
(Increase) in receivables	(50)	14,103
(Increase) in inventories	(1,299)	-
(Decrease) in accounts payable	(13,584)	18
Increase in medical insurance claims payable	-	(37,611)
(Decrease) in salaries and benefits payable	(12,196)	-
(Decrease) in advances for services	(121,562)	-
(Decrease) in compensated absences	(1,296)	-
Increase (decrease) in net pension liability	982,116	-
(Increase) decrease in deferred outflows of resources	(885,387)	-
Increase (decrease) in deferred inflows of resources	(322,278)	-
Increase (decrease) in other post employment benefits	9,237	-
Net cash provided (used) by operating activities	<u>\$ (1,142,562)</u>	<u>471,206</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2023, the District received \$235,807 of federal commodities.

See notes to financial statements.

Exhibit J

Urbandale Community School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	<u>Custodial</u>
Assets	
Cash, cash equivalent and pooled investments	\$ 127,647
Total assets	<u>127,647</u>
Liabilities	
Accounts payable	<u>16</u>
Total liabilities	<u>16</u>
Net Position:	
Restricted for other organizations	<u>127,631</u>
Total Net position	<u>\$ 127,631</u>

See notes to financial statements.

(1) Summary of Significant Accounting Policies

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 funds of the District are considered non-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 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, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2022.

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 and intangibles acquired after July 1, 1980 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 (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) 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 repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. 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.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 5,000
Buildings	5,000
Improvements other than buildings	5,000
Right-to-use leased asset	5,000
Right-to-use subscription asset	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:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50
Improvements other than buildings	20-50
Right-to-use leased asset	2-15
Right-to-use subscription asset	2-15
Furniture and equipment	5-15

Leases- Urbandale Community School District is the lessee for a noncancellable lease of real property. The District has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes leases with an initial, individual value of \$5,000 or more.

Subscription-Based Information Technology Arrangements (SBITA) – The District has entered into a contract that conveys control of the right to use information technology software. The District has recognized an intangible right-to-use IT subscription asset in the government-wide financial statements.

At the commencement of the IT subscription term, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made. The right-to-use an IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how The District determines the discount rate it uses to discount the expected payments to present value, term and payments.

The District uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

The District monitors changes in circumstances that would require a remeasurement of its IT subscription and will remeasure the right-to-use IT subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use IT subscription assets are reported with other capital assets.

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, 2023. 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 can 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, 2023, expenditures exceeded the amounts budgeted in the non-instructional program 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, 2023 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. Uninsured public funds deposited in a credit union were secured by a letter of credit in an amount at least 110% of the uninsured amount as required by Chapter 12C.1(b) of the Code of Iowa.

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, 2023, the District had investments as follows:

<u>Type</u>	
Iowa Schools Joint Investment Trust (ISJIT)	<u>\$ 306,255</u>

The investments in 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 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, 2023 is as follows:

Transfer to	Transfer from	Amount
General Fund	Enterprise Fund - Child Care Fund	\$ 850,000
Debt Service	Capital Projects - Statewide Sales, Services and Use Tax	2,307,744
Debt Service	Capital Projects - Physical Plant and Equipment Levy	211,402
		<u>\$ 3,369,146</u>

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

Urbandale Community School District
Notes to Financial Statements
June 30, 2023

(4) Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balance Beginning of Year, as restated	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,533,992	-	-	1,533,992
Construction in progress	45,715,922	21,640,169	6,081,081	61,275,010
Total capital assets not being depreciated	47,249,914	21,640,169	6,081,081	62,809,002
Capital assets being depreciated:				
Buildings	123,979,144	6,081,081	10,874,277	119,185,948
Improvements other than buildings	5,942,190	311,075	-	6,253,265
Furniture and equipment	7,282,947	896,674	1,200,940	6,978,681
Right-to-use real property	545,885	-	-	545,885
Right-to-use subscription asset	85,960	100,785	-	186,745
Total capital assets being depreciated	137,836,126	7,389,615	12,075,217	133,150,524
Less accumulated depreciation for:				
Buildings	48,061,052	2,364,867	10,874,277	39,551,642
Improvements other than buildings	895,697	305,326	-	1,201,023
Furniture and equipment	5,324,443	411,181	1,200,940	4,534,684
Right-to-use real property	156,759	163,293	-	320,052
Right-to-use subscription asset	27,516	71,172	-	98,688
Total accumulated depreciation	54,465,467	3,315,839	12,075,217	45,706,089
Total capital assets being depreciated, net	83,370,659	4,073,776	-	87,444,435
Governmental activities capital assets, net	\$ 130,620,573	25,713,945	6,081,081	150,253,437
Business type activities:				
Furniture and equipment	\$ 1,584,015	-	-	1,584,015
Less accumulated depreciation	1,474,275	15,098	-	1,489,373
Business type activities capital assets, net	\$ 109,740	(15,098)	-	94,642

Urbandale Community School District
Notes to Financial Statements
June 30, 2023

(4) Capital Assets

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$ 1,398,908
Special	562,159
Other	382,664

Support services:

Student support	126,908
Instructional staff	163,813
Administration	426,171
Operation and maintenance of plant	155,318
Transportation	-
Noninstructional	99,898

Total governmental activities depreciation expense	<u>\$ 3,315,839</u>
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Business type activities:

Food services	<u>\$ 15,098</u>
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(5) Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2023 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Lease agreements	\$ 396,104	-	160,662	235,442	92,136
General obligation bonds	81,895,000	-	3,670,000	78,225,000	3,885,000
Premiums on general obligation bonds	2,715,349	-	232,655	2,482,694	232,655
Discounts on general obligation bonds	(638,737)	-	(57,870)	(580,867)	(57,870)
Subtotal general obligation bonds	<u>83,971,612</u>	<u>-</u>	<u>3,844,785</u>	<u>80,126,827</u>	<u>4,059,785</u>
Revenue bonds	19,194,000	-	2,012,000	17,182,000	2,112,000
Compensated absences	172,203	173,762	172,203	173,762	173,762
Net pension liability	515,862	14,134,675	-	14,650,537	-
Net OPEB liability	726,657	79,090	-	805,747	-
Subtotal, governmental activities	<u>104,976,438</u>	<u>14,387,527</u>	<u>6,189,650</u>	<u>113,174,315</u>	<u>6,437,683</u>
Business type activities:					
Compensated absences	13,219	11,922	13,219	11,922	11,922
Net pension liability	34,196	982,116	-	1,016,312	-
Net OPEB liability	31,457	9,237	-	40,694	-
Subtotal, business type activities	<u>78,872</u>	<u>1,003,275</u>	<u>13,219</u>	<u>1,068,928</u>	<u>11,922</u>
Total	<u>\$ 105,055,310</u>	<u>15,390,802</u>	<u>6,202,869</u>	<u>114,243,243</u>	<u>6,449,605</u>

Urbandale Community School District
Notes to Financial Statements
June 30, 2023

Lease Agreements

On May 24, 2021, the District entered into a lease agreement for real property. On July 12, 2021, the District entered into a second lease agreement for real property. Since the effective start dates of both leases were after June 30, 2022, these leases were recorded starting in fiscal year ending June 30, 2023. The first lease called for lease payments of \$6,691.11 per month over 24 months with an implicit interest rate of 2.5% and final payment due July 1, 2023. The second lease called for lease payments of \$7,166.68 for 7 months, \$7,310.48 for 12 months, \$7,454.28 for 12 months, \$7,605.64 for 12 months and \$7,757.02 for 12 months with an implicit interest rate of 2.5% and final payment January 12, 2026. During the year ended June 30, 2023, principal and interest paid were \$160,663 and \$9,360, respectively.

Year ending June 30,	Building Lease Administration Offices			
	Interest Rate	Principal	Interest	Total
2024	2.500%	85,459	4,750	90,209
2025	2.500%	89,457	2,568	92,025
2026	2.500%	53,849	450	54,299
		228,765	7,768	236,533

Year ending June 30,	Building Lease Metro West			
	Interest Rate	Principal	Interest	Total
2024	2.50%	6,677	14	6,691
		6,677	14	6,691

Year ending June 30,	Total Lease Agreements			
	Principal	Interest	Total	
2024	92,136	4,764	96,900	
2025	89,457	2,568	92,025	
2026	53,849	450	54,299	
	235,442	7,782	243,224	

Urbandale Community School District
Notes to Financial Statements
June 30, 2023

General Obligation Bonds

Details of the District's June 30, 2023 general obligation bonded indebtedness are as follows:

Year ending June 30,	Refunding Bond Issue 2018A			
	Interest Rate	Principal	Interest	Total
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
		<u>8,255,000</u>	<u>1,213,500</u>	<u>9,468,500</u>

Year ending June 30,	Refunding Bond Issue 2018B			
	Interest Rate	Principal	Interest	Total
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
		<u>1,930,000</u>	<u>157,050</u>	<u>2,087,050</u>

Year ending June 30,	Refunding Bond Issue 2018C			
	Interest Rate	Principal	Interest	Total
2024	3.00%	1,325,000	66,375	1,391,375
2025	3.00%	1,550,000	23,250	1,573,250
		<u>2,875,000</u>	<u>89,625</u>	<u>2,964,625</u>

Year ending June 30,	Refunding Bond Issue 2018D			
	Interest Rate	Principal	Interest	Total
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
		<u>1,890,000</u>	<u>78,750</u>	<u>1,968,750</u>

Year ending June 30,	General Obligation Bond 2018E			
	Interest Rate	Principal	Interest	Total
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
		<u>9,235,000</u>	<u>3,501,475</u>	<u>12,736,475</u>

Urbandale Community School District
Notes to Financial Statements
June 30, 2023

General Obligation Bonds (continued)

Year ending June 30,	General Obligation Bond 2019			
	Interest Rate	Principal	Interest	Total
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
		<u>9,820,000</u>	<u>3,862,350</u>	<u>13,682,350</u>

Year ending June 30,	General Obligation Bond 2020A			
	Interest Rate	Principal	Interest	Total
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
		<u>9,390,000</u>	<u>3,003,672</u>	<u>12,393,672</u>

Year ending June 30,	General Obligation Refunding Bond 2020B			
	Interest Rate	Principal	Interest	Total
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
		<u>5,605,000</u>	<u>652,000</u>	<u>6,257,000</u>

Urbandale Community School District
Notes to Financial Statements
June 30, 2023

General Obligation Bonds (continued)

Year ending June 30,	General Obligation School Bonds, Series 2021			
	Interest Rate	Principal	Interest	Total
2024	5.00%	925,000	789,250	1,714,250
2025	5.00%	800,000	743,000	1,543,000
2026	5.00%	1,200,000	703,000	1,903,000
2027	5.00%	1,100,000	643,000	1,743,000
2028	5.00%	1,500,000	588,000	2,088,000
2029	5.00%	1,300,000	513,000	1,813,000
2030	2.00%	1,500,000	448,000	1,948,000
2031	2.00%	1,600,000	418,000	2,018,000
2032	2.00%	2,000,000	386,000	2,386,000
2033	2.00%	2,000,000	346,000	2,346,000
2034	2.00%	2,000,000	306,000	2,306,000
2035	2.00%	2,000,000	266,000	2,266,000
2036	2.00%	2,000,000	226,000	2,226,000
2037	2.00%	2,000,000	186,000	2,186,000
2038	2.00%	2,100,000	146,000	2,246,000
2039	2.00%	2,100,000	104,000	2,204,000
2040	2.00%	2,100,000	62,000	2,162,000
2041	2.00%	1,000,000	20,000	1,020,000
		29,225,000	6,893,250	36,118,250

Year ending June 30,	Total Bond Indebtedness		
	Principal	Interest	Total
2024	3,885,000	2,137,834	6,022,834
2025	3,815,000	2,011,559	5,826,559
2026	3,905,000	1,907,159	5,812,159
2027	3,955,000	1,783,209	5,738,209
2028	4,110,000	1,642,559	5,752,559
2029	4,185,000	1,489,259	5,674,259
2030	4,475,000	1,337,709	5,812,709
2031	4,485,000	1,240,684	5,725,684
2032	4,560,000	1,134,084	5,694,084
2033	4,645,000	1,021,484	5,666,484
2034	4,725,000	905,984	5,630,984
2035	4,810,000	786,984	5,596,984
2036	4,895,000	665,284	5,560,284
2037	4,980,000	539,390	5,519,390
2038	5,170,000	410,315	5,580,315
2039	5,265,000	274,675	5,539,675
2040	5,360,000	143,500	3,341,500
2041	1,000,000	20,000	1,020,000
	\$ 78,225,000	19,451,672	95,514,672

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 obligation bonds took place in June of 2018. The second sale of \$9,995,000 general obligation bonds took place in June of 2019. The third sale of \$9,995,000 general obligation bonds took place in June of 2020. The final sale of \$29,690,000 general obligation bonds took place June of 2021.

Urbandale Community School District
Notes to Financial Statements
June 30, 2023

Revenue Bonds

Details of the District's June 30, 2023 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
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
		<u>\$ 5,500,000</u>	<u>493,200</u>	<u>5,993,200</u>

Year ending June 30,	Revenue Bond Issue 2018A			
	Interest Rate	Principal	Interest	Total
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
		<u>\$ 3,252,000</u>	<u>315,281</u>	<u>3,567,281</u>

Year ending June 30,	Revenue Bond Issue 2022			
	Interest Rate	Principal	Interest	Total
2024	2.180%	570,000	183,774	753,774
2025	2.180%	615,000	171,348	786,348
2026	2.180%	670,000	157,941	827,941
2027	2.180%	725,000	143,335	868,335
2028	2.180%	795,000	127,530	922,530
2029	2.180%	1,350,000	110,199	1,460,199
2030	2.180%	2,450,000	80,769	2,530,769
2031	2.180%	1,255,000	13,680	1,268,680
		<u>\$ 8,430,000</u>	<u>988,576</u>	<u>9,418,576</u>

**Urbandale Community School District
Notes to Financial Statements
June 30, 2023**

Revenue Bonds (continued)

Year ending June 30,	Total Revenue Bond Indebtedness		
	Principal	Interest	Total
2024	2,112,000	424,554	2,536,554
2025	2,157,000	369,715	2,526,715
2026	2,212,000	313,895	2,525,895
2027	2,267,000	256,875	2,523,875
2028	2,337,000	198,656	2,535,656
2029	2,392,000	138,913	2,530,913
2030	2,450,000	80,769	2,530,769
2031	1,255,000	13,680	1,268,680
	<u>\$ 17,182,000</u>	<u>\$ 1,797,057</u>	<u>\$ 18,979,057</u>

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 \$18,979,057. For the current year, \$2,012,000 principal and \$505,538 in interest was paid on the bonds and total statewide sales, services and use tax revenues were \$4,678,593.

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, 2023.

As of June 30, 2023, the District did not exceed its legal debt margin, computed as follows:

Total assessed valuation	<u>\$ 2,674,216,434</u>
Debt limit of 5% of total assessed valuation	\$ 133,710,822
Amount of debt applicable to debt limit	<u>95,407,000</u>
Excess of debt limit over bonded debt issued, legal debt margin.	<u>\$ 38,303,822</u>

(6) 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 employers 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 2023, 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, 2023 were \$3,046,477.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the District reported a liability of \$15,666,849 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the District's proportion was 0.394721%, which was an increase of 0.002358% from its proportion measured as of June 30, 2021.

Urbandale Community School District
Notes to Financial Statements
June 30, 2023

For the year ended June 30, 2023, the District recognized pension expense of (\$325,590). At June 30, 2023, 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	\$ 698,294	218,385
Changes of assumptions	13,284	365
Net difference between projected and actual earnings on IPERS' investments	15,248,192	16,925,276
Changes in proportion and differences between District contributions and proportionate share of contributions	101,315	512,291
District contributions subsequent to the measurement date	3,046,477	-
Total	\$ 19,107,562	17,656,317

\$3,046,477 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, 2023. 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	
2024	\$ (1,641,612)
2025	(1,275,783)
2026	(2,135,716)
2027	3,415,869
2028	42,010
	\$ (1,595,232)

There are no non-employer contributing entities to IPERS.

Actuarial Assumptions -The total pension liability in the June 30, 2022 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, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Urbandale Community School District
Notes to Financial Statements
June 30, 2023

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	<u>100%</u>	

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.

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	\$ 29,189,220	\$ 15,666,849	\$ 3,749,920

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, 2023, the District reported \$406,419 payable to IPERS for legally required District contributions or for legally required employee contributions withheld from employee wages.

(7) 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.

Urbandale Community School District
Notes to Financial Statements
June 30, 2023

Retired participants must be age 55 or older at retirement. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	16
Active employees	482
	498
	498

Total OPEB Liability – The District’s total OPEB liability of \$758,114 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions –The total OPEB liability in the June 30, 2023 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, 2023)	3.00% per annum.
Rates of salary increase (effective June 30, 2023)	0.00% per annum including inflation
Discount rate (effective June 30, 2023)	4.55% compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2023)	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 4.55% 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, 2023 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	\$ 758,114
Changes for the year:	
Service cost	83,886
Interest	37,809
Differences between expected and actual experiences	-
Changes in assumptions	-
Changes in demographics	-
Recognition of deferred inflows/outflows	(9,884)
Benefit payments	(23,484)
	88,327
	\$ 846,441

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 if it were calculated using a discount rate that is 1% lower (3.55%) or 1% higher (5.55%) than the current discount rate.

	1% Decrease (3.55%)	Discount Rate (4.55%)	1% Increase (5.55%)
Total OPEB liability	\$ 950,644	846,441	755,624

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 if 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	\$ 716,591	846,441	1,005,782

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2023, the District recognized an OPEB increase of \$57,305. At June 30, 2023, the District reported deferred inflows of resources related to OPEB from the following resources:

	Deferred Inflows of Resources
Changes in demographics	\$ 142,457
Changes in assumptions	419,072
Total	<u>\$ 561,529</u>

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
2024	\$ (40,906)
2025	(40,906)
2026	(40,906)
2027	(40,906)
2028	(40,906)
Thereafter	(356,999)
	<u>\$ (561,529)</u>

(8) 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.

Urbandale Community School District
Notes to Financial Statements
June 30, 2023

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 \$607,067 at June 30, 2023, 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.

(9) 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 \$1,669,660 for the year ended June 30, 2023, and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(10) 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, 2023 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	\$ 167,028
City of Grimes	Urban renewal and economic development projects	482
		<u>\$ 167,510</u>

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, 2023, this reimbursement amounted to \$78,768.

(11) Construction Commitment

The District has active construction projects as of June 30, 2023. The projects are listed and a summary of the projected costs of each project and the costs incurred through June 30, 2023 is as follows:

Project	Estimated Contract Amount	Costs through June 30, 2023
New Elementary School #1	\$ 28,868,423	28,180,158
New Elementary School #2	34,454,600	33,094,852
Total Construction In Progress	<u>\$ 63,323,023</u>	<u>61,275,010</u>

Urbandale Community School District
Notes to Financial Statements
June 30, 2023

(12) Deficit Net Position

A net position deficit of \$76,469 exists in the Enterprise, Community Education Fund.

(13) 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, 2023.

Program	Amount
Teacher Leadership State Aid	\$ 1,366,992
Teacher Salary Supplement	86,735
Successful progression for early readers	-
Professional development supplement	385,792
Textbook aid for nonpublic students	4,174
Home School Assistance Program (HSAP)	82,426
Total	\$ 1,926,119

(14) Accounting Change and Prior Period Adjustments

Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), was implemented during fiscal year 2023. The new requirements require the reporting of certain right-to-use subscription-based IT arrangements which were previously not reported.

	Capital Assets
Balances June 30, 2022, as previously reported	\$ 130,562,129
Change to implement GASBS No. 96	58,444
Balances July 1, 2022, as restated	\$ 130,620,573

The District has received Federal Grant Funds for the American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER III). Funds have been advanced for expenditures recorded in the prior year in the amount of \$50,076. This requires a correction to the June 30, 2022 fund balance/net assets as previously reported, to beginning fund balance/net assets as restated to include this correction:

	Fund Balance General Fund	Net Position Balance Governmental Activities
Balances June 30, 2022, as previously reported	\$ 4,668,208	\$ 54,689,354
Prior period adjustments:		
Change to implement GASB No. 96	-	58,444
Correction of prior year expenditure	(50,076)	(50,076)
Balances as of June 30, 2022, as restated	\$ 4,618,132	\$ 54,697,722

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, 2023

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts		Final to Actual
				Original	Final	Variance- Positive (Negative)
Revenues:						
Local sources	\$ 38,118,288	3,425,578	41,543,866	37,883,701	37,883,701	3,660,165
Intermediate sources	61,119	-	61,119	37,886	37,886	23,233
State sources	29,204,656	70,241	29,274,897	28,544,371	28,544,371	730,526
Federal sources	2,022,497	2,342,079	4,364,576	3,718,031	3,718,031	646,545
Total revenues	69,406,560	5,837,898	75,244,458	70,183,989	70,183,989	5,060,469
Expenditures:						
Instruction	34,941,807	-	34,941,807	32,738,148	35,238,148	296,341
Support services	20,460,007	-	20,460,007	20,937,734	22,437,734	1,977,727
Non-instructional programs	24,822	4,287,346	4,312,168	2,876,413	3,876,413	(435,755)
Other expenditures	32,680,981	-	32,680,981	22,416,049	31,916,049	(764,932)
Total expenditures	88,107,617	4,287,346	92,394,963	78,968,344	93,468,344	1,073,381
Excess (deficiency) of revenues over (under) expenditures	(18,701,057)	1,550,552	(17,150,505)	(8,784,355)	(23,284,355)	6,133,850
Other financing sources (uses), net	852,049	(850,000)	2,049	(2,633,569)	(2,633,569)	2,635,618
Change in fund balance	(17,849,008)	700,552	(17,148,456)	(11,417,924)	(25,917,924)	8,769,468
Balances beginning of year, as restated	41,834,458	3,667,051	45,501,509	32,761,076	32,761,076	12,740,433
Balances end of year	\$ 23,985,450	4,367,603	28,353,053	21,343,152	6,843,152	21,509,901

See accompanying independent auditor's report.

Urbandale Community School District
Notes to Required Supplementary Information - Budgetary Reporting
Year Ended June 30, 2023

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted a budget amendment, increasing budgeted expenditures by \$14,500,000.

During the year ended June 30, 2023, expenditures exceeded the amounts budgeted in the non-instructional program and other expenditures functions. 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 Nine Years* (In Thousands)
Required Supplementary Information

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.394721%	0.392363%	0.401345%	0.404992%	0.408163%	0.404199%	0.404560%	0.406527%	0.408590%
District's proportionate share of the net pension liability	\$ 15,667	550	27,997	23,609	25,821	26,684	25,229	20,210	16,536
Districts covered-employee payroll	\$ 33,396	31,842	31,632	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	46.91%	1.73%	88.51%	76.89%	83.43%	89.21%	87.70%	72.10%	60.60%
Plan fiduciary net position as a percentage of the total pension liability	91.40%	100.81%	82.90%	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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	3,269	3,153	3,005	2,986	2,898	2,764	2,671	2,569	2,503	2,437
Contributions in relation to the statutorily required contribution	(3,269)	(3,153)	(3,005)	(2,986)	(2,898)	(2,764)	(2,671)	(2,569)	(2,503)	(2,437)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 34,639	33,396	31,842	31,632	30,704	30,948	29,912	28,768	28,029	27,285
Contributions as a percentage of covered-employee payroll	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%

See accompanying independent auditor's report.

Urbandale Community School District
Notes to Required Supplementary Information - Pension Liability
Year Ended June 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

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 rate 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 rate 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 Six Years
Required Supplementary Information**

	2023	2022	2021	2020	2019	2018
Service cost	\$ 83,886	83,889	82,707	82,719	105,590	105,776
Interest cost	37,809	33,926	26,380	23,756	37,851	33,747
Difference between expected and actual experiences	-	-	-	-	(30,350)	(22,457)
Changes in assumptions	-	(147,907)	-	(285,089)	-	-
Changes in demographics	-	(28,111)	-	(64,691)	-	-
Recognition of deferred inflows and outflows	(9,884)	(7,578)	(6,766)	(6,776)	-	-
Benefit payments	(23,484)	(23,639)	(17,263)	(15,386)	(12,866)	(14,975)
Net change in total OPEB liability	88,327	(89,420)	85,058	(265,467)	100,225	102,091
Total OPEB liability beginning of year	758,114	847,534	762,476	1,027,943	927,718	825,627
Total OPEB liability end of year	\$ 846,441	758,114	847,534	762,476	1,027,943	927,718
Covered-employee payroll	\$ 25,662,367	24,812,481	23,779,682	22,661,198	22,779,001	26,217,960
Total OPEB liability as a percentage of covered-employee payroll	3.30%	3.06%	3.56%	3.36%	4.51%	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, 2023	4.55%
Year ended June 30, 2022	4.55%
Year ended June 30, 2021	3.15%
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, 2023

	Special Revenue Funds			
	Student Activity	Management	Public Education & Recreation Levy	Total
Assets				
Cash, cash equivalents and pooled investments	\$ 271,300	1,587,960	1,017,122	2,876,382
Receivables:				
Property tax:				
Delinquent	-	1,753	479	2,232
Succeeding year	-	299,993	205,433	505,426
Total assets	\$ 271,300	1,889,706	1,223,034	3,384,040
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 5,013	900	-	5,913
Due to other governments	342	-	-	342
Total liabilities	5,355	900	-	6,255
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	299,993	205,433	505,426
Total deferred inflows of resources	-	299,993	205,433	505,426
Fund Balances:				
Restricted for:				
Management levy purposes	-	1,588,813	-	1,588,813
Student activities	265,945	-	-	265,945
Public education & recreation levy purposes	-	-	1,017,601	1,017,601
Total fund balances	265,945	1,588,813	1,017,601	2,872,359
Total liabilities, deferred inflows of resources and fund equity	\$ 271,300	1,889,706	1,223,034	3,384,040

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, 2023

	Special Revenue Funds			Total
	Student Activity	Management	Public Education & Recreation Levy	
Revenues:				
Local sources:				
Local tax:				
Property tax	\$ -	731,104	199,747	930,851
Utility tax replacement excise tax	-	708	193	901
	-	731,812	199,940	931,752
Other local sources:				
Interest on investments	27,027	40,541	27,028	94,596
Other	493,634	9,797	-	503,431
	520,661	50,338	27,028	598,027
	520,661	782,150	226,968	1,529,779
State sources:				
Revenue in lieu of taxes :				
Military credit	-	124	34	158
Commercial & industrial replacement tax	-	3,199	874	4,073
	-	3,323	908	4,231
Total revenues	520,661	785,473	227,876	1,534,010
Expenditures:				
Current:				
Instruction:				
Regular	-	157,320	-	157,320
Other	503,411	-	-	503,411
	503,411	157,320	-	660,731
Support services:				
Administration:	-	26,901	-	26,901
Operation and maintenance of plant	-	413,787	-	413,787
Transportation	-	28,560	-	28,560
	-	469,248	-	469,248
Noninstructional programs:				
Food service operations	-	24,822	-	24,822
Other expenditures:				
Facilities acquisition	-	-	-	-
Total expenditures	503,411	651,390	-	1,154,801

Schedule 2

Urbandale Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year ended June 30, 2023

	Special Revenue Funds			Total
	Student Activity	Management	Public Education & Recreation Levy	
Excess (deficiency) of revenues over (under) expenditures	17,250	134,083	227,876	379,209
Other financing sources (uses):				
Transfers in	-	-	-	-
Change in fund balances	17,250	134,083	227,876	379,209
Fund balances beginning of year	248,695	1,454,730	789,725	2,493,150
Fund balances end of year	\$ 265,945	1,588,813	1,017,601	2,872,359

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, 2023

Account	Balance Beginning of Year	Revenues and Financing Sources	Expenditures	Transfer Balance	Balance End of Year
Jensen Activity	\$ 12,822	-	-	-	12,822
KA Activity	8,062	-	-	-	8,062
KA Student Senate	668	-	-	-	668
KA Boys Group	1,196	-	142	-	1,054
Olmsted Activity	513	-	-	-	513
Rolling Green Activity	4,635	-	-	-	4,635
Valerius Activity	11,423	-	-	-	11,423
Webster Activity	-	-	-	-	-
Webster Best Buddies	423	-	75	-	348
Elementary Band Fundraiser	229	-	-	-	229
Web Clickers	2,411	-	-	-	2,411
Middle School:					
Drama	287	503	-	-	790
Vocal	3,228	8,896	12,124	-	-
Instrumental	2,376	6,932	6,269	-	3,039
Acivity MS	-	26,884	18,867	-	8,017
Best Buddies	323	-	-	-	323
Student Senate	5,684	131	343	-	5,472
Memory Book	2,462	175	612	-	2,025
Building Activity	8,968	-	3,250	-	5,718
High School:					
Building Activity	14,250	27,027	2,832	-	38,445
Drama	3,740	10,199	5,514	-	8,425
Vocal	25,013	92,744	99,154	-	18,603
Band	28,993	63,819	42,890	-	49,922
Jaywalkers	-	37,561	37,561	-	-
Athletics	43,620	207,469	242,002	-	9,087
Art	4,720	-	13	-	4,707
Deca	1,737	642	2,132	-	247
Key Club	4,687	901	1,021	-	4,567
German Club	2,173	-	-	-	2,173
Indust Arts Club	-	-	-	-	-
Battle of the Books	193	443	235	-	401
Student Senate	32,634	29,340	22,600	-	39,374
Hope In Action	482	-	-	-	482
Yearbook	8,832	1,511	-	-	10,343

Schedule 3

**Urbandale Community School District
 Schedule of Changes in Special Revenue Fund, Student Activity Accounts
 Year ended June 30, 2023**

Account	Balance Beginning of Year	Revenues and Financing Sources	Expenditures	Transfer Balance	Balance End of Year
The Roaring Leo Club	297	-	-	-	297
Best Buddies	730	263	590	-	403
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
Core Club	361	5,221	5,185	-	397
	\$ 248,695	520,661	503,411	-	265,945

See accompanying independent auditor's report.

Schedule 4

Urbandale Community School District
 Combining Balance Sheet
 Capital Projects Fund Accounts
 June 30, 2023

	Capital Projects			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Assets				
Cash, cash equivalents and pooled investments	\$ 6,868,711	4,993,465	1,140,172	13,002,348
Receivables:				
Property tax:				
Delinquent	-	6,191	-	6,191
Succeeding year	-	2,724,312	-	2,724,312
Due from other governments	330,065	72,350	-	402,415
Total assets	\$ 7,198,776	7,796,318	1,140,172	16,135,266
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 49,166	110,389	-	159,555
Due to other governments	-	2,511	-	2,511
Total liabilities	49,166	112,900	-	162,066
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	2,724,312	-	2,724,312
Total deferred inflows of resources	-	2,724,312	-	2,724,312
Fund balances:				
Restricted for:				
School infrastructure	7,149,610	-	1,140,172	8,289,782
Physical plant and equipment	-	4,959,106	-	4,959,106
Total fund balances	7,149,610	4,959,106	1,140,172	13,248,888
Total liabilities, deferred inflows of resources and fund balances	\$ 7,198,776	7,796,318	1,140,172	16,135,266

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, 2023

	Capital Projects			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Revenues:				
Local sources:				
Local tax:				
Property tax	\$ -	2,687,615	-	2,687,615
Utility tax replacement excise tax	-	2,393	-	2,393
	-	2,690,008	-	2,690,008
Other local sources:				
Interest on investments	189,190	18,096	500,001	707,287
Other	-	4,869	-	4,869
	189,190	22,965	500,001	712,156
	189,190	2,712,973	500,001	3,402,164
State sources:				
Revenue in lieu of taxes :				
Statewide sales, services and use tax	4,678,593	-	-	4,678,593
Military credit	-	419	-	419
Commercial & industrial replacement tax	-	14,392	-	14,392
	4,678,593	14,811	-	4,693,404
Total revenues	4,867,783	2,727,784	500,001	8,095,568
Expenditures:				
Current:				
Instruction:				
Regular:				
Property	22,158	45,451	-	67,609
	22,158	45,451	-	67,609
Support Services:				
Instructional staff:				
Purchased services	-	423,002	-	423,002
Supplies	87,918	154,234	-	242,152
Property	394,452	850,213	-	1,244,665
	482,370	1,427,449	-	1,909,819
Administration:				
Purchased services	100	-	5,701	5,801
	100	-	5,701	5,801
Operation and maintenance of plant services:				
Purchased services	-	76,814	-	76,814
Property	-	213,120	-	213,120
	-	289,934	-	289,934

Schedule 5

Urbandale Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund Accounts
Year ended June 30, 2023

	Capital Projects			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Other expenditures:				
Facilities acquisition:				
Purchased services	6,135,485	564,234	15,606,379	22,306,098
Property	24,500	20,374	-	44,874
Total expenditures	6,159,985	584,608	15,606,379	22,350,972
Excess (deficiency) of revenues over (under) expenditures	(1,796,830)	380,342	(15,112,079)	(16,528,567)
Other financing uses:				
Transfers out	(2,307,744)	(211,402)	-	(2,519,146)
Total other financing uses	(2,307,744)	(211,402)	-	(2,519,146)
Change in fund balances	(4,104,574)	168,940	(15,112,079)	(19,047,713)
Fund balances beginning of year	11,254,184	4,790,166	16,252,251	32,296,601
Fund balances end of year	\$ 7,149,610	4,959,106	1,140,172	13,248,888

See accompanying independent auditor's report.

Schedule 6

Urbandale Community School District
 Combining Statement of Net Position
 Proprietary Funds
 June 30, 2023

	Business Type Activities			
	Nonmajor Enterprise Funds			
	School Nutrition	Child Care Fund	Community Education	Total
Assets				
Current assets:				
Cash, cash equivalents and pooled investments	\$ 3,284,184	1,613,925	381,227	5,279,336
Due from other governments	37,786	-	50	37,836
Inventories	14,492	-	-	14,492
Total current assets	3,336,462	1,613,925	381,277	5,331,664
Noncurrent assets:				
Capital assets:				
Equipment	1,584,015	-	-	1,584,015
Accumulated depreciation	(1,489,373)	-	-	(1,489,373)
Total noncurrent assets	94,642	-	-	94,642
Total assets	3,431,104	1,613,925	381,277	5,426,306
Deferred Outflows of Resources				
Pension related deferred outflows	466,091	721,340	123,434	1,310,865
Liabilities				
Current liabilities:				
Accounts payable	3,742	5,194	1,997	10,933
Incurred but not reported claims	-	-	-	-
Salaries and benefits payable	-	48,529	234	48,763
Advances for services	53,963	-	-	53,963
Compensated absences payable	6,196	5,727	-	11,923
Total current liabilities	63,901	59,450	2,231	125,582
Noncurrent liabilities:				
Net pension liability	366,405	598,147	51,760	1,016,312
Other postemployment benefits	27,672	13,022	-	40,694
Total noncurrent liabilities	394,077	611,169	51,760	1,057,006
Total liabilities	457,978	670,619	53,991	1,182,588
Deferred Inflows of Resources				
Pension related deferred inflows	-	632,794	527,189	1,159,983
OPEB related deferred inflows	18,358	8,639	-	26,997
Total deferred inflows	18,358	641,433	527,189	1,186,980
Net Position				
Net investment in capital assets	94,642	-	-	94,642
Unrestricted	3,326,217	1,023,213	(76,469)	4,272,961
Total Net Position	\$ 3,420,859	1,023,213	(76,469)	4,367,603

See accompanying independent auditor's report.

Schedule 6

Governmental Activities			
Internal Service Funds			
	Flexible Benefits	Self-funded Health Plan	Total
\$	84,979	5,243,924	5,328,903
	-	-	-
	-	-	-
	84,979	5,243,924	5,328,903
	-	-	-
	-	-	-
	-	-	-
	84,979	5,243,924	5,328,903
	-	-	-
	-	-	-
	-	-	-
	-	2,978	2,978
	-	607,067	607,067
	-	-	-
	-	610,045	610,045
	-	-	-
	-	-	-
	-	-	-
	-	610,045	610,045
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	84,979	4,633,879	4,718,858
\$	84,979	4,633,879	4,718,858

Schedule 7

Urbandale Community School District
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year ended June 30, 2023

	Business Type Activities			
	Non-Major Enterprise Funds			
	School Nutrition	Child Care Fund	Community Education	Total
Operating revenue:				
Local sources:				
Other local sources:				
Sale of lunches and breakfasts	\$ 1,119,272	-	-	1,119,272
Sale of services	-	1,848,338	283,354	2,131,692
Other revenues	1,805	3,314	4,095	9,214
Total operating revenue	1,121,077	1,851,652	287,449	3,260,178
Operating expenses:				
Instructional programs:				
Instruction:				
Regular:				
Salaries	-	193,414	91,763	285,177
Benefits	-	59,331	6,994	66,325
Purchased services	-	-	5,331	5,331
Supplies	-	60,059	127,565	187,624
Support Services:				
Instructional staff:				
Supplies	8,209	-	-	8,209
Administration:				
Salaries	-	211,098	2,441	213,539
Benefits	-	57,889	397	58,286
Services	1,035	-	-	1,035
Other	-	-	-	-
Operation and maintenance of plant services:				
Purchased services	18,123	-	-	18,123
Transportation:				
Services	-	10,433	-	10,433
Non-instructional programs:				
Community service operations:				
Salaries	-	1,025,666	-	1,025,666
Benefits	-	87,966	-	87,966
Supplies	-	60,904	-	60,904
Food services operations:				
Salaries	805,641	-	-	805,641
Benefits	182,730	-	-	182,730
Services	824	-	-	824
Supplies	1,254,435	-	-	1,254,435
Depreciation	15,098	-	-	15,098
Total operating expenses	2,258,728	-	-	2,258,728
Total operating expenses	2,286,095	1,766,760	234,491	4,287,346
Operating income (loss)	(1,165,018)	84,892	52,958	(1,027,168)
Non-operating revenue:				
State sources	15,557	54,684	-	70,241
Federal sources	1,794,217	547,862	-	2,342,079
Contributions	1,197	-	-	1,197
Interest income	69,608	67,568	27,027	164,203
Total non-operating revenue	1,880,579	670,114	27,027	2,577,720
Income(loss) before capital contributions and transfers:				
Transfers out	-	(850,000)	-	(850,000)
Change in net position	715,561	(94,994)	79,985	700,552
Net position beginning of year	2,705,298	1,118,207	(156,454)	3,667,051
Net position end of year	\$ 3,420,859	1,023,213	(76,469)	4,367,603

See accompanying independent auditor's report.

Governmental Activities			
Internal Service Funds			
	Flexible Benefits	Self-funded Health Plan	Total
\$	-	-	-
	-	5,133,129	5,133,129
	13,184	-	13,184
	13,184	5,133,129	5,146,313

-	-	-
-	-	-
-	-	-
-	-	-

-	-	-
-	-	-

-	-	-
-	4,627,085	4,627,085
-	24,532	24,532
-	-	-
-	4,651,617	4,651,617

-	-	-
-	-	-

-	-	-
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-	-	-
-	-	-
-	-	-
-	-	-

-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	4,651,617	4,651,617

13,184	481,512	494,696
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-	-	-
-	-	-
-	-	-
13,514	81,657	95,171
13,514	81,657	95,171

-	-	-
26,698	563,169	589,867

58,281	4,070,710	4,128,991
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\$	84,979	4,633,879	4,718,858
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Schedule 8

**Urbandale Community School District
Combining Statement of Cash Flows
Non-Major Proprietary Funds
Year ended June 30, 2023**

	Business Type Activities			
	Non-Major Enterprise Funds			
	Student Nutrition	Child Care Fund	Community Education	Total
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	\$ 1,112,003	\$ -	-	1,112,003
Cash received from miscellaneous operating activities	1,805	1,737,359	287,399	2,026,563
Cash paid to employees for services	(1,074,077)	(1,770,709)	(110,348)	(2,955,134)
Cash paid to suppliers for goods or services	(1,048,114)	(133,376)	(144,504)	(1,325,994)
Net cash provided (used) by operating activities	(1,008,383)	(166,726)	32,547	(1,142,562)
Cash flows from non-capital financing activities:				
Contributions received	1,197	-	-	1,197
State grants received	15,557	54,684	-	70,241
Federal grants received	1,568,475	547,862	-	2,116,337
Transfers out to other funds	-	(850,000)	-	(850,000)
Net cash provided by non-capital financing activities	1,585,229	(247,454)	-	1,337,775
Cash flows from capital and related financing activities:				
Purchase of assets	-	-	-	-
Net cash provided by investing activities	-	-	-	-
Cash flows from investing activities:				
Interest on cash and investments	69,608	67,568	27,027	164,203
Net cash provided by investing activities	69,608	67,568	27,027	164,203
Net increase (decrease) in cash and cash equivalents	646,454	(346,612)	59,574	359,416
Cash and cash equivalents at beginning of year	2,637,730	1,960,537	321,653	4,919,920
Cash and cash equivalents at end of year	\$ 3,284,184	\$ 1,613,925	381,227	5,279,336
Reconciliation of operating gain (loss) to net cash provided (used) by operating activities:				
Operating gain (loss)	\$ (1,165,018)	\$ 84,892	52,958	(1,027,168)
Adjustments to reconcile operating gain (loss) to net cash provided (used) by operating activities:				
Commodities used	235,807	-	-	235,807
Depreciation	15,098	-	-	15,098
(Increase) decrease in accounts receivable	-	-	(50)	(50)
(Increase) decrease in inventories	(1,299)	-	-	(1,299)
Increase (decrease) in accounts payable	4	(1,980)	(11,608)	(13,584)
Increase (decrease) in incurred but not reported claims	-	-	-	-
Increase (decrease) in salaries and benefits payable payable	(9,730)	(1,799)	(667)	(12,196)
Increase (decrease) in advances for services	(7,269)	(114,293)	-	(121,562)
Increase (decrease) in compensated absences payable	(2,631)	1,335	-	(1,296)
Increase (decrease) in net pension liability	364,862	578,014	39,240	982,116
(Increase) decrease in deferred outflows of resources	(383,600)	(470,842)	(30,945)	(885,387)
Increase (decrease) in deferred inflows of resources	(63,405)	(242,492)	(16,381)	(322,278)
Increase (decrease) in other postemployment benefits	8,798	439	-	9,237
Net cash provided (used) by operating activities	\$ (1,008,383)	\$ (166,726)	32,547	(1,142,562)

Non-cash investing, capital and financing activities:

During the year ended June 30, 2023, the District received \$235,807 of federal commodities.

See accompanying independent auditor's report.

<u>Governmental Activities</u>			
<u>Internal Service Funds</u>			
	<u>Flexible</u>	<u>Self-funded</u>	
	<u>Benefits</u>	<u>Health Plan</u>	<u>Total</u>
\$	-	-	-
	27,287	5,133,129	5,160,416
	-	(4,664,678)	(4,664,678)
	-	(24,532)	(24,532)
	<u>27,287</u>	<u>443,919</u>	<u>471,206</u>
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	13,514	81,657	95,171
	<u>13,514</u>	<u>81,657</u>	<u>95,171</u>
	40,801	525,576	566,377
	44,178	4,718,348	4,762,526
\$	<u>84,979</u>	<u>5,243,924</u>	<u>5,328,903</u>
\$	13,184	481,512	494,696
	-	-	-
	-	-	-
	14,103	-	14,103
	-	-	-
	-	18	18
	-	(37,611)	(37,611)
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
\$	<u>27,287</u>	<u>443,919</u>	<u>471,206</u>

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Local sources:										
Local tax	\$ 27,496,109	26,793,884	25,961,674	23,791,179	23,255,090	21,477,995	20,924,315	20,059,084	19,544,606	19,581,000
Tuition	8,444,089	9,196,302	6,845,054	7,130,579	7,502,810	7,069,200	7,374,464	6,654,194	6,441,098	6,270,499
Other	2,178,090	1,480,860	940,141	1,773,811	1,409,605	1,435,180	1,334,721	1,375,537	1,411,837	1,399,151
Intermediate sources	61,119	58,803	37,886	57,659	53,778	53,839	51,573	50,283	47,159	52,333
State sources	29,204,656	27,231,575	26,430,469	26,097,476	25,352,472	25,026,525	24,951,763	24,099,695	22,475,219	21,648,702
Federal sources	2,022,497	2,482,681	2,904,320	1,083,969	1,069,693	1,137,586	1,010,165	958,661	1,141,396	935,939
Total	\$ 69,406,560	67,244,105	63,119,544	59,934,673	58,643,448	56,200,325	55,647,001	53,197,454	51,061,315	49,887,624
Expenditures:										
Instruction:										
Regular	\$ 20,921,115	20,641,376	19,287,173	18,273,116	19,098,866	18,913,423	18,013,409	17,544,776	17,319,911	16,183,522
Special	8,164,989	7,400,453	6,747,110	6,730,058	6,285,139	6,449,019	6,200,676	5,738,416	6,075,902	5,901,859
Other	5,855,703	5,354,112	5,388,680	5,741,462	5,370,555	4,827,567	4,731,689	5,582,662	4,630,172	4,573,286
Support services:										
Student	1,834,602	1,950,376	2,206,544	1,776,844	1,682,928	1,761,169	1,701,680	1,305,528	1,950,183	1,986,932
Instructional staff	4,504,272	5,169,149	3,994,082	3,359,825	3,381,346	3,419,593	3,121,089	2,665,705	1,750,418	2,144,636
Administration	6,903,272	6,714,767	6,300,198	5,879,840	5,320,779	5,136,152	5,075,669	4,984,682	4,844,156	4,884,756
Operation and maintenance of plant	5,070,933	5,673,050	4,279,898	3,940,075	4,694,751	4,288,449	4,045,744	4,080,341	4,092,485	4,318,968
Transportation	2,146,928	1,757,530	1,475,582	1,644,883	1,440,176	1,402,655	1,300,724	1,223,161	1,226,147	1,233,783
Non-instructional programs	24,822	41,788	53,841	55,388	-	-	-	-	-	-
Other expenditures:										
Facilities acquisition	22,350,972	17,197,450	15,807,951	15,673,660	2,642,899	1,426,661	2,344,723	3,430,883	904,965	1,100,417
Long-term debt:										
Principal	5,885,327	5,631,781	5,852,000	11,237,000	24,746,000	38,270,000	3,855,000	3,770,000	21,685,000	9,740,000
Interest and other charges	2,775,022	2,724,382	2,136,895	2,096,923	2,365,650	2,547,590	2,438,763	2,541,566	3,314,256	3,630,246
AEA flowthrough	1,669,660	1,606,722	1,579,970	1,497,320	1,482,530	1,451,025	1,415,944	1,384,477	1,378,897	1,317,608
Total	\$ 88,107,617	81,862,936	75,109,924	77,906,394	78,511,619	89,893,303	54,245,110	54,252,197	69,172,492	57,016,013

See accompanying independent auditor's report.

Schedule 10

**Urbandale Community School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023**

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Local Food For Schools	10.185	FY23	\$ 7,990
Child Nutrition Cluster:			
School Breakfast Program	10.553	FY23	216,440
National School Lunch Program	10.555	FY23	1,345,458
Supply Chain Assistance Funds	10.555	FY23	176,325
Summer Food Service Program for Children	10.559	FY23	48,002
			<u>1,786,225</u>
Total US Department of Agriculture			<u>1,794,215</u>
U.S. Department of Justice:			
Iowa Department of Human Services:			
Juvenile Justice and Delinquency Prevention	16.540	FY23	33,950
Total Us Department of Justice			<u>33,950</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY23	445,868
Career and Technical Education - Basic Grants to States	84.048	FY23	33,012
Supporting Effective Instruction State Grants	84.367	FY23	86,557
Student Support and Academic Enrichment Program	84.424	FY23	18,183
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act (CARES) and the American Rescue Plan of 2021 (ARP) Cluster:			
Education Stabilization Fund(Rethink K-12 Education Models Discretionary Grant)	84.425B	FY23	59,567
Education Stabilization Fund(Governor's Emergency Education Relief Fund II)	84.425C	FY23	104,632
American Rescue PlanElementary and Secondary Emergency Relief (ARP ESSER III- Learning Loss)	84.425U	FY23	56,362
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER III - Learning Loss)	84.425U	FY23	444,432
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER III)(Teacher & Paraeducator Registered Apprenticeship Grant)	84.425U	FY23	72,858
			<u>737,851</u>
Heartland Area Education Agency:			
Special Education- Grants to States (Part B Section 611)(Mandated flowthrough)	84.027	FY23	190,886
Total US Department of Education			<u>1,512,357</u>
U.S. Department of Human Services:			
Iowa Department of Human Services:			
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response(COVID-19 Public Health Workforce Supplemental Funding)	93.354	FY23	39,528
Child Care and Development Block Grant (ARP Child Care StabilizationGrants)	93.575	FY23	547,862
Foster Care Title IV-E (Transportation Reimbursement)	93.658	FY23	3,692
Total US Department of Human Services			<u>591,082</u>
Total			<u>\$ 3,931,604</u>

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, 2023. 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:

<u>Program Title</u>	<u>Assistance Listing Number</u>	<u>Amount Provided to Subrecipients</u>
Career and Technical Education - Basic Grants to States	84.048	\$ 16,714

Note 5. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of \$235,807 related to USDA Commodities grants provided by the U.S. Department of Agriculture passed through the Iowa Department of Education, Assistance Listing Number 10.555.



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CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Education of Urbandale Community School District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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, 2023, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2023.

Report on 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 (internal control) as a basis for designing audit procedures that are 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 or significant deficiencies may exist that are not identified.

Report on 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 financial statements. 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance 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, 2023 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 Community School District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedure on Urbandale Community School District's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Urbandale Community School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

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

Van Maanen, Sietstra, Meyer & Nikkel PC

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

November 30, 2023



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**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

Opinion on Each Major Federal Program

We have audited Urbandale Community School District's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of Urbandale Community School District's major federal programs for the year ended June 30, 2023. Urbandale Community School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Urbandale Community School District complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Urbandale Community School District and meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Urbandale Community School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Urbandale Community School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Urbandale Community School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance

with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgement made by a reasonable user of the report on compliance about Urbandale Community School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Urbandale Community School District's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of Urbandale Community School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Urbandale Community School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance we identified during the audit.

Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weakness as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

November 30, 2023

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:
 - Child Nutrition Cluster:
 - Assistance Listing Number 10.553- School Breakfast Program
 - Assistance Listing Number 10.555- National School Lunch Program
 - Assistance Listing Number 10.555- Supply Chain Assistance Fund
 - Assistance Listing 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-23 Certified Budget - Expenditures for the year ended June 30, 2023, exceeded the amounts budgeted in the non-instructional program and other expenditure functions. The District did not exceed its General Fund unspent authorized budget for the year ended June 30, 2023.
- 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-23 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-23 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-23 Business Transactions – There were no business transactions between the District and District officials or employees for the year ended June 30, 2023.
- IV-E-23 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-23 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-23 Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-H-23 Certified Enrollment – Variances 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-23 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-23 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-23 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely.

IV-L-23 Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.

IV-M-23 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, 2023, the District reported the following information regarding the statewide sales, services and use tax revenue in the District’s CAR:

Beginning balance		\$	11,254,184
Revenues/transfers in:			
Sales tax revenues	\$	4,678,593	
Other local revenues		189,190	
Other capital projects		-	4,867,783
			<u>16,121,967</u>
Expenditures/transfers out:			
School infrastructure construction		6,135,585	
Supplies		87,918	
Property		441,110	
Transfers to other funds:			
Debt service funds		2,307,744	8,972,357
			<u>8,972,357</u>
Ending balance		\$	<u>7,149,610</u>

For the year ended June 30, 2023, 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-23 Deficit Balances –The Enterprise, Community Education Fund had a deficit balance at June 30, 2023.

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.