



**Johnston Community School District
Johnston, Iowa**

Comprehensive Annual Financial Report

Year Ended June 30, 2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT
JOHNSTON COMMUNITY SCHOOL DISTRICT

Johnston, Iowa

Fiscal Year Ended June 30, 2019

OFFICIAL ISSUING REPORT

Jan Miller-Hook, Chief Financial Officer

OFFICE ISSUING REPORT

Business Office

Johnston Community School District
Table of Contents
June 30, 2019

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	1-4
Organizational Chart	5
Board of Education and School District Administration Officials	6
Certificates of Achievement/Excellence	7-8

FINANCIAL SECTION

Independent Auditor's Report	9-10
Management's Discussion and Analysis (MD&A)	11-20

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position	A	22-23
Statement of Activities	B	24-25

Governmental Fund Financial Statements:

Balance Sheet	C	26
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	D	27
Statement of Revenues, Expenditures and Changes in Fund Balances	E	28-29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	F	30

Proprietary Funds Financial Statements:

Statement of Net Position	G	31
Statement of Revenues, Expenses and Changes in Fund Net Position	H	32
Statement of Cash Flows	I	33-34

Notes to Financial Statements		35-56
-------------------------------	--	-------

Required Supplementary Information:

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances – Budget and Actual - All Governmental Funds and Proprietary Fund	58
Notes to Required Supplementary Information - Budgetary Reporting	59
Schedule of the District's Proportionate Share of the Net Pension Liability	60
Schedule of District Contributions	61
Notes to Required Supplementary Information – Pension Liability	62
Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes	63

Supplementary Information:

Schedule/Statement

Combining, Subcombining and Individual Fund Financial Statements and Schedules:

Non-major Special Revenue Funds:

Combining Balance Sheet	1	65
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	66-67

Capital Projects Fund Accounts:

Subcombining Balance Sheet	3	68
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	4	69

Proprietary Funds:

Combining Statement of Net Position	5	70
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	6	71-72
Combining Statement of Cash Flows	7	73-74

Capital Assets used in the Operation of Governmental Funds:

Schedule by Source	8	76
Schedule by Function and Activity	9	77
Schedule of Changes by Function and Activity	10	78

Other Financial Schedules:

Schedule of Changes in Special Revenue Fund, Student Activity Accounts	11	80
Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds	12	81

Table of Contents, concluded

	<u>Page</u>
<u>STATISTICAL SECTION (UNAUDITED)</u>	
Net Position by Component	84-85
Expenses, Program Revenues and Net Revenues (Expenses)	86-87
General Revenues and Total Change in Net Position	88-89
Fund Balances - Governmental Funds	90-91
Governmental Funds Revenues	92-93
Government-Wide Revenues, by Source	94
Comparative Ratio of Debt Service to Governmental Funds Expenditures	96-97
Government-Wide Expenses, by Function	98
Other Financing Sources (Uses) and Change in Fund Balances - Governmental Funds	100-101
Comparisons of Growth in Revenue, Expenditures, Enrollment, Assessed Valuation and Tax Rates – General Fund	102
Assessed Value and Actual Value of Taxable Property	103
Property Tax Rates per \$1,000 Assessed Valuation	104
Principal Taxpayers and Employers	105
Property Tax Levies and Collections	106
Property Tax Rates	107
Property Tax Liability	108
Ratios of General Bonded Debt Outstanding	109
Outstanding Debt by Type	110-111
Legal Debt Margin Information	112-113
Debt Limit	114
Pledged Revenue Coverage	115
General Info	116
Demographic and Economic Statistics	117
Retail Sales	118
Bank Deposits	119
Residential Construction by Number of Dwelling Units	120
General Staffing Levels – General Fund	121
Operating Cost Per Pupil	122
General Analysis of Facilities	124-125
Schedule of Insurance Coverage	126-127
 <u>COMPLIANCE SECTION</u>	
Schedule of Expenditures of Federal Awards	129
Notes to Schedule of Expenditures of Federal Awards	130
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 <i>Government Auditing Standards</i>	131-132
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	133-134
Schedule of Findings and Questioned Costs	135-137



Johnston Community School District

6510 NW 62nd Avenue, P.O. Box 10
Johnston, IA 50131-0010 ph.515-278-0470 fax 515-278-5884

Jan Miller-Hook, Chief Financial Officer

November 4, 2019

Members of the Board of Education and Residents of
Johnston Community School District
Johnston, Iowa

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the Johnston Community School District for the fiscal year ended June 30, 2019. The report has been prepared to conform to guidelines recommended by the Association of School Business Officials (ASBO) International and the Government Finance Officers Association (GFOA) of the United States and Canada.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed information is fairly stated in all material respects and is presented in a manner which sets forth the financial position and results of operations of the various funds of the District in accordance with generally accepted accounting principles, (GAAP). It includes all District funds. All disclosures necessary to enable a reader to gain maximum understanding of the District's financial activities have been included.

The 2019 Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit Compliance. The Introductory Section includes a transmittal letter, the District's organizational chart, a list of District officials, and the 2018 Certificate of Achievement for Excellence in Financial Reporting presented by the Government Finance Officers Association and the Association of School Business Officials.

The financial section consists of the independent auditor's report, Management's Discussion and Analysis, audited basic financial statements, required supplemental information, and combining and individual fund statements and schedules. The audited basic financial statements present both an overview and a broad long-term perspective of the School District as a whole in the government-wide financial statements. Management is responsible for preparing a Management's Discussion and Analysis (MD&A). This discussion immediately follows the independent auditor's report and provides a narrative overview and analysis of the basic financial statement.

The Statistical Section sets forth selected unaudited financial and demographic information, and is divided into five categories including financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the Uniform Guidance. This section contains all necessary schedules and auditor's reports required for the District to comply with these regulations.

Profile of the Government

This report includes all entities or organizations required to be included in the District's reporting entity. The District is a separate reporting entity and is not included in any other reporting entity. A seven-member elected Board of Directors, serving staggered terms of four years, governs the Johnston Community School District. The Board of Directors is a policy-making and planning body whose decisions are carried out by school administrators. The District is subject to the general oversight of the Iowa Department of Education. This oversight generally includes an approval process that reviews compliance to standards enacted by legislative mandate.

The Johnston Community School District serves more than 38,000 people and covers 40 square miles in the northwest part of Polk County-Johnston, Urbandale, and Grimes. It is a thriving, growing suburb north of Iowa's capital of Des Moines with the Des Moines Metropolitan area including over 600,000 residents as of the 2010 census.

The District started as a one building district in 1914 and has grown to be the 13th largest of Iowa's 330 public school systems. The enrollment is approximately 7,106 students (certified) with over 7,200 students served. The District provides a full range of educational

services appropriate to students in early childhood, preschool, transitional kindergarten, and grades kindergarten through twelve. These services include basic, regular and enriched academic education; special education for children with special needs; vocational education; and numerous individualized programs such as specialized instruction for students at-risk and for limited-English-speaking students.

In addition to the elementary, middle school and high school programs offered in the District, there are additional opportunities for achieving success. Students attend Metro West, an alternative school for students who function better in a less-structured environment. Students may also attend the Central Academy that affords additional opportunities for a greater breadth of classes.

The District serves these students in one high school, two middle schools and five elementary schools. All of these buildings are either new or remodeled in the past 18 years.

Economic Condition and Outlook

The District is located in the central part of the state, within the larger Des Moines metropolitan area and ranks as one of the top growth areas of the country. The economic condition and outlook of the District have remained strong during the past ten years, and as a result, the District has experienced tremendous growth over the past several years. This growth has had a positive effect on employment and the District's tax base. The District has averaged 4.6% annual increase in the tax base over the past ten years. In fiscal year 2019, the increase was 9.2%. The District also expects continued enrollment growth during the foreseeable future. The district's enrollment growth has averaged 2.0% annually over the last ten years, with an average increase of 128 students. The average increase over the last 5 years has been 130 students, and the District is still projected to grow in the future. The District utilizes a demographer to assist with enrollment projections.

Based on conservative projections, this trend is expected to continue well into the next decade. While having a positive impact, the growth also presents significant challenges for the District. The District utilizes the maximum optional instructional support levy and will need to continue a high level of efficient use of human resources and facilities.

Retail sales, building permits, and population increases in the western suburbs have generally exceeded that of any other location in the metropolitan area or in the State of Iowa. These increases are expected to continue if economic conditions remain stable.

In recent years, the state of Iowa has faced an economic downturn that severely hampered its ability to fund schools at the same level as in prior years. The District has faced inadequate funding for state aid and other state-funded programs, and this has resulted in lower supplemental state aid. The lower funding has become the new norm with the last ten years averaging 1.77% supplemental state aid. The supplemental state aid has been complimented with increased enrollment (with the exception of one year) allowing the District to meet its needs without implementing budget cuts in recent years.

Major Initiatives

It is projected that the district will continue to grow for the foreseeable future. To accommodate the district's growth, a facility plan was approved that included a new high school housing grades 10-12, renovations to the existing high school to house 8th and 9th grade students, renovations to the existing middle school to house elementary students by moving Wallace Elementary to that building along with all district preschool classes, and renovations to the current Wallace Elementary to meet district needs. The high school project was completed in 2017, Wallace Elementary was completed 2018, middle school completed renovations in the summer of 2019, and the administrative building (previous Wallace Elementary) renovations began late fall 2018 with completion fall 2019. This facility plan has been funded through various sources including a bond referendum that passed in June 2014 for \$41 million, revenue bonds, and PPEL notes; this facility plan should meet the enrollment needs of the district for many years.

Johnston Community School District is in its seventh year with digital learning environments. Johnston High School began their 1:1 in 2012, Johnston Middle School (8-9) came on board in 2015, and Summit Middle School (6-7) in 2016. Elementary schools are also part of the initiative with fourth and fifth grade classrooms at 1:1 and Kindergarten through 3rd grade being 2:1. In addition, there are other sets of iPads that can be utilized by students. Computer labs, workstations, laptop carts, and iPad carts are also available as options at the elementary level. All district iPads were replaced with new updated iPads summer 2019.

Relevant Financial Policies

Since the funding formula is pupil driven, an increase in total spending authority occurs by increasing the number of pupils or by increasing the cost per pupil. The cost per pupil can be increased by the legislature in setting the amount of supplemental state aid each year. Under

the law, the legislature has thirty (30) days after receiving the governor's budget recommendation to set the state percent of supplemental state aid for the following year. Adequate supplemental state aid is crucial in funding the needs of our growing district.

Internal Control

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. As a part of the District's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the District has complied with applicable laws and regulations.

Budgetary Controls

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's governing body. Activities of the General Fund, Special Revenue Funds, Enterprise Fund, Debt Service Fund and Capital Projects Fund are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established by function and encompasses all fund types. To facilitate the monitoring of the legal provisions, and to provide more complete information to interested parties, the District prepares a more detailed budget for each fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

As demonstrated by the statements and schedules included in the Management's Discussion and Analysis included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Basis of Presentation

The charts and accounts used by the District have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards and Audits of State and Local Government Units issued by the American Institute of Certified Public Accountants. In addition, the District's accounting records materially conform to the Uniform Financial Accounting for Iowa Schools and Area Education Agencies issued by the State Department of Education and Chapter 11 of the Code of Iowa. The chart of accounts manual is updated annually and the District is materially in compliance with these requirements.

Independent Audit

The Code of the State of Iowa requires an annual audit of the District to be performed by an accounting firm selected in a competitively bid process. The annual audit meets the requirements of the Code of Iowa, generally accepted auditing standards and the requirements of the 1996 Amendment to the Single Audit Act, and the Uniform Guidance. The auditor's report on the general-purpose financial statements and combining and individual fund statements is included in the financial section of this report.

The auditor's reports related specifically to the single audit are included in a separate section for internal controls and compliance.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Johnston Community School District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. The Certificate of Achievement is the highest form of recognition for excellence in state and local financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Johnston Community School District has received this award annually for the last fourteen years. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District also received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials (ASBO) upon recommendation of the Association's Panel of Review, which has judged that the report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program. A certificate is valid for a period of one year. The Johnston Community School District has received this award for eighteen years, and we are submitting this report to ASBO to determine its eligibility for another certificate.

Acknowledgements


The preparation of this report could not be accomplished without the efficient and dedicated services of the entire central administrative support staff and our auditors, Van Maanen, Sietstra, Meyer & Nikkel, PC. Finally, we would like to thank the Board of Education for their continued interest and support in conducting the financial operations of the District in a most responsible and progressive manner.

We are pleased to present this report of the results of the District's financial operation for the fiscal year ended June 30, 2019. It is our hope that study and review of this report will provide a better understanding of the District's financial operation for the District patrons.

Respectfully submitted,

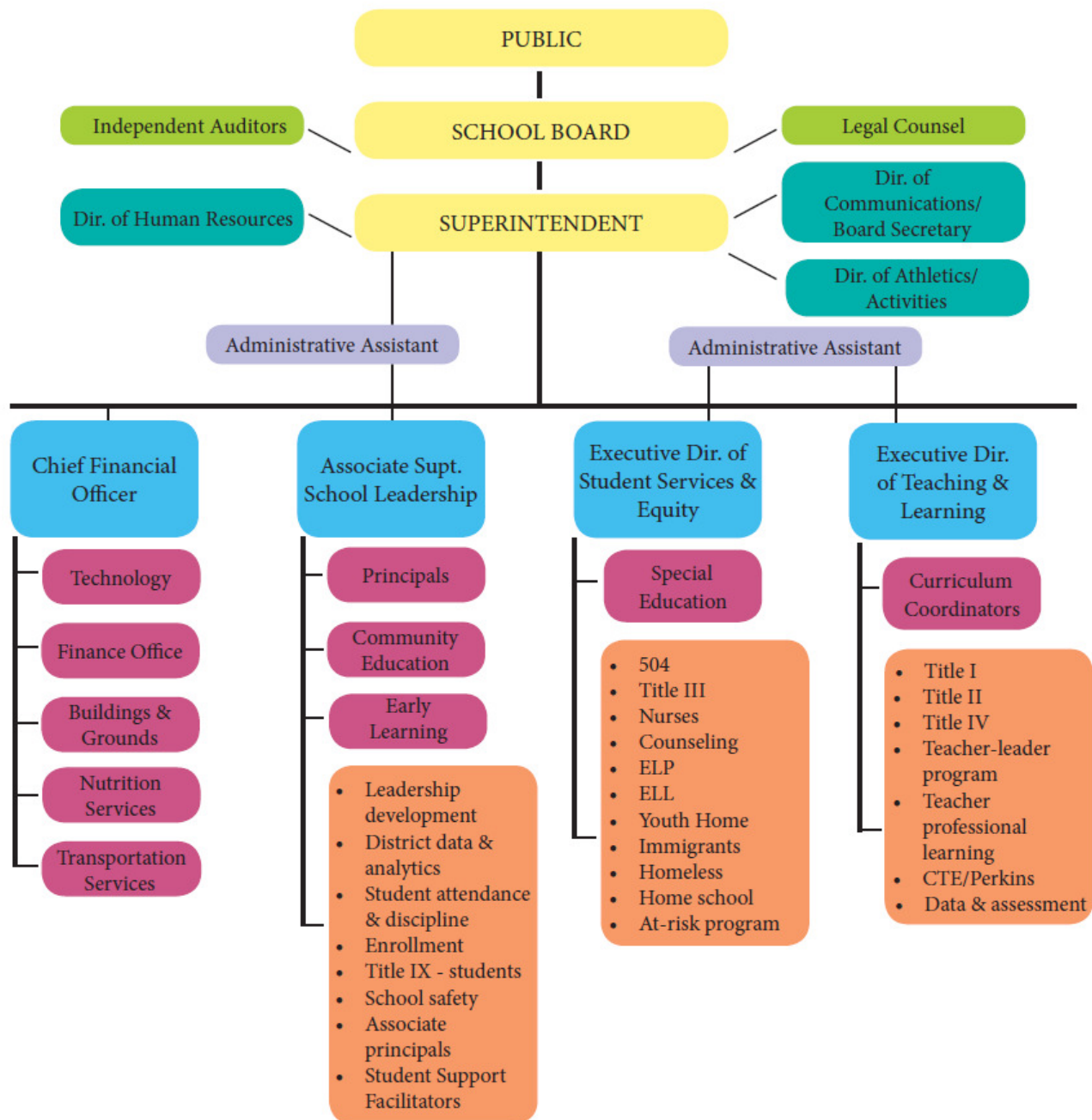


Jan Miller-Hook
Chief Financial Officer



Laura Kacer
Superintendent

Johnston Community School District
Organizational Chart
June 30, 2019



**Johnston Community School District
Board of Education and School District Administration
Year Ended June 30, 2019**

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Board of Education		
Greg Dockum	President	2019
Jill Morrill	Vice President	2019
Deb Henry	Board Member	2019
Matthew Stahr	Board Member	Resigned February 11, 2019
Justin Allen	Board Member	2021
Steven Hopper	Board Member	2021
Dr. Jeanie Kerber	Board Member	2021
Marci Cordaro	Board Member	Appointed February 25, 2019

School District Administration

Laura Kacer	Superintendent of Schools
Dr. Bruce Amendt	Associate Superintendent of Academic Services
Jan Miller-Hook	Chief Financial Officer
Chris Bergman	Executive Director Teaching, Learning & Innovation
Ryan Eidahl	Director of Business Services
Nancy J. Buryanek	Director of Community Education
George Smith	Director of Buildings and Grounds
LaRae Doll	Director of Nutrition & Food Services
Tony Sparks	Director of Technology
Ryan Woods	High School Principal
Randy Klein	High School Associate Principal
Jerry Stratton	High School Associate Principal
Brent Riessen	Middle School Principal
Raine Mollenbeck	Middle School Associate Principal
Chris Billings	Summit Middle School Principal
Kevin Blackburn	Summit School Associate Principal
Joe Nelson	Director of Athletics and Activities
Tom Bartello	Lawson Elementary Principal
Kelley Harrison	Timber Ridge Elementary Principal
Lindsey Cornwell	Horizon Elementary Principal
Suzie Pearson	Wallace Elementary Principal
Eric Toot	Beaver Creek Elementary Principal
Vickie McCool	Director of Special Education
Joy Wiebers	Director of Student Support & Equity
Laura Sprague	Director of Communications
Joy Palmer	Director of Johnston Early Learning Academy



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Johnston Community School District
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



**The Certificate of Excellence in Financial Reporting
is presented to**

Johnston Community School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'Slobhán McMahon'.

Slobhán McMahon, CAE
Chief Operating Officer



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

www.vanmaanencpa.com

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

Independent Auditor's Report

To the Board of Education
Johnston Community School District
Johnston, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Johnston Community School District, Johnston, Iowa, as of and for the year ended June 30, 2019, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Johnston Community School District as of June 30, 2019, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 11 through 20 and 58 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Johnston 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, 2018, (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 12, including the Schedule of Expenditures of Federal Awards required Title 2, *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated October 17, 2019, on our consideration of the Johnston 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 Johnston Community School District's internal control over financial reporting and compliance. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion.

Van Maanen, Sietstra, Meyer & Nikkel PC

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

October 17, 2019

This section of the Johnston Community School District annual financial report presents the readers of the District's financial statements a narrative overview and analysis of the financial activity of the District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A).

Financial Highlights

- For the year ended June 30, 2019, the District reported an increase in combined total governmental and business-type activities net position of \$9,135,711. For the year ended June 30, 2018, the District reported an increase in combined total governmental and business-type activities net position of \$6,460,233.
- Total revenues for the fiscal year ended June 30, 2019 and 2018 of \$115,631,494 and \$108,411,543 were comprised of General Revenues in the amount of \$86,890,476 and \$81,135,896 and Program Revenues totaling \$28,741,018 and \$27,275,647 respectively.
- As of June 30, 2019, the District's governmental funds reported combined ending fund balances of \$37,699,703, an increase of \$3,440,757 in comparison with 2018. This compares with June 30, 2018 balance of \$34,258,946, a decrease of \$8,280,627 in comparison with 2017. This increase for year ending 2019 consists primarily of an increase of \$1.5 million in School Infrastructure Fund due to revenue bond proceeds available, \$4.1 million increase in the DEBT fund due to a pre-levy of \$3.9 million future callable bonds put into escrow, \$2.2 million decrease in the PPEL fund due to construction costs paid from PPEL notes, an increase of \$1.5M in the management fund due to a higher levy, and a decrease of \$1.5 million in the Unassigned fund balance due to \$2.3 million less cash reserve levied offset by controlled staffing, and continuation of no formal textbook adoptions (district budgets \$650,000/year for curriculum resources in lieu of adoptions).
- As of June 30, 2019, Unassigned fund balance for the General Fund was \$12,695,403 or 15.3% of total General Fund expenditures. This is a decrease from the balance on June 30, 2018 of \$1,459,319 or 18.0% of expenditures. This decrease is due to \$2.3 million less cash reserve levied offset by 3.7% new money (state supplemental aid 1% and increased enrollment), controlled staffing, the continuation of \$650,000 budgeted for curriculum resources in lieu of textbook adoptions.

Using This Annual Report

This annual report consists of a series of financial statements and other information, as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The *Government-wide Financial Statements* consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Johnston Community School District as a whole and present an overall view of the District's finances.
- The *Fund Financial Statements* tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Johnston Community School District's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Johnston Community School District acts solely as an agent or custodian for the benefit of those outside of the District.
- The *Notes to Financial Statements* provide additional information essential to a full understanding of the data provided in the basic financial statements.
- The *Required Supplementary Information* further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of funding Progress for the Retiree Health Plan.
- The *Supplementary Information* provides detailed information about the nonmajor governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

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

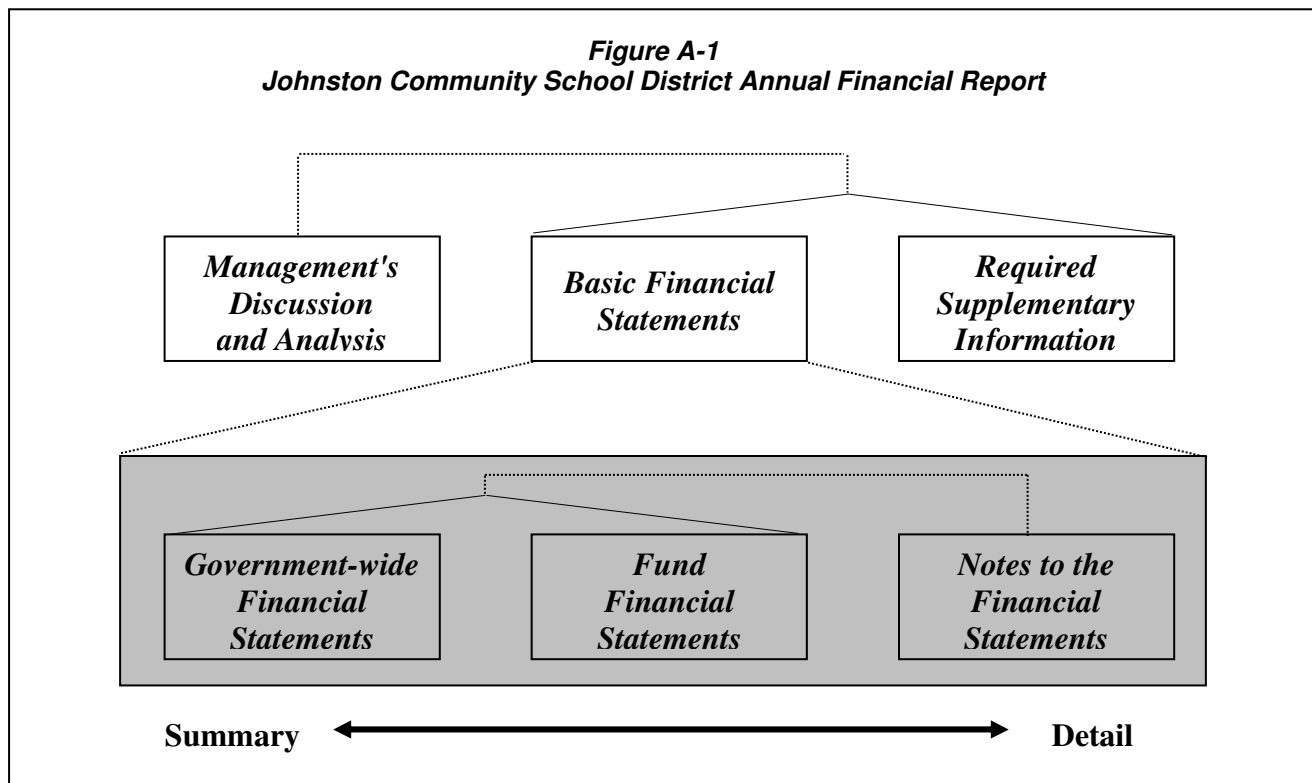


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents 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
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 and adult education
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in fund net position • Statement of cash flows
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
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
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
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

Reporting the District's Financial Activities

Government-wide Statements

The Government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflow of resources, liabilities and deferred inflow 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 financial statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets, deferred outflow of resources, liabilities and deferred inflow of resources – are one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position is an indicator of whether 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 tax and state aid finance most of these activities.
- *Business-type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition, community education and community preschool 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 student activity funds or to show that it is properly using certain revenues such as federal grants.

The District has two 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 determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund.

The required financial statements for governmental fund 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 financial statements. The District's Enterprise Funds, one type of proprietary fund, is the same as its business type activities but provides more detail and additional information, such as cash flows. The District currently has three enterprise funds: School Nutrition, Community Preschool, and Community Education.

The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

Government-wide Financial Analysis

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that have had an impact on the statement of net position.

- The District levied \$3.9 million surplus school capital and equipment levy for bonds callable June 1, 2022.
- On July 11, 2018, the District issued \$8,709,000.00 School Infrastructure Sales, Services and Use Tax Revenue Bonds.
- The District added capital assets of \$7.2 million through the construction of major renovations including a new elementary/preschool site, street addition on high school property, school improvements, and equipment net of accumulated depreciation expense.

Net position - Figure A-3 below provides a summary of the District's net position for the year ended June 30, 2019 compared to June 30, 2018.

Figure A-3							
Condensed Statement of Net Position							
	Governmental activities		Business type activities		Total	Total Change	
	June 30,		June 30,		June 30,	June 30,	
	2109	2018	2019	2018	2019	2018	2018-2019
Current assets	\$ 106,608,354	99,666,176	4,120,811	3,765,889	110,729,165	103,432,065	7.1%
Capital assets, net	199,553,602	195,853,001	834,995	821,200	200,388,597	196,674,201	1.9%
Total assets	306,161,956	295,519,177	4,955,806	4,587,089	311,117,762	300,106,266	3.7%
Deferred outflows of resources	11,024,239	18,238,479	694,562	1,180,414	11,718,801	19,418,893	0.0%
Total deferred outflows of resources	11,024,239	18,238,479	694,562	1,180,414	11,718,801	19,418,893	0.0%
Current liabilities	27,902,298	25,951,665	485,334	470,275	28,387,632	26,421,940	7.4%
Long-term liabilities	139,061,932	141,580,650	2,801,416	2,802,688	141,863,348	144,383,338	-1.7%
Total liabilities	166,964,230	167,532,315	3,286,750	3,272,963	170,250,980	170,805,278	-0.3%
Deferred inflows of resources	47,283,182	52,147,933	223,676	628,934	47,506,858	52,776,867	0.0%
Total deferred inflows of resources	47,283,182	52,147,933	223,676	628,934	47,506,858	52,776,867	0.0%
Net Position:							
Net investment in capital assets	96,562,542	92,188,629	834,995	821,200	97,397,537	93,009,829	4.7%
Restricted	17,618,072	11,157,688	-	-	17,618,072	11,157,688	57.9%
Unrestricted	(11,241,831)	(9,268,909)	1,304,947	1,044,406	(9,936,884)	(8,224,503)	20.8%
Total net position	\$ 102,938,783	94,077,408	2,139,942	1,865,606	105,078,725	95,943,014	9.5%

As noted earlier, net position may serve over time as a useful indicator of a government entity's financial position. A significant portion of the District's total net position reflects its investment in capital assets (land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress) less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. The District's total net position increased from a year ago \$94,943,014 to \$105,078,725. The governmental activities net position increased \$8,861,375 and the business type activities net position increased \$274,336. The increase is primarily due to completion of additional capital projects

A significant portion of the District's total assets reflects its investment in capital assets. The District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The District's net position invested in capital assets, net of related debt, was \$97,397,537 for 2018 and \$93,009,829 for 2018.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Long-term debt liabilities will be repaid through future property and sales taxes collections. Bond debt retirement for the year was \$7,830,000.

Property tax, sales tax, and unrestricted state grants account for 73.1% of the total revenue. The District's expenses primarily relate to instruction and support services that account for 68.1% of the total expenses.

The restricted portion of the District's net position (16.8% for 2019 and 11.6% for 2018) represents resources that are subject to external restrictions in how they may be used. Restrictions for 2019 include \$4,230,045 for school infrastructure, \$1,166,603 for physical plant and equipment levy, \$101,938 for internal services, \$713,873 for other special revenue purposes, \$6,404,311 for debt service, \$3,452,544 for management levy, and \$1,548,758 for state categorical funding. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to students and creditors.

At the end of the current fiscal year, the Johnston Community School District is unable to report positive balances in all three categories of net position. GASB 68 was implemented during 2015 creating a deficit unrestricted net position. It should be noted this is a book entry of a negative amount and not an actual deficit of cash.

The District's total net position increased by \$9,135,711 during the current fiscal year as compared to an increase of \$6,460,233 in 2018. The governmental activities net position increased by \$6,293,775 in 2019 and increased by \$7,118,661 in 2018. The business type activities (which include nutrition, community education, and community preschool) increased by \$274,336 in 2019 as compared to an increase of \$166,458 in 2018.

Governmental Activities

Revenues for governmental activities were \$108,439,948 and expenses were \$99,809,463 for the year ended June 30, 2019. Net position increased by \$8,861,375.

Figure A-4 highlights the District's revenues and expenses for the fiscal year ended June 30, 2019 and 2018. These two main components are subtracted to yield the change in net position. This exhibit utilizes the full accrual method of accounting. Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services and sales, operating and capital grants and contributions. General revenue includes taxes and unrestricted grants such as state foundation support.

Expenses are shown in programs including instruction, support services, non-instructional programs and other expenses.

**Johnston Community School District
Management's Discussion and Analysis
Year ended June 30, 2019**

**Figure A-4
Changes in Net Position**

	Governmental activities		Business type activities		Total District		Total Change
	Year ended June 30,		Year ended June 30,		Year ended June 30,		June 30,
	2019	2018	2019	2018	2019	2018	2018-2019
Revenues:							
Program revenues:							
Charges for services	\$ 6,857,278	6,185,038	5,733,706	5,863,505	12,590,984	12,048,543	4.5%
Operating grants and contributions	14,692,194	13,923,397	1,457,840	1,303,707	16,150,034	15,227,104	6.1%
General revenues:							
Local taxes	44,526,382	40,930,405	-	-	44,526,382	40,930,405	8.8%
Statewide sales, services and use tax	6,684,467	6,442,320	-	-	6,684,467	6,442,320	3.8%
State grants	33,295,431	32,085,616	-	-	33,295,431	32,085,616	3.8%
Investment earnings	973,711	304,884	-	-	973,711	304,884	219.4%
Other	1,410,485	1,372,671	-	-	1,410,485	1,372,671	2.8%
Total revenues	108,439,948	101,244,331	7,191,546	7,167,212	115,631,494	108,411,543	6.7%
Expenses:							
Program expenses:							
Instruction	67,068,311	62,193,136	-	-	67,068,311	62,193,136	7.8%
Support services - students & staff	5,493,069	5,501,145	-	-	5,493,069	5,501,145	-0.1%
Support services - administration	6,146,391	6,172,408	-	-	6,146,391	6,172,408	-0.4%
Operations and maintenance	7,851,357	6,810,716	-	-	7,851,357	6,810,716	15.3%
Transportation	4,611,616	4,317,348	-	-	4,611,616	4,317,348	6.8%
Non-instructional activities	150,377	226,088	6,686,320	6,752,390	6,836,697	6,978,478	-2.0%
Other	8,488,342	9,129,431	-	-	8,488,342	9,129,431	-7.0%
Total expenses	99,809,463	94,350,272	6,686,320	6,752,390	106,495,783	101,102,662	5.3%
Excess (deficiencies) before transfers	8,630,485	6,894,059	505,226	414,822	9,135,711	7,308,881	25.0%
Transfers	230,890	224,602	(230,890)	(224,602)	-	-	-
Change in net position	8,861,375	7,118,661	274,336	190,220	9,135,711	7,308,881	25.0%
Net Position beginning of year	94,077,408	86,958,747	1,865,606	1,675,386	95,943,014	88,634,133	8.2%
Net Position end of year	\$ 102,938,783	94,077,408	2,139,942	1,865,606	105,078,725	95,943,014	9.5%

Business Type Activities

Revenues of the District's business-type activities were \$7,191,546 and expenses were \$6,686,320 for the year ended June 30, 2019. Net position increased \$274,336. The District's business-type activities include the School Nutrition, Community Preschool, and Community Education Funds. Revenues of these activities were comprised of charges for service and federal and state reimbursements.

Individual Fund Analysis

- The financial performance of the District as a whole is reflected in its governmental funds as well. On June 30, 2019, the District's governmental funds reported combined fund balances of \$37,699,703 compared to the 2018 ending fund balances of \$34,258,946. The \$3,440,757 increase for year ending 2019 is primarily due to an increase of \$1.5 million in School Infrastructure Fund due to revenue bond proceeds available not yet spent, \$4.1 million increase in the DEBT fund due to a pre-levy of \$3.9 million future callable bonds put into escrow, \$2.2 million decrease in the PPEL fund due to construction costs paid from PPEL notes, an increase of \$1.5M in the management fund due to a higher levy, and a decrease of \$1.5 million in the Unassigned fund balance due to \$2.3 million less cash reserve levied offset by controlled staffing, and continuation of no formal textbook adoptions (district budgets \$650,000/year for curriculum resources in lieu of adoptions).

Governmental Fund Highlights

- The General Fund is the chief operating fund of the District. The District's General Fund balance decreased by \$1,570,088 as the June 30, 2018 balance of \$15,885,482 decreased to \$14,315,394 on June 30, 2019. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance of \$12,695,403 represents 15.3% of total General Fund expenditures, and total fund balance of \$14,315,394 represents approximately 17.2% of that same amount for 2019. For fiscal year 2018, unassigned fund balance of \$14,154,725 represents 18.0% of total General Fund expenditures, while total fund balance of \$15,885,482 represents approximately 20.2% of that same amount. This decrease is due to \$2.3 million less cash reserve levied offset by 3.7% new money (state supplemental aid 1% and increased enrollment), controlled staffing, the continuation of \$650,000 budgeted for curriculum resources in lieu of textbook adoptions.
- The Debt Service Fund balance increased from \$2,388,140 June 30, 2018 to \$6,593,880 June 30, 2019. The increase in the Debt Service fund balance is due to a \$3.9 million pre-levy to call bonds in the future as well as commercial and industrial replacement revenue not used to offset debt service levy.
- The Capital Projects Fund balance decreased from \$13,280,451 June 30, 2018 to \$12,624,012 June 30, 2019. This decrease is due to construction cost payments made during fiscal year 2019.
- The non-major special revenue funds balance increased \$1,461,544 due to an increase in the Management Fund balance at year end.

Proprietary Fund Highlights

The School Enterprise Funds net position increased from \$1,865,606 on June 30, 2018 to \$2,139,942 on June 30, 2019 for an increase of \$274,336.

Budgetary Highlights

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 for internal services, private-purpose trusts and agency funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the accrual basis. Schedules showing the original and final budget amounts compared to the District's actual financial activity are included in the required supplementary information section of this report.

Legal Budgetary Highlights

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. In accordance with the Code of Iowa, the Board of Education annually adopts a program budget for all funds except internal service and agency funds as described in the note to required supplementary information.

A comparison of actual expenditures/expenses of the District's budgeted funds with the final program budget amounts is as follows:

	Final Budget	Actual	Variance
Instruction	\$ 68,293,256	61,427,350	6,865,906
Support services	32,923,484	24,965,690	7,957,794
Non-instructional programs	8,720,376	5,997,752	2,722,624
Other	50,487,436	28,241,883	22,245,553
\$	160,424,552	120,632,675	39,791,877

"Other" expenditures variance is due to construction project expenditures not meeting projected cash flows, always a difficult estimate.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2019, the District had invested \$200,388,597 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment, and furniture and equipment. This compares to the June 30, 2018 balance of \$196,674,201. See Figure A-5.

**Johnston Community School District
Management's Discussion and Analysis
Year ended June 30, 2019**

The original cost of the District's capital assets was \$249,520,302. Governmental funds account for \$246,355,739 with the remainder, \$3,164,563, in the Enterprise funds.

- The largest change in capital asset activity during the year was due to construction expenses for the newly renovated Wallace Elementary/Johnston Early Learning Academy, street addition on high school property, and other school site improvements.

Figure A-5 Capital Assets, Net of Depreciation							
	Governmental activities		Business type activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2019	2018	2019	2018	2019	2018	2018-2019
Land	\$ 9,285,261	9,285,261	-	-	9,285,261	9,285,261	0.0%
Construction in progress	5,758,046	12,689,473	-	-	5,758,046	12,689,473	-54.6%
Buildings	174,019,207	163,612,465	-	-	174,019,207	163,612,465	6.4%
Improvements other than buildings	4,034,293	4,223,431	-	-	4,034,293	4,223,431	-4.5%
Furniture and equipment	6,456,795	6,042,371	834,995	821,200	7,291,790	6,863,571	6.2%
Total	\$ 199,553,602	195,853,001	834,995	821,200	200,388,597	196,674,201	1.9%

Additional information about the District's capital assets can be found in Note 5 on page 43 in the notes to the financial statements.

Long-Term Debt

At June 30, 2019 the District had \$153,955,599 in long-term debt outstanding including general obligation bonds, revenue bonds, and other long-term debt outstanding. This represents a decrease of approximately 1.1% from June 30, 2018. (See Figure A-6) More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements.

The decrease is primarily a result of \$7,830,000 general obligation bond reductions and revenue bond reductions of \$2,745,000 offset by issuance of \$8,709,000 Infrastructure Sales, Service and Use Tax Revenue Bonds.

Figure A-6 Long-Term Debt Obligations							
	Governmental activities		Business type activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2019	2018	2019	2018	2019	2018	2018-2019
General obligation bonds	\$ 56,525,000	64,355,000	-	-	56,525,000	64,355,000	-12.2%
General obligation bond discount	(240,917)	(266,925)	-	-	(240,917)	(266,925)	-9.7%
General obligation bond premium	775,072	936,936	-	-	775,072	936,936	-17.3%
Revenue bonds	50,974,000	45,010,000	-	-	50,974,000	45,010,000	13.3%
Revenue bond discount	(299,565)	(335,062)	-	-	(299,565)	(335,062)	-10.6%
Revenue bond premium	1,510,838	1,695,684	-	-	1,510,838	1,695,684	-10.9%
Early retirement	717,795	-	-	-	717,795	-	-
Other postemployment benefits	3,247,419	2,830,024	184,804	156,530	3,432,223	2,986,554	14.9%
Net pension liability	37,720,291	38,215,198	2,616,612	2,646,158	40,336,903	40,861,356	-1.3%
Compensated absences	201,848	205,378	22,402	20,951	224,250	226,329	-0.9%
Totals	\$ 151,131,781	152,646,233	2,823,818	2,823,639	153,955,599	155,469,872	-1.0%

Economic Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- The District is located in the central part of the state, within the larger Des Moines metropolitan area and ranks as one of the top growth areas of the country. The economic condition and outlook of the District have remained strong during the past ten years, and as a result, the District has experienced tremendous growth over the past several years. This growth has had a positive effect on employment and the District's tax base. The District has averaged 4.6% annual increase in the tax base over the past ten years. In fiscal year 2019, the increase was 9.0%.

- The District also expects continued enrollment growth during the foreseeable future. The district's enrollment growth has averaged 2.0% annually over the last ten years, with an average increase of 101 students. The District is projected to continue to grow over the next five years. The District utilizes a demographer to assist with enrollment projections.
- To accommodate the district's growth, a facility plan was approved that included a new high school housing grades 10-12 (opened fall 2017), renovations to the previous high school site to house 8th and 9th grade students (opened fall 2017), renovations to the previous middle school to house elementary students by moving Wallace Elementary to that building along with all district preschool classes (opened fall 2018), and renovations to the current Wallace Elementary to meet district needs (opened fall 2019). This facility plan is funded through various sources including a bond referendum that passed in June 2014 for \$41 million, revenue bonds, and PPEL notes; this facility plan should meet the enrollment needs of the district for many years.
- Inadequate state funding and increasing enrollments will continue to put great pressure on district finances to meet the personnel, facility and transportation needs of the District.
- In policy, the District has a financial solvency ratio target of 5-15% with 10% as a minimal goal, and unspent target of 5-15%. It will be important to maintain an adequate cash reserve levy to achieve and maintain the financial solvency goal, and will be equally important to monitor and adjust recurring expenses such as salaries and benefits which represent approximately 80% of the operating budget.
- The economy continues to be a factor that could have consequences for the district in regard to state revenues, property valuations, and enrollment.

Contacting the District's Financial Management

This 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 accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jan Miller-Hook, Chief Financial Officer, Johnston Community School District, 6510 NW 62nd Avenue, Johnston, IA 50131-1234.

Basic Financial Statements

Exhibit A

Johnston Community School District
Statement of Net Position
June 30, 2019

	Governmental Activities	Business Type Activities	Total Primary Government
Assets			
Current assets:			
Cash, cash equivalents and pooled investments:	\$ 57,478,912	3,945,991	61,424,903
Receivables:			
Property tax:			
Delinquent	280,376	-	280,376
Succeeding year	44,514,255	-	44,514,255
Accounts	181,673	34,839	216,512
Due from other governments	4,081,905	17,062	4,098,967
Inventories	71,233	122,919	194,152
Total current assets	106,608,354	4,120,811	110,729,165
Non-current assets:			
Capital assets:			
Capital assets - nondepreciable	15,043,307	-	15,043,307
Capital assets - depreciable, net	184,510,295	834,995	185,345,290
Total capital assets	199,553,602	834,995	200,388,597
Total non-current assets	199,553,602	834,995	200,388,597
Total assets	306,161,956	4,955,806	311,117,762
Deferred Outflows of Resources			
OPEB related deferred outflows	88,271	5,980	94,251
Pension related deferred outflows	10,935,968	688,582	11,624,550
Total deferred outflows of resources	11,024,239	694,562	11,718,801
Liabilities			
Current liabilities:			
Accounts payable	4,436,743	123,491	4,560,234
Advances from tuition and registration fees	122,664	-	122,664
Advances from prepaid childcare	-	14,651	14,651
Advances from prepaid lunches	-	115,211	115,211
Insurance claims payable	1,334,573	-	1,334,573
Salaries and benefits payable	7,444,670	209,579	7,654,249
Construction contracts payable	1,324,597	-	1,324,597
Accrued interest payable	1,163,567	-	1,163,567
Deposits	5,635	-	5,635
Early retirement	717,795	-	717,795
General obligation bonds payable	8,150,856	-	8,150,856
Revenue bonds payable	2,999,350	-	2,999,350
Compensated absences	201,848	22,402	224,250
Total current liabilities	27,902,298	485,334	28,387,632
Non-current liabilities:			
General obligation bonds payable	48,908,299	-	48,908,299
Revenue bonds payable	49,185,923	-	49,185,923
Net pension liability	37,720,291	2,616,612	40,336,903
Other post employment benefits payable	3,247,419	184,804	3,432,223
Total non-current liabilities	139,061,932	2,801,416	141,863,348
Total liabilities	166,964,230	3,286,750	170,250,980

Exhibit A

Johnston Community School District
Statement of Net Position
June 30, 2019

	Governmental Activities	Business Type Activities	Total Primary Government
<i>Continued from previous page</i>			
Deferred Inflows of Resources			
Deferred property tax revenue	44,514,255	-	44,514,255
OPEB related deferred inflows	118,673	6,404	125,077
Pension related deferred inflows	2,650,254	217,272	2,867,526
Total deferred inflows of resources	47,283,182	223,676	47,506,858
Net Position			
Net investment in capital assets	96,562,542	834,995	97,397,537
Restricted for:			
State categorical funding	1,548,758	-	1,548,758
Management levy purposes	3,452,544	-	3,452,544
Debt service	6,404,311	-	6,404,311
School infrastructure	4,230,045	-	4,230,045
Physical plant and equipment	1,166,603	-	1,166,603
Internal service	101,938	-	101,938
Student activities	713,873	-	713,873
Unrestricted	(11,241,831)	1,304,947	(9,936,884)
Total net position	\$ 102,938,783	2,139,942	105,078,725

See notes to financial statements.

Exhibit B

Johnston Community School District
Statement of Activities
Year ended June 30, 2019

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total Primary Government
Functions/Programs						
Governmental activities:						
Instruction:						
Regular	\$ 44,688,237	3,864,825	8,815,187	(32,008,225)	-	(32,008,225)
Special	13,186,905	1,713,895	2,593,423	(8,879,587)	-	(8,879,587)
Other	9,193,169	944,636	69,572	(8,178,961)	-	(8,178,961)
	67,068,311	6,523,356	11,478,182	(49,066,773)	-	(49,066,773)
Support Service:						
Student	2,325,107	-	-	(2,325,107)	-	(2,325,107)
Instructional staff	3,167,962	-	-	(3,167,962)	-	(3,167,962)
Administration	6,146,391	-	-	(6,146,391)	-	(6,146,391)
Operation and maintenance of plant	7,851,357	30,888	-	(7,820,469)	-	(7,820,469)
Transportation	4,611,616	303,034	103,973	(4,204,609)	-	(4,204,609)
	24,102,433	333,922	103,973	(23,664,538)	-	(23,664,538)
Non-instructional programs:						
Nutrition services	1,330	-	-	(1,330)	-	(1,330)
Community education services	149,047	-	-	(149,047)	-	(149,047)
	150,377	-	-	(150,377)	-	(150,377)
Other expenses:						
Facilities acquisition	1,414,271	-	-	(1,414,271)	-	(1,414,271)
Long-term debt interest	3,964,032	-	-	(3,964,032)	-	(3,964,032)
AEA support	3,110,039	-	3,110,039	-	-	-
	8,488,342	-	3,110,039	(5,378,303)	-	(5,378,303)
Total governmental activities	99,809,463	6,857,278	14,692,194	(78,259,991)	-	(78,259,991)
Business type activities:						
Non-instructional programs:						
Nutrition services	3,296,661	2,221,417	1,392,169	-	316,925	316,925
Preschool services	337,177	289,126	48,852	-	801	801
Community education services	3,052,482	3,223,163	16,819	-	187,500	187,500
Total business type activities	6,686,320	5,733,706	1,457,840	-	505,226	505,226
Total primary governmental activities	\$ 106,495,783	12,590,984	16,150,034	(78,259,991)	505,226	(77,754,765)

Exhibit B

Johnston Community School District
Statement of Activities
Year ended June 30, 2019

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Operating Grants, Contributions and Restricted Interest			
	Expenses	Charges for Service		Governmental Activities	Business Type Activities	Total Primary Government
Totals continued from previous page	\$ 106,495,783	12,590,984	16,150,034	(78,259,991)	505,226	(77,754,765)
General revenues and transfers:						
Property tax levied for:						
General purposes				\$ 29,435,435	-	29,435,435
Debt service				10,677,490	-	10,677,490
Capital outlay				4,413,457	-	4,413,457
Statewide sales, services and use tax shared revenue				6,684,467	-	6,684,467
Unrestricted state grants				33,295,431	-	33,295,431
Unrestricted investment earnings				973,711	-	973,711
Other				1,410,485	-	1,410,485
Transfers				230,890	(230,890)	-
Total general revenues and transfers				87,121,366	(230,890)	86,890,476
Change in net position				8,861,375	274,336	9,135,711
Net position beginning of year				94,077,408	1,865,606	95,943,014
Net position end of year				\$ 102,938,783	2,139,942	105,078,725

See notes to financial statements.

Exhibit C

Johnston Community School District
Balance Sheet
Governmental Funds
June 30, 2019

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
Assets					
Cash, cash equivalents and pooled investments	\$ 21,718,466	6,528,013	13,671,975	5,141,788	47,060,242
Receivables:					
Property tax:					
Delinquent	167,338	65,867	27,141	20,030	280,376
Succeeding year	25,778,535	10,752,125	4,433,592	3,550,003	44,514,255
Accounts	156,132	-	-	25,541	181,673
Due from other governments	3,506,130	-	575,775	-	4,081,905
Inventories	71,233	-	-	-	71,233
Total assets	\$ 51,397,834	17,346,005	18,708,483	8,737,362	96,189,684
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 3,731,053	-	326,282	303,030	4,360,365
Advances from tuition and registration fees	122,664	-	-	-	122,664
Salaries and benefits payable	7,444,553	-	-	117	7,444,670
Early retirement payable	-	-	-	717,795	717,795
Contracts payable	-	-	1,324,597	-	1,324,597
Deposits	5,635	-	-	-	5,635
Total liabilities	11,303,905	-	1,650,879	1,020,942	13,975,726
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	25,778,535	10,752,125	4,433,592	3,550,003	44,514,255
Total deferred inflows of resources	25,778,535	10,752,125	4,433,592	3,550,003	44,514,255
Fund balances:					
Nonspendable for:					
Inventories	71,233	-	-	-	71,233
Restricted for:					
School infrastructure	-	-	10,483,409	-	10,483,409
Debt service	-	6,593,880	974,000	-	7,567,880
State categorical funding	1,548,758	-	-	-	1,548,758
Physical plant and equipment	-	-	1,166,603	-	1,166,603
Management levy purposes	-	-	-	3,452,544	3,452,544
Student activities	-	-	-	713,873	713,873
Unassigned	12,695,403	-	-	-	12,695,403
Total fund balances	14,315,394	6,593,880	12,624,012	4,166,417	37,699,703
Total liabilities, deferred inflows of resources and fund balances	\$ 51,397,834	17,346,005	18,708,483	8,737,362	96,189,684

See notes to financial statements.

Exhibit D

Johnston Community School District
Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
June 30, 2019

Total fund balances of governmental funds (Exhibit C) **\$ 37,699,703**

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. 199,553,602

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. 9,007,716

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	\$	11,024,239	
Deferred inflows of resources		(2,768,927)	8,255,312

Long-term liabilities, including bonds and notes payable, bond discounts and premiums, compensated absences, accrued interest, lease payable, net pension liability and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Those liabilities at year-end consist of:

General obligation bonds payable	(56,525,000)		
Revenue bonds payable	(50,974,000)		
Bond discounts	540,485		
Bond premiums	(2,285,910)		
Accrued interest	(1,163,567)		
Compensated absences	(201,848)		
Net pension liability	(37,720,291)		
Other post employment benefits	(3,247,419)		
			(151,577,550)

Net position of governmental activities (Exhibit A) **\$ 102,938,783**

See notes to financial statements.

Exhibit E

Johnston Community School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2019

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
Revenues:					
Local sources:					
Local tax	\$ 26,302,508	10,677,491	4,413,457	3,132,928	44,526,384
Tuition	5,193,083	-	-	-	5,193,083
Other	1,802,415	142,079	636,828	1,445,404	4,026,726
Intermediate sources	102,103	-	-	-	102,103
State sources	44,770,292	1,492	6,685,082	503	51,457,369
Federal sources	3,119,381	-	-	-	3,119,381
Total revenues	81,289,782	10,821,062	11,735,367	4,578,835	108,425,046
Expenditures:					
Current:					
Instruction:					
Regular instruction	36,798,398	-	1,081,270	870,570	38,750,238
Special instruction	12,983,952	-	-	-	12,983,952
Other instruction	8,028,306	-	-	1,230,906	9,259,212
	57,810,656	-	1,081,270	2,101,476	60,993,402
Support services:					
Student services	2,309,356	-	-	4,334	2,313,690
Instructional staff services	2,680,363	-	563,913	-	3,244,276
Administration services	6,155,065	8,950	105,121	110,716	6,379,852
Operation and maintenance of plant services	6,934,287	-	244,610	826,769	8,005,666
Transportation services	3,946,762	-	590,985	72,266	4,610,013
	22,025,833	8,950	1,504,629	1,014,085	24,553,497
Non-instructional programs:					
Food service	-	-	-	1,330	1,330
Community service and education	148,569	-	-	400	148,969
	148,569	-	-	1,730	150,299
Capital outlay:					
Other expenditures	-	-	10,503,462	-	10,503,462
Debt Service:					
Other expenditures:					
Principal	-	10,721,421	-	-	10,721,421
Interest	-	3,802,560	-	-	3,802,560
Other	-	104,401	-	-	104,401
	-	14,628,382	-	-	14,628,382
Intergovernmental:					
Other expenditures	3,110,039	-	-	-	3,110,039
Total expenditures	83,095,097	14,637,332	13,089,361	3,117,291	113,939,081
Excess (deficiency) of revenues over (under) expenditures	(1,805,315)	(3,816,270)	(1,353,994)	1,461,544	(5,514,035)

Exhibit E

Johnston Community School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2019

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
<i>Continued from previous page</i>					
Other financing sources (uses):					
Proceeds from sale of assets	4,337	-	10,565	-	14,902
Proceeds from debt issued	-	-	8,709,000	-	8,709,000
Transfers in	230,890	8,022,010	-	-	8,252,900
Transfers out	-	-	(8,022,010)	-	(8,022,010)
Total other financing sources (uses)	235,227	8,022,010	697,555	-	8,954,792
Net change in fund balances	(1,570,088)	4,205,740	(656,439)	1,461,544	3,440,757
Fund balances beginning of year	15,885,482	2,388,140	13,280,451	2,704,873	34,258,946
Fund balances end of year	\$ 14,315,394	6,593,880	12,624,012	4,166,417	37,699,703

See notes to financial statements.

Johnston 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, 2019

Net change in fund balances - total governmental funds (Exhibit E)	\$ 3,440,757
---	---------------------

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Position and are allocated over their estimated useful lives of the capital assets as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital outlays:

From facilities acquisition	\$ 24,702,912	
From facilities disposition	(15,091,244)	
Less current year depreciation	<u>(5,911,067)</u>	3,700,601

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of issuance costs and premiums, whereas these amounts are deferred in and amortized in the Statement of Activities.

Current year items are as follows:

Issuance of bonds and leases	(8,709,000)	
Repayments of bond and note principal	10,721,421	
Amortization of bond premiums and discounts	<u>285,205</u>	2,297,626

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

(57,071)

The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.

4,437,712

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.

Compensated absences	3,530	
Pension expense	(5,187,752)	
Other postemployment benefits	<u>(316,293)</u>	(5,500,515)

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.

542,265

Change in net position of governmental activities (Exhibit B)

\$ 8,861,375

See notes to financial statements.

Exhibit G

Johnston Community School District
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business Type Activities Non-major Enterprise Funds	Governmental Activities Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,945,991	10,418,670
Receivables:		
Accounts	34,839	-
Due from other governments	17,062	-
Inventories	122,919	-
Total current assets	4,120,811	10,418,670
Non-current assets:		
Property and equipment:		
Machinery and equipment	3,164,563	-
Accumulated depreciation	(2,329,568)	-
Total non-current assets	834,995	-
Total assets	4,955,806	10,418,670
Deferred Outflows of Resources		
OPEB related deferred outflows	5,980	-
Pension related deferred outflows	688,582	-
Total deferred outflows of resources	694,562	-
Liabilities		
Current liabilities:		
Accounts payable	123,491	76,381
Advances from prepaid childcare	14,651	-
Advances from prepaid lunches	115,211	-
Insurance claims liability	-	1,334,573
Accrued salaries and benefits payable	209,579	-
Compensated absences payable	22,402	-
Total current liabilities	485,334	1,410,954
Non-current liabilities:		
Net pension liability	2,616,612	-
Other postemployment benefits payable	184,804	-
Total non-current liabilities	2,801,416	-
Total liabilities	3,286,750	1,410,954
Deferred Inflows of Resources		
OPEB related deferred inflows	6,404	-
Pension related deferred inflows	217,272	-
Total deferred inflows of resources	223,676	-
Net Position		
Net investment in capital assets	834,995	-
Restricted for:		
Flexible benefits	-	101,938
Unrestricted	1,304,947	8,905,778
Total net position	\$ 2,139,942	9,007,716

See notes to financial statements.

Exhibit H

Johnston Community School District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year ended June 30, 2019

	Business Type Activities Non-major Enterprise Funds	Governmental Activities Internal Service Fund
Operating revenue:		
Local sources:		
Operating revenues	\$ 5,733,706	11,286,603
Operating expenses:		
Instructional programs:		
Instruction services:		
Other	433,411	-
	433,411	-
Support services:		
Depreciation	112	-
Other	412,081	10,744,338
	412,193	10,744,338
Non-instructional programs:		
Food service operations:		
Depreciation	114,720	-
Other	3,173,335	-
	3,288,055	-
Community service operations:		
Depreciation	4,401	-
Other	2,548,260	-
	2,552,661	-
Total operating expenses	6,686,320	10,744,338
Operating income (loss)	(952,614)	542,265
Non-operating revenues:		
State sources	70,750	-
Federal sources	1,333,318	-
Interest income	53,772	-
Total non-operating revenues	1,457,840	-
Income before transfers	505,226	542,265
Transfers (out)	(230,890)	-
Changes in net position	274,336	542,265
Net position beginning of year	1,865,606	8,465,451
Net position end of year	\$ 2,139,942	9,007,716

See notes to financial statements.

Exhibit I

Johnston Community School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2019

	Business Type Activities Non-major Enterprise Funds	Governmental Activities Internal Service Fund
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 2,216,877	-
Cash received from community services	3,517,073	11,286,603
Cash payments to employees for services	(4,071,628)	(9,930,420)
Cash payments to suppliers for goods or services	(2,172,802)	(673,753)
Net cash provided (used) by operating activities	(510,480)	682,430
Cash flows from non-capital financing activities:		
State grants received	70,750	-
Federal grants received	1,089,672	-
Net cash provided by non-capital financing activities	1,160,422	-
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(133,028)	-
Transfers	(230,890)	-
Net cash used by capital and related financing activities	(363,918)	-
Cash flows from investing activities:		
Interest on investments	53,772	-
Net increase in cash and cash equivalents	339,796	682,430
Cash and cash equivalents at beginning of year	3,606,195	9,736,240
Cash and cash equivalents at end of year	3,945,991	10,418,670
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (952,614)	542,265
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Commodities used	243,646	-
Depreciation	119,233	-
(Increase) Decrease in accounts receivable	5,447	-
(Increase) Decrease in due from other governments	(9,792)	-
(Increase) Decrease in inventory	(10,781)	-
Increase (decrease) in accounts payable	(56,380)	(91,557)
Increase in insurance claims liability	-	231,722
Increase (decrease) in salaries and benefits payable	65,399	-
Increase in unearned revenues	4,589	-
(Decrease) in compensated absences	1,451	-
Increase in net pension liability	(29,546)	-
(Increase) in deferred outflows of resources	485,852	-
Increase in deferred inflows of resources	(405,258)	-
Increase in other post-employment benefits	28,274	-
Net cash provided (used) by operating activities	\$ (510,480)	682,430

Exhibit I

**Johnston Community School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2019**

Business Type Activities	Governmental Activities
Non-major Enterprise Funds	Internal Service Fund

Continued from previous page

**Reconciliation of cash and cash equivalents at year end to
specific assets included on Combined Balance Sheet:**

Current assets:

Cash and investments	\$ 3,945,991	10,418,670
Cash and cash equivalents at year end	<u>\$ 3,945,991</u>	<u>10,418,670</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2019, the District received federal commodities valued at \$243,646.

See notes to financial statements.

(1) **Summary of Significant Accounting Policies**

The Johnston Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades prekindergarten 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 Johnston, Iowa; portions of Urbandale, Des Moines, Granger and Grimes, Iowa; and other unincorporated areas of Polk County. 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, Johnston 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. Johnston Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - 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 activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. 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 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 segments 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.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

Fund Financial Statements - Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor 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 District reports the following non-major governmental 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.

The District reports the following proprietary 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.

The District reports the following non-major enterprise funds:

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

Preschool Fund: This fund accounts for transactions for preschool programs with an instructional component for children who have not yet met the age requirement for school-aged education.

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

Internal Service Funds: The internal service funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. 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.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

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 employee.

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary 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 Funds are 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 District maintains a cash and investment pool used by all funds. The cash and investment pool has the same characteristics as demand deposits. Each fund type's portion of this pool is displayed in the financial statements as cash and cash equivalents in that fund. The District utilizes a financial institution to service bonded debt as principal and interest payments come due. The monies are either maintained in a central bank account or used to purchase legal investments.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

It is the policy of the District to value investment contracts and money market investments with a maturity of one year or less at the time of purchase at cost or amortized cost. Investment contracts and money market investments that had a remaining maturity of greater than one year at the time of purchase are reported at fair value.

The District has invested funds in the Iowa Schools Joint Investment Trust (ISJIT). ISJIT is an investment pool managed by the trustee, Bankers Trust, which allows governments within the State to pool their funds for investment purposes. ISJIT is registered with the SEC as an investment company and operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments in ISJIT are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

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, 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, 2017 assessed property valuations; is for the tax accrual period July 1, 2018 through June 30, 2019 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2018.

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. Federal and state grants are recorded as receivables and the revenue is recognized during the period in which the District fulfills the requirements for receiving the grant awards in the government-wide statements. In the governmental fund statements, the revenue must meet the measurable and available criteria. Amounts received for which legal claims or applicable requirements have not been met are recorded as deferred revenue. Certain intergovernmental revenues have been included to spend such funds only for the purpose reported.

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.

Prepaid Items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements on the consumption method.

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position and in the proprietary funds financial statements. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 3,500
Buildings	3,500
Improvements other than buildings	3,500
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	3,500

Capital assets (with the exception of land and construction in progress, which are not depreciated) are depreciated using the straight line method over the following estimated useful lives:

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

Interfund Activity - Transfers between governmental and business type activities on the government-wide statements are reported in the same manner as general revenues. Sales of goods and services between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

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 and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and 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 tuition and registration fees, prepaid childcare and prepaid 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, 2019. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund. The District has no vesting requirement and the earned but unused vacation is all considered a current liability.

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 pension liability attributable to the governmental activities will be paid primarily by the General Fund.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

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 Johnston 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 consist of property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consists of the succeeding year's 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.

Assigned – Amounts constrained by the District's intent to use them for a specific purpose. It is the District's policy that the authority to assign fund balance has been delegated by the District's Board of Education to the Chief Financial Officer through the adoption of the budget.

Unassigned – All amounts not included in the preceding classifications. Negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's procedure is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed and then unassigned fund balances.

E. Budgets and Budgetary Accounting

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules - Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. During the year ended June 30, 2019, expenditures did not exceed the amounts budgeted.

(2) Cash, Cash Equivalents and Pooled Investments

The District's deposits in banks at June 30, 2019 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds

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

At June 30, 2019 the District had investments in the following:

Iowa Schools Joint Investment Trust	
Diversified Portfolio	\$ 48,699,906
Wells Fargo Bank Money Market	5,481
Checking Accounts	12,719,516
	<u>\$ 61,424,903</u>

At June 30, 2019 the District had investments in the Iowa Schools joint Investment Trust District (ISJIT) which are valued at an amortized cost pursuant to rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals of the ISJIT investments. The investments in ISJIT were rated AAAM by Standard & Poor's Financial Services.

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

Concentration of credit risk. The District's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet all anticipated cash requirements. The District's policy further restricts investments in short-term corporate debt and commercial paper to no more than 30 percent of the investment portfolio of the District and no more than 5 percent of the investment portfolio can be invested in the securities of a single issuer.

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) 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.

(3) Due from Other Governments

The detail of due from other governments for the year ended June 30, 2019 is as follows:

Due from other districts	\$ 2,678,603
Due from the State of Iowa - Local sources	-
Due from the State of Iowa - State sources	1,031,365
Due from the State of Iowa - Federal sources	388,999
	<u>\$ 4,098,967</u>

All amounts are expected to be collected within one year.

(4) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2019 is as follows:

Transfer to	Transfer from	Amount
Debt Service Fund	Capital Projects Fund - Statewide Sales, Services and Use Tax	\$ 4,868,107
Debt Service Fund	Capital Projects Fund - Physical Plant and Equipment Levy	3,153,903
General Fund	Community Education Fund	120,000
General Fund	Nutrition Fund	95,890
General Fund	Community Preschool Fund	15,000
		<u>\$ 8,252,900</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. A transfer was made into the Debt Service fund to pay debt payments funded by tax collections in the Statewide Sales, Services & Use Tax fund. Transfers were made from the Community Education fund, Nutrition fund and Community Preschool fund to cover expense for shared costs paid by the General fund.

(5) Capital Assets

Capital assets activity for the year ended June 30, 2019 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 9,285,261	-	-	9,285,261
Construction in progress	12,689,473	8,159,817	15,091,244	5,758,046
Total capital assets not being depreciated	21,974,734	8,159,817	15,091,244	15,043,307
Capital assets being depreciated:				
Buildings	210,159,763	15,002,724	-	225,162,487
Improvements other than buildings	8,674,706	196,760	-	8,871,466
Furniture and equipment	10,978,175	1,343,611	-	12,321,786
Total capital assets being depreciated	229,812,644	16,543,095	-	246,355,739
Less accumulated depreciation for:				
Buildings	46,547,298	4,595,982	-	51,143,280
Improvements other than buildings	4,451,275	385,898	-	4,837,173
Furniture and equipment	4,935,804	929,187	-	5,864,991
Total accumulated depreciation	55,934,377	5,911,067	-	61,845,444
Total capital assets being depreciated, net	173,878,267	10,632,028	-	184,510,295
Governmental activities capital assets, net	\$ 195,853,001	18,791,845	15,091,244	199,553,602
Business type activities:				
Furniture and equipment	\$ 3,031,535	133,028	-	3,164,563
Less accumulated depreciation	2,210,335	119,233	-	2,329,568
Business-type activities capital assets, net	\$ 821,200	13,795	-	834,995

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$ 5,624,425
Other	1,682

Support services:

Instructional staff services	75,504
Administration	42,426
Operation and maintenance of plant	136,989
Transportation	30,041
Total depreciation expense - governmental activities	\$ 5,911,067

Business type activities:

Food services	\$ 114,720
Community Preschool	112
Community Education	4,401
	\$ 119,233

(6) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2019 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 64,355,000	-	7,830,000	56,525,000	8,015,000
General obligation bond discounts	(266,925)	-	26,008	(240,917)	(26,008)
General obligation bond premiums	936,936	-	161,864	775,072	161,864
Revenue bonds	45,010,000	8,709,000	2,745,000	50,974,000	2,850,000
Revenue bond discounts	(335,062)	-	35,497	(299,565)	(35,497)
Revenue bond premiums	1,695,684	-	184,846	1,510,838	184,847
Early retirement payable	-	717,795	-	717,795	717,795
Net OPEB liability	2,830,024	417,395	-	3,247,419	-
Net pension liability	38,215,198	-	494,907	37,720,291	-
Compensated absences	205,378	201,848	205,378	201,848	201,848
Total	\$ 152,646,233	10,046,038	11,683,500	151,131,781	12,069,849
Business type activities:					
Net OPEB liability	\$ 156,530	28,274	-	184,804	-
Net pension liability	2,646,158	-	29,546	2,616,612	-
Compensated absences	20,951	22,402	20,951	22,402	22,402
Total	\$ 2,823,639	50,676	50,497	2,823,818	22,402

Compensated absences and net OPEB liabilities are generally liquidated by the General Fund for governmental activities and the respective funds for business-type activities.

General Obligation Bonds Payable

Details of the District's June 30, 2019 general obligation bonded indebtedness are as follows:

Bond was issued to pay costs of refunding existing general obligation indebtedness.

\$8,740,000 Bond Issue of December 20, 2012				
Year ended June 30,	Rates	Principal	Interest	Total
2020	2.0%	\$ 4,165,000	83,300	4,248,300
Subtotal		4,165,000	83,300	4,248,300

(6) Long-Term Liabilities
General Obligation Bonds Payable (continued from previous page)

Bond was issued to pay costs of refunding existing general obligation indebtedness and construction of the new high school.

\$55,300,000 Bond Issue of December 9, 2015				
Year ended June 30,	Rates	Principal	Interest	Total
2020	3.00%	\$ 970,000	1,310,269	2,280,269
2021	3.00%	2,105,000	1,281,169	3,386,169
2022	3.00%	2,170,000	1,218,019	3,388,019
2023	3.00%	2,235,000	1,152,919	3,387,919
2024	3.00%	2,305,000	1,085,869	3,390,869
2025	3.00%	2,370,000	1,016,719	3,386,719
2026	3.00%	2,445,000	945,619	3,390,619
2027	3.25%	2,515,000	872,269	3,387,269
2028	3.25%	2,600,000	790,531	3,390,531
2029	3.25%	2,685,000	706,031	3,391,031
2030	3.25%	2,770,000	618,769	3,388,769
2031	3.25%	2,860,000	528,744	3,388,744
2032	3.38%	2,955,000	435,794	3,390,794
2033	3.50%	3,055,000	336,063	3,391,063
2034	3.50%	3,160,000	229,138	3,389,138
2035	3.63%	3,270,000	118,538	3,388,538
Subtotal		40,470,000	12,646,456	53,116,456

Bond was issued to pay costs of refunding existing general obligation indebtedness and improvements of existing school buildings.

\$9,320,000 Bond Issue of December 22, 2016				
Year ended June 30,	Rates	Principal	Interest	Total
2020	2.25%	\$ 715,000	219,902	934,902
2021	2.25%	2,805,000	203,816	3,008,816
2022	2.35%	2,865,000	140,702	3,005,702
2023	2.50%	2,935,000	73,376	3,008,376
Subtotal		9,320,000	637,796	9,957,796

Bond was issued to pay costs of improvements of existing school buildings.

\$8,235,000 Bond Issue of November 8, 2017				
Year ended June 30,	Rates	Principal	Interest	Total
2020	2.00%	\$ 2,165,000	51,400	2,216,400
2021	2.00%	135,000	8,100	143,100
2022	2.00%	140,000	5,400	145,400
2023	2.00%	130,000	2,600	132,600
Subtotal		2,570,000	67,500	2,637,500

(6) Long-Term Liabilities (continued from previous page)

Year ended June 30,	Totals		
	Principal	Interest	Total
2020	\$ 8,015,000	1,664,871	9,679,871
2021	5,045,000	1,493,085	6,538,085
2022	5,175,000	1,364,121	6,539,121
2023	5,300,000	1,228,895	6,528,895
2024	2,305,000	1,085,869	3,390,869
2025	2,370,000	1,016,719	3,386,719
2026	2,445,000	945,619	3,390,619
2027	2,515,000	872,269	3,387,269
2028	2,600,000	790,531	3,390,531
2029	2,685,000	706,031	3,391,031
2030	2,770,000	618,769	3,388,769
2031	2,860,000	528,744	3,388,744
2032	2,955,000	435,794	3,390,794
2033	3,055,000	336,063	3,391,063
2034	3,160,000	229,138	3,389,138
2035	3,270,000	118,538	3,388,538
Total	\$ 56,525,000	13,435,052	69,960,052

Revenue Bonds Payable

Details of the District's June 30, 2019 statewide sales, services and use tax revenue bonded indebtedness are as follows:

The District has pledged future statewide sales, services and use tax revenues to repay the \$42,900,000 of bonds issued in 2013. The bonds were issued for the purpose of financing a portion of the costs of a new high school. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 100% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$42,498,570. For the current year, \$2,335,000 of principal and \$1,553,156 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$6,684,467.

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 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 payments may be transferred to the project account to be used for any lawful purpose.

The District complied with all of the revenue bond provisions during the year ended June 30, 2019.

(6) Long-Term Liabilities
Revenue Bonds Payable (continued from previous page)

\$42,900,000 Bond Issue of 2013				
Year ended June 30,	Rates	Principal	Interest	Total
2020	5.0%	\$ 2,430,000	1,445,706	3,875,706
2021	5.0%	2,555,000	1,321,081	3,876,081
2022	5.0%	2,685,000	1,190,081	3,875,081
2023	5.0%	2,820,000	1,052,456	3,872,456
2024	5.0%	2,960,000	907,956	3,867,956
2025	3.5%	3,110,000	779,531	3,889,531
2026	3.8%	3,140,000	666,231	3,806,231
2027	3.8%	3,335,000	544,825	3,879,825
2028	5.0%	3,455,000	395,919	3,850,919
2029	4.1%	3,625,000	234,778	3,859,778
2030	4.3%	3,765,000	80,006	3,845,006
Subtotal		\$ 33,880,000	8,618,570	42,498,570

The District has pledged future statewide sales, services and use tax revenues to repay the \$9,740,000 of bonds issued in 2013. The bonds were issued for the purpose of financing a portion of the costs of a new high school. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 100% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$10,722,351. For the current year, \$410,000 of principal and \$295,050 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$6,684,467.

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

- a) \$974,000 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The balance of the proceeds shall be deposited to the project account.
- b) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

The District complied with all of the revenue bond provisions during the year ended June 30, 2019.

Johnston Community School District
Notes to Financial Statements
June 30, 2019

(6) *Long-Term Liabilities*
Revenue Bonds Payable (continued from previous page)

\$9,740,000 Bond Issue of 12/4/2013				
Year ended June 30,	Rates	Principal	Interest	Total
2020	3.0%	\$ 420,000	282,600	702,600
2021	3.0%	430,000	269,850	699,850
2022	3.0%	440,000	256,800	696,800
2023	3.0%	450,000	243,450	693,450
2024	3.0%	465,000	229,725	694,725
2025	3.0%	480,000	215,550	695,550
2026	3.0%	495,000	200,925	695,925
2027	3.0%	510,000	185,850	695,850
2028	3.3%	530,000	169,588	699,588
2029	3.5%	550,000	151,350	701,350
2030	4.0%	3,615,000	131,663	3,746,663
Subtotal		8,385,000	2,337,351	10,722,351

The District has pledged future statewide sales, services and use tax revenues to repay the \$8,709,000 of bonds issued in 2018. The bonds were issued for the purpose of financing a portion of the costs of Wallace, the ARC and a street project. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 100% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$10,297,115. For the current year, \$0 in principal was paid and \$120,087 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$6,684,467.

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 revenue bond provisions during the year ended June 30, 2019.

\$8,709,000 Bond Issue of 2018				
Year ended June 30,	Rates	Principal	Interest	Total
2020	2.92%	-	254,303	254,303
2021	2.92%	754,000	243,294	997,294
2022	2.92%	775,000	220,971	995,971
2023	2.92%	800,000	197,976	997,976
2024	2.92%	825,000	174,251	999,251
2025	2.92%	845,000	149,869	994,869
2026	2.92%	949,000	123,677	1,072,677
2027	2.92%	899,000	96,696	995,696
2028	2.92%	925,000	70,065	995,065
2029	2.92%	953,000	42,647	995,647
2030	2.92%	984,000	14,366	998,366
Subtotal		\$ 8,709,000	1,588,115	10,297,115

TOTALS				
Year ended June 30,	Rates	Principal	Interest	Total
2020	Various	\$ 2,850,000	1,982,609	4,832,609
2021	Various	3,739,000	1,834,225	5,573,225
2022	Various	3,900,000	1,667,852	5,567,852
2023	Various	4,070,000	1,493,882	5,563,882
2024	Various	4,250,000	1,311,932	5,561,932
2025	Various	4,435,000	1,144,950	5,579,950
2026	Various	4,584,000	990,833	5,574,833
2027	Various	4,744,000	827,371	5,571,371
2028	Various	4,910,000	635,572	5,545,572
2029	Various	5,128,000	428,775	5,556,775
2030	Various	8,364,000	226,035	8,590,035
Total		\$ 50,974,000	12,544,036	63,518,036

As of June 30, 2019, the District did not exceed its legal debt margin, computed as follows:

Total assessed valuation	\$ 4,060,626,646
Debit limit of 5% of total assessed valuation	203,031,332
Amount of debt applicable to debt limit, total general obligation bonded debt	56,525,000
Excess of debt limit over bonded debt issued, legal debt margin	\$ 146,506,332

(7) Pension Plan

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

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

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

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

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

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

(7) Pension Plan (continued from previous page)

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 2019, 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, 2019 were \$4,702,630.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2019, the District reported a liability of \$40,336,903 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the District's proportion was 0.637611%, which was an increase of 0.018658% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$5,510,568. At June 30, 2019, 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	\$ 221,161	911,679
Changes of assumptions	5,754,309	-
Net difference between projected and actual earnings on IPERS' investments	-	1,108,328
Changes in proportion and differences between District contributions and proportionate share of contributions	946,450	847,519
District contributions subsequent to the measurement date	4,702,630	-
Total	<u>\$ 11,624,550</u>	<u>2,867,526</u>

\$4,702,630 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, 2020. 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	
2020	\$ 2,735,053
2021	1,429,866
2022	(288,504)
2023	145,074
2024	32,905
	<u>\$ 4,054,394</u>

(7) *Pension Plan (continued from previous page)*

There were no non-employer contributing entities to IPERS.

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

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

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

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

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0%	6.01%
International equity	15.0	6.48
Global smart beta equity	3.0	6.23
Core plus fixed income	27.0	1.97
Public credit	3.5	3.93
Public real assets	7.0	2.91
Cash	1.0	(0.25)
Private equity	11.0	10.81
Private real assets	7.5	4.14
Private credit	3.0	3.11
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.

(7) *Pension Plan (continued from previous page)*

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 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 68,459,833	\$ 40,336,903	\$ 16,745,948

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 to the IPERS - At June 30, 2019, the District reported payables to IPERS of \$538,199 for legally required District contributions and \$358,609 for legally required employee contributions withheld from employee wages which had not yet remitted to IPERS.

(8) **Other Post-Employment Benefits (OPEB)**

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	20
Active employees	813
	<u>833</u>

Total OPEB Liability - The District's total OPEB liability of \$3,432,223 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2019 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, 2019)	2.50% per annum.
Rates of salary increase (effective June 30, 2019)	3.50% per annum including inflation
Discount rate (effective June 30, 2019)	3.50% compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2019)	7.00% initial rate decreasing by 0.50% annually to an ultimate rate of 4.50%

Discount Rate - The discount rate used to measure the total OPEB liability was 3.50% 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.

(8) *Other Post-Employment Benefits (OPEB) (continued from previous page)*

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, 2019 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	\$ 2,986,555
Changes for the year:	
Service cost	353,543
Interest	126,591
Differences between expected and actual experiences	-
Changes in assumptions	103,555
Benefit payments	(138,021)
	445,668
	<u>\$ 3,432,223</u>

Changes of assumptions reflect a change in the discount rate from 3.87% in fiscal year 2018 to 3.50% in fiscal year 2019.

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 (2.50%) or 1% higher (4.50%) than the current discount rate.

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 3,992,000	3,432,223	2,961,000

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 (6.00%) or 1% higher (8.00%) than the current healthcare cost trend rates.

	1% Decrease (6.00%)	Trend Rate (7.00%)	1% Increase (8.00%)
Total OPEB liability	\$ 2,949,000	3,432,223	3,979,000

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2019, the District recognized OPEB expense of \$337,717. At June 30, 2019, the District reported deferred inflows and outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	-
Changes in assumptions	94,251	(125,077)
Total	<u>\$ 94,251</u>	<u>(125,077)</u>

(8) *Other Post-Employment Benefits (OPEB) (continued from previous page)*

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
2020	\$ (4,395)
2021	(4,395)
2022	(4,395)
2023	(4,395)
2024	(4,395)
Thereafter	(8,851)
	<u>\$ (30,826)</u>

(9) **Risk Management**

Johnston 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.

In addition to the above, the District operates a partially self-funded insurance program administered by a third-party administrator for its employees' and eligible dependents' medical benefits. The program is supplemented by stop loss protection, which limits the District's liability to \$60,000 per individual medical claim or an aggregate limit of 125% during the period July 1, 2006 through June 30, 2019.

The District operates a totally self-funded insurance program administered by a third-party administrator for its employees' and eligible dependents' dental benefits. The program liability is limited to \$1,000 per individual per year.

Both plans receive an annual actuarial opinion and an annual report is filed with the State of Iowa Insurance Division. The insurance claims liability of \$1,334,573 reported at June 30, 2019 is based on the requirements of 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. Liabilities include an amount for claims that have been incurred but not reported.

The District operates a Section 125/Flex Plan whereby employee contributions are made through payroll deduction and eligible expenses are reimbursed on a weekly basis.

The above plans are reported in the Internal Services Fund.

Changes in the reported liability since July 1, 2011 resulted from the following:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2012	\$ 821,292	6,902,759	(6,884,482)	839,569
2013	839,569	6,684,776	(6,708,442)	815,903
2014	815,903	8,423,483	(8,234,488)	1,004,898
2015	1,004,898	7,460,500	(7,525,271)	940,127
2016	940,127	8,647,617	(8,538,983)	1,048,761
2017	1,048,761	8,943,579	(8,888,071)	1,104,269
2018	1,104,269	8,903,436	(8,904,854)	1,102,851
2019	1,102,851	10,976,060	(10,744,338)	1,334,573

(10) Termination Benefits

Early retirement was offered to district employees covered by the JEA master agreement during FY 2019. The plan required employees to have completed at least ten years of full-time service within the prior twelve consecutive years to the District and must have reached the age of fifty-five on or before June 30 in the calendar year in which early retirement was to commence. Early retirement benefits were equal to 50% of the average of the employee's last three years' contractual salary but not including TSS, Schedule B, etc. plus \$100 per day multiplied by the number of sick days accumulated as of retirement. The plan was limited to twenty employees, and the early retirement benefit was placed in a State RIC 403(b) plan as directed by the employee in the July immediately following retirement. Early retirement expenditures for the year ended June 30, 2019 totaled \$717,795.

(11) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$3,110,039 for the year ended June 30, 2019 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

(12) Construction Commitment

The District has entered into contracts totaling \$21,195,765 for four remodel projects. As of June 30, 2019, costs of \$5,758,046 had been incurred against the contracts. The balance of \$15,437,719 remaining at June 30, 2019 will be paid as work on the project progresses.

Project	Contract Amount	Costs through June 30, 2018
Baseball / Softball Project	\$ 3,756,511	3,275,177
Middle School - Phase 2	13,645,880	402,171
ARC	3,738,005	2,053,465
Annex	55,369	27,233
	<u>\$ 21,195,765</u>	<u>5,758,046</u>

(13) Commitments and Contingencies

The District has been named as a defendant in a civil suit which is currently being handled by the District's insurance carrier. It is the opinion of management in consultation with legal counsel that any possible final settlement of this matter will not result in a material adverse effect on the financial position of the District.

Subsequent to the date of the financial statements, there was an alleged incident involving a bus driver and a student. The incident is under investigation and at this time it is not known what, if any, legal or financial ramifications may result from this.

(14) Deficit Net Position

A net position deficit of \$142,493 exists in the Enterprise, Community Education Fund.

This deficit results from recognizing the Enterprise, Community Education Fund's net pension liability (approximately \$1.5 million) as required by generally accepted auditing principles and is based on the District's employer share of contributions to IPERS relative to the contributions of all IPERS participating employers. This liability is only payable as the District pays the District's employer share of IPERS contributions on payrolls in the future years.

(15) Subsequent Events

The District is in the process of entering into a new equipment lease with Apple Inc. The transaction is set to close on July 5, 2019.

(16) 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, 2019 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Johnston	Urban renewal and economic development projects	\$ 1,022,394
City of Urbandale	Urban renewal and economic development projects	29,111
City of Grimes	Urban renewal and economic development projects	42,192

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, 2019 this reimbursement amounted to \$523,350.

(17) 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, 2019.

Program	Amount
Dropout prevention	\$ 89,245
Gifted and talented program	153,209
Teacher leadership	302,021
Successful progression for early learners	145,542
Homeschool	37,848
Flexibility - statewide voluntary preschool	426,639
Flexibility - professional development	394,254
Total	<u>\$ 1,548,758</u>

Required Supplementary Information

Johnston 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, 2019

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original and Final	Final to Actual Variance- Positive (Negative)
Revenues:					
Local sources	\$ 53,746,193	5,787,478	59,533,671	56,144,833	3,388,838
Intermediate sources	102,103	-	102,103	92,000	10,103
State sources	51,457,369	70,750	51,528,119	54,099,209	(2,571,090)
Federal sources	3,119,381	1,333,318	4,452,699	3,792,539	660,160
Total revenues	108,425,046	7,191,546	115,616,592	114,128,581	1,488,011
Expenditures:					
Instruction	60,993,402	433,411	61,426,813	68,293,256	6,866,443
Support services	24,553,497	412,193	24,965,690	32,923,484	7,957,794
Noninstructional programs	150,299	5,840,716	5,991,015	8,720,376	2,729,361
Other expenditures	28,241,883	-	28,241,883	50,487,436	22,245,553
Total expenditures	113,939,081	6,686,320	120,625,401	160,424,552	39,799,151
Excess (deficiency) of revenues over (under) expenditures	(5,514,035)	505,226	(5,008,809)	(46,295,971)	41,287,162
Other financing sources (uses), net	8,954,792	(230,890)	8,723,902	9,667,659	(943,757)
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	3,440,757	274,336	3,715,093	(36,628,312)	40,343,405
Balances beginning of year	34,258,946	1,865,606	36,124,552	36,628,312	(503,760)
Balances end of year	\$ 37,699,703	2,139,942	39,839,645	-	39,839,645

See accompanying independent auditor's report.

Johnston Community School District
Notes to Required Supplementary Information - Budgetary Reporting
Year Ended June 30, 2019

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 ended June 30, 2019, expenditures did not exceed the District's budget.

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

	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.637611%	0.618953%	0.643295%	0.637961%	0.642155%
District's proportionate share of the net pension liability	\$ 40,337	40,861	40,117	31,716	25,989
District's covered payroll	\$ 47,918	45,789	45,752	43,990	42,880
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	84.18%	89.24%	87.68%	72.10%	60.61%
IPERS' net position as a percentage of the total pension liability	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.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Statutorily required contribution	\$ 4,703	4,279	4,089	4,086	3,930	3,829	3,035	3,159	2,615	2,436
Contributions in relation to the statutorily required contribution	(4,703)	(4,279)	(4,089)	(4,086)	(3,930)	(3,829)	(3,035)	(3,159)	(2,615)	(2,436)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 49,816	47,918	45,789	45,752	43,990	42,880	35,009	39,144	37,620	36,635
Contributions as a percentage of covered-employee payroll	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%	8.67%	8.07%	6.95%	6.65%

See accompanying independent auditor's report.

Johnston Community School District
Notes to Required Supplementary Information - Pension Liability
Year Ended June 30, 2019

Changes of benefit terms:

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

Changes of assumptions:

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

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

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

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed 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 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.

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

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

Johnston Community School District
Schedule of Changes in the District's
Total OPEB Liability, Related Ratios and Notes
For the Current Year
Required Supplementary Information

	2019	2018
Service cost	\$ 353,543	340,371
Interest cost	126,591	118,855
Difference between expected and actual experiences	-	-
Changes in assumptions	103,555	(152,476)
Benefit payments	(138,020)	(102,504)
Net change in total OPEB liability	445,669	204,246
Total OPEB liability beginning of year	2,986,554	2,782,309
Total OPEB liability end of year	<u>\$ 3,432,223</u>	<u>2,986,555</u>
Covered-employee payroll	\$ 39,681,000	38,338,704
Total OPEB liability as a percentage of covered-employee payroll	8.65%	7.79%

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, 2019	3.50%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

See accompanying independent auditor's report.

Supplementary Information
Combining and Individual Fund Financial Statements and Schedules

Schedule 1

Johnston Community School District
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2019

	Management	Student Activity	Total
Assets			
Assets:			
Cash, cash equivalent and pooled investments	\$ 4,325,014	816,774	5,141,788
Receivables:			
Accounts	-	25,541	25,541
Property tax:			
Delinquent	20,030	-	20,030
Succeeding year	3,550,003	-	3,550,003
Total assets	\$ 7,895,047	842,315	8,737,362
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 174,705	128,325	303,030
Accrued salaries and benefits payable	-	117	117
Early retirement payable	717,795	-	717,795
Total liabilities	892,500	128,442	1,020,942
Deferred inflows of resources:			
Unavailable revenue			
Succeeding year property tax	3,550,003	-	3,550,003
Total deferred inflows of resources	3,550,003	-	3,550,003
Fund balances:			
Restricted for:			
Management levy purposes	3,452,544	-	3,452,544
Student activities	-	713,873	713,873
Total fund balances	3,452,544	713,873	4,166,417
Total liabilities, deferred inflows of resources and fund balances	\$ 7,895,047	842,315	8,737,362

See accompanying independent auditor's report.

Schedule 2

Johnston Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year ended June 30, 2019

	Management	Student Activity	Total
Revenues:			
Local sources:			
Local tax:			
Property tax	\$ 3,060,956	-	3,060,956
Utility tax replacement excise tax	69,774	-	69,774
Mobile home tax	2,198	-	2,198
	<u>3,132,928</u>	<u>-</u>	<u>3,132,928</u>
Other local sources:			
Student activities	-	942,417	942,417
Donations	-	102,658	102,658
Other local revenue	256,276	144,053	400,329
	<u>256,276</u>	<u>1,189,128</u>	<u>1,445,404</u>
	<u>3,389,204</u>	<u>1,189,128</u>	<u>4,578,332</u>
State sources:			
Revenue in lieu of taxes :			
Military credit	503	-	503
	<u>503</u>	<u>-</u>	<u>503</u>
Total revenues	<u>3,389,707</u>	<u>1,189,128</u>	<u>4,578,835</u>
Expenditures:			
Current:			
Instruction:			
Regular instruction:			
Salaries	5,074	-	5,074
Benefits	813,418	-	813,418
Purchased services	20,075	-	20,075
Supplies	32,003	-	32,003
	<u>870,570</u>	<u>-</u>	<u>870,570</u>
Co-curricular instruction:			
Salaries	-	6,212	6,212
Benefits	-	823	823
Purchased services	-	334,769	334,769
Supplies	-	757,246	757,246
Property	-	72,551	72,551
Other	-	59,305	59,305
	<u>-</u>	<u>1,230,906</u>	<u>1,230,906</u>
Total instruction	<u>870,570</u>	<u>1,230,906</u>	<u>2,101,476</u>

Schedule 2

Johnston Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year ended June 30, 2019

	Management	Student Activity	Total
<i>Continued from previous page</i>			
Expenditures:			
Current:			
Support Services:			
Student support:			
Benefits	3,362	-	3,362
Purchased services	-	972	972
	3,362	972	4,334
Administration:			
Benefits	77,469	-	77,469
Purchased services	24,350	8,897	33,247
Supplies	-	-	-
	101,819	8,897	110,716
Plant operation and maintenance:			
Benefits	211,499	-	211,499
Purchased services	615,270	-	615,270
	826,769	-	826,769
Student transportation:			
Benefits	31,137	13,968	45,105
Purchased services	27,161	-	27,161
	58,298	13,968	72,266
Total support services	990,248	23,837	1,014,085
Non-instructional Programs:			
Food services			
Benefits	1,330	-	1,330
Community service & education:			
Benefits	400	-	400
Total non-instructional programs	1,730	-	1,730
Total expenditures	1,862,548	1,254,743	3,117,291
Excess (deficiency) of revenues over (under) expenditures	1,527,159	(65,615)	1,461,544
Fund balances beginning of year	1,925,385	779,488	2,704,873
Fund balances end of year	\$ 3,452,544	713,873	4,166,417

See accompanying independent auditor's report.

Schedule 3

Johnston Community School District
Subcombining Balance Sheet
Capital Projects Fund Accounts
June 30, 2019

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash, cash equivalents and pooled investments	\$ 11,956,909	1,715,066	13,671,975
Receivables:			
Property tax:			
Delinquent	-	27,141	27,141
Succeeding year	-	4,433,592	4,433,592
Due from other governments	575,775	-	575,775
Total assets	\$ 12,532,684	6,175,799	18,708,483
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 59,024	267,258	326,282
Contracts Payable	1,016,251	308,346	1,324,597
Total liabilities	1,075,275	575,604	1,650,879
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	4,433,592	4,433,592
Total deferred inflows of resources	-	4,433,592	4,433,592
Fund balances:			
Restricted for:			
School infrastructure	10,483,409	-	10,483,409
Debt Service	974,000	-	974,000
Physical plant and equipment	-	1,166,603	1,166,603
Total fund balances	11,457,409	1,166,603	12,624,012
Total liabilities, deferred inflows of resources and fund balances	\$ 12,532,684	6,175,799	18,708,483

See accompanying independent auditor's report.

Schedule 4

Johnston Community School District
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund Accounts
Year ended June 30, 2019

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	4,413,457	4,413,457
Other	290,754	346,074	636,828
State sources	6,684,467	615	6,685,082
Total revenues	6,975,221	4,760,146	11,735,367
Expenditures:			
Current:			
Instructional Services:			
Regular instruction	393,960	687,310	1,081,270
Support Services:			
Instructional staff services	-	563,913	563,913
Administration	12,480	92,641	105,121
Plant operation and maintenance	-	244,610	244,610
Transportation	-	590,985	590,985
Other expenditures			
Facilities acquisition	8,831,319	1,672,143	10,503,462
Total expenditures	9,237,759	3,851,602	13,089,361
Excess (deficiency) of revenues over (under) expenditures	(2,262,538)	908,544	(1,353,994)
Other financing sources (uses):			
Proceeds from sale of assets	-	10,565	10,565
Proceeds from debt issued	8,709,000	-	8,709,000
Operating transfers out	(4,868,107)	(3,153,903)	(8,022,010)
Total other financing uses	3,840,893	(3,143,338)	697,555
Excess (deficiency) of revenues over (under) expenditures and other financing uses	1,578,355	(2,234,794)	(656,439)
Fund balances beginning of year	9,879,054	3,401,397	13,280,451
Fund balances end of year	\$ 11,457,409	1,166,603	12,624,012

See accompanying independent auditor's report.

Schedule 5

Johnston Community School District
Combining Statement of Net Position
Proprietary Funds
June 30, 2019

	Business Type Activities				Governmental Activities		
	Enterprise Funds				Internal Service Funds		
	Community Education	Community Preschool	School Nutrition	Total	Self-funded Insurance	Flexible Benefits	Total
Assets							
Current assets:							
Cash and cash equivalents	\$ 1,332,602	172,984	2,440,405	3,945,991	10,294,755	123,915	10,418,670
Receivables:							
Accounts	34,353	486	-	34,839	-	-	-
Due from other governments	-	-	17,062	17,062	-	-	-
Inventories	-	-	122,919	122,919	-	-	-
Total current assets	1,366,955	173,470	2,580,386	4,120,811	10,294,755	123,915	10,418,670
Non-current assets:							
Property and equipment:							
Machinery and equipment	169,633	8,178	2,986,752	3,164,563	-	-	-
Accumulated depreciation	(157,993)	(7,432)	(2,164,143)	(2,329,568)	-	-	-
Total non-current assets	11,640	746	822,609	834,995	-	-	-
Total assets	1,378,595	174,216	3,402,995	4,955,806	10,294,755	123,915	10,418,670
Deferred Outflows of Resources							
OPEB related deferred outflows	1,414	636	3,930	5,980			
Pension related deferred outflows	374,370	40,077	274,135	688,582	-	-	-
Total deferred outflows of resources	375,784	40,713	278,065	694,562	-	-	-
Liabilities							
Current liabilities:							
Accounts payable	90,851	531	32,109	123,491	54,404	21,977	76,381
Advances from prepaid childcare	14,651	-	-	14,651	-	-	-
Advances from prepaid lunches	-	-	115,211	115,211	-	-	-
Insurance claims liability	-	-	-	-	1,334,573	-	1,334,573
Accrued salaries and benefits payable	81,365	-	128,214	209,579	-	-	-
Compensated absences	14,683	-	7,719	22,402	-	-	-
Total current liabilities	201,550	531	283,253	485,334	1,388,977	21,977	1,410,954
Non-current liabilities:							
Net pension liability	1,511,405	158,309	946,898	2,616,612	-	-	-
Other postemployment benefits payable	49,466	14,563	120,775	184,804	-	-	-
Total non-current liabilities	1,560,871	172,872	1,067,673	2,801,416	-	-	-
Total liabilities	1,762,421	173,403	1,350,926	3,286,750	1,388,977	21,977	1,410,954
Deferred Inflows of Resources							
OPEB related deferred inflows	1,782	445	4,177	6,404	-	-	-
Pension related deferred inflows	132,669	17,801	66,802	217,272	-	-	-
Total deferred inflows of resources	134,451	18,246	70,979	223,676	-	-	-
Net Position							
Invested in capital assets	11,640	746	822,609	834,995	-	-	-
Restricted for:							
Flexible benefits	-	-	-	-	-	101,938	101,938
Unrestricted	(154,133)	22,534	1,436,546	1,304,947	8,905,778	-	8,905,778
Total Net Position	\$ (142,493)	23,280	2,259,155	2,139,942	8,905,778	101,938	9,007,716

See accompanying independent auditor's report.

Schedule 6

Johnston Community School District
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year ended June 30, 2019

	Business Type Activities				Governmental Activities		
	Enterprise Funds				Internal Service Funds		
	Community Education	Community Preschool	School Nutrition	Total	Self-funded Insurance	Flexible Benefits	Total
Operating revenues:							
Local sources:							
Other local sources:							
Food service sales	\$ -	-	2,217,590	2,217,590	-	-	-
Daycare service fees	2,622,871	-	-	2,622,871	-	-	-
Community education fees	600,292	288,278	-	888,570	-	-	-
Charges for services	-	-	-	-	10,871,784	414,819	11,286,603
Other operating income	-	848	3,827	4,675	-	-	-
Total operating revenues	3,223,163	289,126	2,221,417	5,733,706	10,871,784	414,819	11,286,603
Operating expenses:							
Instructional programs:							
Instructional services:							
Salaries	-	148,056	-	148,056	-	-	-
Benefits	-	57,520	-	57,520	-	-	-
Services	-	59,060	-	59,060	-	-	-
Supplies	-	17,769	-	17,769	-	-	-
Other	151,006	-	-	151,006	-	-	-
	151,006	282,405	-	433,411	-	-	-
Support Services:							
Administrative services:							
Salaries	84,894	35,664	-	120,558	-	-	-
Benefits	35,397	15,424	-	50,821	9,747,719	-	9,747,719
Services	184,620	3,492	8,243	196,355	575,202	421,417	996,619
Supplies	-	80	363	443	-	-	-
Depreciation	-	112	-	112	-	-	-
	304,911	54,772	8,606	368,289	10,322,921	421,417	10,744,338
Transportation services:							
Services	43,904	-	-	43,904	-	-	-
	43,904	-	-	43,904	-	-	-
	348,815	54,772	8,606	412,193	10,322,921	421,417	10,744,338
Non-instructional programs:							
Food services operations:							
Salaries	-	-	1,164,641	1,164,641	-	-	-
Benefits	-	-	489,717	489,717	-	-	-
Services	-	-	4,372	4,372	-	-	-
Supplies	-	-	1,513,235	1,513,235	-	-	-
Other	-	-	1,370	1,370	-	-	-
Depreciation	-	-	114,720	114,720	-	-	-
	-	-	3,288,055	3,288,055	-	-	-
Community service operations:							
Salaries	1,778,152	-	-	1,778,152	-	-	-
Benefits	408,335	-	-	408,335	-	-	-
Services	4,322	-	-	4,322	-	-	-
Supplies	338,596	-	-	338,596	-	-	-
Other	18,855	-	-	18,855	-	-	-
Depreciation	4,401	-	-	4,401	-	-	-
	2,552,661	-	-	2,552,661	-	-	-
	2,552,661	-	3,288,055	5,840,716	-	-	-
Total operating expenses	3,052,482	337,177	3,296,661	6,686,320	10,322,921	421,417	10,744,338
Operating income (loss)	170,681	(48,051)	(1,075,244)	(952,614)	548,863	(6,598)	542,265

Schedule 6

Johnston Community School District
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year ended June 30, 2019

	Business Type Activities				Governmental Activities		
	Enterprise Funds				Internal Service Funds		
	Community Education	Community Preschool	School Nutrition	Total	Self-funded Insurance	Flexible Benefits	Total
<i>Continued from previous page</i>							
Non-operating revenues:							
State grants	-	46,060	-	46,060	-	-	-
State lunch and breakfast program claims	-	-	24,690	24,690	-	-	-
National School Lunch Program	-	-	905,955	905,955	-	-	-
School Breakfast Program	-	-	163,438	163,438	-	-	-
Federal food commodities revenue	-	-	243,646	243,646	-	-	-
Summer Food Program	-	-	20,279	20,279	-	-	-
Interest income	16,819	2,792	34,161	53,772	-	-	-
Total non-operating revenues	16,819	48,852	1,392,169	1,457,840	-	-	-
Income (loss) before transfers	187,500	801	316,925	505,226	548,863	(6,598)	542,265
Transfers (out)	(120,000)	(15,000)	(95,890)	(230,890)	-	-	-
Changes in Net Position	67,500	(14,199)	221,035	274,336	548,863	(6,598)	542,265
Net Position beginning of year	(209,993)	37,479	2,038,120	1,865,606	8,356,915	108,536	8,465,451
Net Position end of year	\$ (142,493)	23,280	2,259,155	2,139,942	8,905,778	101,938	9,007,716

See accompanying independent auditor's report.

Schedule 7

Johnston Community School District
Combining Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2019

	Business Type Activities				Governmental Activities		
	Community Education	Community Preschool	School Nutrition	Total	Self-funded Insurance	Flexible Benefits	Total
Cash flows from operating activities:							
Cash received from sale of lunches and breakfasts	\$ -	-	2,216,877	2,216,877	-	-	-
Cash received from community services	3,228,277	288,796	-	3,517,073	10,871,784	414,819	11,286,603
Cash paid to employees for services	(2,194,263)	(254,130)	(1,623,235)	(4,071,628)	(9,515,997)	(414,423)	(9,930,420)
Cash paid to suppliers for goods or services	(735,124)	(79,870)	(1,357,808)	(2,172,802)	(673,753)	-	(673,753)
Net cash provided (used) by operating activities	298,890	(45,204)	(764,166)	(510,480)	682,034	396	682,430
Cash flows from non-capital financing activities:							
State grants received	-	46,060	24,690	70,750	-	-	-
Federal grants received	-	-	1,089,672	1,089,672	-	-	-
Net cash provided by non-capital financing activities	-	46,060	1,114,362	1,160,422	-	-	-
Cash flows from capital and related financing activities:							
Acquisition of capital assets	-	(695)	(132,333)	(133,028)	-	-	-
Transfers	(120,000)	(15,000)	(95,890)	(230,890)	-	-	-
Net cash used by capital and related financing activities	(120,000)	(15,695)	(228,223)	(363,918)	-	-	-
Cash flows from investing activities:							
Interest on investments	16,819	2,792	34,161	53,772	-	-	-
Net increase (decrease) in cash and cash equivalents	195,709	(12,047)	156,134	339,796	682,034	396	682,430
Cash and cash equivalents at beginning of year	1,136,893	185,031	2,284,271	3,606,195	9,612,721	123,519	9,736,240
Cash and cash equivalents at end of year	\$ 1,332,602	172,984	2,440,405	3,945,991	10,294,755	123,915	10,418,670
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 170,681	(48,051)	(1,075,244)	(952,614)	548,863	(6,598)	542,265
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Commodities used	-	-	243,646	243,646	-	-	-
Depreciation	4,401	112	114,720	119,233	-	-	-
(Increase) decrease in accounts receivable	5,873	(426)	-	5,447	-	-	-
(Increase) decrease in due from other governments	-	96	(9,888)	(9,792)	-	-	-
(Increase) decrease in inventories	-	-	(10,781)	(10,781)	-	-	-
Increase (decrease) in accounts payable	6,179	531	(63,090)	(56,380)	(98,551)	6,994	(91,557)
Increase in insurance claims liability	-	-	-	-	231,722	-	231,722
Increase (decrease) in salaries and benefits payable	71,510	(185)	(5,926)	65,399	-	-	-
Increase (decrease) in unearned revenues	(759)	-	5,348	4,589	-	-	-
Increase (decrease) in compensated absences	2,392	-	(941)	1,451	-	-	-
Increase (decrease) in net pension liability	(15,630)	(1,929)	(11,987)	(29,546)	-	-	-
(Increase) decrease in deferred outflows of resources	277,871	23,527	184,454	485,852	-	-	-
Increase (decrease) in deferred inflows of resources	(230,315)	(21,884)	(153,059)	(405,258)	-	-	-
Increase (decrease) in other post-employment benefits	6,687	3,005	18,582	28,274	-	-	-
Net cash provided (used) by operating activities	\$ 298,890	(45,204)	(764,166)	(510,480)	682,034	396	682,430

Schedule 7

Johnston Community School District
Combining Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2019

	Business Type Activities				Governmental Activities		
	Community Education	Community Preschool	School Nutrition	Total	Self-funded Insurance	Flexible Benefits	Total

Continued from previous page

Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:

Current assets:

Cash and investments	\$ 1,332,602	172,984	2,440,405	3,945,991	10,294,755	123,915	10,418,670
Cash and cash equivalents at year end	<u>\$ 1,332,602</u>	<u>172,984</u>	<u>2,440,405</u>	<u>3,945,991</u>	<u>10,294,755</u>	<u>123,915</u>	<u>10,418,670</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2019, the District received federal commodities valued at \$243,646.

See accompanying independent auditor's report.

Supplementary Information
Capital Assets used in the Operation of Governmental Funds

Schedule 8

Johnston Community School District
Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
June 30, 2019

Governmental funds capital assets

Land and improvements	\$ 18,156,727
Buildings and improvements	225,162,487
Vehicles, furniture and equipment	12,321,786
Construction in progress	<u>5,758,046</u>

Total governmental funds capital assets	<u><u>\$ 261,399,046</u></u>
---	------------------------------

Investments in governmental funds capital assets by source

General Fund	\$ 10,783,038
Special Revenue Funds	295,548
Capital Projects Funds	<u>250,320,460</u>

Total governmental funds capital assets	<u><u>\$ 261,399,046</u></u>
---	------------------------------

See accompanying independent auditor's report.

Schedule 9

Johnston Community School District
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2019

Function and Activity	Land and Improvements	Buildings and Improvements	Vehicles, Furniture and Equipment	Construction in Progress	Total
Instruction	\$ 16,615,719	222,175,265	8,753,610	5,758,046	253,302,640
Other instruction	371,476	68,278	-	-	439,754
Support services - instructional staff	441,545	-	1,632,173	-	2,073,718
Administration	328,878	1,191,161	325,917	-	1,845,956
Operation and maintenance of plant services	147,882	1,727,783	1,384,510	-	3,260,175
Student transportation services	251,227	-	225,576	-	476,803
Total	<u>\$ 18,156,727</u>	<u>225,162,487</u>	<u>12,321,786</u>	<u>5,758,046</u>	<u>261,399,046</u>

See accompanying independent auditor's report.

Schedule 10

Johnston Community School District
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
Year ended June 30, 2019

Function and Activity	July 1, 2018	Additions	Deletions	June 30, 2019
Instruction	\$ 244,213,449	24,180,435	15,091,244	253,302,640
Other instruction	432,982	6,772	-	439,754
Support services - instructional staff	1,915,360	158,358	-	2,073,718
Administration	1,845,956	-	-	1,845,956
Operation and maintenance of plant services	2,931,266	328,909	-	3,260,175
Student transportation services	448,365	28,438	-	476,803
Total	<u>\$ 251,787,378</u>	<u>24,702,912</u>	<u>15,091,244</u>	<u>261,399,046</u>

See accompanying independent auditor's report.

**Supplementary Information
Other Financial Schedules**

Schedule 11

Johnston Community School District
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year ended June 30, 2019

Account	Balance Beginning of Year	Revenues	Expendi- tures	Intrafund Transfers	Balanced End of Year
Elementary Schools:					
Lawson Elementary	\$ 2,404	-	-	-	2,404
Timber Ridge Elementary	242	500	220	-	522
Beaver Creek Elementary	2,500	490	690	-	2,300
Horizon	1,558	-	-	-	1,558
Summit Middle School:					
Drama Club	-	1,337	-	-	1,337
Student Council	3,984	2,040	1,641	-	4,383
Yearbook	2,927	13,779	16,021	-	685
Vocal Music	6,007	2,300	3,657	-	4,650
Instrumental Music	1,834	3,912	3,166	-	2,580
Tech Club	8,243	3,182	4,000	-	7,425
Lego Robotics	1,442	100	-	-	1,542
Cheerleading	6,158	-	-	-	6,158
Food Assistance	621	-	-	-	621
Climate Club	77	-	77	-	-
SOS	100	-	-	-	100
Student Activity	-	15,000	816	-	14,184
Math Counts	1	-	-	-	1
Middle School:					
Dragon Express	522	-	-	-	522
Student Council	2,803	153	84	-	2,872
Robotics	191	4,303	2,418	-	2,076
Yearbook	3,873	17,370	19,665	-	1,578
Vocal Music	27,192	63,696	68,611	-	22,277
Instrumental Music	24,332	9,565	7,628	-	26,269
Student Management	10,822	-	-	-	10,822
Cheerleading	131	-	-	-	131
MS Pride	4	-	-	-	4
Art Club	44	-	-	-	44
French Club	153	21	44	-	130
Spanish Club	176	-	-	-	176
Science Olympiad	1,489	-	-	-	1,489
Math Club	200	-	150	-	50
Tech Club	3,199	4,058	4,689	-	2,568
High School:					
Environmental Club	473	1,371	444	-	1,400
French Club	2,533	2,646	3,934	-	1,245
Spanish Club	1,349	-	-	-	1,349
Drama Club	4,027	800	2,575	-	2,252
Speech -Large Group	-	1,000	734	(266)	-
Speech - Individual	-	-	340	340	-
Debate	-	12,650	8,224	(74)	4,352
Student Council	2,537	26,840	30,701	1,324	-
National Honor Society	3,867	4,875	4,396	-	4,346
Archery	6,788	-	1,232	-	5,556
Senior Class	22,306	18,767	15,104	-	25,969
Yearbook	46,030	124,959	80,762	-	90,227
Academic Competition	1,914	2,160	4,649	575	-
Math Club	361	1,194	934	(575)	46
Instrumental Music	2,640	11,573	7,756	-	6,457
Vocal Music	54,513	19,786	46,715	27,362	54,946
Piano	86	-	-	-	86
Madrigal	-	920	100	(820)	-
Showzam	-	67,276	14,767	(52,509)	-
Synergy	-	29,680	34,279	4,599	-
INNO	-	36,580	56,917	20,337	-
Vocal Tour	328	88,563	91,307	2,416	-
Girls Show Choir	-	7,581	6,196	(1,385)	-
Circle of Friends	2,177	2,177	2,564	-	1,790
SADD	157	-	-	-	157
Diversity Committee	100	-	-	-	100
Tech Club	2,719	1,075	1,262	-	2,532
Hyperstream	757	-	-	-	757
Gay Straight Alliance	262	-	-	-	262
Fencing Club	1,493	-	-	(1,322)	171
Exp Based Career	841	-	259	-	582
Musicals	11,325	16,529	14,778	-	13,076
Photo Club	500	500	-	-	1,000
We the People	333	811	221	-	923
Silver Cord	2,585	-	1,266	-	1,319
Family Career	2	-	-	-	2
Fishing Club	4,303	39,283	41,666	-	1,920
Science Olympiad	142	5,695	4,124	-	1,713
Miscellaneous	2	-	-	(2)	-
American Sign	22	44	9	-	57
Key Club	-	221	-	-	221
Students 4 Change	-	1,184	-	-	1,184
Dragon A-la-Cart	671	1,915	1,428	-	1,158
Athletics	488,116	518,667	641,523	-	365,260
Total	\$ 779,488	1,189,128	1,254,743	-	713,873

See accompanying independent auditor's report.

Schedule 12

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

	Modified Accrual Basis									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Local sources:										
Local tax	\$ 44,526,384	40,930,405	39,253,233	37,064,106	35,626,566	32,393,934	35,857,736	35,695,347	35,019,915	32,577,208
Tuition	5,193,083	4,258,377	3,892,666	3,855,810	3,707,732	3,639,110	3,582,546	3,668,713	3,475,163	3,137,706
Other	4,026,726	3,583,002	3,875,304	2,952,246	2,317,904	2,661,625	2,367,120	2,106,399	2,083,829	2,788,425
Intermediate sources	102,103	95,576	91,273	88,824	89,537	90,390	98,961	95,614	91,857	90,678
State sources	51,457,369	49,601,732	48,755,230	45,960,835	43,653,789	39,316,622	31,650,260	30,704,092	27,910,332	23,396,412
Federal sources	3,119,381	2,760,895	2,334,744	2,126,015	2,074,240	1,898,661	1,769,532	1,692,437	3,729,793	4,060,543
Total	\$ 108,425,046	101,229,987	98,202,450	92,047,836	87,469,768	80,000,342	75,326,155	73,962,602	72,310,889	66,050,972
Expenditures:										
Instruction:										
Regular	\$ 38,750,238	36,823,617	35,134,637	33,604,284	32,626,297	30,467,849	29,014,697	27,638,864	27,049,790	26,420,349
Special	12,983,952	11,282,922	10,098,221	9,311,875	9,049,507	8,936,782	9,552,833	8,737,716	8,299,509	7,633,325
Other	9,259,212	8,532,447	8,370,945	7,877,884	7,818,352	7,644,581	6,851,147	6,188,208	5,211,519	4,562,423
Support services:										
Student	2,313,690	2,274,671	2,279,452	1,892,148	1,819,763	1,922,828	1,733,474	1,652,186	1,657,172	1,595,119
Instructional staff	3,244,276	3,380,314	4,256,407	3,829,694	3,116,176	3,446,669	5,256,963	3,238,683	2,965,971	2,681,246
Administration	6,379,852	6,418,567	6,224,502	6,188,422	6,059,234	6,021,436	5,580,409	5,354,058	5,461,057	5,135,490
Operation and maintenance of plant	8,005,666	6,789,467	5,776,018	5,403,883	5,322,847	5,604,645	4,899,107	4,826,922	4,744,650	4,845,401
Transportation	4,610,013	4,380,262	4,100,913	3,413,497	3,451,604	3,453,897	3,346,722	3,161,811	2,859,427	2,582,214
Non-instructional programs:										
Food services	1,330	22,998	13,222	6,537	12,756	60,845	50,075	22,680	42,357	13,764
Community services and education	148,969	201,283	200,203	144,963	162,264	153,851	134,712	142,207	118,070	118,485
Other expenditures:										
Facilities acquisition	10,503,462	20,328,773	36,617,228	39,095,795	25,238,957	4,513,719	3,223,347	10,429,507	5,158,895	3,865,127
Long-term debt:										
Principal	10,721,421	10,679,642	7,570,596	22,616,233	13,404,870	4,324,630	4,910,369	4,305,000	4,150,000	5,670,000
Interest and other charges	3,906,961	4,003,564	4,042,846	3,595,966	3,527,675	1,522,027	1,683,782	1,655,159	1,803,086	1,952,509
AEA support	3,110,039	2,977,024	2,840,921	2,746,943	2,610,924	2,448,847	2,307,835	2,236,244	2,320,857	2,187,815
Total	\$ 113,939,081	118,095,551	127,526,111	139,728,124	114,221,226	80,522,606	78,545,472	79,589,245	71,842,360	69,263,267

See accompanying independent auditor's report.



Johnston Community School District
Statistical Section
Table of Contents

The statistical section of the Johnston Community School District's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the District's overall financial health.

<u>CONTENTS</u>	<u>PAGE</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	84-102
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	103-108
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	109-115
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	116-120
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	121-127

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented GASB 68 in fiscal year 2016; schedules presenting government-wide information include information beginning in that year.

NET POSITION BY COMPONENT
Last Ten Fiscal Years

Year ended June 30,	2019	2018	2017
Governmental activities:			
Invested in capital assets, net of related debt	\$ 96,562,542	92,188,629	76,387,314
Restricted	17,618,072	11,157,688	20,505,552
Unrestricted	(11,241,831)	(9,268,909)	(9,934,017)
Total governmental activities net position	\$ 102,938,783	94,077,408	86,958,849
Business type activities:			
Invested in capital assets, net of related debt	\$ 834,995	821,200	951,723
Restricted	-	-	-
Unrestricted	1,304,947	1,044,406	723,663
Total business type activities net position	\$ 2,139,942	1,865,606	1,675,386
Primary government:			
Invested in capital assets, net of related debt	\$ 97,397,537	93,009,829	77,339,034
Restricted	17,618,072	11,157,688	20,505,453
Unrestricted	(9,936,884)	(8,224,503)	-9,210,354
Total primary government net position	\$ 105,078,725	95,943,014	88,634,133

Source: 2019 Certified Annual Report

Note: Change in unrestricted net position from 2014-2015 due to implementation of GASB 68.

2016	2015	2014	2013	2012	2011	2010
63,827,711	58,871,834	13,249,999	65,764,354	62,356,405	51,038,392	48,156,947
24,264,939	23,692,664	63,844,645	10,749,999	9,744,735	16,419,758	15,159,937
(11,804,435)	(17,695,615)	8,209,879	8,028,431	9,387,456	7,405,591	4,549,254
76,288,215	64,868,883	85,304,523	84,542,784	81,488,596	74,863,741	67,866,138
394,007	513,678	614,448	731,486	587,958	676,121	759,166
-	-	920	-	-	8,370	-
1,249,056	1,091,515	2,884,984	2,513,869	2,586,485	2,122,298	1,887,694
1,643,063	1,605,193	3,500,352	3,245,355	3,174,443	2,806,789	2,646,860
64,221,718	59,385,512	13,864,447	66,495,840	62,944,363	51,714,513	48,916,113
24,264,939	23,692,664	63,845,565	10,749,999	9,744,735	16,428,128	15,159,937
(10,555,379)	(16,604,100)	11,094,863	10,542,300	11,973,941	9,527,889	6,436,948
77,931,278	66,474,076	88,804,875	87,788,139	84,663,039	77,670,530	70,512,998

EXPENSES, PROGRAM REVENUES AND NET REVENUES (EXPENSES)
Last Ten Fiscal Years

Year ended June 30,	2019	2018	2017	2016
Expenses:				
Governmental activities:				
Instruction	\$ 67,068,311	62,193,136	56,825,307	52,795,932
Student services	2,325,107	2,283,577	2,300,234	1,859,466
Instructional staff services	3,167,962	3,217,568	4,442,506	3,999,945
Administrative services	6,146,391	6,172,408	6,023,950	5,350,729
Operating and maintenance of plant services	7,851,357	6,810,716	5,672,304	5,282,071
Transportation services	4,611,616	4,317,348	4,045,455	3,429,478
Capital outlay	-	-	-	-
Long-term debt interest	3,964,032	3,940,520	3,961,417	3,421,694
Non-instructional programs	150,377	226,088	213,642	151,702
Other expenditures	4,524,310	5,188,911	3,680,205	4,552,822
Total governmental activities expenses	99,809,463	94,350,272	87,165,020	80,843,839
Business type activities:				
Nutrition	3,296,661	3,277,729	3,353,090	3,329,784
Day care services	-	-	-	-
Community education services	3,389,659	3,474,661	3,559,029	3,411,483
Total business type activities expenses	6,686,320	6,752,390	6,912,119	6,741,267
Total primary government expenses	\$ 106,495,783	101,102,662	94,077,139	87,585,106
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 6,523,356	5,620,229	5,100,587	5,190,701
Support services	333,922	564,809	223,819	373,294
Operating grants and contributions	14,692,194	13,923,397	13,062,254	12,346,212
Total governmental activities program revenues	21,549,472	20,108,435	18,386,660	17,910,207
Business type activities:				
Charges for services:				
Nutrition	2,221,417	3,282,217	2,426,387	2,479,676
Day care services	-	-	-	-
Community education services	3,512,289	2,581,288	3,539,693	3,409,300
Operating grants and contributions	1,457,840	1,303,707	1,220,226	1,100,705
Total business type program revenues	7,191,546	7,167,212	7,186,306	6,989,681
Total primary government program revenues	\$ 28,741,018	27,275,647	25,572,966	24,899,888
Net revenue (expense):				
Governmental activities	\$ (78,259,991)	(74,241,837)	(68,778,360)	(62,933,632)
Business type activities	505,226	414,822	274,187	248,414
Total primary government net expense	\$ (77,754,765)	(73,827,015)	(68,504,173)	(62,685,218)

Source: 2019 Certified Annual Report

2015	2014	2013	2012	2011	2010
49,803,088	49,337,355	49,036,745	44,757,711	42,997,915	41,075,403
1,758,854	1,925,705	1,697,758	1,638,859	1,657,151	1,596,919
3,261,971	3,590,304	3,645,976	3,364,050	3,028,879	2,749,674
5,581,377	5,711,829	5,251,380	5,043,599	5,308,433	5,122,778
5,219,346	5,672,497	4,919,762	4,886,355	4,836,685	4,912,963
3,445,848	3,309,073	3,222,225	3,591,054	3,197,520	2,829,785
-	-	-	-	-	-
3,254,018	2,591,867	1,595,681	1,642,172	1,790,759	1,920,576
150,343	205,640	159,747	136,274	145,594	126,953
5,454,504	6,962,566	2,971,590	2,282,020	2,350,350	2,460,001
77,929,349	79,306,836	72,500,864	67,342,094	65,313,286	62,795,052
3,354,998	3,248,993	2,989,163	2,968,730	2,893,145	2,826,126
2,087,055	1,916,455	2,095,538	1,982,675	1,987,377	2,005,525
997,118	997,042	795,752	632,314	584,003	606,859
6,439,171	6,162,490	5,880,453	5,583,719	5,464,525	5,438,510
84,368,520	85,469,326	78,381,317	72,925,813	70,777,811	68,233,562
4,858,280	4,944,723	4,708,965	4,716,473	4,446,966	4,021,814
261,651	333,733	334,746	303,992	319,065	303,383
11,896,003	9,391,081	8,742,525	8,729,403	10,716,250	10,659,417
17,015,934	14,669,537	13,786,236	13,749,868	15,482,281	14,984,614
2,547,400	2,424,013	2,332,549	2,341,951	2,270,385	2,126,538
2,295,884	2,105,910	2,164,258	1,971,370	1,880,593	1,870,093
999,673	986,262	813,678	718,583	572,686	593,905
1,034,906	966,302	887,948	919,469	900,790	835,808
6,877,863	6,482,487	6,198,433	5,951,373	5,624,454	5,426,344
23,893,797	21,152,024	19,984,669	19,701,241	21,106,735	20,410,958
(60,913,415)	(64,637,299)	(58,714,628)	(53,592,226)	(49,831,005)	(47,810,438)
438,692	319,997	317,980	367,654	159,929	(12,166)
(60,474,723)	(64,317,302)	(58,396,648)	(53,224,572)	(49,671,076)	(47,822,604)

GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
Last Ten Fiscal Years

Year ended June 30,	2019	2018	2017	2016
Net (expense) revenue:				
Governmental activities	\$ (78,259,991)	(74,241,837)	(68,778,360)	(62,933,632)
Business type activities	505,226	414,822	274,187	248,414
Total primary government net expense	(77,754,765)	(73,827,015)	(68,504,173)	(62,685,218)
General revenues and other changes in net position:				
Governmental activities:				
General revenues:				
Property taxes levied for:				
General purposes	29,435,435	28,821,494	29,253,021	28,270,487
Debt service	10,677,490	8,048,021	6,123,980	5,184,793
Capital outlay	4,413,457	4,060,890	3,892,711	3,608,826
Statewide sales, services and use tax	6,684,467	6,442,320	6,998,547	6,306,953
Unrestricted state grants	33,295,431	32,085,616	31,096,960	29,515,436
Unrestricted investment earnings	973,711	304,884	384,870	162,818
Other	1,410,485	1,372,671	2,305,590	1,093,108
Capital contributions	-	-	-	-
Transfers	230,890	224,602	218,102	210,544
Total governmental activities	87,121,366	81,360,498	80,273,781	74,352,965
Business type activities:				
Miscellaneous	-	-	-	-
Transfers	(230,890)	(224,602)	(218,102)	(210,544)
Total business type activities	(230,890)	(224,602)	(218,102)	(210,544)
Total primary government general revenues and other changes in net position	86,890,476	81,135,896	80,055,679	74,142,421
Change in net position:				
Governmental activities	8,861,375	7,118,661	11,495,421	11,419,333
Business type activities	274,336	190,220	56,085	37,870
Total primary government change in net position	\$ 9,135,711	7,308,881	11,551,506	11,457,203

Source: 2019 Certified Annual Report

2015	2014	2013	2012	2011	2010
(60,913,415)	(64,637,299)	(58,714,628)	(53,592,226)	(49,831,005)	(47,810,438)
438,692	319,997	317,980	367,654	159,929	(12,166)
(60,474,723)	(64,317,302)	(58,396,648)	(53,224,572)	(49,671,076)	(47,822,604)
26,634,779	25,257,174	23,739,582	25,139,889	25,381,589	24,158,338
5,537,573	3,815,774	3,614,999	2,302,231	875,421	1,313,820
3,462,422	3,320,986	3,169,354	3,129,302	2,954,515	2,822,082
6,074,567	5,449,133	5,336,410	5,123,925	5,808,390	4,282,968
27,832,918	26,458,419	24,769,091	23,753,747	20,916,147	16,880,987
126,645	85,142	46,852	71,535	109,923	847,168
792,981	947,410	872,283	696,452	782,623	760,995
-	-	-	-	-	-
169,884	65,000	65,000	-	-	-
70,631,769	65,399,038	61,613,571	60,217,081	56,828,608	51,066,358
-	-	-	-	-	-
(169,884)	(65,000)	(65,000)	-	-	-
(169,884)	(65,000)	(65,000)	-	-	-
70,461,885	65,334,038	61,548,571	60,217,081	56,828,608	51,066,358
9,718,354	761,739	2,898,943	6,624,855	6,997,603	3,255,920
268,808	254,997	252,980	367,654	159,929	(12,166)
9,987,162	1,016,736	3,151,923	6,992,509	7,157,532	3,243,754

FUND BALANCES - GOVERNMENTAL FUNDS**Last Ten Fiscal Years**

Year ended June 30,	2019	2018	2017
General Fund:			
Nonspendable for Inventories/Prepd	\$ 71,233	70,895	60,138
Restricted	1,548,758	1,659,862	1,576,733
Unassigned	12,695,403	14,154,725	13,107,148
Total general fund	14,315,394	15,885,482	14,744,019
All other governmental funds:			
Restricted, reported in:			
Debt Service	7,567,880	3,362,140	1,569,155
Special revenue funds	4,166,417	2,704,873	2,174,684
Capital project funds	11,650,012	12,306,451	24,051,715
Total all other governmental funds	23,384,309	18,373,464	27,795,554
Total governmental fund balances	\$ 37,699,703	34,258,946	42,539,573

Source: 2019 Certified Annual Report

2016	2015	2014	2013	2012	2011	2010
67,662	44,102	47,864	49,391	47,836	42,426	49,222
1,525,575	1,283,366	801,527	742,491	875,116	765,115	1,013,530
10,088,953	6,065,734	4,195,630	4,019,759	5,998,132	4,721,855	1,580,546
11,682,190	7,393,202	5,045,021	4,811,641	6,921,084	5,529,396	2,643,298
1,430,769	2,265,914	9,545,061	9,721,828	516,040	517,651	518,464
1,882,474	1,743,993	1,989,103	2,901,807	2,622,228	2,200,881	4,272,008
45,188,623	39,921,249	61,322,483	6,173,055	5,851,080	13,284,800	13,630,429
48,501,866	43,931,156	72,856,647	18,796,690	8,989,348	16,003,332	18,420,901
60,184,056	51,324,358	77,901,668	23,608,331	15,910,432	21,532,728	21,064,199

GOVERNMENTAL FUNDS REVENUES
Last Ten Fiscal Years

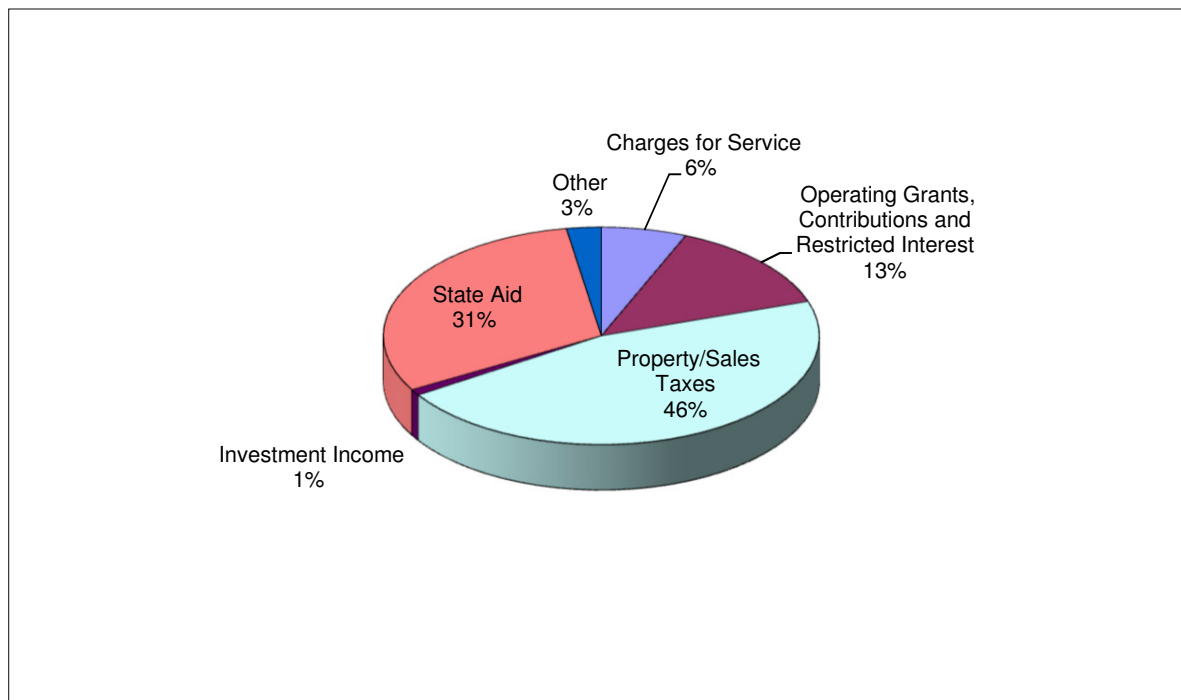
Year ended June 30,	2019	2018	2017	2016	2015
Local Sources:					
Property taxes	\$ 42,227,566	38,631,314	36,926,204	34,753,002	33,969,188
Local option sales tax	-	-	-	-	-
Utility replacement	937,517	943,630	963,718	949,620	975,143
Property tax in lieu of	1,350,679	1,315,848	1,333,947	1,333,050	653,702
Tuition	5,193,083	4,258,377	3,892,666	3,855,810	3,707,732
Other local sources	2,119,003	2,215,786	2,720,277	1,930,588	1,389,174
Investment earnings	973,710	543,692	399,436	162,818	126,645
Student activities	944,635	863,137	801,434	887,274	830,618
Total local sources	53,746,193	48,771,784	47,037,682	43,872,162	41,652,202
Intermediate Sources	102,103	95,576	91,273	88,824	89,537
State sources:					
State foundation aid	33,295,431	32,085,616	31,096,960	29,515,436	27,832,918
Statewide Sales tax	6,684,467	6,442,320	6,998,547	6,306,953	6,074,567
Other state sources	11,477,471	11,073,796	10,659,723	10,138,446	9,746,304
Total state sources	51,457,369	49,601,732	48,755,230	45,960,835	43,653,789
Federal sources	3,119,381	2,760,895	2,318,265	2,126,015	2,074,240
Total Revenues	\$ 108,425,046	101,229,987	98,202,450	92,047,836	87,469,768

Source: 2019 Certified Annual Report

2014	2013	2012	2011	2010
31,541,517	30,531,071	29,705,068	28,376,676	27,530,901
-	5,336,410	5,123,925	5,808,390	4,282,968
852,417	860,601	866,354	834,848	763,339
-	-	-	-	-
3,639,110	3,582,546	3,668,713	3,475,163	3,137,706
1,664,104	704,178	1,239,805	1,143,676	1,201,719
89,142	46,852	71,535	109,923	847,168
908,380	745,744	795,059	830,231	739,538
38,694,670	41,807,402	41,470,459	40,578,907	38,503,339
90,389	98,961	95,614	91,857	90,678
25,706,139	24,769,091	23,753,747	20,916,147	16,880,987
5,449,133	-	-	-	-
8,161,350	6,881,169	6,950,345	6,994,185	6,515,425
39,316,622	31,650,260	30,704,092	27,910,332	23,396,412
1,898,661	1,769,532	1,692,437	3,729,793	4,060,543
80,000,342	75,326,155	73,962,602	72,310,889	66,050,972

GOVERNMENTAL REVENUES, BY SOURCE
Last Ten Fiscal Years

PROGRAM REVENUES			GENERAL REVENUES				
Fiscal Year	Charges for Service	Operating Grants, Contributions and Restricted Interest	Property/Sales Taxes	Investment Income	State Aid	Other	TOTAL
2018-19	\$ 6,857,278	14,692,194	49,849,550	973,710	33,295,431	2,786,344	108,454,507
2017-18	6,185,038	13,923,397	46,017,264	543,692	32,085,616	2,474,980	101,229,987
2016-17	5,324,406	13,062,251	44,888,469	399,436	31,096,960	3,430,928	98,202,450
2015-16	5,563,995	12,436,212	42,009,575	162,818	29,515,436	2,359,800	92,047,836
2014-15	5,119,031	11,896,003	41,018,898	126,645	27,832,918	1,476,273	87,469,768
2013-14	5,278,456	9,391,081	37,843,067	89,142	25,706,139	1,692,457	80,000,342
2012-13	5,043,711	8,742,525	35,860,345	46,852	24,769,091	863,631	75,326,155
2011-12	5,020,465	8,729,403	35,695,347	71,535	23,753,747	692,105	73,962,602
2010-11	4,766,031	10,716,250	35,019,915	109,923	20,916,147	782,623	72,310,889
2009-10	4,325,197	10,659,417	32,577,208	847,168	16,880,987	760,995	66,050,972



Note: Governmental activities only, does not include business activities.

Source: District Audits



COMPARATIVE RATIO OF DEBT SERVICE TO GOVERNMENTAL FUNDS EXPENDITURES
Last Ten Fiscal Years

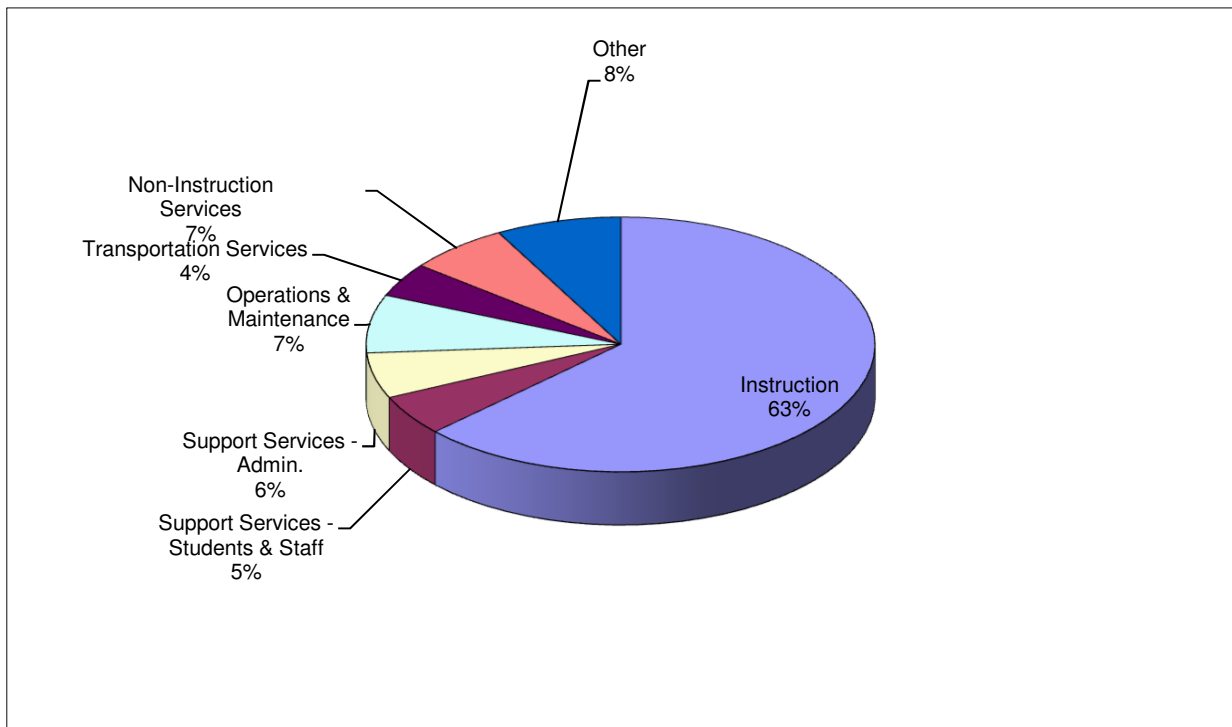
Year ending June 30,	2019	2018	2017	2016	2015	2014
Instruction:						
Regular instruction	\$ 38,750,238	36,823,617	35,134,637	33,604,284	32,626,297	30,467,849
Special instruction	12,983,952	11,282,922	10,098,221	9,311,875	9,049,507	8,936,782
Other instruction	9,259,212	8,532,447	8,370,945	7,877,884	7,818,352	7,644,581
Support services:						
Student services	2,313,690	2,274,671	2,279,452	1,892,148	1,819,763	1,922,828
Instructional staff services	3,244,276	3,380,314	4,256,407	3,829,694	3,116,176	3,446,669
Administration services	6,379,852	6,418,567	6,224,502	6,188,422	6,059,234	6,021,436
Plant operation and maintenance	8,005,666	6,789,467	5,776,018	5,403,883	5,322,847	5,604,645
Transportation services	4,610,013	4,380,262	4,100,913	3,413,497	3,451,604	3,453,897
Non-instructional programs:						
Food services	1,330	22,998	13,222	6,537	12,756	60,845
Community service and education	148,969	201,283	200,203	144,963	162,264	153,851
Capital outlay	10,503,462	20,328,773	36,617,228	39,095,795	25,238,957	4,513,719
Debt service:						
Principal	10,721,421	10,679,642	7,570,596	22,616,233	13,404,870	4,324,630
Interest	3,802,560	3,923,232	3,944,651	3,487,643	3,526,675	1,522,027
Services	104,401	80,332	58,119	152,727	1,000	-
Intergovernmental other expenditures	3,110,039	2,977,024	2,840,921	2,746,943	2,610,924	2,448,847
Total expenditures	\$ 113,939,081	118,095,551	127,486,035	139,772,528	114,221,226	80,522,606
Less: capital expenditures	9,611,668	18,592,046	34,824,774	37,880,877	23,811,309	1,244,915
Non-capital expenditures	\$ 104,327,413	99,503,505	92,661,261	101,891,651	90,409,917	79,277,691
Debt service expenditures	\$ 14,523,981	14,602,874	11,515,247	26,103,876	16,931,545	5,846,657
Debt service as a percentage of non-capital expenditures	13.92%	14.68%	12.43%	25.62%	18.73%	7.37%

Source: 2019 Certified Annual Report

2013	2012	2011	2010
30,274,566	27,638,864	27,049,790	26,246,992
9,552,833	8,737,716	8,299,509	7,633,325
6,851,147	6,188,208	5,211,519	4,735,781
1,733,474	1,652,186	1,657,172	1,595,120
3,997,094	3,238,683	2,965,971	2,681,246
5,580,409	5,354,058	5,461,057	5,135,488
4,899,107	4,826,922	4,744,650	4,845,401
3,346,722	3,161,811	2,859,427	2,582,214
50,075	22,680	42,357	13,764
134,712	142,207	118,070	118,485
3,223,347	10,429,507	5,158,895	3,865,127
4,910,369	4,305,000	4,150,000	5,670,000
1,577,488	1,655,159	1,803,086	1,952,509
106,294	-	-	-
2,307,835	2,236,244	2,320,857	2,187,815
78,545,472	79,589,245	71,842,360	69,263,267
3,780,159	10,383,731	5,129,402	3,592,941
74,765,313	69,205,514	66,712,958	65,670,326
6,487,857	5,960,159	5,953,086	7,622,509
8.68%	8.61%	8.92%	11.61%

GOVERNMENT-WIDE EXPENSES, BY FUNCTION
Last Ten Fiscal Years

Fiscal Year	Instruction	Support Services - Students & Staff	Support Services - Admin.	Operations & Maintenance	Transportation Services	Non-Instruction Services	Other	Totals
2018-19	\$ 67,068,311	5,493,069	6,146,391	7,851,357	4,611,616	6,836,697	8,488,342	106,495,783
2017-18	62,193,136	5,501,145	6,172,408	6,810,716	4,317,348	6,978,478	9,129,431	101,102,662
2016-17	56,825,307	6,742,740	6,023,950	5,672,304	4,045,455	7,125,764	7,641,622	94,077,142
2015-16	52,795,932	5,859,411	5,350,729	5,282,071	3,429,478	6,892,969	7,974,516	87,585,106
2014-15	49,803,088	5,020,825	5,581,377	5,219,346	3,445,848	6,589,514	8,708,522	84,368,520
2013-14	49,337,355	5,516,009	5,711,829	5,672,497	3,309,073	6,368,130	9,554,433	85,469,326
2012-13	49,036,745	5,343,734	5,305,717	4,919,762	3,222,225	6,040,200	4,567,271	78,435,654
2011-12	44,757,711	5,002,909	5,043,599	4,886,355	3,591,054	5,719,993	3,924,192	72,925,813
2010-11	42,997,915	4,686,030	5,308,433	4,836,685	3,197,520	5,610,119	4,141,109	70,777,811
2009-10	41,075,403	4,346,593	5,122,778	4,912,963	2,829,785	5,565,463	4,380,577	68,233,562



Source: District Audits



OTHER FINANCING SOURCES (USES) AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Year ended June 30,	2019	2018	2017
Excess (deficiency) of revenues over (under) expenditures	\$ (5,514,035)	(16,865,564)	(29,283,585)
Other financing sources (uses):			
Transfers in	8,252,900	8,620,607	5,808,831
Transfers out	(8,022,010)	(8,396,005)	(5,590,729)
Sale of bonds/Discounts/Premiums	-	110,994	195,482
Sale of property/equipment	14,902	14,341	1,466,318
Proceeds from capital lease/lease purchase	-	-	439,200
Proceeds from debt issued	8,709,000	8,235,000	9,320,000
Net change in fund balances	\$ 3,440,757	(8,280,627)	(17,644,483)

Source: District Audit

2016	2015	2014	2013	2012	2011	2010
(47,724,692)	(26,751,458)	(522,264)	(3,219,317)	(5,626,643)	468,529	(3,212,295)
5,561,136	3,294,653	1,897,301	2,861,855	3,654,751	5,077,667	6,310,309
(5,350,592)	(3,124,769)	(1,832,301)	(2,796,855)	(3,654,751)	(5,077,667)	(6,310,309)
345,363	(1,925)	54,747,368	-	-	-	-
4,791	6,189	3,233	8,652	4,347	-	-
723,692	-	-	1,259,869	-	-	-
55,300,000	-	-	9,374,113	-	-	-
8,859,698	(26,577,310)	54,293,337	7,488,317	(5,622,296)	468,529	(3,212,295)

**COMPARISONS OF GROWTH IN REVENUE, EXPENDITURES, ENROLLMENT,
ASSESSED VALUATION AND TAX RATES - GENERAL FUND BY YEAR
Last Ten Fiscal Years**

Fiscal Year	Revenue	Growth	Expenditures	Growth	Enrollment	Growth	Assessed Value	Growth	Tax Rate	Growth
2018-19	\$ 81,525,009	5.5%	\$ 83,095,097	11.9%	7,057.6	2.4%	\$ 4,060,626,646	14.5%	11.26534	-15.5%
2017-18	79,786,837	6.4%	78,645,374	11.3%	7,074.1	4.7%	3,671,118,493	11.6%	12.66404	-8.8%
2016-17	77,304,648	9.5%	74,250,082	8.6%	6,894.2	4.2%	3,546,265,721	11.6%	13.33817	-2.4%
2015-16	74,965,911	14.6%	70,676,923	8.4%	6,756.1	5.4%	3,288,950,762	4.9%	13.88824	3.6%
2014-15	70,566,918	15.1%	68,388,621	7.7%	6,617.1	5.6%	3,178,778,284	4.0%	13.66094	2.5%
2013-14	65,393,402	6.7%	65,225,022	2.7%	6,408.0	2.2%	3,134,052,888	2.6%	13.41003	0.6%
2012-13	61,310,243	-0.4%	63,484,686	5.5%	6,269.0	2.0%	3,055,537,525	-1.1%	13.32548	-4.2%
2011-12	61,544,827	1.2%	60,153,139	3.9%	6,147.4	0.9%	3,088,909,736	3.4%	13.90275	-4.9%
2010-11	60,786,323	11.1%	57,900,225	5.2%	6,094.3	2.0%	2,988,468,862	3.5%	14.61345	3.3%
2009-10	54,702,682	5.2%	55,041,811	5.4%	5,972.1	3.4%	2,886,822,451	5.0%	14.14840	6.3%
2008-09	52,004,072	7.1%	52,232,962	7.6%	5,776.3	2.5%	2,749,488,947	8.9%	13.30651	1.4%

Source: Polk County Auditor and Certified Annual Report

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Collection Year	Real Property	Personal Property	Railroad & Utilities w/o Gas & Electric	Gas & Electric	Total Assessed Value	Total Taxable Value	Total Direct Rate
2018-19	\$ 3,964,594,754	-	5,566,102	90,465,790	4,060,626,646	2,569,837,941	18.35111
2017-18	3,574,111,752	-	5,325,207	91,681,534	3,671,118,493	2,354,339,310	18.32361
2016-17	3,452,812,103	-	5,594,714	87,858,904	3,546,265,721	2,247,010,252	18.35317
2015-16	3,204,905,488	-	6,006,901	78,038,373	3,288,950,762	2,091,826,714	18.35491
2014-15	3,109,427,512	-	6,783,155	62,567,617	3,178,778,284	2,035,596,241	17.35444
2013-14	3,049,121,748	-	7,634,070	77,297,070	3,134,052,888	2,001,735,565	17.35444
2012-13	2,972,775,062	-	7,935,534	74,826,929	3,055,537,525	1,897,678,183	17.35008
2011-12	3,008,100,368	-	7,822,942	72,986,426	3,088,909,736	1,878,286,267	17.3460
2010-11	2,908,599,500	-	7,125,798	72,743,564	2,988,468,862	1,773,728,907	17.3451
2009-10	2,818,969,900	-	6,846,410	61,006,141	2,886,822,451	1,690,544,610	17.3474

Source: Polk County Auditor and Iowa Department of Management

PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

		Overlapping Rates					District Direct Rates				Ratio of	
Levy Year	Collection Year	Polk County	State	Area XI Community College	City	Special	Johnston General Purpose	Johnston Capital Purpose	Johnston Debt Service	Johnston Community School District	Total	Johnston CSD to Total
City of Des Moines												
2017	2018-19	\$ 11.29029	0.00290	0.69468	17.24000	-	12.63111	1.67000	4.05000	18.35111	47.57898	0.38570
2016	2017-18	11.21941	0.00310	0.67458	17.04000	0.06856	13.33596	1.67000	3.31765	18.32361	47.32926	0.38715
2015	2016-17	11.22030	0.00330	0.72334	16.92000	0.06151	14.04477	1.67000	2.63840	18.35317	47.28162	0.38817
2014	2015-16	11.64598	0.00330	0.67574	16.92000	0.05484	14.28539	1.67000	2.39952	18.35491	47.65477	0.38516
2013	2014-15	11.34385	0.00330	0.65724	16.92000	0.05669	13.76563	1.67000	1.91881	17.35444	46.33552	0.37454
2012	2013-14	10.93115	0.00330	0.69120	16.92001	0.06911	13.76563	1.67000	1.91881	17.35444	45.96921	0.37752
2011	2012-13	10.66459	0.00330	0.58466	16.91982	0.06011	13.77526	1.67000	1.90482	17.35008	45.58256	0.38063
2010	2011-12	10.45909	0.00320	0.59018	16.58000	0.08531	14.44737	1.67000	1.22862	17.34599	45.06377	0.38492
2009	2010-11	10.49853	0.00340	0.56008	16.57614	0.08005	15.18024	1.67000	0.49482	17.34506	45.06326	0.38490
2008	2009-10	10.43366	0.00300	0.56778	16.57614	0.33537	14.89988	1.67000	0.77750	17.34738	45.26333	0.38325
City of Grimes												
2017	2018-19	\$ 10.97754	0.00290	0.69468	12.91293	-	12.63111	1.67000	4.05000	18.35111	42.93916	0.42737
2016	2017-18	10.99741	0.00310	0.67458	12.91035	-	13.33596	1.67000	3.31765	18.32361	42.90905	0.42703
2015	2016-17	10.99830	0.00330	0.72334	12.91473	-	14.04477	1.67000	2.63840	18.35317	42.99284	0.42689
2014	2015-16	11.42398	0.00330	0.67574	12.91377	-	14.28539	1.67000	2.39952	18.35491	43.37170	0.42320
2013	2014-15	11.12160	0.00330	0.65724	12.91374	-	13.76563	1.67000	1.91881	17.35444	42.05032	0.41271
2012	2013-14	10.70915	0.00330	0.69120	12.91302	-	13.76563	1.67000	1.91881	17.35444	41.67111	0.41646
2011	2012-13	10.44259	0.00330	0.58466	12.90968	-	13.77526	1.67000	1.90482	17.35008	41.29031	0.42020
2010	2011-12	10.23709	0.00320	0.59018	12.90318	-	14.44737	1.67000	1.22862	17.34599	41.07964	0.42225
2009	2010-11	10.25833	0.00340	0.56008	12.91004	-	15.18024	1.67000	0.49482	17.34506	41.07691	0.42226
2008	2009-10	10.16090	0.00300	0.56778	12.92062	-	14.89988	1.67000	0.77750	17.34738	40.99968	0.42311
City of Johnston												
2017	2018-19	\$ 11.00554	0.00290	0.69468	11.52167	-	12.63111	1.67000	4.05000	18.35111	41.57590	0.44139
2016	2017-18	11.02541	0.00310	0.67458	11.38698	-	13.33596	1.67000	3.31765	18.32361	41.41368	0.44245
2015	2016-17	11.02630	0.00330	0.72334	11.40000	-	14.04477	1.67000	2.63840	18.35317	41.50611	0.44218
2014	2015-16	11.45198	0.00330	0.67574	11.50054	-	14.28539	1.67000	2.39952	18.35491	41.98647	0.43716
2013	2014-15	11.14960	0.00330	0.65724	11.34392	-	13.76563	1.67000	1.91881	17.35444	40.50850	0.42841
2012	2013-14	10.73715	0.00330	0.69120	11.15007	-	13.76563	1.67000	1.91881	17.35444	39.93616	0.43455
2011	2012-13	10.47059	0.00330	0.58466	11.29000	-	13.77526	1.67000	1.90482	17.35008	39.69863	0.43704
2010	2011-12	10.26509	0.00320	0.59018	11.09579	-	14.44737	1.67000	1.22862	17.34599	39.30025	0.44137
2009	2010-11	10.28803	0.00340	0.56008	11.26700	-	15.18024	1.67000	0.49482	17.34506	39.46357	0.43952
2008	2009-10	10.18968	0.00300	0.56778	11.30102	-	14.89988	1.67000	0.77750	17.34738	39.40886	0.44019
City of Urbandale												
217	2018-19	\$ 11.05754	0.00290	0.69468	10.02000	0.06438	12.63111	1.67000	4.05000	18.35111	40.19061	0.45660
2016	2017-18	11.07741	0.00310	0.67458	10.02000	0.06856	13.33596	1.67000	3.31765	18.32361	40.16726	0.45618
2015	2016-17	11.07830	0.00330	0.72334	9.92000	0.06151	14.04477	1.67000	2.63840	18.35317	40.13962	0.45723
2014	2015-16	11.50398	0.00330	0.67574	9.82000	0.05484	14.28539	1.67000	2.39952	18.35491	40.41277	0.45419
2013	2014-15	11.20160	0.00330	0.65724	9.72000	0.05699	13.76563	1.67000	1.91881	17.35444	38.99357	0.44506
2012	2013-14	10.78915	0.00330	0.69120	9.57000	0.06911	13.76563	1.67000	1.91881	17.35444	38.47720	0.45103
2011	2012-13	10.52259	0.00330	0.58466	9.62000	0.06011	13.77526	1.67000	1.90482	17.35008	38.14074	0.45490
2010	2011-12	10.31709	0.00320	0.59018	9.52000	0.08531	14.44737	1.67000	1.22862	17.34599	37.86177	0.45814
2009	2010-11	10.33903	0.00340	0.56008	9.32000	0.08005	15.18024	1.67000	0.49482	17.34506	37.64762	0.46072
2008	2009-10	10.24238	0.00300	0.56778	9.22000	0.33537	14.89988	1.67000	0.77750	17.34738	37.71591	0.45995

Source: Polk County Auditor

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2019			2010		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Deere Credit Services	\$ 52,011,000	1	2.02%	\$ 33,823,000	2	2.02%
Pioneer Hi-Bred Co	46,645,848	2	1.82%			
ARCP OFC Johnston IA Phase II LLC	29,034,000	3	0.98%			
Pioneer Hi-Bred Corn Co	26,140,885	4	1.13%			
Cole OFC Johnston IA LLC	25,263,000	5	1.02%			
Pioneer Hi-Bred International Inc	21,187,570	6		75,403,650	1	4.51%
Centro GA Haymarket Square LLC	17,712,000	7				
Mid-American Inv. Co.	12,559,590	8	0.69%	16,437,000	4	0.98%
Wal-Mart Real Estate Business Trust	12,214,341	9	0.49%			
Interstate Bus Park LLC	11,844,000	10				
Gaileo Haymarket Karam LLC				20,534,000	3	1.23%
MFR Partners III				16,187,000	5	0.97%
Target Corp.				13,780,000	6	0.82%
Spirit SPE Johnston LLC				11,240,000	7	0.67%
Village Court				11,206,660	8	0.67%
Village Square LLC				10,919,000	9	0.65%
Ladco Properties				10,740,000	10	0.64%
Total	<u>\$ 254,612,234</u>		9.91%	<u>\$ 220,270,310</u>		13.18%
Total taxable value	\$ 2,569,837,941			\$1,671,325,709		0.131793766

Source: Polk County Auditor

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	2019			2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Corteva Agriscience	2,500	1	*	2,200	1	*
Johnston Community Schools	962	2	*	840	4	*
John Deere Credit	910	3	*	1,100	2	*
Childserve	725	4	*	1025	3	*
Iowa National Guard	704	5	*	704	5	*
Goodwill of Central Iowa	375	6	*			
Heartland Area Education Agency	250	7	*	250	6	*
Bishop Drumm Care Center	245	8	*	245	7	*
Children's Habilitation Center	175	9	*	175	8	*
Iowa Public Television	127	10	*	127	9	*
ITS Inc.				125	10	*
Total	<u>6,973</u>			<u>6,791</u>		

*Information not available

Source: Greater DM Partnership

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Year ended June 30,	Taxies Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 43,229,146	43,133,262	99.78%	\$ 2,677	43,135,939	99.78%
2018	39,645,683	39,608,125	99.91%	(34,053)	39,574,072	99.82%
2017	37,894,973	37,880,097	99.96%	4,874	37,884,971	99.97%
2016	35,779,037	35,729,875	99.86%	(31,855)	35,698,020	99.77%
2015	34,950,043	34,936,310	99.96%	4,478	34,940,788	99.97%
2014	32,565,344	32,433,674	99.60%	(72,054)	32,361,620	99.37%
2013	30,519,078	30,485,501	99.89%	6,177	30,491,678	99.91%
2012	30,573,898	30,554,889	99.94%	(11,659)	30,543,230	99.90%
2011	29,259,811	29,154,463	99.64%	26,868	29,181,331	99.73%
2010	28,298,368	28,234,121	99.77%	20,791	28,254,912	99.85%

Source: Polk County Cash Management

PROPERTY TAX RATES
Last Ten Fiscal Years

Fiscal Year		General	Mngt.	Reg. PPEL	Voted PPEL	Debt Service	Total
2018-19	\$	11.26534	1.36577	0.33000	1.34000	4.05000	18.35111
2017-18		12.66404	0.67192	0.33000	1.34000	3.31765	18.32361
2016-17		13.33817	0.70660	0.33000	1.34000	2.63840	18.35317
2015-16		13.88824	0.39715	0.33000	1.34000	2.39952	18.35491
2014-15		13.66094	0.35193	0.33000	1.34000	2.67739	18.36026
2013-14		13.41003	0.35560	0.33000	1.34000	1.91881	17.35444
2012-13		13.32548	0.44978	0.33000	1.34000	1.90482	17.35008
2011-12		13.90275	0.54462	0.33000	1.34000	1.22862	17.34599
2010-11		14.61345	0.56679	0.33000	1.34000	0.49482	17.34506
2009-10		14.14840	0.75148	0.33000	1.34000	0.77750	17.34738

Source: District records

PROPERTY TAX LIABILITY**Last Ten Fiscal Years**

Fiscal Year	Assessed Value	Rollback	Taxable Value	Rate	Tax Liability	Change Dollars	Percent
2018-19	200,000	55.62%	\$ 111,242	18.35111	\$ 2,041	(46)	-2.3%
2017-18	200,000	56.94%	113,878	18.32361	2,087	45	2.2%
2016-17	200,000	55.63%	111,252	18.35317	2,042	(4)	-0.2%
2015-16	200,000	55.73%	111,467	18.35491	2,046	213	11.6%
2014-15	200,000	54.40%	108,800	18.36026	1,998	237	13.5%
2013-14	200,000	52.82%	105,633	17.35444	1,833	72	4.1%
2012-13	200,000	50.75%	101,500	17.35008	1,761	77	4.6%
2011-12	200,000	48.53%	97,060	17.34599	1,684	57	3.5%
2010-11	200,000	46.91%	93,820	17.34506	1,627	45	2.8%
2009-10	200,000	45.59%	91,180	17.34738	1,582	52	3.4%

Source: District records, Polk County Assessor

RATIOS OF GENERAL BONDED DEBT OUTSTANDING**Last Ten Fiscal Years****(dollars in thousands, except per capita)**

Fiscal Year	Population	Assessed Value Property	Legal Debt Limit (5%)	General Obligation Bonds	Debt to Assessed Value	Per Capita
2019	17,278	\$ 4,060,626,646	203,031,332	56,525,000	1.39%	3,272
2018	17,278	3,671,118,493	183,555,925	64,355,000	1.75%	3,725
2017	17,278	3,546,265,721	177,313,286	63,775,000	1.80%	3,691
2016	17,278	3,288,950,762	164,447,538	59,100,000	1.80%	3,421
2015	17,278	3,178,778,284	158,938,914	23,720,000	0.75%	1,373
2014	17,278	3,134,052,888	156,702,644	36,705,000	1.17%	2,124
2013	17,278	3,055,537,525	152,776,876	40,620,000	1.33%	2,351
2012	17,278	3,088,909,736	154,445,487	35,630,000	1.15%	2,062
2011	17,278	2,988,468,862	149,423,443	39,230,000	1.31%	2,271
2010	15,691	2,886,822,451	144,341,123	42,695,000	1.48%	2,721

Source: U.S. Department of Commerce, Bureau of Census (2010 was the first census that contains Johnston school district information-it was just city of Johnston information in the past).

Source: Polk County Auditor and District Records, 100% Valuation Before Rollback and Including TIF

OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities				Total**	100% Assessed Valuation *
	General Obligation Bonds	Sales Tax Revenue Bonds	Equipment and Capital Loan Notes			
2019	\$ 56,525,000	50,974,000	-	\$	107,499,000	\$ 4,060,626,646
2018	64,355,000	45,010,000	-		109,365,000	3,671,118,493
2017	63,775,000	47,650,000	-		111,425,000	3,546,265,721
2016	59,100,000	50,190,000	-		109,290,000	3,288,950,762
2015	23,720,000	52,640,000	-		76,360,000	3,178,778,284
2014	37,212,468	52,640,000	-		89,852,468	3,134,052,888
2013	40,620,000	-	-		40,620,000	3,055,537,525
2012	35,630,000	-	730,000		36,360,000	3,088,909,736
2011	39,230,000	-	1,435,000		40,665,000	2,988,468,862
2010	42,695,000	-	2,120,000		44,815,000	2,886,822,451

* Includes TIF Valuation

**Total Indebtedness indicates amount of debt at the end of the fiscal year.

***Source: U.S. Department of Commerce, Bureau of Census (2010 was the first census that contains Johnston school district information-it was just city of Johnston information before that time).

****Source: Iowa Department of Revenue

NA-Information not available

Percent of Actual Taxable Value of Property	Population***	Per Capita	Personal Income ****	Percentage of Personal Income
2.65%	17,278	6,222	N/A	NA
2.98%	17,278	6,330	N/A	NA
3.14%	17,278	6,449	N/A	NA
3.32%	17,278	6,325	N/A	NA
2.40%	17,278	4,419	N/A	NA
2.87%	17,278	5,200	N/A	NA
1.33%	17,278	2,351	N/A	NA
1.18%	17,278	2,104	1,061,293,731	3.43%
1.36%	17,278	2,354	1,012,094,482	4.02%
1.55%	15,691	2,856	911,095,733	4.92%

LEGAL DEBT MARGIN INFORMATION**Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2019	\$ 4,060,626,646
--	------------------

Debt limit (5% of assessed value)	203,031,332
-----------------------------------	-------------

Debt applicable to limit	107,499,000
--------------------------	-------------

Legal debt margin	\$ 95,532,332
-------------------	---------------

Year ended June 30,	2019	2018	2017	2016	2015
Debt limit	\$ 203,031,332	183,555,925	177,313,286	164,447,538	158,938,914
Total net debt applicable to limit	107,499,000	111,395,633	113,629,844	111,566,068	78,556,054
Legal debt margin	95,532,332	72,160,292	63,683,442	52,881,470	80,382,860
Total net debt applicable to the limit as a percentage of debt limit	53%	61%	64%	68%	49%

Source: Polk County Auditor and District Records

2014	2013	2012	2011	2010
156,702,644	152,776,876	154,445,487	150,913,560	145,903,098
92,287,537	40,620,000	107,499,000	40,665,000	44,815,000
64,415,107	112,156,876	46,946,487	110,248,560	101,088,098
59%	27%	70%	27%	31%

DEBT LIMIT

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of property within the corporate limits, taken from the last County Tax list. The district's debt limit, based upon said valuation, amounts to the following:

Legal Debt Margin Calculation for Fiscal Year 2019

Actual assessed value	\$ 4,060,626,646
	0.05
Debt Limit:	<u>\$ 203,031,332</u>

Total Direct Debt = \$ 107,499,000 or 52.9% of debt limit.

*Includes TIF valuation of \$ 354,195,017

OVERLAPPING AND UNDERLYING DEBT

	Outstanding	Total Taxable	Valuation	Percent	Amount
Polk County	\$ 162,321,471	25,795,663,559	2,569,837,941	9.96%	\$ 16,170,930
DMACC	68,010,000	25,795,663,559	2,569,837,941	9.96%	6,775,351
Heartland AEA 11	-	25,795,663,559	2,569,837,941	9.96%	-
Urbandale San Sewer Dist	-	2,265,946,689	666,913,476	29.43%	-
City of Des Moines	399,100,000	8,345,371,519	165,541,467	1.98%	7,916,676
City of Grimes	34,100,000	802,928,698	181,751,927	22.64%	7,718,918
City of Johnston	104,906,127	1,620,889,669	1,620,889,669	100.00%	104,906,127
City of Urbandale	76,605,000	2,488,587,128	460,232,295	18.49%	14,167,113
Subtotal, overlapping debt	<u>845,042,598</u>				<u>157,655,115</u>
District direct debt:					
General obligation	56,525,000			100%	56,525,000
Capital loan notes	0			100%	0
Sales tax revenue	50,974,000			100%	50,974,000
Total direct debt	<u>107,499,000</u>				<u>107,499,000</u>
Total direct and overlapping debt	<u>\$ 952,541,598</u>				<u>\$ 265,154,115</u>

Source: Polk County Auditor, Government Offices

Compares the taxable valuation of the Johnston Community School District to the taxable valuation of each taxing district less military and includes TIF incremental values, ag land, and gas and electric utility values.

PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

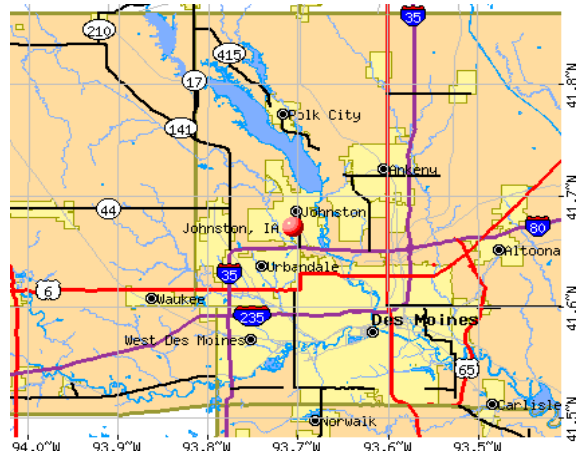
Year Ended June 30,	Bonds Issued	Local Option Sales Tax Revenue Bonds					Coverage
		Revenue	Debt Service		Total		
			Principal	Interest			
2019	\$ 50,974,000	6,684,467	2,745,000	1,968,293	\$ 4,713,293	1.41821588	
2018	45,010,000	6,442,320	2,640,000	1,952,131	4,592,131	1.40290423	
2017	47,650,000	6,998,547	2,540,000	2,052,506	4,592,506	1.5239059	
2016	50,190,000	6,306,953	2,450,000	2,149,306	4,599,306	1.37128362	
2015	52,640,000	6,148,911	-	2,181,401	2,181,401	2.81878985	
2014	52,640,000	*	*	*	*	*	
2013	*	*	*	*	*	*	
2012	*	*	*	*	*	*	
2011	*	*	*	*	*	*	
2010	*	*	*	*	*	*	

Source; District Records

* Coverage ratio not applicable as no debt payment in this fiscal year-bonds issued, but no payments until 2014-2015.

GENERAL INFORMATION

The Johnston Community School District is located in central Iowa within the Des Moines Metropolitan area. Included within the District's 25,344 acres are the cities of Johnston and portions of Des Moines, Urbandale and Grimes. Transportation facilities are provided by U.S. Interstates 35 & 80, Iowa Highway 141, as well as numerous paved county roads. Commercial airline service is available at the Des Moines International Airport. Commercial development within the District has been greatly enhanced by the continued growth of the northwestern portion of the metropolitan area. Residential growth and recreational opportunities within the District have been enhanced by the construction of Saylorville Lake, a U.S. Corps of Engineers flood control dam impounding the Des Moines River.



The three major employers within the District are Corteva, Childserve, and John Deere Credit. Corteva is an internationally known producer of hybrid seeds. With over 2,700 employees within the District, Corteva Agriscience was previously the Agriculture Division of DowDuPont (becoming a standalone company June 1, 2019). ChildServe is a not-for-profit organization that partners with families to help children with special health care needs. John Deere Credit provides retail, wholesale and lease financing as well as revolving credit to help facilitate the sale of John Deere agricultural, construction and forestry, and commercial and consumer equipment.

Continuing education centers within commuting distance include: Drake University, Grand View University, Des Moines University, and Mercy College of Health Sciences, all in Des Moines; Iowa State University, Ames; Simpson College, Indianola; and Des Moines Area Community College, Ankeny.

DEMOGRAPHIC AND ECONOMIC STATISTICS**Last Ten Calendar Years**

Calendar Year	Population *	Personal Income **	Adjusted Gross Income Per Tax Return **	Per Capita Personal Income	Unemployment Rate *** - %
2019	17,278	N/A	N/A	N/A	2.6
2018	17,278	N/A	N/A	N/A	2.4
2017	17,278	\$1,465,351,140	76,400	84,810	2.9
2016	17,278	1,368,506,534	71,351	79,205	3.5
2015	17,278	1,310,825,054	70,905	75,867	3.6
2014	17,278	1,261,836,335	69,557	73,031	4.4
2013	17,278	1,214,695,925	68,841	70,303	4.8
2012	17,278	1,154,230,470	69,132	66,803	5.2
2011	17,278	1,061,293,731	63,566	61,425	5.7
2010	15,691	1,012,094,482	62,976	64,502	6.0

N/A-Not available

* U.S. Department of Commerce, Bureau of Census (2010 was the first census that contains Johnston school district information-it was just city of Johnston information in the past.

**Iowa Department of Revenue

***Iowa Workforce Development annual average county-wide unemployment rate

CENSUS FIGURES BY AGE GROUP - 2010

	Johnston	Urbandale	Des Moines
Under 18 years	28.3%	24.8%	24.5%
18 to 24 years	6.6%	6.8%	10.9%
25 to 44 years	28.5%	28.3%	29.0%
45 to 64 years	26.7%	27.7%	24.2%
65 years and over	9.8%	12.5%	11.3%
Median Age	36.8	38.1	33.8

Source: U.S. Department of Commerce, Bureau of Census (2010)

RETAIL SALES (IN MILLIONS)**Last Ten Calendar Years**

Year ended*		Johnston	Des Moines	Polk County	State
2019		N/A	N/A	N/A	N/A
2018	\$	170.1	3,980.3	8,522.3	39,330.0
2017		151.4	3,851.7	8,312.0	38,956.5
2016		151.9	3,789.2	8,073.5	38,419.5
2015		139.7	3,661.2	7,736.2	37,526.3
2014		157.2	3,439.9	7,291.7	35,847.6
2013		156.5	3,325.4	6,970.0	34,800.6
2012		159.6	3,264.3	6,786.9	34,538.0
2011		148.6	3,195.1	6,563.6	32,904.0
2010		153.3	3,108.0	6,341.0	31,943.6

* Year ended March 31 for 2008, and June 30 for year ended 2009 and beyond

NA - Information not available.

Source: Iowa Department of Revenue & Finance

BANK DEPOSITS

Institution	June 30, 2019
	Deposits inside Market
Community State Bank	\$164,431,000
Wells Fargo Bank	125,715,000
Charter Bank	83,393,000
Grinnell State Bank	55,282,000
Bank of the West	33,490,000
Bank Iowa	20,911,000
Liberty National Bank	14,562,000
ITS Bank	500,000
	<u>\$ 498,284,000</u>

Source: FDIC Deposit Market Share Report, Zip Code 50131

RESIDENTIAL CONSTRUCTION BY NUMBER OF DWELLING UNITS**Last Ten Calendar Years**

Year	Single Family	Townhome	Multi-family	Totals
2018	72	17	118	207
2017	68	14	118	200
2016	105	18	75	198
2015	124	45	395	564
2014	86	42	98	226
2013	101	23	109	233
2012	113	14	275	402
2011	139	27	16	182
2010	130	24	36	190
2009	98	38	85	221
Total	1,189	330	1,162	2,681

Source: City of Johnston Planning Department

DISTRICT STAFFING LEVELS -- General Fund (FTE)
Last Ten Fiscal Years

	For Fiscal Year ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Administration:										
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assoc. Supt.	1.0	1.0	1.0	1.0	1.0	1.0	-	1.0	1.0	1.0
Principals	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Assist. Principals	4.0	4.0	5.5	8.0	8.0	9.0	4.0	4.0	4.0	4.0
Other Admin.	13.6	13.6	12.2	9.0	9.0	9.0	10.0	8.0	8.0	8.0
Total Administration	27.6	27.6	27.7	27.0	27.0	28.0	23.0	22.0	22.0	22.0
Supervisors/ Coordinators/Managers	2.1	2.1	1.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Instruction:										
Teachers	454.0	445.9	435.2	429.8	429.4	425.0	425.7	415.5	405.6	400.4
Counselors, Deans	20.0	20.0	15.0	10.0	13.0	10.5	15.5	15.5	11.5	12.5
Media Spec.	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0
Other Instructors	-	-	-	-	2.0	3.0	3.0	3.0	3.0	3.0
Total Instruction	481.0	472.9	457.2	446.8	452.4	446.5	452.2	442.0	428.1	423.9
Professional/Other										
Nurses	8.0	8.5	8.5	8.5	8.0	8.0	8.0	8.3	8.3	8.3
Other Professional Staff	7.6	7.0	8.6	8.2	5.6	5.7	6.6	6.5	8.0	8.0
Total Professional/Other	15.6	15.5	17.1	16.7	13.6	13.7	14.6	14.8	16.3	16.3
Instructional Support Personnel:	202.1	169.6	156.3	150.0	133.7	125.6	139.6	139.2	137.5	135.0
Support Personnel:										
Office/Clerical	27.0	28.0	27.0	30.0	29.8	29.0	29.0	29.5	30.0	32.0
Transportation	12.8	14.0	12.3	54.0	49.6	51.2	47.4	55.0	52.5	52.0
Op. & Maintenance	52.4	46.8	43.8	45.5	42.6	40.6	42.6	42.5	42.5	41.5
Service Personnel	7.0	6.0	6.0	6.0	5.0	5.0	4.0	4.0	4.0	4.0
Total Support Personnel	99.2	94.8	89.1	135.5	126.9	125.8	123.0	131.0	129.0	129.5
Grand Totals	827.6	782.5	748.9	779.0	756.6	742.6	755.4	752.0	735.9	729.7
Certified Enrollment	7,057.6	7,074.1	6,894.2	6,756.1	6,616.0	6,409.0	6,269.0	6,148.0	6,094.0	5,972.0
Employees/Student	8.5	9.0	9.2	8.7	8.7	8.6	8.3	8.2	8.3	8.2
Pupil/Teacher	14.7	15.0	15.1	15.1	14.6	14.4	13.9	13.9	14.2	14.1

Source: District Data

OPERATING COST PER PUPIL
Last Ten Fiscal Years

Fiscal Year		Total Costs	Daily Average Membership	General Fund Operating Expenses Per Pupil	Free or Reduced Percentage
2018-19	\$	83,095,097	7043	\$ 11,798	24.90%
2017-18		78,645,374	7,122	11,043	23.20%
2016-17		74,250,082	6,975	10,645	20.60%
2015-16		70,676,923	6,802	10,391	18.80%
2014-15		68,388,621	6,649	10,286	18.00%
2013-14		65,225,022	6,564	9,937	17.60%
2012-13		63,484,686	6,393	9,930	17.90%
2011-12		60,153,139	6,218	9,674	16.40%
2010-11		57,900,225	6,185	9,361	16.60%
2009-10		55,041,811	6,022	9,140	14.40%

Source: 2019 Certified Annual Report/Student Reporting in Iowa



GENERAL ANALYSIS OF FACILITIES

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014
Elementary Schools:						
Lawson K-5 (1958, 1960, 1967, 1998, 2012)						
Square Feet	82,532	82,532	82,532	82,532	82,532	82,532
Number of classrooms	47	47	47	47	47	47
Enrollment	591	576	581	576	574	692
Wallace PK-5 (1987, 1989)						
Square Feet	Under construction	66,064	66,064	66,064	66,064	66,064
Number of classrooms		44	44	44	44	44
Enrollment		595	544	509	550	567
Wallace PK-5 (1984, 1990, 2007, 2018-Previous JMS)						
Square Feet	164,722					
Number of classrooms	44					
Enrollment	868					
Beaver Creek K-5 (1997, 2001)						
Square Feet	96,125	96,125	96,125	96,125	96,125	96,125
Number of classrooms	45	45	45	45	45	45
Enrollment	620	661	649	641	695	723
Horizon K-5 (2001)						
Square Feet	100,506	100,506	100,506	100,506	100,506	100,506
Number of classrooms	44	44	44	44	44	44
Enrollment	671	662	641	657	665	701
Timber Ridge K-5 (2007, 2013)						
Square Feet	122,181	122,181	122,181	122,181	122,181	122,181
Number of classrooms	48	48	48	48	48	48
Enrollment	660	735	718	705	707	537
Middle Schools:						
Summit Middle School 6-7 (2004, 2007, 2012)						
Square Feet	191,680	191,680	191,680	191,680	191,680	191,680
Number of classrooms	75	75	75	75	75	75
Enrollment	1,103	1,122	1,112	1,095	1,052	1,026
Johnston Middle School (1984,1990,2007)						
Square Feet			176,366	176,366	176,366	176,366
Number of classrooms			68	68	68	68
Enrollment			1,078	1,050	1,042	1,026
Johnston Middle School (1972,1977,1994,2008, 2017-Previous JHS)						
Square Feet	263,829	263,829				
Number of classrooms	88	88				
Enrollment	1,166	1,146				
High School:						
Johnston High School (1972, 1977, 1994, 2008)						
Square Feet			263,829	263,829	263,829	263,829
Number of classrooms			88	88	88	88
Enrollment			1,590	1,569	1,557	1,450
High School:						
Johnston High School (2017)						
Square Feet	369,000	369,000				
Number of classrooms	88	88				
Enrollment	1,679	1,623				
Other facilities:						
Administrative Resource Center (2000)						
Square Feet	16,509	16,509	16,509	16,509	16,509	16,509
Transportation and BG (2000, 2007)						
Square Feet	17,040	17,040	17,040	17,040	17,040	17,040
Wallace Annex (1987)						
Square Feet	5,405	5,405	5,405	5,405	5,405	5,405
Number of classrooms	3	3	3	3	3	3
Warehouse (2000) and BG (2010)						
Square Feet	7,935	7,935	7,935	7,935	7,935	7,935

Source: District Information

The new High School opened fall 2017, and Johnston Middle School then moved into the old High School Building. The previous Johnston Middle School Building underwent renovations during fiscal year 2017-2018 and opened fall 2018-2019 as Wallace Elementary/Johnston Early Learning Academy. The previous Wallace Elementary underwent renovations 2019, and became the District Office fall 2019.

2013	2012	2011	2010
82,532	82,532	63,353	63,353
47	47	38	38
615	478	492	502
66,064	66,064	66,064	66,064
44	44	44	44
513	536	563	553
96,125	96,125	96,125	96,125
45	45	45	45
767	846	796	746
100,506	100,506	100,506	100,506
44	44	44	44
729	686	702	687
116,681	111,281	111,281	111,281
48	42	42	42
505	536	548	569
191,680	191,680	184,680	184,680
75	75	66	66
1,017	1,007	968	948
176,366	176,366	176,366	176,366
68	68	68	68
999	972	947	862
263,829	263,829	263,829	263,829
88	88	88	88
1,360	1,310	1,292	1,320
16,509	16,509	16,509	16,509
17,040	17,040	17,040	17,040
5,405	5,405	5,405	5,405
3	3	3	3
7,935	7,935	7,935	7,935

SCHEDULE OF INSURANCE COVERAGE
June 30, 2019

Company	Type of Policy	Period	
		From	To
Employers Mutual Companies	Business Protection - property coverage	7/1/2018	6/30/2019
Employers Mutual Companies	Business Protection - General Comprehensive Liability	7/1/2018	6/30/2019
Employers Mutual Companies	Business Protection - Automobile	7/1/2018	6/30/2019
Employers Mutual Companies	Business Protection- Crime Coverage	7/1/2018	6/30/2019
Employers Mutual Companies	Workers' Compensation	7/1/2018	6/30/2019
Employers Mutual Companies	Umbrella Liability	7/1/2018	6/30/2019
Employers Mutual Companies	Linebacker Policy - Errors and Omission Coverage	7/1/2018	6/30/2019
Employers Mutual Companies	Pollution Liability	7/1/2018	6/30/2019
Employers Mutual Companies	Excess Liability	7/1/2018	6/30/2019
Employers Mutual Companies	Flood	7/1/2018	6/30/2019
Employers Mutual Companies	Cyber Liability	7/1/2018	6/30/2019
Employers Mutual Companies	Builders Risk	7/1/2018	6/30/2019

Source: District Records

Note: The dollar amount for self insured reflects the amount paid during fiscal year 2019.

Liability Limits	Annual Premium
Building and property replacement; blanket boiler and vessels - business interruption and extra expense, earthquake	\$ 308,033
\$2,000,000 each occurrence/\$4,000,000 aggregate/Abuse and Molestation Coverage incl./ Schedule Affiliate Groups included as additional insureds school violet event coverage \$100,000	36,992
\$2,000,000 combined single limit/Uninsured and Underinsured motorist/\$5,000 auto medical per person; compr and collision/\$30,000 limit garage keepers at HS	23,856
Employee Theft per employee \$1,000,000; forgery or alterations \$100,000; Computer Fraud \$1,000,000; Funds Transfer fraud \$1,000,000	4,970
Self Insured-\$350,000 retention per occurrence, \$500,000 employer's liability maximum limit of indemnity per occurrence	99,216
\$9,000,000 each occurrence and aggregate/\$10,000 retained limit	14,106
\$2,000,000 Linebacker each loss & agg/additional insureds/ \$5,000 deductible	9,159
\$500,000 each incident, \$1,000,000 aggregate/\$250 deductible	1,125
\$15,000,000 limit each occurrence/aggregate/limit shared by all IASB policy holders	13,150
HS, SM, MS, BC, HZ, LW, TR, WL, Transportation/B&G, and DO	35,300
\$1,000,000 each loss and aggregate/\$25,000 retention each loss	15,655
Baseball/Softball/District Office	2,350
Total Premium	<u>\$ 563,912</u>



Johnston Community School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2019

Grantor/Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	FY19	\$ 163,438
National School Lunch Program	10.555	FY19	1,149,602
Summer Food Service Program for Children	10.559	FY19	20,279
			<u>1,333,319</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY19	<u>426,105</u>
Title I Program for Neglected & Delinquent Children	84.013	FY19	<u>69,117</u>
Career and Technical Education - Basic Grants to States	84.048	FY19	<u>42,841</u>
Special Education State Personnel Development	84.323	FY19	<u>34,999</u>
Title III - English Language Acquisition	84.365	FY19	<u>42,720</u>
Supporting Effective Instruction State Grants	84.367	FY19	<u>109,301</u>
Title IV - Student Support and Academic Enrichment	84.424	FY19	<u>25,707</u>
Heartland Area Education Agency			
Special Education - Grants to States	84.027	FY19	<u>405,658</u>
			<u>1,156,448</u>
U.S. Department of Human Services:			
Iowa Department of Human Services:			
Childcare Development Block Grant	93.575	FY19	<u>3,200</u>
Total			<u>\$ 2,492,967</u>

See Notes to Schedule of Expenditures of Federal Awards.

Johnston Community School District
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Johnston Community School District under programs of the federal government for the year ended June 30, 2019. 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 Johnston Community School District, it is not intended to and does not present the financial position, changes in financial position or cash flows of Johnston 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, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

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

Note 4. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of \$243,646 related to USDA Commodities grants provided by the U.S. Department of Agriculture passed through the Iowa Department of Education, CFDA No. 10.555.



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

www.vanmaanencpa.com

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

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

To the Board of Education of
Johnston Community School District:

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Johnston Community School District, as of and for the year ended June 30, 2019, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 17, 2019.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2019 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.

Johnston School District's Responses to the Findings

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

Purpose of this Report

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

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

Van Maanen, Sietstra, Meyer & Nikkel PC

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

October 17, 2019



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

www.vanmaanencpa.com

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

**Independent Auditor's Report on Compliance for Each Major Federal Program and
on Internal Control over Compliance Required by the Uniform Guidance**

To the Board of Education of Johnston Community School District:

Report on Compliance for Each Major Federal Program

We have audited Johnston Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019. Johnston Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Johnston Community School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Johnston Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Johnston Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Van Maanen, Sietstra, Meyer & Nikkel PC

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

October 17, 2019

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit did not disclose any audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516(a).
- (g) Major programs were as follows:
 - Clustered programs:
 - CFDA Number 10.553 - School Breakfast Program
 - CFDA Number 10.555 - National School Lunch Program
 - CFDA Number 10.559 - Summer Food Program for Children
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Johnston 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-19 Certified Budget – Expenditures for the year ended June 30, 2019 did not exceed the certified budget amounts.
- IV-B-19 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-19 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-19 Business Transactions - No business transactions were noted between the District and District officials or employees.
- IV-E-19 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-F-19 Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-G-19 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.
- Response – The Iowa Department of Education and the Iowa Department of Management will be notified of the error.
- Conclusion – Response accepted.
- IV-H-19 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-I-19 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-J-19 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.
- IV-K-19 Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.

Johnston Community School District
Schedule of Findings and Questioned Costs
Year ended June 30, 2019

IV-L-19 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, 2019, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Statewide sales, services and use tax

Beginning balance		\$	9,879,054
Revenues/transfers in:			
Sales tax revenues	\$	6,684,467	
Other local revenues		290,754	
Debt issuance		8,709,000	15,684,221
			<u>25,563,275</u>
Expenditures/transfers out:			
School infrastructure construction		8,831,319	
Regular instruction		393,960	
Instructional staff services		-	
Administration		12,480	
Plant and operation maintenance		-	
Debt service		-	
Transfers to other funds:			
Debt service funds		4,868,107	14,105,866
			<u>11,457,409</u>
Ending balance		\$	<u>11,457,409</u>

For the year ended June 30, 2019, 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-M-19 Deficit Balances – The Community Education Fund had a deficit balance at June 30, 2019.

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

Response – The District is continuing to investigate alternatives to minimize this deficit in the Community Education Fund at the end of the fiscal year.

This deficit results from recognizing the Enterprise, Community Education Fund's net pension liability (approximately \$1.5 million) as required by generally accepted auditing principles and is based on the District's employer share of contributions to IPERS relative to the contributions of all IPERS participating employers. This liability is only payable as the District pays the District's employer share of IPERS contributions on payrolls in the future years.

Conclusion – Response accepted.