



**Johnston Community School District
Johnston, Iowa**

Comprehensive Annual Financial Report

Year Ended June 30, 2014

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
JOHNSTON COMMUNITY SCHOOL DISTRICT**

Johnston, Iowa

Fiscal Year Ended June 30, 2014

OFFICIAL ISSUING REPORT

Jan Miller-Hook, Executive Director of Financial Services

OFFICE ISSUING REPORT

Business Office

Johnston Community School District
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Johnston Community School District
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Jan Miller-Hook, Executive Director of Financial Services

October 29, 2014

Members of the Board of Education and Residents
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, 2014. 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 2014 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 2013 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 U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. 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 is located in the northwest part of Polk County and is one of the faster growing suburbs of Des Moines, Iowa. The District is the 14th largest of Iowa's 346 public school systems. The enrollment is approximately 6,409 students. 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 25 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 5.1% annual increase in the tax base over the past ten years. In fiscal year 2014, the increase was 1.7%. The District also expects continued enrollment growth during the foreseeable future. The district's enrollment growth has averaged 3.4% annually over the last ten years. While the District has seen annual certified enrollment increases slow down from an average increase of 180 students during the last ten years to an average of 126 students during the last five years, the District is still projected to grow over the next ten years. 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 was particularly demonstrated in the unprecedented 10% across the board state funding cut fall 2010, the low 2% allowable growth for fiscal year 2011, the unprecedented zero per cent allowable growth for fiscal year 2012, followed by 2% allowable growth for fiscal year 2013. For fiscal year 2014, the allowable growth was 2% with additional one time state funding of approximately 2%.

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 includes 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. This facility plan will be 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.

Long-Term Financial Planning

Unassigned fund balance in the general fund increased \$175,871. The state allowable growth of 2% plus the one time funding added additional resources to the budget. however, there was no textbook adoption during fiscal year 2014, which would have created another cash deficit year. Budget reductions were discussed and put into place for the fiscal 2015 year. The district has a financial solvency ratio target of 5-15% with 10% as a minimal goal, and unspent target of 5-15%. While the financial solvency ratio of 6.7% and unspent ratio of 7.21% are still within the targeted ranges set by policy, 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 over 80% of the operating budget.

The State of Iowa has implemented lower allowable growth, mid-year budget reductions in past years, and not provided on time funding over the last several years. With a growing district like Johnston, funds need to be built up to help cover expenses of increased enrollments since funding is not received until the subsequent year. With over 80% of the District's resources required for salaries and benefits, staffing efficiencies will become a priority.

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 allowable growth each year. Under the law, the legislature has thirty (30) days after receiving the governor's budget recommendation to set the state percent of growth for the year following the budget year. To illustrate, the 2011 legislature set the fiscal year 2013 state percent of growth. The 2013 Legislative session changed the term "allowable growth" to "supplemental state aid" beginning with fiscal year ending June 30, 2015. The 2014 Legislative Session failed to set supplemental state aid for fiscal year 2016, so it will instead be set during the 2015 Legislative Session along with the supplemental state aid for fiscal year 2017 which would follow the law. 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.

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 related OMB Circular A-133. 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, 2013. 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 ten 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 fourteen 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, 2014. 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,

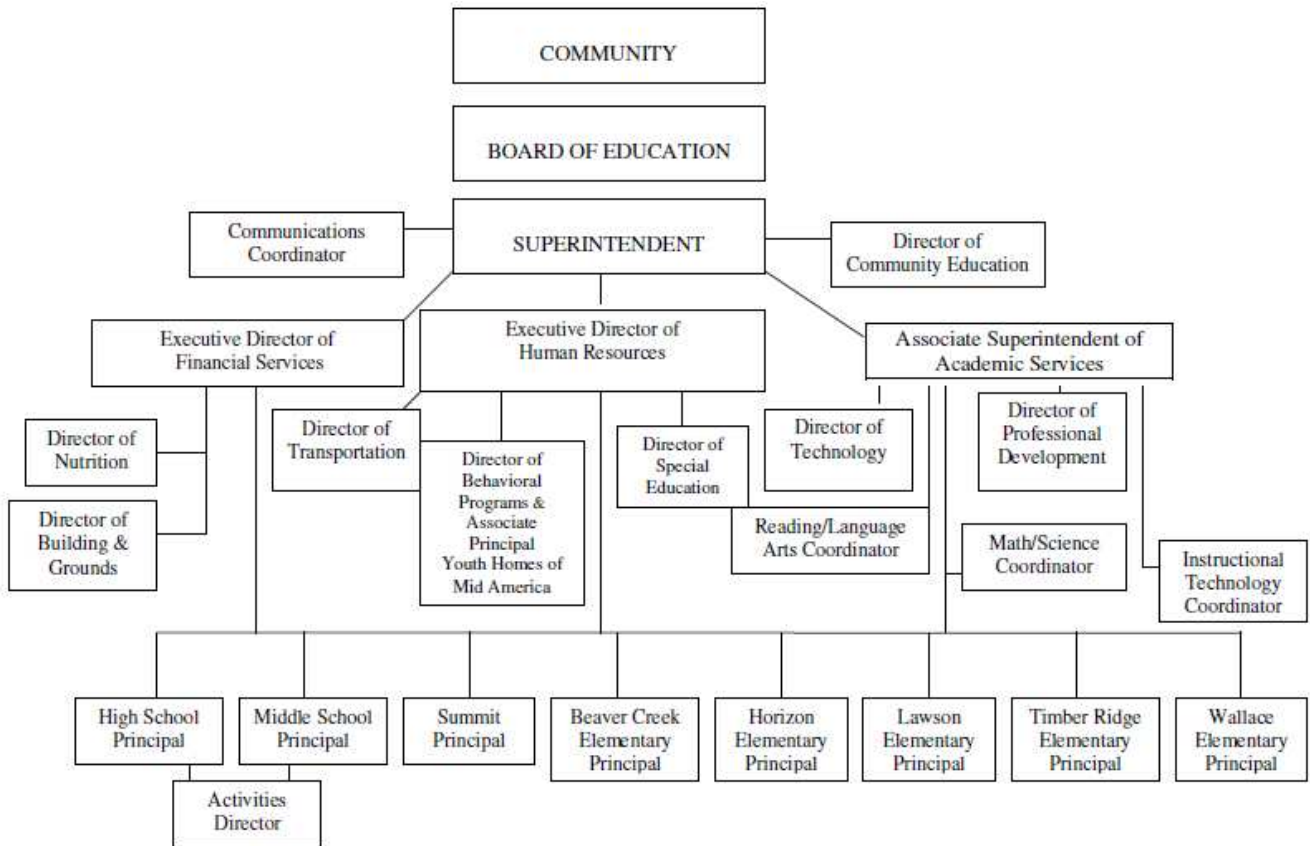


Jan Miller-Hook
Executive Director of Financial Services



Dr. Corey Lunn
Superintendent of Schools

Johnston Community School District, Organizational Chart, Year Ended June 30, 2014



**Johnston Community School District
Board of Education and School District Administration
Year Ended June 30, 2014**

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Board of Education		
Greg Dockum	President	2015
Jill Morrill	Vice President	2015
Mike Farrell	Board Member	2015
Deb Henry	Board Member	2015
Mark Toebben	Board Member	2017
Marci Cordaro	Board Member	2017
Brad Ortmeier	Board Member	2017
School District Administration		
Clay Guthmiller	Superintendent of Schools	
Tom Mitchell	Executive Director of Human Resources	
Dr. Bruce Amendt	Executive Director of Academic Affairs	
Jan Miller-Hook	Executive Director of Financial Services	
Nancy J. Buryanek	Director of Community Education	
Tim Kline	Director of Buildings and Grounds	
George Smith	Assistant Director of Buildings and Grounds	
LaRae Doll	Director of Nutrition & Food Services	
Nick Lavorato, Brion Sterns, Interim	Director of Transportation	
Tony Sparks	Director of Technology	
Brent Riessen	High School Principal	
Randy Klein	High School Associate Principal	
Jerry Stratton	High School Associate Principal	
Laura Kacer	Middle School Principal	
Nate Zittergruen	Middle School Associate Principal	
Joy Wiebers	Summit Middle School Principal	
Kevin Blackburn	Summit School Associate Principal	
Gary L. Ross	Director of Athletics and Activities	
Trish Lenarz-Garmoe	Lawson Elementary Principal	
Cheryl Henkenius	Timber Ridge Elementary Principal	
Tim Salmon	Horizon Elementary Principal	
Suzie Pearson	Wallace Elementary Principal	
Eric Toot	Beaver Creek Elementary Principal	
Vickie McCool	Y-Home Associate Principal & Special Education Coordinator	
Dr. Barb Rankin	Director of Behavioral Programming/Y-Home Associate Principal	
Deb Cale	Director of Professional Development	



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, 2013

Executive Director/CEO

Association of School Business Officials International



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

Johnston Community School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Terrie S. Simmons', written over a horizontal line.

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



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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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 11 through 19 and 52 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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, 2013, (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 by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. 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 29, 2014, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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 29, 2014

**Johnston Community School District
Management's Discussion and Analysis
Year ended June 30, 2014**

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

Financial Highlights

- The district showed an increase of \$761,739 and \$3,108,525 in net position for governmental activities during the years ended June 30, 2014 and 2013, respectively.
- Total revenues for the fiscal year ended June 30, 2014 and 2013 of \$86,486,062 and \$81,533,240 were comprised of General Revenues in the amount of \$65,334,038 and \$61,548,571 and Program Revenues totaling \$21,152,024 and \$19,984,669 respectively.
- As of June 30, 2014, the District's governmental funds reported combined ending fund balances of \$77,901,668, an increase of \$54,293,337 in comparison with 2013. This compares with June 30, 2013 balance of \$23,608,331, an increase of \$7,697,899 in comparison with 2012. This increase for year ending 2014 consists of an approximate \$53 million increase in the Sales Tax fund, an increase of \$1.2 million in the Physical Plant Equipment Fund offset by a decrease of \$984,000 in the Management Fund. The increase in Sales Tax fund is a direct result of selling approximately \$53 million revenue bonds for the new high school project, \$1.2 million increase in Physical Plant Equipment Levy due to less expenditures during fiscal year 2014, and a decrease of \$984,000 in the Management fund primarily due to the offering of early retirement benefits to assist in budget reductions.
- As of June 30, 2014, Unassigned fund balance for the General Fund was \$4,195,630 or 6.4% of total General Fund expenditures. This is an increase from the balance on June 30, 2013 of \$4,019,759 or 6.3% of expenditures. The amount stayed basically the same due to increased state aid for fiscal year 2014 and no expenditures made for a textbook adoption.

Overview of the Financial Statements

This report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *Government-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the Government-wide statements.
- The statements for *governmental funds* explain how basic services, such as regular and special education, were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

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

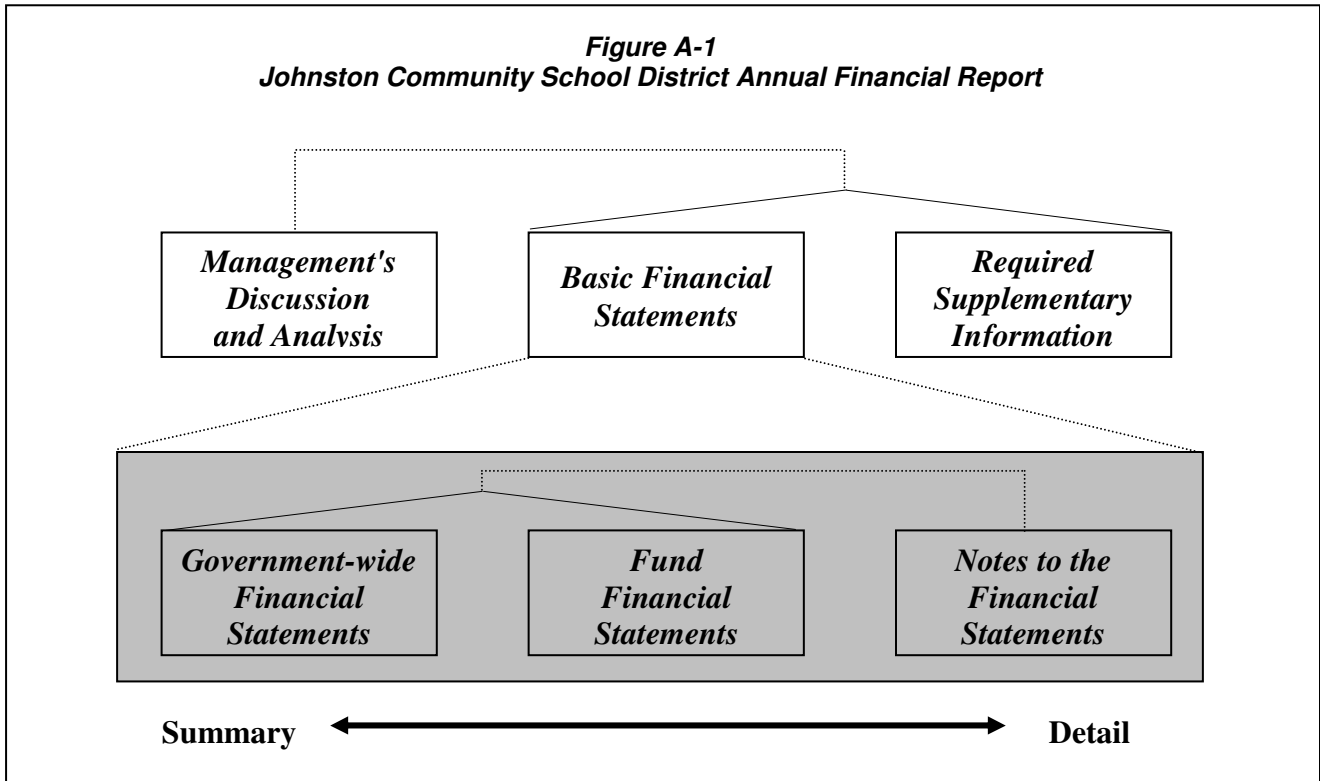


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents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

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 and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

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

- Over time, increases or decreases in the District's net position are an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property 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 program is 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. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information at the bottom of the governmental fund statements explains the relationship or differences between the two statements.
 - The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund.
- *Proprietary funds.* The District's proprietary funds are reported in the same way as the Government-wide statements.
 - The District's Enterprise Funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District currently has three enterprise funds: School Nutrition, Daycare, Community Preschool and Community Education.
 - The District's internal service funds consist of revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis. The District's internal service funds are the Health and Dental Insurance and Flex Benefit funds.

Financial Analysis of the District as a Whole

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

	Governmental activities		Business type activities		Total		Total Change
	June 30,		June 30,		June 30,		June 30,
	2014	2013	2014	2013	2014	2013	2012-2013
Current and other assets, as restated	\$ 129,225,441	71,253,357	3,370,101	3,007,601	132,595,542	74,260,958	78.6%
Capital assets, net	96,697,748	99,016,190	614,448	731,486	97,312,196	99,747,676	-2.4%
Total assets	225,923,189	170,269,547	3,984,549	3,739,087	229,907,738	174,008,634	32.1%
Current liabilities	25,243,219	46,984,837	408,673	432,038	25,651,892	47,416,875	-45.9%
Long-term liabilities	80,365,409	38,741,926	75,524	61,694	80,440,933	38,803,620	107.3%
Total liabilities	105,608,628	85,726,763	484,197	493,732	106,092,825	86,220,495	23.0%
Deferred inflows of resources	35,010,038	-	-	-	35,010,038	-	0.0%
Total deferred inflows of resources	35,010,038	-	-	-	35,010,038	-	0.0%
Net Position:							
Invested in capital assets, net of related debt, as restated	13,249,999	65,764,354	614,448	731,486	13,864,447	66,495,840	-79.1%
Restricted	63,844,645	10,749,999	920	-	63,845,565	10,749,999	493.9%
Unrestricted	8,209,879	8,028,431	2,884,984	2,513,869	11,094,863	10,542,300	5.2%
Total net position	\$ 85,304,523	84,542,784	3,500,352	3,245,355	88,804,875	87,788,139	1.2%

- As noted earlier, net position may serve over time as a useful indicator of a government entity's financial position. The District's total net position increased from a year ago \$87,788,139 to \$88,804,875. The governmental activities net position increased \$761,739 and the business type activities net position increased \$254,997.

The significant portions of the District's combined net position reflect its investment in capital assets and are not available for future spending. The District's net position invested in capital assets, net of related debt, was \$13,864,447 for 2014 and \$66,495,840 for 2013.

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 \$3,915,000.

Property tax and unrestricted state grants account for 74.3 percent of the total revenue. The District's expenses primarily relate to instruction and support services that account for 81.4 percent of the total expenses.

- The restricted portion of the District's net position (71.9 percent for 2014 and 12.2 percent for 2013) represents resources that are subject to external restrictions in how they may be used. This large increase is due to the revenue bonds issued in fiscal 2014. Restrictions for 2014 include \$57,297,582 for capital projects, \$3,050,901 for physical plant and equipment levy, \$109,403 for internal services, \$834,639 for other special revenue purposes, \$566,085 for debt service, \$1,136,644 for management levy, \$801,527 for state categorical funding, and \$47,864 for other purpose restricted assets. The remaining balance of unrestricted net position of \$11,094,863 for 2014 and \$10,542,300 for 2013 may be used to meet the government's ongoing obligations to students and creditors.
- The District's total net position increased by \$1,016,736 during the current fiscal year as compared to \$3,179,437 in 2013. The governmental activities net position increased by \$761,739 in 2014 and \$3,108,525 in 2013. The business type activities (which include nutrition, community education, community preschool and daycare) increased by \$254,997 in 2014, as compared to \$70,912 in 2013 for an increase of \$184,085.

**Johnston Community School District
Management's Discussion and Analysis
Year ended June 30, 2014**

Governmental Activities

Revenues for governmental activities were \$80,068,575 and expenses were \$79,306,836 for the year ended June 30, 2014. Net position increased by \$761,739.

Figure A-4 highlights the District's revenues and expenses for the fiscal year ended June 30, 2014 and 2013. 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.

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

	Governmental activities		Business type activities		Total District		Total
	Year ended June 30,		Year ended June 30,		Year ended June 30,		Change
	2014	2013	2014	2013	2014	2013	2012-2013
Revenues:							
Program revenues:							
Charges for services	\$ 5,278,456	\$ 5,043,711	5,516,185	5,310,485	10,794,641	10,354,196	4.3%
Operating grants and contributions	9,391,081	8,742,525	966,302	887,948	10,357,383	9,630,473	7.5%
General revenues:							
Local taxes	37,843,067	35,860,345	-	-	37,843,067	35,860,345	5.5%
State grants	26,458,419	24,769,091	-	-	26,458,419	24,769,091	6.8%
Investment earnings	85,142	46,852	-	-	85,142	46,852	81.7%
Other	947,410	872,283	-	-	947,410	872,283	8.6%
Transfer	65,000	65,000	(65,000)	(65,000)	-	-	-
Total revenues	80,068,575	75,399,807	6,417,487	6,133,433	86,486,062	81,533,240	6.1%
Expenses:							
Program expenses:							
Instruction	49,337,355	49,036,745	-	-	49,337,355	49,036,745	0.6%
Support services - students & staff	5,516,009	5,343,734	-	-	5,516,009	5,343,734	3.2%
Support services - administration, as restated	5,711,829	5,305,717	-	-	5,711,829	5,305,717	7.7%
Operations and maintenance	5,672,497	4,919,762	-	-	5,672,497	4,919,762	15.3%
Transportation	3,309,073	3,222,225	-	-	3,309,073	3,222,225	2.7%
Non-instructional activities	205,640	159,747	6,162,490	5,880,453	6,368,130	6,040,200	5.4%
Other	9,554,433	4,567,271	-	-	9,554,433	4,567,271	109.2%
Total expenses	79,306,836	72,555,201	6,162,490	5,880,453	85,469,326	78,435,654	9.0%
Increase (decrease) in net position	761,739	2,844,606	254,997	252,980	1,016,736	3,097,586	-67.2%
Net Position beginning of year, as restated	84,542,784	81,698,178	3,245,355	2,992,375	87,788,139	84,690,553	3.7%
Net Position end of year	\$ 85,304,523	84,542,784	3,500,352	3,245,355	88,804,875	87,788,139	1.2%

Business Type Activities

Revenues of the District's business-type activities were \$6,417,487 and expenses were \$6,162,490 for the year ended June 30, 2014. Net position increased \$254,997. The District's business-type activities include the School Nutrition, Daycare, Community Preschool and Community Education Funds. Revenues of these activities were comprised of charges for service and federal and state reimbursements.

Financial Analysis of the District's Funds

- The financial performance of the District as a whole is reflected in its governmental funds as well. On June 30, 2014 the District's governmental funds reported combined fund balances of \$77,901,668 as compared to the 2013 ending fund balances of \$23,608,331.

**Johnston Community School District
Management's Discussion and Analysis
Year ended June 30, 2014**

The \$54,293,337 increase for year ending 2014 is primarily due to selling revenue bonds for capital needs for the new high school construction.

Governmental Fund Highlights

- The General Fund is the chief operating fund of the District. The District's General Fund balance increased by \$175,871 as the June 30, 2013 balance of \$4,019,759 increased to \$4,195,630 on June 30, 2014. 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 represents 6.4% of total General Fund expenditures, and total fund balance represents approximately 7.7% of that same amount for 2014. For fiscal year 2013, unassigned fund balance represents 6.3% of total General Fund expenditures, while total fund balance represents approximately 7.6% of that same amount.
- The Debt Service Fund balance increased from \$9,721,828 June 30, 2013 to \$10,519,061 June 30, 2014. The increase in the Debt Service fund balance is a result of cash in debt escrow for bonds issued in December 2013 to pay costs of refunding existing general obligation indebtedness.
- The Capital Projects Fund balance increased from \$6,173,055 June 30, 2013 to \$60,348,483 June 30, 2014. This increase is due to selling revenue bonds for capital needs for the new high school construction.
- The non-major special revenue funds balance decreased \$1,989,103 as funds were used to offer early retirement benefits to assist in budget reduction.

Proprietary Fund Highlights

The School Nutrition Fund net position increased from \$2,129,680 on June 30, 2013 to \$2,212,124 on June 30, 2014 for an increase of 3.9%.

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	\$ 52,234,042	47,487,304	4,746,738
Support services	25,318,494	20,939,422	4,379,072
Non-instructional programs	7,931,274	5,449,147	2,482,127
Other	18,462,655	12,809,223	5,653,432
\$	103,946,465	86,685,096	17,261,369

"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, 2014, the District had invested \$97,312,196 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. This compares to the June 30, 2013 balance of \$99,747,676. See Figure A-5.

**Johnston Community School District
Management's Discussion and Analysis
Year ended June 30, 2014**

The original cost of the District's capital assets was \$143,158,829. Governmental funds account for \$140,824,510 with the remainder, \$2,334,319, in the Enterprise funds.

The largest changes in capital asset activity during the year included the completion of the Timber Ridge addition moving from Construction in Progress to Buildings.

**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,
	2014	2013	2014	2013	2014	2013	2013-2014
Land	\$ 9,285,261	9,285,261	-	-	9,285,261	9,285,261	0.0%
Construction in progress	-	1,430,437	-	-	-	1,430,437	-100.0%
Buildings	79,417,488	80,690,345	-	-	79,417,488	80,690,345	-1.6%
Improvements other than buildings	4,960,374	4,571,241	-	-	4,960,374	4,571,241	8.5%
Furniture and equipment	3,034,625	3,038,906	614,448	731,486	3,649,073	3,770,392	-3.2%
Total	\$ 96,697,748	99,016,190	614,448	731,486	97,312,196	99,747,676	-2.4%

Additional information about the District's capital assets can be found in Note 5 on page 42 in the notes to the financial statements.

Long-Term Debt

At June 30, 2014 the District had \$94,461,806 in long-term debt outstanding including general obligation bonds, revenue bonds, and other long-term debt outstanding. This represents an increase of approximately 115.1 percent from June 30, 2013. (See Figure A-6) More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements.

The increase is primarily a result of selling \$54,598,018 revenue bonds during the current year offset by \$3,915,000 in principal reductions for general obligation bonds. This is the fifth year to recognize other post employment benefits at an increase of \$282,154. The early retirement policy for 2009 and 2011 had an increased 403B incentive with no insurance benefit, there was no early retirement policy for fiscal year 2013, and early retirement was offered in 2014 showing an increase of \$558,104.

**Figure A-6
Long-term Debt Obligations**

	Total School District		Total Change
	June 30,		June 30,
	2014	2013	2012-2013
General obligation bonds	\$ 36,705,000	41,108,000	-10.7%
General obligation bond discount	(42,606)	(49,709)	-14.3%
General obligation bond premium	507,468	592,045	-14.3%
Revenue bonds	52,640,000	-	0.0%
Revenue bond discount	(477,051)	-	0.0%
Revenue bond premium	2,435,069	-	0.0%
Capital lease obligation	419,870	829,500	-49.4%
Early retirement	714,783	156,679	356.2%
Other postemployment benefits	1,390,000	1,107,846	25.5%
Compensated absences	169,273	169,441	-0.1%
Totals	\$ 94,461,806	43,913,802	115.1%

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 state. The economic condition and outlook of the District have remained strong during the past ten years with district enrollment increases averaging 3.4% annually. While the District expects continued enrollment growth during the foreseeable future, the District has seen annual certified enrollment increases slow down from an average increase of 180 students during the last ten years to an average of 126 students during the last five years. The District utilizes a demographer to assist with enrollment projections.
- The District has averaged 5.1% annual increase in the tax base over the past ten years, and experienced a 1.7% increase with 2014.
- The District has an approved facility plan that includes 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. This facility plan will be funded through various sources included a bond referendum passed in June 2013 for \$41 million, revenue bonds, and PPEL notes, and 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 over 80 percent 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, Executive Director of Financial Services, Johnston Community School District, 5608 Merle Hay Road, Johnston, IA 50131-1234.

Basic Financial Statements

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

	Governmental Activities	Business Type Activities	Total Primary Government
Assets			
Current assets:			
Cash and cash equivalents:	\$ 90,440,297	3,219,521	93,659,818
Receivables:			
Property tax:			
Delinquent	199,287	-	199,287
Succeeding year	35,010,038	-	35,010,038
Accounts	70,508	28,066	98,574
Due from other governments	2,937,790	-	2,937,790
Inventories	44,569	122,514	167,083
Prepays	3,295	-	3,295
Total current assets	128,705,784	3,370,101	132,075,885
Non-current assets:			
Capital assets:			
Land	9,285,261	-	9,285,261
Improvements other than buildings	7,976,322	-	7,976,322
Buildings and improvements	114,482,863	-	114,482,863
Vehicles, furniture and equipment	9,080,064	2,334,319	11,414,383
Accumulated depreciation	(44,126,762)	(1,719,871)	(45,846,633)
Total capital assets	96,697,748	614,448	97,312,196
Total non-current assets	96,697,748	614,448	97,312,196
Total assets	225,403,532	3,984,549	229,388,081
Liabilities			
Current liabilities:			
Accounts payable	1,703,632	68,920	1,772,552
Advances from tuition and registration fees	151,741	-	151,741
Advances from prepaid childcare	-	57,037	57,037
Advances from prepaid lunches	-	86,575	86,575
Insurance claims payable	1,004,898	-	1,004,898
Salaries and benefits payable	6,584,939	174,927	6,759,866
Accrued interest payable	1,212,976	-	1,212,976
Deposits	65,717	-	65,717
Capital lease payable	419,870	-	419,870
General obligation bonds payable	13,062,476	-	13,062,476
Revenue bonds payable	149,350	-	149,350
Early retirement payable	696,963	-	696,963
Compensated absences	148,059	21,214	169,273
Total current liabilities	25,200,621	408,673	25,609,294
Non-current liabilities:			
General obligation bonds payable	24,107,386	-	24,107,386
Revenue bonds payable	54,448,668	-	54,448,668
Early retirement payable	17,820	-	17,820
Other post employment benefits payable	1,314,476	75,524	1,390,000
Total non-current liabilities	79,888,350	75,524	79,963,874
Total liabilities	105,088,971	484,197	105,573,168

**Johnston Community School District
Statement of Net Position
June 30, 2014**

	Governmental Activities	Business Type Activities	Total Primary Government
<i>Continued from previous page</i>			
Deferred Inflows of Resources			
Unavailable property tax revenue	35,010,038	-	35,010,038
Total deferred inflows of resources	35,010,038	-	35,010,038
Net Position			
Net investment in capital assets	13,249,999	614,448	13,864,447
Restricted for:			
State categorical funding	801,527	920	802,447
Management levy purposes	1,136,644	-	1,136,644
Debt service	566,085	-	566,085
School infrastructure	57,297,582	-	57,297,582
Physical plant and equipment	3,050,901	-	3,050,901
Internal service	109,403	-	109,403
Student activities	834,639	-	834,639
Inventory	44,569	-	44,569
Prepays	3,295	-	-
Unrestricted	8,209,879	2,884,984	11,094,863
Total net position	\$ 85,304,523	3,500,352	88,804,875

See notes to basic financial statements.

Johnston Community School District
Statement of Activities
Year ended June 30, 2014

Functions/Programs	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
Governmental activities:						
Instruction:						
Regular	\$ 32,760,923	3,172,735	4,771,513	(24,816,675)	-	(24,816,675)
Special	8,946,920	863,607	1,991,273	(6,092,040)	-	(6,092,040)
Other	7,629,512	908,381	49,647	(6,671,484)	-	(6,671,484)
	49,337,355	4,944,723	6,812,433	(37,580,199)	-	(37,580,199)
Support Service:						
Student	1,925,705	-	-	(1,925,705)	-	(1,925,705)
Instructional staff	3,590,304	-	-	(3,590,304)	-	(3,590,304)
Administration	5,711,829	-	-	(5,711,829)	-	(5,711,829)
Operating and maintenance of plant	5,672,497	60,345	-	(5,612,152)	-	(5,612,152)
Transportation	3,309,073	273,388	129,801	(2,905,884)	-	(2,905,884)
	20,209,408	333,733	129,801	(19,745,874)	-	(19,745,874)
Non-instructional programs:						
Nutrition services	56,067	-	-	(56,067)	-	(56,067)
Community Education services	149,573	-	-	(149,573)	-	(149,573)
	205,640	-	-	(205,640)	-	(205,640)
Other expenses:						
Facilities acquisition	4,513,719	-	-	(4,513,719)	-	(4,513,719)
Long-term debt interest	2,591,867	-	-	(2,591,867)	-	(2,591,867)
AEA support	2,448,847	-	2,448,847	-	-	-
	9,554,433	-	2,448,847	(7,105,586)	-	(7,105,586)
Total governmental activities	79,306,836	5,278,456	9,391,081	(64,637,299)	-	(64,637,299)
Business type activities:						
Non-instructional programs:						
Nutrition services	3,248,993	2,424,013	907,424	-	82,444	82,444
Preschool services	212,379	174,025	52,926	-	14,572	14,572
Daycare services	1,916,455	2,105,910	5,578	-	195,033	195,033
Community education services	784,663	812,237	374	-	27,948	27,948
Total business type activities	6,162,490	5,516,185	966,302	-	319,997	319,997
Total primary governmental activities	\$ 85,469,326	10,794,641	10,357,383	(64,637,299)	319,997	(64,317,302)

Exhibit B

**Johnston Community School District
Statement of Activities
Year ended June 30, 2014**

	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
Totals continued from previous page	\$ 85,469,326	10,794,641	10,357,383	(64,637,299)	319,997	(64,317,302)
General revenues and transfers:						
Property tax levied for:						
General purposes				\$ 25,257,174	-	25,257,174
Debt service				3,815,774	-	3,815,774
Capital outlay				3,320,986	-	3,320,986
Statewide sales, services and use tax				5,449,133	-	5,449,133
Unrestricted state grants				26,458,419	-	26,458,419
Unrestricted investment earnings				85,142	-	85,142
Other				947,410	-	947,410
Transfers				65,000	(65,000)	-
Total general revenues and transfers				65,399,038	(65,000)	65,334,038
Change in net position				761,739	254,997	1,016,736
Net position beginning of year, as restated				84,542,784	3,245,355	87,788,139
Net position end of year				\$ 85,304,523	3,500,352	88,804,875

See notes to basic financial statements.

**Johnston Community School District
Balance Sheet
Governmental Funds
June 30, 2014**

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
Assets					
Cash and pooled investments	\$ 10,863,544	9,521,769	60,507,217	2,809,687	83,702,217
Receivables:					
Property tax:					
Current year delinquent	151,734	23,292	20,272	3,989	199,287
Succeeding year	25,510,515	5,450,085	3,399,446	649,992	35,010,038
Accounts	55,037	-	-	15,471	70,508
Due from other governments	2,075,494	-	862,296	-	2,937,790
Inventories	44,569	-	-	-	44,569
Prepays	3,295	-	-	-	3,295
Total assets	\$ 38,704,188	14,995,146	64,789,231	3,479,139	121,967,704
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,346,255	-	67,302	143,081	1,556,638
Advances from tuition and registration fees	151,741	-	-	-	151,741
Salaries and benefits payable	6,584,939	-	-	-	6,584,939
Early retirement payable - due within one year	-	-	-	696,963	696,963
Deposits	65,717	-	-	-	65,717
Total liabilities	8,148,652	-	67,302	840,044	9,055,998
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	25,510,515	5,450,085	3,399,446	649,992	35,010,038
Total deferred inflows of resources	25,510,515	5,450,085	3,399,446	649,992	35,010,038
Fund balances:					
Nonspendable for:					
Inventories	44,569	-	-	-	44,569
Prepays	3,295	-	-	-	3,295
Restricted for:					
School infrastructure	-	-	57,297,582	-	57,297,582
Debt service	-	9,545,061	974,000	-	10,519,061
State categorical funding	801,527	-	-	-	801,527
Physical plant and equipment	-	-	3,050,901	-	3,050,901
Management levy purposes	-	-	-	1,154,464	1,154,464
Student activities	-	-	-	834,639	834,639
Unassigned	4,195,630	-	-	-	4,195,630
Total fund balances	5,045,021	9,545,061	61,322,483	1,989,103	77,901,668
Total liabilities, deferred inflows of resources and fund balances	\$ 38,704,188	14,995,146	64,789,231	3,479,139	121,967,704

See notes to basic financial statements.

Exhibit D

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

Total fund balances of governmental funds (Exhibit C) \$ 77,901,668

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. 96,697,748

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. 5,586,188

Long-term liabilities, including bonds and notes payable, compensated absences and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Those liabilities at year-end consist of:

Capital lease payable	\$	(419,870)	
General obligation bonds payable		(36,705,000)	
Revenue bonds payable		(52,640,000)	
Bond discounts		519,657	
Bond premiums		(2,942,537)	
Accrued interest		(1,212,976)	
Early retirement		(17,820)	
Compensated absences		(148,059)	
Other post employment benefits		(1,314,476)	
		(94,881,081)	(94,881,081)

Net position of governmental activities (Exhibit A) \$ 85,304,523

See notes to basic financial statements.

Exhibit E

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

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
Revenues:					
Local sources:					
Local tax	\$ 24,611,063	3,815,774	3,320,986	646,111	32,393,934
Tuition	3,639,110	-	-	-	3,639,110
Other	1,288,299	24,004	94,410	1,254,912	2,661,625
Intermediate sources	90,390	-	-	-	90,390
State sources	33,865,879	784	5,449,815	144	39,316,622
Federal sources	1,898,661	-	-	-	1,898,661
Total revenues	65,393,402	3,840,562	8,865,211	1,901,167	80,000,342
Expenditures:					
Current:					
Instruction:					
Regular instruction	29,714,736	-	31,609	721,504	30,467,849
Special instruction	8,936,782	-	-	-	8,936,782
Other instruction	6,584,239	-	-	1,060,342	7,644,581
	45,235,757	-	31,609	1,781,846	47,049,212
Support services:					
Student services	1,879,353	-	-	43,475	1,922,828
Instructional staff services	2,405,305	-	1,041,364	-	3,446,669
Administration services	5,719,601	2,973	230,663	68,199	6,021,436
Operation and maintenance of plant services	4,648,780	-	176,111	779,754	5,604,645
Transportation services	2,842,179	-	555,216	56,502	3,453,897
	17,495,218	2,973	2,003,354	947,930	20,449,475
Non-instructional programs:					
Food service	-	-	-	60,845	60,845
Community service and education	45,200	-	85,401	23,250	153,851
	45,200	-	85,401	84,095	214,696
Capital outlay:					
Other expenditures	-	-	4,513,719	-	4,513,719
Debt Service:					
Other expenditures:					
Principal	-	4,324,630	-	-	4,324,630
Interest	-	1,522,027	-	-	1,522,027
	-	5,846,657	-	-	5,846,657
Intergovernmental:					
Other expenditures	2,448,847	-	-	-	2,448,847
Total expenditures	65,225,022	5,849,630	6,634,083	2,813,871	80,522,606
Excess (deficiency) of revenues over (under) expenditures	168,380	(2,009,068)	2,231,128	(912,704)	(522,264)

Exhibit E

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

	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	-	-	3,233	-	3,233
Issuance of revenue bonds	-	-	52,640,000	-	52,640,000
Premiums on revenue bonds issued	-	-	2,619,916	-	2,619,916
Discounts on revenue bonds issued	-	-	(512,548)	-	(512,548)
Transfers in	65,000	1,832,301	-	-	1,897,301
Transfers out	-	-	(1,832,301)	-	(1,832,301)
Total other financing sources (uses)	65,000	1,832,301	52,918,300	-	54,815,601
Net change in fund balances	233,380	(176,767)	55,149,428	(912,704)	54,293,337
Fund balances beginning of year	4,811,641	9,721,828	6,173,055	2,901,807	23,608,331
Fund balances end of year	\$ 5,045,021	9,545,061	61,322,483	1,989,103	77,901,668

See notes to basic 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, 2014

Net change in fund balances - total governmental funds (Exhibit E) \$ 54,293,337

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

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

Capital outlays:

From facilities acquisition	\$ 1,244,915	
Less current year depreciation	<u>(3,563,357)</u>	(2,318,442)

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 payable	(52,640,000)	
Discounts on bond issuance	512,548	
Premiums on bond issuance	(2,619,916)	
Repayments of bond and note principal	4,324,630	
Amortization of bond premiums and discounts	<u>226,825</u>	(50,195,913)

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.

(1,069,840)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Early retirement - long-term	45,616	
Compensated absences	867	
Other postemployment benefits	<u>(268,324)</u>	(221,841)

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.

274,438

Change in net position of governmental activities (Exhibit B) \$ 761,739

See notes to basic financial statements.

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

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,219,521	6,738,080
Receivables:		
Accounts	28,066	-
Inventories	122,514	-
Total current assets	<u>3,370,101</u>	<u>6,738,080</u>
Non-current assets:		
Property and equipment:		
Machinery and equipment	2,334,319	-
Accumulated depreciation	(1,719,871)	-
Total non-current assets	<u>614,448</u>	<u>-</u>
Total assets	<u><u>3,984,549</u></u>	<u><u>6,738,080</u></u>
Liabilities		
Current liabilities:		
Accounts payable	68,920	146,994
Advances from prepaid childcare	57,037	
Advances from prepaid lunches	86,575	
Insurance claims liability	-	1,004,898
Accrued salaries and benefits payable	174,927	-
Compensated absences payable	21,214	-
Total current liabilities	<u>408,673</u>	<u>1,151,892</u>
Non-current liabilities:		
Other postemployment benefits payable	75,524	-
Total liabilities	<u>484,197</u>	<u>1,151,892</u>
Net Position		
Invested in capital assets	614,448	-
Restricted for:		
Flexible benefits	-	109,403
State categorical funding	920	
Unrestricted	2,884,984	5,476,785
Total net position	<u><u>\$ 3,500,352</u></u>	<u><u>5,586,188</u></u>

See notes to basic financial statements.

Exhibit H

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

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Operating revenue:		
Local sources:		
Operating revenues	\$ 5,516,185	8,551,063
Operating expenses:		
Instructional programs:		
Instruction services:		
Depreciation	924	-
Other	437,168	-
	438,092	-
Support services:		
Other	489,947	8,276,625
Non-instructional programs:		
Food service operations:		
Depreciation	123,119	-
Other	2,855,707	-
	2,978,826	-
Community service operations:		
Depreciation	6,683	-
Other	2,248,942	-
	2,255,625	-
Total operating expenses	6,162,490	8,276,625
Operating income (loss)	(646,305)	274,438
Non-operating revenues:		
State sources	76,972	-
Federal sources	884,980	-
Interest income	4,350	-
Total non-operating revenues	966,302	-
Non-operating expenses:		
Transfer out	65,000	-
Total non-operating expenses	65,000	-
Changes in net position	254,997	274,438
Net position beginning of year	3,245,355	5,311,750
Net position end of year	\$ 3,500,352	5,586,188

See notes to basic financial statements.

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

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 2,430,151	-
Cash received from community services	3,159,556	8,551,063
Cash payments to employees for services	(3,586,658)	(8,039,659)
Cash payments to suppliers for goods or services	(2,279,518)	92,845
Net cash provided (used) by operating activities	(276,469)	604,249
Cash flows from non-capital financing activities:		
State grants received	76,972	-
Federal grants received	677,113	-
Net cash provided by non-capital financing activities	754,085	-
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(13,688)	-
Transfers	(65,000)	-
Net cash used by capital and related financing activities	(78,688)	-
Cash flows from investing activities:		
Interest on investments	4,350	-
Net increase in cash and cash equivalents	403,278	604,249
Cash and cash equivalents at beginning of year	2,816,243	6,133,831
Cash and cash equivalents at end of year	3,219,521	6,738,080
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (646,305)	274,438
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Commodities used	207,867	-
Depreciation	130,726	-
Decrease in accounts receivable	42,594	-
(Increase) in inventories	(1,816)	-
Decrease in prepaid expenses	-	19,988
Increase (decrease) in accounts payable	(37,034)	120,828
Increase in insurance claims liability	-	188,995
(Decrease) in salaries and benefits payable	(17,958)	-
Increase in unearned revenues	30,928	-
Increase in compensated absences	699	-
Increase in other post-employment benefits	13,830	-
Net cash provided (used) by operating activities	\$ (276,469)	604,249

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

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

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	\$ 3,219,521	6,738,080
Cash and cash equivalents at year end	\$ 3,219,521	6,738,080

Non-cash investing, capital and financing activities:

During the year ended June 30, 2014, the District received federal commodities valued at \$207,867.

See notes to basic 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 vocational 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 invested 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 two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but 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 that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

(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 other non-major governmental funds. Combining schedules are also included for the Capital Project Fund accounts.

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

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

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

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

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

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

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

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

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

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

Enterprise Funds: Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the District has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements.

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

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

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

Child Care Fund: This fund accounts for transactions for before and after school child care and summer child care programs authorized by Iowa Code 298A.12 and 279.49.

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.

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 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.

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise 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, Liabilities and Fund Equity

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

Cash, Pooled Investments and Cash Equivalents – 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.

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 deferred in both the Government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Johnston Community School District
Notes to Financial Statements
Year ended June 30, 2014

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

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

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments. 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. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<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.

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.

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

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, 2013. 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.

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

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

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

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

Committed – Amounts which 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.

Non-spendable – Amounts which cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

Unassigned – All amounts not included in other spendable 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, assigned 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, 2014, expenditures did not exceed the amounts budgeted.

(2) Cash and Pooled Investments

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

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

At June 30, 2014, the District had investments in the following:

Iowa Schools Joint Investment Trust:	
Diversified Portfolio	\$ 80,636,328
Wells Fargo Bank Money Market	162,836
Checking Accounts	2,482,872
	<u>\$ 83,282,036</u>

Interest rate risk. As a means of limiting exposure to fair value losses arising from rising interest rates, the District's investment policy requires operating funds to be invested in investments that mature within three hundred and ninety-seven days or less. When investing other than operating funds, the investments must mature according to the needs of the funds. Operating funds of the District are funds which are reasonably expected to be used during a current budget year or within fifteen months of receipt.

Credit risk. The investments in the Iowa Schools Joint Investment Trust and the IPASeducation program were both rated Aaa by Moody's Investors Service. The fair value of the District's position in these programs is the same as the value of the program shares. The investments in Wells Fargo are primarily invested in U.S. Treasury securities. The District is authorized by statute to invest public funds not currently needed for operating expenses 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 and the Treasurer of the State of Iowa, and certain joint investment trusts. The District may also invest in commercial paper or other short-term corporate debt that matures within two hundred seventy days that is rated in the highest classification, as established by at least one of the standard rating services approved by the superintendent of banking by rules adopted pursuant to Chapter 17A, provided that at the time of purchase no more than five percent of the investment portfolio shall be invested in the securities of a single issuer.

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.

Johnston Community School District
Notes to Financial Statements
Year ended June 30, 2014

(3) Due from Other Governments

The detail of due from other governments for the year ended June 30, 2014 is as follows:

Due from other districts	\$ 1,750,813
Due from the State of Iowa - Local sources	199,288
Due from the State of Iowa - State sources	872,285
Due from the State of Iowa - Federal sources	115,404
	<u>\$ 2,937,790</u>

(4) Interfund Transfers

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

Transfer to	Transfer from	Amount
Debt Service Fund	Capital Projects Fund - Statewide Sales, Services and Use Tax	1,832,301
General Fund	Community Education Fund	65,000
		<u>\$ 1,897,301</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. A transfer was made from the Community Education fund to cover expense for a shared position paid by the General fund.

Johnston Community School District
Notes to Financial Statements
Year ended June 30, 2014

(5) Capital Assets

Capital assets activity for the year ended June 30, 2014 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	1,430,437	462,897	1,893,334	-
Total capital assets not being depreciated	<u>10,715,698</u>	<u>462,897</u>	<u>1,893,334</u>	<u>9,285,261</u>
Capital assets being depreciated:				
Buildings	113,415,724	1,067,139	-	114,482,863
Improvements other than buildings	7,238,050	738,272	-	7,976,322
Furniture and equipment	8,210,123	869,941	-	9,080,064
Total capital assets being depreciated	<u>128,863,897</u>	<u>2,675,352</u>	<u>-</u>	<u>131,539,249</u>
Less accumulated depreciation for:				
Buildings	32,725,379	2,339,996	-	35,065,375
Improvements other than buildings	2,666,809	349,139	-	3,015,948
Furniture and equipment	5,171,217	874,222	-	6,045,439
Total accumulated depreciation	<u>40,563,405</u>	<u>3,563,357</u>	<u>-</u>	<u>44,126,762</u>
Total capital assets being depreciated, net	<u>88,300,492</u>	<u>(888,005)</u>	<u>-</u>	<u>87,412,487</u>
Governmental activities capital assets, net	<u>\$ 99,016,190</u>	<u>(425,108)</u>	<u>1,893,334</u>	<u>96,697,748</u>
Business type activities:				
Furniture and equipment	\$ 2,320,631	13,688	-	2,334,319
Less accumulated depreciation	1,589,145	130,726	-	1,719,871
Business-type activities capital assets, net	<u>\$ 731,486</u>	<u>(117,038)</u>	<u>-</u>	<u>614,448</u>

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$ 2,761,844
Other	1,230

Support services:

Instructional staff services	268,686
Administration	29,775
Operation and maintenance of plant	97,927
Transportation	403,895

Total depreciation expense - governmental activities \$ 3,563,357

Business type activities:

Food services	\$ 123,119
Community Daycare	4,316
Community Preschool	924
Community Education	2,367
	<u>\$ 130,726</u>

Johnston Community School District
Notes to Financial Statements
Year ended June 30, 2014

(6) Long-Term Liabilities

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

	Balance Beginning of Year, as restated	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 40,620,000	-	3,915,000	36,705,000	12,985,000
General obligation bond discounts	(49,708)	-	7,102	(42,606)	(7,101)
General obligation bond premiums	592,045	-	84,577	507,468	84,577
Revenue bonds	-	52,640,000	-	52,640,000	-
Revenue bond discounts	-	(512,548)	35,497	(477,051)	(35,497)
Revenue bond premiums	-	2,619,916	184,847	2,435,069	184,847
Capital lease payable	829,500	-	409,630	419,870	419,870
Early retirement	156,679	722,884	164,780	714,783	696,963
Net OPEB liability	1,046,152	408,080	139,756	1,314,476	-
Compensated absences	148,926	-	867	148,059	148,059
Total	\$ 43,343,594	55,878,332	4,942,056	94,365,068	14,476,718
Business type activities:					
Net OPEB liability	\$ 61,694	22,074	8,244	75,524	-
Compensated absences	20,515	1,160	461	21,214	21,214
Total	\$ 82,209	23,234	8,705	96,738	21,214

General Obligation Bonds Payable

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

Bond was issued for the purpose of providing funds to build and furnish a new elementary school; build and furnish additions to and remodel, improve and furnish Johnston Middle School; build and furnish additions to and remodel and improve Johnston High School; build and furnish an addition to the bus garage; improve athletic fields and facilities; build and furnish additions to and remodel and improve the existing elementary buildings; and purchase land for future school site.

\$26,500,000 Bond Issue of February 1, 2006				
Year ended June 30,	Rates	Principal	Interest	Total
2015	4.500%	10,705,000	865,682	11,570,682
2016	4.000%	3,010,000	412,696	3,422,696
2017	4.000%	3,520,000	292,294	3,812,294
2018	4.100%	3,695,000	151,495	3,846,495
Subtotal		20,930,000	1,722,167	22,652,167

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

\$10,420,000 Bond Issue of May 1, 2006				
Year ended June 30,	Rates	Principal	Interest	Total
2015	4.0%	1,480,000	69,400	1,549,400
2016	4.0%	255,000	10,200	265,200
Subtotal		1,735,000	79,600	1,814,600

Johnston Community School District
Notes to Financial Statements
Year ended June 30, 2014

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

Bond was issued for the purpose of providing funds to build and furnish a new elementary school; build and furnish additions to and remodel, improve and furnish Johnston Middle School; build and furnish additions to and remodel and improve Johnston High School; build and furnish an addition to the bus garage; improve athletic fields and facilities; build and furnish additions to and remodel and improve the existing elementary buildings; and purchase land for future school site.

\$10,000,000 Bond Issue of August 1, 2007				
Year ended June 30,	Rates	Principal	Interest	Total
2015	5.000%	800,000	215,896	1,015,896
2016	4.500%	825,000	181,896	1,006,896
2017	4.000%	860,000	148,896	1,008,896
2018	4.000%	900,000	114,496	1,014,496
2019	4.100%	940,000	78,046	1,018,046
2020	4.250%	975,000	38,976	1,013,976
Subtotal		5,300,000	778,206	6,078,206

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
2015	2.0%	-	174,800	174,800
2016	2.0%	175,000	174,800	349,800
2017	2.0%	170,000	171,300	341,300
2018	2.0%	170,000	167,900	337,900
2019	2.0%	4,060,000	164,500	4,224,500
2020	2.0%	4,165,000	83,300	4,248,300
Subtotal		8,740,000	936,600	9,676,600

Totals				
Year ended June 30,		Principal	Interest	Total
2015		12,985,000	1,325,778	14,310,778
2016		4,265,000	779,592	5,044,592
2017		4,550,000	612,490	5,162,490
2018		4,765,000	433,891	5,198,891
2019		5,000,000	242,546	5,242,546
2020		5,140,000	122,276	5,262,276
Total		\$ 36,705,000	3,516,573	40,221,573

Revenue Bonds Payable

Details of the District's June 30, 2014 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 \$60,114,332. For the current year, no principal or interest was paid on the bonds and total statewide sales, services and use tax revenues were \$5,449,133.

Johnston Community School District
Notes to Financial Statements
Year ended June 30, 2014

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

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, 2014.

\$42,900,000 Bond Issue of 2013				
Year ended June 30,	Rates	Principal	Interest	Total
2015	0.0%	-	1,836,135	1,836,135
2016	4.0%	2,150,000	1,824,256	3,974,256
2017	4.0%	2,240,000	1,736,456	3,976,456
2018	4.0%	2,295,000	1,645,756	3,940,756
2019	4.0%	2,335,000	1,553,156	3,888,156
2020-2030	5.0%	33,880,000	8,618,573	42,498,573
Subtotal		42,900,000	17,214,332	60,114,332

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 \$13,674,141. For the current year, no principal or interest was paid on the bonds and total statewide sales, services and use tax revenues were \$5,449,133.

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, 2014.

Johnston Community School District
Notes to Financial Statements
Year ended June 30, 2014

(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
2015	0.0%	-	354,266	354,266
2016	4.0%	300,000	325,050	625,050
2017	4.0%	300,000	316,050	616,050
2018	4.0%	345,000	306,375	651,375
2019	4.0%	410,000	295,050	705,050
2020-2030	5.0%	8,385,000	2,337,350	10,722,350
Subtotal		9,740,000	3,934,141	13,674,141

TOTALS				
Year ended June 30,	Rates	Principal	Interest	Total
2015	0.0%	-	2,190,401	2,190,401
2016	4.0%	2,450,000	2,149,306	4,599,306
2017	4.0%	2,540,000	2,052,506	4,592,506
2018	4.0%	2,640,000	1,952,131	4,592,131
2019	4.0%	2,745,000	1,848,206	4,593,206
2020-2030	5.0%	42,265,000	10,955,923	53,220,923
Total		\$ 52,640,000	21,148,473	73,788,473

Capital Loan Notes Payable

The District entered into a capital lease arrangement for the purchase of computer equipment for the District. The following is a schedule of the future minimum payments required under the lease together with its present value as of June 30, 2014:

Year Ending June 30,	Apple, Inc. Capital Lease	
	Payment	Total
2015	430,367	430,367
Total minimum lease payments	430,367	430,367
Less amount representing interest	10,497	10,497
Present value of minimum lease payments	\$ 419,870	419,870

Early Retirement

There was a new early retirement plan offered to District employees for 2014. The plan requires eligible employees to have completed at least ten years of full-time service within the prior twelve consecutive years to the District, must have reached the age of fifty-five on or before June 30 in the calendar year in which early retirement is to commence and must be covered by the JEA master agreement or the JESPA master agreement with the exclusion of Food Service personnel.

For those covered under the JEA agreement, early retirement benefits were equal to 50% of the average of the employee's last three year's 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 fifteen employees, and the early retirement benefit will be placed in a State RIC 403(b) plan as directed by the employee in the July immediately following retirement.

For those covered under the JESPA agreement (excluding Food Service personnel), early retirement benefits were equal to 50% of the average of the employee's last three years contractual salary excluding all compensation outside the normal work contract plus \$50 per day multiplied by the number of sick days accumulated as of retirement. The plan was limited to seven employees, and the early retirement benefit will be placed in a State RIC 403(b) plan as directed by the employee in the July immediately following retirement.

(6) *Long-Term Liabilities*
Early Retirement (continued from previous page)

The next most recent plan required eligible 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. No more than ten employees were allowed to retire in any given year with priority given to employees with the longest tenure of service.

Early retirement benefits were equal to 50% of the average of the employee's highest three year's contractual salary in the twelve years prior to retirement plus accumulated sick leave balance times applicable daily rates based on class of employee with all early retirement benefit placed in a State RIC 403(b) plan as directed by the employee. Early retirement cash benefit amounts were placed in a State RIC 403(b) plan as directed by the employee in the July immediately following retirement.

Prior to the voluntary early retirement plan described above, there was a voluntary early retirement plan that consisted of both a stipend paid to a 403b account representing 30% of employee's high three year average and a single insurance benefit covering employees until Medicare eligible.

At June 30, 2014, the District had obligations to 41 participants with a total liability of \$714,783. Actual early retirement expenditures for the year ended June 30, 2014 totaled \$164,780.

This long-term liability is generally liquidated with funds from the Non-major Special Revenue Fund – Management Levy.

(7) **Pension and Retirement Benefits**

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

Plan members are required to contribute 5.95% of their annual covered salary and the District is required to contribute 8.93% of annual covered salary. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2014, 2013 and 2012 were \$3,829,183, \$3,035,314, and \$3,158,883, respectively, equal to the required contributions for each year.

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

Plan Description - The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 802 active and 16 retired members in the plan. Participants must be age 55 or older at retirement and must have been employed full time by the District for a minimum of 10 years within the 12 consecutive years prior to the retirement year. The plan does not issue a standalone report.

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

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

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

Johnston Community School District
Notes to Financial Statements
Year ended June 30, 2014

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

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

	2014	2013	2012	2011
Annual required contribution	\$ 422,000	420,000	420,000	732,000
Interest on net OPEB obligation	50,000	46,831	40,000	24,570
Adjustment to annual required contribution	(41,846)	(135,684)	(34,000)	(20,872)
Annual OPEB cost	430,154	331,147	426,000	735,698
Contributions made	(148,000)	(264,000)	(264,000)	(403,000)
Increase in net OPEB obligation	282,154	67,147	162,000	332,698
Net OPEB obligation beginning of year	1,107,846	1,040,699	878,699	546,001
Net OPEB obligation end of year	\$ 1,390,000	1,107,846	1,040,699	878,699

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2014.

For the year ended June 30, 2014, the District contributed \$148,000 to the medical plan. Plan members eligible for benefits contributed \$143,042 to the plan.

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

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2011	\$ 735,698	45.86%	\$ 878,699
June 30, 2012	426,000	61.97%	1,040,699
June 30, 2013	331,147	79.70%	1,107,846
June 30, 2014	430,154	34.41%	1,390,000

Funded Status and Funding Progress - As of July 1, 2013, the most recent actuarial valuation date for the period July 1, 2013 through June 30, 2014, the actuarial accrued liability was \$2.89 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.89 million. The covered payroll (annual payroll of active employees covered by the plan) was \$37,420,385, and the ratio of the UAAL to covered payroll was 7.7%. As of June 30, 2014, there were no trust fund assets.

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

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

Johnston Community School District
Notes to Financial Statements
Year ended June 30, 2014

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

As of the July 1, 2013 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumption includes a 4.5% discount rate based on the District's funding policy. The projected annual healthcare cost trend rate is 9%. The ultimate medical trend rate is 5.0%. The medical trend rate is reduced 1.0% each year until reaching the 5.0% ultimate trend rate. The inflation rate is 0%.

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

Projected claim costs of the medical plan are \$675 per month for retirees less than age 65. The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years. Information regarding the inflation rate investment return and post-retirement benefit increases was not available.

This long-term liability is generally liquidated with funds from the General Fund or Proprietary Funds.

(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. During the year ended June 30, 2014, there were no significant reductions in coverage. In addition, over the past four fiscal years, settlement amounts did not exceed insurance coverage.

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, 2005 through June 30, 2014.

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 \$1,004,898 reported at June 30, 2014 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

(10) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$2,448,847 for the year ended June 30, 2014 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

(11) Operating Leases

The District leases copy machines under noncancelable operating leases. Total costs for such leases were approximately \$122,434 for the year ended June 30, 2014. The future minimum lease payments for these leases are as follows:

Year ending June 30:	
2015	62,340
2016	62,340
2017	62,340
2018	51,950
	<u>\$ 238,970</u>

(12) Restatement

Beginning net position in the Governmental Activities was restated by \$54,337. This is the balance of bond issuance costs now required to be expensed instead of amortized. Beginning net position of Net Investment in capital assets was increased by \$8,740,000 with the amount restricted for debt service decreasing due to a reclassification of the refunded debt.

(13) Prospective Accounting Change

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

Required Supplementary Information

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

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)	Employer Contributions
2010	July 1, 2009	\$ -	5,200,000	5,200,000	0.0%	\$ 31,542,587	16.5%	\$ 402,999
2011	July 1, 2009	-	5,200,000	5,200,000	0.0%	32,049,990	16.2%	403,000
2012	July 1, 2011	-	3,220,000	3,220,000	0.0%	35,990,188	8.9%	264,000
2013	July 1, 2011	-	3,220,000	3,220,000	0.0%	36,235,755	8.9%	264,000
2014	July 1, 2013	-	2,889,000	2,889,000	0.0%	37,420,385	7.7%	148,000

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.

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

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original and Final	Final to Actual Variance- Positive (Negative)
Revenues:					
Local sources	\$ 38,694,669	5,520,535	44,215,204	49,713,446	(5,498,242)
Intermediate sources	90,390	-	90,390	99,000	(8,610)
State sources	39,316,622	76,972	39,393,594	32,501,256	6,892,338
Federal sources	1,898,661	884,980	2,783,641	2,745,125	38,516
Total revenues	80,000,342	6,482,487	86,482,829	85,058,827	1,424,002
Expenditures:					
Instruction	47,049,212	438,092	47,487,304	52,234,042	4,746,738
Support services	20,449,475	489,947	20,939,422	25,318,494	4,379,072
Noninstructional programs	214,696	5,234,451	5,449,147	7,931,274	2,482,127
Other expenditures	12,809,223	-	12,809,223	18,462,655	5,653,432
Total expenditures	80,522,606	6,162,490	86,685,096	103,946,465	17,261,369
Excess (deficiency) of revenues over (under) expenditures	(522,264)	319,997	(202,267)	(18,887,638)	18,685,371
Other financing sources (uses), net	54,815,601	(65,000)	54,750,601	-	54,750,601
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	54,293,337	254,997	54,548,334	(18,887,638)	73,435,972
Balances beginning of year	23,608,331	3,245,355	26,853,686	18,887,638	7,966,048
Balances end of year	\$ 77,901,668	3,500,352	81,402,020	-	81,402,020

See accompanying independent auditor's report.

Johnston Community School District
Notes to Required Supplementary Information - Budgetary Reporting
Year Ended June 30, 2013

Basis of Presentation

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

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

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

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

The District is required by the Code of Iowa to budget for its share of media, education services and special education support provided through the local area education agency. The District's actual amount for this purpose totaled \$2,448,847 for the year ended June 30, 2014.

Supplementary Information

**Johnston Community School District
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2014**

Assets	Management	Student Activity	Total
Current assets:			
Cash and pooled investments	\$ 1,936,011	873,676	2,809,687
Receivables:			
Accounts	12,540	2,931	15,471
Property tax:			
Current year delinquent	3,989	-	3,989
Succeeding year	649,992	-	649,992
Total assets	\$ 2,602,532	876,607	3,479,139
Liabilities, Deferred Inflows of Resources and Fund Balances			
Current liabilities:			
Accounts payable	\$ 101,113	41,968	143,081
Early retirement payable	696,963	-	696,963
Total liabilities	798,076	41,968	840,044
Deferred inflows of resources:			
Unavailable revenue			
Succeeding year property tax	649,992	-	649,992
Total deferred inflows of resources	649,992	-	649,992
Fund balances:			
Restricted for:			
Management levy purposes	1,154,464	-	1,154,464
Student activities	-	834,639	834,639
Total fund balances	1,154,464	834,639	1,989,103
Total liabilities, deferred inflows of resources and fund balances	\$ 2,602,532	876,607	3,479,139

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, 2014

	Management	Student Activity	Total
Revenues:			
Local sources:			
Local tax:			
Property tax	\$ 628,071	-	628,071
Utility tax replacement excise tax	17,466	-	17,466
Mobile home tax	574	-	574
	<u>646,111</u>	<u>-</u>	<u>646,111</u>
Other local sources:			
Student activities	-	904,096	904,096
Donations	-	102,338	102,338
Other local revenue	119,613	128,865	248,478
	<u>119,613</u>	<u>1,135,299</u>	<u>1,254,912</u>
	<u>765,724</u>	<u>1,135,299</u>	<u>1,901,023</u>
State sources:			
Revenue in lieu of taxes :			
Military credit	144	-	144
Total revenues	<u>765,868</u>	<u>1,135,299</u>	<u>1,901,167</u>
Expenditures:			
Current:			
Instruction:			
Regular instruction:			
Benefits	721,504	-	721,504
	<u>721,504</u>	<u>-</u>	<u>721,504</u>
Co-curricular instruction:			
Purchased services	-	214,787	214,787
Supplies	-	772,132	772,132
Property	-	40,415	40,415
Other	-	33,008	33,008
	<u>-</u>	<u>1,060,342</u>	<u>1,060,342</u>
Total instruction	<u>721,504</u>	<u>1,060,342</u>	<u>1,781,846</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, 2014

	Management	Student Activity	Total
<i>Continued from previous page</i>			
Expenditures:			
Current:			
Support Services:			
Student support:			
Benefits	43,475	-	43,475
Administration:			
Benefits	43,799	-	43,799
Purchased services	20,436	3,964	24,400
	64,235	3,964	68,199
Plant operation and maintenance:			
Benefits	392,845	-	392,845
Purchased services	386,909	-	386,909
	779,754	-	779,754
Student transportation:			
Benefits	44,474	-	44,474
Purchased services	12,028	-	12,028
	56,502	-	56,502
Total support services	943,966	3,964	947,930
Non-instructional Programs:			
Food services			
Benefits	60,845	-	60,845
Community service & education:			
Benefits	23,250	-	23,250
Total non-instructional programs	84,095	-	84,095
Total expenditures	1,749,565	1,064,306	2,813,871
Excess of revenues over expenditures	(983,697)	70,993	(912,704)
Fund balances beginning of year	2,138,161	763,646	2,901,807
Fund balances end of year	\$ 1,154,464	834,639	1,989,103

See accompanying independent auditor's report.

Schedule 3

**Johnston Community School District
Combining Balance Sheet
Capital Project Accounts
June 30, 2013**

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$ 57,412,446	3,094,771	60,507,217
Receivables:			
Property tax:			
Current year delinquent	-	20,272	20,272
Succeeding year	-	3,399,446	3,399,446
Intergovernmental	862,296	-	862,296
Total assets	\$ 58,274,742	6,514,489	64,789,231
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 3,160	64,142	67,302
Total liabilities	3,160	64,142	67,302
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	3,399,446	3,399,446
Total deferred inflows of resources	-	3,399,446	3,399,446
Fund balances:			
Restricted for:			
School infrastructure	57,297,582	-	57,297,582
Debt Service	974,000	-	974,000
Physical plant and equipment	-	3,050,901	3,050,901
Total fund balances	58,271,582	3,050,901	61,322,483
Total liabilities, deferred inflows of resources and fund balances	\$ 58,274,742	6,514,489	64,789,231

See accompanying independent auditor's report.

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

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	3,320,986	3,320,986
Other	42,299	52,111	94,410
State sources	5,449,133	682	5,449,815
Federal sources	-	-	-
Total revenues	<u>5,491,432</u>	<u>3,373,779</u>	<u>8,865,211</u>
Expenditures:			
Current:			
Instructional Services:			
Regular instruction	-	31,609	31,609
Support Services:			
Instructional staff services	695,823	345,541	1,041,364
Administration	175,337	55,326	230,663
Plant operation and maintenance	-	176,111	176,111
Transportation	-	555,216	555,216
Other expenditures			
Community services	85,401	-	85,401
Facilities acquisition	3,526,796	986,923	4,513,719
Total expenditures	<u>4,483,357</u>	<u>2,150,726</u>	<u>6,634,083</u>
Excess (deficiency) of revenues over (under) expenditures	1,008,075	1,223,053	2,231,128
Other financing uses:			
Proceeds from sale of assets	-	3,233	3,233
Issuance of revenue bonds	52,640,000	-	52,640,000
Premiums on revenue bonds issued	2,619,916	-	2,619,916
Discounts on revenue bonds issued	(512,548)	-	(512,548)
Operating transfers out	(1,832,301)	-	(1,832,301)
Total other financing uses	<u>52,915,067</u>	<u>3,233</u>	<u>52,918,300</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	53,923,142	1,226,286	55,149,428
Fund balances beginning of year	4,348,440	1,824,615	6,173,055
Fund balances end of year	<u>\$ 58,271,582</u>	<u>3,050,901</u>	<u>61,322,483</u>

See accompanying independent auditor's report.

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

	Business Type Activities					Governmental Activities		
	Enterprise Funds					Internal Service Funds		
	Community Education	Community Daycare	Community Preschool	School Nutrition	Total	Self-funded Insurance	Flexible Benefits	Total
Assets								
Current assets:								
Cash and cash equivalents	\$ 283,468	1,045,123	121,184	1,769,746	3,219,521	6,596,677	141,403	6,738,080
Receivables:								
Accounts	20,699	7,367	-	-	28,066	-	-	-
Inventories	-	-	-	122,514	122,514	-	-	-
Total current assets	304,167	1,052,490	121,184	1,892,260	3,370,101	6,596,677	141,403	6,738,080
Non-current assets:								
Property and equipment:								
Machinery and equipment	38,380	112,097	7,483	2,176,359	2,334,319	-	-	-
Accumulated depreciation	(35,216)	(91,989)	(5,891)	(1,586,775)	(1,719,871)	-	-	-
Total non-current assets	3,164	20,108	1,592	589,584	614,448	-	-	-
Total assets	307,331	1,072,598	122,776	2,481,844	3,984,549	6,596,677	141,403	6,738,080
Liabilities								
Current liabilities:								
Accounts payable	16,825	41,553	1,173	9,369	68,920	114,994	32,000	146,994
Advances from prepaid childcare	-	57,037	-	-	57,037	-	-	-
Advances from prepaid lunches	-	-	-	86,575	86,575	-	-	-
Insurance claims liability	-	-	-	-	-	1,004,898	-	1,004,898
Accrued salaries and benefits payable	51,262	163	1,693	121,809	174,927	-	-	-
Compensated absences	2,283	12,422	516	5,993	21,214	-	-	-
Total current liabilities	70,370	111,175	3,382	223,746	408,673	1,119,892	32,000	1,151,892
Non-current liabilities:								
Other postemployment benefits payable	5,257	18,274	6,019	45,974	75,524	-	-	-
Total liabilities	75,627	129,449	9,401	269,720	484,197	1,119,892	32,000	1,151,892
Net Position								
Invested in capital assets	3,164	20,108	1,592	589,584	614,448	-	-	-
Restricted for:								
Flexible benefits	-	-	-	-	-	-	109,403	109,403
State categorical funding	-	-	920	-	920	-	-	-
Unrestricted	228,540	923,041	110,863	1,622,540	2,884,984	5,476,785	-	5,476,785
Total Net Position	\$ 231,704	943,149	113,375	2,212,124	3,500,352	5,476,785	109,403	5,586,188

See accompanying independent auditor's report.

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

	Business Type Activities					Governmental Activities		
	Enterprise Funds					Internal Service Funds		
	Community Education	Community Daycare	Community Preschool	School Nutrition	Total	Self-funded Insurance	Flexible Benefits	Total
Operating revenues:								
Local sources:								
Other local sources:								
Food service sales	\$ -	-	-	2,418,077	2,418,077	-	-	-
Daycare service fees	-	2,105,910	-	-	2,105,910	-	-	-
Community education fees	603,710	-	174,025	-	777,735	-	-	-
Charges for services	-	-	-	-	-	8,059,756	491,307	8,551,063
Other operating income	208,527	-	-	5,936	214,463	-	-	-
Total operating revenues	812,237	2,105,910	174,025	2,424,013	5,516,185	8,059,756	491,307	8,551,063
Operating expenses:								
Instructional programs:								
Instructional services:								
Salaries	-	-	119,984	-	119,984	-	-	-
Benefits	-	-	42,023	-	42,023	-	-	-
Services	37,182	-	35,333	-	72,515	-	-	-
Supplies	54,483	-	13,082	-	67,565	-	-	-
Other	353	134,003	725	-	135,081	-	-	-
Depreciation	-	-	924	-	924	-	-	-
	92,018	134,003	212,071	-	438,092	-	-	-
Support Services:								
Administrative services:								
Salaries	-	79,137	-	72,474	151,611	-	-	-
Benefits	-	23,713	-	47,769	71,482	7,744,585	489,903	8,234,488
Services	11,768	47,705	209	92,947	152,629	42,137	-	42,137
	11,768	150,555	209	213,190	375,722	7,786,722	489,903	8,276,625
Operation and maintenance services:								
Salaries	-	-	-	8,277	8,277	-	-	-
Benefits	-	-	-	2,927	2,927	-	-	-
Services	4,207	721	-	15,000	19,928	-	-	-
Supplies	-	-	-	30,773	30,773	-	-	-
	4,207	721	-	56,977	61,905	-	-	-
Transportation services:								
Services	-	52,221	99	-	52,320	-	-	-
	-	52,221	99	-	52,320	-	-	-
	15,975	203,497	308	270,167	489,947	7,786,722	489,903	8,276,625
Non-instructional programs:								
Food services operations:								
Salaries	-	-	-	932,811	932,811	-	-	-
Benefits	-	-	-	335,777	335,777	-	-	-
Services	-	-	-	73,685	73,685	-	-	-
Supplies	-	-	-	1,512,100	1,512,100	-	-	-
Other	-	-	-	1,334	1,334	-	-	-
Depreciation	-	-	-	123,119	123,119	-	-	-
	-	-	-	2,978,826	2,978,826	-	-	-
Community service operations:								
Salaries	453,920	1,124,118	-	-	1,578,038	-	-	-
Benefits	98,165	242,134	-	-	340,299	-	-	-
Services	8,717	1,945	-	-	10,662	-	-	-
Supplies	113,501	206,442	-	-	319,943	-	-	-
Depreciation	2,367	4,316	-	-	6,683	-	-	-
	676,670	1,578,955	-	-	2,255,625	-	-	-
	676,670	1,578,955	-	2,978,826	5,234,451	-	-	-
Total operating expenses	784,663	1,916,455	212,379	3,248,993	6,162,490	7,786,722	489,903	8,276,625
Operating income (loss)	27,574	189,455	(38,354)	(824,980)	(646,305)	273,034	1,404	274,438

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

	Business Type Activities					Governmental Activities		
	Enterprise Funds					Internal Service Funds		
	Community Education	Community Daycare	Community Preschool	School Nutrition	Total	Self-funded Insurance	Flexible Benefits	Total
<i>Continued from previous page</i>								
Non-operating revenues:								
State grants	-	-	52,800	-	52,800	-	-	-
State lunch and breakfast program claims	-	-	-	24,172	24,172	-	-	-
National School Lunch Program	-	-	-	609,354	609,354	-	-	-
School Breakfast Program	-	-	-	63,498	63,498	-	-	-
Federal food commodities revenue	-	-	-	207,867	207,867	-	-	-
Child and Adult Care Food Program	-	4,261	-	-	4,261	-	-	-
Interest income	374	1,317	126	2,533	4,350	-	-	-
Total non-operating revenues	374	5,578	52,926	907,424	966,302	-	-	-
Non-operating expense								
Transfer out	65,000	-	-	-	65,000	-	-	-
Total non-operating expenses	65,000	-	-	-	65,000	-	-	-
Changes in Net Position	(37,052)	195,033	14,572	82,444	254,997	273,034	1,404	274,438
Net Position beginning of year	268,756	748,116	98,803	2,129,680	3,245,355	5,203,751	107,999	5,311,750
Net Position end of year	\$ 231,704	943,149	113,375	2,212,124	3,500,352	5,476,785	109,403	5,586,188

See accompanying independent auditor's report.

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

	Business Type Activities					Governmental Activities		
	Community Education	Community Daycare	Community Preschool	School Nutrition	Total	Self-funded Insurance	Flexible Benefits	Total
Cash flows from operating activities:								
Cash received from sale of lunches and breakfasts	\$ -	-	-	2,430,151	2,430,151	-	-	-
Cash received from community services	832,749	2,149,753	177,054	-	3,159,556	8,059,756	491,307	8,551,063
Cash payments to employees for services	(563,161)	(1,464,680)	(161,903)	(1,396,914)	(3,586,658)	(7,555,590)	(484,069)	(8,039,659)
Cash payments to suppliers for goods or services	(227,702)	(442,322)	(48,711)	(1,560,783)	(2,279,518)	92,845	-	92,845
Net cash provided (used) by operating activities	41,886	242,751	(33,560)	(527,546)	(276,469)	597,011	7,238	604,249
Cash flows from non-capital financing activities:								
State grants received	-	-	52,800	24,172	76,972	-	-	-
Federal grants received	-	4,261	-	672,852	677,113	-	-	-
Net cash provided by non-capital financing activities	-	4,261	52,800	697,024	754,085	-	-	-
Cash flows from capital and related financing activities:								
Acquisition of capital assets	-	(5,292)	-	(8,396)	(13,688)	-	-	-
Transfers	(65,000)	-	-	-	(65,000)	-	-	-
Net cash used by capital and related financing activities	(65,000)	(5,292)	-	(8,396)	(78,688)	-	-	-
Cash flows from investing activities:								
Interest on investments	374	1,317	126	2,533	4,350	-	-	-
Net increase (decrease) in cash and cash equivalents	(22,740)	243,037	19,366	163,615	403,278	597,011	7,238	604,249
Cash and cash equivalents at beginning of year	306,208	802,086	101,818	1,606,131	2,816,243	5,999,666	134,165	6,133,831
Cash and cash equivalents at end of year	\$ 283,468	1,045,123	121,184	1,769,746	3,219,521	6,596,677	141,403	6,738,080
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ 27,574	189,455	(38,354)	(824,980)	(646,305)	273,034	1,404	274,438
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Commodities used	-	-	-	207,867	207,867	-	-	-
Depreciation	2,367	4,316	924	123,119	130,726	-	-	-
Decrease in accounts receivable	20,512	19,053	3,029	-	42,594	-	-	-
(Increase) in inventories	-	-	-	(1,816)	(1,816)	-	-	-
Decrease in prepaid expenses	-	-	-	-	-	19,988	-	19,988
Increase (decrease) in accounts payable	2,509	715	737	(40,995)	(37,034)	114,994	5,834	120,828
Increase in insurance claims liability	-	-	-	-	-	188,995	-	188,995
Increase (Decrease) in salaries and benefits payable	(12,020)	4	(42)	(5,900)	(17,958)	-	-	-
Increase in unearned revenues	-	24,790	-	6,138	30,928	-	-	-
Increase (decrease) in compensated absences	(225)	591	(235)	568	699	-	-	-
Increase in other post-employment benefits	1,169	3,827	381	8,453	13,830	-	-	-
Net cash provided (used) by operating activities	\$ 41,886	242,751	(33,560)	(527,546)	(276,469)	597,011	7,238	604,249

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

	Business Type Activities					Governmental Activities		
	Community Education	Community Daycare	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	\$ 283,468	1,045,123	121,184	1,769,746	3,219,521	6,596,677	141,403	6,738,080
Cash and cash equivalents at year end	\$ 283,468	1,045,123	121,184	1,769,746	3,219,521	6,596,677	141,403	6,738,080

Non-cash investing, capital and financing activities:

During the year ended June 30, 2014, the District received federal commodities valued at \$207,867.

See accompanying independent auditor's report.

Schedule 8

Johnston Community School District
Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
June 30, 2014

Governmental funds capital assets

Land and improvements	\$	17,261,583
Buildings and improvements		114,482,863
Vehicles, furniture and equipment		<u>9,080,064</u>
Total governmental funds capital assets	\$	<u><u>140,824,510</u></u>

Investments in governmental funds capital assets by source

General Fund	\$	10,352,455
Special Revenue Funds		105,535
Capital Projects Funds		<u>130,366,520</u>
Total governmental funds capital assets	\$	<u><u>140,824,510</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, 2014**

Function and Activity	Land and Improvements	Buildings and Improvements	vehicles, Furniture and Equipment	Construction in Progress	Total
Instruction	\$ 15,796,938	111,741,192	2,140,789	-	129,678,919
Other instruction	371,476	61,506	-	-	432,982
Support services - instructional staff	441,545	-	1,395,287	-	1,836,832
Administration	328,878	1,118,324	225,018	-	1,672,220
Operation and maintenance of plant services	71,519	1,561,841	719,957	-	2,353,317
Student transportation services	251,227	-	4,599,013	-	4,850,240
Total	<u>\$ 17,261,583</u>	<u>114,482,863</u>	<u>9,080,064</u>	<u>-</u>	<u>140,824,510</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, 2014

Function and Activity	July 1, 2013	Additions	Deletions	June 30, 2014
Instruction	\$ 129,167,481	2,404,772	1,893,334	129,678,919
Other instruction	432,982	-	-	432,982
Support services - instructional staff	1,717,984	118,848	-	1,836,832
Administration	1,672,220	-	-	1,672,220
Operation and maintenance of plant services	2,280,354	72,963	-	2,353,317
Student transportation services	4,308,574	541,666	-	4,850,240
Total	<u>\$ 139,579,595</u>	<u>3,138,249</u>	<u>1,893,334</u>	<u>140,824,510</u>

See accompanying independent auditor's report.

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

Account	Balance Beginning of Year	Revenues	Expendi- tures	Intrafund Transfers	Balanced End of Year
Elementary Schools:					
Lawson Elementary	\$ 2,404	-	-	-	2,404
Wallace Elementary	1,453	-	367	-	1,086
Beaver Creek Elementary	2,500	-	-	-	2,500
Horizon	1,612	-	-	-	1,612
Summit Middle School:					
Student Council	2,045	7,615	5,861	-	3,799
Yearbook	13,763	19,959	18,660	-	15,062
Vocal Music	3,741	4,945	124	-	8,562
Instrumental Music	4,516	4,797	5,683	-	3,630
Tech Club	28,983	13,316	16,431	-	25,868
Lego Robotics	1,793	-	1,057	-	736
Cheerleading	6,158	-	-	-	6,158
Food Assistance	1,558	-	60	-	1,498
SOS	100	-	-	-	100
Middle School:					
Dragon Express	470	-	-	-	470
Student Council	1,490	687	77	-	2,100
Yearbook	15,905	19,713	20,146	-	15,472
Vocal Music	16,215	43,512	41,776	-	17,951
Instrumental Music	8,318	3,085	1,116	-	10,287
Student Management	10,838	-	-	(16)	10,822
Cheerleading	131	-	-	-	131
MS Pride	154	-	-	-	154
Art Club	12	92	83	-	21
French Club	14	392	422	16	-
Spanish Club	176	-	-	-	176
Tech Club	1,585	2,698	2,052	-	2,231
High School:					
Environmental Club	357	12	-	-	369
Spanish Club	3,648	-	283	-	3,365
Drama Club	1,922	662	636	-	1,948
Speech -Large Group	-	400	3,025	2,625	-
Speech - Individual	-	700	-	(700)	-
Debate	-	2,702	2,609	(93)	-
Student Council	14,906	48,173	44,496	-	18,583
National Honor Society	140	1,786	1,334	-	592
Archery	1,912	7,297	4,289	-	4,920
Senior Class	6,300	15,763	15,135	-	6,928
Yearbook	132,642	82,554	108,780	(3,990)	102,426
Academic Competition	-	1,819	3,977	2,158	-
Math Club	-	300	-	-	300
Instrumental Music	1,074	130	-	-	1,204
Vocal Music	32,332	250,135	242,189	-	40,278
Piano	-	12,000	-	-	12,000
Circle of Friends	974	954	954	-	974
SADD	157	-	-	-	157
Diversity Committee	100	-	-	-	100
Tech Club	1,783	9,368	5,275	-	5,876
Gay Straight Alliance	384	-	-	-	384
Fencing Club	1,503	390	400	-	1,493
Exp Based Career	139	362	182	-	319
Musicals	16,253	11,790	13,473	-	14,570
Spirit Club	2,681	-	-	-	2,681
Family Career	80	519	333	-	266
Athletics	418,425	566,672	503,021	-	482,076
Total	\$ 763,646	1,135,299	1,064,306	-	834,639

See accompanying independent auditor's report.

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

	Modified Accrual Basis									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues:										
Local sources:										
Local tax	\$ 32,393,934	35,857,736	35,695,347	35,019,915	32,577,208	32,073,368	30,063,824	28,943,854	25,624,856	23,672,255
Tuition	3,639,110	3,582,546	3,668,713	3,475,163	3,137,706	3,388,830	3,860,880	3,318,397	3,153,507	3,155,907
Other	2,661,625	2,367,120	2,106,399	2,083,829	2,788,425	2,307,958	3,321,999	3,479,491	2,616,713	1,920,527
Intermediate sources	90,390	98,961	95,614	91,857	90,678	92,866	85,004	-	-	-
State sources	39,316,622	31,650,260	30,704,092	27,910,332	23,396,412	25,729,617	23,887,916	21,363,797	19,152,732	17,287,021
Federal sources	1,898,661	1,769,532	1,692,437	3,729,793	4,060,543	1,310,703	608,405	557,081	545,932	453,730
Total	\$ 80,000,342	75,326,155	73,962,602	72,310,889	66,050,972	64,903,342	61,828,028	57,662,620	51,093,740	46,489,440
Expenditures:										
Instruction:										
Regular	\$ 30,467,849	29,014,697	27,638,864	27,049,790	26,420,349	25,632,654	22,840,146	19,978,686	18,389,994	16,682,152
Special	8,936,782	9,552,833	8,737,716	8,299,509	7,633,325	7,310,329	7,135,533	6,694,623	5,867,984	6,196,627
Other	7,644,581	6,851,147	6,188,208	5,211,519	4,562,423	3,493,390	2,798,377	2,841,136	2,385,744	2,186,628
Support services:										
Student	1,922,828	1,733,474	1,652,186	1,657,172	1,595,119	1,434,161	1,413,042	1,289,939	1,189,547	1,123,216
Instructional staff	3,446,669	5,256,963	3,238,683	2,965,971	2,681,246	2,590,573	2,679,714	2,087,999	1,985,956	1,452,473
Administration	6,021,436	5,580,409	5,354,058	5,461,057	5,135,490	5,183,740	5,216,577	4,781,180	4,011,887	2,668,177
Operation and maintenance of plant	5,604,645	4,899,107	4,826,922	4,744,650	4,845,401	4,693,862	4,511,428	3,903,490	3,707,823	3,596,527
Transportation	3,453,897	3,346,722	3,161,811	2,859,427	2,582,214	2,625,767	1,984,393	2,103,016	1,675,469	1,846,703
Central support	-	-	-	-	-	-	-	-	-	17,353
Non-instructional programs:										
Food services	60,845	50,075	22,680	42,357	13,764	17,345	22,305	2,855	8,203	713
Community services and education	153,851	134,712	142,207	118,070	118,485	112,879	111,639	121,130	142,590	5,130
Other expenditures:										
Facilities acquisition	4,513,719	3,223,347	10,429,507	5,158,895	3,865,127	3,341,005	9,739,160	16,166,714	7,242,583	4,949,087
Long-term debt:										
Principal	4,324,630	4,910,369	4,305,000	4,150,000	5,670,000	5,520,000	5,365,000	7,655,000	9,510,000	11,975,000
Interest and other charges	1,522,027	1,683,782	1,655,159	1,803,086	1,952,509	2,128,980	2,250,958	2,597,424	1,087,863	1,159,498
AEA support	2,448,847	2,307,835	2,236,244	2,320,857	2,187,815	1,946,449	1,771,545	1,606,455	1,408,173	1,261,795
Total	\$ 80,522,606	78,545,472	79,589,245	71,842,360	69,263,267	66,031,134	67,839,817	71,829,647	58,613,816	55,121,079

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.

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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.	72-90
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).	91-96
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.	97-103
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.	104-108
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.	109-115

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 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

NET POSITION BY COMPONENT**Last Ten Fiscal Years**

Year ended June 30,	2014	2013	2012
Governmental activities:			
Invested in capital assets, net of related debt	\$ 13,249,999	65,764,354	62,356,405
Restricted	63,844,645	10,749,999	9,744,735
Unrestricted	8,209,879	8,028,431	9,387,456
Total governmental activities net position	\$ 85,304,523	84,542,784	81,488,596
Business-type activities:			
Invested in capital assets, net of related debt	\$ 614,448	731,486	587,958
Restricted	920	-	-
Unrestricted	2,884,984	2,513,869	2,586,485
Total business-type activities net position	\$ 3,500,352	3,245,355	3,174,443
Primary government:			
Invested in capital assets, net of related debt	\$ 13,864,447	66,495,840	62,944,363
Restricted	63,845,565	10,749,999	9,744,735
Unrestricted	11,094,863	10,542,300	11,973,941
Total primary government net position	\$ 88,804,875	87,788,139	84,663,039

Source: 2014 Certified Annual Report

2011	2010	2009	2008	2007	2006	2005
51,038,392	48,156,947	45,865,614	39,330,607	35,699,534	35,157,475	32,602,330
16,419,758	15,159,937	13,277,408	13,641,285	11,831,699	5,608,504	2,190,011
7,405,591	4,549,254	5,467,196	5,023,421	3,528,893	1,231,505	584,792
74,863,741	67,866,138	64,610,218	57,995,313	51,060,126	41,997,484	35,377,133
676,121	759,166	764,558	860,311	865,179	629,082	680,399
8,370	-	-	-	-	-	-
2,122,298	1,887,694	1,894,468	1,714,535	1,473,496	1,808,309	1,517,315
2,806,789	2,646,860	2,659,026	2,574,846	2,338,675	2,437,391	2,197,714
51,714,513	48,916,113	46,630,172	40,190,918	36,564,713	35,786,557	33,282,729
16,428,128	15,159,937	13,277,408	13,641,285	11,831,699	5,608,504	2,190,011
9,527,889	6,436,948	7,361,664	6,737,956	5,002,389	3,039,814	2,102,107
77,670,530	70,512,998	67,269,244	60,570,159	53,398,801	44,434,875	37,574,847

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

Year ended June 30,	2014	2013	2012	2011
Expenses:				
Governmental activities:				
Instruction	\$ 49,337,355	49,036,745	44,757,711	42,997,915
Student services	1,925,705	1,697,758	1,638,859	1,657,151
Instructional staff services	3,590,304	3,645,976	3,364,050	3,028,879
Administrative services	5,711,829	5,251,380	5,043,599	5,308,433
Operating and maintenance of plant services	5,672,497	4,919,762	4,886,355	4,836,685
Transportation services	3,309,073	3,222,225	3,591,054	3,197,520
Capital outlay	-	-	-	-
Long-term debt interest	2,591,867	1,595,681	1,642,172	1,790,759
Non-instructional programs	205,640	159,747	136,274	145,594
Other expenditures	6,962,566	2,971,590	2,282,020	2,350,350
Total governmental activities expenses	79,306,836	72,500,864	67,342,094	65,313,286
Business type activities:				
Nutrition	3,248,993	2,989,163	2,968,730	2,893,145
Day care services	1,916,455	2,095,538	1,982,675	1,987,377
Community education services	997,042	795,752	632,314	584,003
Total business type activities expenses	6,162,490	5,880,453	5,583,719	5,464,525
Total primary government expenses	\$ 85,469,326	78,381,317	72,925,813	70,777,811
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 4,944,723	4,708,965	4,716,473	4,446,966
Support services	333,733	334,746	303,992	319,065
Operating grants and contributions	9,391,081	8,742,525	8,729,403	10,716,250
Total governmental activities program revenues	14,669,537	13,786,236	13,749,868	15,482,281
Business type activities:				
Charges for services:				
Nutrition	2,424,013	2,332,549	2,341,951	2,270,385
Day care services	2,105,910	2,164,258	1,971,370	1,880,593
Community education services	986,262	813,678	718,583	572,686
Operating grants and contributions	966,302	887,948	919,469	900,790
Total business type program revenues	6,482,487	6,198,433	5,951,373	5,624,454
Total primary government program revenues	\$ 21,152,024	19,984,669	19,701,241	21,106,735
Net revenue (expense):				
Governmental activities	\$ (64,637,299)	(58,714,628)	(53,592,226)	(49,831,005)
Business type activities	319,997	317,980	367,654	159,929
Total primary government net expense	\$ (64,317,302)	(58,396,648)	(53,224,572)	(49,671,076)

Source: 2014 Certified Annual Report

2010	2009	2008	2007	2006	2005
41,075,403	38,263,152	34,346,658	30,666,801	28,211,145	26,518,342
1,596,919	1,401,696	1,380,591	1,301,680	1,170,265	1,124,816
2,749,674	2,601,050	2,669,388	2,062,886	1,933,485	1,439,037
5,122,778	4,781,632	4,929,567	4,344,754	4,048,697	2,741,465
4,912,963	4,712,151	4,488,374	3,896,886	3,717,675	3,640,341
2,829,785	2,302,013	2,097,710	2,048,069	1,759,129	1,724,913
-	-	798,920	471,589	322,595	890,901
1,920,576	2,082,797	2,220,610	2,058,741	1,752,411	1,162,844
126,953	91,567	82,532	142,117	149,814	843
2,460,001	2,068,147	1,771,545	1,606,455	1,408,173	1,261,795
62,795,052	58,304,205	54,785,895	48,599,978	44,473,389	40,505,297
2,826,126	2,539,224	2,403,213	2,217,269	1,969,280	1,816,128
2,005,525	2,270,418	2,251,506	2,033,473	1,858,371	1,524,092
606,859	582,854	509,127	481,129	429,823	594,714
5,438,510	5,392,496	5,163,846	4,731,871	4,257,474	3,934,934
68,233,562	63,696,701	59,949,741	53,331,849	48,730,863	44,440,231
4,021,814	4,384,947	4,721,590	3,890,184	3,932,276	4,172,796
303,383	268,496	236,406	175,645	355,562	217,477
10,659,417	6,848,576	5,115,230	4,136,055	3,260,375	3,117,791
14,984,614	11,502,019	10,073,226	8,201,884	7,548,213	7,508,064
2,126,538	1,997,655	1,877,541	1,751,445	1,686,958	1,578,301
1,870,093	2,181,658	2,218,810	1,919,604	1,870,127	1,564,964
593,905	552,129	479,257	435,473	391,836	548,318
835,808	741,005	717,105	526,633	548,230	441,769
5,426,344	5,472,447	5,292,713	4,633,155	4,497,151	4,133,352
20,410,958	16,974,466	15,365,939	12,835,039	12,045,364	11,641,416
(47,810,438)	(46,802,186)	(44,712,669)	(40,398,094)	(36,925,176)	(32,997,233)
(12,166)	79,951	128,867	(98,716)	239,677	198,418
(47,822,604)	(46,722,235)	(44,583,802)	(40,496,810)	(36,685,499)	(32,798,815)

GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION

Last Ten Fiscal Years

Year ended June 30,	2014	2013	2012	2011
Net (expense) revenue:				
Governmental activities	\$ (64,637,299)	(58,714,628)	(53,592,226)	(49,831,005)
Business type activities	319,997	317,980	367,654	159,929
Total primary government net expense	(64,317,302)	(58,396,648)	(53,224,572)	(49,671,076)
General revenues and other changes in net position:				
Governmental activities:				
General revenues:				
Property taxes levied for:				
General purposes	25,257,174	23,739,582	25,139,889	25,381,589
Debt service	3,815,774	3,614,999	2,302,231	875,421
Capital outlay	3,320,986	3,169,354	3,129,302	2,954,515
Statewide sales, services and use tax	5,449,133	5,336,410	5,123,925	5,808,390
Unrestricted state grants	26,458,419	24,769,091	23,753,747	20,916,147
Unrestricted investment earnings	85,142	46,852	71,535	109,923
Other	947,410	872,283	696,452	782,623
Capital contributions	-	-	-	-
Transfers	65,000	65,000	-	-
Total governmental activities	65,399,038	61,613,571	60,217,081	56,828,608
Business-type activities:				
Miscellaneous	-	-	-	-
Transfers	(65,000)	(65,000)	-	-
Total business-type activities	(65,000)	(65,000)	-	-
Total primary government general revenues and other changes in net position	65,334,038	61,548,571	60,217,081	56,828,608
Change in net position:				
Governmental activities	761,739	2,898,943	6,624,855	6,997,603
Business-type activities	254,997	252,980	367,654	159,929
Total primary government change in net position	\$ 1,016,736	3,151,923	6,992,509	7,157,532

Source: 2014 Certified Annual Report

2010	2009	2008	2007	2006	2005
(47,810,438)	(46,802,186)	(44,712,669)	(40,398,094)	(36,925,176)	(32,997,233)
(12,166)	79,951	128,867	(98,716)	239,677	198,418
(47,822,604)	(46,722,235)	(44,583,802)	(40,496,810)	(36,685,499)	(32,798,815)

24,158,338	21,298,103	19,689,959	19,159,367	16,565,872	15,337,951
1,313,820	2,556,704	2,657,697	2,177,335	2,304,979	2,018,204
2,822,082	2,638,596	2,485,836	2,384,625	2,159,039	2,059,739
4,282,968	5,579,965	5,230,332	5,222,527	4,594,967	4,256,361
16,880,987	20,175,159	19,400,505	17,692,641	16,398,591	14,607,644
847,168	376,149	1,148,153	1,610,716	853,263	200,335
760,995	796,644	1,142,678	1,213,525	668,816	501,142
-	-	-	-	-	(285,868)
-	(4,229)	-	-	-	(16,548)
51,066,358	53,417,091	51,755,160	49,460,736	43,545,527	38,678,960

-	-	-	-	-	285,868
-	4,229	-	-	-	16,548
-	4,229	-	-	-	302,416

51,066,358	53,421,320	51,755,160	49,460,736	43,545,527	38,981,376
3,255,920	6,614,905	7,042,491	9,062,642	6,620,351	5,681,727
(12,166)	84,180	128,867	(98,716)	239,677	500,834
3,243,754	6,699,085	7,171,358	8,963,926	6,860,028	6,182,561

FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Year ended June 30,	2014	2013	2012
General Fund:			
Nonspendable for Inventories/Prepd	\$ 47,864	49,391	47,836
Restricted	801,527	742,491	875,116
Unassigned	4,195,630	4,019,759	5,998,132
Total general fund	5,045,021	4,811,641	6,921,084
All other governmental funds:			
Restricted, Debt Service	9,545,061	9,721,828	516,040
Restricted, reported in:			
Special revenue funds	1,989,103	2,901,807	2,622,228
Capital project funds	61,322,483	6,173,055	5,851,080
Total all other governmental funds	72,856,647	18,796,690	8,989,348
Total governmental fund balances	\$ 77,901,668	23,608,331	15,910,432

Source: 2014 Certified Annual Report

2011	2010	2009	2008	2007	2006	2005
42,426	49,222	42,801	31,176	17,982	20,093	19,820
765,115	1,013,530	592,350	466,786	486,487	419,157	360,537
4,721,855	1,580,546	2,347,277	2,713,355	2,693,386	1,363,662	699,325
5,529,396	2,643,298	2,982,428	3,211,317	3,197,855	1,802,912	1,079,682
517,651	518,464	3,990,413	454,343	397,337	3,393,351	219,696
2,200,881	4,272,008	4,406,636	4,427,435	3,494,338	2,883,949	2,086,111
13,284,800	13,630,429	12,897,017	17,177,649	14,123,571	27,299,916	2,594,715
16,003,332	18,420,901	21,294,066	22,059,427	18,015,246	33,577,216	4,900,522
21,532,728	21,064,199	24,276,494	25,270,744	21,213,101	35,380,128	5,980,204

GOVERNMENTAL FUNDS REVENUES
Last Ten Fiscal Years

Year ended June 30,	2014	2013	2012	2011	2010
Local Sources:					
Property taxes	\$ 31,541,517	30,531,071	29,705,068	28,376,676	27,530,901
Local option sales tax	-	5,336,410	5,123,925	5,808,390	4,282,968
Utility replacement	852,417	860,601	866,354	834,848	763,339
Other local sources	5,393,603	4,385,685	5,004,132	4,710,696	4,430,103
Investment earnings	89,142	46,852	71,535	109,923	847,168
Student activities	908,380	745,744	795,059	830,231	739,538
Total local sources	38,785,059	41,906,363	41,566,073	40,670,764	38,594,017
State sources:					
State foundation aid	25,706,139	24,769,091	23,753,747	20,916,147	16,880,987
Statewide Sales tax	5,449,133	-	-	-	-
Other state sources	8,161,350	6,881,169	6,950,345	6,994,185	6,515,425
Total state sources	39,316,622	31,650,260	30,704,092	27,910,332	23,396,412
Federal sources	1,898,661	1,769,531	1,692,437	3,729,793	4,060,543
Total Revenues	\$ 80,000,342	75,326,154	73,962,602	72,310,889	66,050,972

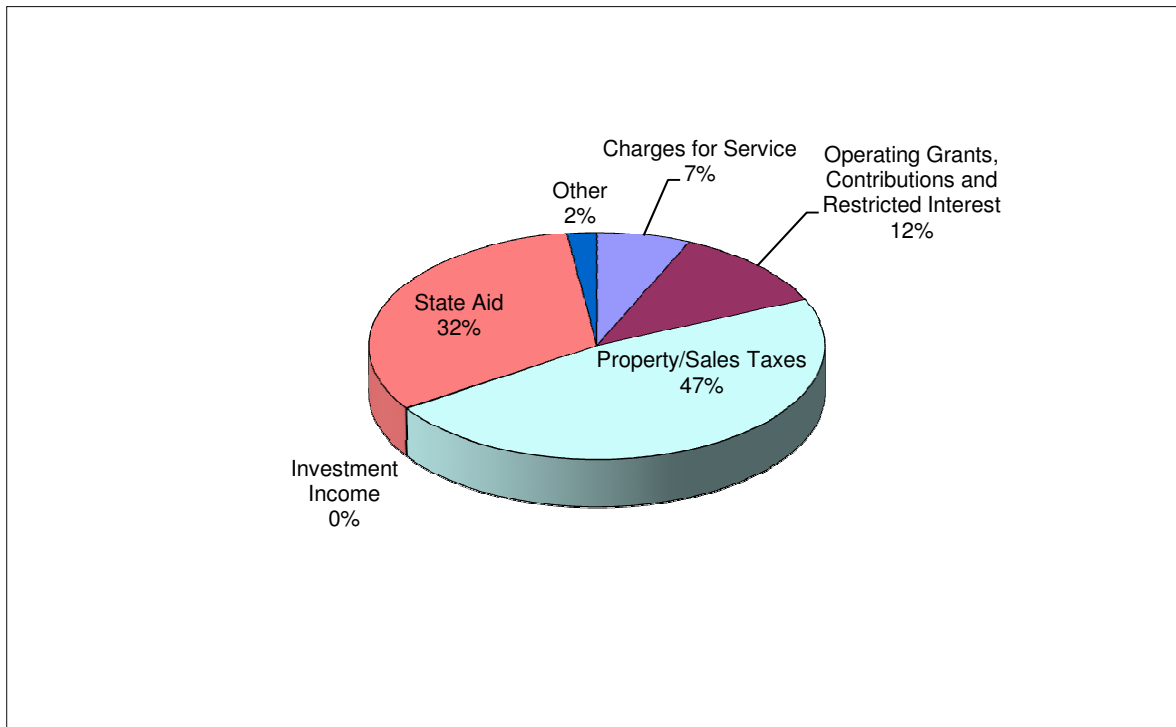
**Utility replacement revenue was not broken down into detail prior to fiscal year 2006.

Source: 2014 Certified Annual Report

2009	2008	2007	2006	2005
25,775,471	24,131,034	23,016,962	20,330,548	19,415,895
5,579,965	5,230,332	5,222,527	4,594,967	4,256,361
717,932	702,460	704,365	699,341	**
4,844,036	5,613,015	4,594,317	4,395,017	4,593,385
376,149	1,148,154	1,610,716	826,048	200,335
569,468	506,711	600,924	549,155	282,713
37,863,021	37,331,706	35,749,811	31,395,076	28,748,689
19,988,582	19,218,464	17,835,060	16,290,764	14,607,554
-	-	-	-	-
5,741,036	4,669,452	3,522,227	2,861,968	2,679,467
25,729,618	23,887,916	21,357,287	19,152,732	17,287,021
1,310,703	608,406	555,522	545,932	453,730
64,903,342	61,828,028	57,662,620	51,093,740	46,489,440

GOVERNMENTAL REVENUES, BY SOURCE
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES		GENERAL REVENUES				TOTAL
	Charges for Service	Operating Grants, Contributions and Restricted Interest	Property/Sales Taxes	Investment Income	State Aid	Other	
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	863,630	75,326,154
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
2008-09	4,653,443	6,848,576	32,073,368	376,149	19,988,582	963,224	64,903,342
2007-08	4,957,996	5,115,230	30,063,826	1,148,154	19,218,464	1,324,358	61,828,028
2006-07	4,065,829	4,136,055	28,943,854	1,610,716	17,692,641	1,213,525	57,662,620
2005-06	4,287,838	3,260,375	25,624,857	853,263	16,398,591	668,816	51,093,740
2004-05	4,390,273	3,117,791	23,672,255	200,335	14,607,644	501,142	46,489,440



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

Source: District Audits



**JOHNSTON
COMMUNITY**

SCHOOL DISTRICT

Excellence In Education

COMPARATIVE RATIO OF DEBT SERVICE TO GOVERNMENTAL FUNDS EXPENDITURES

Last Ten Fiscal Years

Year ending June 30,	2014	2013	2012	2011	2010
Instruction:					
Regular instruction	\$ 30,467,849	30,274,566	27,638,864	27,049,790	26,246,992
Special instruction	8,936,782	9,552,833	8,737,716	8,299,509	7,633,325
Other instruction	7,644,581	6,851,147	6,188,208	5,211,519	4,735,781
Support services:					
Student services	1,922,828	1,733,474	1,652,186	1,657,172	1,595,120
Instructional staff services	3,446,669	3,997,094	3,238,683	2,965,971	2,681,246
Administration services	6,021,436	5,580,409	5,354,058	5,461,057	5,135,488
Plant operation and maintenance	5,604,645	4,899,107	4,826,922	4,744,650	4,845,401
Transportation services	3,453,897	3,346,722	3,161,811	2,859,427	2,582,214
Non-instructional programs:					
Food services	60,845	50,075	22,680	42,357	13,764
Community service and education	153,851	134,712	142,207	118,070	118,485
Capital outlay	4,513,719	3,223,347	10,429,507	5,158,895	3,865,127
Debt service:					
Principal	4,324,630	4,910,369	4,305,000	4,150,000	5,670,000
Interest	1,522,027	1,577,488	1,655,159	1,803,086	1,952,509
Services	-	106,294	-	-	-
Intergovernmental other expenditures	2,448,847	2,307,835	2,236,244	2,320,857	2,187,815
Total expenditures	\$ 80,522,606	78,545,472	79,589,245	71,842,360	69,263,267
Debt service as a percentage of non-capital expenditures	7.69%	8.75%	8.62%	8.90%	11.70%

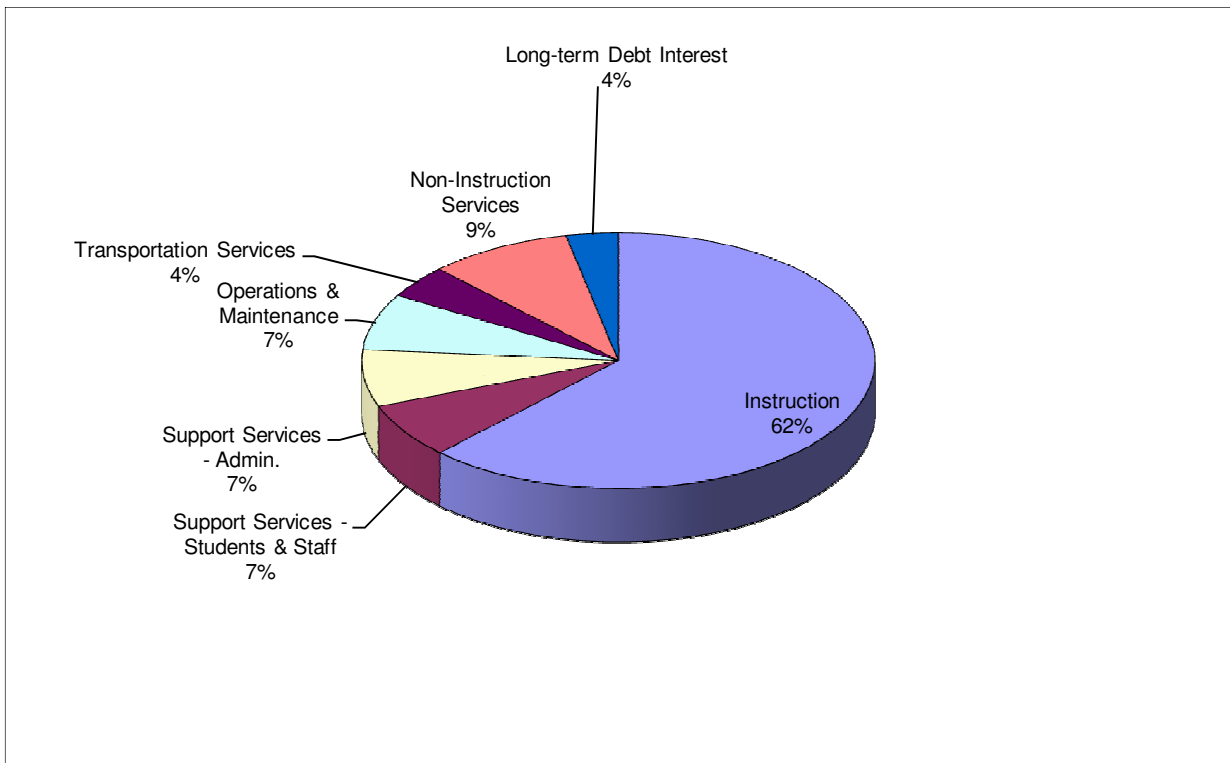
*Instruction and support service expenditures were not broken down into further functional detail for these years. Therefore, only total instruction and total support services are shown.

Source: 2014 Certified Annual Report

2009	2008	2007	2006	2005
25,632,654	22,840,146	19,978,686	18,389,994	16,682,152
7,310,329	7,135,533	6,694,623	5,867,984	6,196,627
3,493,390	2,798,377	2,841,136	2,385,744	2,186,628
1,434,161	1,413,042	1,289,939	1,189,547	1,123,216
2,590,573	2,679,714	2,087,999	1,985,956	1,452,473
5,183,740	5,216,577	4,781,180	4,011,887	2,685,530
4,693,862	4,511,428	3,903,490	3,707,823	3,596,527
2,625,767	1,984,393	2,103,016	1,675,469	1,846,703
17,345	22,305	2,855	8,203	713
112,879	111,639	121,130	142,590	5,130
3,341,005	9,739,160	16,166,714	7,242,583	4,949,087
5,520,000	5,365,000	7,655,000	9,510,000	11,975,000
2,128,980	2,230,458	2,592,150	1,085,413	1,155,598
-	20,500	5,274	2,450	3,900
1,946,449	1,771,545	1,606,455	1,408,173	1,261,795
66,031,134	67,839,817	71,829,647	58,613,816	55,121,079
12.20%	13.10%	18.40%	20.60%	26.20%

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	Long-term Debt Interest	Totals
2013-14	\$ 49,337,355	5,516,009	5,711,829	5,672,497	3,309,073	7,168,206	2,591,867	79,306,836
2012-13	49,036,745	5,343,734	5,251,380	4,919,762	3,222,225	3,131,337	1,595,681	72,500,864
2011-12	44,757,711	5,002,909	5,043,599	4,886,355	3,591,054	2,418,294	1,642,172	67,342,094
2010-11	42,997,915	4,686,030	5,308,433	4,836,685	3,197,520	2,483,617	1,803,086	65,313,286
2009-10	41,075,403	4,346,593	5,122,778	4,912,963	2,829,785	2,555,021	1,952,509	62,795,052
2008-09	38,263,152	4,002,746	4,781,632	4,712,151	2,302,013	2,113,531	2,128,980	58,304,205
2007-08	34,346,658	4,069,979	4,929,567	4,488,374	2,097,710	2,632,997	2,220,610	54,785,895
2006-07	30,666,801	3,364,566	4,344,754	3,896,886	2,048,069	2,220,161	2,058,741	48,599,978
2005-06	28,211,145	3,103,750	4,048,697	3,717,675	1,759,129	1,880,582	1,752,411	44,473,389
2004-05	26,518,342	2,563,853	2,741,465	3,640,341	1,724,913	2,153,539	1,162,844	40,505,297



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

Source: District Audits



**JOHNSTON
COMMUNITY**

SCHOOL DISTRICT

Excellence In Education

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

Year ended June 30,	2014	2013	2012	2011
Deficiency of revenues under expenditures	\$ (522,264)	(3,219,317)	(5,626,643)	468,529
Other financing sources (uses):				
Transfers in	1,897,301	2,861,855	3,654,751	5,077,667
Transfers out	(1,832,301)	(2,796,855)	(3,654,751)	(5,077,667)
Sale of bonds	54,747,368	-	-	-
Sale of property/equipment	3,233	8,652	4,347	-
Proceeds from capital lease/lease purchase	-	1,259,869	-	-
General obligation bond proceeds	-	9,374,113	-	-
Net change in fund balances	\$ 54,293,337	7,488,317	(5,622,296)	468,529

Source: Certified Annual Report

2010	2009	2008	2007	2006	2005
(3,212,295)	(1,127,792)	(6,011,789)	(14,167,027)	(7,520,076)	(8,631,639)
6,310,309	5,112,753	5,397,505	5,392,773	1,248,028	11,225,244
(6,310,309)	(5,116,982)	(5,397,505)	(5,392,773)	(1,248,028)	(11,241,792)
-	-	10,069,074	-	36,920,000	12,155,000
-	19,997	358	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(3,212,295)	(1,112,024)	4,057,643	(14,167,027)	29,399,924	3,506,813

**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
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%
2007-08	48,564,115	8.8%	48,550,653	12.3%	5,638.1	4.5%	2,523,734,642	5.6%	13.12585	-0.2%
2006-07	44,636,256	12.0%	43,241,313	10.4%	5,396.7	4.1%	2,390,757,791	14.5%	13.14847	-0.2%
2005-06	39,844,239	11.9%	39,164,333	12.4%	5,186.0	6.1%	2,088,056,971	14.5%	13.17896	0.3%
2004-05	35,613,671	9.9%	34,831,387	11.0%	4,885.6	5.9%	1,823,992,060	14.5%	13.13583	4.7%
2003-04	32,405,251	8.8%	31,379,456	5.1%	4,613.2	5.2%	1,592,788,804	11.7%	12.54170	5.5%

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
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
2008-09	2,693,831,446	-	6,502,115	49,155,386	2,749,488,947	1,584,618,486	17.3462
2007-08	2,464,922,044	-	6,159,060	52,653,538	2,523,734,642	1,492,882,000	17.3475
2006-07	2,335,185,718	-	7,145,933	48,426,140	2,390,757,791	1,430,062,685	17.2105
2005-06	2,036,768,916	-	6,522,610	44,765,445	2,088,056,971	1,290,069,326	16.7377
2004-05	1,775,241,092	-	6,213,831	42,537,137	1,823,992,060	1,106,229,055	15.6545

Source: Polk County Auditor

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

Levy Year	Collection Year	Overlapping Rates					District Direct Rates				Ratio of Johnston CSD to Total	
		Polk County	State	Area XI Community College	City	Special	Johnston General Purpose	Johnston Capital Purpose	Johnston Debt Service	Johnston Community School District		
City of Des Moines												
2012	2013-14	\$ 10.93115	0.00330	0.69120	16.92001	0.06911	13.41003	1.67000	1.91881	17.35444	45.96921	0.37752
2011	2012-13	10.66459	0.00330	0.58466	16.91982	0.06011	13.32548	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
2007	2008-09	10.72611	0.00350	0.56386	16.57606	0.33994	14.05536	1.67000	1.61817	17.34353	45.55300	0.38073
2006	2007-08	10.76215	0.00350	0.60276	16.59028	0.35918	13.89265	1.67000	1.78548	17.34813	45.66600	0.37989
2005	2006-07	10.77509	0.00400	0.68688	16.45083	0.38507	14.15140	1.67000	1.52483	17.34623	45.64810	0.38000
2004	2005-06	9.94318	0.00400	0.68408	16.52000	0.40073	13.89207	1.67000	1.78541	17.34748	44.89947	0.38636
2003	2004-05	9.96460	0.00400	0.59856	17.05539	0.41222	13.90421	1.67000	1.63632	17.21053	45.24530	0.38038
City of Grimes												
2012	2013-14	\$ 10.70915	0.00330	0.69120	12.91302	-	13.41003	1.67000	1.91881	17.35444	41.67111	0.41646
2011	2012-13	10.44259	0.00330	0.58466	12.90968	-	13.32548	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
2007	2008-09	10.17930	0.00350	0.56386	12.96278	-	14.05536	1.67000	1.61817	17.34353	41.05297	0.42247
2006	2007-08	10.21360	0.00350	0.60276	12.92590	-	13.89265	1.67000	1.78548	17.34183	41.08759	0.42207
2005	2006-07	10.21647	0.00400	0.68688	12.74622	-	14.15140	1.67000	1.52483	17.34623	40.99980	0.42308
2004	2005-06	9.55090	0.00400	0.68408	12.82953	0.39228	13.89207	1.67000	1.78541	17.34748	40.80827	0.42510
2003	2004-05	9.60980	0.00400	0.59856	12.84260	0.35480	13.90421	1.67000	1.63632	17.21053	40.62029	0.42369
City of Johnston												
2012	2013-14	\$ 10.73715	0.00330	0.69120	11.15007	-	13.41003	1.67000	1.91881	17.35444	39.93616	0.43455
2011	2012-13	10.47059	0.00330	0.58466	11.29000	-	13.32548	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
2007	2008-09	10.19335	0.00350	0.56386	11.30102	-	14.05536	1.67000	1.61817	17.34353	39.40526	0.44013
2006	2007-08	10.22677	0.00350	0.60276	11.30298	-	13.89265	1.67000	1.78548	17.34813	39.48414	0.43937
2005	2006-07	10.24358	0.00400	0.68688	11.30567	-	14.15140	1.67000	1.52483	17.34623	39.58636	0.43819
2004	2005-06	9.55090	0.00400	0.68408	10.74278	0.39228	13.89207	1.67000	1.78541	17.34748	38.72152	0.44801
2003	2004-05	9.60980	0.00400	0.59856	10.80991	0.35480	13.90421	1.67000	1.63632	17.21053	38.58760	0.44601
City of Urbandale												
2012	2013-14	\$ 10.78915	0.00330	0.69120	9.57000	0.06911	13.41003	1.67000	1.91881	17.35444	38.47720	0.45103
2011	2012-13	10.52259	0.00330	0.58466	9.62000	0.06011	13.32548	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
2007	2008-09	10.35478	0.00350	0.56386	9.22000	0.33994	14.05536	1.67000	1.61817	17.34353	37.82561	0.45851
2006	2007-08	10.33434	0.00350	0.60276	9.22000	0.35918	13.89265	1.67000	1.78548	17.34183	37.86161	0.45803
2005	2006-07	10.30640	0.00400	0.68688	9.07393	0.38507	14.15140	1.67000	1.52483	17.34623	37.80251	0.45886
2004	2005-06	9.55090	0.00400	0.68408	9.07010	0.79301	13.89207	1.67000	1.78541	17.34748	37.44957	0.46322
2003	2004-05	9.60980	0.00400	0.59856	9.07306	0.76702	13.90421	1.67000	1.63632	17.21053	37.26297	0.46187

Source: Polk County Auditor

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

Taxpayer	2014			2005		
	2012 Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
DuPont Pioneer	\$ 77,745,235	1		\$ 64,198,400	1	
John Deere Credit	49,514,000	2				
Cole OFC Johnston IA LLC	27,759,285	3				
MFR Partners III	20,088,307	4				
Centro GA Haymarket Square LLC	18,656,100	5				
Gabus Family Trust	13,765,000	6				
Mid-American Inv. Co.	12,934,250	7		15,836,000	5	
Wal-Mart	12,030,316	8		-		
Village Court	11,043,241	9		24,199,300	3	
Mansions at Hemingway LLC	10,776,680	10		21,149,600	4	
Deutsch Bank				27,643,000	2	
Galileo Apollo Vi Sub LLC				13,603,000	6	
Target Corp.				13,139,000	7	
Interstate Business Park				12,892,000	8	
Green Meadows LTD				12,144,000	9	
Spirit SPE Johnston LLC				11,660,000	10	
Total	\$ 254,312,414		12.70%	\$ 216,464,300		16.57%
Total taxable value	\$ 2,001,735,565					

*Basis for taxes paid in FY14
Source: Polk County Auditor

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

Employer	2014			2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
DuPont Pioneer	2,910	1	*	1,400	1	*
Childserve	946	2	*		*	*
John Deere Credit	910	3	*		*	*
Johnston Community Schools	879	4	*	514	3	*
Iowa National Guard	700	5	*	750	2	*
Heartland Area Education Agency	325	6	*	215	5	*
Bishop Drumm Care Center	245	7	*	120	9	*
Children's Habilitation Center	175	8	*	185	7	*
Iowa Public Television	100	9	*	100	10	*
ITS Inc.	139	10	*	150	8	*
Village Square Shopping Center				235	4	*
Maurices				200	6	*
Total	7,329			3,869		

*Information not available
Source: City of Johnston/audit

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Year ended June 30,	Taxes 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
2014	\$ 32,594,758	32,433,674	99.51%	\$ (72,054)	32,361,620	99.28%
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%
2009	26,504,811	26,457,754	99.82%	10,201	26,467,955	99.86%
2008	24,845,334	24,792,959	99.79%	10,390	24,803,349	99.83%
2007	23,739,889	23,704,456	99.85%	465	23,704,921	99.85%
2006	21,014,237	21,009,964	99.98%	1,422	21,011,386	99.99%
2005	19,436,154	19,389,521	99.76%	4,288	19,393,809	99.78%
2004	17,266,798	17,300,731	100.20%	(183)	17,300,548	100.20%

Source: Polk County Cash Management

PROPERTY TAX RATES**Last Ten Fiscal Years**

Fiscal Year	General	Mngt.	Reg. PPEL	Voted PPEL	Debt Service	Total
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
2008-09	13.30651	0.74885	0.33000	1.34000	1.61817	17.34353
2007-08	13.12585	0.76680	0.33000	1.34000	1.78548	17.34813
2006-07	13.14847	1.00293	0.33000	1.34000	1.52483	17.34623
2005-06	13.17896	0.71311	0.33000	1.34000	1.78541	17.34748
2004-05	13.13583	0.76838	0.33000	1.34000	1.63632	17.21053

Source: District records

PROPERTY TAX LIABILITY**Last Ten Fiscal Years**

Fiscal Year	Assessed Value	Rollback	Taxable Value	Rate	Tax Liability	Change Dollars	Percent
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%
2008-09	200,000	44.08%	88,160	17.34942	1,530	(51)	-3.2%
2007-08	200,000	45.56%	91,120	17.34772	1,581	(15)	-0.9%
2006-07	200,000	46.00%	92,000	17.34623	1,596	(68)	-4.1%
2005-06	200,000	47.96%	95,920	17.34748	1,664	(4)	-0.2%
2004-05	200,000	48.46%	96,912	17.21053	1,668	(52)	-3.0%

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		Legal	General	Debt to	
		Property		Debt Limit (5%)	Obligation Bonds	Assessed Value	Per Capita
2014	17,278	\$	3,134,052,888	156,702,644	37,212,468	1.19%	2,154
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
2009	15,691		2,749,488,947	137,474,447	45,235,000	1.65%	2,883
2008	15,691		2,523,734,642	126,186,732	47,690,000	1.89%	3,039
2007	15,261		2,390,757,791	119,537,890	40,055,000	1.68%	2,625
2006	15,076		2,088,056,971	104,402,849	44,835,000	2.15%	2,974
2005	13,596		1,823,992,060	91,199,603	16,815,000	0.92%	1,237

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			
2014	\$ 37,212,468	55,075,069	-		92,287,537	\$ 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
2009	45,235,000	2,470,000	2,780,000		50,485,000	2,749,488,947
2008	47,690,000	4,885,000	3,430,000		56,005,000	2,700,333,561
2007	40,055,000	7,250,000	4,065,000		51,370,000	2,390,757,791
2006	44,835,000	9,500,000	4,690,000		59,025,000	2,084,408,874
2005	16,815,000	9,500,000	5,300,000		31,615,000	1,955,589,136

* 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
2.94%	17,278	5,341	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%
1.84%	15,691	3,217	926,426,360	5.45%
2.07%	15,691	3,569	935,709,569	5.99%
2.15%	15,261	3,366	856,194,778	6.00%
2.83%	15,076	3,915	770,426,024	7.66%
1.62%	13,596	2,325	695,323,539	4.55%

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2014

Debt limit (5% of assessed value)
 Debt applicable to limit
 Legal debt margin

Year ended June 30,	2014	2013	2012	2011	2010
Debt limit	\$ 156,702,644	152,776,876	154,445,487	150,913,560	145,903,098
Total net debt applicable to limit	92,287,537	40,620,000	92,287,537	40,665,000	44,815,000
Legal debt margin	\$ 64,415,107	112,156,876	62,157,950	110,248,560	101,088,098
Total net debt applicable to the limit as a percentage of debt limit	59%	27%	60%	27%	31%

Source: Polk County Auditor and District Records

\$3,134,052,888

156,702,644
92,287,537

\$64,415,107

2009	2008	2007	2006	2005
141,405,787	135,016,678	126,186,732	104,220,444	97,687,634
50,485,000	56,005,000	51,370,000	59,025,000	31,615,000
<u>90,920,787</u>	<u>79,011,678</u>	<u>74,816,732</u>	<u>45,195,444</u>	<u>66,072,634</u>
36%	41%	41%	57%	32%

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 2014

Actual assessed value	\$ 3,134,052,888
	0.05
Debt Limit:	<u>\$ 156,702,644</u>

Total Direct Debt = \$ 92,287,537 or 58.9% of debt limit.

*Includes TIF valuation of \$173,836,659

OVERLAPPING AND UNDERLYING DEBT

Issuer	Outstanding Debt	Total Taxable Valuation	Valuation Within Issuer	Percent Applicable	Amount Applicable
Polk County	\$234,764,917	20,922,162,763	2,035,596,241	9.73%	22,841,166
DMACC	69,105,000	20,922,162,763	2,035,596,241	9.73%	6,723,486
Heartland AEA 11	-	20,922,162,763	2,035,596,241	9.73%	-
Urbandale San Sewer Dist	-	1,970,094,305	403,500,675	20.48%	-
City of Des Moines	415,197,566	7,200,627,853	139,859,661	1.94%	8,064,490
City of Grimes	26,141,639	515,058,990	132,823,662	25.79%	6,741,419
City of Johnston	56,065,000	1,243,983,313	1,243,983,313	100.00%	56,065,000
City of Urbandale	44,375,000	162,840,504	398,446,486	244.69%	108,579,023
Subtotal, overlapping debt	<u>845,649,122</u>				<u>209,014,583</u>
District direct debt:					
General obligation	37,212,468			100%	37,212,468
Capital loan notes	0			100%	0
Sales tax revenue	55,075,069			100%	55,075,069
Total direct debt	<u>92,287,537</u>				<u>92,287,537</u>
Total direct and overlapping debt	<u>\$937,936,659</u>				<u>\$301,302,120</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

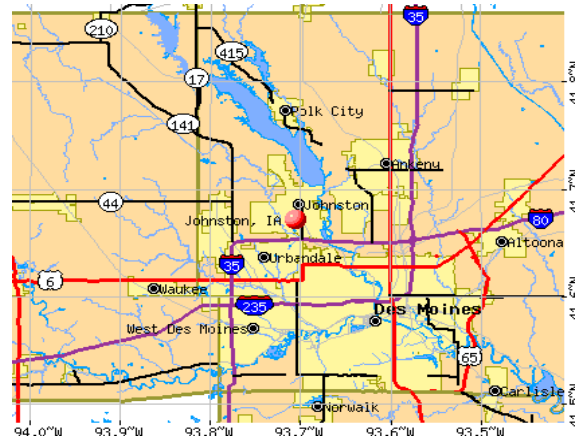
Year Ended June 30,	Bonds Issued	Local Option Sales Tax Revenue Bonds				Coverage
		Revenue	Debt Service		Total	
			Principal	Interest		
2014	\$ 55,075,069	*	*	*	*	*
2013	*	*	*	*	*	*
2012	*	*	*	*	*	*
2011	*	*	*	*	*	*
2010	*	*	*	*	*	*
2009	-	5,690,221	2,415,000	112,532	2,527,532	2.25129533
2008	-	5,452,532	2,365,000	185,666	2,550,666	2.13768953
2007	-	5,541,955	2,350,000	1,834,225	4,184,225	1.32448781
2006	-	4,710,741	-	-	-	*
2005	12,155,000	4,485,570	10,140,000	229,231	10,369,231	0.43258463

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 DuPont Pioneer, Childserve, and John Deere Credit. DuPont Pioneer is an internationally known producer of hybrid seeds. With over 2,900 employees within the District, Pioneer's facilities within Johnston include the Central Division Offices, Plant Breeding Division, Pioneer Data Systems Division, and Green Meadows Limited. 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 American Institute of Business, all in Des Moines; Iowa State University of Science and Technology, 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 *** - %
2014	17,278	N/A	N/A	N/A	4.8
2013	17,278	N/A	N/A	N/A	5.4
2012	17,278	\$1,154,230,470	69,132	66,803	5.4
2011	17,278	1,061,293,731	63,566	61,425	6.1
2010	15,691	1,012,094,482	62,976	64,502	6.4
2009	15,691	911,095,733	58,784	58,065	6
2008	15,691	926,426,360	61,446	59,042	3.9
2007	15,261	935,709,569	63,172	61,314	3.6
2006	15,076	856,194,778	60,878	56,792	3.5
2005	13,596	770,426,024	59,424	56,666	4.0

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
2014	N/A	N/A	N/A	N/A
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
2009	156.1	3,300.1	6,471.3	33,559.9
2008	174.1	3,470.7	6,571.6	33,089.0
2007	134.0	3,418.1	6,473.5	31,645.7
2006	126.1	3,502.6	6,462.9	31,108.3
2005	124.3	3,418.1	6,173.6	29,805.3

* Year ended March 31 through 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, 2014 Deposits inside Market
Wells Fargo Bank	\$ 81,804,000
Charter Bank	77,859,000
Grinnell State Bank	58,803,000
Community State Bank	29,226,000
Bank of the West	25,178,000
Bank Iowa	12,942,000
First Bank	7,678,000
Greater Southern Bank	5,719,000
ITS Bank	500,000
	<u>\$ 299,709,000</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
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
2008	78	22	0	100
2007	130	16	52	198
2006	190	79	96	365
2005	269	100	0	369
2004	324	65	0	389
Total	1,219	344	269	1,642

Source: City of Johnston Planning Department

DISTRICT STAFFING LEVELS -- General Fund (FTE)

Last Ten Fiscal Years

	For Fiscal Year ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
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	7.0	7.0	7.0	7.0
Assist. Principals	9.0	4.0	4.0	4.0	4.0	4.0	9.0	9.0	9.0	4.0
Other Admin.	9.0	10.0	8.0	8.0	8.0	8.0	3.0	2.0	2.0	2.0
Total Administration	28.0	23.0	22.0	22.0	22.0	22.0	21.0	20.0	20.0	15.0
Supervisors/ Coordinators/Managers	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Instruction:										
Teachers	425.0	425.7	415.5	405.6	400.4	393.5	364.1	331.2	324.3	309.0
Counselors, Deans	10.5	15.5	15.5	11.5	12.5	14.5	12.0	11.0	9.5	7.0
Media Spec.	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0	6.0
Other Instructors	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0
Total Instruction	446.5	452.2	442.0	428.1	423.9	419.0	387.1	353.2	344.8	326.0
Professional/Other										
Nurses	8.0	8.0	8.3	8.3	8.3	7.3	7.0	6.0	6.0	6.0
Other Professional Staff	5.7	6.6	6.5	8.0	8.0	8.0	7.5	6.0	6.0	10.0
Total Professional/Other	13.7	14.6	14.8	16.3	16.3	15.3	14.5	12.0	12.0	16.0
Instructional Support Personnel:	125.6	139.6	139.2	137.5	135.0	135.0	124.0	114.6	114.6	112.0
Support Personnel:										
Office/Clerical	29.0	29.0	29.5	30.0	32.0	32.0	29.0	25.0	24.0	22.5
Transportation	51.2	47.4	55.0	52.5	52.0	55.0	55.0	48.0	40.0	26.1
Op. & Maintenance	40.6	42.6	42.5	42.5	41.5	44.0	44.0	38.0	38.0	35.8
Service Personnel	5.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	0.0
Total Support Personnel	125.8	123.0	131.0	129.0	129.5	136.0	133.0	116.0	107.0	84.4
Grand Totals	742.6	755.4	752.0	735.9	729.7	730.3	682.6	618.8	601.4	556.4
Certified Enrollment	6,409.0	6,269.0	6,148.0	6,094.0	5,972.0	5,776.0	5,638.0	5,398.0	5,167.0	4,920.0
Employees/Student	8.6	8.3	8.2	8.3	8.2	7.9	8.3	8.7	8.6	8.8
Pupil/Teacher	14.4	13.9	13.9	14.2	14.1	13.8	14.6	15.3	15.0	15.1

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
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%
2008-09	52,232,942	5,773	9,048	13.40%
2007-08	48,563,110	5,666	8,571	11.20%
2006-07	43,254,757	5,236	8,261	10.70%
2005-06	39,164,333	4,958	7,899	9.20%
2004-05	34,831,387	4,898	7,111	6.80%

Source: 2014 Certified Annual Report/Student Reporting in Iowa



**JOHNSTON
COMMUNITY**

SCHOOL DISTRICT

Excellence In Education

GENERAL ANALYSIS OF FACILITIES

Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009
Elementary Schools:						
Lawson K-5 (1958, 1960, 1967, 1998)						
Square Feet	82,532	82,532	82,532	63,353	63,353	63,353
Number of classrooms	47	47	47	38	38	38
Enrollment	615	615	478	492	502	474
Wallace PK-5 (1987, 1989)						
Square Feet	66,064	66,064	66,064	66,064	66,064	66,064
Number of classrooms	44	44	44	44	44	44
Enrollment	513	513	536	563	553	505
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	767	767	846	796	746	670
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	729	729	686	702	687	610
Timber Ridge K-5 (2007)						
Square Feet	122,181	116,681	111,281	111,281	111,281	111,281
Number of classrooms	48	48	42	42	42	42
Enrollment	505	505	536	548	569	540
Middle Schools:						
Summit Middle School 6-7 (2004, 2007)						
Square Feet	191,680	191,680	191,680	184,680	184,680	184,680
Number of classrooms	75	75	75	66	66	66
Enrollment	1017	1017	1007	968	948	913
Johnston Middle School 8-9 (1984, 1990, 2007)						
Square Feet	176,366	176,366	176,366	176,366	176,366	176,366
Number of classrooms	68	68	68	68	68	68
Enrollment	999	999	972	947	862	813
High School:						
Johnston High School 9-12 (1972, 1977, 1994, 2008)						
Square Feet	263,829	263,829	263,829	263,829	263,829	263,829
Number of classrooms	88	88	88	88	88	88
Enrollment	1360	1360	1310	1292	1320	1287
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

2008	2007	2006	2005
63,353	63,353	63,353	63,353
38	38	38	38
486	500	454	464
66,064	66,064	66,064	66,064
44	44	44	44
482	568	553	499
96,125	96,125	96,125	96,125
45	45	45	45
653	858	799	743
100,506	100,506	100,506	100,506
44	44	44	44
571	650	605	579
111,281	N/A	N/A	N/A
42	N/A	N/A	N/A
537	N/A	N/A	N/A
184,680	184,680	176,680	176,680
66	67	66	66
832	793	833	826
176,366	168,366	168,366	168,366
68	68	68	68
846	854	792	785
263,829	213,829	213,829	213,829
71	71	71	71
1,249	1,175	1,120	1,015
16,509	16,509	16,509	16,509
17,040	17,040	6,400	6,400
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, 2014

Company	Type of Policy	Period	
		From	To
Employers Mutual Companies	Business Protection - property coverage	7/1/2013	6/30/2014
Employers Mutual Companies	Business Protection - General Comprehensive Liability	7/1/2013	6/30/2014
Employers Mutual Companies	Business Protection - Automobile	7/1/2013	6/30/2014
Employers Mutual Companies	Business Protection- Crime Coverage	7/1/2013	6/30/2014
Employers Mutual Companies	Workers' Compensation	7/1/2013	6/30/2014
Employers Mutual Companies	Umbrella Liability	7/1/2013	6/30/2014
Employers Mutual Companies	Linebacker Policy - Errors and Omission Coverage	7/1/2013	6/30/2014
Employers Mutual Companies	Pollution Liability	7/1/2013	6/30/2014
Employers Mutual Companies	Excess Liability	7/1/2013	6/30/2014
Employers Mutual Companies	Flood	7/1/2013	6/30/2014
Employers Mutual Companies	Earthquake	7/1/2013	6/30/2014
Employers Mutual Companies	Data Compromise	7/1/2013	6/30/2014
Employers Mutual Companies	Violent Event	7/1/2013	6/30/2014

Source: District Records

Note: The dollar amount for self insured reflects the amount paid during fiscal year 2014.

Liability Limits	Annual Premium
Building and property replacement; blanket boiler and vessels - business interruption and extra expense	\$ 186,497
General aggregate - \$2,000,000; personal advertising limit - \$1,000,000; products/completed operations - \$2,000,000 aggregate; fire damage - \$100,000; any one occurrence limit \$1,000,000; medical expense - \$5,000	24,492
\$1,000,000 liability insurance/\$5,000 auto medical per person; \$1,000,000 uninsured motorist; \$1,000,000 underinsured motorist	89,743
Employee Theft per employee \$1,000,000; forgery or alterations \$10,000; Computer Fraud \$1,000,000; Funds Transfer fraud \$1,000,000	4,094
Self Insured-\$350,000 retention per occurrence, \$500,000 employer's liability maximum limit of indemnity per occurrence	66,576
\$10,000,000 Umbrella	31,092
\$1,000,000 Linebacker \$5,000 insured deductible each wrongful act	11,992
\$500,000 each incident, \$1,000,000 aggregate	1,125
DIC \$15,000,000 limit	11,472
Transportation Bldg, MS, HS, WL, TR \$500,000 Bldg/Contents	-
\$15,000,000 limit with \$50,000 deductible	5,252
\$250,000 limit	1,339
\$100,000 limit	585
Total Premium	<u>\$ 434,259</u>



**JOHNSTON
COMMUNITY**
SCHOOL DISTRICT

Excellence In Education

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

Grantor/Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
School Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 14	\$ 63,498
National School Lunch Program	10.555	FY 14	817,221
			880,719
Child and Adult Care Food Program	10.558	FY 14	4,261
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 13	52,313
Title I Grants to Local Educational Agencies	84.010	FY 14	289,446
			341,759
Title I Program for Neglected & Delinquent Children	84.013	FY 14	59,948
Vocational Education - Basic Grants to States	84.048	FY 14	41,542
Improving Teacher Quality State Grants	84.367	FY 14	60,128
Grants for State Assessments	84.369	FY 14	34,645
Heartland Area Education Agency			
Special Education - Grants to States	84.027	FY 14	288,564
U.S. Department of Health and Human Service Centers for Disease Control and Prevention			
Iowa Department of Education:			
National Program to Improve the Health and Educational Outcomes of Young People	93.938	FY 14	509
Total			\$ 1,712,075

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, 2014

Note 1. Basis of Presentation

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

Note 2. Significant Accounting Policies

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

Note 3. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of \$207,867 related to USDA Commodities grants provided by the U.S. Department of Agriculture passed through the Iowa Department of Education, CFDA No. 10.555.



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CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Education of
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, Johnston, Iowa, as of and for the year ended June 30, 2014, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 29, 2014.

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 that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

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

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 29, 2014



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CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Education of 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) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Johnston Community School District's major federal programs for the year ended June 30, 2014. 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 the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 major federal program. 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, 2014.

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 with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Van Maanen, Sietstra, Meyer & Nikkel PC

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

October 29, 2014

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) Major programs were as follows:
 - Clustered programs:
 - CFDA Number 10.553 - School Breakfast Program
 - CFDA Number 10.555 - National School Lunch Program
 - CFDA Number 84.010 – Title I
 - CFDA Number 84.013 – Title I Program for Neglected and Delinquent Children
- (g) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (h) 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.

**Johnston Community School District
Schedule of Findings and Questioned Costs
Year ended June 30, 2014**

Part IV: Other Findings Related to Required Statutory Reporting

- IV-A-14 Certified Budget – Expenditures for the year ended June 30, 2014 did not exceed the certified budget amounts.
- IV-B-14 Questionable Expenditures - No expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-14 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-14 Business Transactions - No business transactions were noted between the District and District officials or employees.
- IV-E-14 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-F-14 Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-G-14 Certified Enrollment – A variance in the basic enrollment data certified to the Department of Education was noted.

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

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

Conclusion - Response accepted.
- IV-H-14 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-14 Deposits and Investments - No instances of noncompliance were noted with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy.
- IV-J-14 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-14 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, 2014**

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

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

Beginning balance, as restated		\$	4,348,440
Revenues/transfers in:			
Sales tax revenues	\$	5,449,133	
Other local revenues		42,299	
Revenue bonds issued		52,640,000	
Premiums on revenue bonds issued		2,619,916	60,751,348
			<u>65,099,788</u>
Expenditures/transfers out:			
School infrastructure construction		3,526,796	
Instructional staff services		695,823	
Administration		175,337	
Community services		85,401	
Discounts on revenue bonds issued		512,548	
Transfers to other funds:			
Debt service funds		1,832,301	6,828,206
			<u>6,828,206</u>
Ending balance		\$	<u>58,271,582</u>

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

	<u>Rate of Levy</u>	
	<u>Reduction Per</u>	
	<u>\$1,000 of</u>	
	<u>Taxable</u>	<u>Property Tax</u>
	<u>Valuation</u>	<u>Dollars Reduced</u>
Debt service levy	\$ 0.70000	1,401,933