



**Johnston Community School District
Johnston, Iowa**

Comprehensive Annual Financial Report

Year Ended June 30, 2015

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

Johnston, Iowa

Fiscal Year Ended June 30, 2015

OFFICIAL ISSUING REPORT

Jan Miller-Hook, Chief Financial Officer

OFFICE ISSUING REPORT

Business Office

Johnston Community School District
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Johnston Community School District
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Johnston, IA 50131-0010 ph.515-278-0470 fax 515-278-5884
Jan Miller-Hook, Chief Financial Officer

November 13, 2015

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, 2015. 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 2015 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 2014 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 6,617 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 5.0% annual increase in the tax base over the past ten years. In fiscal year 2015, the increase was 1.7%. The District also expects continued enrollment growth during the foreseeable future. The district's enrollment growth has averaged 3.1% annually over the last ten years. While the District has seen annual certified enrollment increases slow down from an average increase of 173 students during the last ten years to an average of 129 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%, and fiscal year 2015 was based on more adequate funding of 4%.

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 \$1.9 million as a result of 4% supplemental state aid funding along with approximately \$1.0 M budget reductions for the year. This helped the district increase financial solvency from 6.7% to 8.9% and increase unspent balance from 7.21% to 8.37%. 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 8.9% and unspent unreserved ratio of 8.37% 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 supplemental state aid each year. Under the law, the legislature has thirty (30) days after receiving the governor's budget recommendation to set the state percent of growth for the year following the budget year. To illustrate, the 2014 Legislative Session should have set the supplemental state aid for fiscal year 2016 according to law, but instead set it late in the 2015 Legislative Session. And once again, the supplemental state aid for fiscal year 2017 should have been set as well in the 2015 Legislative Session, but will instead be set during the 2016 Legislative Session. 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, 2014. 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, 2015. It is our hope that study and review of this report will provide a better understanding of the District's financial operation for the District patrons.

Respectfully submitted,

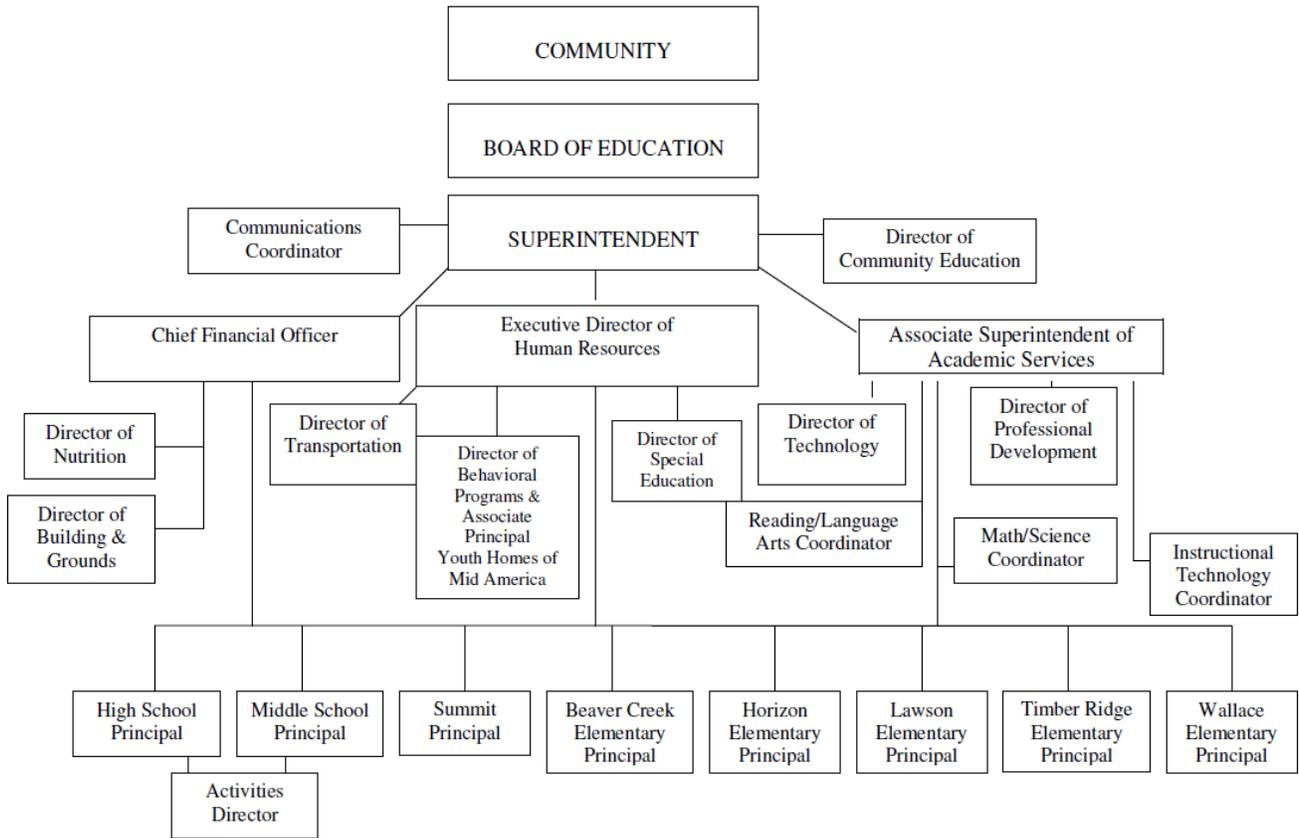


Jan Miller-Hook
Chief Financial Officer



Dr. Corey Lunn
Superintendent of Schools

Johnston Community School District, Organizational Chart, Year Ended June 30, 2015



**Johnston Community School District
Board of Education and School District Administration
Year Ended June 30, 2015**

<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		
Dr. Corey Lunn	Superintendent of Schools	
Tom Mitchell	Executive Director of Human Resources	
Dr. Bruce Amendt	Associate Superintendent of Academic Services	
Jan Miller-Hook	Chief Financial Officer	
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	
Denise Johnson	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	Director of Special Education	
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, 2014

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, 2014*

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



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

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, appearing to read '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, 2015, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Johnston Community School District as of June 30, 2015, and the respective changes in financial position and where applicable cash flows, thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 14 to the financial statements, Johnston Community School District adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 11 through 19 and 55 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Johnston Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014, (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 November 13, 2015, 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

November 13, 2015

**Johnston Community School District
Management's Discussion and Analysis
Year ended June 30, 2015**

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, 2015. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

Financial Highlights

- The district showed a decrease of \$20,435,640 and an increase of \$761,739 in net position for governmental activities during the years ended June 30, 2015 and 2014, respectively. However, for 2015, this comparison is to a not-restated figure for 2014. GASB 68 was implemented in 2015 for the accounting of pensions in proprietary accounts. When compared to the restated net position for 2014 as shown in Note 13, it would be an actual increase of \$9,718,353.
- Total revenues for the fiscal year ended June 30, 2015 and 2014 of \$94,355,681 and \$86,486,062 were comprised of General Revenues in the amount of \$70,461,884 and \$65,334,038 and Program Revenues totaling \$23,893,797 and \$21,152,024 respectively.
- As of June 30, 2015, the District's governmental funds reported combined ending fund balances of \$51,324,358, a decrease of \$26,577,310 in comparison with 2014. This compares with June 30, 2014 balance of \$77,901,668, an increase of \$54,293,337 in comparison with 2013. This decrease for year ending 2015 consists primarily of a \$21 million decrease in the School Infrastructure Fund due to construction costs for the new high school, \$8.5 million reduction in the Debt service fund for the payment of refunding bonds offset by an increase of \$481,839 in State categorical balances, increase in the PPEL fund of \$618,627 due to less expenditures than revenues during the year, and an increase of \$1.9 million in the Unassigned fund balance due to budget reductions made for the year and adequate state funding at 4%.
- As of June 30, 2015, Unassigned fund balance for the General Fund was \$6,065,734 or 8.9% of total General Fund expenditures. This is an increase from the balance on June 30, 2014 of \$4,195,630 or 6.4% of expenditures. This increase is due to 4% supplemental state funding and approximately \$1 million in budget reductions.

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.

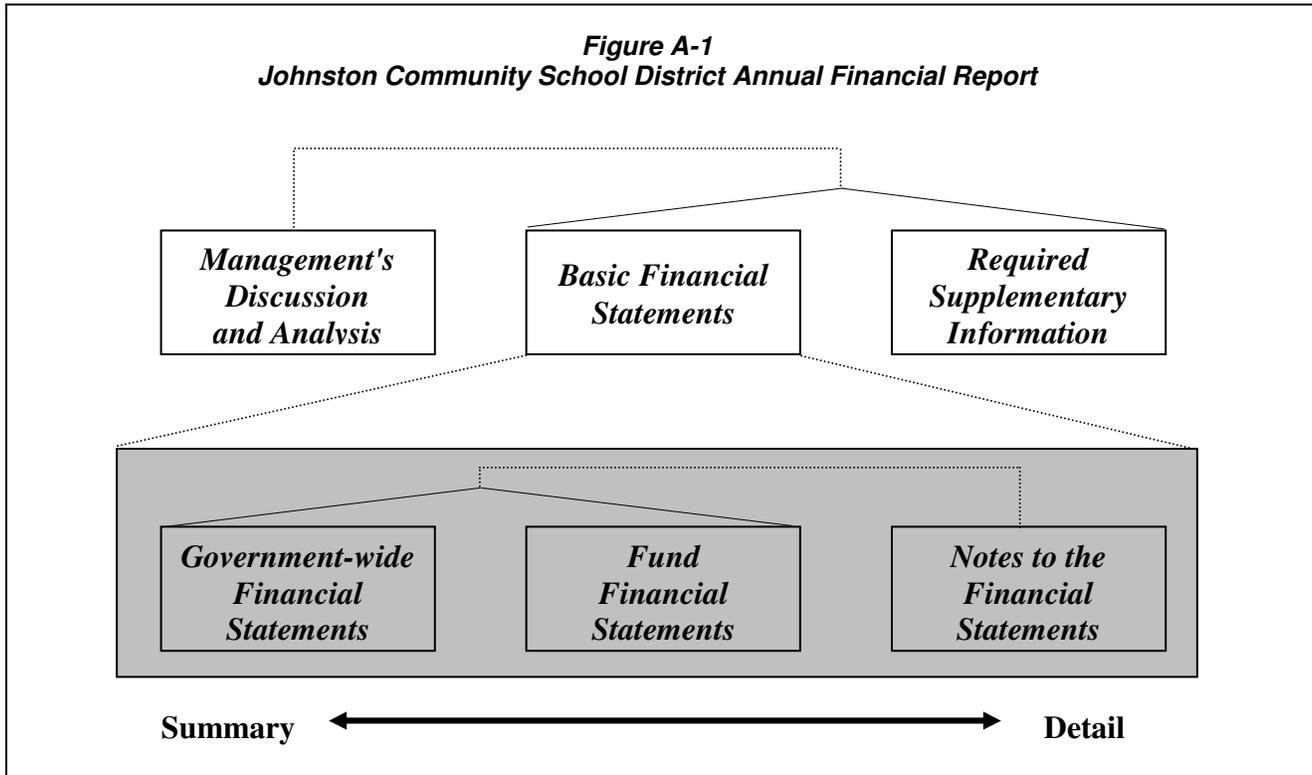


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents 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 deferred outflow/inflow information	Consumption/ acquisition of net position that is applicable to a future reporting period	Consumption/ acquisition of fund balance that is applicable to a future reporting period	Consumption/ acquisition of net position that is applicable to a future reporting period
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The Government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net position includes all of the District's assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

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

- Over time, increases or decreases in the District's net position 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, 2015 compared to June 30, 2014.

Figure A-3 Condensed Statement of Net Position							
	Governmental activities		Business type activities		Total		Total Change
	June 30,		June 30,		June 30,		June 30,
	2015	2014 (Not restated)	2015	2014 (Not restated)	2015	2014 (Not restated)	2014-2015
Current assets	\$ 109,047,610	128,705,784	3,613,540	3,370,101	112,661,150	132,075,885	-14.7%
Capital assets, net	116,922,763	96,697,748	513,677	614,448	117,436,440	97,312,196	20.7%
Total assets	225,970,373	225,403,532	4,127,217	3,984,549	230,097,590	229,388,081	0.3%
Deferred outflows of resources	5,156,105	-	370,021	-	5,526,126	-	0.0%
Total deferred outflows of resources	5,156,105	-	370,021	-	5,526,126	-	0.0%
Current liabilities	23,863,193	25,200,621	391,337	408,673	24,254,530	25,609,294	-5.3%
Long-term liabilities	97,352,886	79,888,350	1,837,062	75,524	99,189,948	79,963,874	24.0%
Total liabilities	121,216,079	105,088,971	2,228,399	484,197	123,444,478	105,573,168	16.9%
Deferred inflows of resources	45,041,516	35,010,038	663,646	-	45,705,162	35,010,038	0.0%
Total deferred inflows of resources	45,041,516	35,010,038	663,646	-	45,705,162	35,010,038	0.0%
Net Position:							
Net investment in capital assets	58,871,834	13,249,999	513,678	614,448	59,385,512	13,864,447	328.3%
Restricted	23,692,664	63,844,645	-	920	23,692,664	63,845,565	-62.9%
Unrestricted	(17,695,616)	8,209,879	1,091,515	2,884,984	(16,604,101)	11,094,863	-249.7%
Total net position	\$ 64,868,882	85,304,523	1,605,193	3,500,352	66,474,075	88,804,875	-25.1%

- 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 decreased from a year ago \$88,804,875 to \$66,474,075. The governmental activities net position decreased \$20,435,641 and the business type activities net position decreased \$1,895,159. Again, these decreases are primarily due to the implementation of GASB 68 for financial treatment of pensions. For a comparison to restated prior year, please see Note 13.

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 \$59,385,512 for 2015 and \$13,864,447 for 2014.

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 \$12,985,000.

Property tax and unrestricted state grants account for 73.7 percent of the total revenue. The District's expenses primarily relate to instruction and support services that account for 71.6 percent of the total expenses.

- The restricted portion of the District's net position (35.6 percent for 2015 and 71.9 percent for 2014) represents resources that are subject to external restrictions in how they may be used. This large decrease is due to the implementation of GASB 68 and financial reporting of pensions. Restrictions for 2015 include \$15,746,596 for capital projects, \$3,669,528 for physical plant and equipment levy, \$107,922 for internal services, \$805,689 for other special revenue purposes, \$1,101,695 for debt service, \$933,766 for management levy, \$1,283,366 for state categorical funding, and \$44,102 for other purpose restricted assets. The remaining balance of unrestricted net position of negative \$16,604,101 (due to GASB 68 implementation-financial accounting of pensions) for 2015 and \$11,094,863 for 2014 may be used to meet the government's ongoing obligations to students and creditors.
- The District's total net position decreased by \$22,330,800 during the current fiscal year as compared to an increase of \$1,016,736 in 2014. The governmental activities net position decreased by \$20,435,641 in 2015 and increased by \$761,799 in 2014. The business type activities (which include nutrition, community education, community preschool and daycare) decreased by \$1,895,159 in 2015, as compared to an increase of \$254,997 in 2014.

**Johnston Community School District
Management's Discussion and Analysis
Year ended June 30, 2015**

Governmental Activities

Revenues for governmental activities were \$87,477,818 and expenses were \$77,929,349 for the year ended June 30, 2015. Net position decreased by \$20,435,641.

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 for governmental activities and business type activities were restated by \$30,153,994 and \$2,163,967, respectively, to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

Figure A-4 highlights the District's revenues and expenses for the fiscal year ended June 30, 2015 and 2014. 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.

	Governmental activities		Business type activities		Total District		Total Change June 30, 2014-2015
	Year ended June 30,		Year ended June 30,		Year ended June 30,		
	2015	2014 (Not restated)	2015	2014 (Not restated)	2015	2014 (Not restated)	
Revenues:							
Program revenues:							
Charges for services	\$ 5,119,931	5,278,456	5,842,957	5,516,185	10,962,888	10,794,641	1.6%
Operating grants and contributions	11,896,003	9,391,081	1,034,906	966,302	12,930,909	10,357,383	24.8%
General revenues:							
Local taxes	35,634,773	32,393,934	-	-	35,634,773	32,393,934	10.0%
Statewide sales, services and use tax	6,074,567	5,449,133	-	-	6,074,567	5,449,133	11.5%
State grants	27,832,918	26,458,419	-	-	27,832,918	26,458,419	5.2%
Investment earnings	126,645	85,142	-	-	126,645	85,142	48.7%
Other	792,981	947,410	-	-	792,981	947,410	-16.3%
Total revenues	<u>87,477,818</u>	<u>80,003,575</u>	<u>6,877,863</u>	<u>6,482,487</u>	<u>94,355,681</u>	<u>86,486,062</u>	<u>9.1%</u>
Expenses:							
Program expenses:							
Instruction	49,803,088	49,337,355	-	-	49,803,088	49,337,355	0.9%
Support services - students & staff	5,020,825	5,516,009	-	-	5,020,825	5,516,009	-9.0%
Support services - administration, as restat	5,581,377	5,711,829	-	-	5,581,377	5,711,829	-2.3%
Operations and maintenance	5,219,346	5,672,497	-	-	5,219,346	5,672,497	-8.0%
Transportation	3,445,848	3,309,073	-	-	3,445,848	3,309,073	4.1%
Non-instructional activities	150,343	205,640	6,439,171	6,162,490	6,589,514	6,368,130	3.5%
Other	8,708,522	9,554,433	-	-	8,708,522	9,554,433	-8.9%
Total expenses	<u>77,929,349</u>	<u>79,306,836</u>	<u>6,439,171</u>	<u>6,162,490</u>	<u>84,368,520</u>	<u>85,469,326</u>	<u>-1.3%</u>
Excess (deficiencies) before transfers	9,548,469	696,739	438,692	319,997	9,987,161	1,016,736	882.3%
Transfers	169,884	65,000	(169,884)	(65,000)	-	-	-
Change in net position	9,718,353	761,739	268,808	254,997	9,987,161	1,016,736	882.3%
Net Position beginning of year, as restated	55,150,529	84,542,784	1,336,385	3,245,355	56,486,914	87,788,139	-35.7%
Net Position end of year	<u>\$ 64,868,882</u>	<u>85,304,523</u>	<u>1,605,193</u>	<u>3,500,352</u>	<u>66,474,075</u>	<u>88,804,875</u>	<u>-25.1%</u>

Business Type Activities

Revenues of the District's business-type activities were \$6,877,863 and expenses were \$6,439,171 for the year ended June 30, 2015. Net position decreased \$1,895,159. 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, 2015 the District's governmental funds reported combined fund balances of \$51,324,358 compared to the 2014 ending fund balances of \$77,901,668. The \$26,577,310 decrease for year ending 2015 is primarily due to \$21 million construction expenses for the new high school, the \$8 million payment of the refunding bonds, offset by an increase of \$1.9 million in the unassigned fund balance.

Governmental Fund Highlights

- The General Fund is the chief operating fund of the District. The District's General Fund balance increased by \$1,870,104 as the June 30, 2014 balance of \$4,195,630 increased to \$6,065,734 on June 30, 2015. 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 8.9% of total General Fund expenditures, and total fund balance represents approximately 10.8% of that same amount for 2015. For fiscal year 2014, unassigned fund balance represents 6.4% of total General Fund expenditures, while total fund balance represents approximately 7.7% of that same amount.
- The Debt Service Fund balance decreased from \$10,519,601 June 30, 2014 to \$2,265,914 June 30, 2015. The decrease in the Debt Service fund balance is a result of cash of payment of the refunding bonds during fiscal year 2015.
- The Capital Projects Fund balance decreased from \$60,348,483 June 30, 2014 to \$39,921,249 June 30, 2015. This decrease is due to the new high school construction costs for fiscal year 2015.
- The non-major special revenue funds balance decreased \$245,110 partially due to funds used to offer early retirement benefits to assist in budget reduction.

Proprietary Fund Highlights

The School Nutrition Fund net position decreased from \$2,212,124 on June 30, 2014 to \$1,566,334 on June 30, 2015 for a decrease of 29.2% due to the implementation of GASB 68 for financial accounting of pensions.

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.

**Johnston Community School District
Management's Discussion and Analysis
Year ended June 30, 2015**

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	\$ 56,480,830	49,954,394	6,526,436
Support services	24,430,956	20,227,806	4,203,150
Non-instructional programs	7,877,183	5,695,771	2,181,412
Other	123,225,063	44,782,426	78,442,637
\$	212,014,032	120,660,397	91,353,635

"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, 2015, the District had invested \$117,436,440 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, 2014 balance of \$97,312,196. See Figure A-5.

The original cost of the District's capital assets was \$166,791,013. Governmental funds account for \$164,428,319 with the remainder, \$2,362,694, in the Enterprise funds.

The largest change in capital asset activity during the year was due to construction expenses for the new high school.

	Governmental activities		Business type activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2015	2014	2015	2014	2015	2014	2014-2015
Land	\$ 9,285,261	9,285,261	-	-	9,285,261	9,285,261	0.0%
Construction in progress	22,394,875	-	-	-	22,394,875	-	-
Buildings	77,572,479	79,417,488	-	-	77,572,479	79,417,488	-2.3%
Improvements other than buildings	4,612,248	4,960,374	-	-	4,612,248	4,960,374	-7.0%
Furniture and equipment	3,057,900	3,034,625	513,677	614,448	3,571,577	3,649,073	-2.1%
Total	\$ 116,922,763	96,697,748	513,677	614,448	117,436,440	97,312,196	20.7%

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, 2015 the District had \$104,506,461 in long-term debt outstanding including general obligation bonds, revenue bonds, and other long-term debt outstanding. This represents an increase of approximately 10.6 percent from June 30, 2014. (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 implementing GASB 68 financial accounting for pensions offset by \$12,985,000 in principal reductions for general obligation bonds. This is the sixth year to recognize other post employment benefits at an increase of \$95,712. The early retirement policy for 2015 had the same 403B incentive with no insurance benefit as offered in the past but just for eligible non-nutritional other professional salaried and other professional community education staff as compared to the same benefit offered in fiscal year 2014 for those eligible from both the JEA and JESPA master contracts for a decrease of \$656,735.

Figure A-6			
Long-term Debt Obligations			
	Total School District		Total Change
	June 30,		June 30,
	2015	2014	2014-2015
General obligation bonds	\$ 23,720,000.00	36,705,000.00	-35.4%
General obligation bond discount	(35,505.00)	(42,606.00)	-16.7%
General obligation bond premium	422,891.00	507,468.00	-16.7%
Revenue bonds	52,640,000.00	52,640,000.00	0.0%
Revenue bond discount	(441,554.00)	(477,051.00)	-7.4%
Revenue bond premium	2,250,222.00	2,435,069.00	-7.6%
Capital lease obligation	-	419,870.00	-100.0%
Early retirement	58,048.00	714,783.00	-91.9%
Other postemployment benefits	1,485,712.00	1,390,000.00	6.9%
Net pension liability	24,248,408.00	-	-
Compensated absences	158,239.00	169,273.00	-6.5%
Totals	\$ 104,506,461.00	94,461,806.00	10.6%

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 3.1% 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 173 students during the last ten years to an average of 129 students during the last five years. The District utilizes a demographer to assist with enrollment projections.
- The District has averaged 5.0% annual increase in the tax base over the past ten years, and experienced a 1.7% increase with 2015.
- 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 2014 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, Chief Financial Officer, 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, 2015

	Governmental Activities	Business Type Activities	Total Primary Government
Assets			
Current assets:			
Cash and cash equivalents:	\$ 69,613,063	3,469,694	73,082,757
Receivables:			
Property tax:			
Delinquent	287,355	-	287,355
Succeeding year	35,793,872	-	35,793,872
Accounts	167,783	49,000	216,783
Due from other governments	3,141,435	-	3,141,435
Inventories	44,102	94,846	138,948
Total current assets	<u>109,047,610</u>	<u>3,613,540</u>	<u>112,661,150</u>
Non-current assets:			
Capital assets:			
Land	9,285,261	-	9,285,261
Construction in progress	22,394,875	-	22,394,875
Improvements other than buildings	7,976,322	-	7,976,322
Buildings and improvements	115,019,603	-	115,019,603
Vehicles, furniture and equipment	9,752,258	2,362,694	12,114,952
Accumulated depreciation	(47,505,556)	(1,849,017)	(49,354,573)
Total capital assets	<u>116,922,763</u>	<u>513,677</u>	<u>117,436,440</u>
Total non-current assets	<u>116,922,763</u>	<u>513,677</u>	<u>117,436,440</u>
Total assets	<u>225,970,373</u>	<u>4,127,217</u>	<u>230,097,590</u>
Deferred Outflows of Resources			
Pension related deferred outflows	5,156,105	370,021	5,526,126
Liabilities			
Current liabilities:			
Accounts payable	7,388,518	84,216	7,472,734
Advances from tuition and registration fees	280,085	-	280,085
Advances from prepaid childcare	-	71,918	71,918
Advances from prepaid lunches	-	92,072	92,072
Insurance claims payable	940,127	-	940,127
Salaries and benefits payable	6,867,496	119,862	6,987,358
Accrued interest payable	1,164,219	-	1,164,219
Deposits	69,174	-	69,174
General obligation bonds payable	4,342,476	-	4,342,476
Revenue bonds payable	2,599,350	-	2,599,350
Early retirement payable	53,510	-	53,510
Compensated absences	158,239	23,269	181,508
Total current liabilities	<u>23,863,194</u>	<u>391,337</u>	<u>24,254,531</u>
Non-current liabilities:			
General obligation bonds payable	19,764,910	-	19,764,910
Revenue bonds payable	51,849,318	-	51,849,318
Early retirement payable	4,538	-	4,538
Net pension liability	24,248,407	1,740,157	25,988,564
Other post employment benefits payable	1,485,713	96,905	1,582,618
Total non-current liabilities	<u>97,352,886</u>	<u>1,837,062</u>	<u>99,189,948</u>
Total liabilities	<u>121,216,080</u>	<u>2,228,399</u>	<u>123,444,479</u>

**Johnston Community School District
Statement of Net Position
June 30, 2015**

	Governmental Activities	Business Type Activities	Total Primary Government
<i>Continued from previous page</i>			
Deferred Inflows of Resources			
Deferred property tax revenue	35,793,872	-	35,793,872
Pension related deferred inflows	9,247,644	663,646	9,911,290
Total deferred inflows of resources	45,041,516	663,646	45,705,162
Net Position			
Net investment in capital assets	58,871,834	513,678	59,385,512
Restricted for:			
State categorical funding	1,283,366	-	1,283,366
Management levy purposes	933,766	-	933,766
Debt service	1,101,695	-	1,101,695
School infrastructure	15,746,596	-	15,746,596
Physical plant and equipment	3,669,528	-	3,669,528
Internal service	107,922	-	107,922
Student activities	805,689	-	805,689
Inventory	44,102	-	44,102
Unrestricted	(17,695,616)	1,091,515	(16,604,101)
Total net position	\$ 64,868,882	1,605,193	66,474,075

See notes to basic financial statements.

Johnston Community School District
Statement of Activities
Year ended June 30, 2015

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	\$ 33,370,791	3,111,532	6,918,366	(23,340,893)	-	(23,340,893)
Special	8,662,329	916,130	2,171,825	(5,574,374)	-	(5,574,374)
Other	7,769,968	830,618	58,873	(6,880,477)	-	(6,880,477)
	49,803,088	4,858,280	9,149,064	(35,795,744)	-	(35,795,744)
Support Service:						
Student	1,758,854	-	-	(1,758,854)	-	(1,758,854)
Instructional staff	3,261,971	-	-	(3,261,971)	-	(3,261,971)
Administration	5,581,377	-	-	(5,581,377)	-	(5,581,377)
Operation and maintenance of plant	5,219,346	34,779	-	(5,184,567)	-	(5,184,567)
Transportation	3,445,848	226,872	134,156	(3,084,820)	-	(3,084,820)
	19,267,396	261,651	134,156	(18,871,589)	-	(18,871,589)
Non-instructional programs:						
Nutrition services	-	-	1,859	1,859	-	1,859
Community education services	150,343	-	-	(150,343)	-	(150,343)
	150,343	-	1,859	(148,484)	-	(148,484)
Other expenses:						
Facilities acquisition	2,843,580	-	-	(2,843,580)	-	(2,843,580)
Long-term debt interest	3,254,018	-	-	(3,254,018)	-	(3,254,018)
AEA support	2,610,924	-	2,610,924	-	-	-
	8,708,522	-	2,610,924	(6,097,598)	-	(6,097,598)
Total governmental activities	77,929,349	5,119,931	11,896,003	(60,913,415)	-	(60,913,415)
Business type activities:						
Non-instructional programs:						
Nutrition services	3,354,998	2,547,400	982,006	-	174,408	174,408
Preschool services	252,073	222,902	47,068	-	17,897	17,897
Daycare services	2,087,055	2,295,884	5,652	-	214,481	214,481
Community education services	745,045	776,771	180	-	31,906	31,906
Total business type activities	6,439,171	5,842,957	1,034,906	-	438,692	438,692
Total primary governmental activities	\$ 84,368,520	10,962,888	12,930,909	(60,913,415)	438,692	(60,474,723)

Exhibit B

**Johnston Community School District
Statement of Activities
Year ended June 30, 2015**

	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	\$ 84,368,520	10,962,888	12,930,909	(60,913,415)	438,692	(60,474,723)
General revenues and transfers:						
Property tax levied for:						
General purposes				\$ 26,634,779	-	26,634,779
Debt service				5,537,572	-	5,537,572
Capital outlay				3,462,422	-	3,462,422
Statewide sales, services and use tax shared revenue				6,074,567	-	6,074,567
Unrestricted state grants				27,832,918	-	27,832,918
Unrestricted investment earnings				126,645	-	126,645
Other				792,981	-	792,981
Transfers				169,884	(169,884)	-
Total general revenues and transfers				70,631,768	(169,884)	70,461,884
Change in net position				9,718,353	268,808	9,987,161
Net position beginning of year, as restated				55,150,529	1,336,385	56,486,914
Net position end of year				\$ 64,868,882	1,605,193	66,474,075

See notes to basic financial statements.

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

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
Assets					
Cash and pooled investments	\$ 13,603,745	1,245,960	45,493,922	1,903,974	62,247,601
Receivables:					
Property tax:					
Current year delinquent	204,675	45,954	31,547	5,179	287,355
Succeeding year	26,531,134	5,019,380	3,493,351	750,007	35,793,872
Accounts	165,091	-	-	2,692	167,783
Due from other governments	2,198,713	-	942,722	-	3,141,435
Inventories	44,102	-	-	-	44,102
Total assets	\$ 42,747,460	6,311,294	49,961,542	2,661,852	101,682,148
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,606,807	-	5,572,504	114,342	7,293,653
Advances from tuition and registration fees	280,085	-	-	-	280,085
Salaries and benefits payable	6,867,058	-	438	-	6,867,496
Early retirement payable - due within one year	-	-	-	53,510	53,510
Deposits	69,174	-	-	-	69,174
Total liabilities	8,823,124	-	5,572,942	167,852	14,563,918
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	26,531,134	5,019,380	3,493,351	750,007	35,793,872
Total deferred inflows of resources	26,531,134	5,019,380	3,493,351	750,007	35,793,872
Fund balances:					
Nonspendable for:					
Inventories	44,102	-	-	-	44,102
Restricted for:					
School infrastructure	-	-	36,251,721	-	36,251,721
Debt service	-	1,291,914	974,000	-	2,265,914
State categorical funding	1,283,366	-	-	-	1,283,366
Physical plant and equipment	-	-	3,669,528	-	3,669,528
Management levy purposes	-	-	-	938,304	938,304
Student activities	-	-	-	805,689	805,689
Unassigned	6,065,734	-	-	-	6,065,734
Total fund balances	7,393,202	1,291,914	40,895,249	1,743,993	51,324,358
Total liabilities, deferred inflows of resources and fund balances	\$ 42,747,460	6,311,294	49,961,542	2,661,852	101,682,148

See notes to basic financial statements.

**Johnston Community School District
 Reconciliation of the Balance Sheet
 Governmental Funds to the Statement of Net Position
 June 30, 2015**

Total fund balances of governmental funds (Exhibit C) \$ 51,324,358

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. 116,922,763

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. 6,330,470

Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources	\$	5,156,105	
Deferred inflows of resources		(9,247,644)	(4,091,539)

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

General obligation bonds payable		(23,720,000)	
Revenue bonds payable		(52,640,000)	
Bond discounts		477,059	
Bond premiums		(2,673,113)	
Accrued interest		(1,164,219)	
Early retirement		(4,538)	
Compensated absences		(158,239)	
Net pension liability		(24,248,407)	
Other post employment benefits		(1,485,713)	(105,617,170)

Net position of governmental activities (Exhibit A) \$ 64,868,882

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, 2015

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
Revenues:					
Local sources:					
Local tax	\$ 25,972,806	5,537,571	3,454,217	661,972	35,626,566
Tuition	3,707,732	-	-	-	3,707,732
Other	1,153,432	23,506	89,838	1,051,128	2,317,904
Intermediate sources	89,537	-	-	-	89,537
State sources	37,577,376	1,052	6,075,223	138	43,653,789
Federal sources	2,066,035	-	8,205	-	2,074,240
Total revenues	70,566,918	5,562,129	9,627,483	1,713,238	87,469,768
Expenditures:					
Current:					
Instruction:					
Regular instruction	32,271,342	-	109,455	245,500	32,626,297
Special instruction	9,049,507	-	-	-	9,049,507
Other instruction	6,788,508	-	-	1,029,844	7,818,352
	48,109,357	-	109,455	1,275,344	49,494,156
Support services:					
Student services	1,819,268	-	-	495	1,819,763
Instructional staff services	2,192,118	-	924,058	-	3,116,176
Administration services	5,893,079	7,500	52,401	106,254	6,059,234
Operation and maintenance of plant services	4,769,927	-	131,961	420,959	5,322,847
Transportation services	2,859,521	-	477,380	114,703	3,451,604
	17,533,913	7,500	1,585,800	642,411	19,769,624
Non-instructional programs:					
Food service	-	-	-	12,756	12,756
Community service and education	134,427	-	-	27,837	162,264
	134,427	-	-	40,593	175,020
Capital outlay:					
Other expenditures	-	-	25,238,957	-	25,238,957
Debt Service:					
Other expenditures:					
Principal	-	13,404,870	-	-	13,404,870
Interest	-	3,526,675	-	-	3,526,675
Other	-	1,000	-	-	1,000
	-	16,932,545	-	-	16,932,545
Intergovernmental:					
Other expenditures	2,610,924	-	-	-	2,610,924
Total expenditures	68,388,621	16,940,045	26,934,212	1,958,348	114,221,226
Excess (deficiency) of revenues over (under) expenditures	2,178,297	(11,377,916)	(17,306,729)	(245,110)	(26,751,458)

Exhibit E

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

	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	-	-	6,189	-	6,189
Discounts on revenue bonds issued	-	-	(1,925)	-	(1,925)
Transfers in	169,884	3,124,769	-	-	3,294,653
Transfers out	-	-	(3,124,769)	-	(3,124,769)
Total other financing sources (uses)	169,884	3,124,769	(3,120,505)	-	174,148
Net change in fund balances	2,348,181	(8,253,147)	(20,427,234)	(245,110)	(26,577,310)
Fund balances beginning of year	5,045,021	9,545,061	61,322,483	1,989,103	77,901,668
Fund balances end of year	\$ 7,393,202	1,291,914	40,895,249	1,743,993	51,324,358

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, 2015

Net change in fund balances - total governmental funds (Exhibit E) \$ (26,577,310)

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	\$ 23,811,309	
Less current year depreciation	<u>(3,586,294)</u>	20,225,015

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:

Repayments of bond and note principal	13,404,870	
Amortization of bond premiums and discounts	<u>226,826</u>	13,631,696

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.

48,757

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

3,665,623

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	13,282	
Compensated absences	(10,180)	
Pension expense	(1,851,576)	
Other postemployment benefits	<u>(171,236)</u>	(2,019,710)

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.

744,282

Change in net position of governmental activities (Exhibit B) **\$ 9,718,353**

See notes to basic financial statements.

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

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,469,694	7,365,462
Receivables:		
Accounts	49,000	-
Inventories	94,846	-
Total current assets	<u>3,613,540</u>	<u>7,365,462</u>
Non-current assets:		
Property and equipment:		
Machinery and equipment	2,362,694	-
Accumulated depreciation	(1,849,017)	-
Total non-current assets	<u>513,677</u>	<u>-</u>
Total assets	<u><u>4,127,217</u></u>	<u><u>7,365,462</u></u>
Deferred Outflows of Resources		
Pension related deferred outflows	<u>370,021</u>	<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable	84,216	94,865
Advances from prepaid childcare	71,918	-
Advances from prepaid lunches	92,072	-
Insurance claims liability	-	940,127
Accrued salaries and benefits payable	119,862	-
Compensated absences payable	23,269	-
Total current liabilities	<u>391,337</u>	<u>1,034,992</u>
Non-current liabilities:		
Net pension liability	1,740,157	-
Other postemployment benefits payable	96,905	-
Total non-current liabilities	<u>1,837,062</u>	<u>-</u>
Total liabilities	<u><u>2,228,399</u></u>	<u><u>1,034,992</u></u>
Deferred Inflows of Resources		
Pension related deferred inflows	<u>663,646</u>	<u>-</u>
Net Position		
Net investment in capital assets	513,678	-
Restricted for:		
Flexible benefits	-	107,922
Unrestricted	1,091,515	6,222,548
Total net position	<u><u>\$ 1,605,193</u></u>	<u><u>6,330,470</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, 2015

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Operating revenue:		
Local sources:		
Operating revenues	\$ 5,842,957	8,353,985
Operating expenses:		
Instructional programs:		
Instruction services:		
Depreciation	924	-
Other	459,314	-
	460,238	-
Support services:		
Other	458,182	7,609,703
Non-instructional programs:		
Food service operations:		
Depreciation	120,223	-
Other	2,998,070	-
	3,118,293	-
Community service operations:		
Depreciation	7,999	-
Other	2,394,459	-
	2,402,458	-
Total operating expenses	6,439,171	7,609,703
Operating income (loss)	(596,214)	744,282
Non-operating revenues:		
State sources	71,566	-
Federal sources	960,871	-
Interest income	2,469	-
Total non-operating revenues	1,034,906	-
Non-operating expenses:		
Transfer out	169,884	-
Total non-operating expenses	169,884	-
Changes in net position	268,808	744,282
Net position beginning of year, as restated	1,336,385	5,586,188
Net position end of year	\$ 1,605,193	6,330,470

See notes to basic financial statements.

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

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 2,552,897	-
Cash received from community services	3,289,504	8,353,985
Cash payments to employees for services	(2,930,656)	(7,597,966)
Cash payments to suppliers for goods or services	(3,269,004)	(128,637)
Net cash provided (used) by operating activities	<u>(357,259)</u>	<u>627,382</u>
Cash flows from non-capital financing activities:		
State grants received	71,566	-
Federal grants received	731,656	-
Net cash provided by non-capital financing activities	<u>803,222</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(28,375)	-
Transfers	(169,884)	-
Net cash used by capital and related financing activities	<u>(198,259)</u>	<u>-</u>
Cash flows from investing activities:		
Interest on investments	2,469	-
Net increase in cash and cash equivalents	250,173	627,382
Cash and cash equivalents at beginning of year	3,219,521	6,738,080
Cash and cash equivalents at end of year	<u>3,469,694</u>	<u>7,365,462</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (596,214)	744,282
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Commodities used	229,215	-
Depreciation	129,146	-
(Increase) in accounts receivable	(20,934)	-
Decrease in inventories	27,668	-
Increase (decrease) in accounts payable	15,296	(52,129)
(Decrease) in insurance claims liability	-	(64,771)
(Decrease) in salaries and benefits payable	(55,065)	-
Increase in unearned revenues	20,378	-
Increase in compensated absences	2,055	-
(Decrease) in net pension liability	(680,206)	-
(Increase) in deferred outflows of resources	(113,625)	-
Increase in deferred inflows of resources	663,646	-
Increase in other post-employment benefits	21,381	-
Net cash provided (used) by operating activities	<u>\$ (357,259)</u>	<u>627,382</u>

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

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

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	\$ 3,469,694	7,365,462
Cash and cash equivalents at year end	\$ 3,469,694	7,365,462

Non-cash investing, capital and financing activities:

During the year ended June 30, 2015, the District received federal commodities valued at \$229,215.

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 investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

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

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

Fund Financial Statements - Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other non-major governmental funds. Combining schedules are also included for the Capital Project Fund accounts.

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

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

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.

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

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.

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.

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

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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

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

Cash, Pooled Investments and Cash Equivalents – The 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.

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

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments. 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.

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

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

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Advances – Proceeds received by the District for which services will be rendered in a succeeding fiscal year, such as prepaid tuition and registration fees, prepaid childcare and prepaid lunch money.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2015. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund. The District has no vesting requirement and the earned but unused vacation is all considered a current liability.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to / deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consists of the succeeding year's property tax receivable that will not be recognized as revenue until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

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

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

Committed – Amounts which 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.

(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 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, 2015, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

At June 30, 2015, the District had investments in the following:

Iowa Schools Joint Investment Trust	
Diversified Portfolio	\$ 62,237,802
Wells Fargo Bank Money Market	89,487
Checking Accounts	10,743,753
	<u>\$ 73,071,042</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.

(2) *Cash and Pooled Investments (continued from previous page)*

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Chapter 12c of the Code of Iowa requires all District funds be deposited into an approved depository and be either insured or collateralized.

(3) **Due from Other Governments**

The detail of due from other governments for the year ended June 30, 2015, is as follows:

Due from other districts	\$ 1,548,741
Due from the State of Iowa - Local sources	206,553
Due from the State of Iowa - State sources	1,160,432
Due from the State of Iowa - Federal sources	225,709
	<u>\$ 3,141,435</u>

(4) **Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2015, is as follows:

Transfer to	Transfer from	Amount
Debt Service Fund	Capital Projects Fund - Statewide Sales, Services and Use Tax	\$ 3,124,769
General Fund	Community Daycare Fund	102,735
General Fund	Nutrition Fund	67,149
		<u>\$ 3,294,653</u>

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

Johnston Community School District
Notes to Financial Statements
June 30, 2015

(5) Capital Assets

Capital assets activity for the year ended June 30, 2015, 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	-	22,394,875	-	22,394,875
Total capital assets not being depreciated	<u>9,285,261</u>	<u>22,394,875</u>	<u>-</u>	<u>31,680,136</u>
Capital assets being depreciated:				
Buildings	114,482,863	536,740	-	115,019,603
Improvements other than buildings	7,976,322	-	-	7,976,322
Furniture and equipment	9,080,064	879,694	207,500	9,752,258
Total capital assets being depreciated	<u>131,539,249</u>	<u>1,416,434</u>	<u>207,500</u>	<u>132,748,183</u>
Less accumulated depreciation for:				
Buildings	35,065,375	2,381,749	-	37,447,124
Improvements other than buildings	3,015,948	348,126	-	3,364,074
Furniture and equipment	6,045,439	856,419	207,500	6,694,358
Total accumulated depreciation	<u>44,126,762</u>	<u>3,586,294</u>	<u>207,500</u>	<u>47,505,556</u>
Total capital assets being depreciated, net	<u>87,412,487</u>	<u>(2,169,860)</u>	<u>-</u>	<u>85,242,627</u>
Governmental activities capital assets, net	<u>\$ 96,697,748</u>	<u>20,225,015</u>	<u>-</u>	<u>116,922,763</u>
Business type activities:				
Furniture and equipment	\$ 2,334,319	28,375	-	2,362,694
Less accumulated depreciation	1,719,871	129,146	-	1,849,017
Business-type activities capital assets, net	<u>\$ 614,448</u>	<u>(100,771)</u>	<u>-</u>	<u>513,677</u>

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$ 2,811,131
Other	1,230

Support services:

Instructional staff services	256,510
Administration	39,454
Operation and maintenance of plant	94,473
Transportation	383,496
Total depreciation expense - governmental activities	<u>\$ 3,586,294</u>

Business type activities:

Food services	\$ 120,223
Community Daycare	5,930
Community Preschool	924
Community Education	2,069
	<u>\$ 129,146</u>

Johnston Community School District
Notes to Financial Statements
June 30, 2015

(6) Long-Term Liabilities

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

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 36,705,000	-	12,985,000	23,720,000	4,265,000
General obligation bond discounts	(42,606)	-	7,101	(35,505)	(7,101)
General obligation bond premiums	507,468	-	84,577	422,891	84,577
Revenue bonds	52,640,000	-	-	52,640,000	2,450,000
Revenue bond discounts	(477,051)	-	35,497	(441,554)	(35,497)
Revenue bond premiums	2,435,069	-	184,847	2,250,222	184,847
Capital lease payable	419,870	-	419,870	-	-
Early retirement	714,783	47,556	704,291	58,048	53,510
Net OPEB liability	1,314,476	395,418	224,181	1,485,713	-
Net pension liability	33,726,781	-	9,478,374	24,248,407	-
Compensated absences	148,059	10,180	-	158,239	158,239
Total	\$ 128,091,849	453,154	24,123,738	104,506,461	7,153,575
Business type activities:					
Net OPEB liability	\$ 75,524	36,200	14,819	96,905	-
Net pension liability	2,420,363	-	680,206	1,740,157	-
Compensated absences	21,214	3,426	1,371	23,269	23,269
Total	\$ 2,517,101	39,626	696,396	1,860,331	23,269

General Obligation Bonds Payable

Details of the District's June 30, 2015, 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
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		10,225,000	856,485	11,081,485

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
2016	4.0%	255,000	10,200	265,200
Subtotal		255,000	10,200	265,200

Johnston Community School District
Notes to Financial Statements
June 30, 2015

(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
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		4,500,000	562,310	5,062,310

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
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	761,800	9,501,800

Totals				
Year ended June 30,		Principal	Interest	Total
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		\$ 23,720,000	2,190,795	25,910,795

Revenue Bonds Payable

Details of the District's June 30, 2015, 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 \$58,278,197. For the current year, no principal and \$1,836,135 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$6,074,567.

Johnston Community School District
Notes to Financial Statements
June 30, 2015

(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, 2015.

\$42,900,000 Bond Issue of 2013				
Year ended June 30,	Rates	Principal	Interest	Total
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	5.0%	2,430,000	1,445,706	3,875,706
2021-2030	5.0%	31,450,000	7,172,867	38,622,867
Subtotal		42,900,000	15,378,197	58,278,197

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 \$13,319,875. For the current year, no principal and \$354,266 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$6,074,567.

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, 2015.

Johnston Community School District
Notes to Financial Statements
June 30, 2015

(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
2016	3.0%	300,000	325,050	625,050
2017	3.0%	300,000	316,050	616,050
2018	3.0%	345,000	306,375	651,375
2019	3.0%	410,000	295,050	705,050
2020	3.0%	420,000	282,600	702,600
2021-2030	3.0% - 4.0%	7,965,000	2,054,750	10,019,750
Subtotal		9,740,000	3,579,875	13,319,875

TOTALS				
Year ended June 30,	Rates	Principal	Interest	Total
2016	Various	2,450,000	2,149,306	4,599,306
2017	Various	2,540,000	2,052,506	4,592,506
2018	Various	2,640,000	1,952,131	4,592,131
2019	Various	2,745,000	1,848,206	4,593,206
2020	Various	2,850,000	1,728,306	4,578,306
2021-2030	Various	39,415,000	9,227,617	48,642,617
Total		\$ 52,640,000	18,958,072	71,598,072

Early Retirement

There was a new early retirement plan offered to District employees for 2015. The plan requires 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 only applied to non-nutrition funded employees covered under two groupings of Other Professional Salaried and Other Professional CE Staff.

For those eligible, early retirement benefits were equal to 50% of the average of the employee's last three years' salary plus \$100 per day multiplied by the number of sick days accumulated at retirement.

The previous plan was established in 2014 and 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 years' contractual salary but not including TSS, Schedule B, etc. plus \$100 per day multiplied by the number of sick days accumulated as of retirement. The plan was limited to 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.

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.

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

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, 2015, the District had obligations to 13 participants with a total liability of \$58,048. Actual early retirement expenditures for the year ended June 30, 2015, totaled \$704,291.

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

(7) **Pension Plan**

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

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

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

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

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

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

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

Johnston Community School District
Notes to Financial Statements
June 30, 2015

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

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

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

The District's contributions to IPERS for the year ended June 30, 2015 were \$3,929,682.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the District reported a liability of \$25,988,564 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the District's proportion was 0.642155 percent, which was an increase of 0.003739 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$1,814,047. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 282,445	-
Changes of assumptions	1,146,934	-
Net difference between projected and actual earnings on pension plan investments	-	9,911,290
Changes in proportion and differences between District contributions and proportionate share of contributions	168,065	-
District contributions subsequent to the measurement date	3,929,682	-
Total	\$ 5,527,126	9,911,290

\$3,929,682 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June, 30	
2016	\$ (2,104,588)
2017	(2,104,588)
2018	(2,104,588)
2019	(2,104,588)
2020	104,506
	\$ (8,313,846)

Johnston Community School District
Notes to Financial Statements
June 30, 2015

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

There are no non-employer contributing entities at IPERS.

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

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

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

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

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

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

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

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

	<u>1% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
District's proportionate share of the net pension liability	\$ 49,104,663	\$ 25,988,564	\$ 6,476,183

Johnston Community School District
Notes to Financial Statements
June 30, 2015

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

Payables to the Pension Plan - At June 30, 2015, the District reported payables to the defined benefit pension plan of \$323,050 for legally required employer contributions and \$215,246 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

(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 749 active and 4 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.

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

	2015	2014	2013	2012	2011
Annual required contribution	\$ 422,000	422,000	420,000	420,000	732,000
Interest on net OPEB obligation	62,550	50,000	46,831	40,000	24,570
Adjustment to annual required contribution	(52,932)	(41,846)	(135,684)	(34,000)	(20,872)
Annual OPEB cost	431,618	430,154	331,147	426,000	735,698
Contributions made	(239,000)	(148,000)	(264,000)	(264,000)	(403,000)
Increase in net OPEB obligation	192,618	282,154	67,147	162,000	332,698
Net OPEB obligation beginning of year	1,390,000	1,107,846	1,040,699	878,699	546,001
Net OPEB obligation end of year	\$ 1,582,618	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, 2015.

For the year ended June 30, 2015, the District contributed \$239,000 to the medical plan. Plan members eligible for benefits contributed \$191,460 to the plan.

Johnston Community School District
Notes to Financial Statements
June 30, 2015

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

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2015, are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 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
June 30, 2015	431,618	55.37%	1,582,618

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 \$38,216,262, and the ratio of the UAAL to covered payroll was 7.6%. As of June 30, 2015, there were no trust fund assets.

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

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

As of the July 1, 2013 actuarial valuation date, the 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, 2015, there were no significant reductions in coverage. In addition, over the past four fiscal years, settlement amounts did not exceed insurance coverage.

Johnston Community School District
Notes to Financial Statements
June 30, 2015

(9) *Risk Management (continued from previous page)*

In addition to the above, the District operates a partially self-funded insurance program administered by a third party administrator for its employees' and eligible dependents' medical benefits. The program is supplemented by stop loss protection, which limits the District's liability to \$60,000 per individual medical claim or an aggregate limit of 125% during the period July 1, 2006 through June 30, 2015.

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 \$940,127 reported at June 30, 2015, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported.

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

The above plans are reported in the Internal Services Fund.

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

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2012	\$ 821,292	6,902,759	(6,884,482)	839,569
2013	839,569	6,684,776	(6,708,442)	815,903
2014	815,903	8,423,483	(8,234,488)	1,004,898
2015	1,004,898	7,460,500	(7,525,271)	940,127

(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 \$2,610,924 for the year ended June 30, 2015, and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

(11) **Construction Commitment**

The District has entered into contracts totaling \$90,000,000 for the construction of a new High School. As of June 30, 2015, costs of \$22,394,875 had been incurred against the contracts. The balance of \$67,605,125 remaining at June 30, 2015 will be paid as work on the project progresses.

Project	Contract Amount	Costs through June 30, 2015
High School Building	\$ 90,800,000	22,394,875
	<u>\$ 90,800,000</u>	<u>22,394,875</u>

(12) Operating Leases

The District leases copy machines under noncancelable operating leases. Total costs for such leases were approximately \$62,340 for the year ended June 30, 2015. The future minimum lease payments for these leases are as follows:

Year ending June 30:	
2016	\$ 62,340
2017	62,340
2018	51,950
	\$ 176,630

(13) Commitments and Contingencies

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

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

(14) Accounting Change/Restatement

The Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27* was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental and business type activities were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	Governmental Activities	Business type Activities
Net position June 30, 2014, as previously reported	\$ 85,304,523	3,500,352
Net pension liability at June 30, 2014	(33,726,781)	(2,420,363)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	3,572,787	256,396
Net position July 1, 2014, as restated:	\$ 55,150,529	1,336,385

Also the beginning cash balance and net position of the Community Education Fund was restated by an increase of \$65,000. The beginning cash balance and net position of the Community Day care Fund was decreased by \$65,000.

Required Supplementary Information

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, 2015

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original and Final	Final to Actual Variance- Positive (Negative)
Revenues:					
Local sources	\$ 41,652,202	5,845,426	47,497,628	52,125,109	(4,627,481)
Intermediate sources	89,537	-	89,537	100,000	(10,463)
State sources	43,653,789	71,566	43,725,355	38,323,180	5,402,175
Federal sources	2,074,240	960,871	3,035,111	2,723,125	311,986
Total revenues	87,469,768	6,877,863	94,347,631	93,271,414	1,076,217
Expenditures:					
Instruction	49,494,156	460,238	49,954,394	56,480,830	6,526,436
Support services	19,769,624	458,182	20,227,806	24,430,956	4,203,150
Noninstructional programs	175,020	5,520,751	5,695,771	7,877,183	2,181,412
Other expenditures	44,782,426	-	44,782,426	123,225,063	78,442,637
Total expenditures	114,221,226	6,439,171	120,660,397	212,014,032	91,353,635
Excess (deficiency) of revenues over (under) expenditures	(26,751,458)	438,692	(26,312,766)	(118,742,618)	92,429,852
Other financing sources (uses), net	174,148	(169,884)	4,264	40,000,000	(39,995,736)
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	(26,577,310)	268,808	(26,308,502)	(78,742,618)	52,434,116
Balances beginning of year	77,901,668	1,336,385	79,238,053	78,742,618	495,435
Balances end of year	\$ 51,324,358	1,605,193	52,929,551	-	52,929,551

See accompanying independent auditor's report.

Johnston Community School District
Notes to Required Supplementary Information - Budgetary Reporting
Year Ended June 30, 2015

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

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

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

During the year ended June 30, 2015, expenditures did not exceed the District's budget.

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

	<u>2015</u>
District's proportion of the net pension liability	0.642155%
District's proportion of the net pension pension liability	\$ 25,989
District's covered-employee payroll	\$ 41,980
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	61.91%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

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

See accompanying independent auditor's report.

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Statutorily required contribution	\$ 3,930	3,829	3,035	3,159	2,615	2,436	2,207	1,886	1,605	1,458
Contributions in relation to the statutorily required contribution	(3,930)	(3,829)	(3,035)	(3,159)	(2,615)	(2,436)	(2,207)	(1,886)	(1,605)	(1,458)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 43,320	41,980	40,492	38,463	36,955	36,110	34,441	30,937	27,513	25,118
Contributions as a percentage of covered-employee payroll	9.07%	9.12%	7.50%	8.21%	7.08%	6.75%	6.41%	6.10%	5.83%	5.80%

See accompanying independent auditor's report.

Johnston Community School District
Notes to Required Supplementary Information - Pension Liability
Year Ended June 30, 2015

Changes of benefit terms:

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

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

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

Changes of assumptions:

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

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

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

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

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

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

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

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

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)	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
2015	July 1, 2014	-	2,889,000	2,889,000	0.0%	38,216,262	7.6%	239,000

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.

Supplementary Information

**Johnston Community School District
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2015**

Assets	Management	Student Activity	Total
Current assets:			
Cash and pooled investments	\$ 1,063,827	840,147	1,903,974
Receivables:			
Accounts	2,061	631	2,692
Property tax:			
Current year delinquent	5,179	-	5,179
Succeeding year	750,007	-	750,007
Total assets	\$ 1,821,074	840,778	2,661,852
Liabilities, Deferred Inflows of Resources and Fund Balances			
Current liabilities:			
Accounts payable	\$ 79,253	35,089	114,342
Early retirement payable	53,510	-	53,510
Total liabilities	132,763	35,089	167,852
Deferred inflows of resources:			
Unavailable revenue			
Succeeding year property tax	750,007	-	750,007
Total deferred inflows of resources	750,007	-	750,007
Fund balances:			
Restricted for:			
Management levy purposes	938,304	-	938,304
Student activities	-	805,689	805,689
Total fund balances	938,304	805,689	1,743,993
Total liabilities, deferred inflows of resources and fund balances	\$ 1,821,074	840,778	2,661,852

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, 2015

	Management	Student Activity	Total
Revenues:			
Local sources:			
Local tax:			
Property tax	\$ 642,719	-	642,719
Utility tax replacement excise tax	18,692	-	18,692
Mobile home tax	561	-	561
	<u>661,972</u>	<u>-</u>	<u>661,972</u>
Other local sources:			
Student activities	-	826,084	826,084
Donations	-	25,772	25,772
Other local revenue	34,417	164,855	199,272
	<u>34,417</u>	<u>1,016,711</u>	<u>1,051,128</u>
	<u>696,389</u>	<u>1,016,711</u>	<u>1,713,100</u>
State sources:			
Revenue in lieu of taxes :			
Military credit	138	-	138
Total revenues	<u>696,527</u>	<u>1,016,711</u>	<u>1,713,238</u>
Expenditures:			
Current:			
Instruction:			
Regular instruction:			
Benefits	241,979	-	241,979
Purchased services	3,521	-	3,521
	<u>245,500</u>	<u>-</u>	<u>245,500</u>
Co-curricular instruction:			
Services	-	11,332	11,332
Benefits	-	1,865	1,865
Purchased services	-	226,324	226,324
Supplies	-	720,851	720,851
Property	-	26,443	26,443
Other	-	43,029	43,029
	<u>-</u>	<u>1,029,844</u>	<u>1,029,844</u>
Total instruction	<u>245,500</u>	<u>1,029,844</u>	<u>1,275,344</u>

Johnston Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year ended June 30, 2015

	Management	Student Activity	Total
<i>Continued from previous page</i>			
Expenditures:			
Current:			
Support Services:			
Student support:			
Benefits	495	-	495
Administration:			
Benefits	64,737	-	64,737
Purchased services	25,700	3,903	29,603
Supplies	-	937	937
Property	-	10,977	10,977
	<u>90,437</u>	<u>15,817</u>	<u>106,254</u>
Plant operation and maintenance:			
Benefits	105,419	-	105,419
Purchased services	315,540	-	315,540
	<u>420,959</u>	<u>-</u>	<u>420,959</u>
Student transportation:			
Benefits	18,986	-	18,986
Purchased services	95,717	-	95,717
	<u>114,703</u>	<u>-</u>	<u>114,703</u>
Total support services	<u>626,594</u>	<u>15,817</u>	<u>642,411</u>
Non-instructional Programs:			
Food services			
Benefits	12,756	-	12,756
Community service & education:			
Benefits	27,837	-	27,837
Total non-instructional programs	<u>40,593</u>	<u>-</u>	<u>40,593</u>
Total expenditures	<u>912,687</u>	<u>1,045,661</u>	<u>1,958,348</u>
Excess of revenues over expenditures	(216,160)	(28,950)	(245,110)
Fund balances beginning of year	1,154,464	834,639	1,989,103
Fund balances end of year	<u>\$ 938,304</u>	<u>805,689</u>	<u>1,743,993</u>

See accompanying independent auditor's report.

Schedule 3

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

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$ 41,452,340	4,041,582	45,493,922
Receivables:			
Property tax:			
Current year delinquent	-	31,547	31,547
Succeeding year	-	3,493,351	3,493,351
Intergovernmental	942,722	-	942,722
Total assets	\$ 42,395,062	7,566,480	49,961,542
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 5,168,903	403,601	5,572,504
Accrued salaries and benefits payable	8	-	8
Compensated absences payable	430	-	430
Total liabilities	5,169,341	403,601	5,572,942
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	3,493,351	3,493,351
Total deferred inflows of resources	-	3,493,351	3,493,351
Fund balances:			
Restricted for:			
School infrastructure	36,251,721	-	36,251,721
Debt Service	974,000	-	974,000
Physical plant and equipment	-	3,669,528	3,669,528
Total fund balances	37,225,721	3,669,528	40,895,249
Total liabilities, deferred inflows of resources and fund balances	\$ 42,395,062	7,566,480	49,961,542

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, 2015

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	3,454,217	3,454,217
Other	74,344	15,494	89,838
State sources	6,074,567	656	6,075,223
Federal sources	-	8,205	8,205
Total revenues	<u>6,148,911</u>	<u>3,478,572</u>	<u>9,627,483</u>
Expenditures:			
Current:			
Instructional Services:			
Regular instruction	-	109,455	109,455
Support Services:			
Instructional staff services	208,116	715,942	924,058
Administration	6,655	45,746	52,401
Plant operation and maintenance	3,553	128,408	131,961
Transportation	-	477,380	477,380
Other expenditures			
Facilities acquisition	23,849,754	1,389,203	25,238,957
Total expenditures	<u>24,068,078</u>	<u>2,866,134</u>	<u>26,934,212</u>
Excess (deficiency) of revenues over (under) expenditures	(17,919,167)	612,438	(17,306,729)
Other financing uses:			
Proceeds from sale of assets	-	6,189	6,189
Debt service	(1,925)	-	(1,925)
Operating transfers out	(3,124,769)	-	(3,124,769)
Total other financing uses	<u>(3,126,694)</u>	<u>6,189</u>	<u>(3,120,505)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(21,045,861)	618,627	(20,427,234)
Fund balances beginning of year	<u>58,271,582</u>	<u>3,050,901</u>	<u>61,322,483</u>
Fund balances end of year	<u>\$ 37,225,721</u>	<u>3,669,528</u>	<u>40,895,249</u>

See accompanying independent auditor's report.

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

	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	\$ 313,731	1,039,713	132,791	1,983,459	3,469,694	7,233,464	131,998	7,365,462
Receivables:								
Accounts	20,140	28,860	-	-	49,000	-	-	-
Inventories	-	-	-	94,846	94,846	-	-	-
Total current assets	333,871	1,068,573	132,791	2,078,305	3,613,540	7,233,464	131,998	7,365,462
Non-current assets:								
Property and equipment:								
Machinery and equipment	39,262	126,013	7,483	2,189,936	2,362,694	-	-	-
Accumulated depreciation	(37,285)	(97,919)	(6,815)	(1,706,998)	(1,849,017)	-	-	-
Total non-current assets	1,977	28,094	668	482,938	513,677	-	-	-
Total assets	335,848	1,096,667	133,459	2,561,243	4,127,217	7,233,464	131,998	7,365,462
Deferred Outflows of Resources								
Pension related deferred outflows	52,094	165,524	23,638	128,765	370,021	-	-	-
Liabilities								
Current liabilities:								
Accounts payable	15,725	51,259	620	16,612	84,216	70,789	24,076	94,865
Advances from prepaid childcare	-	71,918	-	-	71,918	-	-	-
Advances from prepaid lunches	-	-	-	92,072	92,072	-	-	-
Insurance claims liability	-	-	-	-	-	940,127	-	940,127
Accrued salaries and benefits payable	24	239	466	119,133	119,862	-	-	-
Compensated absences	3,748	14,383	-	5,138	23,269	-	-	-
Total current liabilities	19,497	137,799	1,086	232,955	391,337	1,010,916	24,076	1,034,992
Non-current liabilities:								
Net pension liability	244,990	778,435	111,166	605,566	1,740,157	-	-	-
Other postemployment benefits payable	6,070	27,209	9,418	54,208	96,905	-	-	-
Total non-current liabilities	251,060	805,644	120,584	659,774	1,837,062	-	-	-
Total liabilities	270,557	943,443	121,670	892,729	2,228,399	1,010,916	24,076	1,034,992
Deferred Inflows of Resources								
Pension related deferred inflows	93,432	296,873	42,396	230,945	663,646	-	-	-
Net Position								
Invested in capital assets	1,977	28,094	668	482,939	513,678	-	-	-
Restricted for:								
Flexible benefits	-	-	-	-	-	-	107,922	107,922
Unrestricted	21,976	(6,219)	(7,637)	1,083,395	1,091,515	6,222,548	-	6,222,548
Total Net Position	\$ 23,953	21,875	(6,969)	1,566,334	1,605,193	6,222,548	107,922	6,330,470

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, 2015

	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:	65	62	63	61				
Local sources:								
Other local sources:								
Food service sales	\$ -	-	-	2,539,380	2,539,380	-	-	-
Daycare service fees	-	2,295,884	-	-	2,295,884	-	-	-
Community education fees	599,569	-	222,902	-	822,471	-	-	-
Charges for services	-	-	-	-	-	7,922,199	431,786	8,353,985
Other operating income	177,202	-	-	8,020	185,222	-	-	-
Total operating revenues	776,771	2,295,884	222,902	2,547,400	5,842,957	7,922,199	431,786	8,353,985
Operating expenses:								
Instructional programs:								
Instructional services:								
Salaries	300	-	159,297	-	159,597	-	-	-
Benefits	50	-	44,186	-	44,236	-	-	-
Services	24,078	-	41,089	-	65,167	-	-	-
Supplies	39,934	-	5,695	-	45,629	-	-	-
Other	390	143,967	328	-	144,685	-	-	-
Depreciation	-	-	924	-	924	-	-	-
Total	64,752	143,967	251,519	-	460,238	-	-	-
Support Services:								
Administrative services:								
Salaries	-	83,569	-	75,166	158,735	-	-	-
Benefits	-	30,007	-	43,814	73,821	7,092,004	433,267	7,525,271
Services	20,023	71,547	475	101,539	193,584	84,432	-	84,432
Total	20,023	185,123	475	220,519	426,140	7,176,436	433,267	7,609,703
Operation and maintenance services:								
Salaries	-	-	-	8,429	8,429	-	-	-
Benefits	-	-	-	2,924	2,924	-	-	-
Services	8,837	560	-	-	9,397	-	-	-
Supplies	-	-	-	4,833	4,833	-	-	-
Total	8,837	560	-	16,186	25,583	-	-	-
Transportation services:								
Services	-	6,380	79	-	6,459	-	-	-
Total	-	6,380	79	-	6,459	-	-	-
Total	28,860	192,063	554	236,705	458,182	7,176,436	433,267	7,609,703
Non-instructional programs:								
Food services operations:								
Salaries	-	-	-	970,067	970,067	-	-	-
Benefits	-	-	-	312,437	312,437	-	-	-
Services	-	-	-	94,986	94,986	-	-	-
Supplies	-	-	-	1,619,230	1,619,230	-	-	-
Other	-	-	-	1,350	1,350	-	-	-
Depreciation	-	-	-	120,223	120,223	-	-	-
Total	-	-	-	3,118,293	3,118,293	-	-	-
Community service operations:								
Salaries	435,974	1,270,879	-	-	1,706,853	-	-	-
Benefits	75,848	223,915	-	-	299,763	-	-	-
Services	12,316	1,780	-	-	14,096	-	-	-
Supplies	125,226	248,521	-	-	373,747	-	-	-
Depreciation	2,069	5,930	-	-	7,999	-	-	-
Total	651,433	1,751,025	-	-	2,402,458	-	-	-
Total	651,433	1,751,025	-	3,118,293	5,520,751	-	-	-
Total operating expenses	745,045	2,087,055	252,073	3,354,998	6,439,171	7,176,436	433,267	7,609,703
Operating income (loss)	31,726	208,829	(29,171)	(807,598)	(596,214)	745,763	(1,481)	744,282

Johnston Community School District
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year ended June 30, 2015

	Business Type Activities					Governmental Activities		
	Enterprise Funds					Internal Service Funds		
	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	-	-	47,000	-	47,000	-	-	-
State lunch and breakfast program claims	-	-	-	24,566	24,566	-	-	-
National School Lunch Program	-	-	-	653,215	653,215	-	-	-
School Breakfast Program	-	-	-	73,562	73,562	-	-	-
Federal food commodities revenue	-	-	-	229,215	229,215	-	-	-
Child and Adult Care Food Program	-	4,879	-	-	4,879	-	-	-
Interest income	180	773	68	1,448	2,469	-	-	-
Total non-operating revenues	180	5,652	47,068	982,006	1,034,906	-	-	-
Non-operating expense								
Transfer out		102,735		67,149	169,884			-
Total non-operating expenses	-	102,735	-	67,149	169,884	-	-	-
Changes in Net Position	31,906	111,746	17,897	107,259	268,808	745,763	(1,481)	744,282
Net Position beginning of year, as restated	(7,953)	(89,871)	(24,866)	1,459,075	1,336,385	5,476,785	109,403	5,586,188
Net Position end of year	\$ 23,953	21,875	(6,969)	1,566,334	1,605,193	6,222,548	107,922	6,330,470

See accompanying independent auditor's report.

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

	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	\$ -	-	-	2,552,897	2,552,897	-	-	-
Cash received from community services	777,330	2,289,272	222,902	-	3,289,504	7,922,199	431,786	8,353,985
Cash payments to employees for services	(579,461)	(687,614)	(210,144)	(1,453,437)	(2,930,656)	(7,156,775)	(441,191)	(7,597,966)
Cash payments to suppliers for goods or services	(231,904)	(1,431,069)	(48,219)	(1,557,812)	(3,269,004)	(128,637)	-	(128,637)
Net cash provided (used) by operating activities	(34,035)	170,589	(35,461)	(458,352)	(357,259)	636,787	(9,405)	627,382
Cash flows from non-capital financing activities:								
State grants received	-	-	47,000	24,566	71,566	-	-	-
Federal grants received	-	4,879	-	726,777	731,656	-	-	-
Net cash provided by non-capital financing activities	-	4,879	47,000	751,343	803,222	-	-	-
Cash flows from capital and related financing activities:								
Acquisition of capital assets	(882)	(13,916)	-	(13,577)	(28,375)	-	-	-
Transfers	-	(102,735)	-	(67,149)	(169,884)	-	-	-
Net cash used by capital and related financing activities	(882)	(116,651)	-	(80,726)	(198,259)	-	-	-
Cash flows from investing activities:								
Interest on investments	180	773	68	1,448	2,469	-	-	-
Net increase (decrease) in cash and cash equivalents	(34,737)	59,590	11,607	213,713	250,173	636,787	(9,405)	627,382
Cash and cash equivalents at beginning of year, as restated	348,468	980,123	121,184	1,769,746	3,219,521	6,596,677	141,403	6,738,080
Cash and cash equivalents at end of year	\$ 313,731	1,039,713	132,791	1,983,459	3,469,694	7,233,464	131,998	7,365,462
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ 31,726	208,829	(29,171)	(807,598)	(596,214)	745,763	(1,481)	744,282
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Commodities used	-	-	-	229,215	229,215	-	-	-
Depreciation	2,069	5,930	924	120,223	129,146	-	-	-
(Increase) decrease in accounts receivable	559	(21,493)	-	-	(20,934)	-	-	-
Decrease in inventories	-	-	-	27,668	27,668	-	-	-
Increase (decrease) in accounts payable	(1,100)	9,706	(553)	7,243	15,296	(44,205)	(7,924)	(52,129)
(Decrease) in insurance claims liability	-	-	-	-	-	(64,771)	-	(64,771)
Increase (decrease) in salaries and benefits payable	(51,238)	76	(1,227)	(2,676)	(55,065)	-	-	-
Increase in unearned revenues	-	14,881	-	5,497	20,378	-	-	-
Increase (decrease) in compensated absences	1,465	1,961	(516)	(855)	2,055	-	-	-
(Decrease) in net pension liability	(95,764)	(304,280)	(43,454)	(236,708)	(680,206)	-	-	-
(Increase) in deferred outflows of resources	(15,997)	(50,829)	(7,259)	(39,540)	(113,625)	-	-	-
Increase in deferred inflows of resources	93,432	296,873	42,396	230,945	663,646	-	-	-
Increase in other post-employment benefits	813	8,935	3,399	8,234	21,381	-	-	-
Net cash provided (used) by operating activities	\$ (34,035)	170,589	(35,461)	(458,352)	(357,259)	636,787	(9,405)	627,382

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

	Business Type Activities					Governmental Activities		
	Community Education	Community Daycare	Community Preschool	School Nutrition	Total	Self-funded Insurance	Flexible Benefits	Total
<i>Continued from previous page</i>								
Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:								
Current assets:								
Cash and investments	\$ 313,731	1,039,713	132,791	1,983,459	3,469,694	7,233,464	131,998	7,365,462
Cash and cash equivalents at year end	\$ 313,731	1,039,713	132,791	1,983,459	3,469,694	7,233,464	131,998	7,365,462

Non-cash investing, capital and financing activities:

During the year ended June 30, 2015, the District received federal commodities valued at \$229,215.

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, 2015

Governmental funds capital assets

Land and improvements	\$ 17,261,583
Buildings and improvements	115,019,603
Vehicles, furniture and equipment	9,752,258
Construction in progress	<u>22,394,875</u>

Total governmental funds capital assets \$ 164,428,319

Investments in governmental funds capital assets by source

General Fund	\$ 10,401,205
Special Revenue Funds	205,249
Capital Projects Funds	<u>153,821,865</u>

Total governmental funds capital assets \$ 164,428,319

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, 2015**

Function and Activity	Land and Improvements	Buildings and Improvements	Vehicles, Furniture and Equipment	Construction in Progress	Total
Instruction	\$ 15,796,938	112,277,932	2,291,868	22,394,875	152,761,613
Other instruction	371,476	61,506	-	-	432,982
Support services - instructional staff	441,545	-	1,452,456	-	1,894,001
Administration	328,878	1,118,324	325,917	-	1,773,119
Operation and maintenance of plant services	71,519	1,561,841	753,679	-	2,387,039
Student transportation services	251,227	-	4,928,338	-	5,179,565
Total	<u>\$ 17,261,583</u>	<u>115,019,603</u>	<u>9,752,258</u>	<u>22,394,875</u>	<u>164,428,319</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, 2015

Function and Activity	July 1, 2014	Additions	Deletions	June 30, 2015
Instruction	\$ 129,678,919	23,082,694	-	152,761,613
Other instruction	432,982	-	-	432,982
Support services - instructional staff	1,836,832	57,169	-	1,894,001
Administration	1,672,220	100,899	-	1,773,119
Operation and maintenance of plant services	2,353,317	33,722	-	2,387,039
Student transportation services	4,850,240	536,825	207,500	5,179,565
Total	<u>\$ 140,824,510</u>	<u>23,811,309</u>	<u>207,500</u>	<u>164,428,319</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, 2015

Account	Balance Beginning of Year	Revenues	Expendi- tures	Intrafund Transfers	Balanced End of Year
Elementary Schools:					
Lawson Elementary	\$ 2,404	-	-	-	2,404
Wallace Elementary	1,086	-	459	-	627
Beaver Creek Elementary	2,500	-	-	-	2,500
Horizon	1,612	-	-	-	1,612
Summit Middle School:					
Student Council	3,799	6,720	5,865	-	4,654
Yearbook	15,062	19,110	19,110	-	15,062
Vocal Music	8,562	3,621	2,458	-	9,725
Instrumental Music	3,630	9,305	12,837	-	98
Tech Club	25,868	13,498	14,332	-	25,034
Lego Robotics	736	910	646	-	1,000
Cheerleading	6,158	-	-	-	6,158
Food Assistance	1,498	-	877	-	621
SOS	100	-	-	-	100
Middle School:					
Dragon Express	470	65	103	-	432
Student Council	2,100	320	309	-	2,111
Robotics	-	507	310	-	197
Yearbook	15,472	18,900	20,178	-	14,194
Vocal Music	17,951	45,771	40,371	-	23,351
Instrumental Music	10,287	8,603	5,240	-	13,650
Student Management	10,822	-	-	-	10,822
Cheerleading	131	-	-	-	131
MS Pride	154	-	150	-	4
Art Club	21	14	19	-	16
French Club	-	460	307	-	153
Spanish Club	176	-	-	-	176
Tech Club	2,231	1,924	2,280	-	1,875
High School:					
Environmental Club	369	-	-	-	369
Spanish Club	3,365	-	300	-	3,065
Drama Club	1,948	1,462	1,320	-	2,090
Speech - Large Group	-	-	684	684	-
Speech - Individual	-	-	1,214	1,214	-
Debate	-	3,388	10,408	7,020	-
Student Council	18,583	36,457	36,399	-	18,641
National Honor Society	592	1,959	2,146	-	405
Archery	4,920	4,725	3,742	-	5,903
Senior Class	6,928	14,669	13,526	-	8,071
Yearbook	102,426	75,508	79,430	(8,960)	89,544
Academic Competition	-	1,990	2,048	58	-
Math Club	300	267	-	-	567
Instrumental Music	1,204	14,250	12,403	-	3,051
Vocal Music	40,278	9,175	34,865	19,982	34,570
Piano	12,000	-	11,914	-	86
Madrigal	-	900	576	(324)	-
Showzam	-	48,569	25,910	(22,659)	-
Synergy	-	33,851	29,141	(4,710)	-
INNO	-	42,977	50,688	7,711	-
Vocal Tour	-	4,458	-	-	4,458
Circle of Friends	974	2,683	3,439	-	218
SADD	157	-	-	-	157
Diversity Committee	100	-	-	-	100
Tech Club	2,289	1,710	2,130	-	1,869
Hyperstream	3,587	1,892	2,026	-	3,453
Gay Straight Alliance	384	435	262	-	557
Fencing Club	1,493	-	-	-	1,493
Exp Based Career	319	2,106	495	-	1,930
Musicals	14,570	7,682	7,066	-	15,186
Spirit Club	2,681	-	-	-	2,681
Miscellaneous	-	3,772	-	-	3,772
Family Career	266	676	935	-	7
Athletics	482,076	571,422	586,743	(16)	466,739
Total	\$ 834,639	1,016,711	1,045,661	-	805,689

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Local sources:										
Local tax	35,626,566	\$ 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
Tuition	3,707,732	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
Other	2,317,904	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
Intermediate sources	89,537	90,390	98,961	95,614	91,857	90,678	92,866	85,004	-	-
State sources	43,653,789	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
Federal sources	2,074,240	1,898,661	1,769,532	1,692,437	3,729,793	4,060,543	1,310,703	608,405	557,081	545,932
Total	<u>87,469,768</u>	<u>\$ 80,000,342</u>	<u>75,326,155</u>	<u>73,962,602</u>	<u>72,310,889</u>	<u>66,050,972</u>	<u>64,903,342</u>	<u>61,828,028</u>	<u>57,662,620</u>	<u>51,093,740</u>
Expenditures:										
Instruction:										
Regular	32,626,297	\$ 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
Special	9,049,507	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
Other	7,818,352	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
Support services:										
Student	1,819,763	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
Instructional staff	3,116,176	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
Administration	6,059,234	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
Operation and maintenance of plant	5,322,847	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
Transportation	3,451,604	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
Central support	-	-	-	-	-	-	-	-	-	-
Non-instructional programs:										
Food services	12,756	60,845	50,075	22,680	42,357	13,764	17,345	22,305	2,855	8,203
Community services and education	162,264	153,851	134,712	142,207	118,070	118,485	112,879	111,639	121,130	142,590
Other expenditures:										
Facilities acquisition	25,238,957	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
Long-term debt:										
Principal	13,404,870	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
Interest and other charges	3,527,675	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
AEA support	2,610,924	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
Total	<u>114,221,226</u>	<u>\$ 80,522,606</u>	<u>78,545,472</u>	<u>79,589,245</u>	<u>71,842,360</u>	<u>69,263,267</u>	<u>66,031,134</u>	<u>67,839,817</u>	<u>71,829,647</u>	<u>58,613,816</u>

See accompanying independent auditor's report.

**Johnston Community School District
Statistical Section
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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.	78-96
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).	97-102
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.	103-109
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.	110-114
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.	115-121

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented GASB 68 in fiscal year 2015; schedules presenting government-wide information include information beginning in that year.

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

Year ended June 30,	2015	2014	2013
Governmental activities:			
Invested in capital assets, net of related debt	\$ 58,871,834	13,249,999	65,764,354
Restricted	23,692,664	63,844,645	10,749,999
Unrestricted	(17,695,615)	8,209,879	8,028,431
Total governmental activities net position	\$ 64,868,883	85,304,523	84,542,784
Business-type activities:			
Invested in capital assets, net of related debt	\$ 513,678	614,448	731,486
Restricted	-	920	-
Unrestricted	1,091,515	2,884,984	2,513,869
Total business-type activities net position	\$ 1,605,193	3,500,352	3,245,355
Primary government:			
Invested in capital assets, net of related debt	\$ 59,385,512	13,864,447	66,495,840
Restricted	23,692,664	63,845,565	10,749,999
Unrestricted	(16,604,100)	11,094,863	10,542,300
Total primary government net position	\$ 66,474,076	88,804,875	87,788,139

Source: 2015 Certified Annual Report

2012	2011	2010	2009	2008	2007	2006
62,356,405	51,038,392	48,156,947	45,865,614	39,330,607	35,699,534	35,157,475
9,744,735	16,419,758	15,159,937	13,277,408	13,641,285	11,831,699	5,608,504
9,387,456	7,405,591	4,549,254	5,467,196	5,023,421	3,528,893	1,231,505
81,488,596	74,863,741	67,866,138	64,610,218	57,995,313	51,060,126	41,997,484
587,958	676,121	759,166	764,558	860,311	865,179	629,082
-	8,370	-	-	-	-	-
2,586,485	2,122,298	1,887,694	1,894,468	1,714,535	1,473,496	1,808,309
3,174,443	2,806,789	2,646,860	2,659,026	2,574,846	2,338,675	2,437,391
62,944,363	51,714,513	48,916,113	46,630,172	40,190,918	36,564,713	35,786,557
9,744,735	16,428,128	15,159,937	13,277,408	13,641,285	11,831,699	5,608,504
11,973,941	9,527,889	6,436,948	7,361,664	6,737,956	5,002,389	3,039,814
84,663,039	77,670,530	70,512,998	67,269,244	60,570,159	53,398,801	44,434,875

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

Year ended June 30,	2015	2014	2013	2012
Expenses:				
Governmental activities:				
Instruction	\$ 49,803,088	49,337,355	49,036,745	44,757,711
Student services	1,758,854	1,925,705	1,697,758	1,638,859
Instructional staff services	3,261,971	3,590,304	3,645,976	3,364,050
Administrative services	5,581,377	5,711,829	5,251,380	5,043,599
Operating and maintenance of plant services	5,219,346	5,672,497	4,919,762	4,886,355
Transportation services	3,445,848	3,309,073	3,222,225	3,591,054
Capital outlay	-	-	-	-
Long-term debt interest	3,254,018	2,591,867	1,595,681	1,642,172
Non-instructional programs	150,343	205,640	159,747	136,274
Other expenditures	5,454,504	6,962,566	2,971,590	2,282,020
Total governmental activities expenses	77,929,349	79,306,836	72,500,864	67,342,094
Business type activities:				
Nutrition	3,354,998	3,248,993	2,989,163	2,968,730
Day care services	2,087,055	1,916,455	2,095,538	1,982,675
Community education services	997,118	997,042	795,752	632,314
Total business type activities expenses	6,439,171	6,162,490	5,880,453	5,583,719
Total primary government expenses	\$ 84,368,520	85,469,326	78,381,317	72,925,813
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 4,858,280	4,944,723	4,708,965	4,716,473
Support services	261,651	333,733	334,746	303,992
Operating grants and contributions	11,896,003	9,391,081	8,742,525	8,729,403
Total governmental activities program revenues	17,015,934	14,669,537	13,786,236	13,749,868
Business type activities:				
Charges for services:				
Nutrition	2,547,400	2,424,013	2,332,549	2,341,951
Day care services	2,295,884	2,105,910	2,164,258	1,971,370
Community education services	999,673	986,262	813,678	718,583
Operating grants and contributions	1,034,906	966,302	887,948	919,469
Total business type program revenues	6,877,863	6,482,487	6,198,433	5,951,373
Total primary government program revenues	\$ 23,893,797	21,152,024	19,984,669	19,701,241
Net revenue (expense):				
Governmental activities	\$ (60,913,415)	(64,637,299)	(58,714,628)	(53,592,226)
Business type activities	438,692	319,997	317,980	367,654
Total primary government net expense	\$ (60,474,723)	(64,317,302)	(58,396,648)	(53,224,572)

Source: 2015 Certified Annual Report

2011	2010	2009	2008	2007	2006
42,997,915	41,075,403	38,263,152	34,346,658	30,666,801	28,211,145
1,657,151	1,596,919	1,401,696	1,380,591	1,301,680	1,170,265
3,028,879	2,749,674	2,601,050	2,669,388	2,062,886	1,933,485
5,308,433	5,122,778	4,781,632	4,929,567	4,344,754	4,048,697
4,836,685	4,912,963	4,712,151	4,488,374	3,896,886	3,717,675
3,197,520	2,829,785	2,302,013	2,097,710	2,048,069	1,759,129
-	-	-	798,920	471,589	322,595
1,790,759	1,920,576	2,082,797	2,220,610	2,058,741	1,752,411
145,594	126,953	91,567	82,532	142,117	149,814
2,350,350	2,460,001	2,068,147	1,771,545	1,606,455	1,408,173
65,313,286	62,795,052	58,304,205	54,785,895	48,599,978	44,473,389
2,893,145	2,826,126	2,539,224	2,403,213	2,217,269	1,969,280
1,987,377	2,005,525	2,270,418	2,251,506	2,033,473	1,858,371
584,003	606,859	582,854	509,127	481,129	429,823
5,464,525	5,438,510	5,392,496	5,163,846	4,731,871	4,257,474
70,777,811	68,233,562	63,696,701	59,949,741	53,331,849	48,730,863
4,446,966	4,021,814	4,384,947	4,721,590	3,890,184	3,932,276
319,065	303,383	268,496	236,406	175,645	355,562
10,716,250	10,659,417	6,848,576	5,115,230	4,136,055	3,260,375
15,482,281	14,984,614	11,502,019	10,073,226	8,201,884	7,548,213
2,270,385	2,126,538	1,997,655	1,877,541	1,751,445	1,686,958
1,880,593	1,870,093	2,181,658	2,218,810	1,919,604	1,870,127
572,686	593,905	552,129	479,257	435,473	391,836
900,790	835,808	741,005	717,105	526,633	548,230
5,624,454	5,426,344	5,472,447	5,292,713	4,633,155	4,497,151
21,106,735	20,410,958	16,974,466	15,365,939	12,835,039	12,045,364
(49,831,005)	(47,810,438)	(46,802,186)	(44,712,669)	(40,398,094)	(36,925,176)
159,929	(12,166)	79,951	128,867	(98,716)	239,677
(49,671,076)	(47,822,604)	(46,722,235)	(44,583,802)	(40,496,810)	(36,685,499)

GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION

Last Ten Fiscal Years

Year ended June 30,	2015	2014	2013	2012
Net (expense) revenue:				
Governmental activities	\$ (60,913,415)	(64,637,299)	(58,714,628)	(53,592,226)
Business type activities	438,692	319,997	317,980	367,654
Total primary government net expense	(60,474,723)	(64,317,302)	(58,396,648)	(53,224,572)
General revenues and other changes in net position:				
Governmental activities:				
General revenues:				
Property taxes levied for:				
General purposes	26,634,779	25,257,174	23,739,582	25,139,889
Debt service	5,537,573	3,815,774	3,614,999	2,302,231
Capital outlay	3,462,422	3,320,986	3,169,354	3,129,302
Statewide sales, services and use tax	6,074,567	5,449,133	5,336,410	5,123,925
Unrestricted state grants	27,832,918	26,458,419	24,769,091	23,753,747
Unrestricted investment earnings	126,645	85,142	46,852	71,535
Other	792,981	947,410	872,283	696,452
Capital contributions	-	-	-	-
Transfers	169,884	65,000	65,000	-
Total governmental activities	70,631,769	65,399,038	61,613,571	60,217,081
Business-type activities:				
Miscellaneous	-	-	-	-
Transfers	(169,884)	(65,000)	(65,000)	-
Total business-type activities	(169,884)	(65,000)	(65,000)	-
Total primary government general revenues and other changes in net position	70,461,885	65,334,038	61,548,571	60,217,081
Change in net position:				
Governmental activities	9,718,354	761,739	2,898,943	6,624,855
Business-type activities	268,808	254,997	252,980	367,654
Total primary government change in net position	\$ 9,987,162	1,016,736	3,151,923	6,992,509

Source: 2015 Certified Annual Report

2011	2010	2009	2008	2007	2006
(49,831,005)	(47,810,438)	(46,802,186)	(44,712,669)	(40,398,094)	(36,925,176)
159,929	(12,166)	79,951	128,867	(98,716)	239,677
(49,671,076)	(47,822,604)	(46,722,235)	(44,583,802)	(40,496,810)	(36,685,499)

25,381,589	24,158,338	21,298,103	19,689,959	19,159,367	16,565,872
875,421	1,313,820	2,556,704	2,657,697	2,177,335	2,304,979
2,954,515	2,822,082	2,638,596	2,485,836	2,384,625	2,159,039
5,808,390	4,282,968	5,579,965	5,230,332	5,222,527	4,594,967
20,916,147	16,880,987	20,175,159	19,400,505	17,692,641	16,398,591
109,923	847,168	376,149	1,148,153	1,610,716	853,263
782,623	760,995	796,644	1,142,678	1,213,525	668,816
-	-	-	-	-	-
-	-	(4,229)	-	-	-
56,828,608	51,066,358	53,417,091	51,755,160	49,460,736	43,545,527

-	-	-	-	-	-
-	-	4,229	-	-	-
-	-	4,229	-	-	-

56,828,608	51,066,358	53,421,320	51,755,160	49,460,736	43,545,527
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6,997,603	3,255,920	6,614,905	7,042,491	9,062,642	6,620,351
159,929	(12,166)	84,180	128,867	(98,716)	239,677
7,157,532	3,243,754	6,699,085	7,171,358	8,963,926	6,860,028

FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Year ended June 30,	2015	2014	2013
General Fund:			
Nonspendable for Inventories/Prepd	\$ 44,102	47,864	49,391
Restricted	1,283,366	801,527	742,491
Unassigned	6,065,734	4,195,630	4,019,759
Total general fund	7,393,202	5,045,021	4,811,641
All other governmental funds:			
Restricted, reported in:			
Debt Service	2,265,914	9,545,061	9,721,828
Special revenue funds	1,743,993	1,989,103	2,901,807
Capital project funds	39,921,249	61,322,483	6,173,055
Total all other governmental funds	43,931,156	72,856,647	18,796,690
Total governmental fund balances	\$ 51,324,358	77,901,668	23,608,331

Source: 2015 Certified Annual Report

2012	2011	2010	2009	2008	2007	2006
47,836	42,426	49,222	42,801	31,176	17,982	20,093
875,116	765,115	1,013,530	592,350	466,786	486,487	419,157
5,998,132	4,721,855	1,580,546	2,347,277	2,713,355	2,693,386	1,363,662
6,921,084	5,529,396	2,643,298	2,982,428	3,211,317	3,197,855	1,802,912
516,040	517,651	518,464	3,990,413	454,343	397,337	3,393,351
2,622,228	2,200,881	4,272,008	4,406,636	4,427,435	3,494,338	2,883,949
5,851,080	13,284,800	13,630,429	12,897,017	17,177,649	14,123,571	27,299,916
8,989,348	16,003,332	18,420,901	21,294,066	22,059,427	18,015,246	33,577,216
15,910,432	21,532,728	21,064,199	24,276,494	25,270,744	21,213,101	35,380,128

GOVERNMENTAL FUNDS REVENUES
Last Ten Fiscal Years

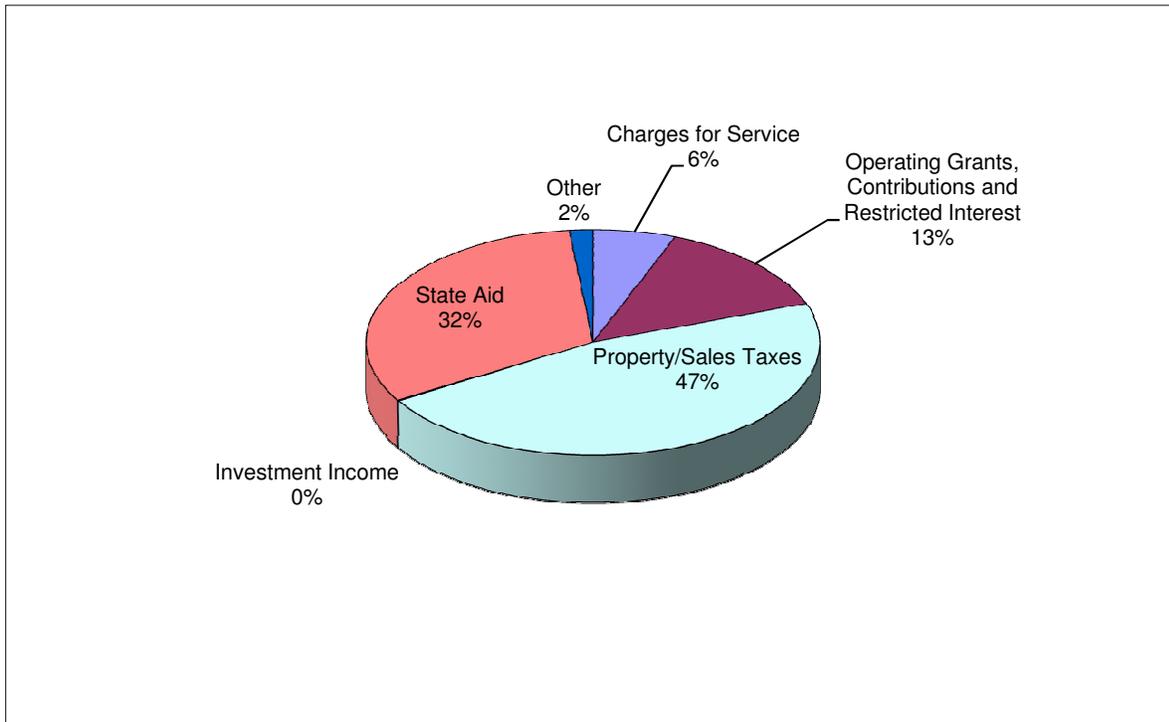
Year ended June 30,	2015	2014	2013	2012	2011
Local Sources:					
Property taxes	\$ 33,969,188	31,541,517	30,531,071	29,705,068	28,376,676
Local option sales tax	-	-	5,336,410	5,123,925	5,808,390
Utility replacement	975,143	852,417	860,601	866,354	834,848
Other local sources	5,114,877	5,393,603	4,385,685	5,004,132	4,710,696
Investment earnings	126,645	89,142	46,852	71,535	109,923
Student activities	830,618	908,380	745,744	795,059	830,231
Total local sources	41,016,471	38,785,059	41,906,363	41,566,073	40,670,764
State sources:					
State foundation aid	27,832,918	25,706,139	24,769,091	23,753,747	20,916,147
Statewide Sales tax	6,074,567	5,449,133	-	-	-
Other state sources	10,400,006	8,161,350	6,881,169	6,950,345	6,994,185
Total state sources	44,307,491	39,316,622	31,650,260	30,704,092	27,910,332
Federal sources	2,074,240	1,898,661	1,769,531	1,692,437	3,729,793
Total Revenues	\$ 87,398,202	80,000,342	75,326,154	73,962,602	72,310,889

Source: 2015 Certified Annual Report

2010	2009	2008	2007	2006
27,530,901	25,775,471	24,131,034	23,016,962	20,330,548
4,282,968	5,579,965	5,230,332	5,222,527	4,594,967
763,339	717,932	702,460	704,365	699,341
4,430,103	4,844,036	5,613,015	4,594,317	4,395,017
847,168	376,149	1,148,154	1,610,716	826,048
739,538	569,468	506,711	600,924	549,155
38,594,017	37,863,021	37,331,706	35,749,811	31,395,076
16,880,987	19,988,582	19,218,464	17,835,060	16,290,764
-	-	-	-	-
6,515,425	5,741,036	4,669,452	3,522,227	2,861,968
23,396,412	25,729,618	23,887,916	21,357,287	19,152,732
4,060,543	1,310,703	608,406	555,522	545,932
66,050,972	64,903,342	61,828,028	57,662,620	51,093,740

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	
2014-15	\$ 5,119,031	11,896,003	41,018,898	126,645	27,832,918	1,476,273	87,469,768
2013-14	5,278,456	9,391,081	37,843,067	89,142	25,706,139	1,692,457	80,000,342
2012-13	5,043,711	8,742,525	35,860,345	46,852	24,769,091	863,630	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



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

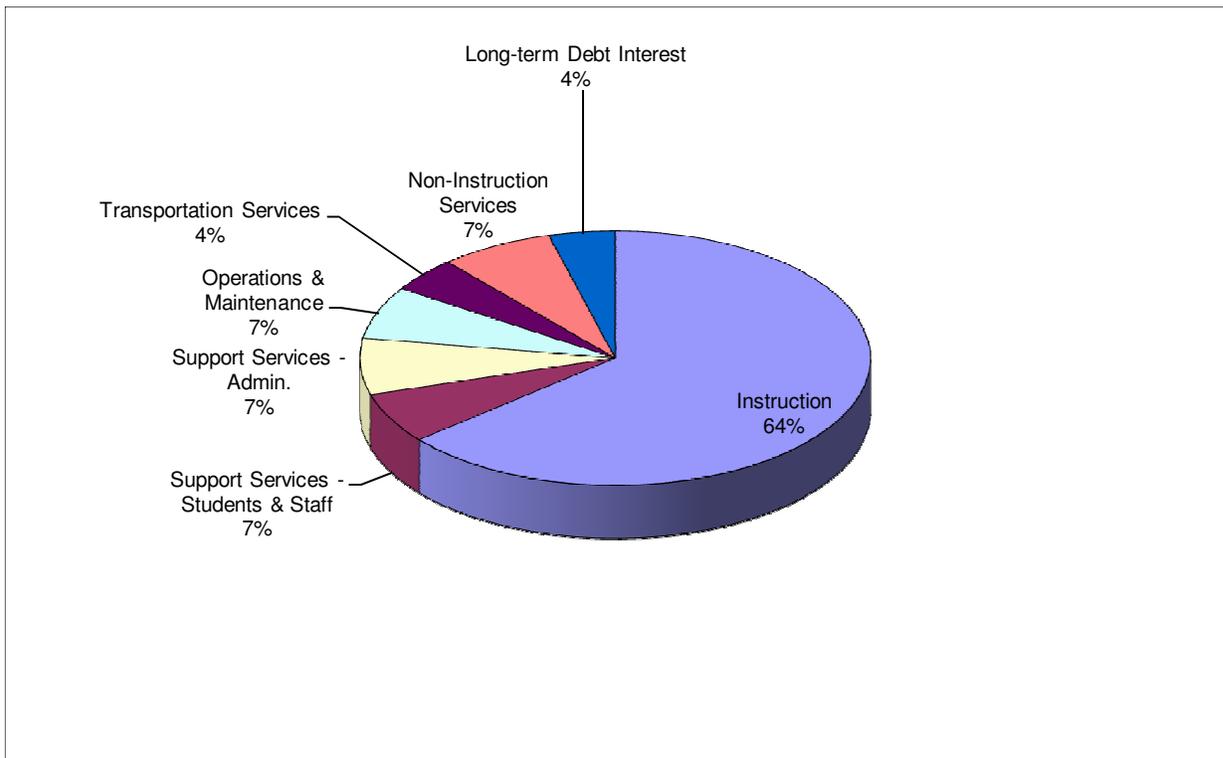
Year ending June 30,	2015	2014	2013	2012	2011
Instruction:					
Regular instruction	\$ 32,626,297	30,467,849	30,274,566	27,638,864	27,049,790
Special instruction	9,049,507	8,936,782	9,552,833	8,737,716	8,299,509
Other instruction	7,818,352	7,644,581	6,851,147	6,188,208	5,211,519
Support services:					
Student services	1,819,763	1,922,828	1,733,474	1,652,186	1,657,172
Instructional staff services	3,116,176	3,446,669	3,997,094	3,238,683	2,965,971
Administration services	6,059,234	6,021,436	5,580,409	5,354,058	5,461,057
Plant operation and maintenance	5,322,847	5,604,645	4,899,107	4,826,922	4,744,650
Transportation services	3,451,604	3,453,897	3,346,722	3,161,811	2,859,427
Non-instructional programs:					
Food services	12,756	60,845	50,075	22,680	42,357
Community service and education	162,264	153,851	134,712	142,207	118,070
Capital outlay	25,238,957	4,513,719	3,223,347	10,429,507	5,158,895
Debt service:					
Principal	13,404,870	4,324,630	4,910,369	4,305,000	4,150,000
Interest	3,526,675	1,522,027	1,577,488	1,655,159	1,803,086
Services	1,000	-	106,294	-	-
Intergovernmental other expenditures	2,610,924	2,448,847	2,307,835	2,236,244	2,320,857
Total expenditures	\$ 114,221,226	80,522,606	78,545,472	79,589,245	71,842,360
Debt service as a percentage of non-capital expenditures	19.03%	7.69%	8.75%	8.62%	8.90%

Source: 2015 Certified Annual Report

2010	2009	2008	2007	2006
26,246,992	25,632,654	22,840,146	19,978,686	18,389,994
7,633,325	7,310,329	7,135,533	6,694,623	5,867,984
4,735,781	3,493,390	2,798,377	2,841,136	2,385,744
1,595,120	1,434,161	1,413,042	1,289,939	1,189,547
2,681,246	2,590,573	2,679,714	2,087,999	1,985,956
5,135,488	5,183,740	5,216,577	4,781,180	4,011,887
4,845,401	4,693,862	4,511,428	3,903,490	3,707,823
2,582,214	2,625,767	1,984,393	2,103,016	1,675,469
13,764	17,345	22,305	2,855	8,203
118,485	112,879	111,639	121,130	142,590
3,865,127	3,341,005	9,739,160	16,166,714	7,242,583
5,670,000	5,520,000	5,365,000	7,655,000	9,510,000
1,952,509	2,128,980	2,230,458	2,592,150	1,085,413
-	-	20,500	5,274	2,450
2,187,815	1,946,449	1,771,545	1,606,455	1,408,173
69,263,267	66,031,134	67,839,817	71,829,647	58,613,816
11.70%	12.20%	13.10%	18.40%	20.60%

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
2014-15	\$ 49,803,088	5,020,825	5,581,377	5,219,346	3,445,848	5,604,847	3,254,018	77,929,349
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



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,	2015	2014	2013	2012
Excess (deficiency) of revenues over (under) expenditures	\$ (26,751,458)	(522,264)	(3,219,317)	(5,626,643)
Other financing sources (uses):				
Transfers in	3,294,653	1,897,301	2,861,855	3,654,751
Transfers out	(3,124,769)	(1,832,301)	(2,796,855)	(3,654,751)
Sale of bonds/Discounts	(1,925)	54,747,368	-	-
Sale of property/equipment	6,189	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	\$ (26,577,310)	54,293,337	7,488,317	(5,622,296)

Source: Certified Annual Report

2011	2010	2009	2008	2007	2006
468,529	(3,212,295)	(1,127,792)	(6,011,789)	(14,167,027)	(7,520,076)
5,077,667	6,310,309	5,112,753	5,397,505	5,392,773	1,248,028
(5,077,667)	(6,310,309)	(5,116,982)	(5,397,505)	(5,392,773)	(1,248,028)
-	-	-	10,069,074	-	36,920,000
-	-	19,997	358	-	-
-	-	-	-	-	-
-	-	-	-	-	-
468,529	(3,212,295)	(1,112,024)	4,057,643	(14,167,027)	29,399,924

**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
2014-15	\$ 70,566,918	7.9%	\$ 68,388,621	4.9%	6,617.1	3.3%	\$ 3,178,778,284	1.4%	13.66094	1.9%
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%

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
2014-15	\$ 3,109,427,512	-	6,783,155	62,567,617	3,178,778,284	2,035,596,241	18.36026
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

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												
2013	2014-15	\$ 11.34385	0.00330	0.65724	16.92000	0.05669	14.01287	1.67000	2.67739	18.36026	47.34134	0.38783
2012	2013-14	10.93115	0.00330	0.69120	16.92001	0.06911	13.76563	1.67000	1.91881	17.35444	45.96921	0.37752
2011	2012-13	10.66459	0.00330	0.58466	16.91982	0.06011	13.77526	1.67000	1.90482	17.35008	45.58256	0.38063
2010	2011-12	10.45909	0.00320	0.59018	16.58000	0.08531	14.44737	1.67000	1.22862	17.34599	45.06377	0.38492
2009	2010-11	10.49853	0.00340	0.56008	16.57614	0.08005	15.18024	1.67000	0.49482	17.34506	45.06326	0.38490
2008	2009-10	10.43366	0.00300	0.56778	16.57614	0.33537	14.89988	1.67000	0.77750	17.34738	45.26333	0.38325
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
City of Grimes												
2013	2014-15	\$ 11.12160	0.00330	0.65724	12.91374	-	14.01287	1.67000	2.67739	18.36026	43.05614	0.42643
2012	2013-14	10.70915	0.00330	0.69120	12.91302	-	13.76563	1.67000	1.91881	17.35444	41.67111	0.41646
2011	2012-13	10.44259	0.00330	0.58466	12.90968	-	13.77526	1.67000	1.90482	17.35008	41.29031	0.42020
2010	2011-12	10.23709	0.00320	0.59018	12.90318	-	14.44737	1.67000	1.22862	17.34599	41.07964	0.42225
2009	2010-11	10.25833	0.00340	0.56008	12.91004	-	15.18024	1.67000	0.49482	17.34506	41.07691	0.42226
2008	2009-10	10.16090	0.00300	0.56778	12.92062	-	14.89988	1.67000	0.77750	17.34738	40.99968	0.42311
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
City of Johnston												
2013	2014-15	\$ 11.14960	0.00330	0.65724	11.34392	-	14.01287	1.67000	2.67739	18.36026	41.51432	0.44226
2012	2013-14	10.73715	0.00330	0.69120	11.15007	-	13.76563	1.67000	1.91881	17.35444	39.93616	0.43455
2011	2012-13	10.47059	0.00330	0.58466	11.29000	-	13.77526	1.67000	1.90482	17.35008	39.69863	0.43704
2010	2011-12	10.26509	0.00320	0.59018	11.09579	-	14.44737	1.67000	1.22862	17.34599	39.30025	0.44137
2009	2010-11	10.28803	0.00340	0.56008	11.26700	-	15.18024	1.67000	0.49482	17.34506	39.46357	0.43952
2008	2009-10	10.18968	0.00300	0.56778	11.30102	-	14.89988	1.67000	0.77750	17.34738	39.40886	0.44019
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
City of Urbandale												
2013	2014-15	\$ 11.20160	0.00330	0.65724	9.72000	0.05699	14.01287	1.67000	2.67739	18.36026	39.99939	0.45901
2012	2013-14	10.78915	0.00330	0.69120	9.57000	0.06911	13.76563	1.67000	1.91881	17.35444	38.47720	0.45103
2011	2012-13	10.52259	0.00330	0.58466	9.62000	0.06011	13.77526	1.67000	1.90482	17.35008	38.14074	0.45490
2010	2011-12	10.31709	0.00320	0.59018	9.52000	0.08531	14.44737	1.67000	1.22862	17.34599	37.86177	0.45814
2009	2010-11	10.33903	0.00340	0.56008	9.32000	0.08005	15.18024	1.67000	0.49482	17.34506	37.64762	0.46072
2008	2009-10	10.24238	0.00300	0.56778	9.22000	0.33537	14.89988	1.67000	0.77750	17.34738	37.71591	0.45995
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

Source: Polk County Auditor

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

Taxpayer	2015			2006		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
John Deere Credit	46,908,000	1	2.30%			
Pioneer Hi-Bred Co	\$ 42,943,760	2	2.11%	\$ 64,936,310	1	5.03%
Cole OFC Johnston IA LLC	26,911,170	3	1.32%			
Centro GA Haymarket Square LLC	17,674,200	4	0.87%			
Pioneer Hi-Bred Corn Co	12,453,459	5	0.61%			
Mid-American Inv. Co.	11,668,500	6	0.57%	17,132,050	4	1.33%
Wal-Mart	11,397,141	7	0.56%	-		
Gabus Family Trust	11,052,000	8	0.54%			
Mansions at Hemingway LLC	11,040,807	9	0.54%	9,727,970	10	0.75%
SCI Des Moines LLC	9,866,790	10	0.48%			
Mid-American Energy				40,628,027	2	3.14%
Deutsch Bank				27,408,290	3	2.12%
Target Corp.				13,027,440	5	1.01%
Green Meadows LTD				12,846,620	6	0.99%
Spirit SPE Johnston LLC				11,561,000	7	0.89%
Village Court				11,130,710	8	0.86%
Westchester Village				10,366,230	9	0.80%
Total	\$ 155,007,827		7.61%	\$ 218,764,647		16.93%
Total taxable value	\$ 2,035,596,241			\$1,292,100,970		

Source: Polk County Auditor

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

Employer	2015			2006		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
DuPont Pioneer	2,703	1	*	1,471	1	*
Childserve	1,005	2	*			
John Deere Credit	910	3	*			
Johnston Community Schools	888	4	*	505	3	*
Iowa National Guard	704	5	*	576	2	*
Heartland Area Education Agency	324	6	*	156	7	*
Bishop Drumm Care Center	235	7	*	202	5	*
Children's Habilitation Center	175	8	*	185	7	*
Iowa Public Television	127	9	*	130	8	*
ITS Inc.	125	10	*	183	6	*
American Concrete Products				235	4	*
Iowa Communications Network				96	9	*
Total	7,196			3,739		

*Information not available

Source: City of Johnston/audit/Loctionone.com

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
2015	\$ 35,010,055	34,944,331	99.81%	\$ 4,478	34,948,809	99.83%
2014	32,594,766	32,433,674	99.51%	(72,054)	32,361,620	99.28%
2013	30,519,494	30,485,501	99.89%	6,177	30,491,678	99.91%
2012	30,645,573	30,554,889	99.70%	(11,659)	30,543,230	99.67%
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%

Source: Polk County Cash Management

PROPERTY TAX RATES**Last Ten Fiscal Years**

Fiscal Year	General	Mngt.	Reg. PPEL	Voted PPEL	Debt Service	Total
2014-15	\$ 13.66094	0.35193	0.33000	1.34000	2.67739	18.36026
2013-14	13.41003	0.35560	0.33000	1.34000	1.91881	17.35444
2012-13	13.32548	0.44978	0.33000	1.34000	1.90482	17.35008
2011-12	13.90275	0.54462	0.33000	1.34000	1.22862	17.34599
2010-11	14.61345	0.56679	0.33000	1.34000	0.49482	17.34506
2009-10	14.14840	0.75148	0.33000	1.34000	0.77750	17.34738
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

Source: District records

PROPERTY TAX LIABILITY**Last Ten Fiscal Years**

Fiscal Year	Assessed Value	Rollback	Taxable Value	Rate	Tax Liability	Change Dollars	Percent
2014-15	200,000	54.40%	108,800	18.36026	1,998	165	9.0%
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%

Source: District records, Polk County Assessor

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

(dollars in thousands, except per capita)

Fiscal Year	Population	Assessed Value Property	Legal Debt Limit (5%)	General Obligation Bonds	Debt to Assessed	
					Value	Per Capita
2015	17,278	\$ 3,178,778,284	158,938,914	24,107,386	0.76%	1,395
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

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			
2015	\$ 24,107,386	54,448,668	-		78,556,054	\$ 3,178,778,284
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

* 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
2.47%	17,278	4,547	N/A	NA
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%

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2015

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

Year ended June 30,	2015	2014	2013	2012	2011
Debt limit	\$ 158,938,914	\$ 156,702,644	152,776,876	154,445,487	150,913,560
Total net debt applicable to limit	78,556,054	92,287,537	40,620,000	78,556,054	40,665,000
Legal debt margin	\$ 80,382,860	\$ 64,415,107	112,156,876	75,889,433	110,248,560
Total net debt applicable to the limit as a percentage of debt limit	49%	59%	27%	51%	27%

Source: Polk County Auditor and District Records

\$3,178,778,284

158,938,914
78,556,054
80,382,860

2010	2009	2008	2007	2006
145,903,098	141,405,787	135,016,678	126,186,732	104,220,444
44,815,000	50,485,000	56,005,000	51,370,000	59,025,000
<u>101,088,098</u>	<u>90,920,787</u>	<u>79,011,678</u>	<u>74,816,732</u>	<u>45,195,444</u>
31%	36%	41%	41%	57%

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 2015

Actual assessed value	\$ 3,178,778,284
	0.05
Debt Limit:	<u>\$ 158,938,914</u>

Total Direct Debt = \$ 78,556,054 or 49.4% 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	209,872,300	21,240,802,526	2,035,596,241	9.58%	20,112,953
DMACC	62,785,000	21,240,802,526	2,035,596,241	9.58%	6,016,953
Heartland AEA 11	-	21,240,802,526	2,035,596,241	9.58%	-
Urbandale San Sewer Dist	-	1,966,112,177	403,500,675	20.52%	-
City of Des Moines	367,035,000	7,191,774,728	139,859,661	1.94%	7,137,792
City of Grimes	31,920,512	544,447,012	132,823,662	24.40%	7,787,350
City of Johnston	78,610,000	1,292,373,892	1,243,983,313	96.26%	75,666,592
City of Urbandale	45,800,000	2,164,723,098	398,446,486	18.41%	8,430,108
Subtotal, overlapping debt	<u>796,022,812</u>				<u>125,151,748</u>
District direct debt:					
General obligation	24,107,386			100%	24,107,386
Capital loan notes	0			100%	0
Sales tax revenue	54,448,668			100%	54,448,668
Total direct debt	<u>78,556,054</u>				<u>78,556,054</u>
Total direct and overlapping debt	<u>\$874,578,866</u>				<u>\$203,707,802</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.

PLEGGED 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		
2015	\$ 54,448,668	\$ 6,148,911	\$ -	\$ 2,181,401	2,181,401	2.81878985
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	-	-	-	*

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 2,700 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 *** - %
2015	17,278	N/A	N/A	N/A	*
2014	17,278	N/A	N/A	N/A	4.4
2013	17,278	\$1,214,695,925	72,754	70,303	4.8
2012	17,278	1,154,230,470	69,132	66,803	5.2
2011	17,278	1,061,293,731	63,566	61,425	5.7
2010	15,691	1,012,094,482	62,976	64,502	6.0
2009	15,691	911,095,733	58,784	58,065	6.1
2008	15,691	926,426,360	61,446	59,042	4.1
2007	15,261	935,709,569	63,172	61,314	3.5
2006	15,076	856,194,778	60,878	56,792	3.4

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
2015	N/A	N/A	N/A	N/A
2014	\$ 157.2	3,439.9	7,291.7	35,847.6
2013	156.5	3,325.4	6,970.0	34,800.6
2012	159.6	3,264.3	6,786.9	34,538.0
2011	148.6	3,195.1	6,563.6	32,904.0
2010	153.3	3,108.0	6,341.0	31,943.6
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

* 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, 2015 Deposits inside Market
Wells Fargo Bank	\$ 83,499,000
Charter Bank	79,095,000
Grinnell State Bank	60,895,000
Community State Bank	30,001,000
Bank of the West	27,055,000
Bank Iowa	12,378,000
Liberty National Bank	2,146,000
ITS Bank	500,000
	<u>\$ 295,569,000</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
2014	86	42	98	226
2013	101	23	109	233
2012	113	14	275	402
2011	139	27	16	182
2010	130	24	36	190
2009	98	38	85	221
2008	78	22	0	100
2007	130	16	52	198
2006	190	79	96	365
2005	269	100	0	369
Total	1,334	385	767	2,486

Source: City of Johnston Planning Department

DISTRICT STAFFING LEVELS -- General Fund (FTE)

Last Ten Fiscal Years

	For Fiscal Year ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Administration:										
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assoc. Supt.	1.0	1.0	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Principals	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0
Assist. Principals	8.0	9.0	4.0	4.0	4.0	4.0	4.0	9.0	9.0	9.0
Other Admin.	9.0	9.0	10.0	8.0	8.0	8.0	8.0	3.0	2.0	2.0
Total Administration	27.0	28.0	23.0	22.0	22.0	22.0	22.0	21.0	20.0	20.0
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	429.4	425.0	425.7	415.5	405.6	400.4	393.5	364.1	331.2	324.3
Counselors, Deans	13.0	10.5	15.5	15.5	11.5	12.5	14.5	12.0	11.0	9.5
Media Spec.	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0
Other Instructors	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Total Instruction	452.4	446.5	452.2	442.0	428.1	423.9	419.0	387.1	353.2	344.8
Professional/Other										
Nurses	8.0	8.0	8.0	8.3	8.3	8.3	7.3	7.0	6.0	6.0
Other Professional Staff	5.6	5.7	6.6	6.5	8.0	8.0	8.0	7.5	6.0	6.0
Total Professional/Other	13.6	13.7	14.6	14.8	16.3	16.3	15.3	14.5	12.0	12.0
Instructional Support Personnel:	133.7	125.6	139.6	139.2	137.5	135.0	135.0	124.0	114.6	114.6
Support Personnel:										
Office/Clerical	29.8	29.0	29.0	29.5	30.0	32.0	32.0	29.0	25.0	24.0
Transportation	49.6	51.2	47.4	55.0	52.5	52.0	55.0	55.0	48.0	40.0
Op. & Maintenance	42.6	40.6	42.6	42.5	42.5	41.5	44.0	44.0	38.0	38.0
Service Personnel	5.0	5.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0
Total Support Personnel	126.9	125.8	123.0	131.0	129.0	129.5	136.0	133.0	116.0	107.0
Grand Totals	756.6	742.6	755.4	752.0	735.9	729.7	730.3	682.6	618.8	601.4
Certified Enrollment	6,616.0	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
Employees/Student	8.7	8.6	8.3	8.2	8.3	8.2	7.9	8.3	8.7	8.6
Pupil/Teacher	14.6	14.4	13.9	13.9	14.2	14.1	13.8	14.6	15.3	15.0

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
2014-15	\$ 68,388,621	6,649	\$ 10,286	18.00%
2013-14	65,225,022	6,564	9,937	17.60%
2012-13	63,484,686	6,393	9,930	17.90%
2011-12	60,153,139	6,218	9,674	16.40%
2010-11	57,900,225	6,185	9,361	16.60%
2009-10	55,041,811	6,022	9,140	14.40%
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%

Source: 2015 Certified Annual Report/Student Reporting in Iowa



**JOHNSTON
COMMUNITY**

SCHOOL DISTRICT

Excellence In Education

GENERAL ANALYSIS OF FACILITIES**Last Ten Fiscal Years**

	2015	2014	2013	2012	2011
Elementary Schools:					
Lawson K-5 (1958, 1960, 1967, 1998)					
Square Feet	82,532	82,532	82,532	82,532	63,353
Number of classrooms	47	47	47	47	38
Enrollment	615	615	615	478	492
Wallace PK-5 (1987, 1989)					
Square Feet	66,064	66,064	66,064	66,064	66,064
Number of classrooms	44	44	44	44	44
Enrollment	513	513	513	536	563
Beaver Creek K-5 (1997, 2001)					
Square Feet	96,125	96,125	96,125	96,125	96,125
Number of classrooms	45	45	45	45	45
Enrollment	767	767	767	846	796
Horizon K-5 (2001)					
Square Feet	100,506	100,506	100,506	100,506	100,506
Number of classrooms	44	44	44	44	44
Enrollment	729	729	729	686	702
Timber Ridge K-5 (2007)					
Square Feet	122,181	122,181	116,681	111,281	111,281
Number of classrooms	48	48	48	42	42
Enrollment	505	505	505	536	548
Middle Schools:					
Summit Middle School 6-7 (2004, 2007)					
Square Feet	191,680	191,680	191,680	191,680	184,680
Number of classrooms	75	75	75	75	66
Enrollment	1017	1017	1017	1007	968
Johnston Middle School 8-9 (1984, 1990, 2007)					
Square Feet	176,366	176,366	176,366	176,366	176,366
Number of classrooms	68	68	68	68	68
Enrollment	999	999	999	972	947
High School:					
Johnston High School 9-12 (1972, 1977, 1994, 2008)					
Square Feet	263,829	263,829	263,829	263,829	263,829
Number of classrooms	88	88	88	88	88
Enrollment	1360	1360	1360	1310	1292
Other facilities:					
Administrative Resource Center (2000)					
Square Feet	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
Wallace Annex (1987)					
Square Feet	5,405	5,405	5,405	5,405	5,405
Number of classrooms	3	3	3	3	3
Warehouse (2000) and BG (2010)					
Square Feet	7,935	7,935	7,935	7,935	7,935

Source: District Information

2010	2009	2008	2007	2006
63,353	63,353	63,353	63,353	63,353
38	38	38	38	38
502	474	486	500	454
66,064	66,064	66,064	66,064	66,064
44	44	44	44	44
553	505	482	568	553
96,125	96,125	96,125	96,125	96,125
45	45	45	45	45
746	670	653	858	799
100,506	100,506	100,506	100,506	100,506
44	44	44	44	44
687	610	571	650	605
111,281	111,281	111,281	N/A	N/A
42	42	42	N/A	N/A
569	540	537	N/A	N/A
184,680	184,680	184,680	184,680	176,680
66	66	66	67	66
948	913	832	793	833
176,366	176,366	176,366	168,366	168,366
68	68	68	68	68
862	813	846	854	792
263,829	263,829	263,829	213,829	213,829
88	88	71	71	71
1320	1287	1,249	1,175	1,120
16,509	16,509	16,509	16,509	16,509
17,040	17,040	17,040	17,040	6,400
5,405	5,405	5,405	5,405	5,405
3	3	3	3	3
7,935	7,935	7,935	7,935	7,935

SCHEDULE OF INSURANCE COVERAGE
June 30, 2015

Company	Type of Policy	Period	
		From	To
Employers Mutual Companies	Business Protection - property coverage	7/1/2014	6/30/2015
Employers Mutual Companies	Business Protection - General Comprehensive Liability	7/1/2014	6/30/2015
Employers Mutual Companies	Business Protection - Automobile	7/1/2014	6/30/2015
Employers Mutual Companies	Business Protection- Crime Coverage	7/1/2014	6/30/2015
Employers Mutual Companies	Workers' Compensation	7/1/2014	6/30/2015
Employers Mutual Companies	Umbrella Liability	7/1/2014	6/30/2015
Employers Mutual Companies	Linebacker Policy - Errors and Omission Coverage	7/1/2014	6/30/2015
Employers Mutual Companies	Pollution Liability	7/1/2014	6/30/2015
Employers Mutual Companies	Excess Liability	7/1/2014	6/30/2015
Employers Mutual Companies	Flood	7/1/2014	6/30/2015
Employers Mutual Companies	Earthquake	7/1/2014	6/30/2015
Employers Mutual Companies	Data Compromise	7/1/2014	6/30/2015

Source: District Records

Note: The dollar amount for self insured reflects the amount paid during fiscal year 2015.

Liability Limits	Annual Premium
Building and property replacement; blanket boiler and vessels - business interruption and extra expense	\$ 198,027
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	32,699
\$1,000,000 liability insurance/\$5,000 auto medical per person; \$1,000,000 uninsured motorist; \$1,000,000 underinsured motorist	94,147
Employee Theft per employee \$1,000,000; forgery or alterations \$10,000; Computer Fraud \$1,000,000; Funds Transfer fraud \$1,000,000	4,604
Self Insured-\$350,000 retention per occurrence, \$500,000 employer's liability maximum limit of indemnity per occurrence	85,577
\$10,000,000 Umbrella	30,772
\$1,000,000 Linebacker \$5,000 insured deductible each wrongful act	6,255
\$500,000 each incident, \$1,000,000 aggregate	1,125
DIC \$15,000,000 limit	12,047
Transportation Bldg, MS, HS, WL, TR \$500,000 Bldg/Contents	14,400
\$15,000,000 limit with \$50,000 deductible	5,252
\$250,000 limit	1,062
Total Premium	<u>\$ 485,967</u>



**JOHNSTON
COMMUNITY**
SCHOOL DISTRICT

Excellence In Education

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

Grantor/Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
School Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 15	\$ 73,562
National School Lunch Program	10.555	FY 15	882,431
			<u>955,993</u>
Child and Adult Care Food Program	10.558	FY 15	<u>4,879</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 14	51,250
Title I Grants to Local Educational Agencies	84.010	FY 15	445,978
			<u>497,228</u>
Title I Program for Neglected & Delinquent Children	84.013	FY 15	<u>59,102</u>
Vocational Education - Basic Grants to States	84.048	FY 15	<u>50,387</u>
Title III - English Language Acquisition	84.365	FY 15	<u>3,553</u>
Improving Teacher Quality State Grants	84.367	FY 15	<u>57,375</u>
Grants for State Assessments	84.369	FY 15	<u>32,100</u>
Heartland Area Education Agency			
Special Education - Grants to States	84.027	FY 15	<u>307,259</u>
Total			<u>\$ 1,967,876</u>

See Notes to Schedule of Expenditures of Federal Awards.

Johnston Community School District
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

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, 2015. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of states, Local Governments and Nonprofit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Significant Accounting Policies

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

Note 3. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of \$229,215 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, as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

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

November 13, 2015



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CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Education of 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 its major federal programs for the year ended June 30, 2015. 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, 2015.

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

November 13, 2015

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) Major programs were as follows:
 - 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.

Part IV: Other Findings Related to Required Statutory Reporting

- IV-A-15 Certified Budget – Expenditures for the year ended June 30, 2015, did not exceed the certified budget amounts.
- IV-B-15 Questionable Expenditures - No expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-15 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-15 Business Transactions - No business transactions were noted between the District and District officials or employees.
- IV-E-15 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-F-15 Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-G-15 Certified Enrollment – A variance in the basic enrollment data certified to the Department of Education was noted.

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

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

Conclusion - Response accepted.
- IV-H-15 Supplementary Weighting – A variance regarding the supplementary weighting certified to the Iowa Department of Education was noted.

Recommendation - The supplementary weighting should be corrected.

Response - We will correct the supplementary weighting in the future.

Conclusion - Response accepted.
- IV-I-15 Deposits and Investments - No instances of noncompliance were noted with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy.
- IV-J-15 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-15 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, 2015**

IV-M-15 Statewide Sales, Services and Use Tax – No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

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

Beginning balance		\$ 58,271,582
Revenues/transfers in:		
Sales tax revenues	\$ 6,074,567	
Other local revenues	74,344	
Revenue bonds issued	-	
Premiums on revenue bonds issued	-	6,148,911
		<u>64,420,493</u>
Expenditures/transfers out:		
School infrastructure construction	23,849,754	
Instructional staff services	208,116	
Administration	6,655	
Plant and operation maintenance	3,553	
Debt service	1,925	
Transfers to other funds:		
Debt service funds	3,124,769	27,194,772
		<u>37,225,721</u>
Ending balance		<u>\$ 37,225,721</u>

For the year ended June 30, 2015, the District reduced the following levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa:

	Rate of Levy Reduction Per \$1,000 of Taxable Property Tax Valuation Dollars Reduced	
Debt service levy	\$ 0.24563	500,000

IV-N-15 Deficit Balances – The Community Preschool Fund had a deficit balance at June 30, 2015.

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

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

Conclusion – Response accepted.