



**Johnston Community School District  
Johnston, Iowa**

Comprehensive Annual Financial Report

Year Ended June 30, 2009



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

**Johnston, Iowa**

**Fiscal Year Ended June 30, 2009**

**OFFICIAL ISSUING REPORT**

**Jan Miller-Hook, Executive Director of Financial Services**

**OFFICE ISSUING REPORT**

**Business Office**



**JOHNSTON COMMUNITY SCHOOL DISTRICT**

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## Johnston Community School District

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Johnston, IA 50131-0010 ph.515-278-0470 fax 515-278-5884 jan.millerhook@johnston.k12.ia.us

Jan Miller-Hook, Executive Director of Financial Services

October 16, 2009

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

The Comprehensive Annual Financial Report (CAFR) for the Johnston Community School District for the fiscal year ended June 30, 2009 is submitted herewith, and has been prepared to conform to guidelines recommended by the Association of School Business Officials International and the Governmental Finance Officers Association 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 2009 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 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. The Management's Discussion and Analysis presents financial highlights and information.

The Statistical Section sets forth selected unaudited financial and demographic 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.

### **Reporting Entity**

This report includes all entities or organizations that are required to be included in the school 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 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 Johnston Community School District is located in the northwest part of Polk County and one of the fastest growing suburbs of Des Moines, Iowa. The District is the 14th largest of Iowa's 362 public school systems. The enrollment is approximately 5,776 students. The District provides a full range of educational services appropriate to students in early childhood, preschool 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 is stable. 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 a nearly 9% annual increase in the tax base over the past ten years, and experienced approximately a 7% increase in 2009.

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 optional instructional support levy at a level deemed appropriate 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 far exceed 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.

### **Major Initiatives**

It is projected that the district will continue to grow for the foreseeable future with growth topping out at 6,000 – 6,500 students. Construction was completed for the High School expansion and work was begun on the support facility to be completed in the fall of 2009.

In order to fund these projects, \$26.5 million in general obligation bonds were sold in fiscal year 2006 and 10 million August 2007. The sale came from previous voter approval of a \$36.5 million bond referendum. The general obligation bonds will be repaid with Local Option Sales and Services Taxes until the levy expires. At that time, the remaining debt will be repaid with property taxes.

### **Long-Term Financial Planning**

Unreserved, undesignated fund balance in the general fund is slightly down from fiscal year 2007-2008. During fiscal year 2009-2009, the District had a 1.5% cut across the board from the state in funding. This coupled with more funds identified as state designated funds resulted in this decrease. With a solvency ratio between 0-5%, a fund balance is considered adequate for short term credit purposes as long as other economic trends such as property tax collections and enrollment are sound. However, in order to receive higher bond ratings for borrowing and to meet unforeseen financing requirements, it is recommended that a district have a solvency ratio of 5-10%. Our District currently has a 5.1% solvency ratio, and will strive to be within the targeted 5-10% range annually.



The State of Iowa has implemented mid-year budget reductions or 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 those mid-year budget decreases and to help cover expenses of increased enrollments since funding is not received until the subsequent year. With over 80% of the District's resources required for salaries and benefits, staffing efficiencies will become a priority.

### **Relevant Financial Policies**

Since the funding formula is pupil driven, an increase in total spending authority occurs by increasing the number of pupils or by increasing the cost per pupil. The cost per pupil can be increased by the legislature in setting the amount of allowable growth each year. Under the law, the legislature has thirty (30) days after receiving the governor's budget recommendation to set the state percent of growth for the year following the budget year. (Legislature spring 2009 set the fiscal year 2010-2011 state percent of growth).

### **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.

### **Risk Management**

Johnston Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## Cash Management

Cash temporarily idle during the year was invested in sweep accounts and the Iowa School Joint Investment Trust. In addition, funds from General Obligation Bond proceeds have been invested in certificates of deposit that allow monthly withdrawals for construction payments. In addition, banking services were bid in the spring of 2009 resulting in substantial monthly fee savings.

## 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, 2008. 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. 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, and we are submitting this report to ASBO to determine its eligibility for another certificate.

## Acknowledgements

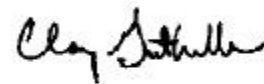
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire central administrative support staff and our auditors, Van Maanen, Sietstra & Meyer, PC. Finally, we would like to thank the Board of Education for their continued interest and support 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, 2009. It is our hope that study and review of this report will provide a better understanding of the District's financial operation for the District patrons.

Respectfully submitted,

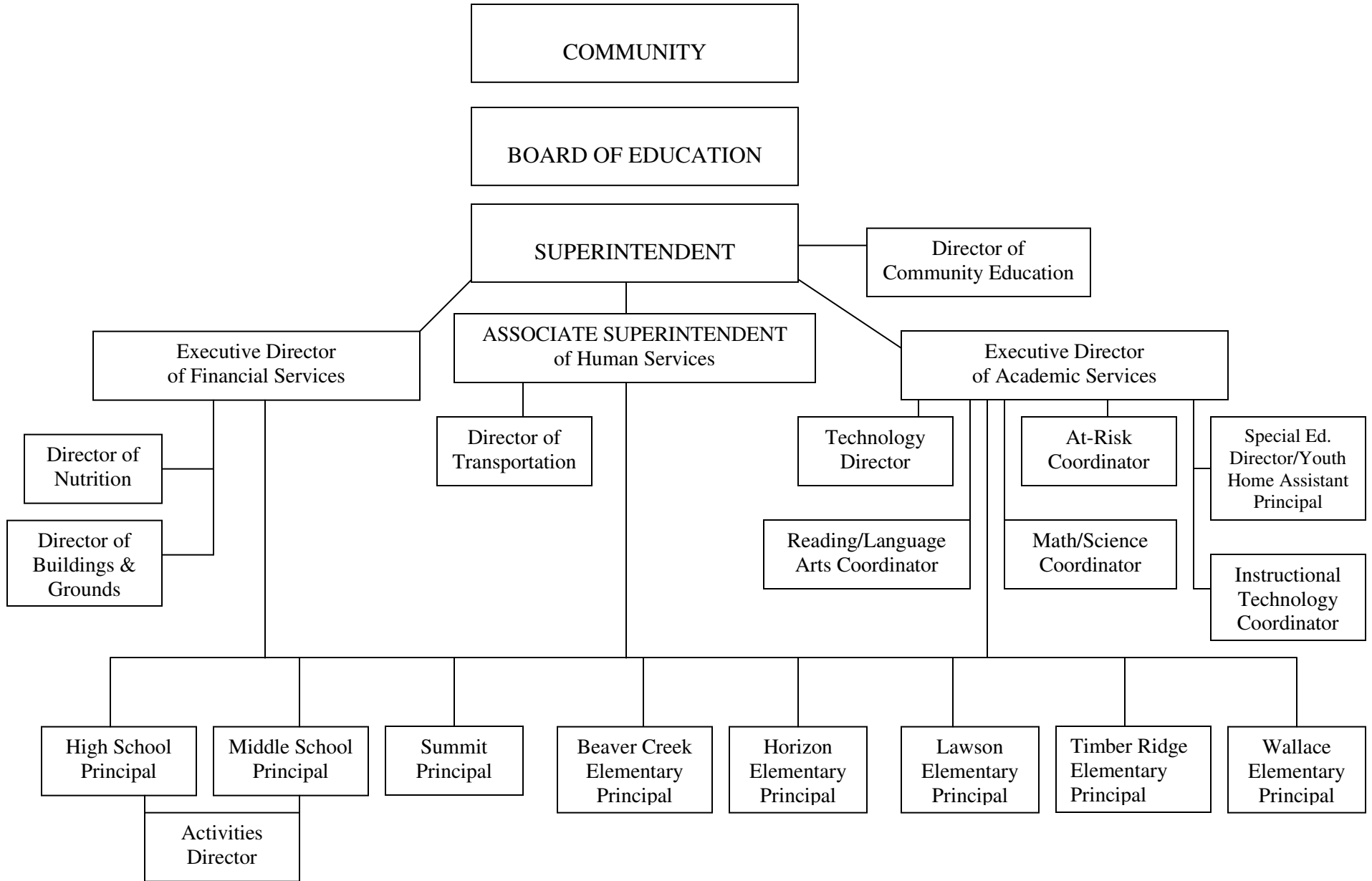


Jan Miller-Hook  
Executive Director of Financial Services



Clay Guthmiller  
Superintendent of Schools

Johnston Community School District, Organizational Chart, Year Ended June 30, 2009



**Johnston Community School District**

List of Principal Officials  
Year Ended June 30, 2009

**Board of Education**  
(Before September, 2008 Election)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Ralph Young	President	2009
Dean Gillaspey	Vice President	2008
Jackie Heiser **	Board Member	2008
Jill Morrill	Board Member	2008
Christopher Sonner	Board Member	2009
Karen Coaldrake *	Board Member	2010
Mike Farrell	Board Member	2010
Tracey Orman	Board Member	2010

**Board of Education**  
(After September, 2008 Election)

Christopher Sonner	President	2009
Mike Farrell	Vice President	2010
Tyler Buller	Board Member	2009
Ralph Young	Board Member	2009
Tracey Orman	Board Member	2010
Jackie Heiser	Board Member	2011
Jill Morrill	Board Member	2011

**Board Attorney**

Ahlers Law Firm	Attorney	Indefinite
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\* Deceased 3/2008

\*\* Appointed to fulfill Karen Coaldrake's position until September 2008

**Johnston Community School District**

SCHOOL DISTRICT ADMINISTRATION  
Year Ended June 30, 2009

<u>Name</u>	<u>Position</u>
Clay Guthmiller	Superintendent of Schools
Dr. James A. Casey	Associate Superintendent of Human Resource Services
Dr. Bruce Amendt	Executive Director of Academic Affairs
Jan Miller-Hook	Executive Director of Financial Services
Nancy J. Buryanek	Director of Community Education
Tim Kline	Director of Buildings and Grounds
Steve Landwehr	Assistant Director of Buildings and Grounds
LaRae Doll	Director of Nutrition & Food Services
Michael Volz	Director of Transportation
Tony Sparks	Director of Technology
Bruce Hukee	High School Principal
Randy Klein	High School Associate Principal
Jerry Stratton	High School Associate Principal
Brian Carico	Middle School Principal
Brent Riessen	Middle School Associate Principal
Linda Hansen	Summit Middle School Principal
Kevin Blackburn	Summit School Associate Principal
Gary L. Ross	Director of Athletics and Activities
Cheryl Henkenius	Lawson Elementary Principal
Tim Salmon	Horizon Elementary Principal
Suzie Pearson	Wallace Elementary Principal
Eric Toot	Beaver Creek Elementary Principal
Vickie McCool	Y-Home Associate Principal & Special Education Coordinator

# 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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R.", is written above the title.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", is written above the title.

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS**  
**INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**JOHNSTON COMMUNITY SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)**  
For the Fiscal Year Ended June 30, 2008

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

President

Executive Director







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

### Independent Auditor's Report

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

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, 2009, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our 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 at June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2009 on our consideration of Johnston Community School District's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and Budgetary Comparison Information on pages 13 through 21 and 54 through 56 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

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 second paragraph of this report, the financial statements for the seven years ended June 30, 2008 (which are not presented herein) and expressed unqualified opinions on those financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Other supplementary information included in Schedules 1 through 10, and 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*, found in the Compliance Section, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, 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.

*Van Maanen, Sietstra & Meyer, PC*

Van Maanen, Sietstra & Meyer, PC  
Certified Public Accountants

October 16, 2009

JOHNSTON COMMUNITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended June 30, 2009

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, 2009. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

### **Financial Highlights**

- The district showed an increase of \$6,614,905 and \$6,935,187 in net assets for governmental activities during the years ended June 30, 2009 and 2008, respectively. This increase is primarily a result of a reduction in outstanding general obligation bonds and revenue bonds.
- Total revenues for the fiscal year ended June 30, 2009 and 2008 of \$70,395,786 and \$67,121,099 were comprised of General Revenues in the amount of \$53,421,320 and \$51,755,160 and Program Revenues totaling \$16,974,466 and \$15,365,939 respectively.
- As of June 30, 2009, the District's governmental funds reported combined ending fund balances of \$24,276,494, a decrease of \$1,112,024 in comparison with 2008. This compares with June 30, 2008 balance of \$25,388,518, an increase of \$4,057,643 in comparison with 2007. Most of this decrease for year ending 2009 is due to using capital funds to continue construction at the High School and begin construction on the support facility.
- As of June 30, 2009, unreserved undesignated fund balance for the General Fund was \$2,347,277 or 4.5% of total General Fund expenditures. This is a decrease from the balance on June 30, 2008 of \$2,713,355 or 5.6% of expenditures. This decrease is due to a 1.5% cut in state aid and the identification of more state reserves that were once included in undesignated fund balance.

### **Overview of the Financial Statements**

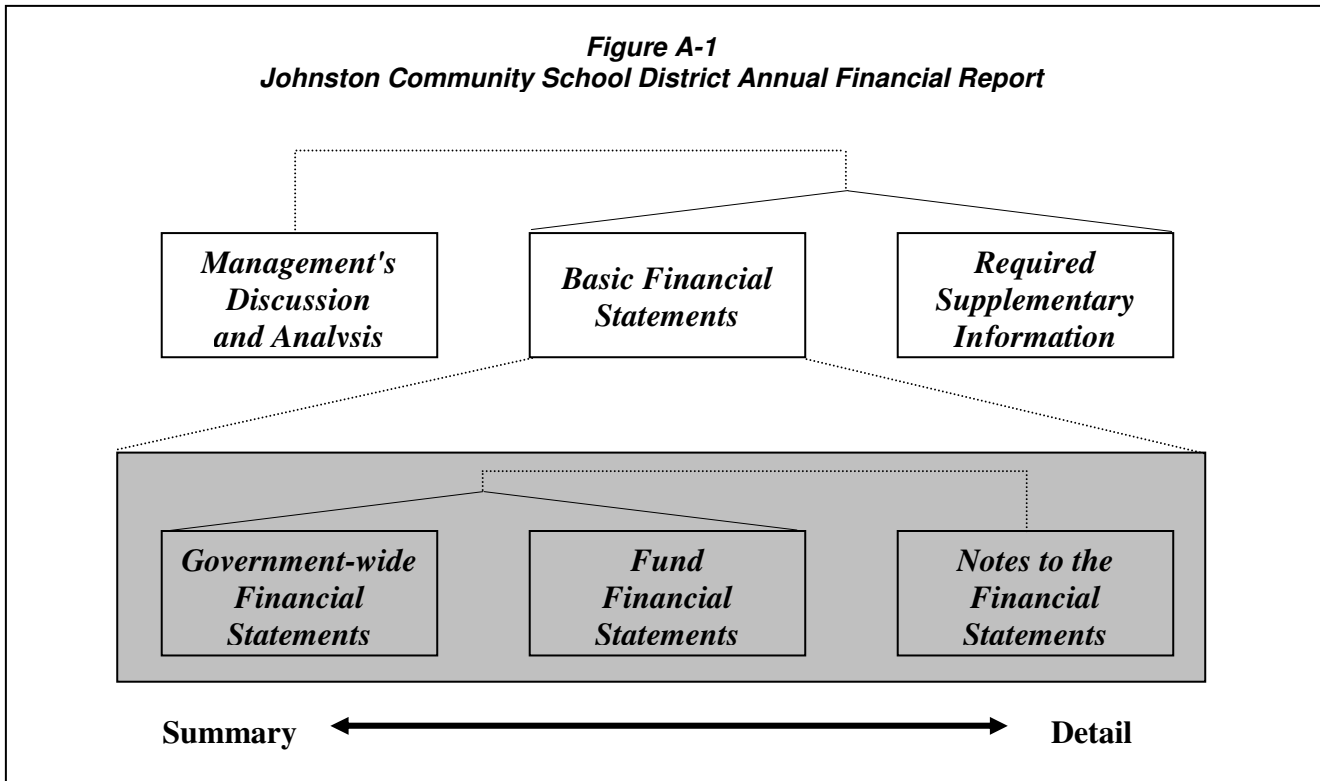
This report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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.

JOHNSTON COMMUNITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year ended June 30, 2009

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



JOHNSTON COMMUNITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended June 30, 2009

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.

<b>Figure A-2</b>			
<b>Major Features of the Government-wide and Fund Financial Statements</b>			
	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"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses and changes in net assets</li> <li>• Statement of cash flows</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

JOHNSTON COMMUNITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended June 30, 2009

**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 assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

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

- Over time, increases or decreases in the District's net assets 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.

JOHNSTON COMMUNITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended June 30, 2009

- *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 assets** - Figure A-3 below provides a summary of the District's net assets for the year ended June 30, 2009.

Figure A-3 Condensed Statement of Net Assets							
	Governmental activities		Business type activities		Total		Total Change
	June 30,		June 30,		June 30,		June 30,
	2009	2008	2009	2008	2009	2008	2008-2009
Current assets	\$ 63,379,139	61,412,486	2,137,474	1,933,322	65,516,613	63,345,808	3.4%
Capital assets, net	88,875,087	87,860,080	764,558	860,311	89,639,645	88,720,391	1.0%
Other noncurrent assets	17,346	18,923	-	-	17,346	18,923	-8.3%
<b>Total assets</b>	<b>152,271,572</b>	<b>149,291,489</b>	<b>2,902,032</b>	<b>2,793,633</b>	<b>155,173,604</b>	<b>152,085,122</b>	<b>2.0%</b>
Current liabilities	41,914,705	39,843,067	229,968	218,787	42,144,673	40,061,854	5.2%
Long-term liabilities	45,746,649	51,453,109	13,038	-	45,759,687	51,453,109	-11.1%
<b>Total liabilities</b>	<b>87,661,354</b>	<b>91,296,176</b>	<b>243,006</b>	<b>218,787</b>	<b>87,904,360</b>	<b>91,514,963</b>	<b>-3.9%</b>
Net assets:							
Invested in capital assets, net of related debt	45,865,614	39,330,607	764,558	860,311	46,630,172	40,190,918	16.0%
Restricted	13,277,408	13,641,285	-	-	13,277,408	13,641,285	-2.7%
Unrestricted	5,467,196	5,023,421	1,894,468	1,714,535	7,361,664	6,737,956	9.3%
<b>Total net assets</b>	<b>\$ 64,610,218</b>	<b>57,995,313</b>	<b>2,659,026</b>	<b>2,574,846</b>	<b>67,269,244</b>	<b>60,570,159</b>	<b>11.1%</b>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The District's total net assets have increased from a year ago \$60,570,159 to \$67,269,244. This increase is primarily a result of a reduction in outstanding general obligation bonds and revenue bonds.

The significant portions of the District's combined net assets reflect its investment in capital assets and are not available for future spending. The District's net assets invested in capital assets, net of related debt, was \$46,630,172 for 2009 and \$40,190,918 for 2008.

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 \$5,520,000.00.

Property tax and unrestricted state grants account for 74 percent of the total revenue. The District's expenses primarily relate to instruction and support services that account for 84 percent of the total expenses.

The restricted portion of the District's net assets (19.7 percent for 2009 and 22.5 percent for 2008) represents resources that are subject to external restrictions in how they may be used. Restrictions for 2009 include \$5,421,490 for capital projects, \$2,888,948 for physical plant and equipment levy, \$366,766 for other special revenue purposes, \$3,796,141 for debt service, \$479,683 for management levy, and \$324,380 for other purpose restricted assets. The remaining balance of unrestricted net assets of \$7,361,664 for 2009 and \$6,737,956 for 2008 may be used to meet the government's ongoing obligations to students and creditors.

JOHNSTON COMMUNITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended June 30, 2009

The District's total net assets increased by \$6,699,085 during the current fiscal year as compared to \$7,171,358 in 2008. The governmental activities net assets increased by \$6,614,905 in 2009 and \$6,935,187 in 2008. The increase in governmental activities net assets for 2009 was mainly attributable to fewer bonds outstanding. The business type activities (which include nutrition, community education, community preschool and daycare) increased by \$84,180 in 2009, as compared to an increase of \$236,171 in 2008. The increase is due to an increase in federal funding.

**Governmental Activities**

Revenues for governmental activities were \$64,919,110 and expenses were \$58,304,205. Net assets increased by \$6,614,905.

Figure A-4 highlights the District's revenues and expenses for the fiscal year ended June 30, 2009 and 2008. These two main components are subtracted to yield the change in net assets. This exhibit utilizes the full accrual method of accounting. Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services and sales, operating and capital grants and contributions. General revenue includes taxes and unrestricted grants such as state foundation support.

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

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

	<b>Governmental activities</b>		<b>Business type activities</b>		<b>Total District</b>	
	<b>Year ended June 30,</b>		<b>Year ended June 30,</b>		<b>Year ended June 30,</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 4,653,443	4,957,996	4,731,442	4,575,608	9,384,885	9,533,604
Operating grants and contributions	6,848,576	5,115,230	741,005	717,105	7,589,581	5,832,335
General Revenues:						
Local taxes	32,073,368	30,063,824	-	-	32,073,368	30,063,824
State grants	20,175,159	19,400,505	-	-	20,175,159	19,400,505
Investment earnings	376,149	1,148,153	-	-	376,149	1,148,153
Other	792,415	1,035,374	4,229	107,304	796,644	1,142,678
Total revenues	<u>64,919,110</u>	<u>61,721,082</u>	<u>5,476,676</u>	<u>5,400,017</u>	<u>70,395,786</u>	<u>67,121,099</u>
<b>Expenses:</b>						
Program expenses:						
Instruction	38,263,152	34,346,658	-	-	38,263,152	34,346,658
Support services - students & staff	4,002,746	4,069,979	-	-	4,002,746	4,069,979
Support services - administration	4,781,632	4,929,567	-	-	4,781,632	4,929,567
Operations and maintenance	4,712,151	4,488,374	-	-	4,712,151	4,488,374
Transportation	2,302,013	2,097,710	-	-	2,302,013	2,097,710
Non-instructional activities	91,567	82,532	5,392,496	5,163,846	5,484,063	5,246,378
Other	4,150,944	4,771,075	-	-	4,150,944	4,771,075
Total expenses	<u>58,304,205</u>	<u>54,785,895</u>	<u>5,392,496</u>	<u>5,163,846</u>	<u>63,696,701</u>	<u>59,949,741</u>
Increase in net assets	<u>\$ 6,614,905</u>	<u>6,935,187</u>	<u>84,180</u>	<u>236,171</u>	<u>6,699,085</u>	<u>7,171,358</u>

**Business Type Activities**

Revenues of the District's business-type activities were \$5,476,676 and expenses were \$5,392,496. Net assets increased \$84,180. 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, federal and state reimbursements and investment income.



JOHNSTON COMMUNITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended June 30, 2009

**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, 2009 the District's governmental funds reported combined fund balances of \$24,276,494 as compared to the 2008 ending fund balances of \$25,270,744. Most of this decrease for year ending 2009 is due to using capital funds to continue construction at the High School and begin construction on the support facility.

**Governmental Fund Highlights**

- The District's General Fund financial position decreased by \$346,663. The June 30, 2008 balance of \$3,329,091 decreased to \$2,982,428 on June 30, 2009. Increased cash reserve levies by the Board of Education to improve fund balances were offset by the costs of an additional building and a 1.5% reduction in state aid.
- The Debt Service Fund balance increased from \$454,343 June 30, 2008 to \$464,230 June 30, 2009.
- The capital projects fund balance decreased from \$17,177,649 June 30, 2008 to \$16,423,200 June 30, 2009 funds were used to construct the addition onto the High School and the support facility addition.
- The non-major special revenue funds balance decreased slightly (20,799) as additional funds were accumulated in the management fund and more expenses were identified and paid out of the PPEL fund.

**Proprietary Fund Highlights**

The School Nutrition Fund net assets increased from \$1,635,632 on June 30, 2008 to \$1,712,034 on June 30, 2009 for an increase of 4.7%.

**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 annual adopts a program budget for all funds except internal service and agency funds as described in the note to required supplementary information.

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

	Final Budget	Actual	Variance
Instruction	\$ 40,748,976	36,436,373	4,312,603
Support services	18,242,144	16,528,103	1,714,041
Non-instructional programs	6,355,093	5,522,720	832,373
Other	32,269,105	12,936,434	19,332,671
	<u>\$ 97,615,318</u>	<u>71,423,630</u>	<u>26,191,688</u>

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

JOHNSTON COMMUNITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended June 30, 2009

**Capital Asset and Debt Administration**

**Capital Assets**

At June 30, 2009, the District had invested \$89,639,645 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, 2008 balance of \$88,720,391. See Figure A-5.

The original cost of the District's capital assets was \$120,905,455. Governmental funds account for \$119,068,654 with the remainder, \$1,836,801, in the Enterprise funds.

The largest change in capital asset activity during the year occurred in the construction in progress and buildings category as fiscal year 2009 saw the completion of the High School addition.

	Governmental activities		Business type activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2009	2008	2009	2008	2009	2008	2008-2009
Land	\$ 2,686,521	2,655,021	-	-	2,686,521	2,655,021	1.2%
Construction in progress	393,162	8,481,974	-	-	393,162	8,481,974	-95.4%
Buildings	80,275,381	72,716,590	-	-	80,275,381	72,716,590	10.4%
Improvements other than buildings	3,465,419	2,597,803	-	-	3,465,419	2,597,803	33.4%
Furniture and equipment	2,054,604	1,408,692	764,559	860,311	2,819,163	2,269,003	24.2%
<b>Total</b>	<b>\$ 88,875,087</b>	<b>87,860,080</b>	<b>764,559</b>	<b>860,311</b>	<b>89,639,646</b>	<b>88,720,391</b>	<b>1.0%</b>

Additional information about the District's capital assets can be found in Note 4 on page 45 in the notes to the financial statements.

**Long-Term Debt**

At June 30, 2009 the District had \$51,814,724 in general obligation bonds and other long-term debt outstanding. This represents a decrease of approximately 9.4 percent from June 30, 2008. (See Figure A-6) More detailed information about the District's long-term liabilities is available in Note 5 to the financial statements.

The decrease reflects normal principal reductions for bonds. This is also the first year to recognize other post employment benefits. The new early retirement policy for 2009 has an increased 403B incentive with no insurance benefit.

	Total		Total Change
	School District		June 30,
	2009	2008	2008-2009
General obligation bonds	\$ 45,235,000	47,690,000	-5.1%
Revenue bonds	2,470,000	4,885,000	-49.4%
Capital loan notes	2,780,000	3,430,000	-19.0%
Early retirement	1,127,762	1,173,233	-3.9%
Other postemployment benefits	201,962	-	100.0%
<b>Totals</b>	<b>\$ 51,814,724</b>	<b>57,178,233</b>	<b>-9.4%</b>

JOHNSTON COMMUNITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended June 30, 2009

**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 expects continued enrollment growth during the foreseeable future. The district's enrollment growth has averaged close to 5.0% annually over the last 10-years. The District has seen increases from 139 students to 300 students on an annual basis.
- The District has averaged a 9% annual increase in the tax base over the past 10 years, and experienced approximately a 7% increase with 2009.
- The continued slow growth in state revenues and increasing enrollments will continue to put great pressure on district finances to meet both the personnel and facility needs of the District.
- The economy is also a factor that could have consequences for the district in regard to state revenues, property valuations, and enrollment with the decline in housing construction.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jan Miller-Hook, Executive Director of Financial Services, Johnston Community School District, 5608 Merle Hay Road, Johnston, IA 50131-1234.



## **Basic Financial Statements**

JOHNSTON COMMUNITY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
June 30, 2009

	Governmental Activities	Business Type Activities	Total Primary Government
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents:	\$ 32,034,547	1,961,162	33,995,709
Receivables:			
Property tax:			
Delinquent	340,646	-	340,646
Succeeding year	28,307,067	-	28,307,067
Accounts	184,446	18,686	203,132
Due from other governments	2,298,095	19,623	2,317,718
Inventories	42,801	138,003	180,804
Prepaid expense	171,537	-	171,537
Total current assets	<u>63,379,139</u>	<u>2,137,474</u>	<u>65,516,613</u>
Non-current assets:			
Bond issuance costs	17,346	-	17,346
Capital assets:			
Land	2,686,521	-	2,686,521
Improvements other than buildings	5,413,157	-	5,413,157
Buildings and improvements	104,250,283	-	104,250,283
Vehicles, furniture and equipment	6,325,531	1,836,801	8,162,332
Construction in progress	393,162	-	393,162
Accumulated depreciation	(30,193,567)	(1,072,243)	(31,265,810)
Total capital assets	<u>88,875,087</u>	<u>764,558</u>	<u>89,639,645</u>
Total non-current assets	<u>88,892,433</u>	<u>764,558</u>	<u>89,656,991</u>
<b>Total assets</b>	<u>152,271,572</u>	<u>2,902,032</u>	<u>155,173,604</u>
<b>Liabilities</b>			
Accounts payable	1,822,394	61,947	1,884,341
Insurance claims payable	562,094	-	562,094
Salaries and benefits payable	4,793,006	83,786	4,876,792
Accrued interest payable	178,454	-	178,454
Unearned revenue:			
Succeeding year property tax	28,307,067	-	28,307,067
Other	-	64,887	64,887
Capital loan notes payable	660,000	-	660,000
Revenue bonds payable	2,470,000	-	2,470,000
General obligation bonds payable	2,540,000	-	2,540,000
Early retirement payable	456,523	-	456,523
Compensated absences	125,167	19,348	144,515
Total current liabilities	<u>41,914,705</u>	<u>229,968</u>	<u>42,144,673</u>
Non-current liabilities:			
Capital loan notes payable	2,120,000	-	2,120,000
Bond premiums	58,448	-	58,448
General obligation bonds payable	42,695,000	-	42,695,000
Early retirement payable	671,239	-	671,239
Other post employment benefits payable	201,962	13,038	215,000
Total non-current liabilities	<u>45,746,649</u>	<u>13,038</u>	<u>45,759,687</u>
<b>Total liabilities</b>	<u>87,661,354</u>	<u>243,006</u>	<u>87,904,360</u>

JOHNSTON COMMUNITY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
June 30, 2009

	Governmental Activities	Business Type Activities	Total Primary Government
<b><i>Continued from previous page</i></b>			
<b>Net Assets</b>			
Invested in capital assets, net of related debt	45,865,614	764,558	46,630,172
Restricted for:			
Management levy	479,683	-	479,683
Debt service	3,796,141	-	3,796,141
Capital projects	5,421,490	-	5,421,490
Physical plant and equipment levy	2,888,948	-	2,888,948
Other special revenue purposes	366,766	-	366,766
Other purposes	324,380	-	324,380
Unrestricted	5,467,196	1,894,468	7,361,664
<b>Total net assets</b>	<b>\$ 64,610,218</b>	<b>2,659,026</b>	<b>67,269,244</b>

See notes to basic financial statements.

**JOHNSTON COMMUNITY SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
 Year ended June 30, 2009

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total Primary Government
<b>Governmental activities:</b>						
Instruction:						
Regular instruction	\$ 27,567,692	1,818,027	4,045,901	(21,703,764)	-	(21,703,764)
Special instruction	7,242,331	1,997,453	711,976	(4,532,902)	-	(4,532,902)
Other instruction	3,453,129	569,467	25,279	(2,858,383)	-	(2,858,383)
	<u>38,263,152</u>	<u>4,384,947</u>	<u>4,783,156</u>	<u>(29,095,049)</u>	<u>-</u>	<u>(29,095,049)</u>
Support Service:						
Student services	1,401,696	-	-	(1,401,696)	-	(1,401,696)
Instructional staff services	2,601,050	-	-	(2,601,050)	-	(2,601,050)
Administration services	4,781,632	-	-	(4,781,632)	-	(4,781,632)
Operating and maintenance of plant service:	4,712,151	28,069	-	(4,684,082)	-	(4,684,082)
Transportation services	2,302,013	240,427	118,971	(1,942,615)	-	(1,942,615)
	<u>15,798,542</u>	<u>268,496</u>	<u>118,971</u>	<u>(15,411,075)</u>	<u>-</u>	<u>(15,411,075)</u>
Non-instructional programs:						
Nutrition services	17,345	-	-	(17,345)	-	(17,345)
Community Education services	74,222	-	-	(74,222)	-	(74,222)
	<u>91,567</u>	<u>-</u>	<u>-</u>	<u>(91,567)</u>	<u>-</u>	<u>(91,567)</u>
Other expenditures:						
Other programs	121,698	-	-	(121,698)	-	(121,698)
Long-term debt interest	2,082,797	-	-	(2,082,797)	-	(2,082,797)
AEA support	1,946,449	-	1,946,449	-	-	-
	<u>4,150,944</u>	<u>-</u>	<u>1,946,449</u>	<u>(2,204,495)</u>	<u>-</u>	<u>(2,204,495)</u>
Total governmental activities	58,304,205	4,653,443	6,848,576	(46,802,186)	-	(46,802,186)
<b>Business type activities:</b>						
Non-instructional programs:						
Nutrition services	2,539,224	1,997,655	613,742	-	72,173	72,173
Preschool services	477,779	350,500	103,748	-	(23,531)	(23,531)
Day Care services	1,792,639	1,831,158	13,881	-	52,400	52,400
Community Education services	582,854	552,129	9,634	-	(21,091)	(21,091)
Total business type activities	<u>5,392,496</u>	<u>4,731,442</u>	<u>741,005</u>	<u>-</u>	<u>79,951</u>	<u>79,951</u>
Total primary governmental activities	<u>\$ 63,696,701</u>	<u>9,384,885</u>	<u>7,589,581</u>	<u>(46,802,186)</u>	<u>79,951</u>	<u>(46,722,235)</u>



JOHNSTON COMMUNITY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2009

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total Primary Government
<b>Totals continued from previous pages</b>	<u>\$ 63,696,701</u>	<u>9,384,885</u>	<u>7,589,581</u>	\$ (46,802,186)	79,951	(46,722,235)
General Revenues:						
Property tax levied for:						
General purposes				21,298,103	-	21,298,103
Debt service				2,556,704	-	2,556,704
Capital outlay				2,638,596	-	2,638,596
Statewide sales and services tax				5,579,965	-	5,579,965
Unrestricted state grants				20,175,159	-	20,175,159
Unrestricted investment earnings				376,149	-	376,149
Other				796,644	-	796,644
Transfers				(4,229)	4,229	-
Total general revenues and transfers				<u>53,417,091</u>	<u>4,229</u>	<u>53,421,320</u>
Change in net assets				6,614,905	84,180	6,699,085
Net assets beginning of year				<u>57,995,313</u>	<u>2,574,846</u>	<u>60,570,159</u>
Net assets end of year				<u>\$ 64,610,218</u>	<u>2,659,026</u>	<u>67,269,244</u>

See notes to basic financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2009

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
<b>Assets</b>					
Cash and pooled investments	\$ 6,799,576	430,128	16,007,237	5,075,626	28,312,567
Receivables:					
Property tax:					
Current year delinquent	256,892	34,102	-	49,652	340,646
Succeeding year	22,950,465	1,314,398	-	4,042,204	28,307,067
Accounts	174,751	-	-	2,280	177,031
Due from other governments	1,591,991	-	706,104	-	2,298,095
Inventories	42,801	-	-	-	42,801
Prepaid expense	171,537	-	-	-	171,537
<b>Total assets</b>	<b>\$ 31,988,013</b>	<b>1,778,628</b>	<b>16,713,341</b>	<b>9,169,762</b>	<b>59,649,744</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 1,262,114	-	290,141	264,399	1,816,654
Salaries and benefits payable	4,793,006	-	-	-	4,793,006
Early retirement payable	-	-	-	456,523	456,523
Deferred revenue:					
Succeeding year property tax	22,950,465	1,314,398	-	4,042,204	28,307,067
<b>Total liabilities</b>	<b>29,005,585</b>	<b>1,314,398</b>	<b>290,141</b>	<b>4,763,126</b>	<b>35,373,250</b>
Fund balances:					
Reserved for:					
Inventories	42,801	-	-	-	42,801
Debt service	-	464,230	3,526,183	-	3,990,413
State grants	281,579	-	-	-	281,579
Unreserved:					
Designated for special purposes by the Board	310,771	-	-	-	310,771
Undesignated, reported in:					
General fund	2,347,277	-	-	-	2,347,277
Capital projects fund	-	-	12,897,017	-	12,897,017
Special revenue funds:					
Management fund	-	-	-	1,150,922	1,150,922
Student activity fund	-	-	-	366,766	366,766
Physical plant and equipment fund	-	-	-	2,888,948	2,888,948
<b>Total fund balances</b>	<b>2,982,428</b>	<b>464,230</b>	<b>16,423,200</b>	<b>4,406,636</b>	<b>24,276,494</b>
<b>Total liabilities and fund balances</b>	<b>\$ 31,988,013</b>	<b>1,778,628</b>	<b>16,713,341</b>	<b>9,169,762</b>	<b>59,649,744</b>

See notes to basic financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT  
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET ASSETS  
 June 30, 2009

**Total fund balances of governmental funds (Exhibit C)** \$ 24,276,494

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 88,875,087

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 Assets. 3,161,561

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

Capital loan notes payable	\$	(2,780,000)	
Revenue bonds payable		(2,470,000)	
General obligation bonds payable		(45,235,000)	
Bond issuance costs		17,346	
Bond premiums		(58,448)	
Accrued interest		(178,454)	
Early retirement		(1,127,762)	
Portion of early retirement reflected on governmental funds		456,523	
Compensated absences		(125,167)	
Other post employment benefits		(201,962)	
		(51,702,924)	(51,702,924)

**Net assets of governmental activities (Exhibit A)** \$ 64,610,218

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, 2009

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
<b>Revenues:</b>					
Local sources:					
Local tax	\$ 20,163,371	2,556,704	5,579,965	3,773,328	32,073,368
Tuition	3,388,830	-	-	-	3,388,830
Other	1,182,680	18,257	324,712	782,309	2,307,958
Intermediate sources	92,866	-	-	-	92,866
State sources	25,727,989	653	-	975	25,729,617
Federal sources	1,310,565	-	-	138	1,310,703
<b>Total revenues</b>	<b>51,866,301</b>	<b>2,575,614</b>	<b>5,904,677</b>	<b>4,556,750</b>	<b>64,903,342</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular instruction	25,125,573	-	-	507,081	25,632,654
Special instruction	7,310,329	-	-	-	7,310,329
Other instruction	2,836,613	-	-	656,777	3,493,390
	<b>35,272,515</b>	<b>-</b>	<b>-</b>	<b>1,163,858</b>	<b>36,436,373</b>
Support services:					
Student services	1,364,984	-	-	69,177	1,434,161
Instructional staff services	2,203,381	-	-	387,192	2,590,573
Administration services	4,947,737	4,500	8,159	223,344	5,183,740
Operation and maintenance of plant services	4,387,670	-	-	306,192	4,693,862
Transportation services	1,993,651	-	-	632,116	2,625,767
	<b>14,897,423</b>	<b>4,500</b>	<b>8,159</b>	<b>1,618,021</b>	<b>16,528,103</b>
Non-instructional programs:					
Food services	-	-	-	17,345	17,345
Community service and education	112,345	-	-	534	112,879
	<b>112,345</b>	<b>-</b>	<b>-</b>	<b>17,879</b>	<b>130,224</b>
Capital outlay:					
Other expenditures	-	-	2,329,917	1,011,088	3,341,005
Debt Service:					
Other expenditures:					
Principal	-	5,520,000	-	-	5,520,000
Interest	-	2,128,980	-	-	2,128,980
	<b>-</b>	<b>7,648,980</b>	<b>-</b>	<b>-</b>	<b>7,648,980</b>
Intergovernmental:					
Other expenditures	1,946,449	-	-	-	1,946,449
<b>Total expenditures</b>	<b>52,228,732</b>	<b>7,653,480</b>	<b>2,338,076</b>	<b>3,810,846</b>	<b>66,031,134</b>
Excess (deficiency) of revenues over (under) expenditures	(362,431)	(5,077,866)	3,566,601	745,904	(1,127,792)

Exhibit E

JOHNSTON COMMUNITY SCHOOL DISTRICT  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 Year ended June 30, 2009

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
<i>Continued from previous page</i>					
Other financing sources (uses):					
Proceeds from the sale of assets	19,997	-	-	-	19,997
Transfers in	-	5,087,753	25,000	-	5,112,753
Transfers out	(4,229)	-	(4,346,050)	(766,703)	(5,116,982)
Total other financing sources (uses)	15,768	5,087,753	(4,321,050)	(766,703)	15,768
Net change in fund balances	(346,663)	9,887	(754,449)	(20,799)	(1,112,024)
Fund balances beginning of year, as restated	3,329,091	454,343	17,177,649	4,427,435	25,388,518
Fund balances end of year	\$ 2,982,428	464,230	16,423,200	4,406,636	24,276,494

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, 2009

**Net change in fund balances - total governmental funds (Exhibit E)** \$ (1,112,024)

***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 Assets 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	3,219,307	
From transportation expense	464,519	
From regular instruction expense	30,581	
Less current year depreciation	(2,699,400)	1,015,007

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Assets. 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 Assets. 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	5,520,000	
Amortization of premiums and bond issuance costs	3,736	5,523,736

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.

46,183

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	233,109	
Compensated absences	(7,393)	
Other postemployment benefits	(201,962)	23,754

The Internal Service Fund is used by management to charge the costs of employee health benefits to individual funds. The change in net assets of the Internal Service Fund is reported with governmental activities.

1,118,249

**Change in net assets of governmental activities (Exhibit B)** \$ 6,614,905

See notes to basic financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2009

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,961,162	3,721,980
Receivables:		
Accounts	18,686	7,415
Due from other governments	19,623	-
Inventories	138,003	-
Total current assets	<u>2,137,474</u>	<u>3,729,395</u>
Non-current assets:		
Property and equipment:		
Machinery and equipment	1,836,801	-
Accumulated depreciation	(1,072,243)	-
Total non-current assets	<u>764,558</u>	<u>-</u>
<b>Total assets</b>	<u><u>2,902,032</u></u>	<u><u>3,729,395</u></u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	61,947	5,740
Insurance claims liability	-	562,094
Accrued salaries and benefits payable	83,786	-
Unearned revenues	64,887	-
Compensated absences payable	19,348	-
Total current liabilities	<u>229,968</u>	<u>567,834</u>
Non-current liabilities:		
Other postemployment benefits payable	13,038	-
<b>Total liabilities</b>	<u>243,006</u>	<u>567,834</u>
<b>Net Assets</b>		
Invested in capital assets	764,558	-
Unrestricted	1,894,468	3,161,561
<b>Total net assets</b>	<u><u>\$ 2,659,026</u></u>	<u><u>3,161,561</u></u>

See notes to basic financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
Year ended June 30, 2009

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Operating revenue:		
Local sources:		
Operating revenues	\$ 4,731,442	5,989,354
Operating expenses:		
Instructional programs:		
Support services:		
Other	-	4,871,105
Non-instructional programs:		
Food service operations:		
Depreciation	127,569	-
Other	2,411,655	-
	2,539,224	-
Community service operations:		
Depreciation	10,112	-
Other	2,843,160	-
	2,853,272	-
Total operating expenses	5,392,496	4,871,105
Operating income (loss)	(661,054)	1,118,249
Non-operating revenues:		
State sources	128,152	-
Federal sources	583,236	-
Contributions	12,944	-
Interest income	16,673	-
Total non-operating revenues	741,005	-
Net income before transfers	79,951	1,118,249
Transfers	4,229	-
Changes in net assets	84,180	1,118,249
Net assets beginning of year	2,574,846	2,043,312
Net assets end of year	\$ 2,659,026	3,161,561

See notes to basic financial statements.



JOHNSTON COMMUNITY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year ended June 30, 2009

	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	\$ 1,997,095	-
Cash received from community services	2,733,526	5,981,939
Cash payments to employees for services	(3,254,130)	(5,224,845)
Cash payments to suppliers for goods or services	(1,894,868)	(26,484)
Net cash provided (used) by operating activities	<u>(418,377)</u>	<u>730,610</u>
Cash flows from non-capital financing activities:		
Transfers in	4,229	-
Operating contributions	12,944	-
State grants received	133,968	-
Federal grants received	427,978	-
Net cash provided by non-capital financing activities	<u>579,119</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(41,928)	-
Net cash used by capital and related financing activities	<u>(41,928)</u>	<u>-</u>
Cash flows from investing activities:		
Interest on investments	16,673	-
Net increase in cash and cash equivalents	135,487	730,610
Cash and cash equivalents at beginning of year	<u>1,825,675</u>	<u>2,991,370</u>
Cash and cash equivalents at end of year	<u>\$ 1,961,162</u>	<u>3,721,980</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (661,054)	1,118,249
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Commodities used	154,841	-
Depreciation	137,681	-
(Increase) in accounts receivable	(261)	(7,415)
(Increase) in inventories	(69,803)	-
Increase in accounts payable	4,192	(354,289)
Increase in insurance claims payable	-	(25,935)
Increase (decrease) in salaries and benefits payable	(15,799)	-
Increase in unearned revenue	(560)	-
Increase in compensated absences payable	19,348	-
Increase in other postemployment benefits payable	13,038	-
Net cash provided (used) by operating activities	<u>\$ (418,377)</u>	<u>730,610</u>

JOHNSTON COMMUNITY SCHOOL DISTRICT  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 Year ended June 30, 2009

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	\$ 1,961,162	3,721,980
Cash and cash equivalents at year end	\$ 1,961,162	3,721,980

**Non-cash investing, capital and financing activities:**

During the year ended June 30, 2009, the District received federal commodities valued at \$154,841.

See notes to basic financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

(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 kindergarten 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 Johnston, 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 Assets and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. 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 Assets presents the District's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

*Invested in capital assets, net of related debt* 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 assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

(1) *Summary of Significant Accounting Policies (continued from previous page)*  
B. Basis of Presentation (continued from previous page)

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

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.

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

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

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

Debt Service Fund: The Debt Service Fund is utilized to account for 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.

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.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

- (1) *Summary of Significant Accounting Policies (continued from previous page)*  
B. *Basis of Presentation (continued from previous page)*  
*Fund accounting (continued from previous page)*

Physical Plant and Equipment Levy (PPEL) Fund: This fund is authorized by Iowa Code 298.2 and accounts for transactions related to the improvement of facilities and grounds, construction of school houses, certain equipment expenditures and other expenditures authorized in Iowa Code 298.3.

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

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

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

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

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

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

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

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

Self-Insurance Fund: This fund accounts for transactions for self-insured health insurances including medical, dental, prescription and vision received by District employees in which the District is responsible for paying all claims and administrative costs attributable to the insurances listed above.

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

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

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

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 assets 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.

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.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

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

D. Assets, Liabilities and Fund Equity

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

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

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

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

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.

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, 2007 assessed property valuations; is for the tax accrual period July 1, 2008 through June 30, 2009 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2008.

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.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

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

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 Assets. 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, which is not depreciated) are depreciated using the straight line method over the following estimated useful lives:

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

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

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

Deferred and Unearned Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred 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 period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of the succeeding year's property tax receivable.

Unearned revenue on the Statement of Net Assets 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 unearned grant proceeds.



JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

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

D. Assets, Liabilities and Fund Equity (continued from previous page)

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, 2009. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts not available for appropriation or legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

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, 2009, expenditures did not exceed the amounts budgeted.

(2) **Cash and Pooled Investments**

The District's deposits in banks at June 30, 2009 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, 2009, the District had investments in the following:

Iowa Schools Joint Investment Trust:	
Flex CD	\$ 2,500,000
Diversified Portfolio	20,171,162
IPASeducation Program:	
Institutional Money Market	7,247,968
Banker's Trust Money Market	3,526,182
	<u>\$ 33,445,312</u>

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

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

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 Banker's Trust 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 with 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.

**(3) Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2009 is as follows:

Transfer to	Transfer from	Amount
Capital Projects Fund	Special Revenue Fund - Student Activity	\$ 25,000
Debt Service Fund	Special Revenue Fund - Physical Plant and Equipment Levy	741,703
Debt Service Fund	Capital Projects Fund	4,346,050
Nutrition Fund	General Fund	4,229
		<u>\$ 5,116,982</u>

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

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

(4) Capital Assets

Capital assets activity for the year ended June 30, 2009 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,655,021	31,500	-	2,686,521
Construction in progress	8,481,974	1,976,763	10,065,575	393,162
Total capital assets not being depreciated	<u>11,136,995</u>	<u>2,008,263</u>	<u>10,065,575</u>	<u>3,079,683</u>
Capital assets being depreciated:				
Buildings	94,608,384	9,641,899	-	104,250,283
Improvements other than buildings	4,344,635	1,068,522	-	5,413,157
Furniture and equipment	5,264,233	1,061,298	-	6,325,531
Total capital assets being depreciated	<u>104,217,252</u>	<u>11,771,719</u>	<u>-</u>	<u>115,988,971</u>
Less accumulated depreciation for:				
Buildings	21,891,794	2,083,108	-	23,974,902
Improvements other than buildings	1,746,832	200,906	-	1,947,738
Furniture and equipment	3,855,541	415,386	-	4,270,927
Total accumulated depreciation	<u>27,494,167</u>	<u>2,699,400</u>	<u>-</u>	<u>30,193,567</u>
Total capital assets being depreciated, net	<u>76,723,085</u>	<u>9,072,319</u>	<u>-</u>	<u>85,795,404</u>
Governmental activities capital assets, net	<u>\$ 87,860,080</u>	<u>11,080,582</u>	<u>10,065,575</u>	<u>88,875,087</u>
<b>Business type activities:</b>				
Furniture and equipment	\$ 1,794,873	41,928	-	1,836,801
Less accumulated depreciation	934,562	137,681	-	1,072,243
Business-type activities capital assets, net	<u>\$ 860,311</u>	<u>(95,753)</u>	<u>-</u>	<u>764,558</u>

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular \$ 2,371,691

Other 1,230

Support services:

Instructional staff services 30,076

Administration 62,365

Operation and maintenance of plant 50,240

Transportation 183,798

2,699,400

Unallocated -

Total depreciation expense - governmental activities \$ 2,699,400

Business type activities:

Food services \$ 127,569

Community Daycare 6,146

Community Preschool 497

Community Education 3,469

\$ 137,681

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

(5) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2009 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 47,690,000	-	2,455,000	45,235,000	2,540,000
Revenue bonds	4,885,000	-	2,415,000	2,470,000	2,470,000
Capital loan notes	3,430,000	-	650,000	2,780,000	660,000
Early retirement	1,173,233	240,667	286,138	1,127,762	456,523
Other post employment benefits	-	201,962	-	201,962	-
<b>Total</b>	<b>\$ 57,178,233</b>	<b>442,629</b>	<b>5,806,138</b>	<b>51,814,724</b>	<b>6,126,523</b>
Business type activities:					
Other post employment benefits	\$ -	13,038	-	13,038	-

General Obligation Bonds Payable

Details of the District's June 30, 2009 general obligation bonded indebtedness are as follows:

Refunding Bond Issue of April 1, 2003				
Year ended June 30,	Rates	Principal	Interest	Total
2010	2.80%	\$ 790,000	74,390	864,390
2011	3.00%	825,000	52,270	877,270
2012	3.20%	860,000	27,520	887,520
Subtotal		2,475,000	154,180	2,629,180
Bond Issue of February 1, 2006				
Year ended June 30,	Rates	Principal	Interest	Total
2010	3.750%	\$ 100,000	1,088,519	1,188,519
2011	3.750%	915,000	1,084,768	1,999,768
2012	3.750%	970,000	1,050,456	2,020,456
2013	4.000%	1,585,000	1,014,082	2,599,082
2014	5.000%	1,700,000	950,681	2,650,681
2015	4.500%	1,815,000	865,681	2,680,681
2016	4.000%	3,190,000	784,006	3,974,006
2017	4.000%	3,700,000	656,406	4,356,406
2018	4.100%	3,875,000	508,406	4,383,406
2019	4.250%	4,075,000	349,531	4,424,531
2020	4.125%	4,275,000	176,344	4,451,344
Subtotal		26,200,000	8,528,880	34,728,880

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

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

Bond Issue of May 1, 2006				
Year ended June 30,	Rates	Principal	Interest	Total
2010	4.0%	\$ 1,005,000	309,000	1,314,000
2011	4.0%	1,040,000	268,800	1,308,800
2012	4.0%	1,065,000	227,200	1,292,200
2013	4.0%	1,430,000	184,600	1,614,600
2014	4.0%	1,450,000	127,400	1,577,400
2015	4.0%	1,480,000	69,400	1,549,400
2016	4.0%	255,000	10,200	265,200
Subtotal		7,725,000	1,196,600	8,921,600

Bond Issue of August 1, 2007				
Year ended June 30,	Rates	Principal	Interest	Total
2010	3.750%	\$ 645,000	366,132	1,011,132
2011	3.750%	685,000	338,720	1,023,720
2012	3.750%	705,000	309,608	1,014,608
2013	3.750%	735,000	279,646	1,014,646
2014	4.000%	765,000	248,408	1,013,408
2015	5.000%	800,000	215,896	1,015,896
2016	4.500%	825,000	181,896	1,006,896
2017	4.000%	860,000	148,896	1,008,896
2018	4.000%	900,000	114,496	1,014,496
2019	4.100%	940,000	78,046	1,018,046
2020	4.250%	975,000	38,976	1,013,976
Subtotal		8,835,000	2,320,720	11,155,720

Totals				
Year ended June 30,		Principal	Interest	Total
2010		\$ 2,540,000	1,838,041	4,378,041
2011		3,465,000	1,744,558	5,209,558
2012		3,600,000	1,614,784	5,214,784
2013		3,750,000	1,478,328	5,228,328
2014		3,915,000	1,326,489	5,241,489
2015		4,095,000	1,150,977	5,245,977
2016		4,270,000	976,102	5,246,102
2017		4,560,000	805,302	5,365,302
2018		4,775,000	622,902	5,397,902
2019		5,015,000	427,577	5,442,577
2020		5,250,000	215,320	5,465,320
Total		\$ 45,235,000	12,200,380	57,435,380

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

(5) *Long-Term Liabilities (continued from previous page)*

Revenue Bonds Payable

Details of the District's June 30, 2009 local option sales and service tax revenue bonded indebtedness are as follows:

Revenue Bond Issue of April 1, 2005				
Year ended June 30,	Rates	Principal	Interest	Total
2010	3.06%	\$ 2,470,000	37,791	2,507,791
Total		\$ 2,470,000	37,791	2,507,791

The District has pledged future local option sales and services tax revenues for the purpose of defraying a portion of the cost of school infrastructure. The bonds are payable solely from the proceeds of the local option sales and services tax revenues received by the District. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. The total principal and interest remaining to be paid on the notes is \$2,507,791. For the current year, principal and interest paid on the bonds was \$2,527,532 and total local option sales and services tax revenues were \$5,579,965.

The resolution providing for the issuance of the local option sales and services tax revenue bonds includes the following provisions:

- a) \$950,000 of the proceeds from the issuance of the revenue bonds shall be deposited to the 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 local option sales and services 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 provisions during the year ended June 30, 2009.

Capital Loan Notes Payable

Details of the District's June 30, 2009 capital loan note indebtedness is as follows:

Capital Loan Note of June 1, 2003				
Year ended June 30,	Rates	Principal	Interest	Total
2010	2.750%	\$ 660,000	76,678	736,678
2011	2.650%	685,000	58,527	743,527
2012	2.750%	705,000	40,375	745,375
2013	2.875%	730,000	20,988	750,988
Total		\$ 2,780,000	196,568	2,976,568

At the school election held on September 10, 2002, a special proposition authorizing the levy of tax not exceeding one dollar and thirty-four cents per one hundred thousand dollars of assessed value was adopted and approved by the electors. In order to make the proceeds of this voted tax immediately available, the Board of Directors, pursuant to Iowa Code section 297.36, authorized the sale of \$6,500,000 of capital loan notes.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

(5) *Long-Term Liabilities (continued from previous page)*

Early Retirement

The District offers a voluntary early retirement plan to its employees. Eligible employees must have completed at least ten years of full-time service within the prior 12 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 commences. The application for early retirement is subject to approval by the Board of Education. No more than ten employees will be allowed to retire in any given year with priority given to employees with the longest tenure of service.

Early retirement benefits are 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 cash-out.

Early retirement cash benefit amounts are placed in a State RIC 403(b) plan as directed by the employee in the July immediately following retirement.

At June 30, 2009, the District had obligations to 49 participants with a total liability of \$1,127,762. Actual early retirement expenditures for the year ended June 30, 2009 totaled \$286,138.

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

(6) **Pension and Retirement Benefits**

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

Plan members are required to contribute 4.10% of their annual covered salary and the District is required to contribute 6.35% of annual covered salary. Plan members were required to contribute 3.90% and 3.70% of their annual salary and the District was required to contribute 6.05% and 5.75% of annual covered salary for the years ended June 30, 2008 and 2007 respectively. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2009, 2008 and 2007 were \$2,207,205, \$1,886,008, and \$1,589,139, respectively, equal to the required contributions for each year.

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

The District implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits other Than Pensions during the year ended June 30, 2009.

Plan Description - The District operates a retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 709 active and 56 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 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.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

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

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, 2009, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	\$ 738,000
Contributions made	(523,000)
Increase in net OPEB obligation	215,000
Net OPEB obligation beginning of year	<u>-</u>
Net OPEB obligation end of year	<u><u>\$ 215,000</u></u>

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, 2009.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2009, the District contributed \$523,000. Retiree and active members receiving benefits contributed \$754,834 through their required contribution of \$1, \$2, \$471, or \$573 per month, depending on which union the employee belongs to and whether single or family coverage is elected.

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, 2009 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 738,000	70.9%	\$ 215,000

Funded Status and Funding Progress - As of July 1, 2008, the most recent actuarial valuation date for the period July 1, 2008 through June 30, 2009, the actuarial accrued liability was \$6.095 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$6.095 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$29,765,219, and the ratio of the UAAL to covered payroll was 20.5%. As of June 30, 2009, 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, will present 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.



JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

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

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, 2008 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumption includes a 5% discount rate based on the District's funding policy. The projected annual medical trend rate is 11%. The ultimate medical trend rate is 6%. The medical trend rate is reduced 0.5% each year until reaching the 6% ultimate trend rate.

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 from the IPERS Actuarial Report as of June 30, 2007 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2007.

Projected claim costs of the medical plan are \$1,134 per month for retirees less than age 65 and \$495 per month for retirees who have attained age 65. The salary increase rate was assumed to be 4% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(8) **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, 2009, there were no significant reductions in coverage. In addition, over the past three fiscal years, settlement amounts did not exceed insurance coverage.

In addition to the above, the District operates a partially self-funded insurance program administered by a third party administrator for its employees' and eligible dependents' medical benefits. The program is supplemented by stop loss protection, which limits the District's liability to \$50,000 per individual medical claim or an aggregate limit of 125% during the period July 1, 2005 through June 30, 2009.

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 \$562,094 reported at June 30, 2009 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. Changes in the fund's claims liability amount for the years ended June 30, 2008 and 2009 follows:

Year ending June 30,	Liability July 1	Current Claims and Changes in Estimates	Claim Payments	Liability June 30
2008	\$ 528,132	4,993,282	4,933,385	588,029
2009	588,029	4,485,115	4,511,050	562,094

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2009

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

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.

**(9) Area Education Agency**

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$1,946,449 for the year ended June 30, 2009 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

**(10) Construction Commitment**

The District has entered into several contracts totaling \$1,279,411 for the construction of a new school and remodeling projects. As of June 30, 2009, costs of \$393,162 had been incurred against the contract. The balance of \$886,249 remaining at June 30, 2009 will be paid as work on the project progresses.

Project	Contract Amount	Costs through June 30, 2009
Transportation facility	\$ 1,198,000	366,111
Stage floor remodel	31,411	25,065
ARC vestibule	50,000	1,986
	\$ 1,279,411	393,162

**(11) Restatements**

The beginning General Fund balance was increased by \$117,774 due to a recalculation of the prior year's compensated absence liability.

**(12) Subsequent Event**

On October 8, 2009, Governor Chet Culver announced a 10 percent across-the-board cut to state general fund appropriations effective immediately. The cut is a reduction of approximately \$238.5 million to Iowa schools and approximately \$800,000 to the Iowa Department of Education. What this will mean to Iowa school districts is still unfolding.

**Required Supplementary Information**

JOHNSTON COMMUNITY SCHOOL DISTRICT  
 SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN  
 Year ended June 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2008	\$ -	6,095,000	6,095,000	0.0%	28,576,000	21.3%

See Note 7 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

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, 2009

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts		Final to Actual Variance- Positive (Negative)
				Original	Final	
<b>Revenues:</b>						
Local sources	\$ 37,770,156	4,761,059	42,531,215	43,542,236	43,542,236	(1,011,021)
Intermediate sources	92,866	-	92,866	85,000	85,000	7,866
State sources	25,729,617	128,152	25,857,769	26,786,633	26,786,633	(928,864)
Federal sources	1,310,703	583,236	1,893,939	1,044,225	1,044,225	849,714
Total revenues	<u>64,903,342</u>	<u>5,472,447</u>	<u>70,375,789</u>	<u>71,458,094</u>	<u>71,458,094</u>	<u>(1,082,305)</u>
<b>Expenditures:</b>						
Instruction	36,436,373	-	36,436,373	42,468,096	40,748,976	4,312,603
Support services	16,528,103	-	16,528,103	18,242,144	18,242,144	1,714,041
Noninstructional programs	130,224	5,392,496	5,522,720	4,635,973	6,355,093	832,373
Other expenditures	12,936,434	-	12,936,434	32,269,105	32,269,105	19,332,671
Total expenditures	<u>66,031,134</u>	<u>5,392,496</u>	<u>71,423,630</u>	<u>97,615,318</u>	<u>97,615,318</u>	<u>26,191,688</u>
Excess (deficiency) of revenues over (under) expenditures	(1,127,792)	79,951	(1,047,841)	(26,157,224)	(26,157,224)	25,109,383
Other financing sources, net	15,768	4,229	19,997	-	-	19,997
Excess (deficiency) of revenues and other financing sources over (under) expenditures/ expenses	(1,112,024)	84,180	(1,027,844)	(26,157,224)	(26,157,224)	25,129,380
Balances beginning of year, as restated	<u>25,388,518</u>	<u>2,574,846</u>	<u>27,963,364</u>	<u>26,157,224</u>	<u>26,157,224</u>	<u>1,806,140</u>
Balances end of year	<u>\$ 24,276,494</u>	<u>2,659,026</u>	<u>26,935,520</u>	<u>-</u>	<u>-</u>	<u>26,935,520</u>

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING  
Year ended June 30, 2009

**(1) Basis of Presentation**

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

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

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

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the functional area for a budgeted governmental, enterprise and private purpose trust funds in total, rather than by individual fund type. Formal and legal budgetary control is based on four major classes of expenditures known as functional areas. These four functional areas are instruction, support services, non-instructional programs and other expenditures. During the year ended June 30, 2009, expenditures did not exceed the amounts budgeted in any functional area. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. Authorized expenditures cannot exceed the lesser of the certified budget plus any allowable amendments, or the authorized budget, which is the sum of the District's cost for that year plus the actual miscellaneous income received for that year plus the actual unspent balance from the preceding year. Appropriations, as adopted and amended, lapse at the end of the fiscal year.

During the year, a budget amendment was made to reallocate expenditures to more accurately reflect expenditures by function. These allocations were not known at the time the original budget was adopted.

The District is required by the Code of Iowa to budget for its share of media, education services and special education support provided through the local area education agency. The District's actual amount for this purpose totaled \$1,946,449 for the year ended June 30, 2009.

## **Other Supplementary Information**

JOHNSTON COMMUNITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 June 30, 2009

	Management	Student Activity	Physical Plant and Equipment Levy	Total
<b>Assets</b>				
Current Assets:				
Cash and pooled investments	\$ 1,684,741	388,782	3,002,103	5,075,626
Receivables:				
Property tax:				
Current year delinquent	14,457	-	35,195	49,652
Succeeding year	1,218,994	-	2,823,210	4,042,204
Accounts	2,280	-	-	2,280
<b>Total assets</b>	<b>\$ 2,920,472</b>	<b>388,782</b>	<b>5,860,508</b>	<b>9,169,762</b>
<b>Liabilities and Fund Balances</b>				
Current Liabilities:				
Accounts payable	\$ 94,033	22,016	148,350	264,399
Early retirement payable	456,523	-	-	456,523
Deferred revenue:				
Succeeding year property tax	1,218,994	-	2,823,210	4,042,204
Total liabilities	1,769,550	22,016	2,971,560	4,763,126
Fund balances:				
Unreserved	1,150,922	366,766	2,888,948	4,406,636
<b>Total liabilities and fund balances</b>	<b>\$ 2,920,472</b>	<b>388,782</b>	<b>5,860,508</b>	<b>9,169,762</b>

See accompanying independent auditor's report.



JOHNSTON COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 Year ended June 30, 2009

	Management	Student Activity	Physical Plant and Equipment Levy	Total
Revenues:				
Local sources:				
Local tax:				
Property tax	\$ 1,103,762	-	2,569,199	3,672,961
Utility tax replacement excise tax	29,884	-	66,644	96,528
Mobile home tax	1,086	-	2,753	3,839
	<u>1,134,732</u>	<u>-</u>	<u>2,638,596</u>	<u>3,773,328</u>
Other local sources:				
Interest on investments	12,160	-	51,763	63,923
Student activities	-	569,467	-	569,467
Donations	-	4,064	-	4,064
Other local revenue	34,222	110,633	-	144,855
	<u>46,382</u>	<u>684,164</u>	<u>51,763</u>	<u>782,309</u>
	<u>1,181,114</u>	<u>684,164</u>	<u>2,690,359</u>	<u>4,555,637</u>
State sources:				
Revenue in lieu of taxes :				
Military credit	301	-	674	975
Federal sources:				
Revenue in lieu of taxes :				
Flood control	-	-	138	138
Total revenues	<u>1,181,415</u>	<u>684,164</u>	<u>2,691,171</u>	<u>4,556,750</u>
Expenditures:				
Current:				
Instruction:				
Regular instruction:				
Benefits	439,324	-	-	439,324
Property	-	-	67,757	67,757
	<u>439,324</u>	<u>-</u>	<u>67,757</u>	<u>507,081</u>
Co-curricular instruction:				
Purchased services	-	154,964	-	154,964
Supplies	-	459,910	-	459,910
Property	-	14,194	-	14,194
Other	-	27,709	-	27,709
	<u>-</u>	<u>656,777</u>	<u>-</u>	<u>656,777</u>
Total instruction	<u>439,324</u>	<u>656,777</u>	<u>67,757</u>	<u>1,163,858</u>

JOHNSTON COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 Year ended June 30, 2009

	Management	Student Activity	Physical Plant and Equipment Levy	Total
<i>Continued from previous page</i>				
Expenditures:				
Current:				
Support Services:				
Student support:				
Benefits	69,177	-	-	69,177
Instructional Staff Services:				
Benefits	17,639	-	-	17,639
Property	-	-	369,553	369,553
	17,639	-	369,553	387,192
Administration:				
Benefits	32,603	-	-	32,603
Purchased services	9,113	-	25,984	35,097
Supplies	-	-	12,194	12,194
Property	-	-	143,450	143,450
	41,716	-	181,628	223,344
Plant operation and maintenance:				
Benefits	5,150	-	-	5,150
Purchased services	207,117	-	-	207,117
Property	-	-	93,925	93,925
	212,267	-	93,925	306,192
Student transportation:				
Benefits	130,753	-	-	130,753
Purchased services	41,703	-	-	41,703
Property	-	-	459,660	459,660
	172,456	-	459,660	632,116
Total support services	513,255	-	1,104,766	1,618,021
Non-instructional Programs:				
Food services				
Benefits	17,345	-	-	17,345
Community service & education:				
Benefits	534	-	-	534
Total non-instructional programs	17,879	-	-	17,879

JOHNSTON COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 Year ended June 30, 2009

	Management	Student Activity	Physical Plant and Equipment Levy	Total
<i>Continued from previous page</i>				
Expenditures:				
Capital outlay:				
Other expenditures:				
Facilities acquisition:				
Purchased services	-	-	919,539	919,539
Supplies	-	-	76,434	76,434
Property	-	-	13,428	13,428
Other	-	-	1,687	1,687
	-	-	1,011,088	1,011,088
Total expenditures	970,458	656,777	2,183,611	3,810,846
Excess of revenues over expenditures	210,957	27,387	507,560	745,904
Other financing uses:				
Operating transfers out	-	(25,000)	(741,703)	(766,703)
Total other financing uses	-	(25,000)	(741,703)	(766,703)
Excess of revenues over expenditures and other financing uses	210,957	2,387	(234,143)	(20,799)
Fund balances beginning of year	939,965	364,379	3,123,091	4,427,435
Fund balances end of year	\$ 1,150,922	366,766	2,888,948	4,406,636

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT  
COMBINING STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2009

	Business Type Activities				
	Enterprise Funds				
	Community Education	Community Daycare	Community Preschool	School Nutrition	Total
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 146,363	754,680	43,473	1,016,646	1,961,162
Receivables:					
Accounts	18,686	-	-	-	18,686
Due from other governments	-	417	15,206	4,000	19,623
Inventories	-	-	-	138,003	138,003
Total current assets	<u>165,049</u>	<u>755,097</u>	<u>58,679</u>	<u>1,158,649</u>	<u>2,137,474</u>
Non-current assets:					
Property and equipment:					
Machinery and equipment	31,976	91,489	2,485	1,710,851	1,836,801
Accumulated depreciation	(21,907)	(71,351)	(1,083)	(977,902)	(1,072,243)
Total non-current assets	<u>10,069</u>	<u>20,138</u>	<u>1,402</u>	<u>732,949</u>	<u>764,558</u>
<b>Total assets</b>	<u>175,118</u>	<u>775,235</u>	<u>60,081</u>	<u>1,891,598</u>	<u>2,902,032</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	10,111	28,277	2,852	20,707	61,947
Insurance claims liability	-	-	-	-	-
Accrued salaries and benefits payable	368	129	64	83,225	83,786
Unearned revenue	-	-	-	64,887	64,887
Compensated absences	3,957	8,182	2,680	4,529	19,348
Total current liabilities	<u>14,436</u>	<u>36,588</u>	<u>5,596</u>	<u>173,348</u>	<u>229,968</u>
Non-current liabilities:					
Other postemployment benefits payable	910	4,093	1,819	6,216	13,038
<b>Total liabilities</b>	<u>15,346</u>	<u>40,681</u>	<u>7,415</u>	<u>179,564</u>	<u>243,006</u>
<b>Net Assets</b>					
Invested in capital assets	10,069	20,138	1,402	732,949	764,558
Unrestricted	149,703	714,416	51,264	979,085	1,894,468
<b>Total net assets</b>	<u>\$ 159,772</u>	<u>734,554</u>	<u>52,666</u>	<u>1,712,034</u>	<u>2,659,026</u>

See accompanying independent auditor's report.

Schedule 3

Governmental Activities		
Internal Service Funds		
Self-funded Insurance	Flexible Benefits	Total
3,624,723	97,257	3,721,980
7,415	-	7,415
-	-	-
-	-	-
<u>3,632,138</u>	<u>97,257</u>	<u>3,729,395</u>
-	-	-
-	-	-
-	-	-
<u>3,632,138</u>	<u>97,257</u>	<u>3,729,395</u>
-	5,740	5,740
562,094	-	562,094
-	-	-
-	-	-
-	-	-
<u>562,094</u>	<u>5,740</u>	<u>567,834</u>
-	-	-
<u>562,094</u>	<u>5,740</u>	<u>567,834</u>
-	-	-
<u>3,070,044</u>	<u>91,517</u>	<u>3,161,561</u>
<u>3,070,044</u>	<u>91,517</u>	<u>3,161,561</u>

JOHNSTON COMMUNITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 PROPRIETARY FUNDS  
 Year ended June 30, 2009

	Business Type Activities				Total
	Enterprise Funds				
	Community Education	Community Daycare	Community Preschool	School Nutrition	
Operating revenues:					
Local sources:					
Other local sources:					
Food service sales	\$ -	-	-	1,981,667	1,981,667
Daycare service fees	-	1,831,158	-	-	1,831,158
Community education fees	552,129	-	350,500	-	902,629
Charges for services	-	-	-	-	-
Other operating income	-	-	-	15,988	15,988
Total operating revenues	552,129	1,831,158	350,500	1,997,655	4,731,442
Operating expenses:					
Instructional programs:					
Support Services:					
Personnel services:					
Benefits	-	-	-	-	-
Purchased services	-	-	-	-	-
Non-instructional programs:					
Food services operations:					
Salaries	-	-	-	811,396	811,396
Benefits	-	-	-	256,535	256,535
Services	-	-	-	130,743	130,743
Supplies	-	-	-	1,210,901	1,210,901
Other	-	-	-	2,080	2,080
Depreciation	-	-	-	127,569	127,569
Community service operations:					
Salaries	340,034	1,186,933	305,383	-	1,832,350
Benefits	61,306	224,957	84,172	-	370,435
Services	48,353	82,956	60,302	-	191,611
Supplies	128,831	172,287	25,745	-	326,863
Other	861	119,360	1,680	-	121,901
Depreciation	3,469	6,146	497	-	10,112
Total operating expenses	582,854	1,792,639	477,779	-	2,853,272
Total operating expenses	582,854	1,792,639	477,779	2,539,224	5,392,496
Operating income (loss)	(30,725)	38,519	(127,279)	(541,569)	(661,054)

Schedule 4

Governmental Activities		
Internal Service Funds		
Self-funded Insurance	Flexible Benefits	Total
-	-	-
-	-	-
-	-	-
5,613,563	375,791	5,989,354
-	-	-
5,613,563	375,791	5,989,354

4,485,115	359,506	4,844,621
26,484	-	26,484
4,511,599	359,506	4,871,105

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

-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
4,511,599	359,506	4,871,105

1,101,964      16,285      1,118,249

JOHNSTON COMMUNITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 PROPRIETARY FUNDS  
 Year ended June 30, 2009

	Business Type Activities				Total
	Enterprise Funds				
	Community Education	Community Daycare	Community Preschool	School Nutrition	
<i>Continued from previous page</i>					
Non-operating revenues:					
State grants	-	-	103,291	-	103,291
State lunch and breakfast program claims	-	-	-	24,861	24,861
National School Lunch Program	-	-	-	380,403	380,403
School Breakfast Program	-	-	-	44,775	44,775
Federal food commodities revenue	-	-	-	154,841	154,841
Child and Adult Care Food Program	-	3,217	-	-	3,217
Contributions	8,694	4,250	-	-	12,944
Interest income	940	6,414	457	8,862	16,673
Total non-operating revenues	<u>9,634</u>	<u>13,881</u>	<u>103,748</u>	<u>613,742</u>	<u>741,005</u>
Net income (loss) before transfers	(21,091)	52,400	(23,531)	72,173	79,951
Transfers in	-	-	-	4,229	4,229
Changes in net assets	(21,091)	52,400	(23,531)	76,402	84,180
Net assets beginning of year	<u>180,863</u>	<u>682,154</u>	<u>76,197</u>	<u>1,635,632</u>	<u>2,574,846</u>
Net assets end of year	<u>\$ 159,772</u>	<u>734,554</u>	<u>52,666</u>	<u>1,712,034</u>	<u>2,659,026</u>

See accompanying independent auditor's report.



Schedule 4

Governmental Activities		
Internal Service Funds		
Self-funded Insurance	Flexible Benefits	Total
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,101,964	16,285	1,118,249
-	-	-
1,101,964	16,285	1,118,249
1,968,080	75,232	2,043,312
3,070,044	91,517	3,161,561

JOHNSTON COMMUNITY SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year ended June 30, 2009

	Business Type Activities				Total
	Community Education	Community Daycare	Community Preschool	School Nutrition	
Cash flows from operating activities:					
Cash received from sale of lunches and breakfasts	\$ -	-	-	1,997,095	1,997,095
Cash received from community services	548,729	1,831,158	353,639	-	2,733,526
Cash payments to employees for services	(398,527)	(1,407,600)	(386,976)	(1,061,027)	(3,254,130)
Cash payments to suppliers for goods or services	(177,885)	(379,288)	(92,268)	(1,245,427)	(1,894,868)
Net cash provided (used) by operating activities	<u>(27,683)</u>	<u>44,270</u>	<u>(125,605)</u>	<u>(309,359)</u>	<u>(418,377)</u>
Cash flows from non-capital financing activities:					
Transfers in	-	-	-	4,229	4,229
Operating contributions	8,694	4,250	-	-	12,944
State grants received	-	-	109,107	24,861	133,968
Federal grants received	-	2,800	-	425,178	427,978
Net cash provided by non-capital financing activities	<u>8,694</u>	<u>7,050</u>	<u>109,107</u>	<u>454,268</u>	<u>579,119</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	-	-	(1,018)	(40,910)	(41,928)
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(1,018)</u>	<u>(40,910)</u>	<u>(41,928)</u>
Cash flows from investing activities:					
Interest on investments	940	6,414	457	8,862	16,673
Net cash provided by investing activities	<u>940</u>	<u>6,414</u>	<u>457</u>	<u>8,862</u>	<u>16,673</u>
Net increase in cash and cash equivalents	(18,049)	57,734	(17,059)	112,861	135,487
Cash and cash equivalents at beginning of year	164,412	696,946	60,532	903,785	1,825,675
Cash and cash equivalents at end of year	<u>\$ 146,363</u>	<u>754,680</u>	<u>43,473</u>	<u>1,016,646</u>	<u>1,961,162</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (30,725)	38,519	(127,279)	(541,569)	(661,054)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Commodities used	-	-	-	154,841	154,841
Depreciation	3,469	6,146	497	127,569	137,681
(Increase) decrease in accounts receivable	(3,400)	-	3,139	-	(261)
(Increase) in inventories	-	-	-	(69,803)	(69,803)
Increase (decrease) in accounts payable	159	(4,685)	(4,541)	13,259	4,192
(Decrease) in insurance claims liability	-	-	-	-	-
(Decrease) in salaries and benefits payable	(2,053)	(7,985)	(1,920)	(3,841)	(15,799)
(Decrease) in unearned revenues	-	-	-	(560)	(560)
Increase in compensated absences	3,957	8,182	2,680	4,529	19,348
Increase in other post-employment benefits payable	910	4,093	1,819	6,216	13,038
Net cash provided (used) by operating activities	<u>\$ (27,683)</u>	<u>44,270</u>	<u>(125,605)</u>	<u>(309,359)</u>	<u>(418,377)</u>

Schedule 5

Governmental Activities		
Self-funded Insurance	Flexible Benefits	Total
-	-	-
5,606,148	375,791	5,981,939
(4,868,026)	(356,819)	(5,224,845)
(26,484)	-	(26,484)
<u>711,638</u>	<u>18,972</u>	<u>730,610</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
711,638	18,972	730,610
<u>2,913,085</u>	<u>78,285</u>	<u>2,991,370</u>
<u>3,624,723</u>	<u>97,257</u>	<u>3,721,980</u>
1,101,964	16,285	1,118,249
-	-	-
-	-	-
(7,415)	-	(7,415)
-	-	-
(356,976)	2,687	(354,289)
(25,935)	-	(25,935)
-	-	-
-	-	-
-	-	-
-	-	-
<u>711,638</u>	<u>18,972</u>	<u>730,610</u>

JOHNSTON COMMUNITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 Year ended June 30, 2009

Business Type Activities				
Community Education	Community Daycare	Community Preschool	School Nutrition	Total

*Continued from previous page*

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

Current assets:

Cash and investments	\$ 146,363	754,680	43,473	1,016,646	1,961,162
Cash and cash equivalents at year end	\$ 146,363	754,680	43,473	1,016,646	1,961,162

**Non-cash investing, capital and financing activities:**

During the year ended June 30, 2009, the District received federal commodities valued at \$154,841.

See accompanying independent auditor's report.

Schedule 5

<u>Governmental Activities</u>		
<u>Self-funded</u>	<u>Flexible</u>	
<u>Insurance</u>	<u>Benefits</u>	<u>Total</u>
3,624,723	97,257	3,721,980
<u>3,624,723</u>	<u>97,257</u>	<u>3,721,980</u>

JOHNSTON COMMUNITY SCHOOL DISTRICT  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE BY SOURCE  
 June 30, 2009

**Governmental funds capital assets**

Land and improvements	\$ 8,099,678
Buildings and improvements	104,250,283
Vehicles, furniture and equipment	6,325,531
Construction in progress	<u>393,162</u>

Total governmental funds capital assets	<u><u>\$ 119,068,654</u></u>
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**Investments in governmental funds capital assets by source**

General Fund	\$ 4,821,006
Special Revenue Funds	6,704,879
Capital Projects Funds	<u>107,542,769</u>

Total governmental funds capital assets	<u><u>\$ 119,068,654</u></u>
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See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE BY FUNCTION AND ACTIVITY  
 June 30, 2009

<b>Function and Activity</b>	Land and Improvements	Buildings and Improvements	Vehicles, Furniture and Equipment	Construction in Progress	Total
Instruction	\$ 7,076,578	102,898,616	2,373,507	393,162	112,741,863
Other instruction	371,476	61,506	-	-	432,982
Support services - students	-	-	14,514	-	14,514
Support services - instructional staff	-	-	189,615	-	189,615
Administration	328,878	1,061,714	442,449	-	1,833,041
Operation and maintenance of plant services	71,519	228,447	434,380	-	734,346
Student transportation services	251,227	-	2,871,066	-	3,122,293
Total	<u>\$ 8,099,678</u>	<u>104,250,283</u>	<u>6,325,531</u>	<u>393,162</u>	<u>119,068,654</u>

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
 Year ended June 30, 2009

<b>Function and Activity</b>	July 1, 2008	Additions	Deletions	June 30, 2009
Instruction	\$ 109,700,659	3,041,204	-	112,741,863
Other instruction	432,982	-	-	432,982
Support services - students	14,514	-	-	14,514
Support services - instructional staff	148,860	40,755	-	189,615
Administration	1,728,023	105,018	-	1,833,041
Operation and maintenance of plant services	670,222	64,124	-	734,346
Student transportation services	2,658,987	463,306	-	3,122,293
Total	<u>\$ 115,354,247</u>	<u>3,714,407</u>	-	<u>119,068,654</u>

See accompanying independent auditor's report.



JOHNSTON COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN INDIVIDUAL STUDENT ACTIVITY ACCOUNTS  
Year ended June 30, 2009

Account	Balance Beginning of Year	Revenues	Expendi- tures	Intrafund Transfers	Trsf to Gen Fund	Balance End of Year
Elementary Schools:						
Lawson Elementary	\$ 2,404	-	-	-	-	2,404
Wallace Elementary	2,401	-	-	-	-	2,401
Beaver Creek Elementary	2,500	-	-	-	-	2,500
Horizon Elementary:						
Student activity	1,432	-	-	-	-	1,432
Summit Middle School:						
Student Council	2,603	5,670	6,501	-	-	1,772
Yearbook	32,115	18,268	30,842	-	-	19,541
Vocal Music	3,869	739	2,299	-	-	2,309
Instrumental Music	5,006	8,529	11,266	-	-	2,269
Tech Club	2,500	7,286	3,965	-	-	5,821
Cheerleading	6,220	3,075	3,137	-	-	6,158
Food Assistance	1,814	-	201	-	-	1,613
SOS	-	100	-	-	-	100
Middle School:						
Dragon Express	574	-	61	-	-	513
Student Council	4,302	2,493	4,016	-	-	2,779
Yearbook	10,354	17,806	17,036	-	-	11,124
Vocal Music	8,653	32,663	31,355	-	-	9,961
Instrumental Music	1,484	3,471	2,506	-	-	2,449
Student Management	11,642	-	18	-	-	11,624
Cheerleading	131	-	-	-	-	131
MS Pride	154	-	-	-	-	154
Art Club	1,000	48	680	-	-	368
French Club	1,000	410	265	-	-	1,145
Spanish Club	1,000	615	664	-	-	951
Tech Club	-	2,321	1,397	-	-	924
High School:						
French Club	37	-	-	(37)	-	-
Spanish Club	5,366	16	-	-	-	5,382
Drama Club	1,271	2,016	1,471	-	-	1,816
Student Council	6,751	30,170	32,794	-	-	4,127
National Honor Society	350	2,550	2,246	-	-	654
Senior Class	-	14,388	13,772	-	-	616
Yearbook	108,135	62,340	57,824	-	-	112,651
Instrumental Music	1,074	-	-	-	-	1,074
Vocal Music	-	40,757	32,449	-	-	8,308
Academic Competition	265	2,735	3,173	173	-	(0)
Circle of Friends	986	597	1,407	-	-	176
SADD	157	-	-	-	-	157
Diversity Committee	-	100	-	-	-	100
Tech Club	1,196	1,840	1,898	-	-	1,138
Gay Straight Alliance	203	168	52	-	-	319
Fencing Club	619	1,103	888	-	-	834
Spirit Club	-	8,628	8,487	-	-	141
Misc. Student Activity	15	-	2	(13)	-	-
Athletics	134,796	413,262	384,105	(123)	25,000	138,830
Total	<u>\$ 364,379</u>	<u>684,164</u>	<u>656,777</u>	<u>(0)</u>	<u>25,000</u>	<u>366,766</u>

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 EIGHT YEARS

	Modified Accrual Basis							
	2009	2008	2007	2006	2005	2004	2003	2002
<b>Revenues:</b>								
Local sources:								
Local tax	\$ 32,073,368	30,063,824	28,943,854	25,624,856	23,672,255	21,314,918	18,180,329	12,602,902
Tuition	3,388,830	3,860,880	3,318,397	3,153,507	3,155,907	2,894,604	2,639,991	2,580,725
Other	2,307,958	3,321,999	3,479,491	2,616,713	1,920,527	1,653,031	1,575,292	5,269,686
Intermediate sources	92,866	85,004	-	-	-	-	-	-
State sources	25,729,617	23,887,916	21,363,797	19,152,732	17,287,021	15,584,614	15,434,525	14,401,664
Federal sources	1,310,703	608,405	557,081	545,932	453,730	475,152	449,584	418,530
<b>Total</b>	<b>\$ 64,903,342</b>	<b>61,828,028</b>	<b>\$ 57,662,620</b>	<b>51,093,740</b>	<b>46,489,440</b>	<b>41,922,319</b>	<b>38,279,721</b>	<b>35,273,507</b>
<b>Expenditures:</b>								
Instruction:								
Regular instruction	\$ 25,632,654	22,840,146	\$ 19,978,686	18,389,994	16,682,152	14,923,600	13,619,433	12,451,952
Special instruction	7,310,329	7,135,533	6,694,623	5,867,984	6,196,627	5,449,798	4,021,880	4,251,401
Other instruction	3,493,390	2,798,377	2,841,136	2,385,744	2,186,628	2,082,883	2,531,466	1,960,933
Support services:								
Student services	1,434,161	1,413,042	1,289,939	1,189,547	1,123,216	1,082,857	1,177,213	1,241,772
Instructional staff services	2,590,573	2,679,714	2,087,999	1,985,956	1,452,473	1,309,542	2,393,225	2,694,811
Administration services	5,183,740	5,216,577	4,781,180	4,011,887	2,668,177	2,566,722	2,559,434	2,366,753
Operation and maintenance of plant services	4,693,862	4,511,428	3,903,490	3,707,823	3,596,527	3,095,173	2,548,618	2,369,529
Transportation services	2,625,767	1,984,393	2,103,016	1,675,469	1,846,703	1,460,984	1,342,785	1,185,349
Central support services	-	-	-	-	17,353	171,047	120,205	-
Non-instructional programs:								
Food services	17,345	22,305	2,855	8,203	713	646	-	-
Community services and education	112,879	111,639	121,130	142,590	5,130	2,508	-	-
Other expenditures:								
Facilities acquisition	3,341,005	9,739,160	16,166,714	7,242,583	4,949,087	15,198,700	2,199,651	4,602,807
Long-term debt:								
Principal	5,520,000	5,365,000	7,655,000	9,510,000	11,975,000	3,620,000	9,415,000	11,370,000
Interest and other charges	2,128,980	2,250,958	2,597,424	1,087,863	1,159,498	1,187,814	1,266,343	1,676,142
AEA support	1,946,449	1,771,545	1,606,455	1,408,173	1,261,795	1,176,050	1,179,686	1,104,898
<b>Total</b>	<b>\$ 66,031,134</b>	<b>67,839,817</b>	<b>71,829,647</b>	<b>58,613,816</b>	<b>55,121,079</b>	<b>53,328,324</b>	<b>44,374,939</b>	<b>47,276,347</b>

See accompanying independent auditor's report.

**Johnston Community School District  
STATISTICAL SECTION CONTENTS**

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

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>79-94</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	<b>95-101</b>
<b>Debt Capacity</b> 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.	<b>102-109</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	<b>110-114</b>
<b>Operating Information</b> 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.	<b>115-121</b>

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented GASB 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.



**JOHNSTON COMMUNITY SCHOOL DISTRICT  
NET ASSETS BY COMPONENT  
Last Seven Fiscal Years \***

Year ended June 30,	2009	2008	2007	2006	2005	2004	2003
<b>Governmental activities:</b>							
Invested in capital assets, net of related debt	\$ 45,865,614	39,330,607	35,699,534	35,157,475	32,602,330	29,105,935	\$ 24,670,604
Restricted	13,277,408	13,641,285	11,831,699	5,608,504	2,190,011	2,136,870	2,261,334
Unrestricted	5,467,196	5,023,421	3,528,893	1,231,505	584,792	(1,547,399)	(2,293,364)
<b>Total governmental activities net assets</b>	<b>64,610,218</b>	<b>57,995,313</b>	<b>51,060,126</b>	<b>41,997,484</b>	<b>35,377,133</b>	<b>29,695,406</b>	<b>24,638,574</b>
<b>Business-type activities:</b>							
Invested in capital assets, net of related debt	764,558	860,311	865,179	629,082	680,399	401,213	\$ 463,442
Restricted	1,894,468	1,714,535	1,473,496	1,808,309	1,517,315	1,295,667	834,583
Unrestricted	764,558	860,311	865,179	629,082	680,399	401,213	\$ 463,442
<b>Total business-type activities net assets</b>	<b>2,659,026</b>	<b>2,574,846</b>	<b>2,338,675</b>	<b>2,437,391</b>	<b>2,197,714</b>	<b>1,696,880</b>	<b>\$ 1,298,025</b>
<b>Primary government:</b>							
Invested in capital assets, net of related debt	46,630,172	40,190,918	36,564,713	35,786,557	33,282,729	29,507,148	\$ 25,134,046
Restricted	13,277,408	13,641,285	11,831,699	5,608,504	2,190,011	2,136,870	2,261,334
Unrestricted	7,361,664	6,737,956	5,002,389	3,039,814	2,102,107	(251,732)	(1,458,781)
<b>Total primary government net assets</b>	<b>67,269,244</b>	<b>60,570,159</b>	<b>53,398,801</b>	<b>44,434,875</b>	<b>37,574,847</b>	<b>31,392,286</b>	<b>\$ 25,936,599</b>

\*The District began to report accrual information when it implemented GASB Statement 34 in 2003.

Source: 2009 Certified Annual Report

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
EXPENSES, PROGRAM REVENUES AND NET REVENUES (EXPENSES)  
Last Seven Fiscal Years \***

Year ended June 30,	2009	2008	2007	2006	2005	2004	2003
<b>Expenses:</b>							
<b>Governmental activities:</b>							
Instruction	\$ 38,263,152	34,346,658	30,666,801	28,211,145	26,518,342	23,852,166	21,456,624
Student services	1,401,696	1,380,591	1,301,680	1,170,265	1,124,816	1,118,710	1,180,116
Instructional staff services	2,601,050	2,669,388	2,062,886	1,933,485	1,439,037	1,305,551	2,417,872
Administrative services	4,781,632	4,929,567	4,344,754	4,048,697	2,741,465	2,869,991	2,723,030
Operating and maintenance of plant services	4,712,151	4,488,374	3,896,886	3,717,675	3,640,341	3,083,216	2,548,817
Transportation services	2,302,013	2,097,710	2,048,069	1,759,129	1,724,913	1,480,230	1,368,743
Capital outlay	798,920	471,589	322,595	890,901	760,856	827,408	-
Long-term debt interest	2,082,797	2,220,610	2,058,741	1,752,411	1,162,844	1,212,624	1,241,410
Non-instructional programs	91,567	82,532	142,117	149,814	843	654	-
Other expenditures	2,068,147	1,771,545	1,606,455	1,408,173	1,261,795	1,176,050	1,179,686
<b>Total governmental activities expenses</b>	<b>58,304,205</b>	<b>54,785,895</b>	<b>48,599,978</b>	<b>44,473,389</b>	<b>40,505,297</b>	<b>36,860,048</b>	<b>34,943,706</b>
<b>Business type activities:</b>							
Nutrition	2,539,224	2,403,213	2,217,269	1,969,280	1,816,128	1,543,782	1,614,434
Day care services	2,270,418	2,251,506	2,033,473	1,858,371	1,524,092	1,230,729	1,237,387
Community education services	582,854	509,127	481,129	429,823	594,714	467,234	394,055
<b>Total business type activities expenses</b>	<b>5,392,496</b>	<b>5,163,846</b>	<b>4,731,871</b>	<b>4,257,474</b>	<b>3,934,934</b>	<b>3,241,745</b>	<b>3,245,876</b>
<b>Total primary government expenses</b>	<b>\$ 63,696,701</b>	<b>59,949,741</b>	<b>53,331,849</b>	<b>48,730,863</b>	<b>44,440,231</b>	<b>40,101,793</b>	<b>38,189,582</b>
<b>Program revenues:</b>							
<b>Governmental activities:</b>							
<b>Charges for services:</b>							
Instruction	\$ 4,384,947	4,721,590	3,890,184	3,932,276	4,172,796	3,846,633	3,737,924
Support services	268,496	236,406	175,645	355,562	217,477	221,696	174,815
Other	-	-	-	-	-	-	6,193
Operating grants and contributions	6,848,576	5,115,230	4,136,055	3,260,375	3,117,791	2,694,797	2,953,549
<b>Total governmental activities program revenues</b>	<b>11,502,019</b>	<b>10,073,226</b>	<b>8,201,884</b>	<b>7,548,213</b>	<b>7,508,064</b>	<b>6,763,126</b>	<b>6,872,481</b>
<b>Business type activities:</b>							
<b>Charges for services:</b>							
Nutrition	1,997,655	1,877,541	1,751,445	1,686,958	1,578,301	1,453,805	1,337,514
Day care services	2,181,658	2,218,810	1,919,604	1,870,127	1,564,964	1,358,932	1,246,703
Community education services	552,129	479,257	435,473	391,836	548,318	438,535	377,596
Operating grants and contributions	741,005	717,105	526,633	548,230	441,769	375,335	354,505
<b>Total business type program revenues</b>	<b>5,472,447</b>	<b>5,292,713</b>	<b>4,633,155</b>	<b>4,497,151</b>	<b>4,133,352</b>	<b>3,626,607</b>	<b>3,316,318</b>
<b>Total primary government program revenues</b>	<b>\$ 16,974,466</b>	<b>15,365,939</b>	<b>12,835,039</b>	<b>12,045,364</b>	<b>11,641,416</b>	<b>10,389,733</b>	<b>10,188,799</b>
<b>Net revenue (expense):</b>							
Governmental activities	\$ (46,802,186)	(44,712,669)	(40,398,094)	(36,925,176)	(32,997,233)	(30,096,922)	(28,071,225)
Business type activities	79,951	128,867	(98,716)	239,677	198,418	384,862	70,442
<b>Total primary government net expense</b>	<b>\$ (46,722,235)</b>	<b>(44,583,802)</b>	<b>(40,496,810)</b>	<b>(36,685,499)</b>	<b>(32,798,815)</b>	<b>(29,712,060)</b>	<b>(28,000,783)</b>

\*The District began to report accrual information when it implemented GASB Statement 34 in 2003.

Source: 2009 Certified Annual Report

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS  
Last Seven Fiscal Years \***

Year ended June 30,	2009	2008	2007	2006	2005	2004	2003
Net (expense) revenue:							
Governmental activities	\$ (46,802,186)	(44,712,669)	(40,398,094)	(36,925,176)	(32,997,233)	(30,096,922)	(28,071,225)
Business type activities	79,951	128,867	(98,716)	239,677	198,418	384,862	70,442
<b>Total primary government net expense</b>	<b>(46,722,235)</b>	<b>(44,583,802)</b>	<b>(40,496,810)</b>	<b>(36,685,499)</b>	<b>(32,798,815)</b>	<b>(29,712,060)</b>	<b>(28,000,783)</b>
General revenues and other changes in net assets:							
Governmental activities:							
General revenues:							
Property taxes levied for:							
General purposes	21,298,103	19,689,959	19,159,367	16,565,872	15,337,951	13,415,403	10,865,336
Debt service	2,556,704	2,657,697	2,177,335	2,304,979	2,018,204	2,012,726	2,442,045
Capital outlay	2,638,596	2,485,836	2,384,625	2,159,039	2,059,739	1,887,257	4,872,948
Local option sales and services tax	5,579,965	5,230,332	5,222,527	4,594,967	4,256,361	3,999,532	-
Unrestricted state grants	20,175,159	19,400,505	17,692,641	16,398,591	14,607,644	13,358,918	13,105,626
Unrestricted investment earnings	376,149	1,148,153	1,610,716	853,263	200,335	126,896	51,709
Other	796,644	1,142,678	1,213,525	668,816	501,142	367,015	69,576
Capital contributions	-	-	-	-	(285,868)	-	-
Gain on sale of assets	-	-	-	-	-	-	214,695
Transfers	(4,229)	-	-	-	(16,548)	(13,993)	-
<b>Total governmental activities</b>	<b>53,417,091</b>	<b>51,755,160</b>	<b>49,460,736</b>	<b>43,545,527</b>	<b>38,678,960</b>	<b>35,153,754</b>	<b>31,621,935</b>
Business-type activities:							
Investment earnings	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	285,868	-	-
Transfers	4,229	-	-	-	16,548	13,993	-
<b>Total business-type activities</b>	<b>4,229</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>302,416</b>	<b>13,993</b>	<b>-</b>
<b>Total primary government general revenues and other changes in net assets</b>	<b>53,421,320</b>	<b>51,755,160</b>	<b>49,460,736</b>	<b>43,545,527</b>	<b>38,981,376</b>	<b>35,167,747</b>	<b>31,621,935</b>
Change in net assets:							
Governmental activities	6,614,905	7,042,491	9,062,642	6,620,351	5,681,727	5,056,832	3,550,710
Business-type activities	84,180	128,867	(98,716)	239,677	500,834	398,855	70,442
<b>Total primary government change in net assets</b>	<b>\$ 6,699,085</b>	<b>7,171,358</b>	<b>8,963,926</b>	<b>6,860,028</b>	<b>6,182,561</b>	<b>5,455,687</b>	<b>3,621,152</b>

\*The District began to report accrual information when it implemented GASB Statement 34 in 2003.

Source: 2009 Certified Annual Report

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS  
Last Ten Fiscal Years**

Year ended June 30,	2009	2008	2007	2006	2005
General Fund:					
Reserved	\$ 635,151	497,962	504,469	439,250	380,357
Unreserved	2,347,277	2,713,355	2,693,386	1,363,662	699,325
<b>Total general fund</b>	<b>2,982,428</b>	<b>3,211,317</b>	<b>3,197,855</b>	<b>1,802,912</b>	<b>1,079,682</b>
All other governmental funds:					
Reserved, Debt Service	3,990,413	454,343	397,337	3,393,351	219,696
Unreserved, reported in:					
Special revenue funds	4,406,636	4,427,435	3,494,338	2,883,949	2,086,111
Capital project funds	12,897,017	17,177,649	14,123,571	27,299,916	2,594,715
<b>Total all other governmental funds</b>	<b>21,294,066</b>	<b>22,059,427</b>	<b>18,015,246</b>	<b>33,577,216</b>	<b>4,900,522</b>
<b>Total governmental fund balances</b>	<b>\$ 24,276,494</b>	<b>25,270,744</b>	<b>21,213,101</b>	<b>35,380,128</b>	<b>5,980,204</b>

Source: 2009 Certified Annual Report



2004	2003	2002	2001	2000
496,423	436,761	251,347	209,213	261,090
(904,157)	(1,867,297)	(1,545,018)	153,623	1,936,982
(407,734)	(1,430,536)	(1,293,671)	362,836	2,198,072
209,093	206,947	193,570	184,324	147,928
1,486,468	1,549,840	1,484,665	964,726	325,558
1,185,564	1,533,584	1,130,442	6,457,606	9,625,548
2,881,125	3,290,371	2,808,677	7,606,656	10,099,034
2,473,391	1,859,835	1,515,006	7,969,492	12,297,106

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS REVENUES  
Last Ten Fiscal Years**

Year ended June 30,	2009	2008	2007	2006	2005
<b>Local Sources:</b>					
Property taxes	\$ 25,775,471	24,131,034	23,016,962	20,330,548	19,415,895
Local option sales tax	5,579,965	5,230,332	5,222,527	4,594,967	4,256,361
Utility replacement	717,932	702,460	704,365	699,341	**
Other local sources	4,864,033	5,613,015	4,594,317	4,395,017	4,593,385
Investment earnings	376,149	1,148,154	1,610,716	826,048	200,335
Student activities	569,468	506,711	600,924	549,155	282,713
<b>Total local sources</b>	<b>37,883,018</b>	<b>37,331,706</b>	<b>35,749,811</b>	<b>31,395,076</b>	<b>28,748,689</b>
<b>State sources:</b>					
State foundation aid	19,988,582	19,218,464	17,835,060	16,290,764	14,607,554
Other state sources	5,741,036	4,669,452	3,522,227	2,861,968	2,679,467
<b>Total state sources</b>	<b>25,729,618</b>	<b>23,887,916</b>	<b>21,357,287</b>	<b>19,152,732</b>	<b>17,287,021</b>
<b>Federal sources</b>	<b>1,310,703</b>	<b>608,406</b>	<b>555,522</b>	<b>545,932</b>	<b>453,730</b>
<b>Total Revenues</b>	<b>\$ 64,923,339</b>	<b>61,828,028</b>	<b>57,662,620</b>	<b>51,093,740</b>	<b>46,489,440</b>

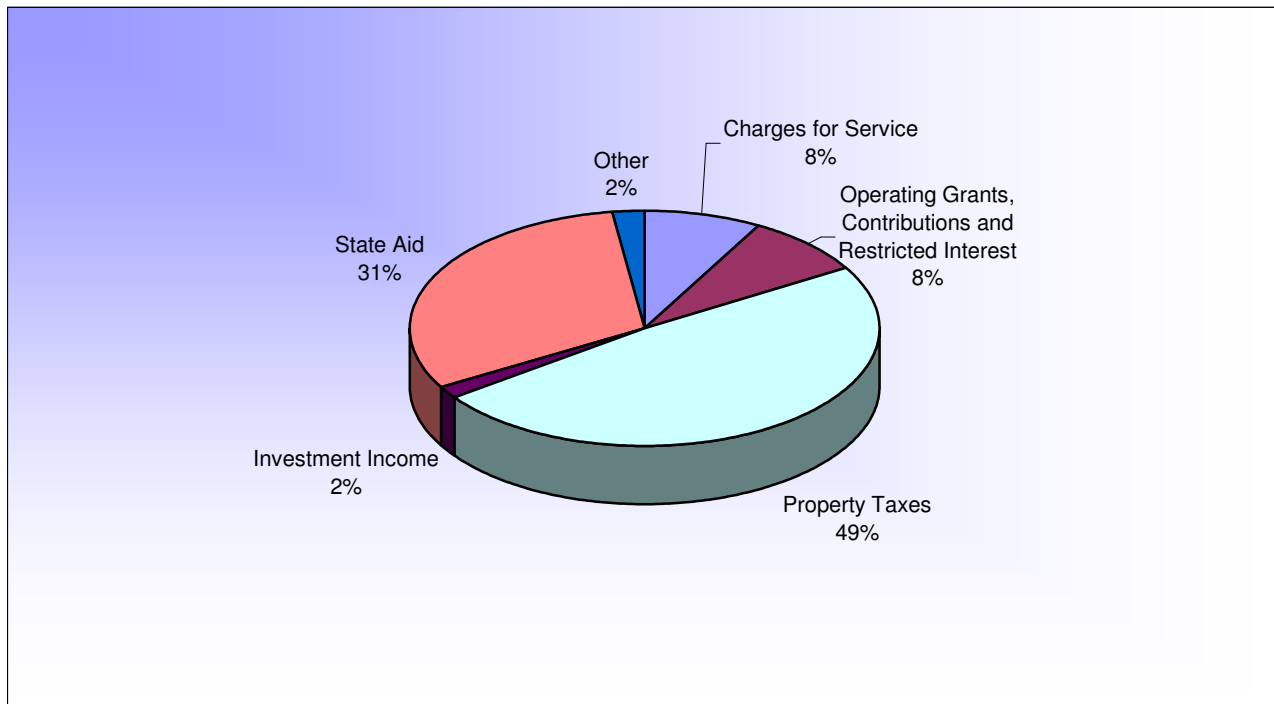
\*\*Utility replacement revenue was not broken down into detail prior to fiscal year 2006.

Source: 2009 Certified Annual Report

2004	2003	2002	2001	2000
17,315,388	14,337,962	12,243,083	11,007,787	10,273,581
3,999,532	3,838,843	3,248,682	3,218,205	-
**	**	**	**	**
4,250,846	3,904,498	4,075,038	3,214,670	3,288,808
37,401	51,509	307,058	798,823	302,042
259,386	262,800	219,633	200,217	384,492
25,862,553	22,395,612	20,093,494	18,439,702	14,248,923
13,358,918	13,069,761	12,001,035	11,325,418	10,956,019
2,225,696	2,364,764	2,760,448	2,659,896	2,234,063
15,584,614	15,434,525	14,761,483	13,985,314	13,190,082
475,152	449,584	418,530	179,017	176,024
41,922,319	38,279,721	35,273,507	32,604,033	27,615,029

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
GOVERNMENT-WIDE REVENUES, BY SOURCE  
Last Seven Fiscal Years\***

PROGRAM REVENUES			GENERAL REVENUES				
Fiscal Year	Charges for Service	Operating Grants, Contributions and Restricted Interest	Property Taxes	Investment Income	State Aid	Other	TOTAL
2008-09	\$ 4,653,443	6,848,576	32,073,368	376,149	19,988,582	983,221	64,923,339
2007-08	4,957,996	5,115,230	30,063,826	1,148,154	19,218,464	1,324,358	61,828,028
2006-07	4,065,829	4,136,055	28,943,854	1,610,716	17,692,641	1,213,525	57,662,620
2005-06	4,287,838	3,260,375	25,624,857	853,263	16,398,591	668,816	51,093,740
2004-05	4,390,273	3,117,791	23,672,255	200,335	14,607,644	501,142	46,489,440
2003-04	4,068,329	2,694,797	21,314,918	126,896	13,358,918	367,015	41,930,873
2002-03	3,918,932	2,953,549	18,180,329	51,709	13,105,626	284,271	38,494,416



\*Note: No 10-year data available since required reporting began in FY03.  
Governmental activities only, does not include business activities.

Source: District Audits



**JOHNSTON COMMUNITY SCHOOL DISTRICT  
COMPARATIVE RATIO OF DEBT SERVICE TO GOVERNMENTAL FUNDS EXPENDITURES  
Last Ten Fiscal Years**

Year ending June 30,	2009	2008	2007	2006
Instruction:	\$ -	-	-	-
Regular	25,632,654	22,840,146	19,978,686	18,389,994
Special	7,310,329	7,135,533	6,694,623	5,867,984
Other	3,493,390	2,798,377	2,841,136	2,385,744
Support services:		-	-	-
Student	1,434,161	1,413,042	1,289,939	1,189,547
Instructional staff	2,590,573	2,679,714	2,087,999	1,985,956
Administration	5,183,740	5,216,577	4,781,180	4,011,887
Plant operation and maintenance	4,693,862	4,511,428	3,903,490	3,707,823
Transportation	2,625,767	1,984,393	2,103,016	1,675,469
Non-instructional programs:				
Food services	17,345	22,305	2,855	8,203
Community service and education	112,879	111,639	121,130	142,590
Capital outlay	3,341,005	9,739,160	16,166,714	7,242,583
Debt service:				
Principal	5,520,000	5,365,000	7,655,000	9,510,000
Interest	2,128,980	2,230,458	2,592,150	1,085,413
Services	-	20,500	5,274	2,450
Intergovernmental other expenditures	1,946,449	1,771,545	1,606,455	1,408,173
<b>Total expenditures</b>	<b>\$ 66,031,134</b>	<b>67,839,817</b>	<b>71,829,647</b>	<b>58,613,816</b>
Debt service as a percentage of non-capital expenditures	15.15%	15.09%	22.58%	25.99%

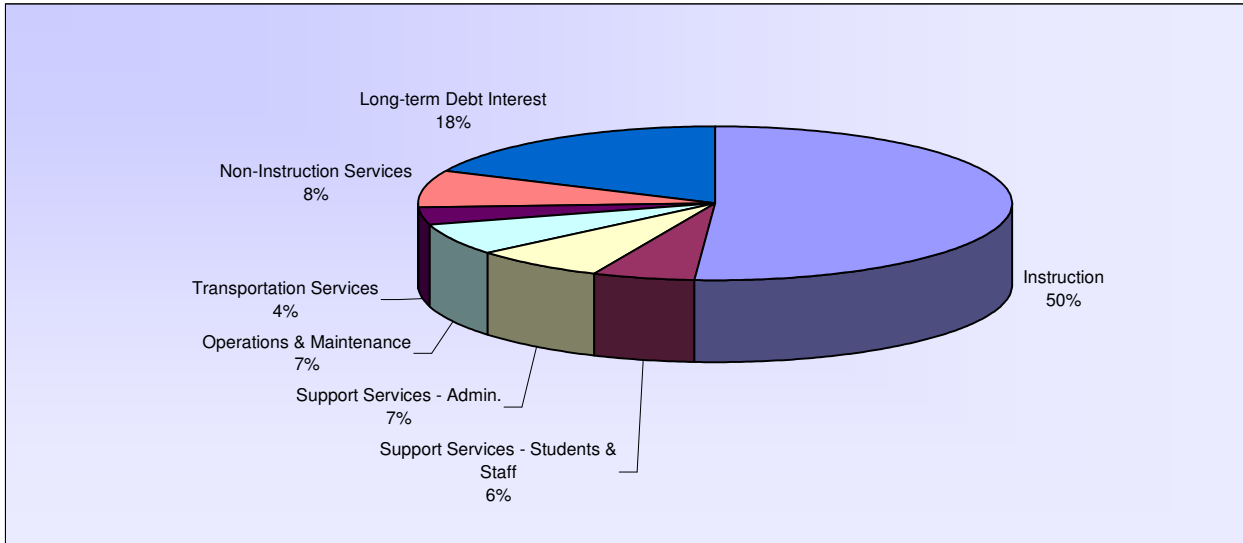
\*Instruction and support service expenditures were not broken down into further functional detail for these years. Therefore, only total instruction and total support services are shown.

Source: 2009 Certified Annual Report

2005	2004	2003	2002	2001	2000
-	-	-	18,664,286	16,572,480	14,498,176
16,682,152	14,923,600	13,619,433	*	*	*
6,196,627	5,449,798	4,021,880	*	*	*
2,186,628	2,082,883	2,531,466	*	*	*
-	-	-	9,858,214	9,436,916	8,097,610
1,123,216	1,082,857	1,177,213	*	*	*
1,452,473	1,309,542	2,393,225	*	*	*
2,685,530	2,737,819	2,679,639	*	*	*
3,596,527	3,095,173	2,548,618	*	*	*
1,846,703	1,460,984	1,342,785	*	*	*
713	646	-	-	-	-
5,130	2,508	-	-	-	-
4,949,087	15,198,700	2,199,651	4,602,807	6,867,350	2,406,813
11,975,000	3,620,000	9,415,000	11,370,000	4,995,000	1,150,000
1,155,598	1,184,564	1,264,768	1,674,567	1,790,672	1,345,940
3,900	3,250	1,575	1,575	22,803	900
1,261,795	1,176,050	1,179,686	1,104,898	1,065,880	981,100
55,121,079	53,328,374	44,374,939	47,276,347	40,751,101	28,480,539
35.46%	14.43%	33.92%	44.03%	25.15%	10.59%

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
GOVERNMENT-WIDE EXPENSES, BY FUNCTION  
Last Seven Fiscal Years\***

Fiscal Year	Instruction	Support Services - Students & Staff	Support Services - Admin.	Operations & Maintenance	Transportation Services	Non-Instruction Services	Long-term Debt Interest	Totals
2008-09	\$ 36,436,373	\$ 4,024,734	\$ 5,183,740	\$ 4,693,862	\$ 2,625,767	\$ 5,509,682	\$ 12,936,434	\$ 71,410,592
2007-08	34,346,658	4,069,979	4,929,567	4,488,374	2,097,710	2,632,997	2,220,610	54,785,895
2006-07	30,666,801	3,364,566	4,344,754	3,896,886	2,048,069	2,220,161	2,058,741	48,599,978
2005-06	28,211,145	3,103,750	4,048,697	3,717,675	1,759,129	1,880,582	1,752,411	44,473,389
2004-05	26,518,342	2,563,853	2,741,465	3,640,341	1,724,913	2,153,539	1,162,844	40,505,297
2003-04	23,852,166	2,424,261	2,869,991	3,083,216	1,480,230	1,937,560	1,212,624	36,860,048
2002-03	21,456,624	3,597,988	2,723,030	2,548,817	1,368,743	2,007,094	1,241,410	34,943,706



\*Note: No 10-year data available since required reporting began in FY03.  
Governmental activities only, does not include business activities.

Source: District Audits





**JOHNSTON COMMUNITY SCHOOL DISTRICT  
OTHER FINANCING SOURCES (USES) AND CHANGE IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Last Ten Fiscal Years**

Year ended June 30,	2009	2008	2007	2006	2005
Deficiency of revenues under expenditures	\$ (1,127,792)	(6,011,789)	(14,167,027)	(7,520,076)	(8,631,639)
Other financing sources (uses):					
Transfers in	5,112,753	5,397,505	5,392,773	1,248,028	11,225,244
Transfers out	(5,116,982)	(5,397,505)	(5,392,773)	(1,248,028)	(11,241,792)
Capital contribution		-	-	-	-
Sale of bonds		10,069,074	-	36,920,000	12,155,000
Sale of property/equipment	19,997	358	-	-	-
General obligation bond proceeds	-	-	-	-	-
Sales tax revenue bond proceeds	-	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ (1,112,024)</b>	<b>4,057,643</b>	<b>(14,167,027)</b>	<b>29,399,924</b>	<b>3,506,813</b>

Source: Certified Annual Report

2004	2003	2002	2001	2000
(11,406,005)	(6,095,218)	(12,002,840)	(8,147,068)	(865,510)
2,804,031	2,091,187	10,537,725	537,775	280,793
(2,818,024)	(2,091,187)	(10,537,725)	(537,775)	(280,793)
-	-	-	-	-
12,025,000	6,300,000	-	-	10,000,000
8,554	214,695	-	133,800	-
-	-	-	3,750,000	-
-	-	5,565,000	-	-
613,556	419,477	(6,437,840)	(4,263,268)	9,134,490

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
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
2008-09	\$ 52,004,072	7.1%	\$ 52,232,962	7.6%	5,776.3	2.5%	\$ 1,617,577,430	6.7%	13.30651	1.4%
2007-08	48,564,115	8.8%	48,550,653	12.3%	5,638.1	4.5%	1,515,428,149	6.9%	13.12585	-0.2%
2006-07	44,636,256	12.0%	43,241,313	10.4%	5,396.7	4.1%	1,417,503,306	10.5%	13.14847	-0.2%
2005-06	39,844,239	11.9%	39,164,333	12.4%	5,186.0	6.1%	1,282,307,388	15.9%	13.17896	0.3%
2004-05	35,613,671	9.9%	34,831,387	11.0%	4,885.6	5.9%	1,106,229,055	9.3%	13.13583	4.7%
2003-04	32,405,251	8.8%	31,379,456	5.1%	4,613.2	5.2%	1,012,560,944	14.1%	12.54170	5.5%
2002-03	29,777,544	11.0%	29,870,388	4.9%	4,386.1	4.6%	887,814,005	8.9%	11.89065	8.2%
2001-02	26,831,282	10.7%	28,487,789	8.7%	4,192.1	5.2%	815,294,544	8.8%	10.99253	4.4%
2000-01	24,239,639	4.3%	26,202,424	14.9%	3,984.7	4.6%	749,695,145	7.6%	10.53107	1.5%
1999-00	23,239,639	17.3%	22,799,669	9.3%	3,810.6	4.2%	696,721,805	7.6%	10.37907	6.3%

Source: Polk County Auditor and Certified Annual Report

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
TAXABLE ASSESSED VALUATION\* BY PROPERTY TYPE  
Last Ten Fiscal Years**

Collection Year	Residential	Ag Land	Ag Buildings	Commercial	Industrial	Personal	Utilities	Total	Total Direct Rate
2008-09	\$ 983,659,730	3,810,630	673,640	581,832,540	3,297,260		44,303,630	\$ 1,617,577,430	17.3435
2007-08	905,667,150	3,772,140	646,940	561,242,040	3,298,440	-	40,801,439	1,515,428,149	17.3481
2006-07	849,402,510	3,358,070	521,830	520,985,510	3,152,260	-	40,083,126	1,417,503,306	17.3462
2005-06	730,312,876	3,746,610	587,780	497,676,173	2,722,717	-	47,261,232	1,282,307,388	17.3475
2004-05	668,827,186	4,114,630	578,690	380,091,624	2,598,269	-	50,018,656	1,106,229,055	17.2105
2003-04	609,420,161	6,481,470	505,190	342,771,383	2,314,150	-	51,068,590	1,012,560,944	16.7377
2002-03	563,424,609	6,878,360	516,830	265,532,081	2,100,870	745,273	48,615,982	887,814,005	15.6545
2001-02	518,631,796	7,693,210	444,460	235,087,410	1,987,060	1,671,646	49,739,362	815,254,944	15.0983
2000-01	461,112,001	7,725,820	460,050	226,654,770	1,558,730	2,160,822	50,022,949	749,695,142	14.8363
1999-00	415,776,925	7,068,500	388,600	216,179,999	1,355,170	3,691,768	52,260,843	696,721,805	14.9939

Collection Year	Residential	Ag Land	Ag Buildings	Commercial	Industrial	Personal	Utilities	Total
2008-09	60.8%	0.2%	0.0%	36.0%	0.2%	0.0%	2.7%	100.0%
2007-08	59.8%	0.2%	0.0%	37.0%	0.2%	0.0%	2.7%	100.0%
2006-07	59.9%	0.2%	0.0%	36.8%	0.2%	0.0%	2.8%	100.0%
2005-06	57.0%	0.3%	0.0%	38.8%	0.2%	0.0%	3.7%	100.0%
2004-05	60.5%	0.4%	0.1%	34.4%	0.2%	0.0%	4.5%	100.0%
2003-04	60.2%	0.6%	0.0%	33.9%	0.2%	0.0%	5.0%	100.0%
2002-03	63.5%	0.8%	0.1%	29.9%	0.2%	0.1%	5.5%	100.0%
2001-02	63.6%	0.9%	0.1%	28.8%	0.2%	0.2%	6.1%	100.0%
2000-01	61.5%	1.0%	0.1%	30.2%	0.2%	0.3%	6.7%	100.0%
1999-00	59.7%	1.0%	0.1%	31.0%	0.2%	0.5%	7.5%	100.0%

\* Does not include TIF Valuation

Source: Polk County Auditor

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

		Overlapping Rates					District Direct Rates					
Levy Year	Collection Year	Polk County	State	Area XI Community College	City	Special	Johnston General Purpose	Johnston Capital Purpose	Johnston Debt Service	Johnston Community School District	Total	Ratio of Johnston CSD to Total
City of Des Moines												
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	10.72611	0.00350	0.56386	16.57606	0.33994	13.89265	1.67000	1.78548	17.34183	45.55130	0.38071
2005	2006-07	10.76215	0.00350	0.60276	16.59028	0.35918	14.15140	1.67000	1.52483	17.34623	45.66410	0.37987
2004	2005-06	9.55090	0.00400	0.68408	16.52000	0.79301	13.89207	1.67000	1.78541	17.34748	44.89947	0.38636
2003	2004-05	9.60980	0.00400	0.59856	17.05539	0.76702	13.90421	1.67000	1.63632	17.21053	45.24530	0.38038
2002	2003-04	9.40708	0.00400	0.58184	17.04806	0.35518	13.27434	1.67000	1.78533	16.72967	44.12583	0.37914
2001	2002-03	9.34184	0.00400	0.54584	17.04857	0.38033	12.28488	1.00000	2.36958	15.65446	42.97504	0.36427
2000	2001-02	9.63888	0.00500	0.54454	17.04857	0.35432	11.32985	1.00000	2.76844	15.09829	42.68960	0.35368
1999	2000-01	9.25371	0.00500	0.54506	16.57304	0.39163	10.75120	1.00000	3.08520	14.83631	41.60475	0.35660
1998	1999-00	9.27874	0.00500	0.52451	16.81579	0.42847	10.55844	1.00000	3.43546	14.99390	42.04641	0.35660
City of Grimes												
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	10.18280	0.00350	0.56386	12.96278	-	13.89265	1.67000	1.78548	17.34183	41.05477	0.42241
2005	2006-07	10.21360	0.00350	0.60276	12.92590	-	14.15140	1.67000	1.52483	17.34623	41.09199	0.42213
2004	2005-06	9.55090	0.00400	0.68408	12.82953	0.39228	13.89207	1.67000	1.78541	17.34748	40.80827	0.42510
2003	2004-05	9.60980	0.00400	0.59856	12.84260	0.35480	13.90421	1.67000	1.63632	17.21053	40.62029	0.42369
2002	2003-04	9.40708	0.00400	0.58184	12.82394	0.35518	13.27434	1.67000	1.78533	16.72967	39.90171	0.41927
2001	2002-03	9.34184	0.00400	0.54584	12.76837	0.38033	12.28488	1.00000	2.36958	15.65446	38.69484	0.40456
2000	2001-02	9.63888	0.00500	0.54454	11.72852	-	11.32985	1.00000	2.76844	15.09829	37.01523	0.40789
1999	2000-01	9.25371	0.00500	0.54506	11.61255	-	10.75120	1.00000	3.08520	14.83631	36.25263	0.40925
1998	1999-00	9.27874	0.00500	0.52451	11.61165	-	10.55844	1.00000	3.43546	14.99390	36.41380	0.41176
City of Johnston												
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	10.19685	0.00350	0.56386	11.30102	-	13.89265	1.67000	1.78548	17.34183	39.40706	0.44007
2005	2006-07	10.22677	0.00350	0.60276	11.30298	-	14.15140	1.67000	1.52483	17.34623	39.48224	0.43934
2004	2005-06	9.55090	0.00400	0.68408	10.74278	0.39228	13.89207	1.67000	1.78541	17.34748	38.72152	0.44801
2003	2004-05	9.60980	0.00400	0.59856	10.80991	0.35480	13.90421	1.67000	1.63632	17.21053	38.58760	0.44601
2002	2003-04	9.40708	0.00400	0.58184	10.88788	0.35518	13.27434	1.67000	1.78533	16.72967	37.96565	0.44065
2001	2002-03	9.34184	0.00400	0.54584	10.89082	0.38033	12.28488	1.00000	2.36958	15.65446	36.81729	0.42519
2000	2001-02	9.63888	0.00500	0.54454	11.19234	-	11.32985	1.00000	2.76844	15.09829	36.47905	0.41389
1999	2000-01	9.25371	0.00500	0.54506	9.93838	-	10.75120	1.00000	3.08520	14.83631	34.57846	0.42906
1998	1999-00	9.27874	0.00500	0.52451	9.47808	-	10.55844	1.00000	3.43546	14.99390	34.28023	0.43739
City of Urbandale												
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	10.35828	0.00350	0.56386	9.22000	0.33994	13.89265	1.67000	1.78548	17.34183	37.82741	0.45845
2005	2006-07	10.33434	0.00350	0.60276	9.22000	0.35918	14.15140	1.67000	1.52483	17.34623	37.86601	0.45810
2004	2005-06	9.55090	0.00400	0.68408	9.07010	0.79301	13.89207	1.67000	1.78541	17.34748	37.44957	0.46322
2003	2004-05	9.60980	0.00400	0.59856	9.07306	0.76702	13.90421	1.67000	1.63632	17.21053	37.26297	0.46187
2002	2003-04	9.40708	0.00400	0.58184	9.07000	0.35518	13.27434	1.67000	1.78533	16.72967	36.14777	0.46281
2001	2002-03	9.34184	0.00400	0.54584	8.97000	0.38033	12.28488	1.00000	2.36958	15.65446	34.89647	0.44860
2000	2001-02	9.63888	0.00500	0.54454	11.19234	-	11.32985	1.00000	2.76844	15.09829	36.47905	0.41389
1999	2000-01	9.25371	0.00500	0.54506	8.97000	0.39163	10.75120	1.00000	3.08520	14.83631	34.00171	0.43634
1998	1999-00	9.27874	0.00500	0.52451	8.83994	0.42847	10.55844	1.00000	3.43546	14.99390	34.07056	0.44008

Source: Polk County Auditor

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	2009			2000		
	2007* Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Pioneer Hi-Bred Intl. Corp.	\$75,238,450	1	4.65%	53,580,380	1	7.69%
Deer Credit Service	29,674,300	2	1.83%	-	-	-
Mid-American Inv. Co.	18,536,060	3	1.15%	-	-	-
MFR Partners III	18,087,000	4	1.12%	-	-	-
Target Corp.	13,780,000	5	0.85%	-	-	-
Spirit SPE Johnston LLC	12,184,000	6	0.75%	-	-	-
Village Court	11,539,790	7	0.71%	16,033,000	2	0.00%
Village Square LLC	10,919,000	8	0.68%	-	-	-
Mansions at Hemingway LLC	10,085,490	9	0.62%	-	-	-
Colossal Investments	9,858,000	10	0.61%	-	-	0.00%
Green Meadows LTD	-	-	-	11,481,920	3	1.65%
New Plan Realty Trust	-	-	-	11,372,500	4	1.63%
Family Car Johnston	-	-	-	9,726,500	5	-
Jared Johnston	-	-	-	9,230,788	6	-
AMCENA Properties (Maurices)	-	-	-	7,808,080	7	1.12%
Deutsche Bank	-	-	-	6,162,000	8	-
Birchwood Crossing Business Park	-	-	-	5,202,000	9	-
Graham Group	-	-	-	4,929,320	10	0.71%
<b>Total</b>	<b>\$209,902,090</b>		<b>16.21%</b>	<b>\$135,526,488</b>		<b>24.98%</b>
Total taxable value	\$1,617,577,430			\$696,721,805		

\*Basis for taxes paid in FY08  
Source: Polk County Auditor

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

Employer	2009			2000		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Pioneer Hi-Bred International, Inc.	2,200	1	*	1,400	1	*
John Deere Credit	1,100	2	*	*	*	*
Johnston Community Schools	814	3	*	514	3	*
Childserve	742	4	*	*	*	*
Iowa National Guard	704	5	*	750	2	*
Heartland Area Education Agency	250	6	*	215	5	*
Bishop Drumm Care Center	245	7	*	120	9	*
Children's Habilitation Center	175	8	*	185	7	*
Iowa Public Television	127	9	*	100	10	*
ITS Inc.	125	10	*	150	8	*
Village Square Shopping Center	*	*	*	235	4	*
Maurices	*	*	*	200	6	*
All other employers	*		*			*
<b>Total</b>	<b>6,482</b>		<b>*</b>	<b>3,869</b>		<b>*</b>

\*Information not available  
Source: City of Johnston/audit

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years**

Year ended June 30,	Taxies Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 26,504,811	26,467,955	99.86%	10,201	26,478,156	99.90%
2008	24,845,334	24,803,349	99.83%	10,390	24,813,739	99.87%
2007	23,739,889	23,704,921	99.85%	465	23,705,386	99.85%
2006	21,014,237	21,011,386	99.99%	1,422	21,012,808	99.99%
2005	19,436,154	19,393,809	99.78%	4,288	19,398,097	99.80%
2004	17,266,798	17,300,548	100.20%	-183	17,300,365	100.19%
2003	14,376,833	14,322,695	99.62%	-670	14,322,025	99.62%
2002	12,637,902	12,586,538	99.59%	868	12,587,406	99.60%
2001	11,371,269	11,475,255	100.91%	962	11,476,217	100.92%
2000	10,640,485	10,234,903	96.19%	*	10,234,903	96.19%

\*Information not available

Source: Polk County Cash Management



**JOHNSTON COMMUNITY SCHOOL DISTRICT  
PROPERTY TAX RATES  
Last Ten Fiscal Years**

Fiscal Year	General	Mngt.	Reg. PPEL	Voted PPEL	Debt Service	Total
2008-09	\$ 13.30651	0.74885	0.33000	1.34000	1.61817	\$ 17.34353
2007-08	13.12585	0.76680	0.33000	1.34000	1.78548	17.34813
2006-07	13.14847	1.00293	0.33000	1.34000	1.52483	17.34623
2005-06	13.17896	0.71311	0.33000	1.34000	1.78541	17.34748
2004-05	13.13583	0.76838	0.33000	1.34000	1.63632	17.21053
2003-04	12.54170	0.74070	0.33000	1.34000	1.78533	16.73773
2002-03	11.89065	0.39423	0.33000	0.67000	2.36958	15.65446
2001-02	10.99253	0.33732	0.33000	0.67000	2.76844	15.09829
2000-01	10.53107	0.22009	0.33000	0.67000	3.08515	14.83631
1999-00	10.37903	0.17941	0.33000	0.67000	3.43546	14.99390

Source: District records

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
PROPERTY TAX COLLECTION  
Last Ten Fiscal Years**

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2008-09	\$ 26,569,962	26,493,404	99.71%
2007-08	24,906,887	24,131,034	96.88%
2006-07	23,758,496	23,620,489	99.42%
2005-06	20,309,486	20,307,113	99.99%
2004-05	19,467,819	19,389,568	99.60%
2003-04	17,341,078	17,315,386	99.85%
2002-03	14,389,451	14,312,952	99.47%
2001-02	12,651,417	12,576,873	99.41%
2000-01	11,379,847	10,982,032	96.50%
1999-00	10,640,485	10,234,903	96.19%
	Average Percentage Collected		98.59%

Source: Certified Annual Report

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
PROPERTY TAX LIABILITY  
Last Ten Fiscal Years**

Fiscal Year	Assessed Value	Rollback	Taxable Value	Rate	Tax Liability	Change Dollars	Percent
2008-09	\$ 200,000	44.08%	88,160	17.34353	1,529	(52)	-3.3%
2007-08	200,000	45.56%	91,120	17.34813	1,581	(15)	-0.9%
2006-07	200,000	46.00%	92,000	17.34623	1,596	(68)	-4.1%
2005-06	200,000	47.96%	95,920	17.34748	1,664	(4)	-0.2%
2004-05	200,000	48.46%	96,912	17.21053	1,668	(52)	-3.0%
2003-04	200,000	51.39%	102,775	16.73772	1,720	102	6.3%
2002-03	200,000	51.67%	103,335	15.65446	1,618	(81)	-4.8%
2001-02	200,000	56.27%	112,530	15.09829	1,699	71	4.4%
2000-01	200,000	54.85%	109,705	14.83631	1,628	(66)	-3.9%
1999-00	200,000	56.48%	112,958	14.99390	1,694	(187)	-9.9%

Source: District records, Polk County Assessor

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
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
2009*	15,691	\$ 2,828,115,740	141,405,787	\$ 45,235,000	1.60%	2,883
2008*	15,691	2,700,333,561	135,016,678	47,690,000	1.77%	3,039
2007*	15,261	2,390,757,791	119,537,890	40,055,000	1.68%	2,625
2006*	15,076	2,084,408,874	104,220,444	44,835,000	2.15%	2,974
2005**	13,596	1,955,589,136	97,779,457	16,815,000	0.86%	1,237
2004*	12,834	1,709,937,084	85,496,854	18,050,000	1.06%	1,406
2003*	11,742	1,426,451,515	71,322,576	19,200,000	1.35%	1,635
2002*	10,483	1,222,199,774	61,109,989	20,580,000	1.68%	1,963
2001*	9,506	1,136,728,451	56,836,423	31,950,000	2.81%	3,361
2000*	8,649	1,020,210,435	51,010,522	33,195,000	3.25%	3,838

\*Estimated

\*\*Special census

Source: Polk County Auditor and District Records



**JOHNSTON COMMUNITY SCHOOL DISTRICT  
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		
2009	\$ 45,235,000	\$ 2,470,000	\$ 2,780,000	\$ 50,485,000	\$ 2,828,115,740
2008	47,690,000	4,885,000	3,430,000	56,005,000	2,700,333,561
2007	40,055,000	7,250,000	4,065,000	51,370,000	2,390,757,791
2006	44,835,000	9,500,000	4,690,000	59,025,000	2,084,408,874
2005	16,815,000	9,500,000	5,300,000	31,615,000	1,955,589,136
2004	18,050,000	7,485,000	5,900,000	31,435,000	1,709,937,084
2003	19,200,000	3,830,000	-	23,030,000	1,426,451,515
2002	20,580,000	5,565,000	-	26,145,000	1,222,199,774
2001	31,950,000	-	-	31,950,000	1,136,728,451
2000	33,195,000	-	-	33,195,000	1,020,210,435

\* Includes TIF Valuation

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

\*\*\*Source: Office of Social & Economic Trend Analysis at [www.seta.iastate.edu](http://www.seta.iastate.edu)

\*\*\*\*Source: Iowa Workforce, data available for Polk County and particular cities.  
However, no data for Johnston, so used Urbandale, neighboring district.

NA-Information not available

Percent of Actual Taxable Value of Property	Population***	Per Capita	Personal Income (000's)****	Percentage of Personal Income
1.79%	15,691	3,217	<b>NA</b>	<b>NA</b>
2.07%	15,691	3,569	<b>NA</b>	<b>NA</b>
2.15%	15,261	3,366	<b>NA</b>	<b>NA</b>
2.83%	15,076	3,915	<b>NA</b>	<b>NA</b>
1.62%	13,596	2,325	15,754,629	0.20%
1.84%	12,834	2,449	15,002,909	0.21%
1.61%	11,742	1,961	13,872,647	0.17%
2.14%	10,483	2,494	13,421,332	0.19%
2.81%	9,506	3,361	12,735,942	0.25%
3.25%	8,649	3,838	12,299,159	0.27%

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2009 \$2,828,115,740

Debt limit (5% of assessed value)	\$141,405,787
Debt applicable to limit	50,485,000
Legal debt margin	\$90,920,787

Year ended June 30,	2000	2001	2002	2003	2004
Debt limit	59,987,994	59,987,994	61,109,989	71,322,576	85,496,854
Total net debt applicable to limit	33,195,000	31,950,000	26,145,000	23,030,000	31,435,000
Legal debt margin	26,792,994	28,037,994	34,964,989	48,292,576	54,061,854
Total net debt applicable to the limit as a percentage of debt limit	55%	53%	43%	32%	37%

Source: Polk County Auditor and District Records



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

**JOHNSTON COMMUNITY SCHOOL DISTRICT**

**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:

Actual value of property, 2008:	\$ 2,828,115,740
	0.05
Debt Limit:	<u>\$ 141,405,787</u>

Total Direct Debt = \$ 50,485,000 or 35.7% of debt limit.

\*Includes TIF valuation of \$68,420,200

**OVERLAPPING AND UNDERLYING DEBT**

Issuer	Outstanding Debt	Total Taxable Valuation	Valuation Within Issuer	Percent Applicable	Amount Applicable
Polk County	\$231,608,036	18,988,975,907	1,690,544,610	8.90%	20,619,528
DMACC	82,500,000	33,610,813,667	1,690,544,610	5.03%	4,149,555
Heartland AEA 11	2,675,000	33,610,813,667	1,690,544,610	5.03%	134,546
Urbandale San Sewer Dist	-	1,878,965,981	364,723,117	19.41%	-
City of Des Moines	505,161,818	6,750,383,797	136,683,492	2.02%	10,228,645
City of Grimes	17,075,067	368,330,708	85,900,783	23.32%	3,982,187
City of Johnston	55,312,884	1,001,725,996	1,002,344,646	100.06%	55,347,044
City of Urbandale	43,270,000	2,032,192,240	359,000,543	17.67%	7,643,939
<b>Subtotal, overlapping debt</b>	<u>\$937,602,805</u>				<u>\$102,105,445</u>

District direct debt:			
General obligation	\$ 45,235,000		100% \$ 45,235,000
Capital loan notes	2,780,000		100% 2,780,000
Sales tax revenue	2,470,000		100% 2,470,000
<b>Total direct and overlapping debt</b>	<u>\$988,087,805</u>		<u>\$152,590,445</u>

Source: Polk County Auditor, Government Offices

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
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		
2009	\$ -	5,690,221	2,415,000	112,532	2,527,532	2.251295
2008	-	5,452,532	2,365,000	185,666	2,550,666	2.13769
2007	-	5,541,955	2,350,000	1,834,225	4,184,225	1.324488
2006	-	4,710,741	-	-	-	*
2005	12,155,000	4,485,570	10,140,000	229,231	10,369,231	0.432585
2004	5,525,000	4,074,403	1,870,000	184,047	2,054,047	1.983598
2003	-	3,859,969	1,735,000	196,544	1,931,544	1.998385
2002	5,565,000	3,570,317	10,000,000	537,725	10,537,725	0.338813
2001	10,000,000	3,866,882	-	537,775	537,775	7.19052
2000	NA	NA	NA	NA	NA	

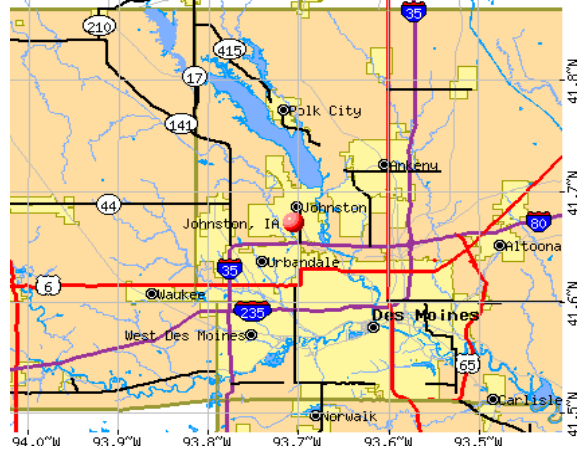
Source; District Records

\*Coverage ratio not applicable as no debt payment in this fiscal year

NA: Sales tax revenue did not begin until fiscal year 2001.

## 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 Pioneer Hi-Bred International, Inc., Iowa National Guard-Camp Dodge, and John Deere Credit. Pioneer Hi-Bred International, Inc. is an internationally known producer of hi-bred seed. Employing over 2,000 persons within the District, Pioneer's facilities within Johnston (approximately 500,000 square feet office and laboratory space) include the Central Division Offices, Plant Breeding Division, Pioneer Data Systems Division, and Green Meadows Limited. Iowa National Guard-Camp Dodge is a military division of public defense and employs over 500 persons.

Continuing education centers within commuting distance include: Drake University, Des Moines; Grand View College, Des Moines; University of Osteopathic Medicine, Des Moines; Iowa State University of Science and Technology, Ames; Simpson College, Indianola; and Area XI Des Moines Area Community College, Ankeny.

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
POPULATION**

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income (000's)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate - %</b>
<b>2008*</b>	<b>15,691</b>	<b>N/A</b>	<b>N/A</b>	<b>4.1</b>
2007*	15,261	17,538,839	41,992	3.4
2006*	15,076	16,755,221	40,764	2.9
2005**	13,596	15,754,629	39,215	2.9
2004*	12,834	15,002,909	38,058	2.7
2003*	11,742	13,872,647	35,583	2.4
2002*	10,483	13,421,332	34,817	2.1
2001*	9,506	12,735,942	33,461	1.7
2000	8,649	12,299,159	32,725	1.4
1999*	8,149	11,636,115	31,399	1.1
1998*	7,649	11,031,940	30,217	1.2
1997*	7,149	10,155,903	28,134	1.5

\*Estimated

\*\*Special Census

(1) Source: Office of Social & Economic Trend Analysis - [www.seta.iastate.edu](http://www.seta.iastate.edu)

(2) Source: Iowa Workforce, data available for Polk County and particular cities.

No data available for Johnston, therefore used Urbandale, a neighboring district.

NA-Information not available

2000 census figures according to age group for the cities of Johnston, Urbandale and Des Moines:

	<b>Johnston</b>	<b>Urbandale</b>	<b>Des Moines</b>
Under 19 years	31.5%	28.5%	27.8%
20 to 24 years	3.4%	4.8%	7.6%
25 to 44 years	31.6%	31.3%	31.8%
45 to 64 years	22.6%	24.6%	20.4%
65 to 84 years	8.7%	9.6%	10.5%
85 and over	2.2%	1.7%	1.8%
Median Age	36.3	37.0	33.8

Source: U.S. Census

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
RETAIL SALES (IN MILLIONS)**

Year ended 3/31	Johnston	Des Moines	Polk County	State
2009	\$ 154.4	\$ 3,316.0	\$ 6,436.6	\$ 32,889.0
2008	174.1	3,470.7	6,571.6	33,089.0
2007	134.0	3,418.1	6,473.5	31,645.7
2006	126.1	3,502.6	6,462.9	31,108.3
2005	124.3	3,418.1	6,173.6	29,805.3
2004	110.7	3,492.3	6,035.2	29,099.3
2003	98.2	3,713.2	6,190.4	28,704.9
2002	87.4	3,789.7	6,052.8	28,446.6
2001	77.7	3,994.6	6,111.4	28,481.7
2000	77.2	4,108.0	6,061.1	27,586.1
1999	57.7	4,054.9	5,848.5	26,770.7
1998	48.2	3,944.1	5,527.4	NA
1997	44.2	3,935.5	5,396.5	NA
1996	45.4	3,844.2	5,167.4	NA
1995	43.0	3,683.0	4,910.4	

NA - Information not available.

Source: Iowa Department of Revenue & Finance

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
BANK DEPOSITS**

Institution	June 30, 2009 Deposits inside Market
Polk County Bank	\$ 63,200,000
Charter Bank	59,659,000
Wells Fargo Bank	52,350,000
Community State Bank	22,936,000
Bank of the West	19,173,000
First Bank	9,808,000
Bank Iowa	17,354,000
Vantus Bank	5,833,000
ITS Bank	500,000
	<u>\$ 250,813,000</u>

Source: FDIC Deposit Market Share Report, Zip Code 50131

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
RESIDENTIAL CONSTRUCTION BY NUMBER OF DWELLING UNITS**

Year	Single Family	Townhome	Multi-family	(# Multi-family living units)	Totals
2008	78	22	0	0	100
2007	130	68	0	0	198
2006	190	175	0	0	365
2005	269	100	0	0	369
2004	324	65	0	0	389
2003	253	90	24	204	571
2002	226	30	19	152	427
2001	206	98	4	32	340
2000	130	78	0	0	208
1999	252	93	0	0	345
1998	186	77	0	0	263
1997	174	2	0	0	176
1996	167	17	0	0	184
1995	141	0	0	0	141
1994	96	6	6	144	252
1993	65	13	0	0	78
1992	60	5	0	0	65
1991	46	9	0	0	55
1990	24	2	1	60	87
<b>Total</b>	<b>3,017</b>	<b>950</b>	<b>54</b>	<b>592</b>	<b>4,613</b>

Source: City of Johnston Planning Department



**JOHNSTON COMMUNITY SCHOOL DISTRICT  
DISTRICT STAFFING LEVELS -- General Fund (FTE)  
Last Ten Fiscal Years**

	For Fiscal Year ended June 30,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Administration:</b>										
Superintendent	1.0	1.0	1.0	1.0	1	1	1	1	1	1
Assoc. Supt.	1.0	1.0	1.0	1.0	1	1	1	1	1	-
Principals	8.0	7.0	7.0	7.0	7	6	6	6	5	5
Assist. Principals	4.0	9.0	9.0	9.0	4	4	4	4	4	3
Other Admin.	8.0	3.0	2.0	2.0	2	2	2	2	2	3
Total Administration	22.0	21.0	20.0	20.0	15	14	14	14	13	12
<b>Supervisors/ Coordinators/Managers</b>	6.0	6.0	6.0	6.0	6	6	6	6	4	-
<b>Instruction:</b>										
Teachers	393.5	364.1	331.2	324.3	309	287	287	287	280	258
Counselors	14.5	12.0	11.0	9.5	7	7	7	7	7	9
Media Spec.	8.0	8.0	7.0	7.0	6	6	6	6	5	5
Other Instructors	3.0	3.0	4.0	4.0	4	4	4	4	9	9
Total Instruction	419.0	387.1	353.2	344.8	326	304	304	304	301	280
<b>Professional/Other</b>										
Nurses	7.3	7.0	6.0	6.0	6	6	6	6	5	5
Other Professional Staff	8.0	7.5	6.0	6.0	10	6	6	6	9	7
Total Professional/Other	15.3	14.5	12.0	12.0	16	12	12	12	14	12
<b>Instructional Support Personnel:</b>	154.0	124.0	114.6	114.6	112	125	125	123		
<b>Support Personnel:</b>										
Office/Clerical	32.0	29.0	25.0	24.0	23	25	25	25	22	20
Transportation	69.0	55.0	48.0	40.0	26	48	48	45		
Op. & Maintenance	92.0	44.0	38.0	38.0	36	31	31	31		
Service Personnel	5.0	5.0	5.0	5.0	-	-	-	-	185	191
Total Support Personnel	198.0	133.0	116.0	107.0	84	104	104	101	207	211
<b>Grand Totals</b>	<b>814.3</b>	<b>685.6</b>	<b>621.8</b>	<b>604.4</b>	<b>559</b>	<b>565</b>	<b>565</b>	<b>560</b>	<b>539</b>	<b>514</b>
Enrollment	5776	5638	5398	5167	4,920	4,615	4,372	4,192	3,985	3,812
Employees/Student	7.1	8.2	8.7	8.5	8.8	8.2	7.7	7.5	7.4	7.4

Source: District Data

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
DISTRICT ENROLLMENT  
Last Ten Fiscal Years**

Year	K-4	K-5	5-8	6-7	7-8	6-8	9-12	10-12	*	Total	Open Enrollment	
											In	Out
2008-09	-	2,799	-	913	813	-	-	1,287	(36)	5,776	306.7	318.3
2007-08	-	2,729	-	832	846	-	-	1,249	(19)	5,637	307.2	330.9
2006-07	-	2,574	-	793	854	-	-	1,175		5,396	313.0	338.0
2005-06	-	2,415	-	833	792	-	-	1,120		5,160	278.3	333.1
2004-05	-	2,287	-	830	786	-	-	1,027		4,930	277.1	281.1
2003-04	-	2,185	-	-	-	1,139	1,352	-		4,676	283.0	278.6
2002-03	-	2,098	-	-	-	1,046	1,228	-		4,372	281.0	284.0
2001-02	-	1,986	-	-	-	991	1,215	-		4,192	254.4	252.9
2000-01	-	1,912	-	-	-	895	1,178	-		3,985	274.3	216.0
1999-00	-	1,865	-	-	-	842	1,105	-		3,812	284.0	187.8

\*Head count adjustment for tuitioned in and open enrollment

Source: District Records

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
ANALYSIS OF ENROLLMENT BY GRADE  
Last Ten Fiscal Years**

	<b>As of the third Friday in September 1998-2004, October 1 or first Monday following October, 2005-2008</b>									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Kindergarten	476	437	423	392	390	363	367	333	295	302
1	458	448	427	413	389	395	343	312	315	333
2	454	455	435	405	411	354	324	326	348	323
3	465	453	416	434	382	335	335	352	338	294
4	472	440	455	391	350	334	364	359	312	333
5	450	471	407	369	351	396	374	326	344	314
6	473	429	388	396	422	392	343	360	318	298
7	440	403	405	437	404	369	381	328	300	304
8	395	407	443	405	376	396	348	300	297	267
9	418	439	411	388	409	363	313	309	283	316
10	441	415	390	418	362	330	331	280	300	282
11	422	397	409	368	329	332	283	294	281	269
12	424	437	374	335	329	268	297	272	266	248
Pre-school Sp.Ed.	24	25	13	9	12	10	12	12		
Net Change*	(36)	(19)								
Total Enrollment	5,776	5,637	5,396	5,160	4,916	4,637	4,415	4,163	3,997	3,883

\*Head count adjustment for tuitioned in and open enrollment

Source: District Sources

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
OPERATING COST PER PUPIL  
Last Ten Fiscal Years**

Fiscal Year		Total Costs	Daily Average Membership	General Fund Operating Expenses Per Pupil
2008-09	\$	52,232,942	5773	\$9,048
2007-08		48,563,110	5,666	8,571
2006-07		43,254,757	5,236	8,261
2005-06		39,164,333	4,958	7,899
2004-05		34,831,387	4,898	7,111
2003-04		31,379,456	4,534	6,921
2002-03		29,870,388	4,386	6,810
2001-02		28,487,789	4,154	6,858
2000-01		26,202,424	3,983	6,579
1999-00		22,799,669	3,855	5,914

Source: 2009 Certified Annual Report/Project Easier

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
GENERAL ANALYSIS OF FACILITIES  
Last Ten Fiscal Years**

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Elementary Schools:</b>										
Lawson K-5 (1958, 1960, 1967, 1998)										
Square Feet	63,353	63,353	63,353	63,353	63,353	63,353	63,353	63,353	63,353	63,353
Number of classrooms	38	38	38	38	38	38	38	38	38	38
Enrollment	474	486	500	454	464	445	463	463	623	570
Wallace PK-5 (1987, 1989)										
Square Feet	66,064	66,064	66,064	66,064	66,064	66,064	66,064	66,064	66,064	66,064
Number of classrooms	44	44	44	44	44	44	44	44	44	44
Enrollment	505	482	568	553	499	496	500	500	456	550
Beaver Creek K-5 (1997, 2001)										
Square Feet	101,145	101,145	101,145	101,145	101,145	101,145	101,145	101,145	101,145	97,145
Number of classrooms	45	45	45	45	45	45	45	45	45	45
Enrollment	670	653	858	799	743	688	623	623	803	778
Horizon K-5 (2001)										
Square Feet	100,506	100,506	100,506	100,506	100,506	100,506	100,506	100,506	N/A	N/A
Number of classrooms	44	44	44	44	44	44	44	44	N/A	N/A
Enrollment	610	571	650	605	579	556	533	533	N/A	N/A
Timber Ridge K-5 (2007)										
Square Feet	111,281	111,281	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of classrooms	42	42	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	540	537	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Middle Schools:</b>										
Summit Middle School 6-7 (2004, 2007)										
Square Feet	184,680	184,680	184,680	176,680	176,680	N/A	N/A	N/A	N/A	N/A
Number of classrooms	66	66	67	66	66	N/A	N/A	N/A	N/A	N/A
Enrollment	913	832	793	833	826	N/A	N/A	N/A	N/A	N/A
Johnston Middle School 8-9 (1984, 1990)										
Square Feet	168,366	168,366	168,366	168,366	168,366	168,366	168,366	168,366	168,366	168,366
Number of classrooms	68	68	68	68	68	68	68	68	68	68
Enrollment	813	846	854	792	785	1,139	1,062	1,062	895	863
<b>High School:</b>										
Johnston H.S. 9-12 (1972, 1977, 1994, 2008)										
Square Feet	263,829	263,829	213,829	213,829	213,829	213,829	213,829	213,829	213,829	213,829
Number of classrooms	88	71	71	71	71	71	71	71	71	71
Enrollment	1287	1,249	1,175	1,120	1,015	1,254	1,201	1,201	1,136	1,146
<b>Other facilities:</b>										
Administrative Resource Center (2000)										
Square Feet	16,509	16,509	16,509	16,509	16,509	16,509	16,509	16,509	16,509	16,509
Wallace Annex (1987)										
Square Feet	5,405	5,405	5,405	5,405	5,405	5,405	5,405	5,405	5,405	5,405
Number of classrooms	3	3	3	3	3	3	3	3	3	3
Warehouse (2000)										
Square Feet	7,935	7,935	7,935	7,935	7,935	7,935	7,935	7,935	7,935	7,935

Source: District Information

**JOHNSTON COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF INSURANCE COVERAGE  
June 30, 2009**

Company	Type of Policy	Period	
		From	To
Employers Mutual Companies	Business Protection - property coverage	7/1/2008	6/30/2009
Employers Mutual Companies	Inland Marine Policy - Scheduled Equipment	7/1/2008	6/30/2009
Employers Mutual Companies	Business Protection - General Comprehensive Liability	7/1/2008	6/30/2009
Employers Mutual Companies	Business Protection - Automobile	7/1/2008	6/30/2009
Employers Mutual Companies	Business Protection- Crime Coverage	7/1/2008	6/30/2009
Employers Mutual Companies	Workers' Compensation	7/1/2008	6/30/2009
Employers Mutual Companies	Umbrella Liability	7/1/2008	6/30/2009
Employers Mutual Companies	Linebacker Policy - Errors and Omission Coverage	7/1/2008	6/30/2009
Employers Mutual Companies	Pollution Liability	7/1/2008	6/30/2009
Employers Mutual Companies	Excess Liability	7/1/2008	6/30/2009

Source: District Records

Note: The dollar amount for self insured reflects the amount paid during fiscal year 2009.

Liability Limits	Annual Premium
Building and property replacement; blanket boiler and vessels - business interruption and extra expense	\$ 143,360
Builders Risk for High School	10,310
General aggregate - \$2,000,000; personal advertising limit - \$1,000,000; products/completed operations - \$2,000,000 aggregate; fire damage - \$100,000; any one occurrence limit \$1,000,000; medical expense - \$5,000	24,148
\$1,000,000 liability insurance/\$5,000 auto medical per person; \$1,000,000 uninsured motorist; \$1,000,000 underinsured motorist	40,815
Employee Theft per employee \$1,000,000; forgery or alterations \$10,000; Computer Fraud \$50,000; Funds Transfer fraud \$50,000	2,706
Self Insured-\$350,000 retention per occurrence, \$500,000 employer's liability maximum limit of indemnity per occurrence	265,192
\$10,000,000 Umbrella	31,065
\$1,000,000 Linebacker	6,278
\$500,000 each incident, \$1,000,000 aggregate	1,125
DIC \$10,000,000 limit	8,307
Total Premium	<u>\$ 533,306</u>





JOHNSTON COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2009

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 09	44,776
National School Lunch Program	10.555	FY 09	535,244
			<u>580,020</u>
Child and Adult Care Food Program	10.558	FY 09	<u>3,217</u>
U.S. Department of Cultural Affairs:			
Iowa Department of Education:			
Promotion of the Arts - Partnership Agreements	45.025	FY 09	<u>200</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 09	<u>99,350</u>
Title I Program for Neglected & Delinquent Children	84.013	FY 09	<u>57,738</u>
Special Education - Every Move Counts	84.027	FY 09	<u>900</u>
Vocational Education - Basic Grants to States	84.048	FY 09	<u>20,772</u>
Safe and Drug-Free Schools and Communities- National Programs	84.184	FY 09	<u>9,665</u>
Fund for the Improvement of Education	84.215	FY 09	<u>19,906</u>
Title III - English Language Acquisition State Grants	84.365	FY 09	<u>3,296</u>
Improving Teacher Quality State Grants	84.367	FY 09	<u>109,309</u>
Grants for State Assessments	84.369	FY 09	<u>36,550</u>
ARRA - Special Education - Grants to States - Recovery Act	84.391	FY 09	<u>159,385</u>
ARRA - State Fiscal Stabilization Fund(SFSF) - Education State Grants, Recovery Act	84.394	FY 09	<u>443,287</u>
Heartland Area Education Agency Special Education - Grants to States	84.027	FY 09	<u>281,375</u>
Total			<u><u>\$ 1,824,970</u></u>

**Basis of Presentation** - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Johnston Community School District and is presented on the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.





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

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

To the Board of Education of  
Johnston Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Johnston Community School District, Johnston, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements listed in the table of contents and have issued our report thereon dated October 16, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Johnston Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Johnston Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Johnston Community School District's internal control over financial reporting.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Johnston Community School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Johnston Community School District's financial statements that is more than inconsequential will not be prevented or detected by Johnston Community School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Johnston Community School District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## 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 non-compliance 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, 2009 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 Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's responses, we did not audit Johnston Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Johnston Community School District and other parties to whom Johnston Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

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, PC*

Van Maanen, Sietstra & Meyer, PC  
Certified Public Accountants

October 16, 2009



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

Independent Auditor's Report on Compliance with Requirements Applicable  
to Each Major Program and on Internal Control over Compliance  
in Accordance with OMB Circular A-133

To the Board of Education of  
Johnston Community School District:

Compliance

We have audited the compliance of Johnston Community School District with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Johnston Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Johnston Community School District's management. Our responsibility is to express an opinion on Johnston Community School District's compliance based on our audit.

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. Our audit does not provide a legal determination on Johnston Community School District's compliance with those requirements.

In our opinion, Johnston Community School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Johnston Community School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Johnston Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in the District's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Johnston Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the District's responses, we did not audit Johnston Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Johnston Community School District and other parties to whom Johnston Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

*Van Maanen, Sietstra & Meyer, PC*

Van Maanen, Sietstra & Meyer, PC  
Certified Public Accountants

October 16, 2009

JOHNSTON COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2009

**Part I: Summary of the Independent Auditor's Results**

- (a) Unqualified opinions were issued on the financial statements.
- (b) No significant deficiencies 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 significant deficiencies in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) Major programs were as follows:
  - CFDA Number 84.010 – Title I Grants to Local Education Agencies
  - CFDA Number 84.013 – Title I Program for Neglected and Delinquent Children
  - CFDA Number 84.394 – ARRA - State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act
  - Clustered programs:
    - CFDA Number 10.553 - School Breakfast Program
    - CFDA Number 10.555 - National School Lunch Program
- (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.

**SIGNIFICANT DEFICIENCIES**

No matters were noted.

**Part III: Findings and Questioned Costs for Federal Awards**

**INSTANCES OF NON-COMPLIANCE**

No matters were noted.

**SIGNIFICANT DEFICIENCIES**

No matters were noted.

JOHNSTON COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2009

**Part IV: Other Findings Related to Required Statutory Reporting**

- IV-A-09      Certified Budget – Expenditures for the year ended June 30, 2009 did not exceed the certified budget amounts as amended.
- IV-B-09      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-09      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-09      Business Transactions - No business transactions were noted between the District and District officials or employees.
- IV-E-09      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-09      Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-G-09      Certified Enrollment – No variances in the basic enrollment data certified to the Department of Education were noted.
- IV-H-09      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-I-09      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-J-09      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, 2009

IV-K-09     Statewide Sales and Services Tax – No instances of non-compliance with the use of the statewide sales and services 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 and services tax. For the year ended June 30, 2009, the District's financial activity and other required information for the statewide sales and services tax are as follows:

Beginning balance		\$	-
Statewide sales and services tax revenue			5,579,965
Expenditures/transfers out:			
General obligation debt	1,817,769		
Revenue debt	2,528,282		<u>4,346,051</u>
Ending balance		<u>\$</u>	<u>1,233,914</u>