

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

**Prepared by  
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Note: Those highlighted represent the seven general fund key financial indicators recommended by IASB.

**Financial Indicators Executive Summary:**  
**This report references the General Fund only.**

The district's overall financial condition improved fiscal year 2020 from a spending authority perspective, but decreased from a cash balance perspective due to the inability to levy as much cash reserve. There was 1.9% new money (2.06% SSA and decreased enrollment), controlled staffing, and a continuation of no textbook adoptions. The District has not done formal adoptions for several years, instead \$650,000 is budgeted for curriculum resources.

The Board has been diligent in increasing financial solvency through the board's decision to deliberately levy additional cash reserves. From FY 2003 through FY 2020, the district increased its financial solvency from a negative 6.3% to a positive 13.2%. While six years of that time period included state funding of 4%, two of those years included across the board cuts. The remaining years of that time period averaged a low 1.5% state funding. The actual history by year for state funding is shown on the settlement history page.

Financial solvency decreased this last year from 16.2% to 13.2% as \$169,000 less was levied in the cash reserve levy as our ability to levy decreased. The maximum cash reserve levy is based on 20% of a district's general fund expenditures less the unexpended fund balance two years prior. Going forward, FY22 will be based on FY19 expenditures and fund balance, and the district should be able to increase the cash reserve to approximately \$4 million as opposed to \$1.5 million which should increase the financial solvency ratio again. Other factors contributing to the decrease were the decrease in new money as well as the decrease in medicaid revenue received due to the school closure.

The budget reductions from fiscal year 2015 along with controlled staffing and reallocated curriculum resources have enabled the district to maintain strong financial solvency throughout the years. Future state funding and enrollment remain questionable due to the COVID impact.

Therefore, the district will need to continue to keep a tight hold on staffing as there have been significant changes in certified enrollment in the past few years, and certified enrollment is a major determining factor in school funding. While enrollment over the last ten years has averaged over a 100 student increase, the district saw a decrease in students during the 2018 count of 16.44, an increase of approximately 48 2019, and an estimated decrease this fall with the impact of COVID.

The general fund balance decreased \$2.1 million and financial solvency decreased from 16.2% to 13.2%. Restricted fund balances increased \$7,428, and represent fund balances that can only be spent for specific purposes. Some of the large balances are PDTQ \$568,540, TLC \$282,514, and Preschool \$249,629. Total restricted fund balance is \$1,627,419 making up 13.4% of the overall total fund balance of \$12,146,145 as of the end of the year.

Board policy has a financial solvency ratio target of 5-15% with 10% as a minimal goal, and unspent target of 5-15%. Since the district was up against the maximum cash reserve limit, it was not able to levy additional cash reserves and was only able to levy \$1,574,250 toward SBRC requests. Typically, the district would levy the amount to support the SBRC requests as well as additional cash in a desire to increase the financial solvency ratio, fund supplemental state aid for increased enrollment, and protect the district against unfunded state aid.

At the end of fiscal 2020, the District has a positive fund balance, financial solvency ratio in excess of the target, and unspent balance within the target and similar to the prior year. Looking out beyond fiscal year 20, it will be necessary to levy cash reserves when possible to maintain acceptable levels within the financial indicators. It will also be important to monitor and adjust recurring expenses such as salaries and benefits to maintain acceptable unspent balance, especially since state funding and enrollment are uncertain.

# Financial Indicators Summary Sheet

2016      2017      2018      2019      2020

|   |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|
| <b>Balance Sheet Comparison</b>                                 |        |        |        |        |        |
| Assets  | 10.7%  | 6.9%   | 1.5%   | 0.1%   | 1.9%   |
| Liabilities   | 0.7%   | 60.0%  | -1.0%  | 4.5%   | 8.4%   |
| Fund Balance  | 58.0%  | 26.2%  | 7.7%   | -10.6% | -15.2% |
| <b>Rev. &amp; Expend. Comparison</b>                            |        |        |        |        |        |
| Revenues  | 5.9%   | 3.1%   | 3.2%   | 2.2%   | 1.6%   |
| Expenditures  | 3.3%   | 5.1%   | 5.9%   | 5.7%   | 2.2%   |
| Fund Balance  | 58.0%  | 26.2%  | 7.7%   | -10.6% | -15.2% |
| <b>Current Ratio, Measures Short-term Solvency</b>              | 132.8% | 141.2% | 144.8% | 138.6% | 130.2% |
| <b>Day's Net Cash Ratio Short Term Solvency (Days)</b>          | 94     | 102    | 105    | 95     | 81     |
| <b>Financial Solvency Ratio, District Equity Position</b>       | 14.0%  | 17.7%  | 18.5%  | 16.2%  | 13.2%  |
| <b>Percent Revenues Spent</b>                                   | 94.5%  | 96.3%  | 98.8%  | 102.2% | 102.9% |
| <b>Annual Unspent Ratio</b>                                     | 2.35%  | 2.13%  | 1.48%  | 1.01%  | 1.59%  |
| <b>Fund balance to unspent balance, Measures fiscal health.</b> | 125%   | 134%   | 131%   | 110%   | 85%    |
| <b>Unspent Balance Ratio, Unbudgeted Spending Reserves:</b>     |        |        |        |        |        |
| Regular   | 11.7%  | 12.9%  | 13.4%  | 13.5%  | 11.8%  |
| Unreserved  | 9.7%   | 10.9%  | 11.5%  | 11.8%  | 12.8%  |
| <b>Employee Cost Ratio</b>                                      | 81.9%  | 78.4%  | 77.7%  | 76.8%  | 77.6%  |

# Description of Financial Indicator Ratios

## **Current Ratio (CR):**

The current ratio is one of the most widely used measures of short-term liquidity for both public and private sector organizations. It is used to predict the school's ability to meet its current obligations from current assets from continuing operations. The operational equation is:  $\text{current ratio} = \frac{\text{current assets}}{\text{current liabilities}}$ . The minimum target range for this indicator is 1.0. An indicator of less than 1.0 would indicate a condition where the district has more current liabilities than assets.

## **Day's Net Cash Ratio (DCR):**

The Day's Net Cash Ratio is typically calculated at the end of a fiscal period and gives a good indication of how long a district can operate without the additional infusion of revenue. One of the limitations of this indicator is that district expenditures are most generally made in large amounts on only a few days each month such as monthly payroll. At the same time, most schools receive revenue in large amounts only a few times per month such as state aid that is received once a month September through June. The timing of these receipts and expenditures is important to maintaining effective business operations. For this reason, the Day's Net Cash Ratio is important. Inadequate cash on hand to service expenditure obligations requires the school to borrow funds creating added debt expense not directly tied to student instruction. However, an over abundance of cash could be construed as excess accumulation of cash from community taxpayers. The operational equation is:  $\text{day's net cash ratio} = \frac{\text{cash} + \text{investments}}{\text{total general fund expenditures}/365}$ . The target range for this indicator is 90 to 120 days. In Iowa, it is especially important to note that state foundation aid to schools ends each fiscal year in mid-June, and the first payment for the new fiscal year does not begin again until mid-September, a full 90 day gap. In addition to this gap, districts typically purchase new fiscal year supplies during the summer months, so expenditures increase during a time when revenue is not received.

## **Employee Cost Ratio (ECR):**

Because education is a service based industry, staffing costs represent the single largest category of general fund expenditures for school districts. This ratio illustrates important trend changes in staffing costs as a percent of general fund expenditures. Historically, budget data show districts spending 75-85% of their general fund on staff related costs. The operational equation is:  $\text{wages plus benefits} / \text{general fund expenditures}$ .

## **Financial Solvency Ratio (FSR):**

This is a measure of financial health that was revised in 2011 for current terminology regarding fund balances. The ratio of unassigned plus assigned general fund balance to actual revenues is defined in the following operational equation:  $\text{financial solvency ratio} = \frac{\text{unassigned plus assigned general fund balance}}{\text{general fund revenues} - \text{AEA flow thru}}$ . The target ranges and classification criteria establish the following: (a) target solvency position equals 5.00%-10.00%, (b) acceptable solvency position equals 0.00%-4.99%, (c) solvency alert equals -3.00%--0.01%, and (d) solvency threat equals less than -3.00%.

## **Unspent Balance Ratio (UBR):**

The Unspent Balance Ratio measures the amount of cumulative district spending authority not spent at the end of each fiscal year. This ratio is unique to Iowa schools. Iowa schools are funded according to a state formula, which is different than any other in the country. Because spending authority is vitally important to the financial health of any Iowa district, it must be included as an indicator to assess fiscal health. Department of Management provides data for this indicator on the report titled Unspent Balance Calculations. The operational equation is:  $\text{unspent balance ratio} = \frac{\text{unspent cumulative spending authority}}{\text{maximum budget authority}}$ . The target range for this indicator logically is roughly equal to that of fund balance, and the minimum suggested target should be 5%.

## Balance Sheet Comparisons General Fund Only

|                           | <u>fy16</u>         | <u>fy17</u>         | <u>fy18</u>         | <u>fy19</u>         | <u>fy20</u>         | <u>\$ Change</u>     | <u>% Change</u> |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|-----------------|
| <b>Assets:</b>            |                     |                     |                     |                     |                     |                      |                 |
| Cash & Investments        | \$ 18,291,764       | \$ 20,734,693       | \$ 22,629,613       | \$ 21,718,466       | \$ 18,860,889       | \$ (2,857,577)       | -13.2%          |
| Receivables               | 28,942,970          | 29,775,258          | 28,651,729          | 29,608,135          | 33,409,932          | \$ 3,801,797         | 12.8%           |
| Inventories               | 66,752              | 60,138              | 70,133              | 71,233              | 85,572              | \$ 14,339            | 20.1%           |
| ISCAP                     |                     |                     |                     |                     |                     | \$ -                 |                 |
| Other Assets              | -                   | -                   | 762                 | -                   |                     | \$ -                 |                 |
| <b>Total Assets</b>       | <b>47,301,486</b>   | <b>50,570,089</b>   | <b>51,352,237</b>   | <b>51,397,834</b>   | <b>52,356,393</b>   | <b>958,559</b>       | <b>1.9%</b>     |
| <b>Liabilities:</b>       |                     |                     |                     |                     |                     |                      |                 |
| Payables                  | 1,605,379           | 1,828,880           | 2,456,197           | 3,859,351           | 2,726,691           | \$ (1,132,660)       | -29.3%          |
| Payroll                   | 6,936,024           | 7,369,829           | 7,445,185           | 7,444,554           | 7,792,282           | \$ 347,728           | 4.7%            |
| Other Liabilities         | 27,077,893          | 26,627,362          | 25,565,373          | 25,778,535          | 29,691,274          | \$ 3,912,739         | 15.2%           |
| <b>Total Liabilities</b>  | <b>35,619,296</b>   | <b>35,826,071</b>   | <b>35,466,755</b>   | <b>37,082,440</b>   | <b>40,210,248</b>   | <b>3,127,808</b>     | <b>8.4%</b>     |
| <b>Fund Balance:</b>      |                     |                     |                     |                     |                     |                      |                 |
| Restricted                | 1,592,327           | 1,636,871           | 1,730,657           | 1,619,991           | 1,627,419           | \$ 7,428             | 0.5%            |
| Unassigned                | 10,089,863          | 13,107,148          | 14,154,825          | 12,695,403          | 10,518,726          | \$ (2,176,677)       | -17.1%          |
| <b>Total Fund Balance</b> | <b>\$11,682,190</b> | <b>\$14,744,018</b> | <b>\$15,885,482</b> | <b>\$14,315,394</b> | <b>\$12,146,145</b> | <b>(\$2,169,249)</b> | <b>-15.2%</b>   |
|                           |                     |                     |                     |                     | <b>\$12,146,145</b> |                      |                 |

Note: The large receivables and payables include fy21 property taxes certified by the county auditor. GASB reporting requires the inclusion of these taxes when certified.

## Revenue & Expenditures Comparison General Fund Only

|   | <u>fy16</u>       | <u>fy17</u>       | <u>fy18</u>       | <u>fy19</u>        | <u>fy20</u>        | <u>\$ Change</u>    | <u>% Change</u> |
|---|-------------------|-------------------|-------------------|--------------------|--------------------|---------------------|-----------------|
| Revenues:   |                   |                   |                   |                    |                    |                     |                 |
| Local tax sources                                     | \$ 26,484,241     | \$ 26,838,771     | \$ 27,390,400     | \$ 26,302,507      | \$ 25,474,965      | \$ (827,542)        | -3.1%           |
| State sources   | \$ 40,660,813     | \$ 42,716,604     | \$ 43,157,289     | \$ 44,770,291      | \$ 46,744,285      | \$ 1,973,994        | 4.4%            |
| Federal sources                                       | \$ 2,126,015      | \$ 2,317,665      | \$ 2,760,895      | \$ 3,119,381       | \$ 2,525,438       | \$ (593,943)        | -19.0%          |
| Other local sources                                   | \$ 5,484,298      | \$ 5,220,169      | \$ 6,253,651      | \$ 7,101,939       | \$ 7,823,996       | \$ 722,057          | 10.2%           |
| <b>Total revenues</b>                                 | <b>74,755,367</b> | <b>77,093,209</b> | <b>79,562,235</b> | <b>81,294,118</b>  | <b>82,568,684</b>  | <b>1,274,566</b>    | <b>1.6%</b>     |
| Expenditures:   |                   |                   |                   |                    |                    |                     |                 |
| Instruction   | 49,471,569        | 52,036,025        | 54,608,777        | 57,810,655         | 59,264,803         | \$ 1,454,148        | 2.5%            |
| Support services                                      | 18,319,946        | 19,230,046        | 20,913,217        | 22,025,833         | 22,327,572         | \$ 301,739          | 1.4%            |
| Noninstructional                                      | 138,485           | 142,490           | 146,356           | 148,569            | 167,668            | \$ 19,099           | 12.9%           |
| Other expenditures                                    | 2,746,923         | 2,840,921         | 2,977,024         | 3,110,039          | 3,177,946          | \$ 67,907           | 2.2%            |
| <b>Total expenditures</b>                             | <b>70,676,923</b> | <b>74,249,482</b> | <b>78,645,374</b> | <b>83,095,096</b>  | <b>84,937,989</b>  | <b>1,842,893</b>    | <b>2.2%</b>     |
| Operating Transfers                                   | 210,544           | 218,102           | 224,602           | 230,890            | 200,057            | \$ (30,833)         |                 |
| Upward Adjustment                                     |                   |                   |                   |                    |                    | \$ -                |                 |
| <b>Changes in fund balance:</b>                       | <b>4,288,988</b>  | <b>3,061,829</b>  | <b>1,141,463</b>  | <b>(1,570,088)</b> | <b>(2,169,248)</b> | <b>\$ (599,160)</b> |                 |
| Excess(deficiency) of<br>Revenues and<br>Expenditures | <u>4,288,988</u>  | <u>3,061,829</u>  | <u>1,141,463</u>  | <u>(1,570,088)</u> | <u>(2,169,248)</u> | <u>(599,160)</u>    |                 |

# Contribution Ratio General Fund

**Formula:** 
$$\frac{\text{Line Source Revenue}}{\text{Total Revenue}}$$

| Year         | 2016                | 2017                | 2018                | 2019                | 2020                |
|--------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Local        | \$26,484,241        | \$26,838,771        | \$27,390,400        | \$26,302,507        | \$25,474,965        |
| State        | 40,660,813          | 42,716,604          | 43,157,289          | 44,770,291          | 46,744,285          |
| Federal      | 2,126,015           | 2,317,665           | 2,760,895           | 3,119,381           | 2,525,438           |
| Other        | 5,484,298           | 5,220,169           | 6,253,651           | 7,101,939           | 7,823,996           |
| <b>Total</b> | <b>\$74,755,367</b> | <b>\$77,093,209</b> | <b>\$79,562,235</b> | <b>\$81,294,118</b> | <b>\$82,568,684</b> |

| Year         | 2016          | 2017          | 2018          | 2019          | 2020          |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Local        | 35.4%         | 34.8%         | 34.4%         | 32.4%         | 30.9%         |
| State        | 54.4%         | 55.4%         | 54.2%         | 55.1%         | 56.6%         |
| Federal      | 2.8%          | 3.0%          | 3.5%          | 3.8%          | 3.1%          |
| Other        | 7.3%          | 6.8%          | 7.9%          | 8.7%          | 9.5%          |
| <b>Total</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

**Purpose:** Measures local taxation effort

**Trend:** N/A

**Target:** N/A

**Need/Concern:** As a district's property tax wealth grows, the school aid formula shifts financial responsibility from the state to the local district.

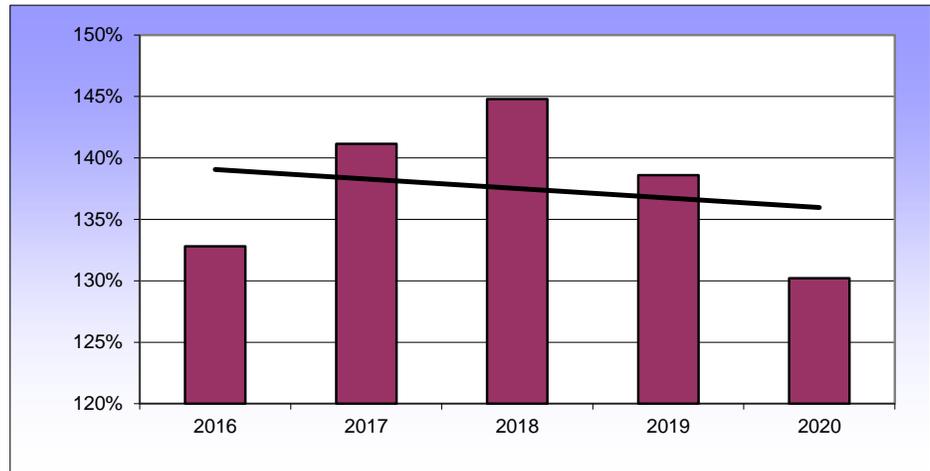
**Corrective Action:** N/A

# Current Ratio

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

## Financial Information and Computation:

| Year               | 2016          | 2017          | 2018          | 2019          | 2020          |
|--------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Assets</b>      | \$ 47,301,486 | \$ 50,570,089 | \$ 51,352,237 | \$ 51,397,834 | \$ 52,356,393 |
| <b>Liabilities</b> | \$ 35,619,296 | \$ 35,826,071 | \$ 35,466,755 | \$ 37,082,440 | \$ 40,210,248 |
| <b>Ratio</b>       | 132.80%       | 141.15%       | 144.79%       | 138.60%       | 130.21%       |



**Purpose:** Measures short - term solvency

**Trend:** Controlled staffing FY 16-FY 20, new money 1.9% (2.06% SSA) , and continued cash reserve levy equates to an increased current asset to liability ratio. However, FY19 and FY20 recognized decreases as less cash reserve levied.

**Target:**

**Need/Concern:**

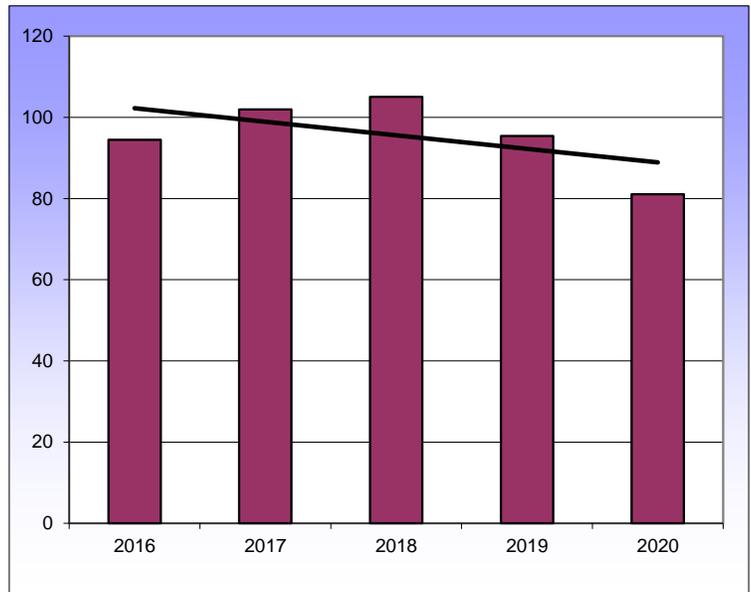
**Corrective Action:**

# Day's Net Cash Ratio

**Formula: Cash & Investments**  
 Average Daily Cash Expenditures

**Financial Information and Computation:**

| Year                     | 2016          | 2017          | 2018          | 2019          | 2020          |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| Cash & Investment        | \$ 18,291,764 | \$ 20,734,693 | \$ 22,629,613 | \$ 21,718,466 | \$ 18,860,889 |
| Total Expenditures       | \$ 70,676,923 | \$ 74,249,482 | \$ 78,645,374 | \$ 83,095,096 | \$ 84,937,989 |
| Daily (365) Expenditures | \$193,635     | \$203,423     | \$215,467     | \$227,658     | \$232,707     |
| Ratio In Days            | 94            | 102           | 105           | 95            | 81            |



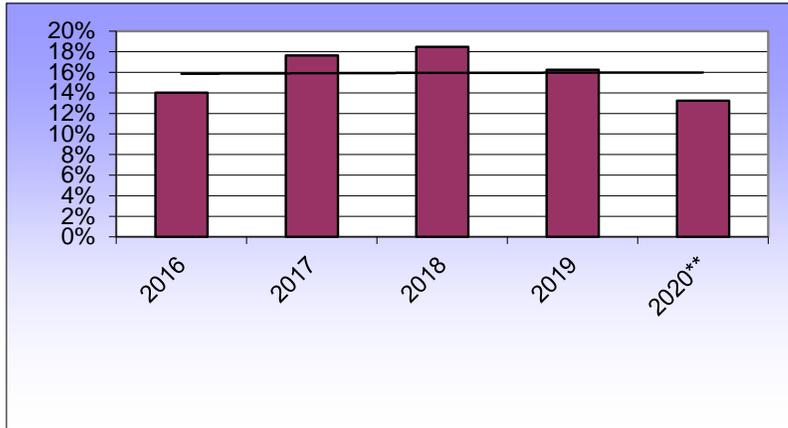
**Purpose:** Measures short-term solvency and ability to cash-flow expenditures without receiving additional revenue

**Trend:** Downward as inability to levy higher cash reserves, should start turning around fy 22

**Target:** 90 days  
 This indicator is now at the target but will need continued monitoring.  
 While this indicator is at the target, it has decreased due to the inability to levy more cash reserves.

# Financial Solvency Ratio\*

| Year      | 2016         | 2017          | 2018          | 2019          | 2020**        |
|-----------|--------------|---------------|---------------|---------------|---------------|
| UUFB      | \$10,089,863 | \$ 13,107,148 | \$ 14,154,825 | \$ 12,695,403 | \$10,518,726  |
| Revenue   | \$72,008,444 | \$ 74,252,288 | \$ 76,585,211 | \$ 78,184,079 | \$ 79,390,738 |
| F/S Ratio | 14.0%        | 17.7%         | 18.5%         | 16.2%         | 13.2%         |



- Target Solvency Position, 5 - 10%
- Acceptable Solvency Position, 0 - 4.99%
- Solvency Alert, -3 - 0%
- Solvency Concern, -3% & lower

\*As defined by the Iowa Association of School Boards

\*\*Estimated

**Purpose:** Measures the District's Fund Equity position

**Trend:** The percent spent is indicative of state funding coupled with expenses- and the ability to levy cash reserve. FY16 and FY 17 had new money over 4%, no adoptions, and controlled staffing. FY 18 and FY 19 had new money over 3% no adoptions, and controlled staffing. The district's ability to levy cash reserve decreased from \$4M FY 18 to \$1.7M FY19, and then to \$1.5M for FY 20.

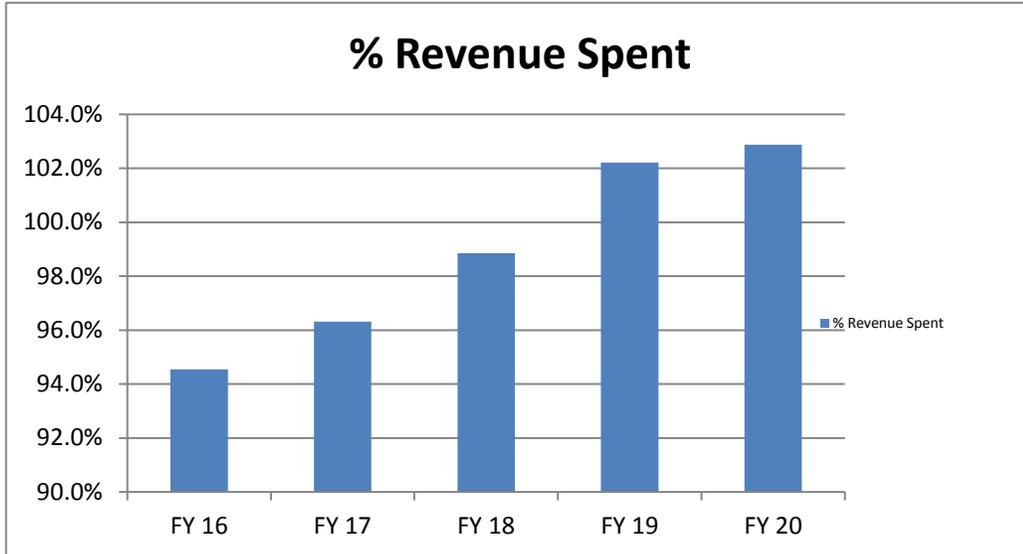
**Target:** Minimum of 5%, Goal 10%

**Need/Concern:** The target has been met due to cash reserve levy, controlled staffing and a set amount for curriculum in lieu of formal textbook adoptions.

Continue to levy cash reserve, monitor and adjust recurring sal/ben expenses.

## % Revenue Spent

|              | FY 16      | FY 17      | FY 18      | FY 19      | FY 20      |
|--------------|------------|------------|------------|------------|------------|
| Expenditures | 70,676,923 | 74,249,482 | 78,645,374 | 83,095,096 | 84,937,989 |
| Revenues     | 74,755,367 | 77,093,209 | 79,562,235 | 81,294,118 | 82,568,684 |
| % Spent      | 94.5%      | 96.3%      | 98.8%      | 102.2%     | 102.9%     |



**Purpose:** To show if we are using all of our resources each year

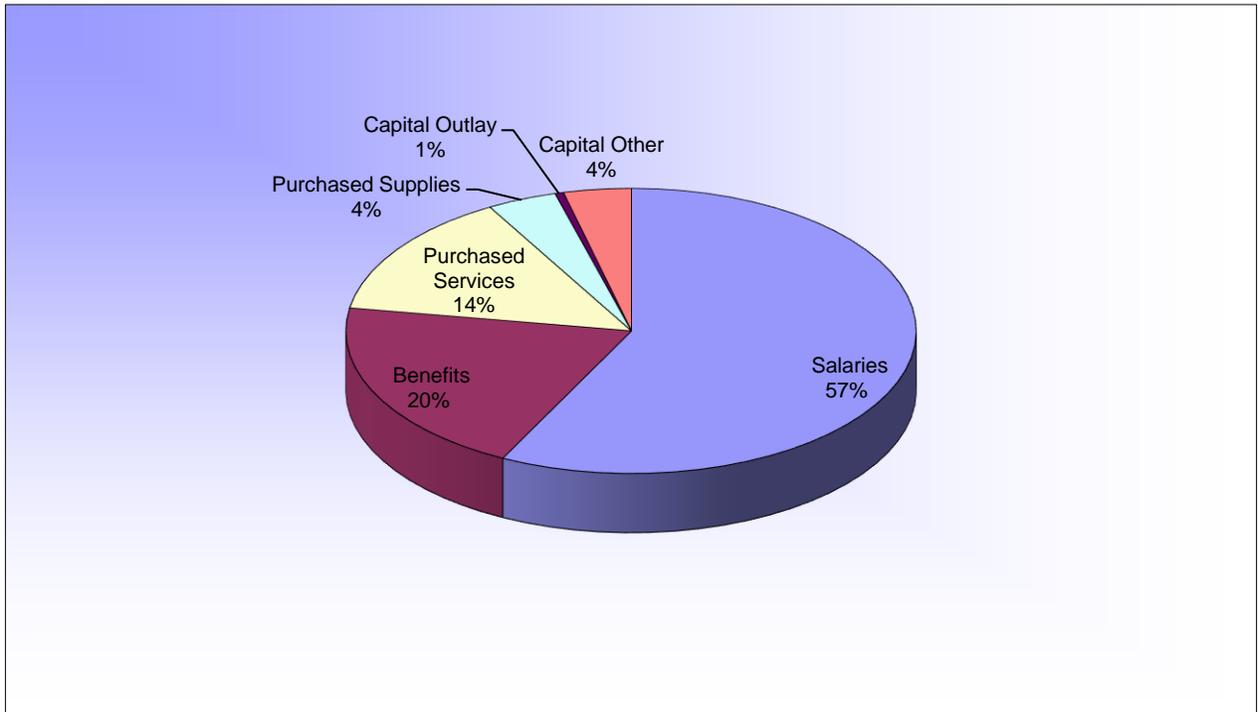
**Trend:** The percent spent is indicative of state funding coupled with expenses- and the ability to levy cash reserve. FY16 and FY 17 had new money over 4%, no adoptions, and controlled staffing. FY 18 and FY 19 had new money over 3% no adoptions, and controlled staffing. The district's ability to levy cash reserve decreased from \$4M FY 18 to \$1.7M FY19, and then to \$1.5M for FY 20.

**Need/Concern:** We are partially limited by not being able to levy the max amount of cash reserve needed-that will continue to drive down the tax revenues and impact the percent of revenue spent. The district was able to increase the cash reserve levy for FY21 to \$3.6M.

**GENERAL FUND DISTRICT EXPENDITURES, BY OBJECT**

**Last Ten Fiscal Years**

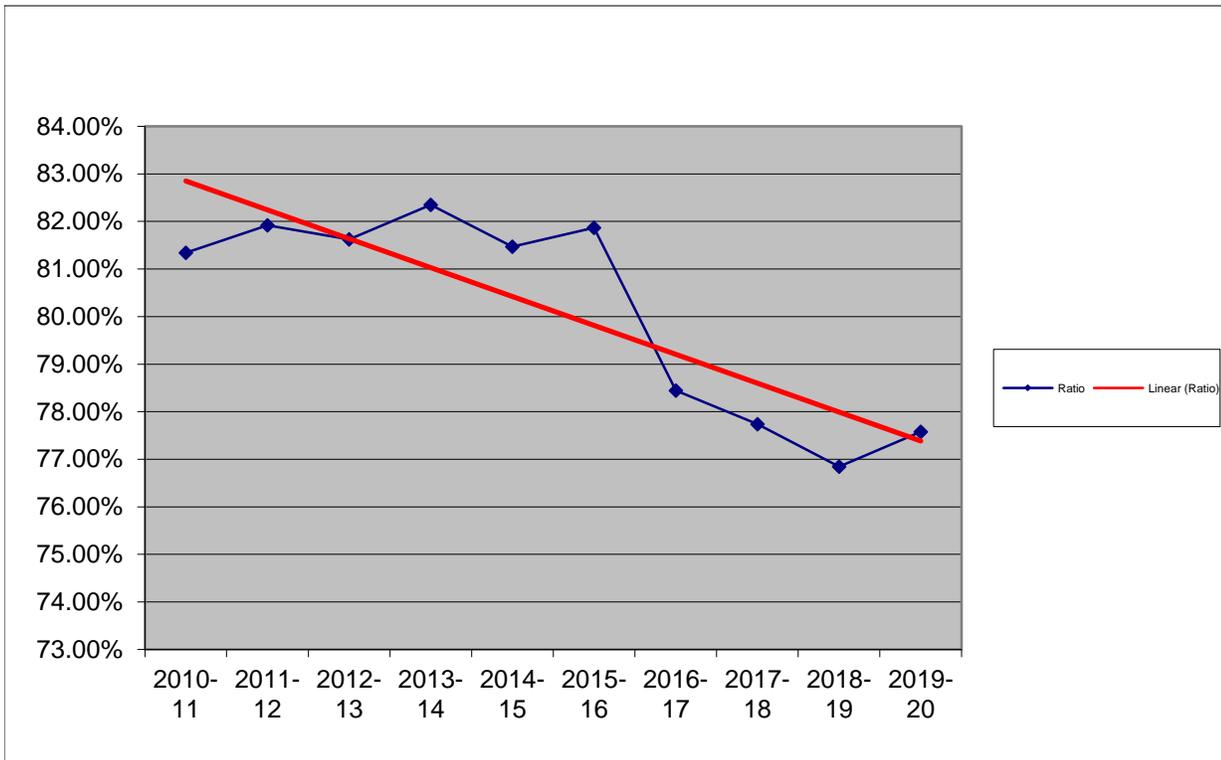
| Fiscal Year | Salaries     | Benefits     | Purchased Services | Supplies    | Capital Outlay | Other       | Total        |
|-------------|--------------|--------------|--------------------|-------------|----------------|-------------|--------------|
| 2019-20     | \$48,789,099 | \$17,117,514 | \$12,032,612       | \$3,352,473 | \$ 408,760     | \$3,258,721 | \$84,959,179 |
| 2018-19     | 47,607,796   | 16,245,989   | 12,294,409         | 3,450,980   | 315,733        | 3,180,189   | 83,095,096   |
| 2017-18     | 45,851,137   | 15,284,240   | 10,447,154         | 3,920,728   | 104,664        | 3,037,450   | 78,645,373   |
| 2016-17     | 43,808,211   | 14,436,051   | 9,665,408          | 3,252,436   | 182,486        | 2,904,890   | 74,249,482   |
| 2015-16     | 43,762,900   | 14,097,689   | 6,637,354          | 3,127,224   | 240,037        | 2,811,719   | 70,676,923   |
| 2014-15     | 42,176,915   | 13,539,660   | 6,262,212          | 3,588,852   | 145,937        | 2,675,044   | 68,388,620   |
| 2013-14     | 40,811,139   | 12,901,044   | 5,732,922          | 3,189,519   | 98,135         | 2,492,263   | 65,225,022   |
| 2012-13     | 39,792,304   | 12,028,192   | 5,277,632          | 3,874,187   | 123,294        | 2,389,077   | 63,484,686   |
| 2011-12     | 37,612,794   | 11,665,760   | 5,242,777          | 3,250,804   | 79,028         | 2,301,976   | 60,153,139   |
| 2010-11     | 36,399,406   | 10,697,119   | 4,919,049          | 3,400,912   | 92,771         | 2,390,968   | 57,900,225   |



Source: 2020 Certified Annual Report

## Employee Cost Ratio General Fund Last Ten Fiscal Years

| Fiscal Year | Wages & Benefits | Total Expenditures | Ratio  |
|-------------|------------------|--------------------|--------|
| 2010-11     | \$ 47,096,525    | \$ 57,900,225      | 81.34% |
| 2011-12     | \$ 49,278,554    | \$ 60,153,139      | 81.92% |
| 2012-13     | \$ 51,820,496    | \$ 63,484,686      | 81.63% |
| 2013-14     | \$ 53,712,183    | \$ 65,225,022      | 82.35% |
| 2014-15     | \$ 55,716,575    | \$ 68,388,620      | 81.47% |
| 2015-16     | \$ 57,860,589    | \$ 70,676,923      | 81.87% |
| 2016-17     | \$ 58,244,262    | \$ 74,249,482      | 78.44% |
| 2017-18     | \$ 61,135,377    | \$ 78,645,373      | 77.74% |
| 2018-19     | \$ 63,853,785    | \$ 83,095,096      | 76.84% |
| 2019-20     | \$ 65,906,613    | \$ 84,959,179      | 77.57% |



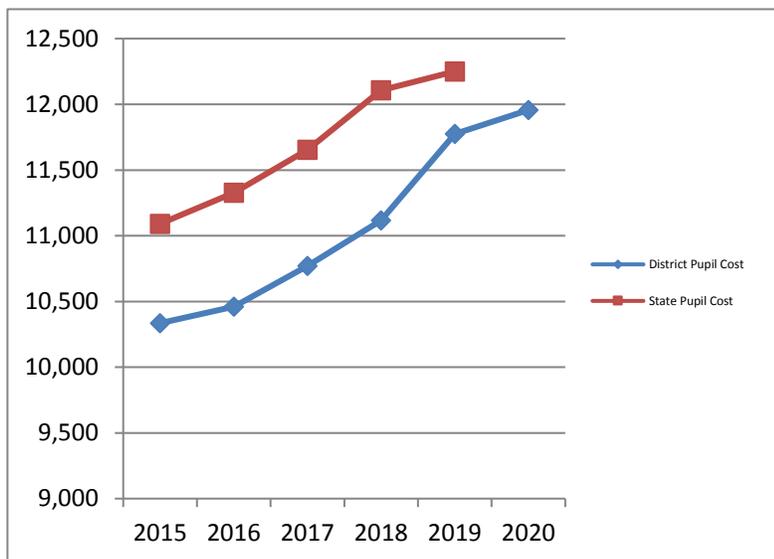
- Purpose:** Determine if salaries and benefits are at levels that can be sustained.
- Trend:** Percent decreased with the move to outsourced transportation FY17, with trend close to 81-82% for the eight years prior.
- Target:** 79-82%, and stabilize
- Need/concern:** Continue to monitor salaries and benefits.

# Cost Per Pupil

Formula: 
$$\frac{\text{Total General Fund Expenditures}}{\text{Certified Enrollment}}$$

## Financial Information and Computation:

| Year | Total Expenditures | Certified Enrollment | District Per Pupil Cost | State Average Per Pupil Cost |
|------|--------------------|----------------------|-------------------------|------------------------------|
| 2015 | 68,388,621         | 6,617.06             | 10,335                  | \$11,091                     |
| 2016 | 70,676,923         | 6,756.09             | 10,461                  | \$11,326                     |
| 2017 | 74,250,082         | 6,894.15             | 10,770                  | \$11,653                     |
| 2018 | 78,645,374         | 7,074.06             | 11,117                  | \$12,106                     |
| 2019 | 83,095,096         | 7,057.62             | 11,774                  | \$12,250                     |
| 2020 | 84,959,179         | 7,105.67             | 11,957                  | NA                           |



\*Estimated

**Purpose:** One measure of efficiency within the General Fund

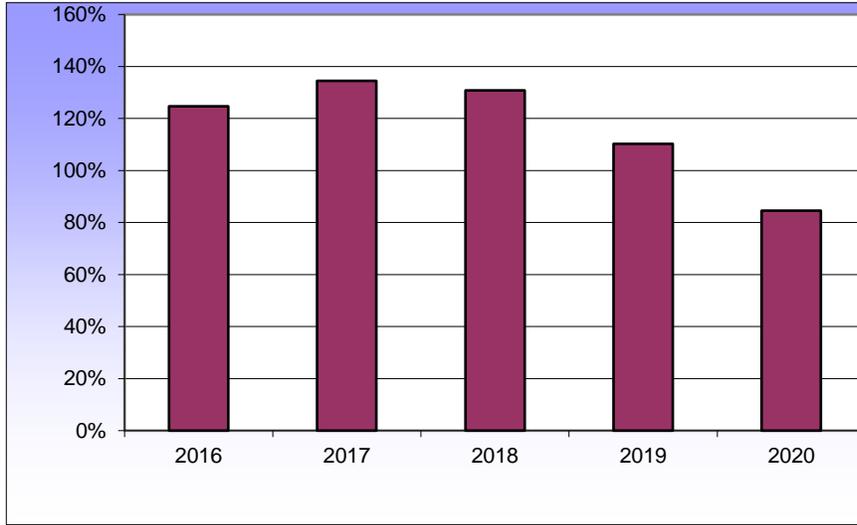
**Trend:** Stable to slightly higher

**Target:** Stable is desirable for this indicator.

**Need/concern:** Continue to be efficient in all aspects of instruction delivery and support operations.

## Fund Balance vs. Unspent Balance

| Year            | 2016         | 2017          | 2018          | 2019          | 2020          |
|-----------------|--------------|---------------|---------------|---------------|---------------|
| Unspent Balance | \$ 9,368,423 | \$ 10,962,965 | \$ 12,142,873 | \$ 12,986,826 | \$ 14,357,194 |
| Fund Balance    | 11,682,190   | 14,744,018    | 15,885,482    | 14,315,394    | 12,146,145    |
| Percent funded  | 125%         | 134%          | 131%          | 110%          | 85%           |



**Purpose:** Measures District's unfunded spending reserves

**Trend:** Still over 100% but decreasing due to the inability to levy as much cash reserve.

**Target:** District reserves (unspent balance) fully funded-at least 100%

**Need/Concern:** Having unspent balance fully funded gives the opportunity to spend reserves if put in that situation.

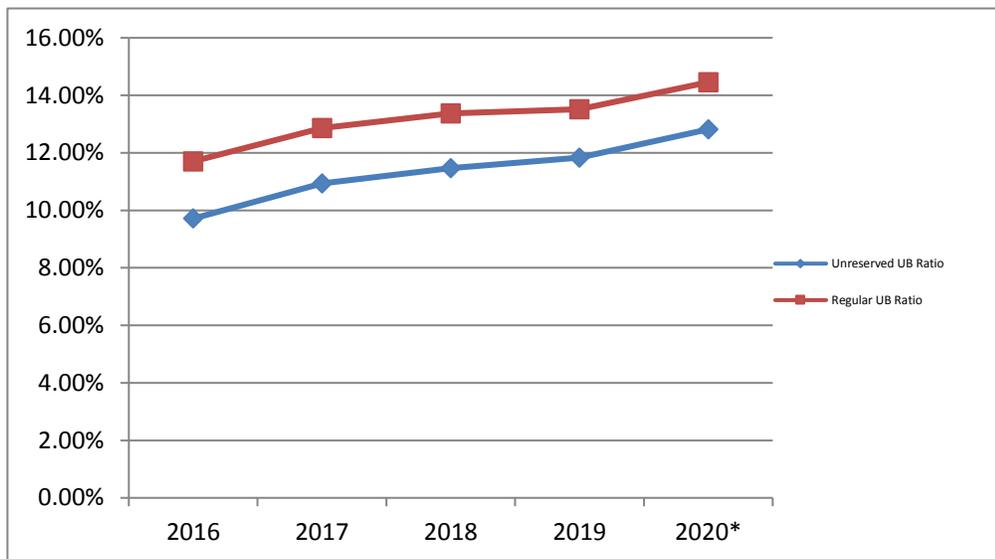
**Corrective Action:** Continue to levy cash reserve to the maximum possible and monitor

# Unspent Balance Ratio

Formula: 
$$\frac{\text{Unspent Spending Authority}}{\text{Maximum Budget Authority}}$$

## Financial Information and Computation:

| Year  | Maximum Authorized | Regular Unspent Bal | Unreserved Unspent Bal | Regular UB Ratio | Unreserv. UB Ratio |
|-------|--------------------|---------------------|------------------------|------------------|--------------------|
| 2016  | 80,045,346         | \$ 9,368,423        | 7,776,096              | 11.70%           | 9.71%              |
| 2017  | 85,213,047         | \$ 10,962,965       | 9,319,480              | 12.87%           | 10.94%             |
| 2018  | 90,788,246         | \$ 12,142,873       | 10,412,216             | 13.37%           | 11.47%             |
| 2019  | 96,081,922         | \$ 12,986,826       | 11,366,835             | 13.52%           | 11.83%             |
| 2020* | 99,316,373         | \$ 14,357,194       | 12,729,775             | 14.46%           | 12.82%             |



\*Estimated

**Purpose:** Measures the District's unbudgeted spending reserves

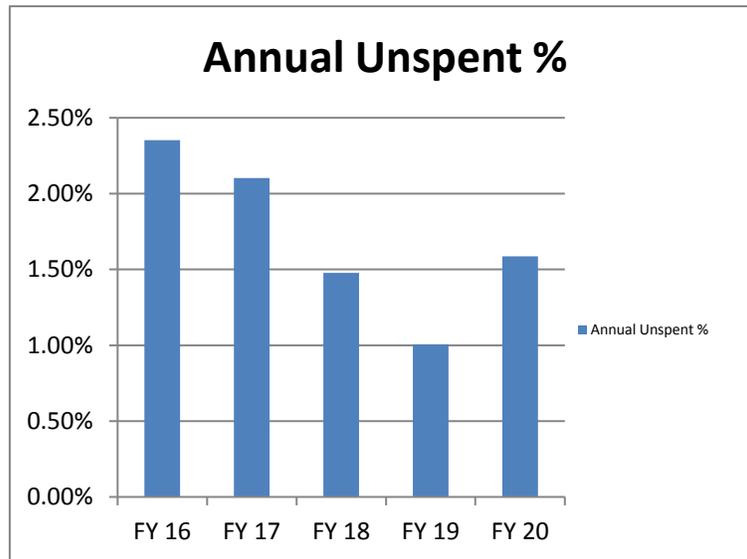
**Trend:** It was a downward trend until the budget reductions of FY 15. FY16 and FY 17 had new money over 4%, no adoptions and controlled staffing. FY 18 and FY 19 had new money over 3%, FY 20 new money 1.9%, no adoptions and controlled staffing.

**Target:** Maintain authority within 5-15% target range

**Need/concern:** An adequate level of budget reserves are important so the District can respond to emergencies and student growth.

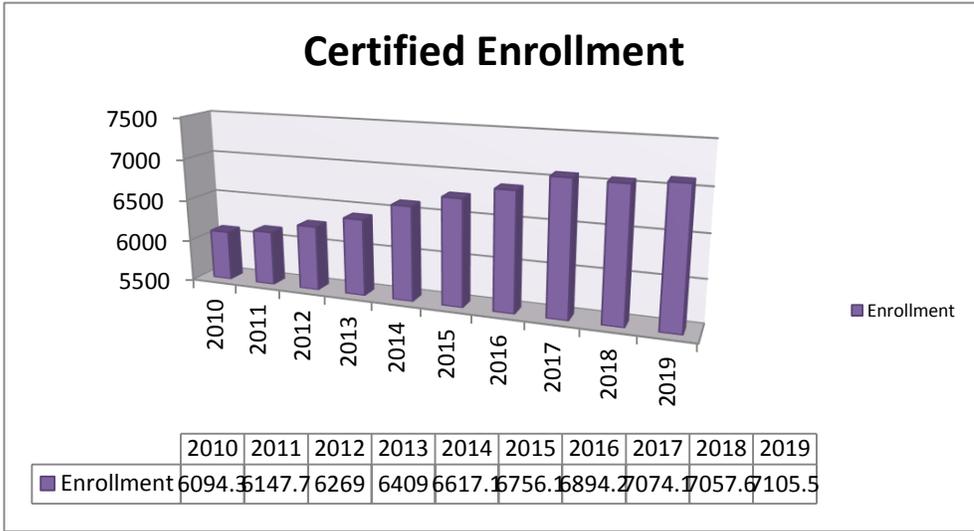
## Annual Unspent %

|                        | FY 16      | FY 17      | FY 18      | FY 19      | FY 20      |
|------------------------|------------|------------|------------|------------|------------|
| Max. Authorized Budget | 80,045,346 | 85,213,047 | 90,788,246 | 96,081,922 | 99,316,373 |
| UAB Previous Year      | 7,666,495  | 9,368,423  | 10,962,965 | 12,142,873 | 12,986,826 |
| Total Expenditures     | 70,676,923 | 74,250,082 | 78,645,373 | 83,095,096 | 84,959,179 |
|                        | 2.35%      | 2.10%      | 1.48%      | 1.01%      | 1.59%      |



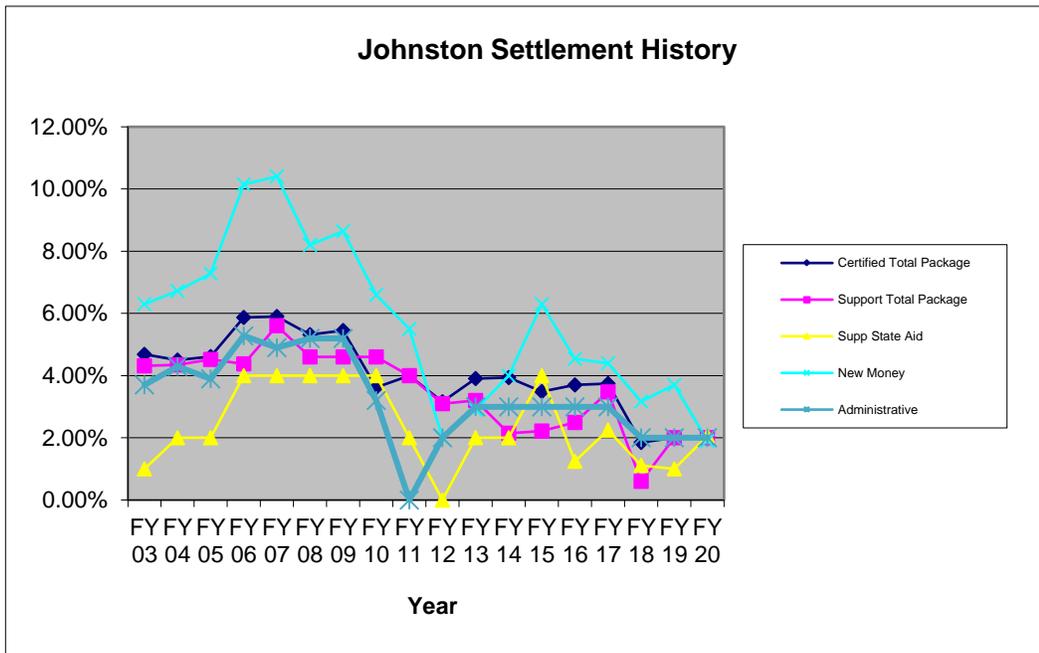
- Purpose:** Shows if district is spending all authority generated for given year, using prior years spending authority, or building levels too high
- Trend:** Low funding as created a downward trend, with FY 20 increasing slightly.
- Target:** Build to UAB ratio goal, then stabilize.
- Need/concern:** Without adequate state funding to maintain spending authority reserves, more budget reductions will take place in the future.

# Certified Enrollment-Last Ten Years



# Settlement History

| Year  | JEA<br>TPI | JEA<br>TPI | JESPA<br>TPI | JESPA<br>TPI | ADMIN<br>TPI | SUPP.<br>STATE AID | NEW \$ |
|-------|------------|------------|--------------|--------------|--------------|--------------------|--------|
| FY 03 |            | 4.68%      |              | 4.32%        | 3.70%        | 1.00%              | 6.30%  |
| FY 04 |            | 4.50%      |              | 4.35%        | 4.30%        | 2.00%              | 6.72%  |
| FY 05 |            | 4.61%      |              | 4.52%        | 3.90%        | 2.00%              | 7.28%  |
| FY 06 |            | 5.87%      |              | 4.38%        | 5.28%        | 4.00%              | 10.15% |
| FY 07 |            | 5.90%      |              | 5.60%        | 4.90%        | 4.00%              | 10.40% |
| FY 08 |            | 5.32%      |              | 4.60%        | 5.20%        | 4.00%              | 8.20%  |
| FY 09 |            | 5.45%      |              | 4.60%        | 5.20%        | 4.00%              | 8.64%  |
| FY 10 |            | 3.62%      |              | 4.60%        | 3.20%        | 4.00%              | 6.60%  |
| FY 11 | 3.21%      | 4.00%      | 3.70%        | 4.00%        | 0.00%        | 2.00%              | 5.50%  |
| FY 12 |            | 3.16%      |              | 3.10%        | 2.00%        | 0.00%              | 2.00%  |
| FY 13 |            | 3.91%      |              | 3.20%        | 3.00%        | 2.00%              | 2.90%  |
| FY 14 |            | 3.94%      |              | 2.15%        | 3.00%        | 2.00%              | 4.00%  |
| FY 15 |            | 3.49%      |              | 2.22%        | 3.00%        | 4.00%              | 6.30%  |
| FY 16 |            | 3.70%      |              | 2.49%        | 3.00%        | 1.25%              | 4.54%  |
| FY 17 |            | 3.74%      |              | 3.48%        | 3.00%        | 2.25%              | 4.40%  |
| FY 18 |            | 1.85%      |              | 0.60%        | 2.00%        | 1.11%              | 3.17%  |
| FY 19 |            | 2.00%      |              | 2.00%        | 2.00%        | 1.00%              | 3.70%  |
| FY 20 |            | 2.00%      |              | 2.00%        | 2.00%        | 2.06%              | 1.90%  |
| FY 21 |            | 2.00%      |              | 2.00%        | 2.00%        | 2.06%              | 3.10%  |



**JOHNSTON COMMUNITY SCHOOL DISTRICT**  
**Unspent Balance Calculation**

|  | <b>fy15</b>  | <b>fy16</b>  | <b>fy17</b>   | <b>fy18</b>   | <b>fy19</b> | <b>fy20 estimate</b> |
|--|--------------|--------------|---------------|---------------|-------------|----------------------|
| Regular Program District Cost                  | 40,799,694   | 42,653,827   | 44,529,455    | 45,942,949    | 47,651,138  | 48,556,288           |
| + Regular Program Budget Adjustment            |              |              |               |               |             |                      |
| +District Cost for Supplemental Weighting      | 577,103      | 658,446      | 823,565       | 922,991       | 1,038,065   | 1,148,967            |
| +Special Education District Cost               | 3,066,184    | 3,404,455    | 3,697,024     | 3,979,208     | 4,435,050   | 4,598,317            |
| +Teacher Salary Supplement District Cost       | 3,262,501    | 3,413,828    | 3,569,991     | 3,686,398     | 3,823,197   | 3,898,618            |
| +Prof Dev Supplement District Cost             | 361,532      | 378,432      | 395,975       | 408,964       | 424,234     | 432,772              |
| +Early Intervention Suppl District cost        | 351,982      | 369,036      | 387,192       | 400,484       | 415,957     | 425,362              |
| +Teacher Leadership Supplement District Cost   |              | 2,069,035    | 2,160,060     | 2,228,688     | 2,309,694   | 2,351,804            |
| +AEA Special Education Support Cost            | 1,873,016    | 1,967,159    | 2,061,058     | 2,134,202     | 2,225,571   | 2,270,737            |
| +AEA Special Education Support Adjustment      |              |              |               |               |             |                      |
| +AEA Media Services District Cost              | 354,991      | 370,532      | 380,474       | 392,442       | 408,004     | 416,356              |
| +AEA Ed Services District Cost                 | 389,629      | 406,733      | 417,672       | 430,820       | 447,876     | 457,034              |
| +AEA Teacher Salary Supp District Cost         | 152,972      | 161,197      | 169,828       | 176,346       | 184,343     | 189,054              |
| +AEA Prof Dev Suppl District Cost              | 19,501       | 20,507       | 21,585        | 22,399        | 23,430      | 23,950               |
| +SBRC Additional Growth-Dropouts               | 1,104,828    | 1,127,864    | 1,437,144     | 1,458,883     | 1,430,950   | 1,427,536            |
| +SBRC Additional Growth-Other #1               | 289,513      | 146,341      | 127,622       | 85,757        | 142,978     | 65,020               |
| +SBRC Additional Growth-Other #2               | 1,383,587    | 1,015,116    | 1,056,669     | 1,365,987     | 964,700     | 780,321              |
| +/-SBRC Additional Growth- Sp. Ed. Deficit/Bal | 2,870,610    | 2,297,279    | 2,541,533     | 2,444,043     | 2,913,905   | 3,950,835            |
| +Enrollment Audit Adjustment                   | 0            | 5,220        | -11,087       | -7,250        | 0           | -12,664              |
| -AEA Prorate Reduction                         | -179,185     | -179,185     | -209,696      | -179,185      | -179,185    | -179,185             |
| Maximum District cost                          | 56,678,458   | 60,285,822   | 63,556,064    | 65,894,126    | 68,659,907  | 70,801,122           |
| Preschool                                      | 795,750      | 792,858      | 870,012       | 869,652       | 902,624     | 928,800              |
| +Instr. Support Authority                      | 3,017,137    | 3,122,687    | 3,249,315     | 3,329,486     | 3,459,473   | 3,501,880            |
| +Actual Miscellaneous Income                   | 9,581,125    | 8,177,484    | 8,169,233     | 9,732,017     | 10,917,045  | 11,097,745           |
| GAAP conversion allowance                      |              |              |               |               |             |                      |
| Revenue Subtotal                               | 70,072,470   | 72,378,851   | 75,844,624    | 79,825,281    | 83,939,049  | 86,329,547           |
| +Unspent Balance from previous year            | 5,982,645    | 7,666,495    | 9,368,423     | 10,962,965    | 12,142,873  | 12,986,826           |
| =Maximum Authorized Budget                     | 76,055,115   | 80,045,346   | 85,213,047    | 90,788,246    | 96,081,922  | 99,316,373           |
| -Actual/Estimated Expenditures                 | 68,388,620   | 70,676,923   | 74,250,082    | 78,645,373    | 83,095,096  | 84,959,179           |
| =Unspent Balance                               | \$ 7,666,495 | \$ 9,368,423 | \$ 10,962,965 | \$ 12,142,873 | 12,986,826  | 14,357,194           |
| Reserved                                       | 1,327,468    | 1,592,327    | 1,643,485     | 1,730,657     | 1,619,991   | 1,627,419            |
| Undesignate/Unreserved Unspent Balance         | 6,339,027    | 7,776,096    | 9,319,480     | 10,412,216    | 11,366,835  | 12,729,775           |
| Annual Spending Authority                      | 70,072,470   | 72,378,851   | 75,844,624    | 79,825,281    | 83,939,049  | 86,329,547           |
| Expenditures                                   | 68,388,620   | 70,676,923   | 74,250,082    | 78,645,373    | 83,095,096  | 84,959,179           |
| Difference                                     | \$ 1,683,850 | \$ 1,701,928 | \$ 1,594,542  | \$ 1,179,908  | \$ 843,953  | \$ 1,370,368         |
|  | 0.092691255  | 0.110023126  | 0.125514744   | 0.132394515   | 0.136793091 | 0.149834016          |