



## **FOR IMMEDIATE RELEASE**

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### **FOR MORE INFORMATION:**

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### **S&P Affirms Johnston's Outstanding Bond Rating**

**JOHNSTON, Iowa** – The City of Johnston is pleased to announce the Standard and Poor's (S&P) Global Ratings has assigned its AA+ long-term rating to Johnston's Taxable General Obligation (GO) Urban Renewal Capital Loan Notes, series 2020E. Johnston has maintained the AA+ rating since 2009. This rating is the second-highest in S&P's long-term rating and reflects Johnston's strong economy, management and budgetary flexibility.

"This high bond rating reflects upon Johnston's strong economy and good financial management decisions," said Finance Director Teresa Rotschafer. "I have always been proud of Johnston's financial practices and policies. Our City is forward-thinking, but it is done in a way that demonstrates financial health while prioritizing projects that are important to our community. Having a strong financial position for planned improvements helps ensure our residents are proud of where they live."

#### **The S&P report noted the following:**

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Adequate budgetary performance, with operating results that we expect could deteriorate in the near term relative to fiscal 2019, which closed with operating surpluses in the general fund and at the total governmental fund level;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2019 of 46 percent of operating expenditures, and the flexibility to raise additional revenue despite statewide tax caps;
- Very strong liquidity, with total government available cash at 64.1 percent of total governmental fund expenditures and 2.4x governmental debt service, and access to external liquidity that we consider strong;
- Weak debt and contingent liability position, with debt service carrying charges at 27.2 percent of expenditures and net direct debt that is 307.1 percent of total governmental fund revenue, but rapid amortization, with 69.6 percent of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

Standard & Poor's is the world's leading index provider and the foremost source of independent credit ratings. To view the full rating report, [click here](#).

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