

CEDAR FALLS COMMUNITY SCHOOL DISTRICT



Annual District Financial Report
January 22, 2024

Overriding Purpose

Every topic, every slide, although not stated as topics revolve around:

- Meeting the needs of Cedar Falls students
- Funding the educational priorities of the district
- Understanding how Iowa school finance helps to meet and fund student needs and educational priorities



Agenda

- Governmental fund accounting standards
- Key factors with the Iowa Public School Foundation Formula
- General fund key indicators
 - Individual fund revenue & expenditures
 - Individual fund balances
- Restricted Funds
- Wrap up

Synopsis of the Certified Annual Report - reviewed in October

Governmental Fund

General Fund (10-16)

Includes:

- Special Education (12)
- Consortium Prog. (13)
- Categorical Funds (14)
- Instructional Support Levy (16)

Special Revenue Fund

Includes:

- Student Activity (21)
- Management Fund (22)
- District Support Trust Fund (27)
 - Funds donated to District
 - both Principal and Interest can be used

Capital Projects

Includes:

- G.O. Bond Proceeds (31)
- SAVE/LOT (33)
- Physical Plant & Equip. (36)

Debt Service (40)

Proprietary Fund

Enterprise Fund

Includes:

- School Nutrient (61)
- Student Coffee Shop (68)

Fiduciary Fund

Private Purpose Trust

Misc. Student Scholarships (81)

Custodial Funds

Includes:

- EE Staff Flower Funds, (92)
- Cedar Falls Foundation

- Booster Clubs, School (93)
- Parent Groups

- River Hills Consortium (94)

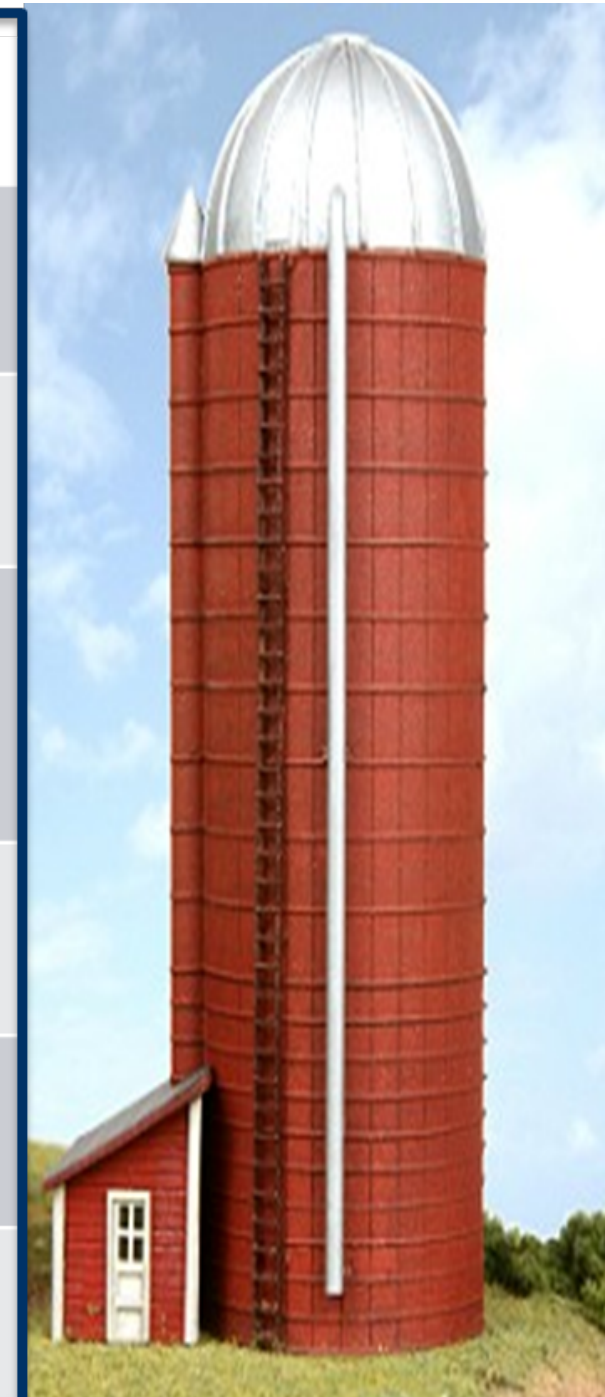
Summary of Funds - Uses

TYPE	GOVERNMENTAL FUND						PROPRIETARY FUND		CUSTODIAL FUNDS	
FUND	GENERAL FUND (Spending Authority)	MANAGEMENT FUND	PUBLIC EDUCATION & RECREATION LEVY (PERL)	STUDENT ACTIVITY FUND	CAPITAL PROJECTS FUND SALES TAX	PHYSICAL PLANT & EQUIPMENT LEVY (PPEL)	DEBT SERVICE FUND	ENTERPRISE FUND	INTERNAL SERVICE FUND	TRUST & AGENCY FUNDS
REVENUES	PROP. TAXES STATE AID GRANTS MISC INCOME	PROPERTY TAX	PROPERTY TAX	ADMISSIONS ACTIVITY FEES STUDENT FEES FUNDRAISING PROTECTIVE EQUIPMENT FOR ATHLETICS	SALES TAX BOND PROCEEDS	PROPERTY TAX	PROPERTY TAX TRANSFERS (PPEL & Sales Tax)	FEDERAL STATE MEAL SALES TUITION	PROPERTY TAX REPAIRS Health Permits Other charges	DESIGNATED GIFTS
EXPENDITURES	SALARIES EMPLOYEE BENEFITS SERVICES MATERIALS & SUPPLIES TRANSPORT	PROPERTY LIABILITY INSURANCE UNEMPLOYMENT EARLY RETIRE BENEFITS ARBITRATION MEDIATION	COMMUNITY RECREATION CE PLAYGROUNDS COMMUNITY ED	SUPPORT CO-CURRIC. ACTIVITIES ATHLETICS CLUBS	CAPITAL PROJECTS ANY PPEL PURPOSE	PURCHASE AND IMPROVEMENT OF GROUNDS/BLDGS CONSTRUCT/REPAIR BLDG LEASES TECHNOLOGY BUSES EQUIP > \$500	PAYMENT OF PRINCIPAL AND INTEREST ON DEBT	FOOD SERVICE BREAKFAST & LUNCH CHILD CARE	SPENDING INSURANCE GOODS OR SERVICES PROVIDED FROM ONE DEPT TO ANOTHER	SPECIFIC PURPOSES AND PROJECTS (SCHOLARSHIPS) (PTAS, BOOSTERS)

Categorical Funding (within the General Fund only)

Also treat as silos – only accounts, not funding

Teacher Salary Supplement	Dropout Prevention
Professional Development	Beginning Teacher Mentoring
Iowa Early Intervention	Beginning Administrator Mentoring
Statewide Voluntary Four-Year-Old Preschool	Nonpublic Textbook Services
SPED – Special Education	Gifted and Talented
At-Risk	ELL – English Language Learners
Home School Assistance	Teacher Leadership Compensation



Goals & Principals of Iowa School's Foundation Formula (General Fund)

- Equity in expenditures
- Property tax relief
- Equalization of method of taxation
- Uniform state aid allocation formula
- Predictable
- Pupil-driven
- Provide for local discretion and incentives
- **ESTABLISHES
MAXIMUM SPENDING
CONTROL**
- Same formula for all Iowa K-12 public schools and AEA's

4 Key Factors

Iowa Public School Foundation Formula

- Enrollment
- Equalization
- Supplemental State Aid Growth (SSA)
- Balance



4 Key Factors

Iowa Public School Foundation Formula

- Enrollment

Enrollment determines the majority of funding received by a school district, based on a count performed on **October 1**.

$$\text{Enrollment} \times \text{Cost per Student} =$$

75% of Total General Fund Resources/Spending Authority

Funding follows the student (*but not in all cases*)

Open enrollment → out of your district = you cut a check to the receiving district

Open enrollment ← into your district = your district receives a check



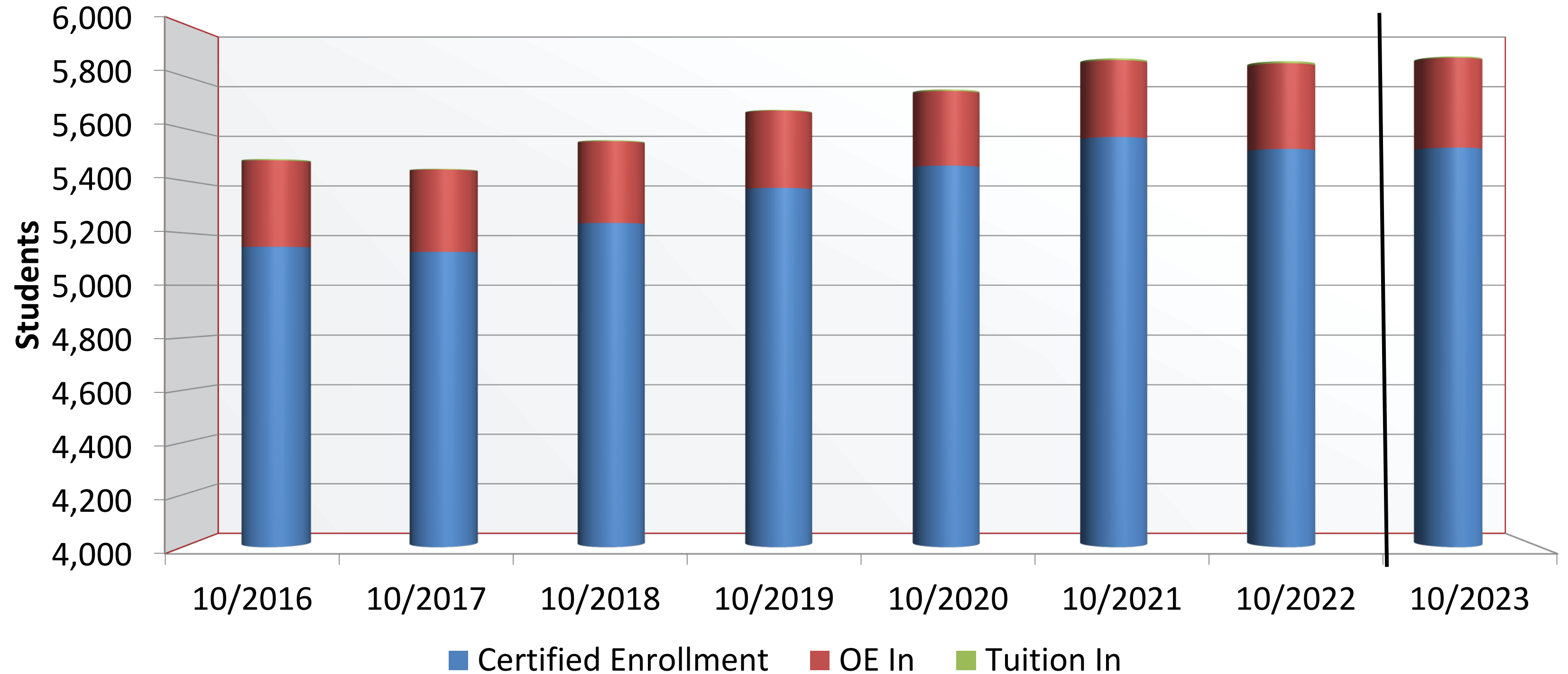
Certified Enrollment
Students living in
your district



Served Enrollment
Students going to
school in your district

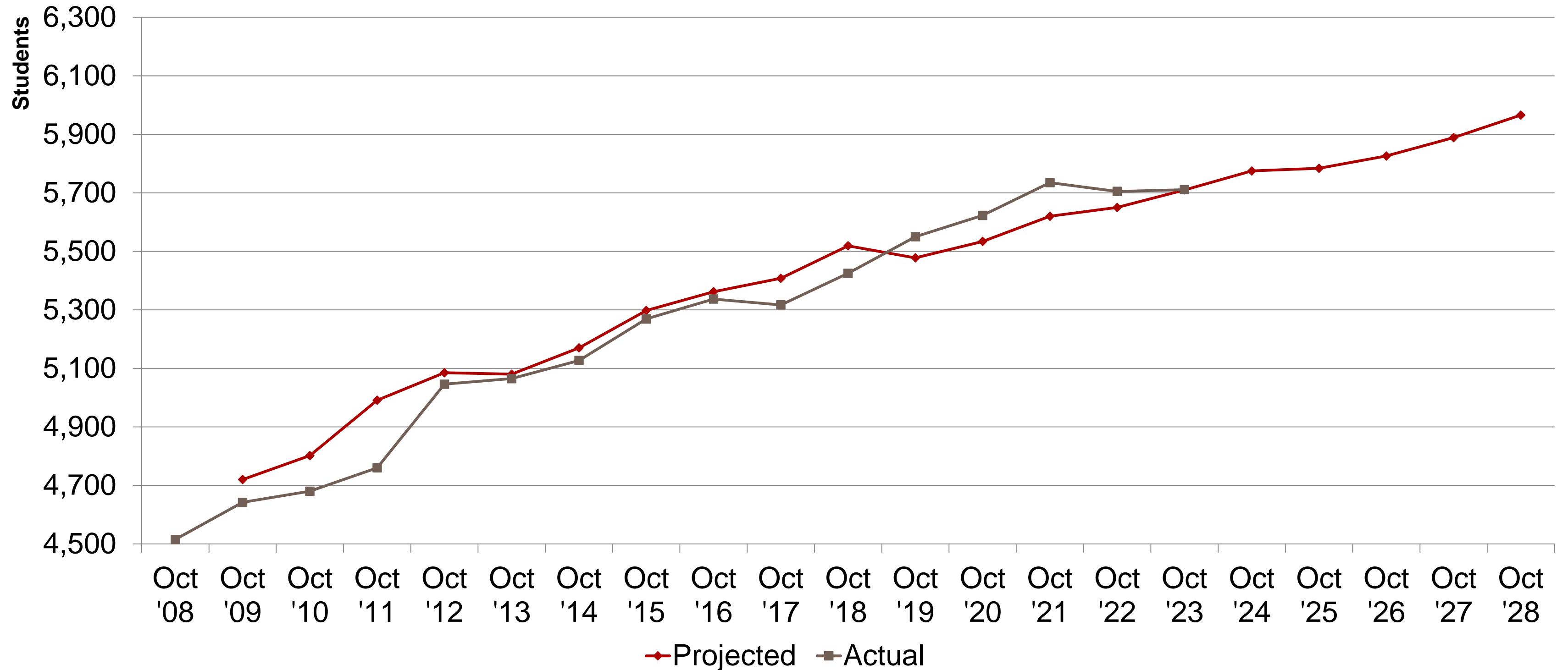
Enrollment History

Key Trend Dashboard Indicator #1



4 year old pre-school students not included.

CFCSD Enrollment Projections



RSP & Associates projections – Updated Jan. 2019

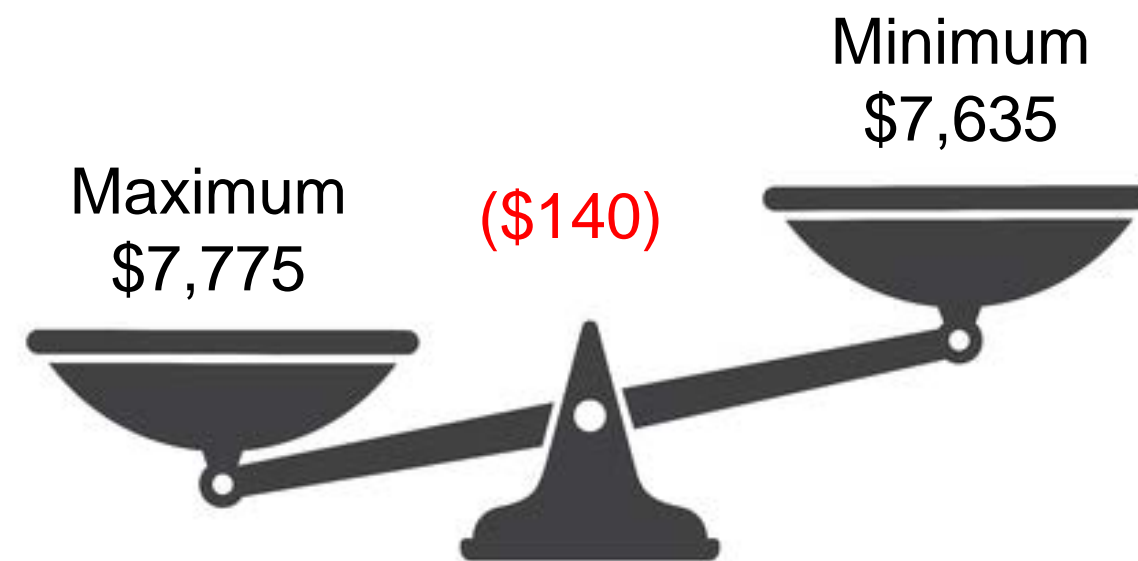
4 Key Factors

Iowa Public School Foundation Formula

- Equalization

- Legislature established a law that “cost per student” across the state will be nearly equal to ensure every student equal access to a quality education

State Cost Per Pupil (SCPP) \$7,635



325 Districts
102 > SCPP
223 = SCPP

4 Key Factors

Iowa Public School Foundation Formula

District Per Pupil Amount	# of Districts	% of Districts	Top of Category over SCPP
\$7,635	223	68.6%	\$0
\$7,636 to \$7,663	38	11.7%	\$28
\$7,664 to \$7,691	29	8.9%	\$56
\$7,692 to \$7,719	13	4.0%	\$84
\$7,720 to \$7,747	12	3.7%	\$112
\$7,748 to \$7,774	6	1.8%	\$139
\$7,775	4	1.2%	\$140

State Cost Per Pupil (SCPP) = \$7,635 in FY 2024

Legislature working *slowly* to close the gap

4 Key Factors

Iowa Public School Foundation Formula

- Supplemental State Aid Growth (SSA)
 - [Legislature & Governor](#) control the annual increase in dollars available per student

Calculation-State Cost Per Pupil (SCPP)		
FY 2023 State Cost Per Pupil (SCPP)		\$7,413
FY 2023 State Rate of Growth	X	3.00%
Increase to the FY 2022 SCPP	=	\$ 222
FY 2023 SCPP Amount	=	\$7,635
Equity Legislation Additional To SCPP	=	\$ 0
New FY 2024 SCPP	=	\$7,635

Example:	FY 2023 DCPD	Dollar Value Rate of Growth	FY2024 DCPD
District A	\$7,413	\$222 + \$0	\$7,635
District B	\$7,437	\$222	\$7,659

- State foundation formula **sets the expenditure ceiling** for each school district's [total spending authority](#) and **tells** the school district how to fund its spending authority.

Spending Authority (General Fund)

- Spending Authority is similar to the maximum limit on a credit card.
- Maximum limit does not necessarily mean you have the cash to spend to that limit.
- Spending authority is a calculation. It does not generate its own cash.
- Any unused spending authority (permission) carries forward to the following fiscal year.



Spending Authority Calculation (General Fund)

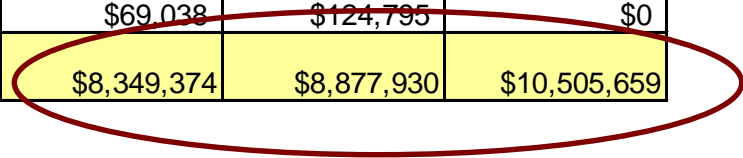
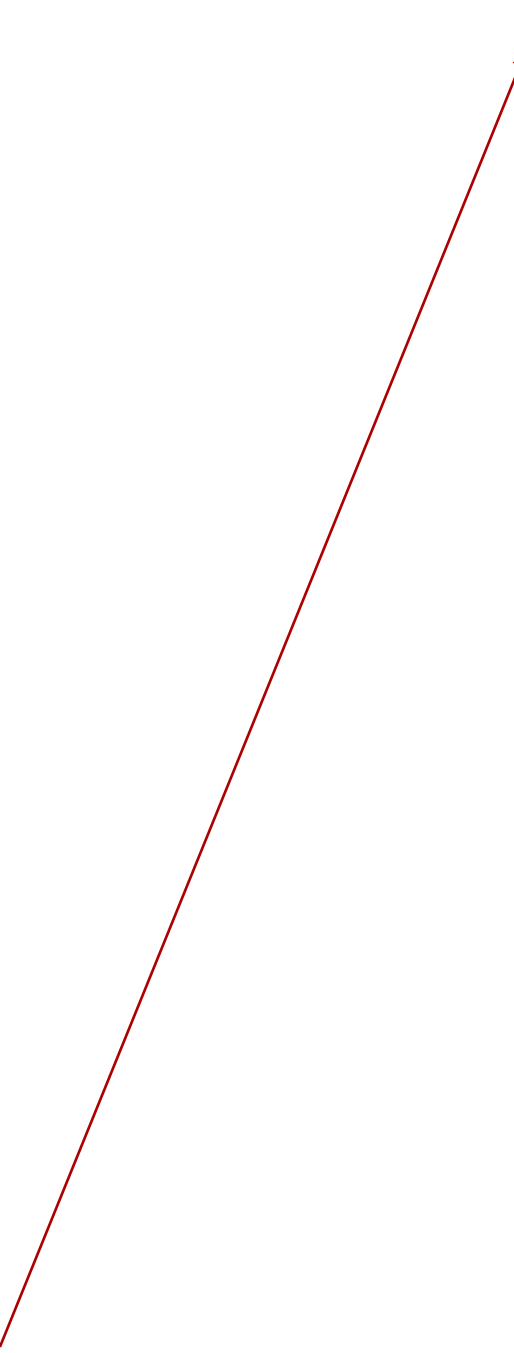
Combined District Cost
+ SBRC Dropout Prevention
+ SBRC Allowable Growth (increased enrollment, ELL, other misc.)
+ SBRC 4 yr. old preschool funding
+ Instructional Support Levy
+ Other miscellaneous income
+ Previous year unspent budget authority
= Maximum Authorized Budget
- Expenditures
= Unspent Authorized Budget Balance



Cedar Falls CSD Unspent Authorized Budget Worksheet

	Actual	Actual	Actual
	FY21	FY22	FY23
Regular Program District Cost	\$37,857,627	\$39,433,403	\$41,259,275
Regular Program Budget Adjustment	\$0	\$0	\$0
Supplemental Weighting District Cost	\$608,489	\$603,968	\$649,794
Special Education District Cost	\$5,067,935	\$5,496,061	\$6,032,774
Teacher Salary Supplement District Cost	\$3,192,330	\$3,322,129	\$3,475,007
Professional Development Supplement Dist. Cost	\$378,254	\$393,243	\$410,923
Early Intervention Supplement District Cost	\$378,952	\$394,716	\$413,261
Teacher Leadership Supplemental District Cost	\$1,831,057	\$1,904,666	\$1,991,443
AEA Special Education Support	\$1,901,624	\$1,987,167	\$2,089,577
AEA Special Education Support Adjustment	\$0	\$0	\$0
AEA Media Services	\$327,956	\$339,573	\$354,800
AEA Educational Services	\$365,909	\$378,757	\$395,685
TAG Allowable Growth	\$0	\$0	\$0
AEA Sharing District Cost	\$0	\$2,647	\$2,709
AEA Teacher Salary Supplement District Cost	\$238,320	\$247,992	\$259,650
AEA Professional Development Suppl. Dist. Cost	\$27,407	\$28,536	\$29,857
Dropout Allowable Growth	\$923,881	\$961,418	\$910,603
SBRC Allowable Growth Other #1	\$38,255	\$32,671	\$61,851
SBRC Allowable Growth Other #2	\$625,440	\$827,058	\$402,844
Special Education Deficit Allowable Growth	\$1,152,754	\$365,251	\$133,263
Special Education Positive Balance Reduction	\$0	\$0	\$0
AEA Special Education Positive Balance	\$0	\$0	\$0
Allowance for Construction Projects	\$0	\$0	\$0
Unspent Allowance for Construction	\$0	\$0	\$0
Enrollment Audit Adjustment	-\$2,931	-\$1,219	-\$455
AEA Prorata Reduction	-\$198,163	-\$198,163	-\$228,020
Maximum District Cost	\$54,715,096	\$56,519,874	\$58,644,841

Advance for Increased Enrollment	\$0	\$0	\$0
Preschool Foundation Aid	\$560,316	\$617,909	\$618,986
Instructional Support Authority	\$2,873,016	\$2,929,113	\$3,051,949
Ed Improvement Authority	\$0	\$0	\$0
Asbestos Authority	\$0	\$0	\$0
Enrichment Authority / GAAP Adjustment Comp.	\$0	\$0	\$0
Other Miscellaneous Income	\$7,354,437	\$8,787,290	\$8,422,096
Unspent Authority Budget - Previous Year	\$7,655,770	\$9,194,942	\$10,045,746
Maximum Authorized Budget	\$73,158,635	\$78,049,127	\$80,783,618
Expenditures	\$63,963,693	\$68,003,381	\$69,160,115
Unspent Balance Total	\$9,194,942	\$10,045,746	\$11,623,502
Reserved USB Old Ph, 3202, 3204, 3216, 3376, 3378, 3387, 3116	\$612,224	\$873,298	\$908,380
Res Model Core/Voc Aid/PK 3373 (moved to 3376 6/30/18)	\$0	\$0	\$0
Reserved USB TAG/SBRC Dropout/At Risk 1116, 1118, 1119	\$148,267	\$83,358	\$107,118
Reserved USB 4 Yr. Old Vol. Pre-school 3117	\$16,038	\$86,365	\$102,346
Reserved Unspent Balance Special Education	\$0	\$0	\$0
Reserve USB TLC Grant/"Plus 2% Funds"	\$0	\$0	\$0
Reserve USB Early Readers Grant 3342	\$69,038	\$124,795	\$0
Net Unreserved/Undesignated UAB	\$8,349,374	\$8,877,930	\$10,505,659



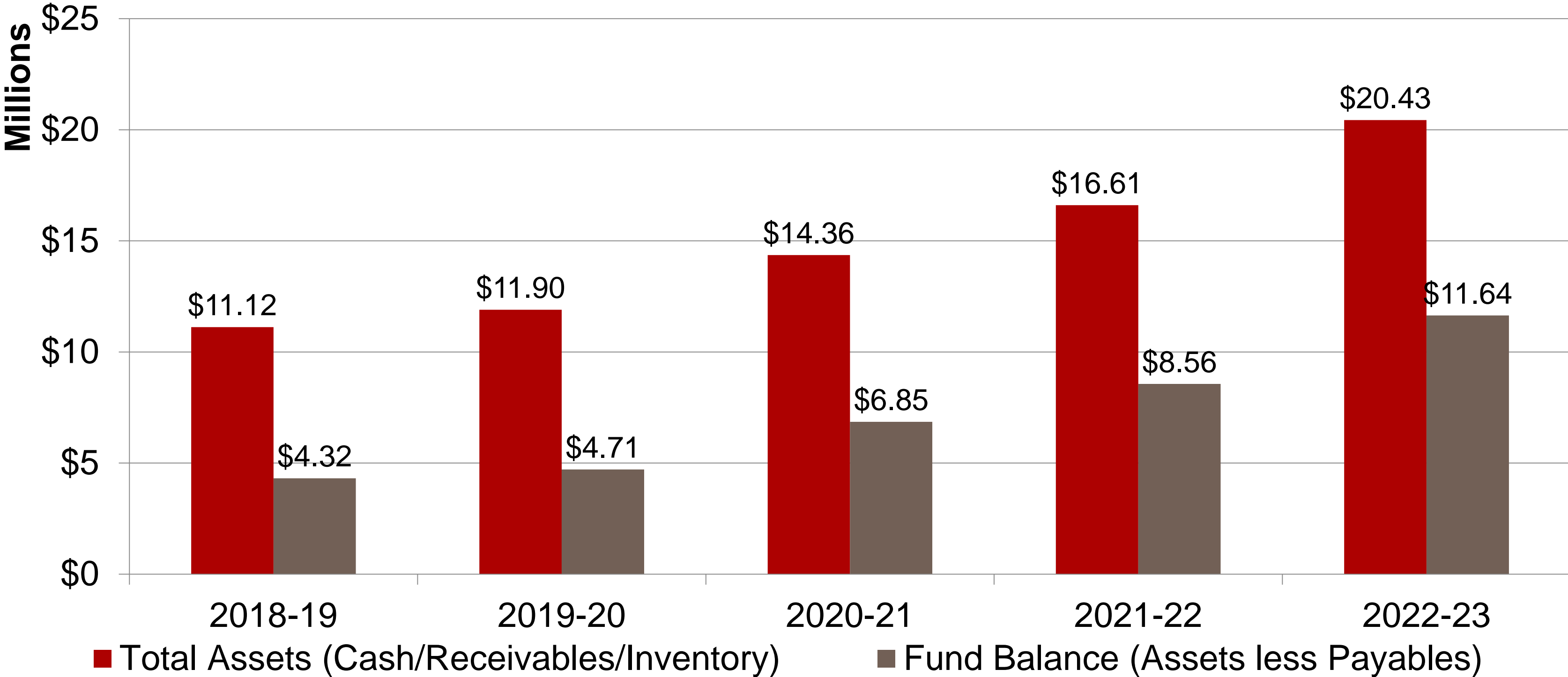
4 Key Factors

Iowa Public School Foundation Formula

- Balance

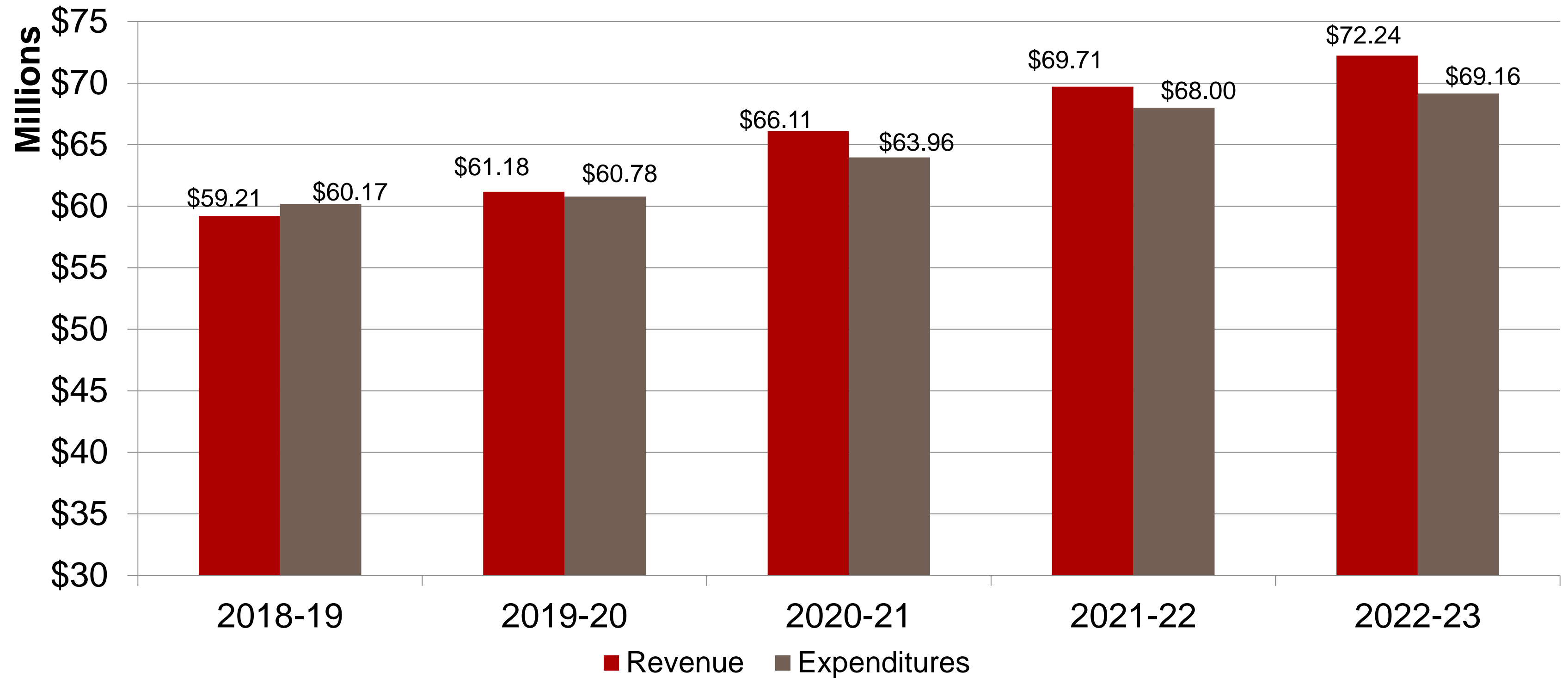
- The ratio of property tax & state aid supporting a district's budget varies by district. "Property rich districts" will receive less state aid.
 - Uniform Levy - \$5.40/\$1,000
 - State Foundation Percentage – to 88.4% level
 - Supplemental State Aid – covers property tax increase as a result of an increase in "cost per pupil"
 - Additional Levy – varies from district to district

CAR General Fund Balance

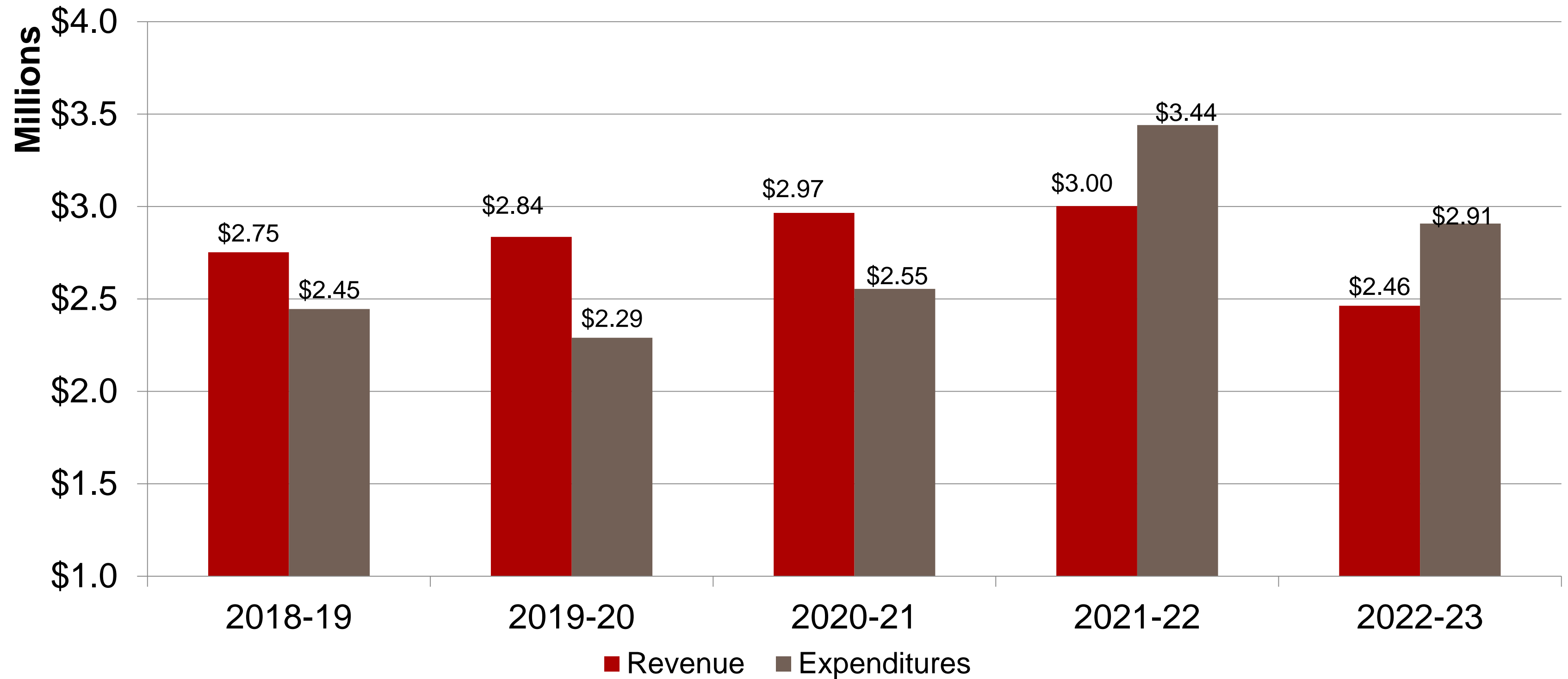


General Fund Revenue/Expenditure History

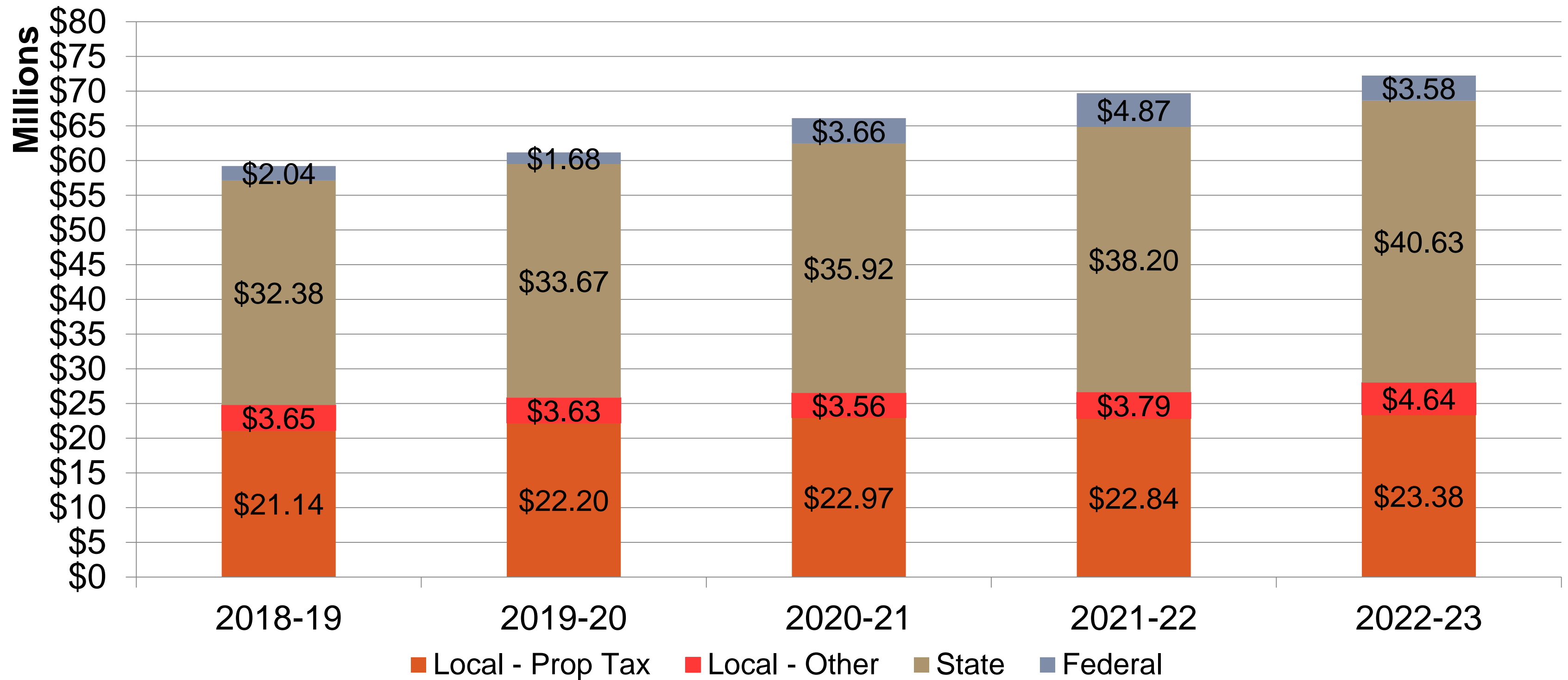
Includes Instructional Support Fund



ISL (only) Revenue/Expenditure Detail

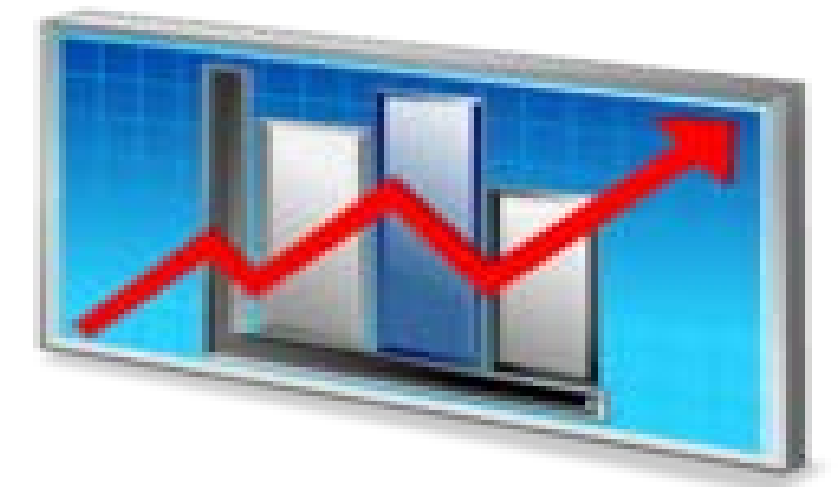


History of General Fund Revenue



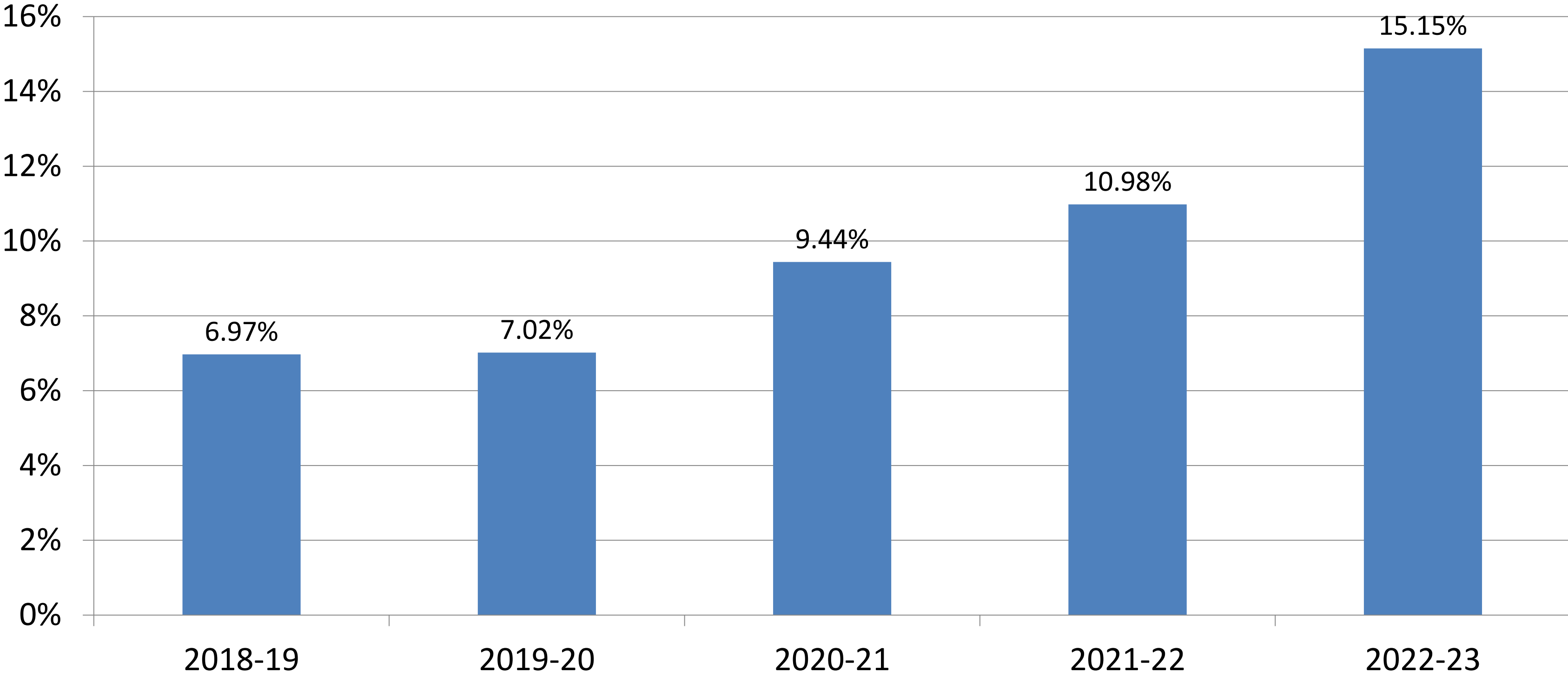
General Fund Key Financial Indicators

- The Iowa Association of School Boards (IASB) has developed key financial indicators to create a snapshot of a District's financial health
- Key General Fund dashboard indicators include:
 - Certified Enrollment (previously covered)
 - Financial Solvency Ratio
 - Unspent Budget Authority
 - Unspent Budget Authority Ratio
 - Salaries & Benefits to Total Budget Ratio



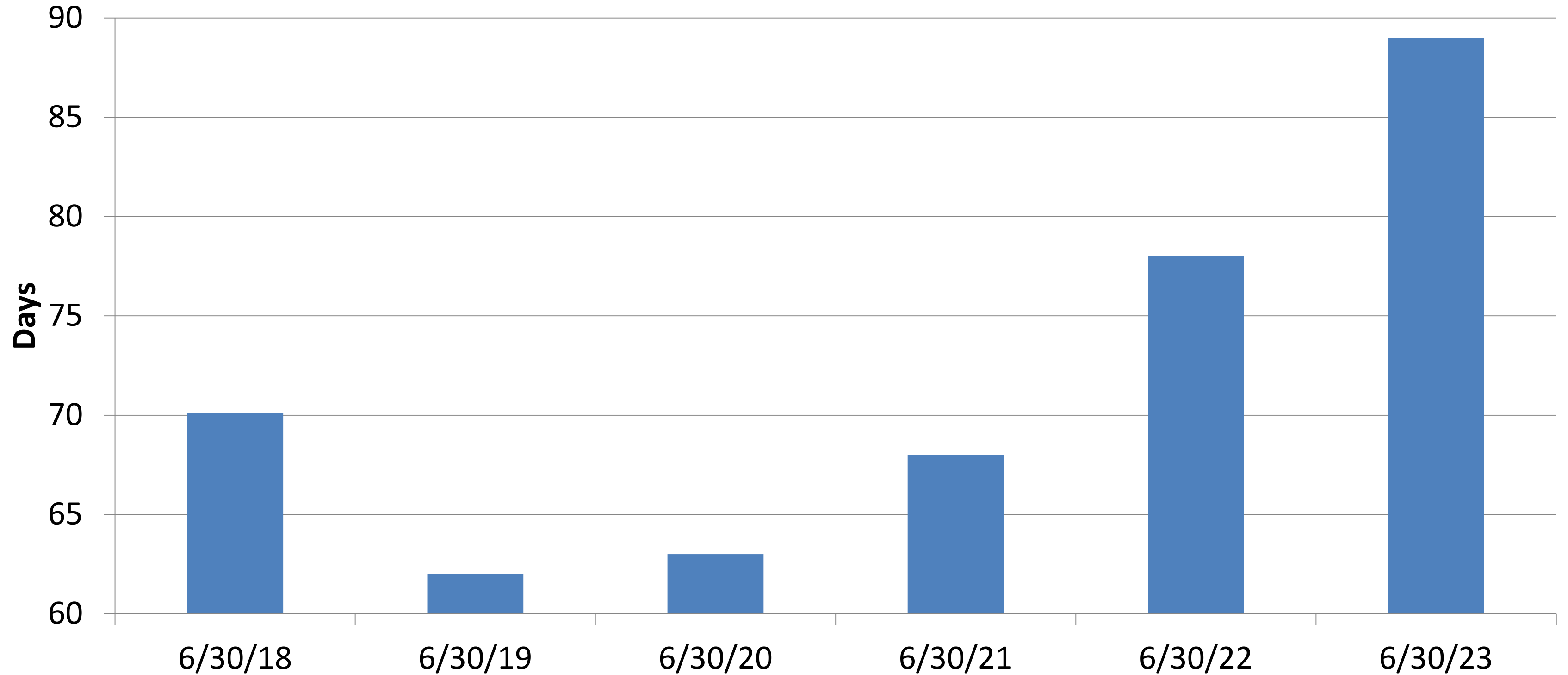
Financial Solvency Ratio

Key Trend Dashboard Indicator



Assigned & unassigned fund balance/General fund revenue less AEA flow thru. Measures the District's fund equity position. IASB recommended minimum 7%.

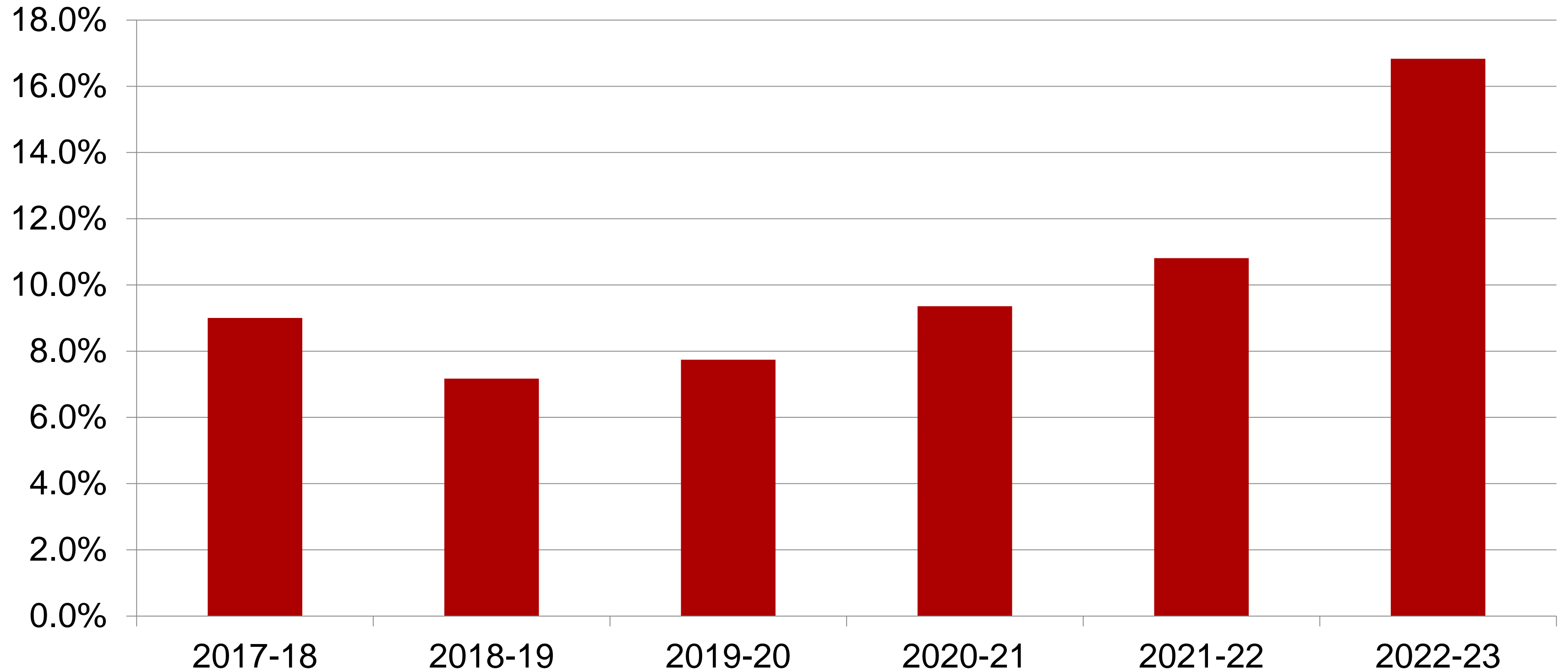
General Fund - Days Net Cash Ratio



Cash & investments/Avg. daily cash expenditures.

A goal of 90 days is desired.

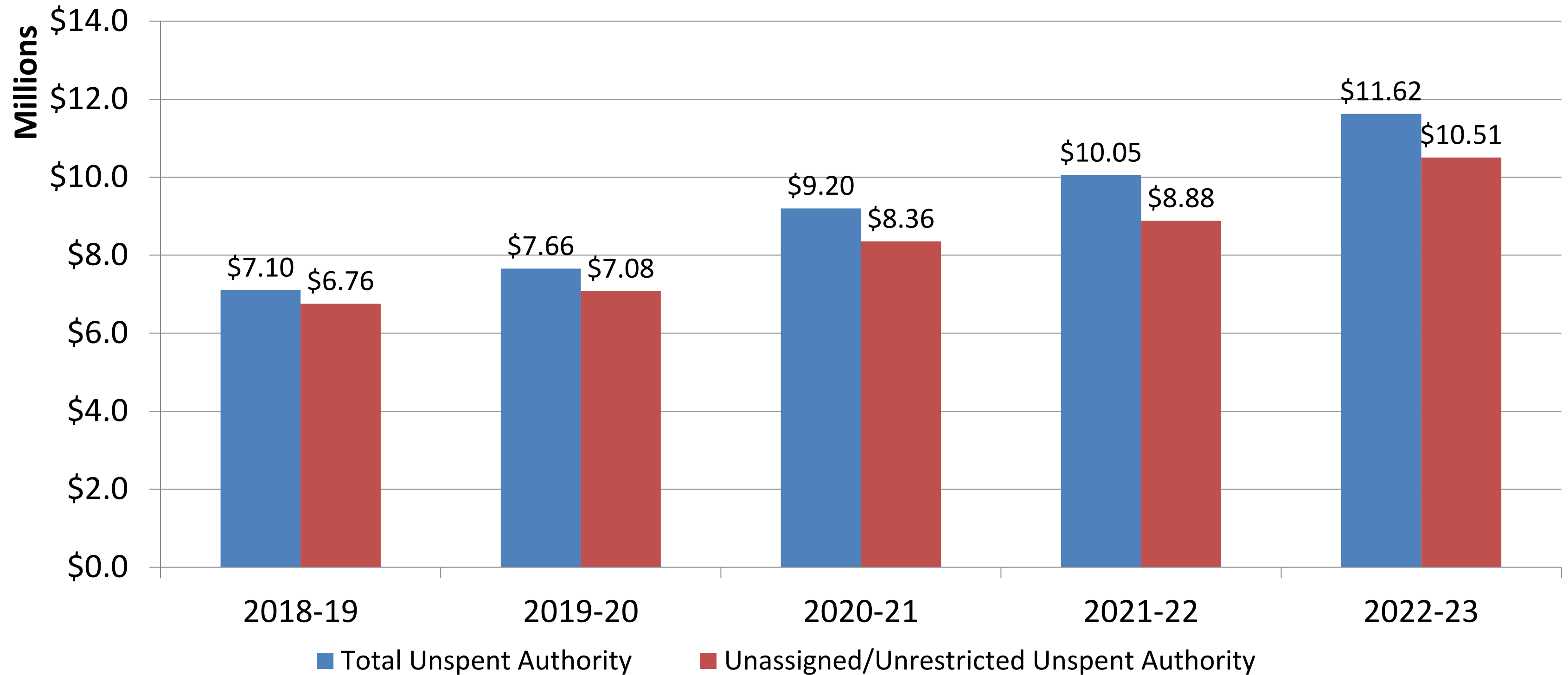
Net Fund Balance As a Percentage of Expenditures



Measures the percent of the District's cash available to cover non-funded months. – Goal 10%

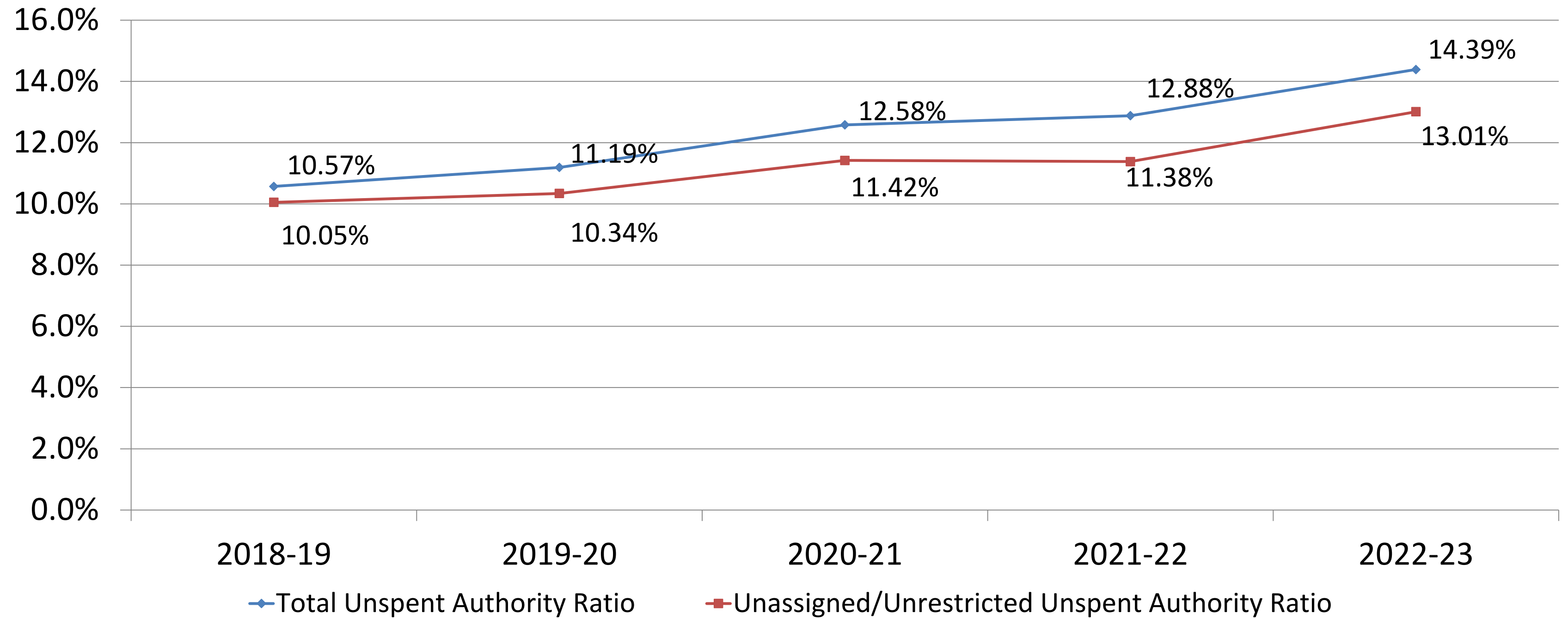
History of Unspent Budget Authority (In Dollars)

Key Trend Dashboard Indicator



History of Unspent Budget Authority Ratio

Key Trend Dashboard Indicator



A goal of 10% unassigned/unrestricted unspent authority over expenditures is desired. District is at 13.01 % for 2022-23.

Spending Authority (UAB) vs. Cash (SR)

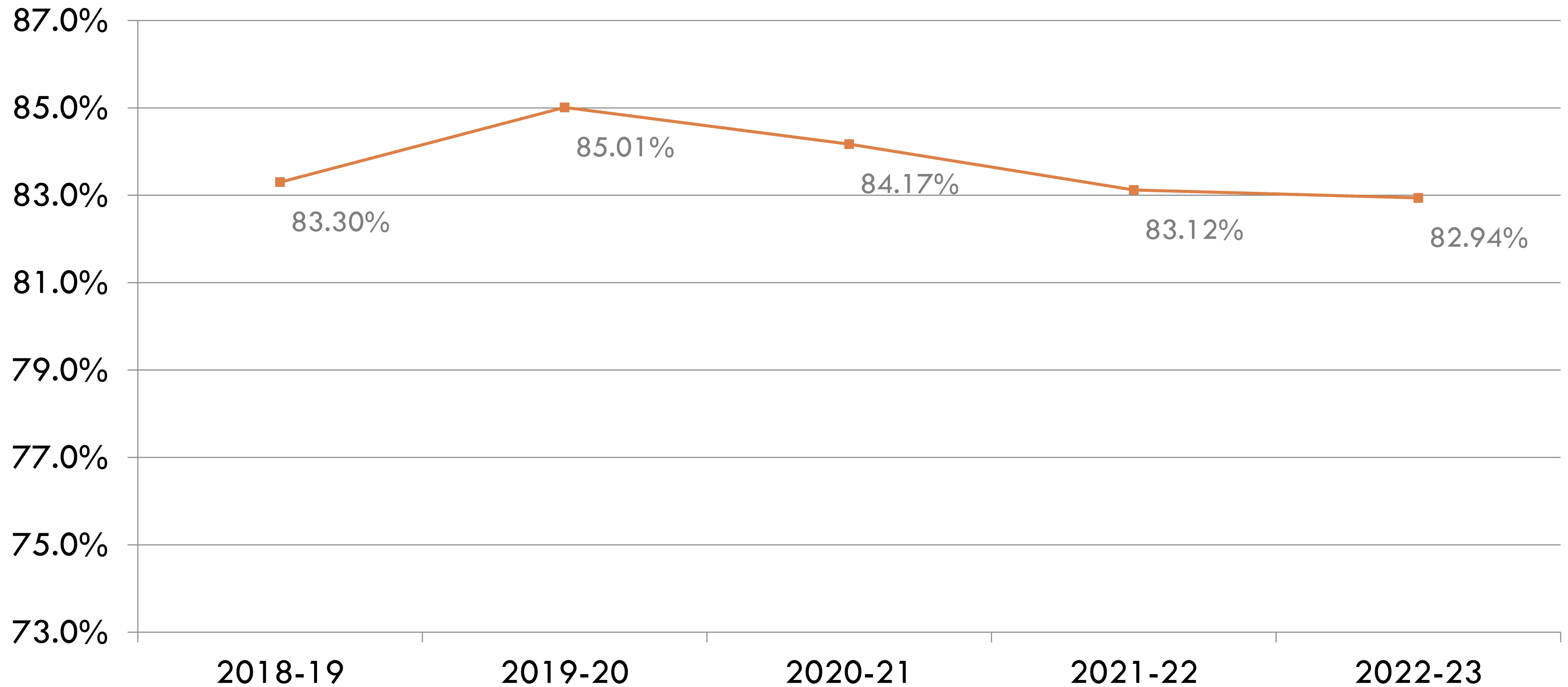
District FY23
UAB
13.01%

UAB/Solvency		SOLVENCY RATIO				
	STATUS	Less than 0.0%	0.0% to 5.0%	5.0% to 15.0%	15.0% to 25.0%	Above 25.0%
Unspent Authorized Budget (UAB) Ratio	Less than 0.0%	Very High Concern	Very High Concern	Very High Concern	Very High Concern	Very High Concern
	0.0% to 5.0%	High Concern	Concern	Concern	Concern	Concern
	5.0% to 15.0%	High Concern	Acceptable	Best	Best	Caution - May be Excessive
	15.0% to 25.0%	High Concern	Acceptable	Good	Good	Caution - May be Excessive
	Above 25.0%	High Concern	Caution - May be Excessive	Caution - May be Excessive	Caution - May be Excessive	Caution - May be Excessive

District FY23
Solvency
Ratio
15.15%

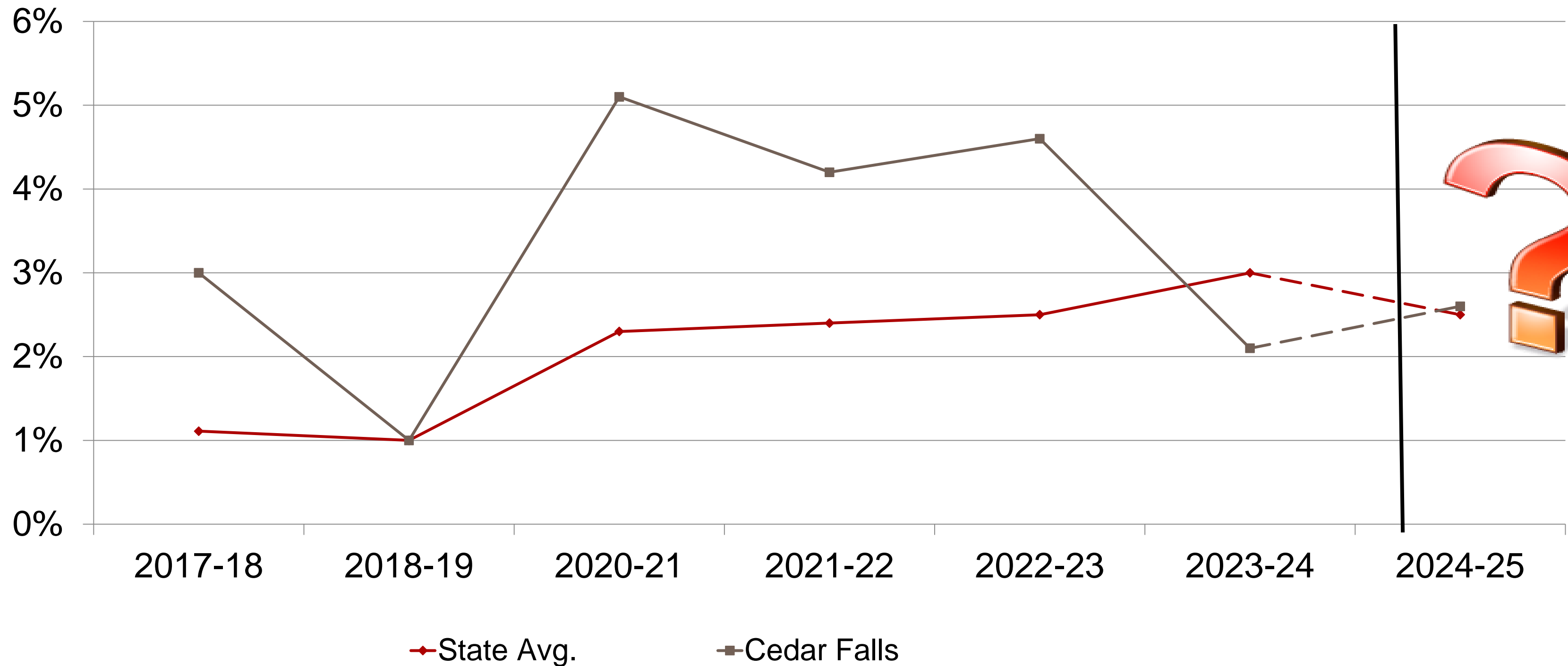
Salaries & Benefits to Total Expenditures Ratio

Key Trend Dashboard Indicator



Measures the percent of the District's budget dedicated to labor costs.

History of Supplemental State Aid (Allowable Growth)



Cedar Falls CSD – RESTRICTED Funds

Governmental Fund

~~General Fund~~

Incl
Spec
C
T
Pri. Dev/TLC
Instructional Support Levy

Special Revenue Fund

Includes:
Student Activity
Management Fund
District Support Trust Fund
- Funds donated to District
both Principal and Interest can
be used

Capital Projects

Includes:
G.O. Bonds
SAVE
Physical Plant & Equip.

Debt Service

Proprietary Fund

Enterprise Fund

Includes:
School Nutrient
HS Student Coffee Shop

Fiduciary Fund

Private Purpose Trust

Misc. Student Scholarships

~~(Custodial Funds) Agency Funds~~

Includes:
EE Staff Flower Funds,
Cedar Falls Foundation

Booster Clubs, School
Parent Groups

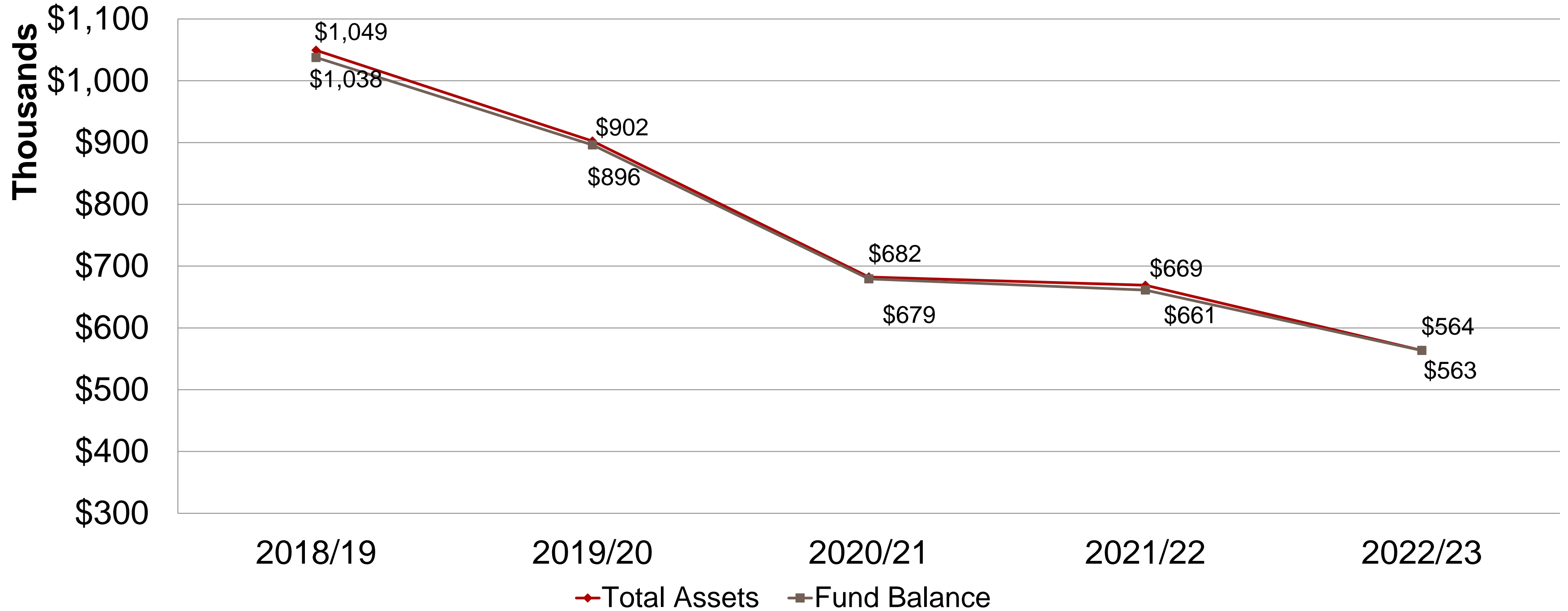
River Hills Consortium

Management Fund

- Funding Source
 - Board of Education Controlled property tax
- Uses
 - Property/liability/auto/workers compensation/etc. insurance premiums
 - Property loss (deductible only)
 - Unemployment claims
 - Early retirement (not used)

RESTRICTED!

Management Fund



Secure A Vision for Education (SAVE)

Formally Local Option One Cent Sales Tax

- Funding Source

- From state sales tax revenue
 - Distributed monthly (\$1,201 per pupil/year)
 - Bond Proceeds

RESTRICTED!

- Uses

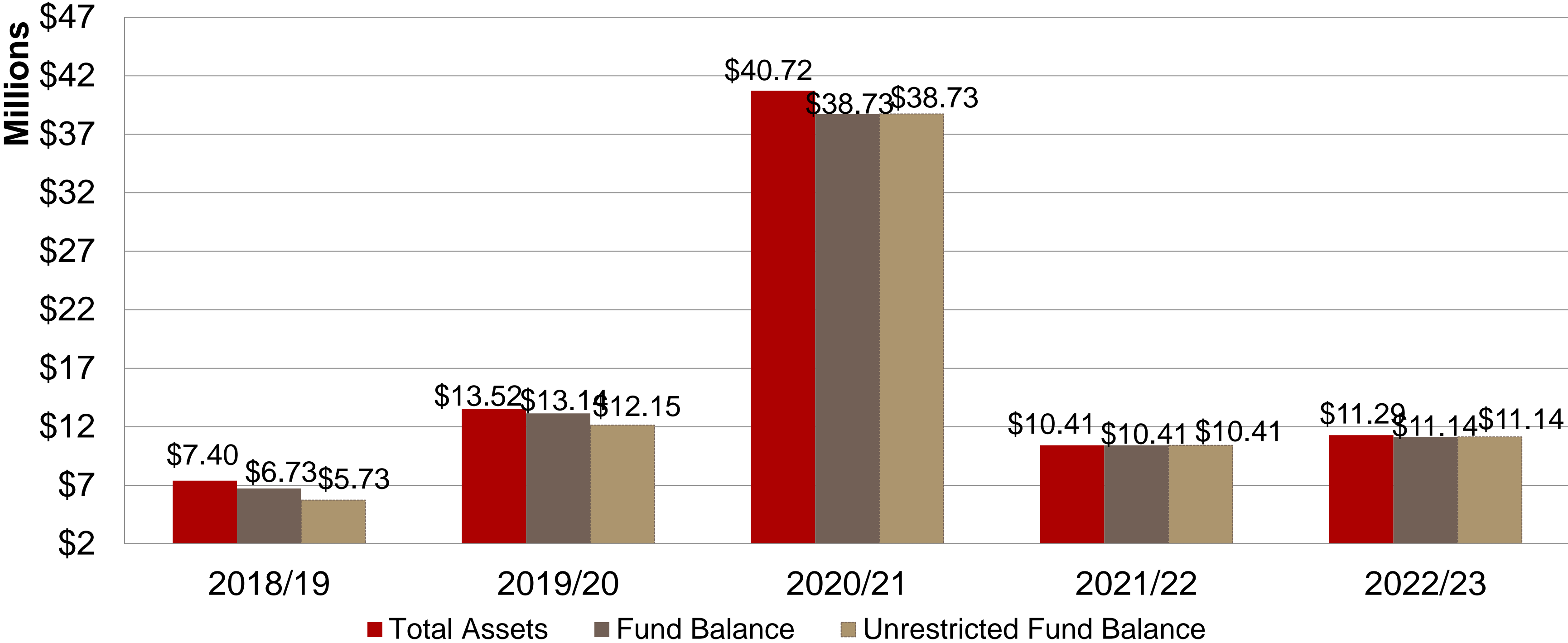
- Construction, remodeling, repairing and furnishing of new or existing buildings
- Purchase or improve school grounds
- Emergency repairs
- Payment of principle and interest or retirement of general obligation bonds

SAVE - Revenue/Expense History

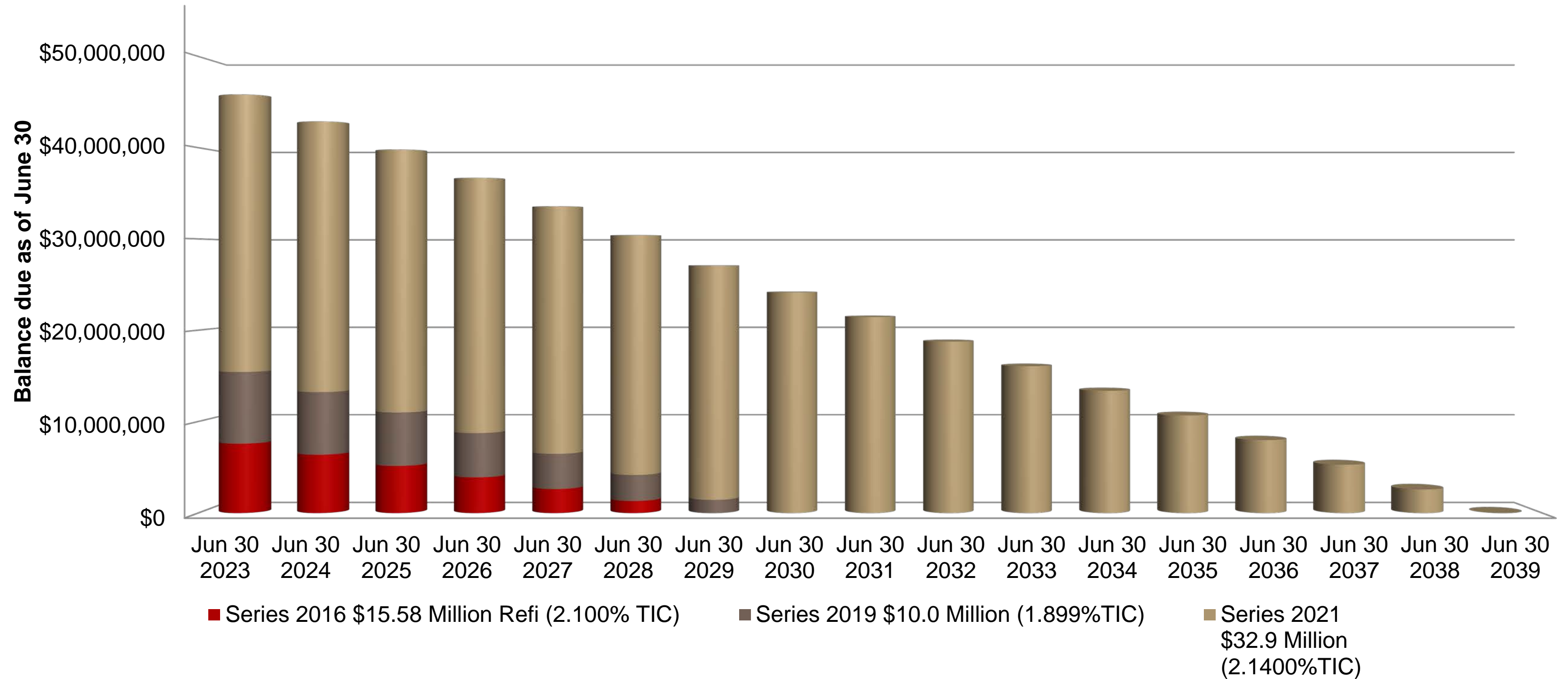
Fiscal Year Ending June 30	Beginning Balance	Sales Tax Revenue	Interest	Sale of BAN's/ Bonds	Other Revenue	Total Available	Project Expense	BAN/Bond Payment (P & I)	EOY Balance	Less Req. Bond Reserve	Net Available
2003	\$6,122,310	\$3,415,544	\$356,005		\$331,387	\$10,225,246	\$3,224,358	\$5,250,300	\$1,750,588		
2004	\$1,750,588	\$3,575,011	\$22,946		\$118,184	\$5,466,729	\$1,250,748	\$0	\$4,215,981		
2005	\$4,215,981	\$3,418,807	\$85,233		\$235,256	\$7,955,277	\$3,983,234	\$0	\$3,972,043		
2006	\$3,972,043	\$4,090,224	\$217,071	\$5,046,303	\$3,300	\$13,328,941	\$8,263,024	\$147,594	\$4,918,323		
2007	\$4,918,323	\$3,839,801	\$260,884		\$0	\$9,019,008	\$2,256,054	\$175,400	\$6,587,554		
2008	\$6,587,554	\$4,376,493	\$272,527		\$0	\$11,236,574	\$2,265,992	\$5,175,400	\$3,795,182		
2009	\$3,795,182	\$4,516,507	\$170,853	\$10,016,194	\$17,500	\$18,516,236	\$3,547,264	\$240,564	\$14,728,408		
2010	\$14,728,408	\$4,514,284	\$186,794		\$56,616	\$19,486,102	\$13,258,036	\$265,682	\$5,962,384		
2011	\$5,962,384	\$3,607,002	\$44,403	\$20,500,000	\$1,365	\$30,115,154	\$5,119,637	\$10,563,845	\$14,431,672	\$1,834,533	\$12,597,139
2012	\$14,431,672	\$3,672,221	\$85,127		\$20,900	\$18,209,920	\$4,925,138	\$1,835,232	\$11,449,550	\$1,834,533	\$9,615,017
2013	\$11,449,550	\$4,468,108	\$48,818		\$0	\$15,966,476	\$8,731,307	\$1,770,141	\$5,465,028	\$1,834,533	\$3,630,495
2014	\$5,465,028	\$4,227,019	\$49,678	\$9,999,287	\$39,920	\$19,780,932	\$7,415,222	\$3,331,454	\$9,034,256	\$2,829,533	\$6,204,723
2015	\$9,034,256	\$4,613,875	\$35,647		\$0	\$13,683,778	\$1,958,675	\$3,272,592	\$8,452,511	\$2,829,533	\$5,622,978
2016	\$8,452,511	\$4,682,586	\$41,635		\$1,398	\$13,178,130	\$341,056	\$2,775,355	\$10,061,719	\$2,829,533	\$7,232,186
2017	\$10,061,719	\$4,831,500	\$52,038		\$0	\$14,945,257	\$1,781,175	\$4,979,369	\$8,184,713	\$995,000	\$7,189,713
2018	\$8,184,713	\$4,791,570	\$113,601		\$1,450,319	\$14,540,203	\$1,812,585	\$3,557,801	\$9,169,817	\$995,000	\$8,174,817
2019	\$9,169,817	\$5,259,465	\$178,674		\$835,243	\$15,443,199	\$6,373,855	\$2,342,830	\$6,726,514	\$995,000	\$5,731,514
2020	\$6,726,514	\$5,424,200	\$156,056	\$10,000,000	\$35,930	\$22,342,699	\$5,723,955	\$3,476,480	\$13,142,265	\$995,000	\$12,147,265
2021	\$13,142,265	\$5,358,688	\$57,838	\$32,900,000	\$0	\$51,458,791	\$7,926,234	\$4,799,851	\$38,732,706	\$0	\$38,732,706
2022	\$38,732,706	\$6,558,192	\$56,916		\$797	\$45,348,611	\$31,325,526	\$3,608,938	\$10,414,147	\$0	\$10,414,147
2023	\$10,414,147	\$7,601,111	\$471,372		\$393,467	\$18,880,097	\$3,732,062	\$4,004,320	\$11,143,715	\$0	\$11,143,715
Totals		\$100,131,567	\$3,409,257	\$88,461,784	\$3,899,551		\$131,016,092	\$61,823,447			

Secure A Vision for Education (SAVE)

Formally Local Option One Cent Sales Tax



Outstanding Revenue Bond Debt

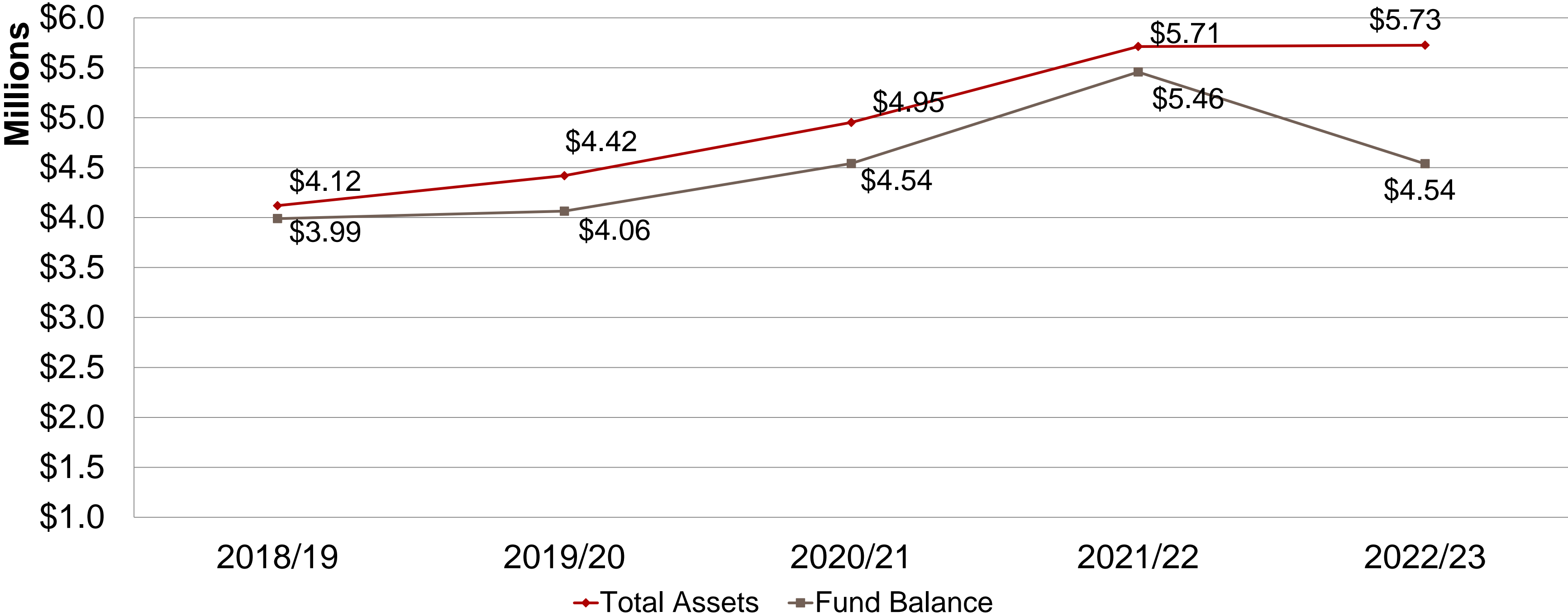


Physical Plant & Equipment Levy (PPEL)

- Funding Source (two parts)
 - Board of Education Controlled – up to \$0.33/\$1,000 (regular)
 - Voter approved additional \$1.34/\$1,000 levy
 - Voters approved extension of levy on December 6, 2016
 - Levy expires June 30, 2028
- Uses:
 - Purchase or improvement of grounds
 - Construction, repairing or remodeling of schoolhouses or roads to schoolhouses including debt for same
 - Purchase or lease of equipment greater than \$500 per unit
 - Technology bundling included
 - Purchase or lease of school buses or other vehicles
 - Leasing or renting of facilities

RESTRICTED!

Physical Plant & Equipment Levy (PPEL)

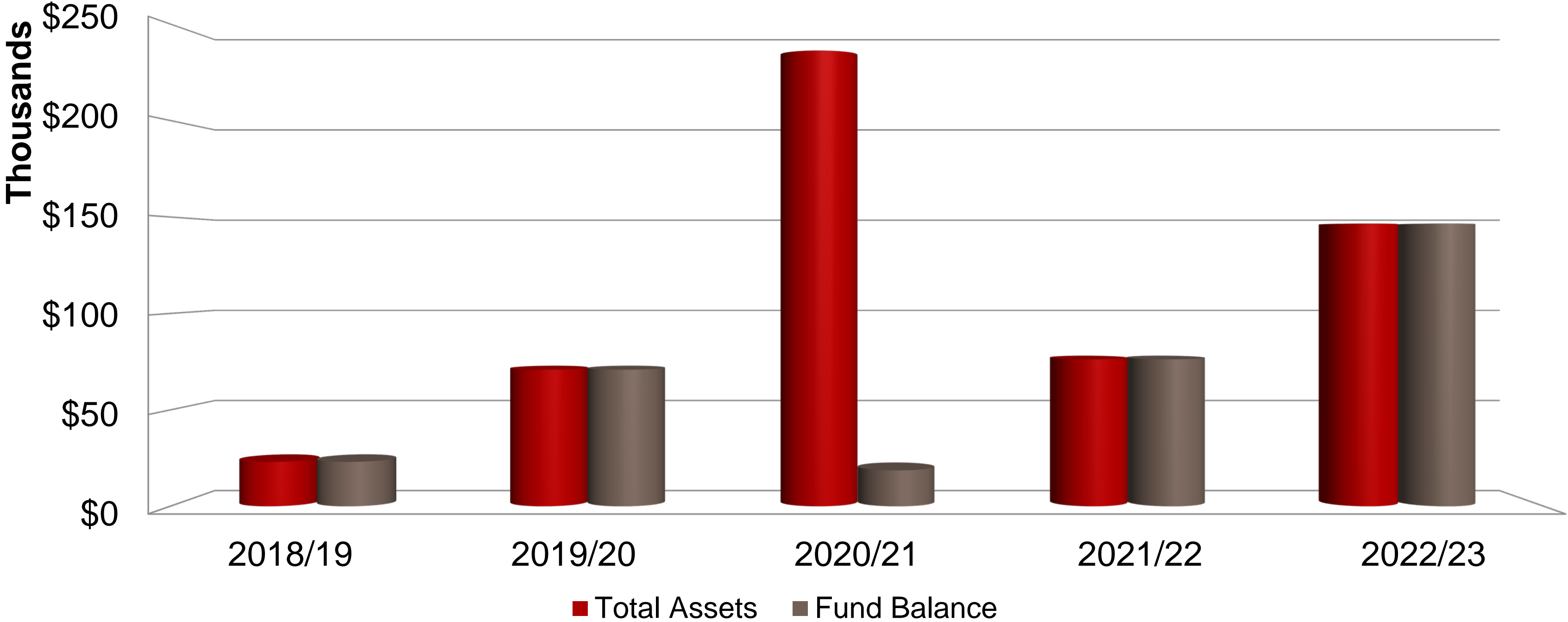


Debt Service Levy

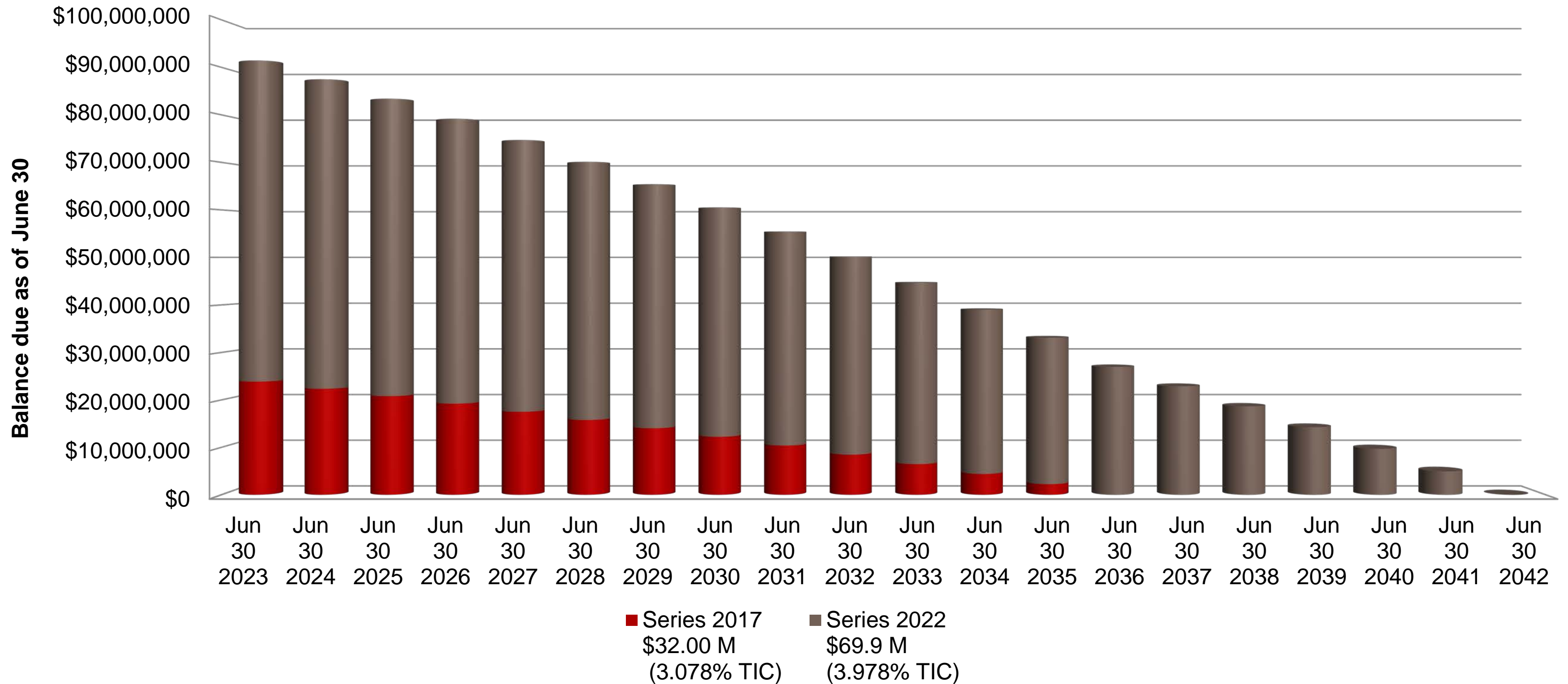
- Voters of a school district may approve bonded indebtedness for a period of up to 20 years
- Proceeds from the sale of General Obligation Bonds are deposited in the Capital Project Fund (31) to be used for the cost of the approved project
- Revenue from the Debt Service Levy (40) are deposited in the Debt Service Fund to be used to retire principal and interest on the bonds

RESTRICTED!

Debt Service Levy



Outstanding General Obligation Bond Debt

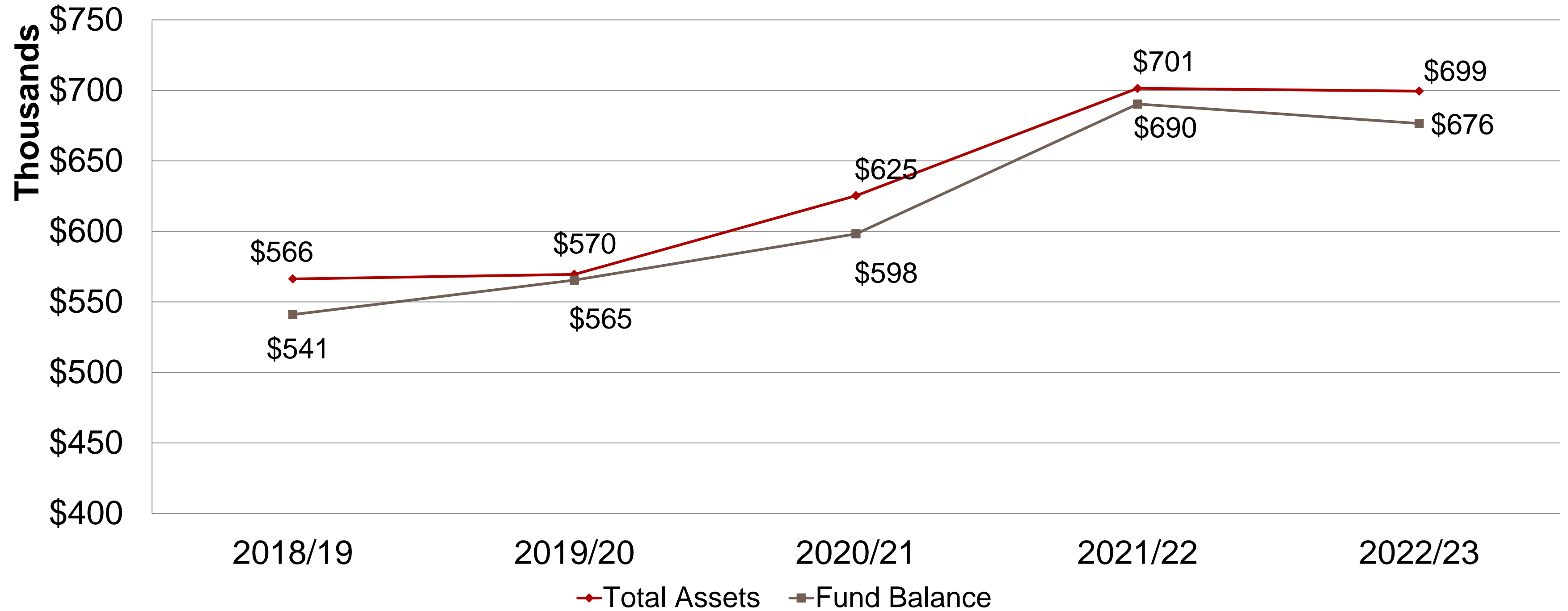


Activity Fund

- Funding Source
 - Activity admissions (gate receipts)
 - Activity fees/student dues
 - Student fundraising
- Uses
 - Student related co-curricular or extra-curricular activities

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Activity Fund

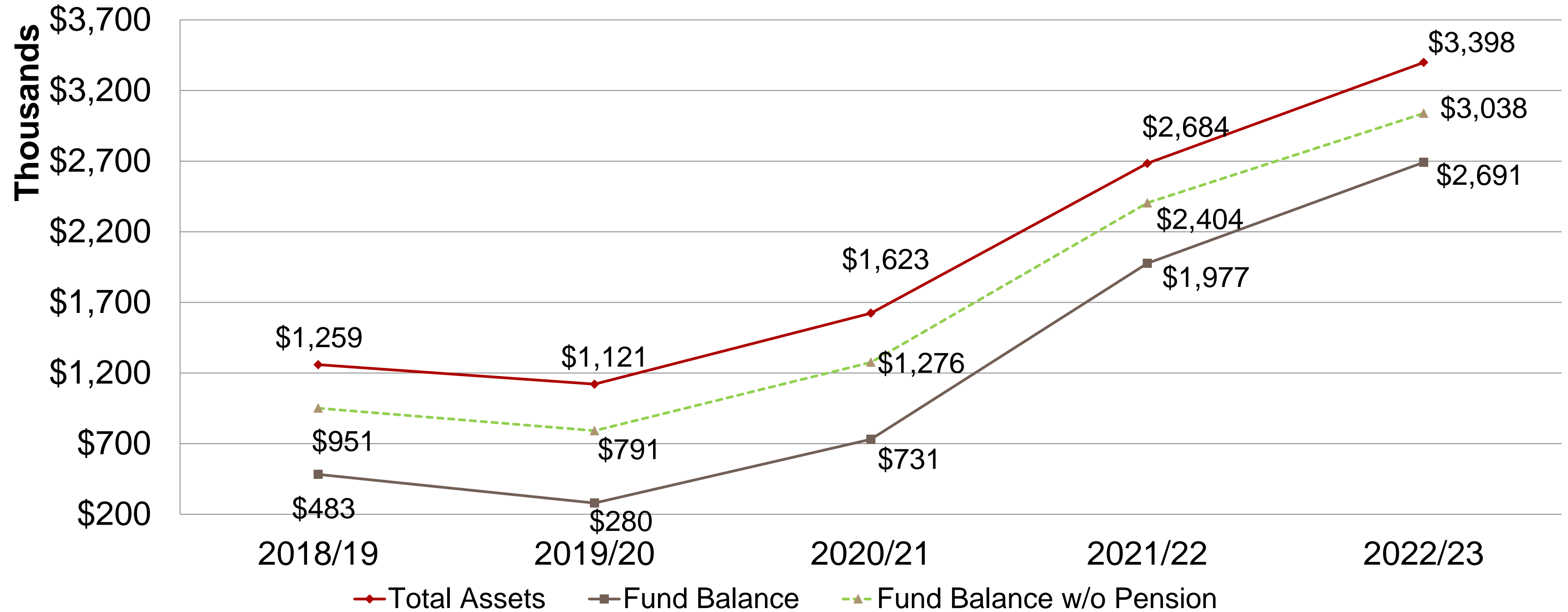


Nutrition Fund

- Funding Source
 - Lunch fees
 - State/Federal reimbursements
- Uses
 - Expenses related to the nutrition program
 - Nutrition salary/benefits
 - Food, supplies & equipment
 - Account for all transactions for nutrition programs authorized under Iowa Code Chapter 283A

RESTRICTED!

Nutrition Fund



Summary

- As of June 30, 2023
 - District's financial condition:
 - District General Fund cash balance
 - Increase from June 30, 2022
 - Days Net Cash Ratio 89 – increase/Solvency Ratio
 - Unspent budget authority (UBA) increased
 - UBA Ratio 12.88% FY22 13.01% FY23
 - Decrease and increases in enrollment without increases in supplemental state aid (allowable growth) puts more pressure on general fund



Summary

- Special Education
 - District continues to meet the needs of students
 - Medicaid funding helped reduce special education expenses
 - Net FY22 receipts = \$760,405 – estimated to remain flat in FY24
 - FY23 deficit = \$133,263
 - Projected FY24 deficit = \$650,000
- We must continue to monitor budget and funding changes in order to make decisions that:
 - Maintain a positive learning environment
 - Maintain a positive financial condition

Special thank you to

- Business Office Staff:
 - Jana Speck
 - Lisa Voves
 - Michelle Weber
 - Lori Wiley
 - Kayleen Tierney
 - Carrie DeBerg
- Administration
- Board of Education

