

# CEDAR FALLS COMMUNITY SCHOOL DISTRICT



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Annual District Financial Report  
January 23, 2023

# 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)

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### 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

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### Capital Projects

Includes:

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

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### Debt Service (40)

## Proprietary Fund

### Enterprise Fund

Includes:

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

## Fiduciary Fund

### Private Purpose Trust

Misc. Student Scholarships (81)

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### 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

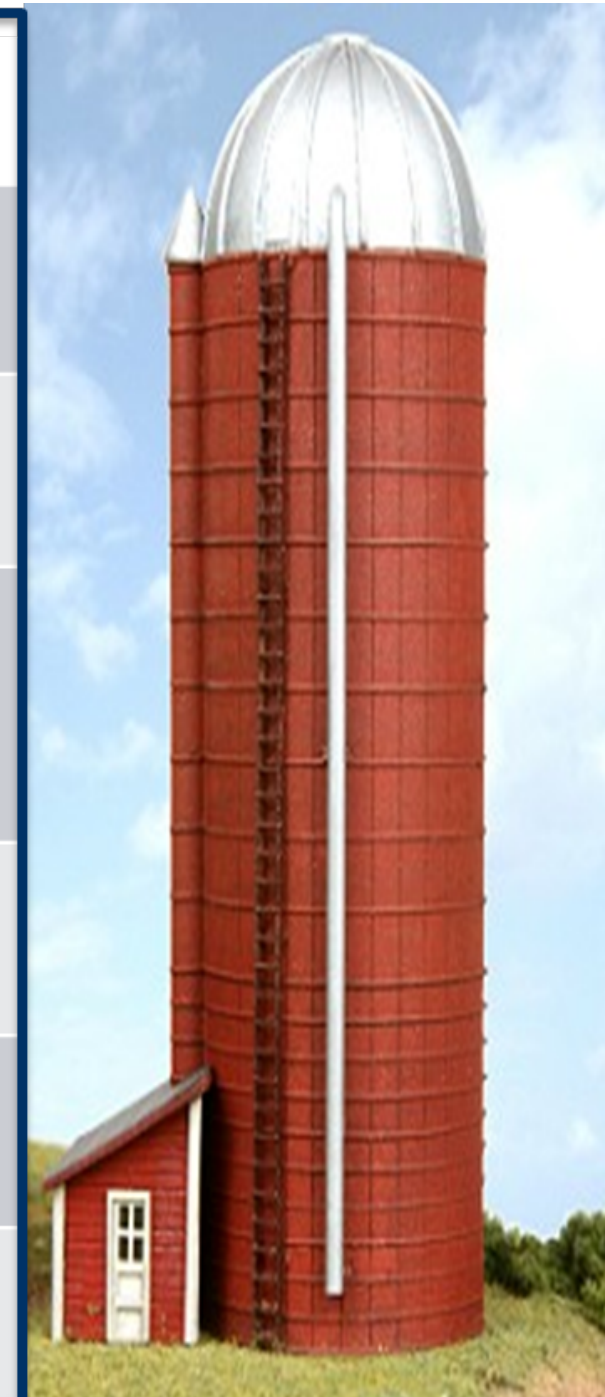
TYPE	GOVERNMENTAL FUND						PROPRIETARY FUND		CUSTODIAL FUNDS	
FUND	GENERAL FUND (Spending Authority)	MANAGEMENT FUND	PUBLIC EDUCATION & RECREATION LEVY (PERL)	STUDENT ACTIVITY FUND	CAPITAL PROJECTS FUND SALES TAX	PHYSICAL PLANT & EQUIPMENT LEVY (PPEL)	DEBT SERVICE FUND	ENTERPRISE FUND	INTERNAL SERVICE 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	DEPARTMENT REIMBURSEMENTS  Health & Dental Pemiums Other dept charges	DESIGNATED GIFTS
EXPENDITURES	SALARIES EMPLOYEE BENEFITS SERVICES MATERIALS & SUPPLIES TRANSPORT	PROPERTY LIABILITY INSURANCE UNEMPLOYMENT EARLY RETIRE BENEFITS ARBITRATION MEDIATION	COMMUNITY RECREATION PLACES  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	SELF INSURED HEALTH 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



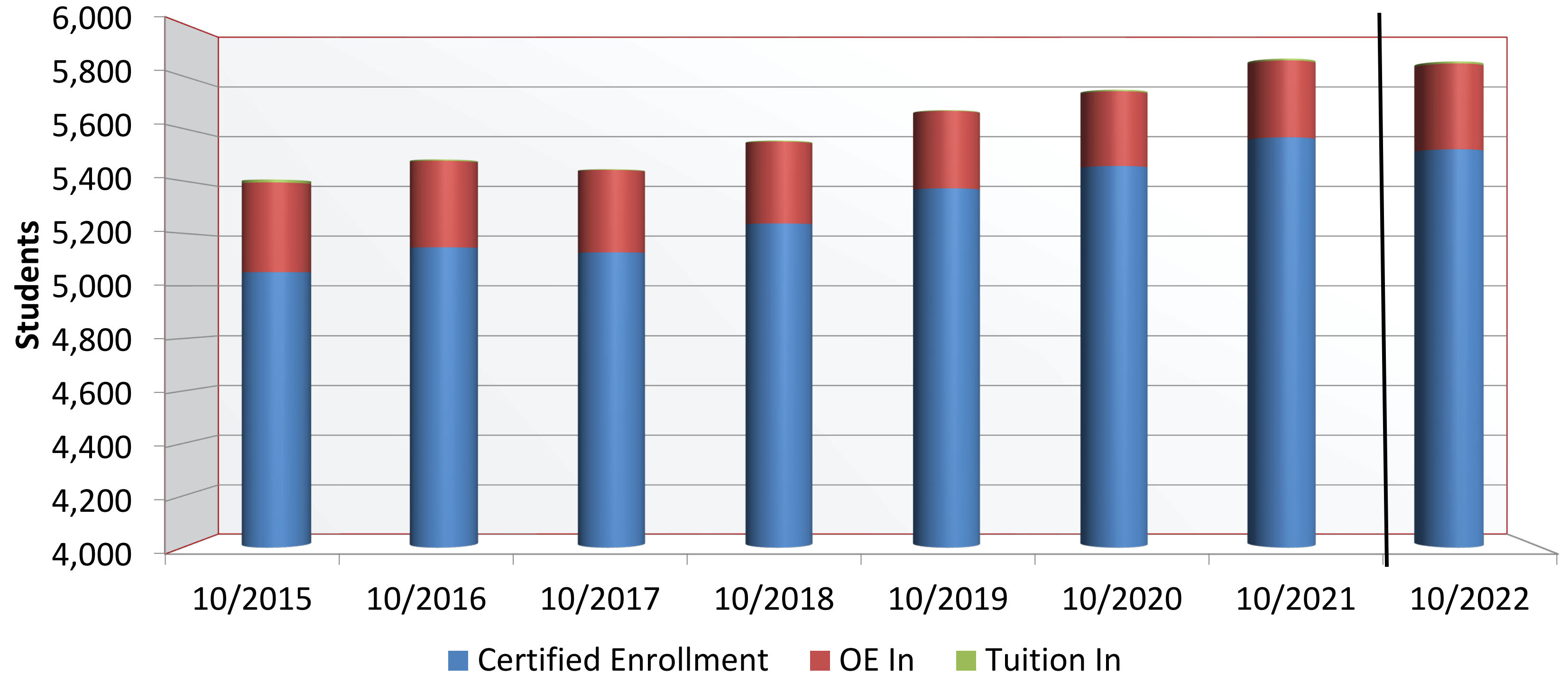
**Certified Enrollment**  
Students living in  
your district



**Served Enrollment**  
Students going to  
school in your district

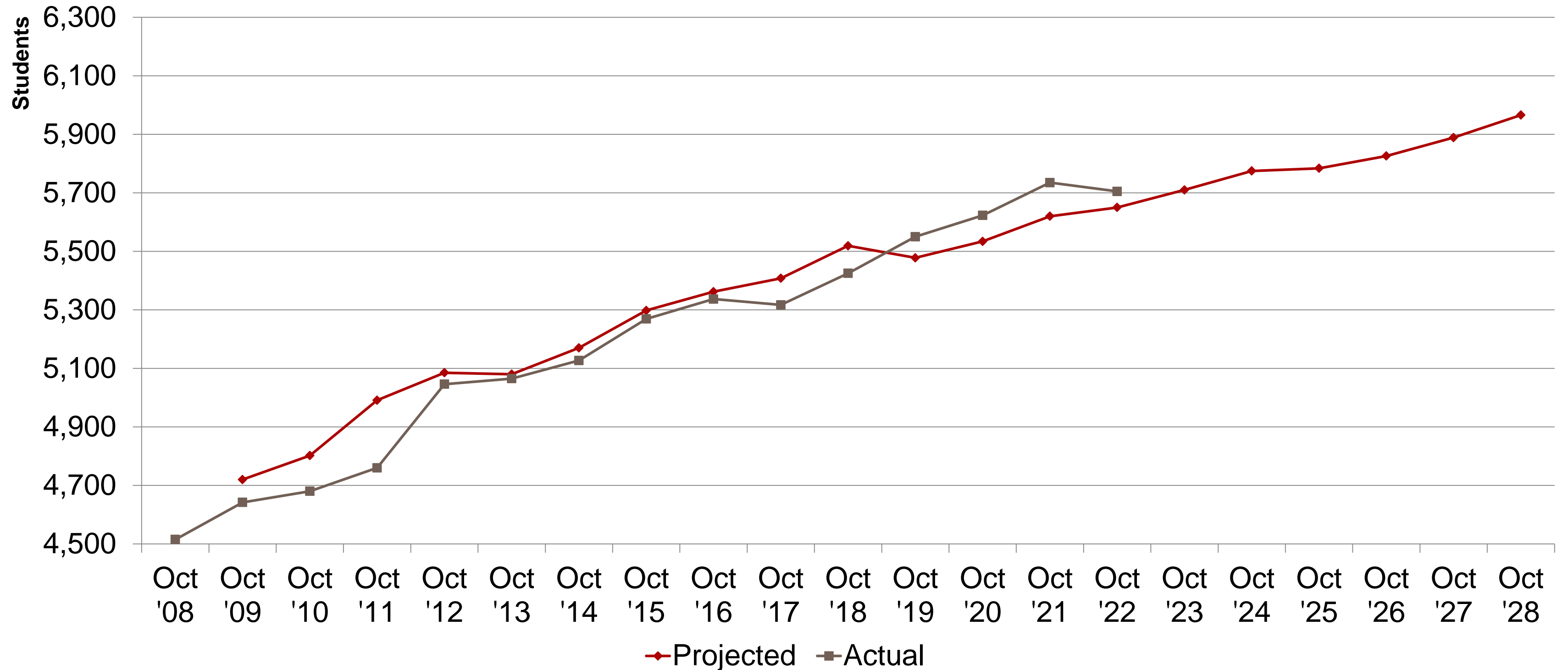
# Enrollment History

## Key Trend Dashboard Indicator #1



4 year old pre-school students not included.

# CFCSD Enrollment Projections



RSP & Associates projections – Updated Jan. 2019

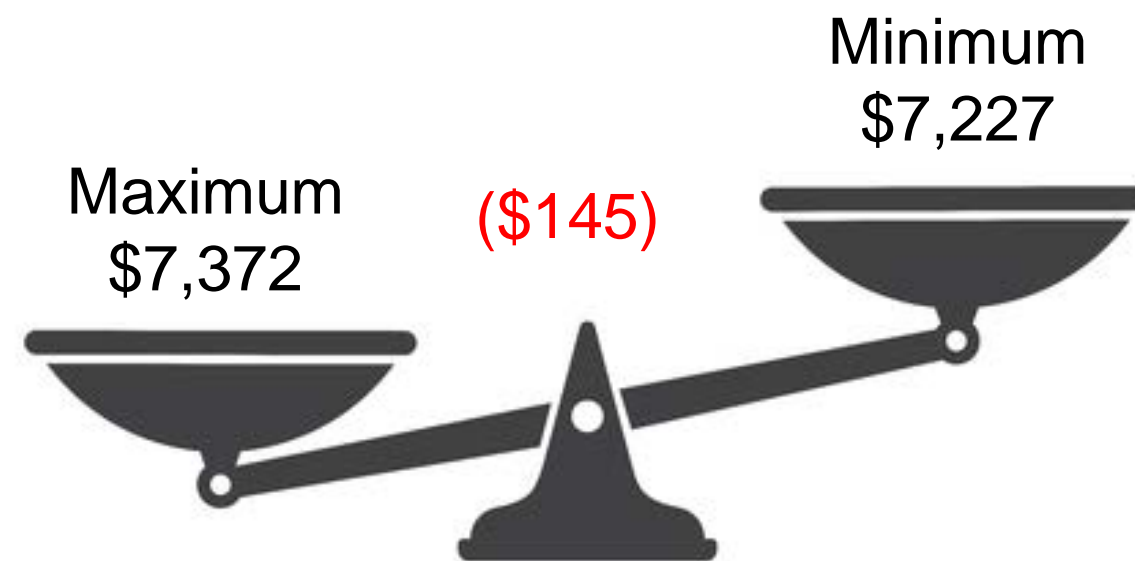
# 4 Key Factors

## 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)                      \$7,227



327 Districts  
111 > SCPP  
216 = SCPP



# 4 Key Factors

## Iowa Public School Foundation Formula

District Cost Per Pupil Category	# of Districts	% of Districts	Top of Category over SCPP
\$7,227	216	66.1%	\$0
\$7,228 to \$7,255	39	11.9%	\$28
\$7,256 to \$7,284	31	9.5%	\$57
\$7,285 to \$7,313	16	4.9%	\$86
\$7,314 to \$7,342	13	4.0%	\$115
\$7,343 to \$7,371	7	2.1%	\$144
\$7,372	5	1.5%	\$145

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 2021 State Cost Per Pupil (SCPP)	\$7,048
FY 2022 State Rate of Growth	X 2.40%
Increase in FY 2021 SCPP	= \$169
FY 2022 SCPP Amount	= \$7,217
Equity Legislation Additional To SCPP	= \$10
New FY 2022 SCPP	= \$7,227

Example:	FY 2021 DCPP	Dollar Value Rate of Growth	FY 2022 DCPP
District A	\$7,048	\$169 + \$10	\$7,227
District B	\$7,148	\$169	\$7,317

- 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
	FY 20	FY21	FY22
Regular Program District Cost	\$36,034,688	\$37,857,627	\$39,433,403
Regular Program Budget Adjustment	\$0	\$0	\$0
Supplemental Weighting District Cost	\$627,208	\$608,489	\$603,968
Special Education District Cost	\$4,705,714	\$5,067,935	\$5,496,061
Teacher Salary Supplement District Cost	\$3,041,474	\$3,192,330	\$3,322,129
Professional Development Supplement Dist. Cost	\$360,766	\$378,254	\$393,243
Early Intervention Supplement District Cost	\$360,714	\$378,952	\$394,716
Teacher Leadership Supplemental District Cost	\$1,745,325	\$1,831,057	\$1,904,666
AEA Special Education Support	\$1,807,796	\$1,901,624	\$1,987,167
AEA Special Education Support Adjustment	\$0	\$0	\$0
AEA Media Services	\$312,499	\$327,956	\$339,573
AEA Educational Services	\$348,714	\$365,909	\$378,757
TAG Allowable Growth	\$0	\$0	\$0
AEA Sharing District Cost	\$0	\$0	\$2,647
AEA Teacher Salary Supplement District Cost	\$227,507	\$238,320	\$247,992
AEA Professional Development Suppl. Dist. Cost	\$26,173	\$27,407	\$28,536
Dropout Allowable Growth	\$882,274	\$923,881	\$961,418
SBRC Allowable Growth Other #1	\$47,416	\$38,255	\$32,671
SBRC Allowable Growth Other #2	\$944,761	\$625,440	\$827,058
Special Education Deficit Allowable Growth	\$1,275,389	\$1,152,754	\$365,251
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
Enrollment Audit Adjustment	\$0	-\$2,931	-\$1,219
AEA Prorata Reduction	-\$198,163	-\$198,163	-\$198,163
Maximum District Cost	\$52,550,255	\$54,715,096	\$56,519,874
Advance for Increased Enrollment	\$0	\$0	\$0
Preschool Foundation Aid	\$567,600	\$560,316	\$617,909
Instructional Support Authority	\$2,780,076	\$2,873,016	\$2,929,113
Ed Improvement Authority	\$0	\$0	\$0
Asbestos Authority	\$0	\$0	\$0
Enrichment Authority / GAAP Adjustment Comp.	\$0	\$0	\$0
Other Miscellaneous Income	\$5,439,003	\$7,354,437	\$8,787,290
Unspent Authority Budget - Previous Year	\$7,103,465	\$7,655,770	\$9,194,942
Maximum Authorized Budget	\$68,440,398	\$73,158,635	\$78,049,127
Expenditures	\$60,784,628	\$63,963,693	\$68,003,381
Unspent Balance Total	\$7,655,770	\$9,194,942	\$10,045,746

# 4 Key Factors

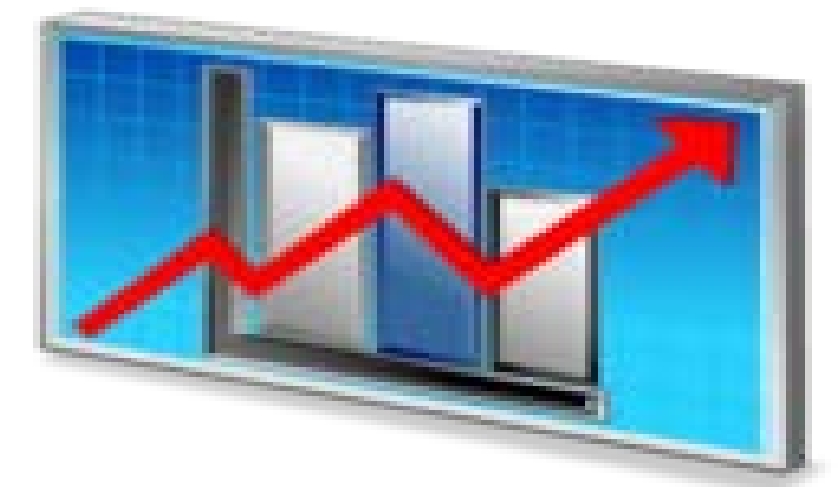
## Iowa Public School Foundation Formula

- Balance

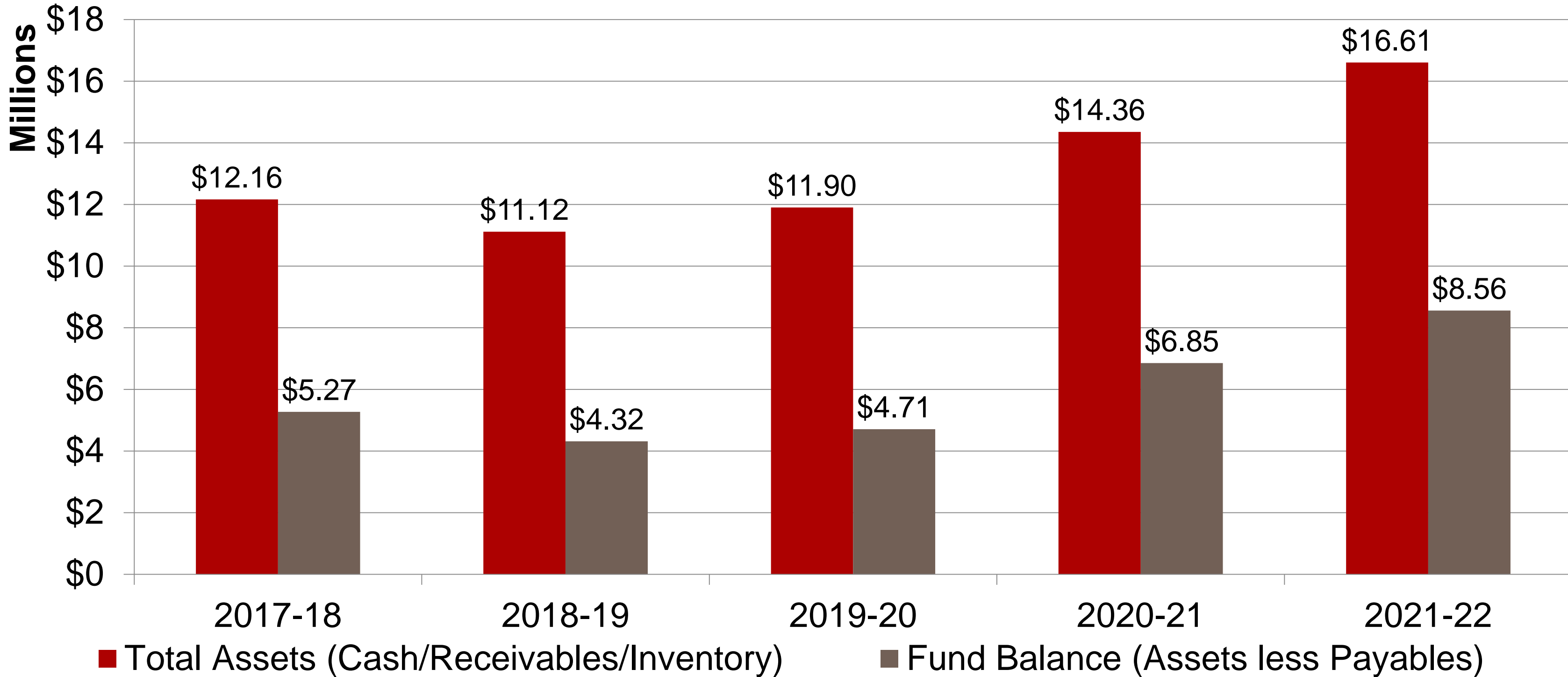
- The ratio of property tax & state aid supporting a district's budget varies by district. "Property rich districts" will receive less state aid.
  - Uniform Levy - \$5.40/\$1,000
  - State Foundation Percentage – to 88.4% level
  - Supplemental State Aid – covers property tax increase as a result of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

# 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:
  - #1 Certified Enrollment
  - #2 Financial Solvency Ratio
  - #3 Unspent Budget Authority
    - #3A Unspent Budget Authority Ratio
  - #4 Annual Unspent Budget Authority Ratio
  - #5 Salaries & Benefits to Total Budget Ratio



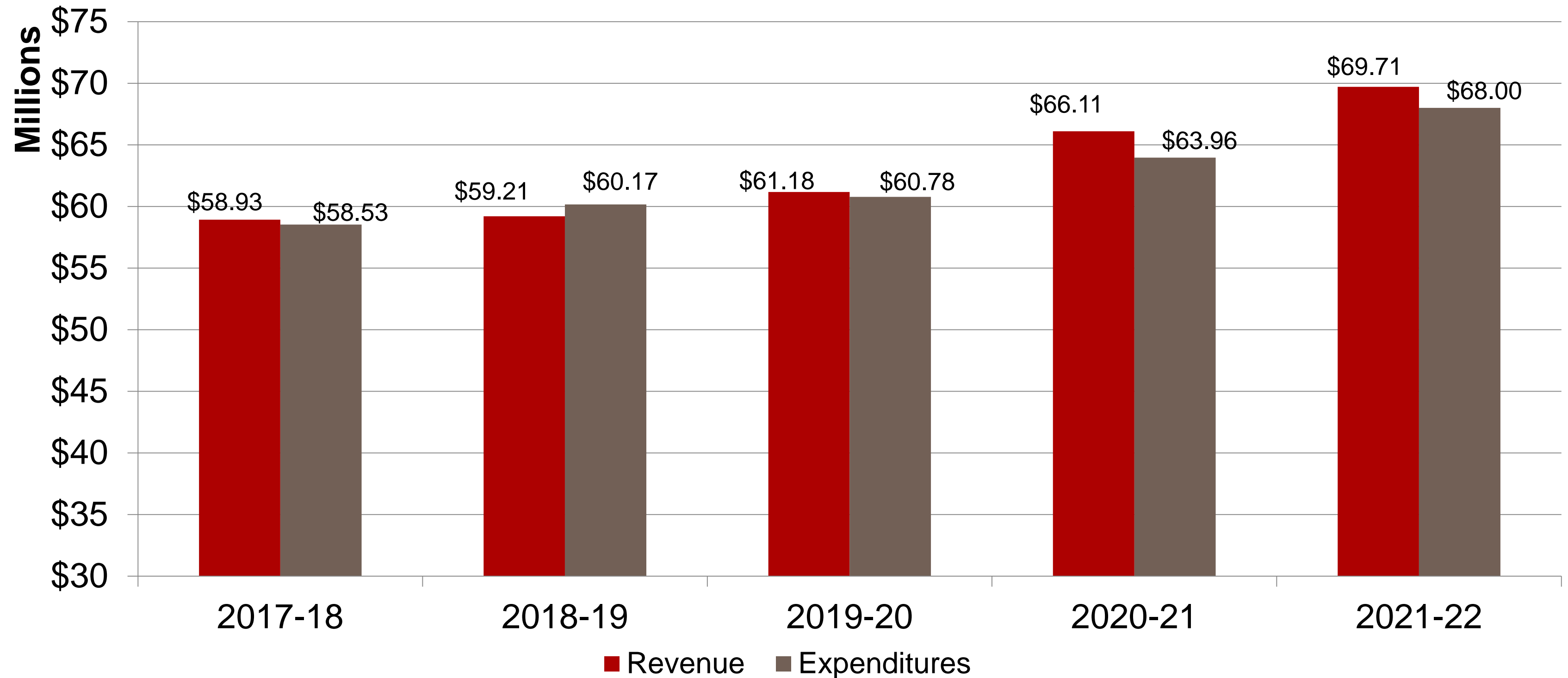
# CAR General Fund Balance



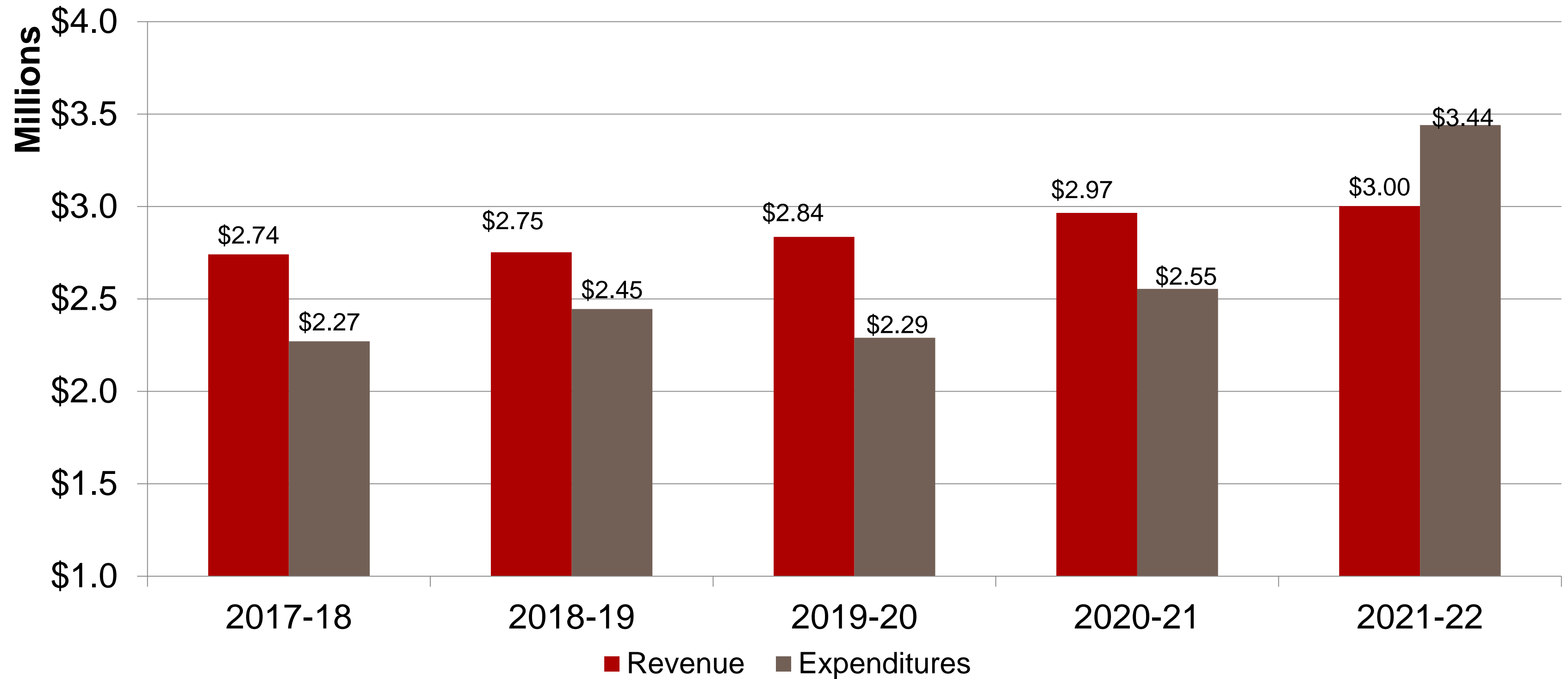


# General Fund Revenue/Expenditure History

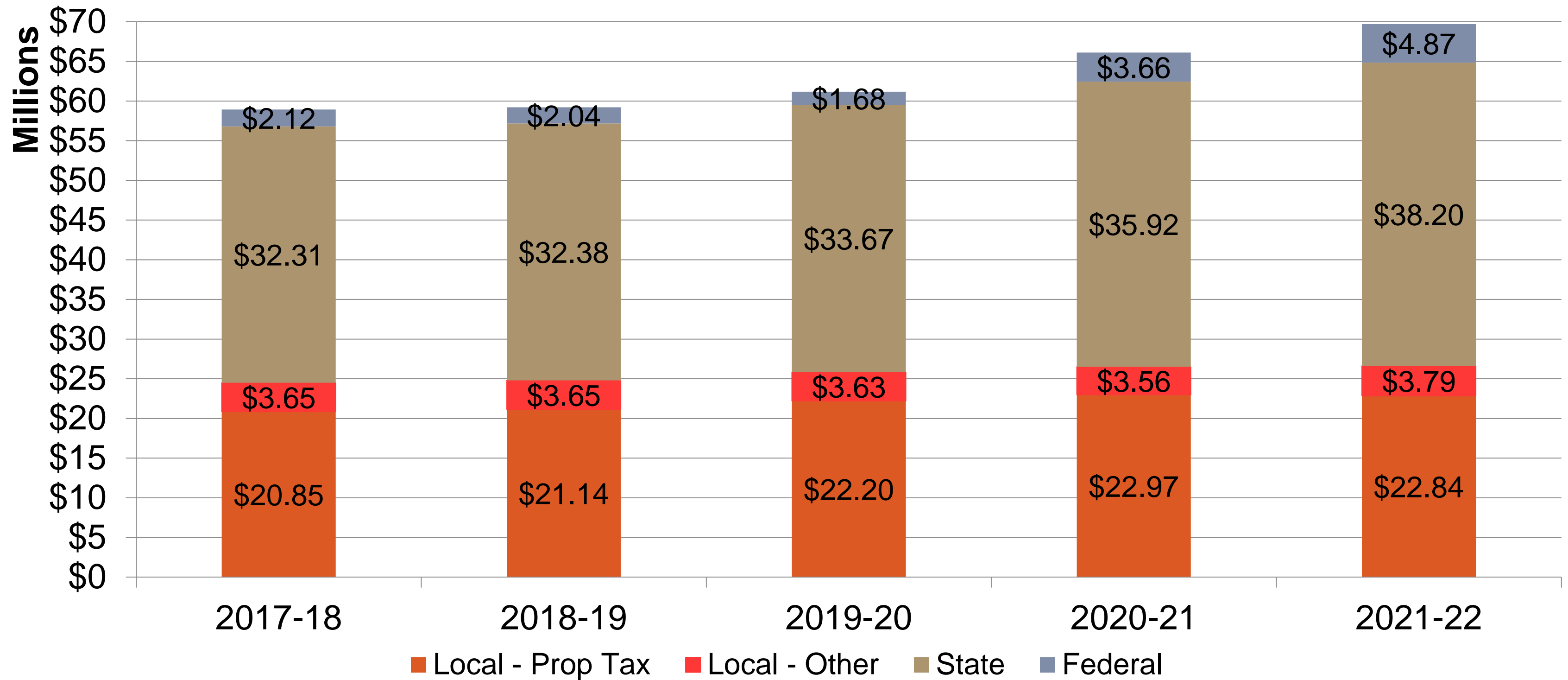
Includes Instructional Support Fund



# ISL (only) Revenue/Expenditure Detail

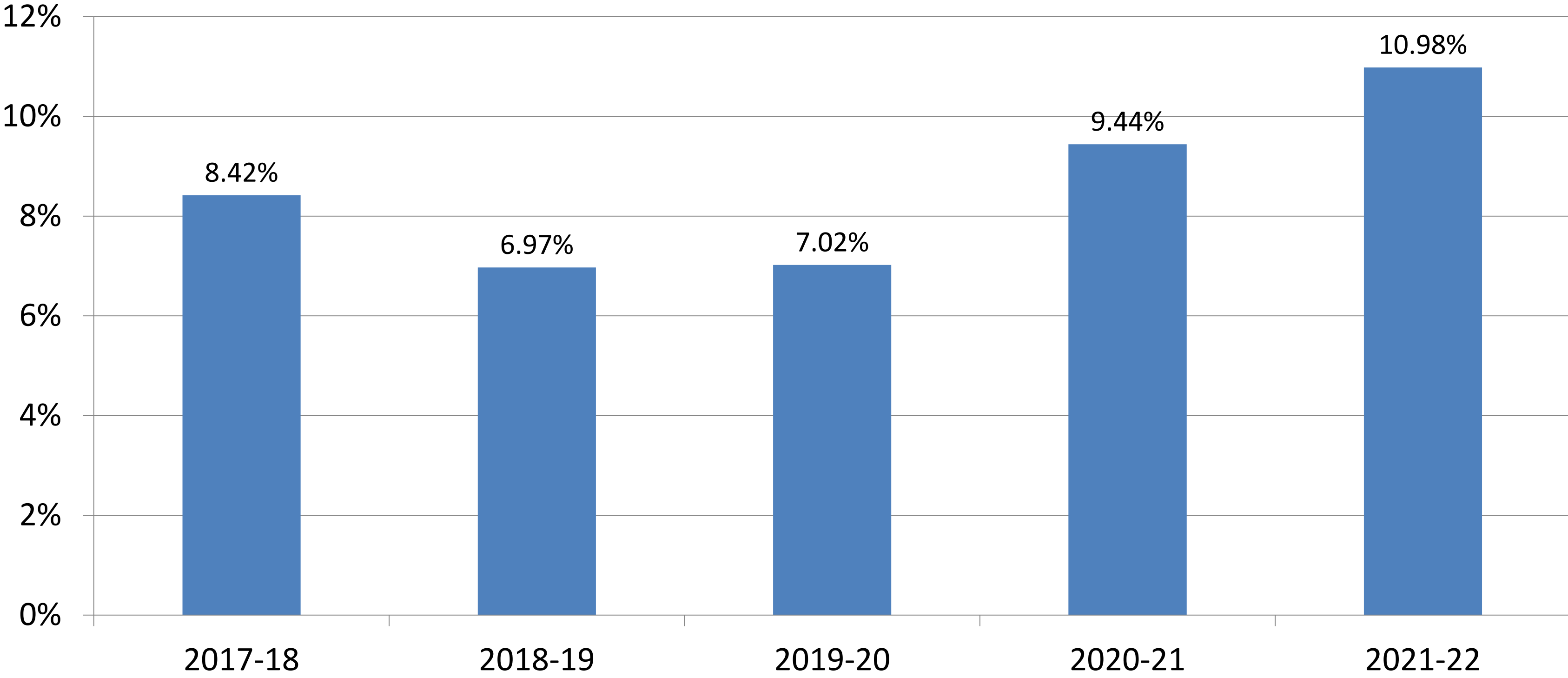


# History of General Fund Revenue



# Financial Solvency Ratio

## Key Trend Dashboard Indicator #2

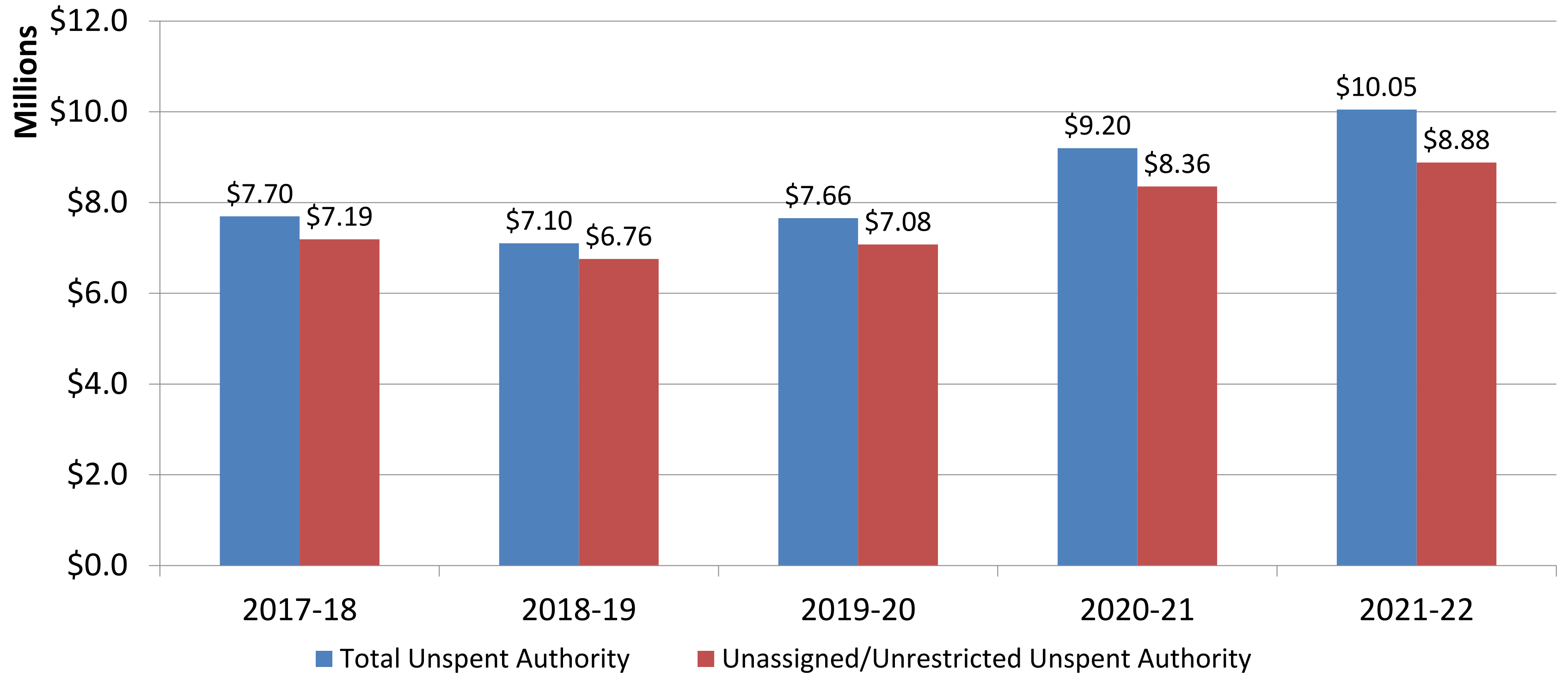


Assigned & unassigned fund balance/General fund revenue less AEA flow thru. Measures the District's fund equity position. IASB recommended minimum 7%.



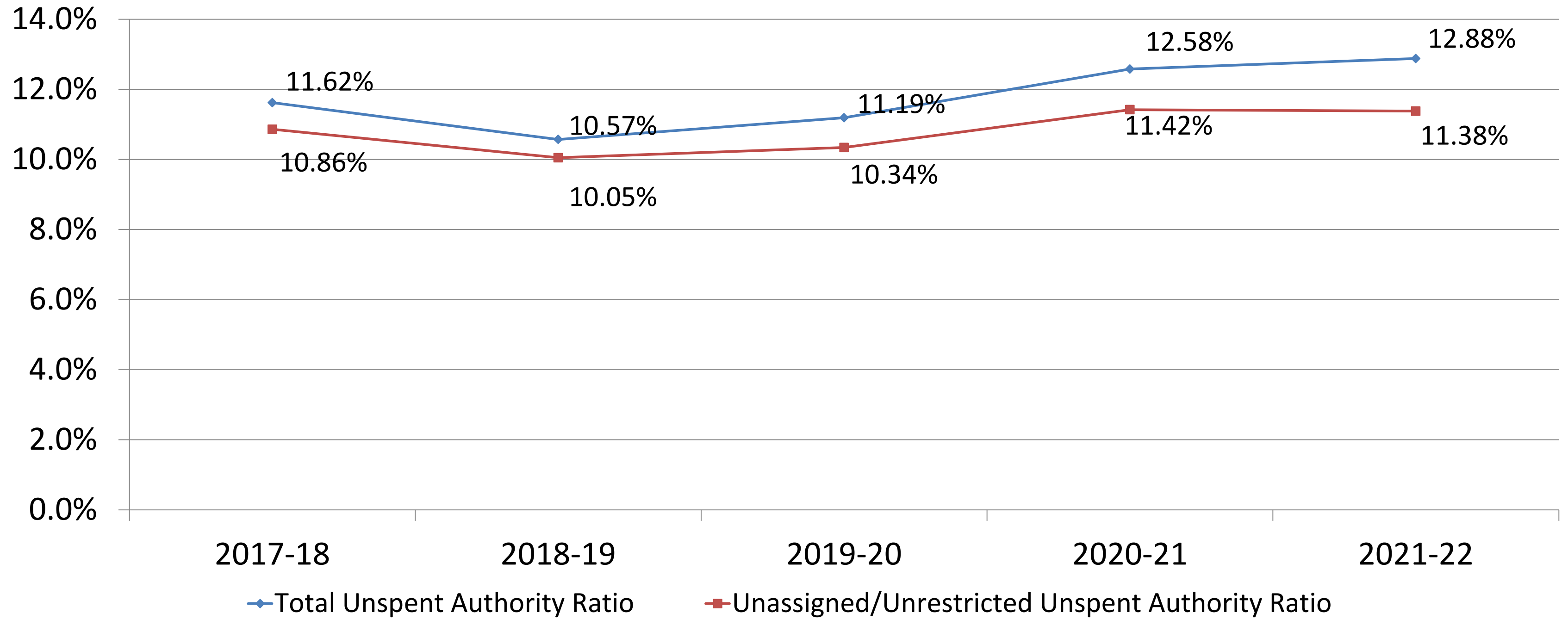
# History of Unspent Budget Authority (In Dollars)

## Key Trend Dashboard Indicator #3



# History of Unspent Budget Authority Ratio

## Key Trend Dashboard Indicator #3A



A goal of 10% unassigned/unrestricted unspent authority over expenditures (\$7.80 million) is desired. District is at 11.38 % for 2021-22.

# Spending Authority (UAB) vs. Cash (SR)

District FY22  
UAB  
11.38%

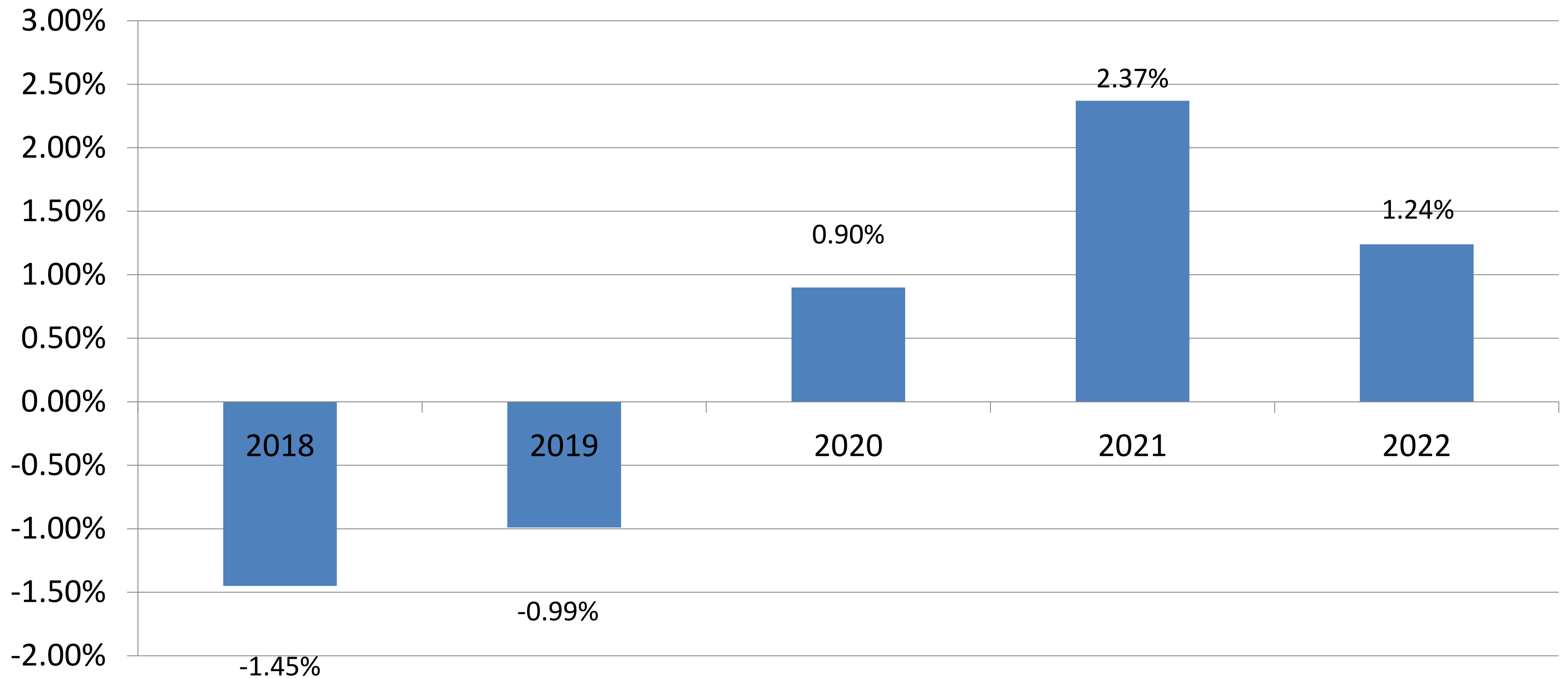
UAB/Solvency		SOLVENCY RATIO				
	STATUS	Less than 0.0%	0.0% to 5.0%	5.0% to 15.0%	15.0% to 25.0%	Above 25.0%
Unspent Authorized Budget (UAB) Ratio	Less than 0.0%	Very High Concern	Very High Concern	Very High Concern	Very High Concern	Very High Concern
	0.0% to 5.0%	High Concern	Concern	Concern	Concern	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 FY22  
Solvency  
Ratio  
10.98%



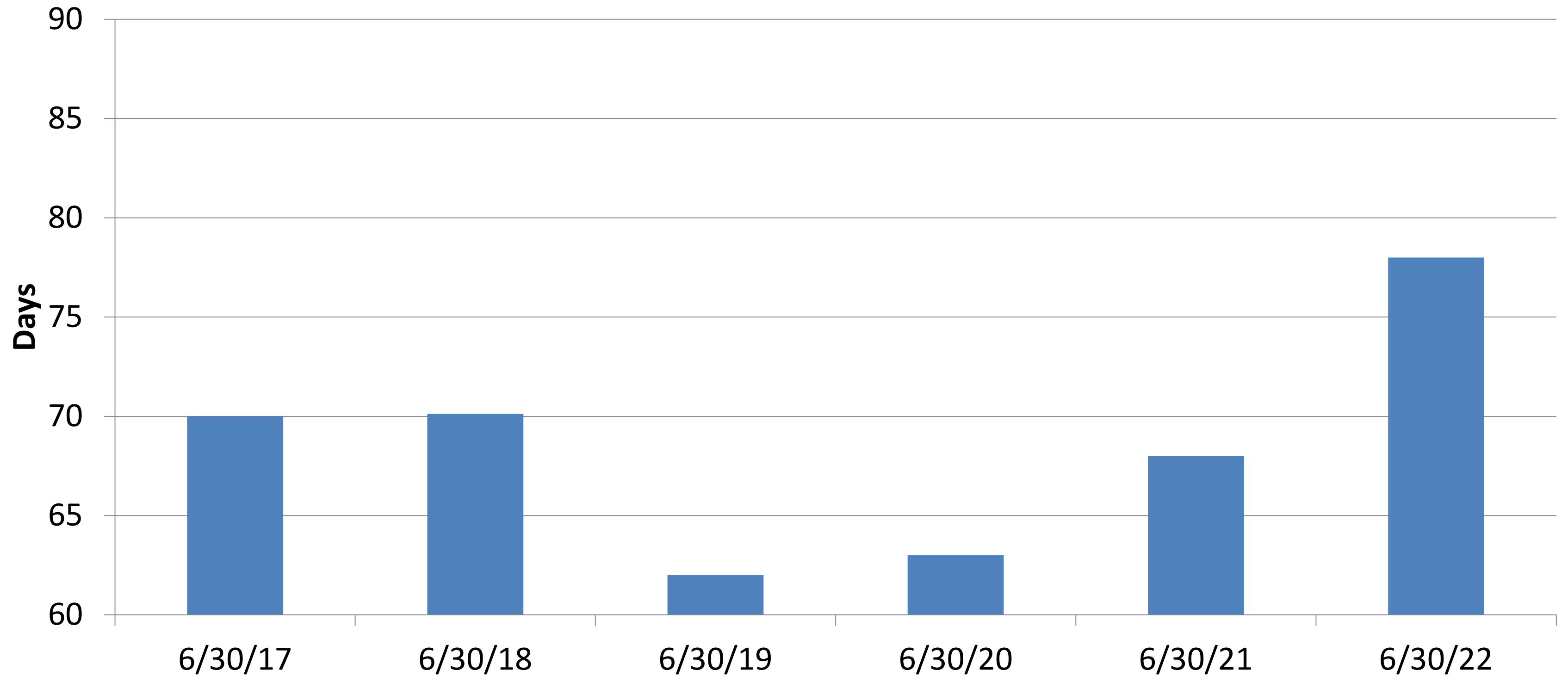
# Annual Unspent Budget Authority Ratio

## Key Trend Dashboard Indicator #4



Measures the annual amount in UAB as a percentage of expenditures each year.

# General Fund - Days Net Cash Ratio

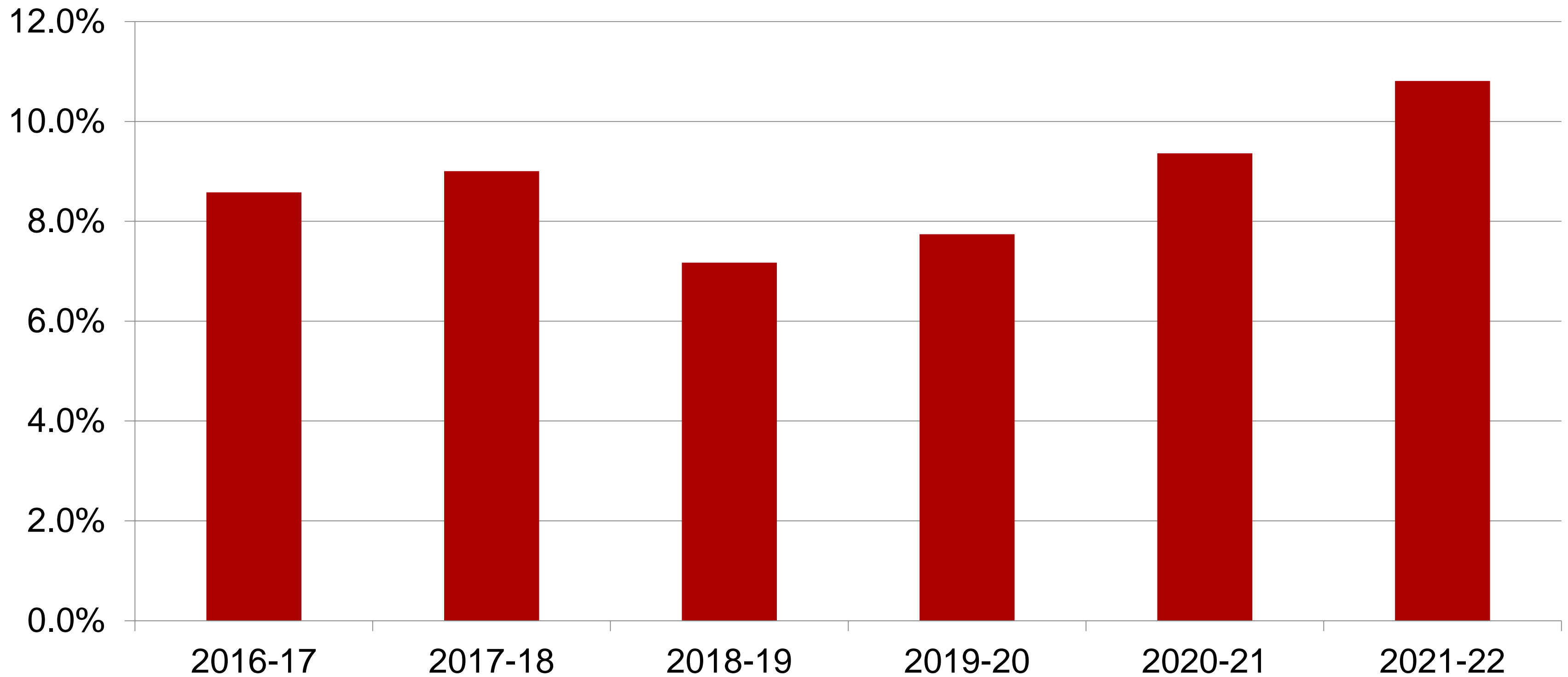


Cash & investments/Avg. daily cash expenditures.

A goal of 90 days is desired.



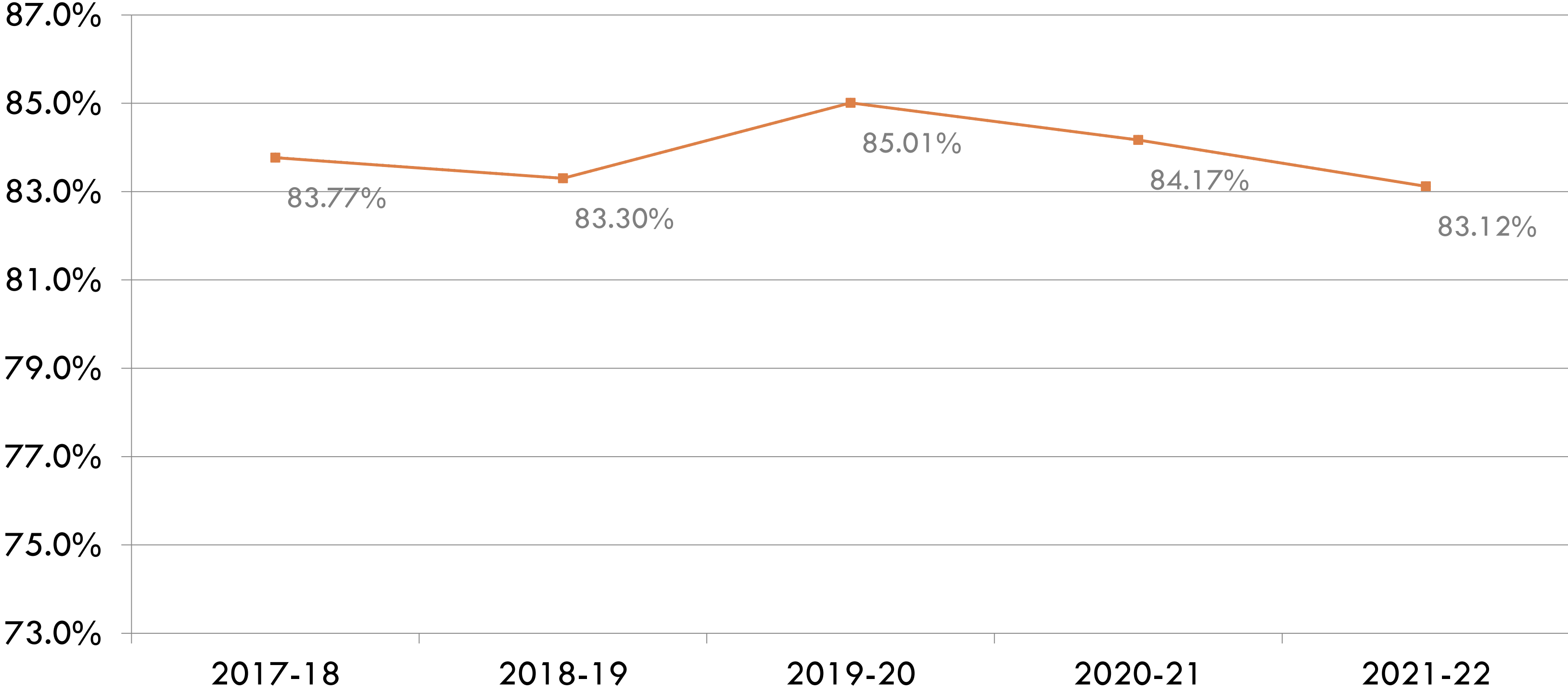
# Net Fund Balance As a Percentage of Expenditures



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

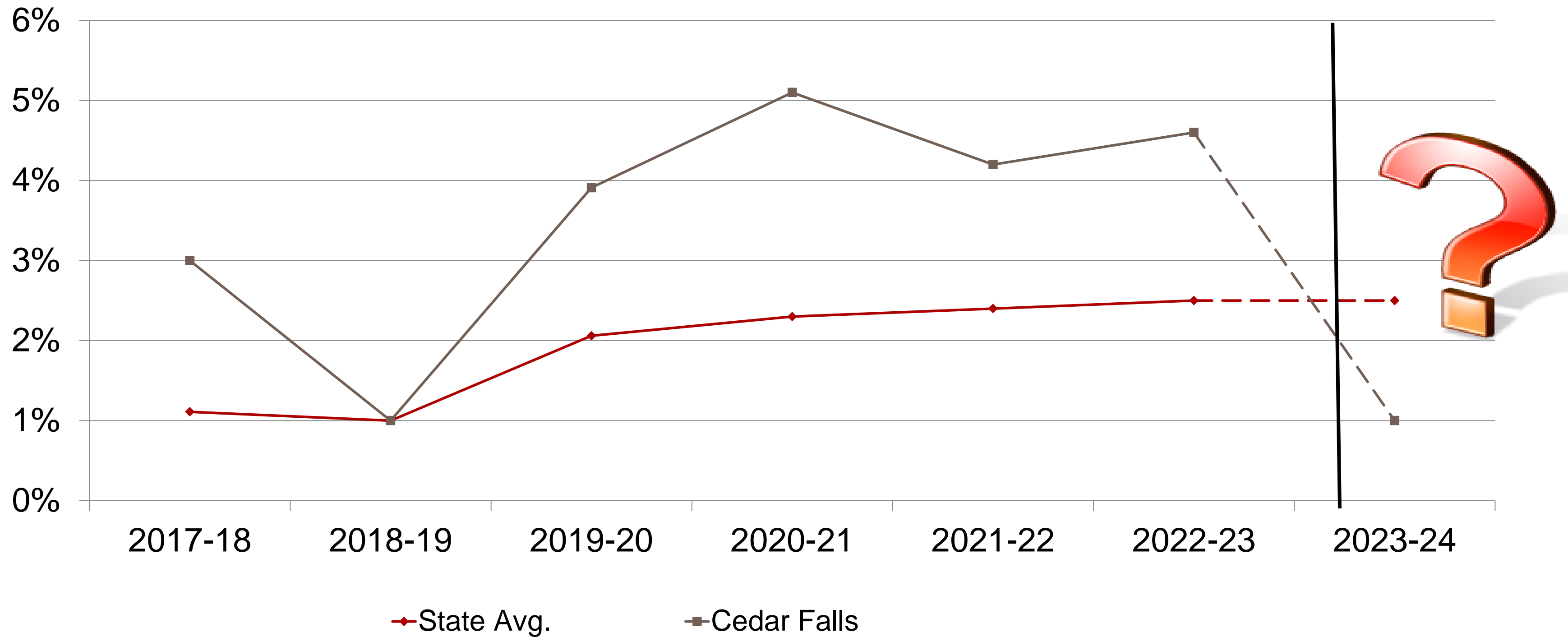
# Salaries & Benefits to Total Expenditures Ratio

## Key Trend Dashboard Indicator #5



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

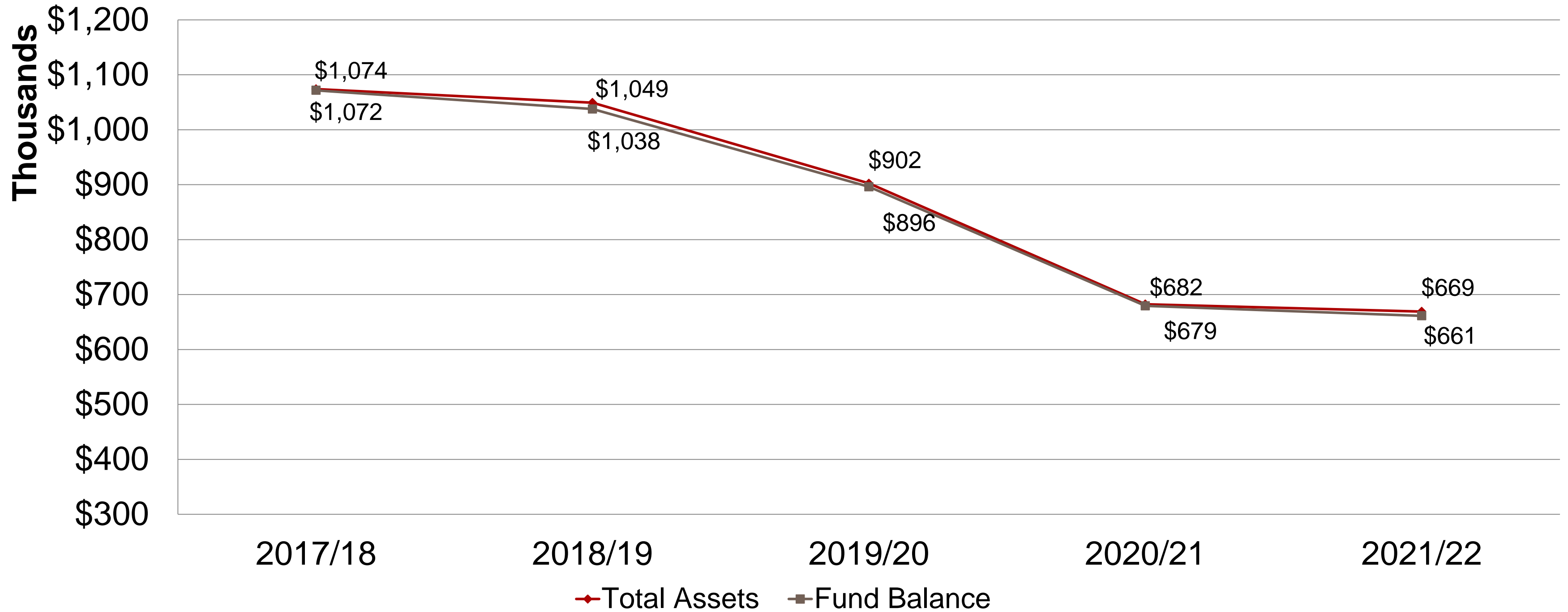
# Management Fund

- 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 (\$1,037 per pupil)
  - Bond Proceeds

**RESTRICTED!**

- Uses

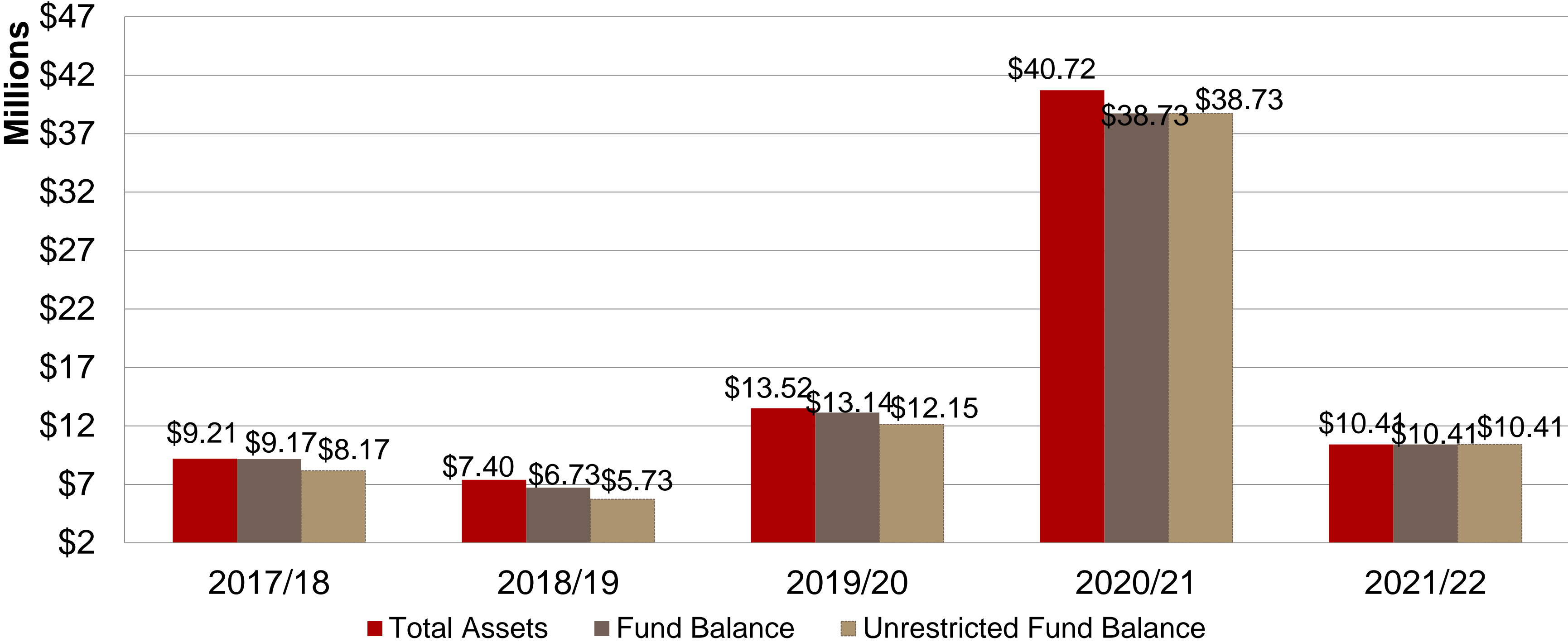
- Construction, remodeling, repairing and furnishing of new or existing buildings
- Purchase or improve school grounds
- Emergency repairs
- Payment of principle and interest or retirement of general obligation bonds

# SAVE - Revenue/Expense History

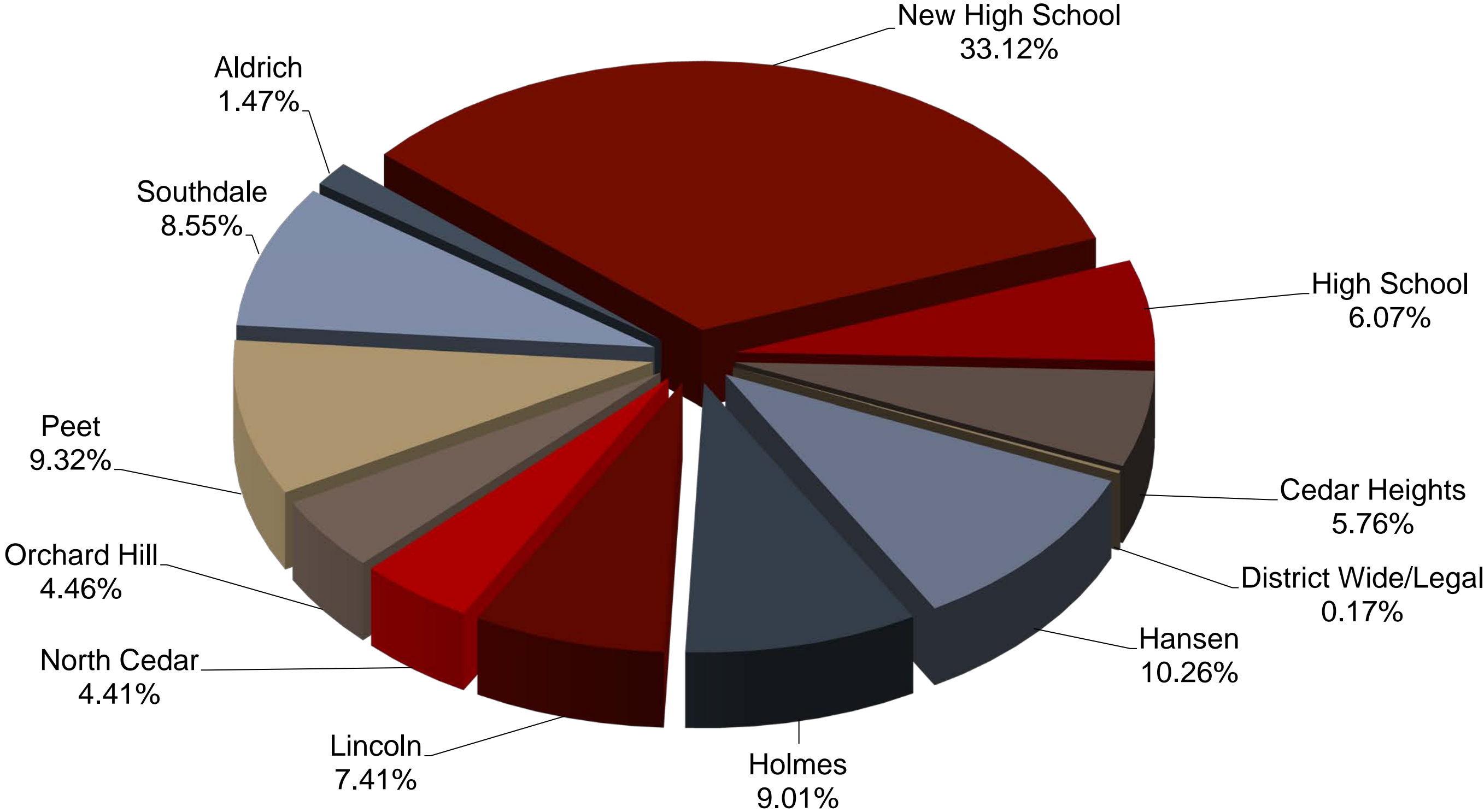
Fiscal Year Ending June 30	Beginning Balance	Sales Tax Revenue	Interest	Sale of BAN's/ Bonds	Other Revenue	Total Available	Project Expense	BAN/Bond Payment (P & I)	EOY Balance	Less Req. Bond Reserve	Net Available
2002	\$8,081,094	\$3,289,359	\$445,141		\$357,970	\$12,173,564	\$5,800,954	\$250,300	\$6,122,310		
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
Totals		\$92,530,456	\$2,937,885	\$88,461,784	\$3,506,085		\$127,284,030	\$57,819,127			

# Secure A Vision for Education (SAVE)

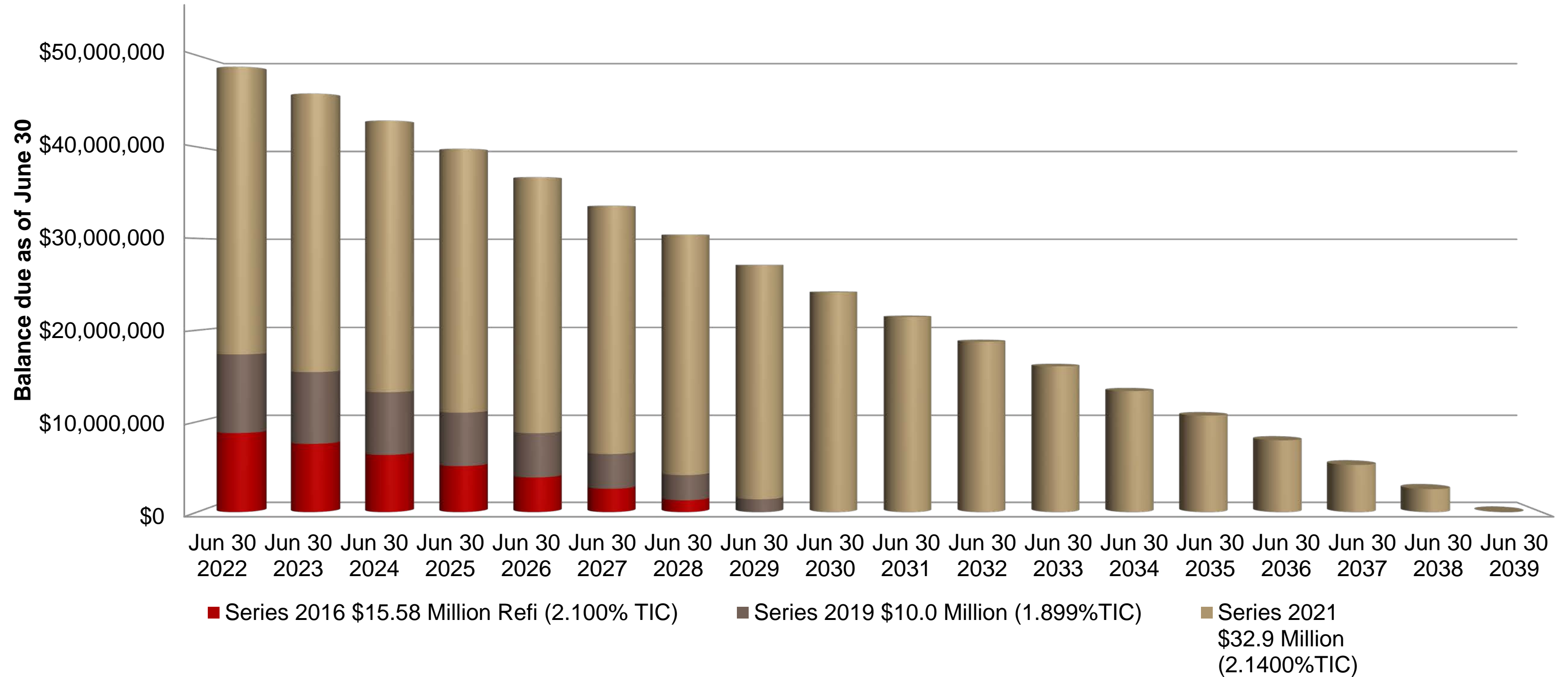
## Formally Local Option One Cent Sales Tax



# History of SAVE Fund Expense (2001 to 2022)



# Outstanding Revenue Bond Debt



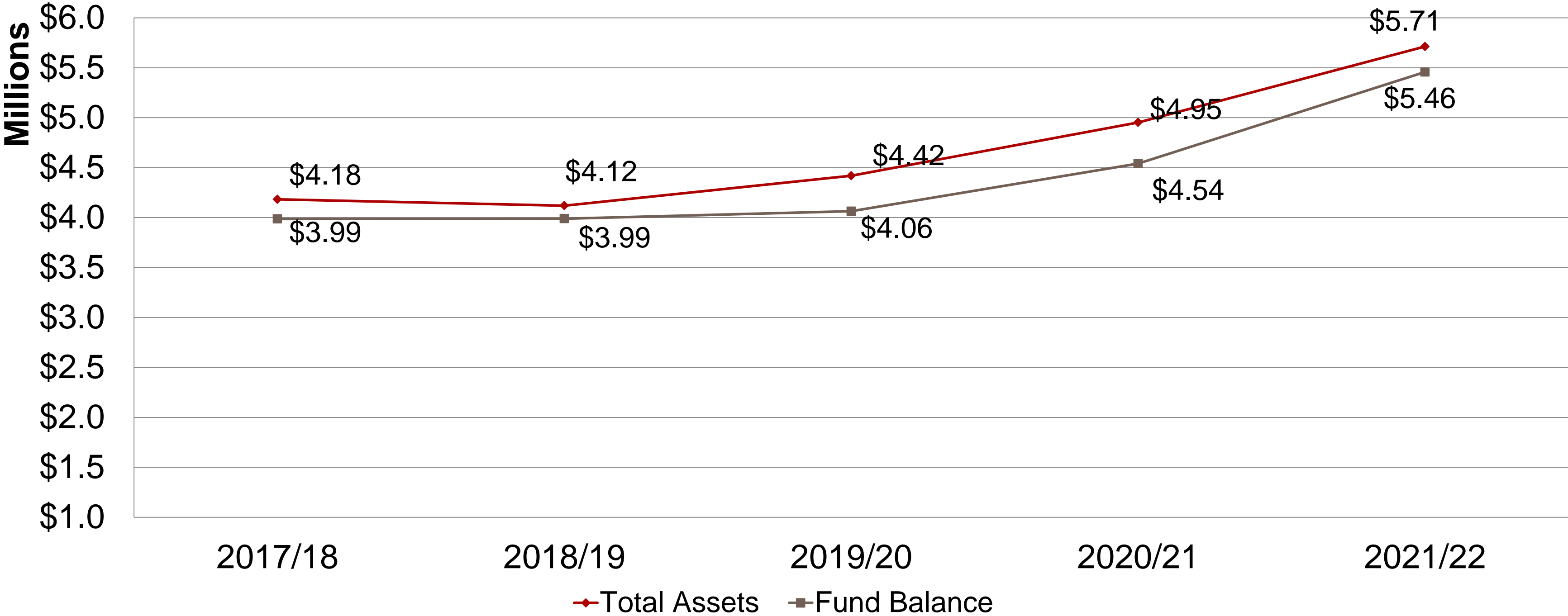
# Physical Plant & Equipment Levy (PPEL)

- 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)

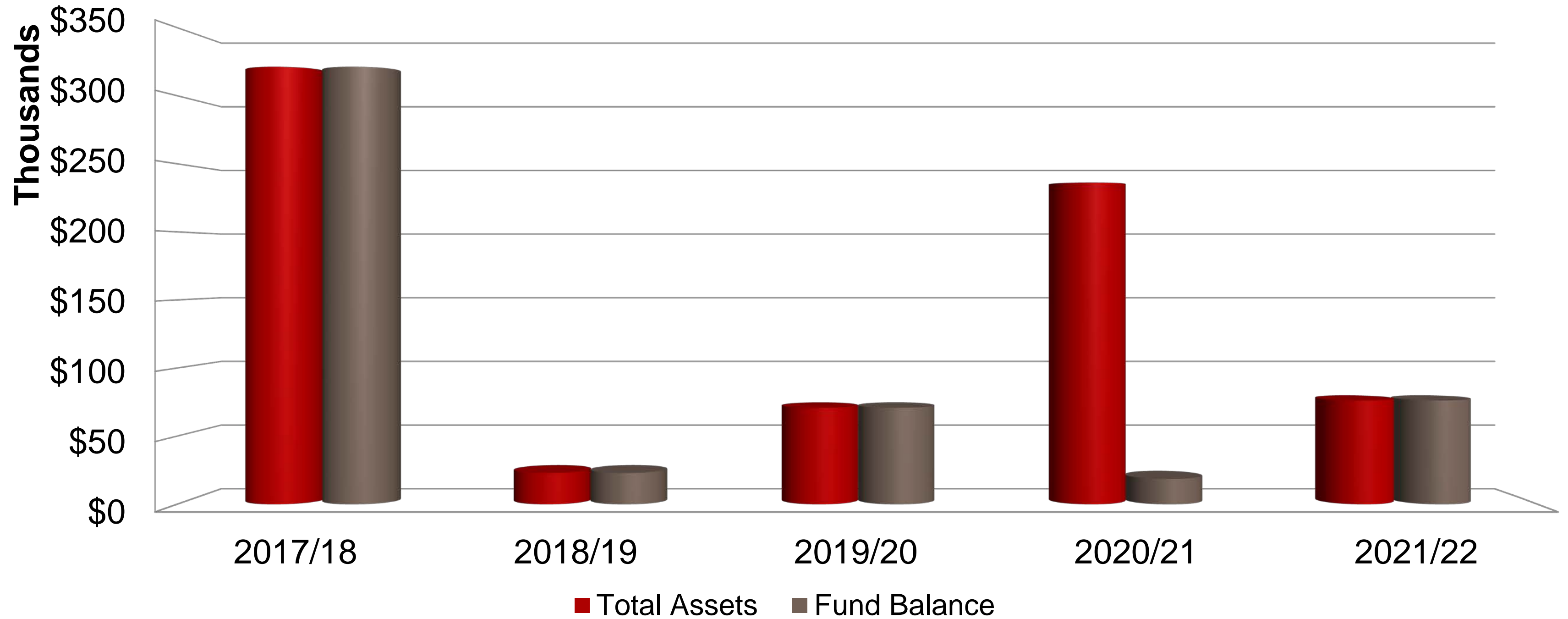


# Debt Service Levy

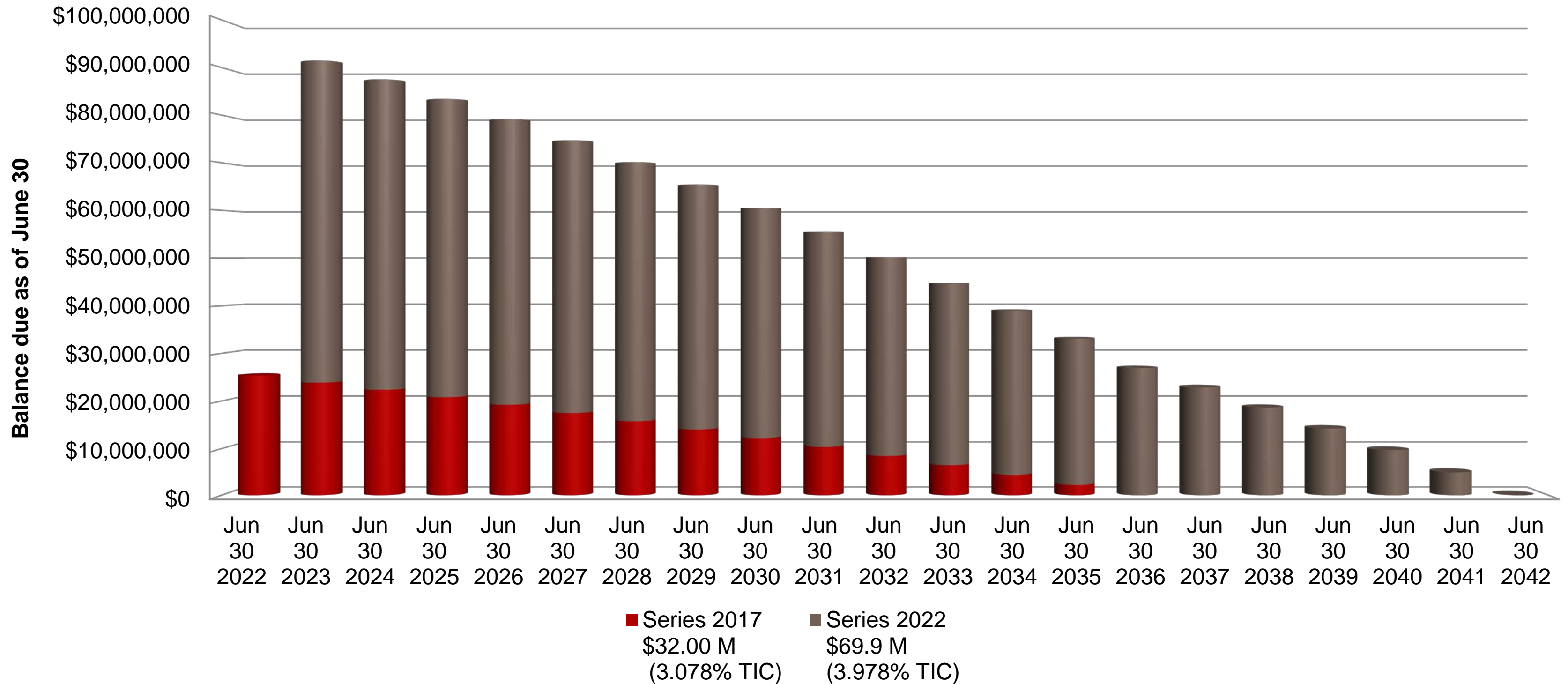
- Voters of a school district may approve bonded indebtedness for a period of up to 20 years
- Proceeds from the sale of General Obligation Bonds are deposited in the Capital Project Fund (31) to be used for the cost of the approved project
- Revenue from the Debt Service Levy (40) are deposited in the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

**RESTRICTED!**

# Debt Service Levy



# Outstanding General Obligation Bond Debt

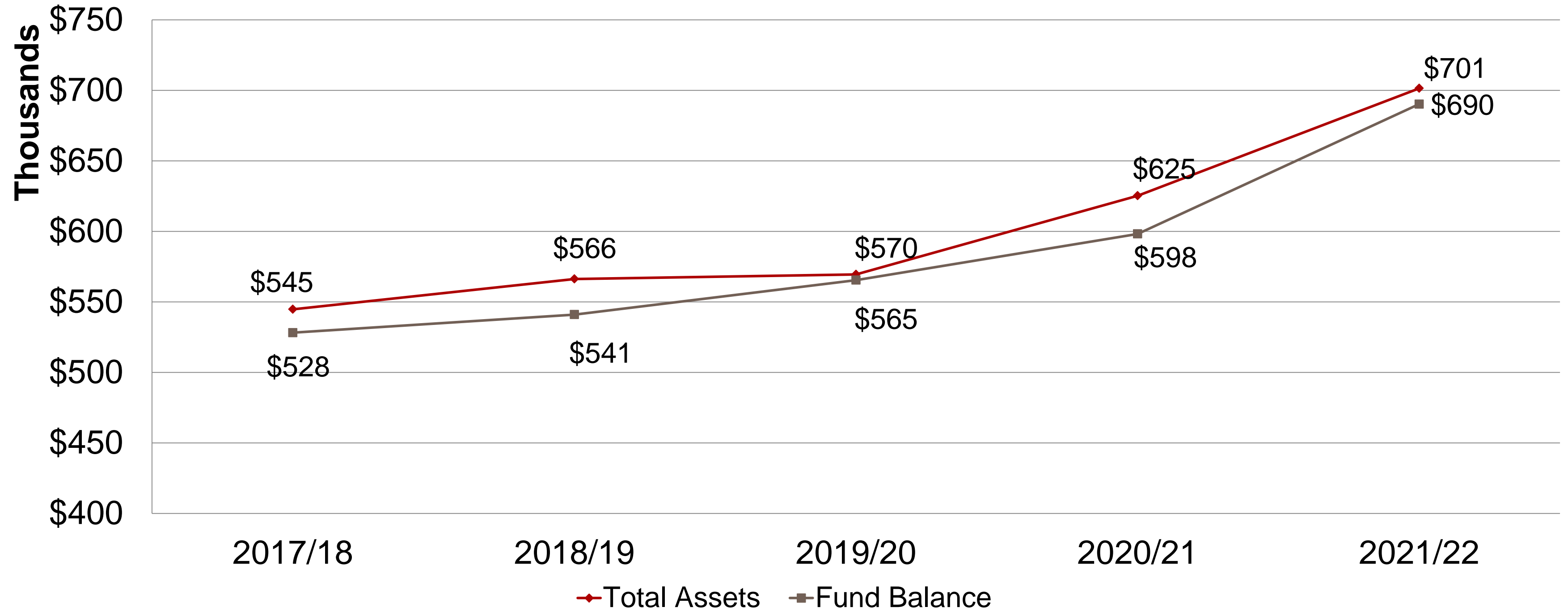


# Activity Fund

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

**RESTRICTED!**

# Activity Fund



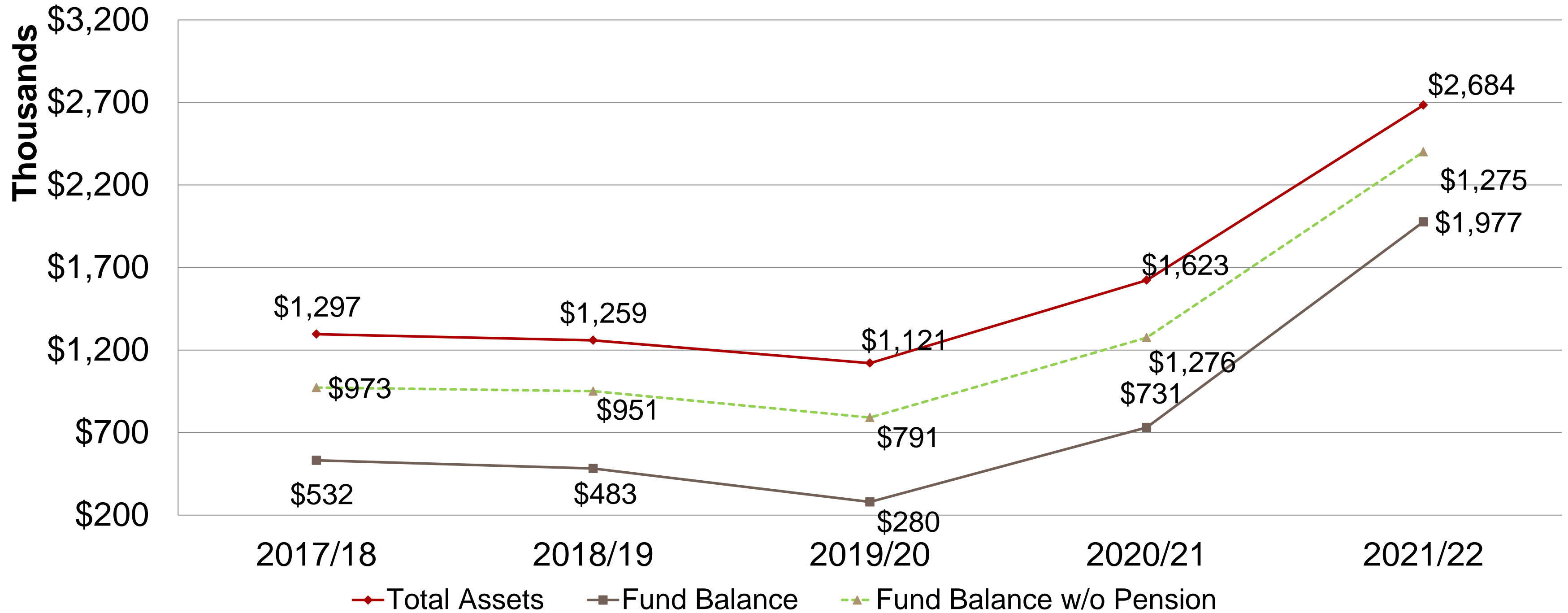


# Nutrition Fund

- 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, 2022
  - District's financial condition:
    - District General Fund cash balance
      - Increase from June 30, 2021
      - Days Net Cash Ratio 78 – increase/Solvency Ratio
    - Unspent budget authority (UBA) increased
      - UBA Ratio 12.58% FY20 12.88% FY22
  - 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 = \$782,945 – estimated to remain flat in FY23
  - FY22 deficit = \$365,250
  - Projected FY23 deficit = \$665,820
- Other
  - Loss in Federal/State revenues and increase in expenditures
  - Potential impact on UAB
  - Amend FY23 budget
- 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

