



2024/2025

ANNUAL FINANCIAL HEALTH REPORT

College Community School District
www.crprairie.org
401 76th Avenue SW, Cedar Rapids, IA 52404

Prepared by:
Christie VanWey, CFO

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Description of Financial Indicator Ratios

The ratios chosen for this report (excluding the "contribution ratio") were identified as some of the most reliable indicators of financial health for Iowa K-12 public schools, based on formal quantitative research.

Each ratio used in this report has a defined operational meaning. Since no universal standard exists for defining these ratios, the definitions here are based on commonly accepted methods. Where a standard method was unavailable, a logical "best guess" aligned with Iowa School Business practices was used. The benchmarks included are based on previous research. If no benchmark was available from existing literature, none was added. Most of the data for these ratios comes from the Certified Annual Report (CAR) required by the Iowa Department of Education each year. Data for the unspent balance is available on the Iowa Department of Management's website.

Current Ratio (CR)

The Current Ratio measures short-term liquidity, assessing whether the school can meet its current obligations with its current assets. In a private business, this would equate to measuring working capital. The formula used is:

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

The target for this indicator is 1.0 or higher. A value below 1.0 suggests the district has more current liabilities than current assets.

Day's Net Cash Ratio (DCR)

The Day's Net Cash Ratio estimates how long a district can operate without additional revenue. A limitation of this indicator is that school expenditures and revenues often occur in large amounts on only a few days each month (e.g., payroll and state aid distributions). The timing of these cash flows is essential for smooth operations, as low cash reserves may force the school to borrow funds, incurring extra costs.

The formula is:

$$\text{Day's Net Cash Ratio} = \frac{\text{Cash} + \text{Investments}}{\text{Total General Fund Expenditures} / 365}$$

The target range is 90 to 120 days. For Iowa schools, this is particularly important since state aid stops in mid-June and does not resume until mid-September—a gap of 90 days. Additionally, school expenses often increase in summer due to purchasing supplies for the new fiscal year when revenues are typically lower.

Direct Foundation Aid Ratio (FAR)

The Foundation Aid Ratio indicates the portion of General Fund revenue coming directly from state aid, which is driven by student enrollment under Iowa's funding formula. While State Aid is linked to enrollment, Iowa's funding formula includes a "scale down" provision that mitigates the impact of enrollment declines. State aid is the largest revenue source for schools.

The formula is:

$$\text{Foundation Aid Ratio} = \frac{\text{Direct State Aid}}{\text{General Fund Revenue}}$$

There is no suggested target range for this ratio for Iowa schools at this time.

Interest Income Ratio (IIR)

The Interest Income Ratio shows the earnings on idle funds, indicating how effectively the district's funds have been managed and the impact of investment income on total revenue. It is expected to vary in line with the Day's Net Cash Ratio. However, this ratio is sensitive to market changes that are beyond district control. The formula used is:

$$\text{Interest Income Ratio} = \frac{\text{Interest Income}}{\text{Revenue}}$$

There's no specific target range, but higher values indicate better performance. A low ratio may suggest poor fund management, limited liquid cash, unfavorable market conditions, or a mix of these factors.

Student Transportation Ratio (STR)

The Student Transportation Expenditure Ratio measures the proportion of the budget allocated to transportation, covering costs like bus operations, driver salaries, equipment, and fuel. A high ratio may suggest that transportation is consuming a larger portion of resources or that the district covers a larger area than typical. The formula is:

$$\text{Student Transportation Ratio} = \frac{\text{Transportation Expenditures}}{\text{General Fund Expenditures}}$$

No standard target range is recommended for Iowa schools.

Unspent Balance Ratio (UBR)

The Unspent Balance Ratio indicates the percentage of the district's total spending authority that remains unused at the fiscal year's end, a measure unique to Iowa schools. Given the importance of spending authority to district financial health, this is a critical metric. Data for this ratio are provided by the Iowa Department of Management's **Unspent Balance Calculations** report. The formula is:

$$\text{Unspent Balance Ratio} = \frac{\text{Unspent Cumulative Spending Authority}}{\text{Maximum Budget Authority}}$$

The recommended minimum target for this ratio is 10-25%.

Financial Solvency Ratio (FSR)

The Financial Solvency Ratio, developed from a study in 1990 and revised in 2011, assesses financial health by comparing unassigned and assigned general fund balances to actual revenues. The formula is:

$$\text{Financial Solvency Ratio} = \frac{\text{Unassigned} + \text{Assigned General Fund Balance}}{\text{General Fund Revenues} - \text{AEA Flowthrough}}$$

IASB Recommends 7% -17% while ISFIS recommends 15%.

Employee Cost Ratio (ECR)

The Employee Cost Ratio, not part of the original 2005 study, is essential due to the service-based nature of education. Staff costs are the largest portion of General Fund expenditures. This ratio helps track changes in staffing expenses as a share of the total General Fund. Historically, districts allocate 75-85% of their General Fund to staff-related costs. The formula is:

$$\text{Employee Cost Ratio} = \frac{\text{Wages} + \text{Benefits}}{\text{General Fund Expenditures}}$$

The recommended target for Iowa schools is below 80%. Districts exceeding this level often face financial stress in the General Fund.

Financial Condition Test Ratio Indicators

Indicator Ratio	Target	2025	2024
Current Ratio	100% or above	115.6%	133.2%
Day's Net Cash Ratio	90 days or above	6.0	27.0
Foundation Aid Ratio	Range (see ratio definition)	34.8%	36.9%
Investment Income Ratio	NA	0.50%	0.83%
Student Transportation Ratio	NA	4.33%	4.60%
Unspent Balance Ratio	10% (Recommended not to exceed 25%)	13.41%	14.84%
Financial Solvency Ratio	10% (Recommended not to exceed 25%)	6.53%	12.80%
Employee Cost Ratio	75-80%	82.7%	81.6%

Warning Monitor Ratio	
Ratio in Target Range	

CATEGORICAL BALANCE HISTORY (From Restricted Fund Balance Detail in CAR Reports)

Description	Project	FY25	FY24	FY23	FY22	FY21
HOMESCHOOL	1113	25,559	14,472	10,307	18,032	-
TEACHER LEADERSHIP STATE AID	3116	312,316	280,087	155,573	497,091	310,826
NON PUBLIC TEXTBOOKS	3222	-	-	-	-	-
TEACHER SALARY SUPPLEMENT	3204	57,043	32,679	152,716	100,000	-
EARLY CHILDHOOD INTERVENTION	3216	405	-	-	-	-
EARLY READERS SUCCESSFUL PROGRESSION	3342	2,296	2,296	-	57,936	32,100
PROF DEVELOP. MODEL CORE CURR. HF 2679	3373	-	-	-	-	-
FLEXIBILITY FUND - MHSAP	3173	-	-	-	-	-
PROFESSIONAL DEVELOPMENT IC 284.13	3376	1,402	-	-	-	76,843
PRE SCHOOL STATE AID FOUR-YEAR-OLD	3117	4,677	4,177	25,064	91,849	18,120
GIFTED AND TALENTED PROGRAM	1118	-	-	-	-	-
Total Categorical Fund Balance		403,698	333,711	343,660	764,908	437,889
Total Percent Categorical of Max Authorized Budget		0.44%	0.37%	0.40%	0.94%	0.57%
Total Undesignated Fund Balance (Balance Sheet)		4,812,009	8,872,639	12,386,800	13,148,072	13,491,283
Regular Prog. Unspent Authorized Budget	\$	12,953,189	\$ 13,710,477	\$ 13,997,195	\$ 11,916,617	\$ 10,439,701
Reg Prog. Unspent Balance Authorized Budget Inc. Sped	\$	12,549,491	\$ 13,376,766	\$ 13,653,535	\$ 11,151,709	\$ 10,001,812
Total Percent Reg. Prog. Max Auth. Inc. Sped		13.55%	15.00%	15.82%	13.68%	13.12%
Total Fund Balance (Balance Sheet)		5,215,707	9,206,350	12,730,460	13,912,980	13,929,172
Max Authorized Budget (DOM)	\$	92,648,870	\$ 89,177,311	\$ 86,291,482	\$ 81,547,921	\$ 76,247,951
Total Unspent Authorized Budget	\$	12,953,189	\$ 13,710,477	\$ 13,997,195	\$ 11,916,617	\$ 10,439,701
Total UAB Ratio		13.98%	15.37%	16.22%	14.61%	13.69%

Selected Balance Sheet Comparisons
General Fund Only

	FY25	FY24	\$ Change	% Change
Assets:				
Cash & Investments	\$1,342,480	\$5,612,382	(\$4,269,902)	-318.1%
Receivables	\$37,247,048	\$31,298,289	\$5,948,759	16.0%
Prepaid	\$0	\$0	\$0	0.0%
Other Assets	\$1,716	\$464	\$1,253	73.0%
Total Assets	\$38,591,244	\$36,911,134	\$1,680,110	4.4%
Liabilities:				
Payables	\$1,932,871	\$1,412,078	\$520,794	26.9%
Borrowing	\$0	\$0	\$0	0.0%
Salary & Benefits	\$280,843	\$290,773	(\$9,930)	-3.5%
Other Liabilities	\$0	\$0	\$0	0.0%
Deferred Inflows	\$31,161,823	\$26,001,933	\$5,159,890	16.6%
Total Liabilities	\$33,375,537	\$27,704,784	\$5,670,753	17.0%
Fund Balance:				
Nonspendable	\$1,716	\$464	\$1,253	73.0%
Restricted	\$403,698	\$333,711	\$69,986	17.3%
Committed	\$0	\$0	\$0	0.0%
Assigned	\$125,581	\$139,020	(\$13,440)	-10.7%
Unassigned	\$4,684,712	\$8,733,155	(\$4,048,443)	-86.4%
Total Fund Balance	\$5,215,707	\$9,206,350	(\$3,990,643)	-76.5%

Selected Revenue & Expenditures Comparison
General Fund Only

	FY25	FY24	\$ Change	% Change
Revenues:				
Local sources	\$36,033,087	\$32,326,917	\$3,706,170	10.3%
State sources	\$37,702,330	\$37,237,367	\$464,963	1.2%
Federal sources	\$1,967,121	\$2,362,291	(\$395,170)	-20.1%
Other sources	\$2,500	\$16,150	(\$13,650)	-546.0%
Total revenues	\$75,705,038	\$71,942,725	\$3,762,313	5.0%
Expenditures:				
Instruction	\$52,545,732	\$49,008,037	\$3,537,695	6.7%
Support services	\$27,099,949	\$26,375,437	\$724,512	2.7%
Enterprise	\$0	\$0	\$0	0.0%
Community Ed	\$0	\$0	\$0	0.0%
Facilities & Debt	\$0	\$0	\$0	0.0%
Other expenditures	\$50,000	\$83,360	(\$33,360)	-66.7%
Total expenditures	\$79,695,681	\$75,466,834	\$4,228,847	5.3%
Changes of Rev over Exp	(\$3,990,643)	(\$3,524,109)	(\$466,534)	11.7%

Contribution Ratio



Source	2024-25	Ratio	Source	2023-24	Ratio
Local	\$36,033,087	47.6%	Local	\$32,326,917	44.9%
State	\$37,702,330	49.8%	State	\$37,237,367	51.8%
Federal	\$1,967,121	2.6%	Federal	\$2,362,291	3.3%
Other	\$2,500	0.0%	Other	\$16,150	0.0%
Total	\$75,705,038	100.0%	Total	\$71,942,725	100.0%

Year	Local	State	Federal	Other
2025	47.6%	49.8%	2.6%	0.0%
2024	44.9%	51.8%	3.3%	0.0%

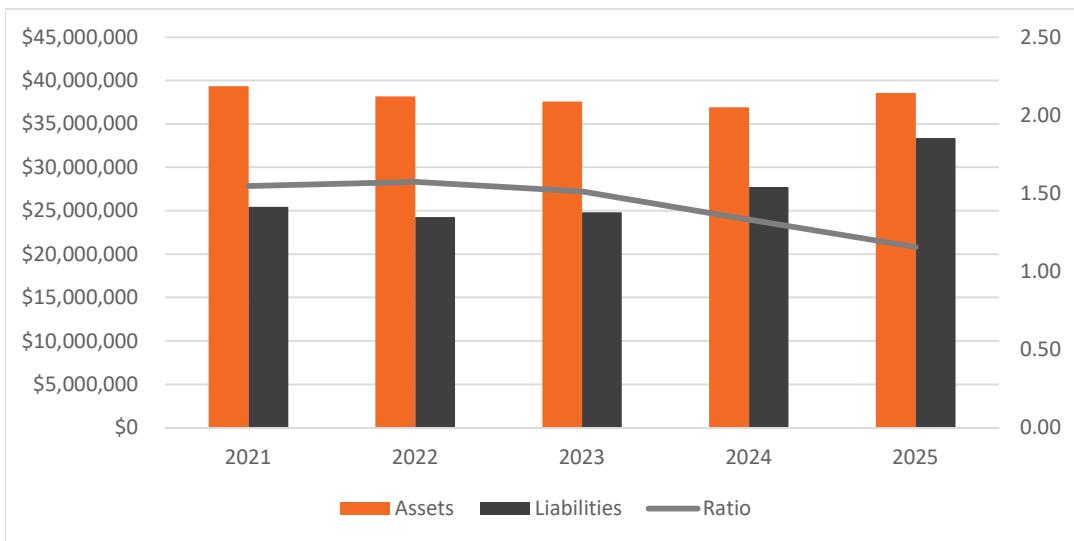
Summary:

The purpose of this data is to measure local taxation efforts. The information is provided for informational purposes only, with no specific target or corrective action required.



Current Ratio

Year	Assets	Liabilities	Ratio
2021	\$39,368,102	\$25,438,931	1.55
2022	\$38,155,697	\$24,242,717	1.57
2023	\$37,547,811	\$24,817,351	1.51
2024	\$36,911,134	\$27,704,784	1.33
2025	\$38,591,244	\$33,375,537	1.16



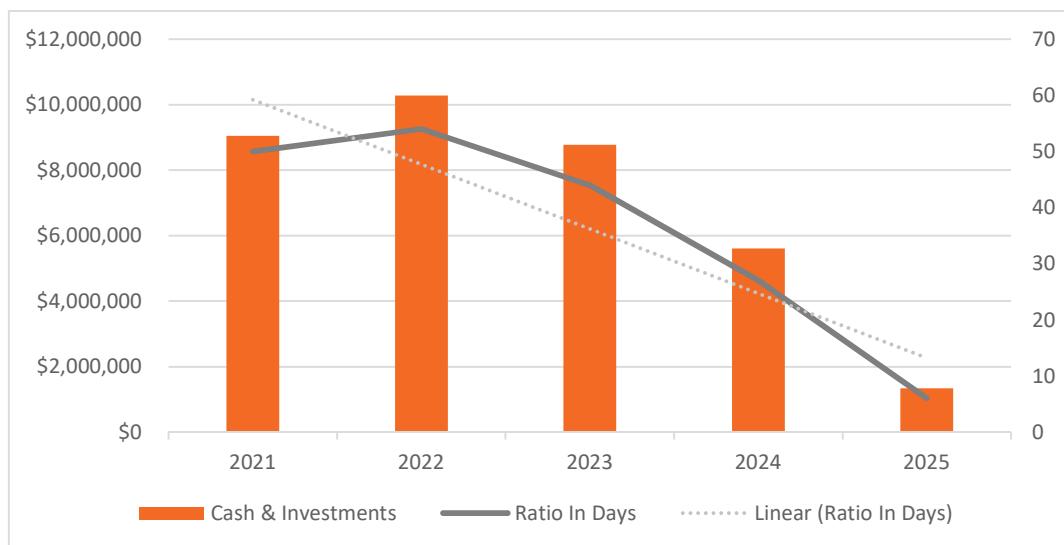
Summary:

This data measures the District's short-term solvency position. The trend is positive, with values consistently above the minimum target of 1.0, indicating the District has more assets than liabilities. No corrective action is needed as the indicator remains above target.

Day's Net Cash Ratio



Year	Cash & Investments	Total Expenditures	Daily (365) Expenditures	Ratio In Days
2021	\$9,048,374	\$65,808,250	\$180,297	50
2022	\$10,283,037	\$69,631,304	\$190,771	54
2023	\$8,771,710	\$72,294,287	\$198,067	44
2024	\$5,612,382	\$75,466,834	\$206,758	27
2025	\$1,342,480	\$79,695,681	\$218,344	6



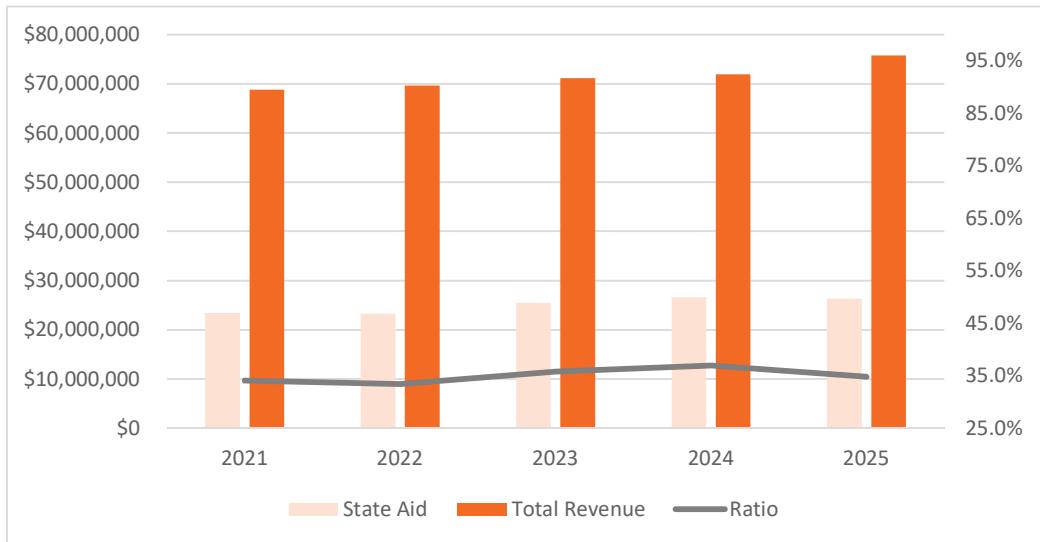
Summary:

This data assesses short-term solvency and the District's ability to fund expenditures without additional revenue. The target would be to maintain 90 days of cash on hand, ideally within a range of 90-120 days to avoid short-term borrowing during summer. Corrective actions include monitoring the need for a Cash Reserve Levy to strengthen the cash position and ongoing oversight of spending.

Foundation Aid Ratio



Year	State Aid	Total Revenue	Ratio
2021	\$23,430,525	\$68,811,025	34.1%
2022	\$23,259,286	\$69,615,112	33.4%
2023	\$25,445,899	\$71,111,767	35.8%
2024	\$26,571,884	\$71,942,725	36.9%
2025	\$26,341,688	\$75,705,038	34.8%



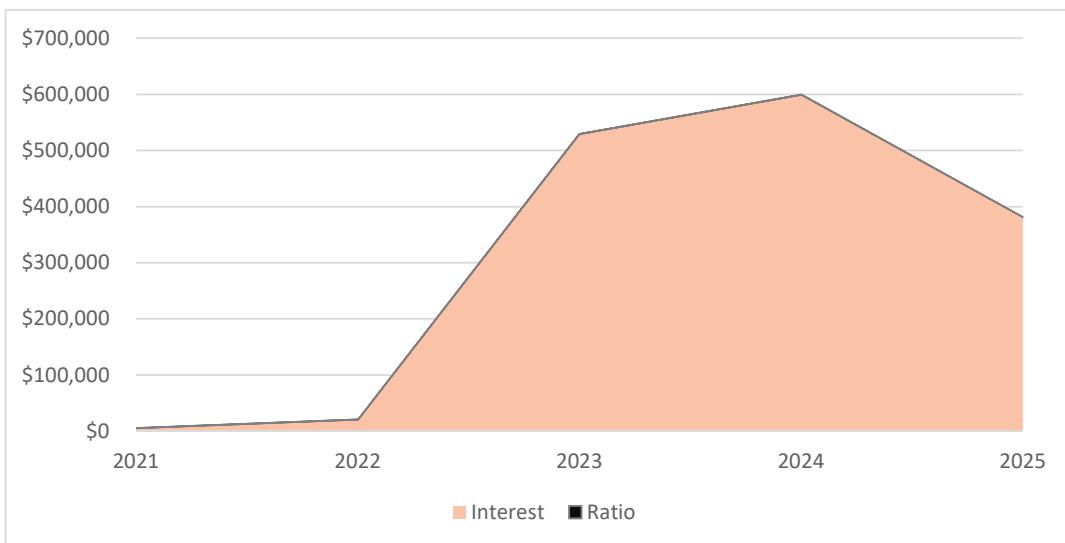
Summary:

This data measures the District's resource contribution, with a stable trend. No target is set for this ratio, as under the school aid formula, increased property wealth results in a smaller portion of revenue coming from state aid. No corrective action is required.

Investment Income Ratio



Year	Interest	Total Revenue	Ratio
2021	\$5,592	\$68,811,025	0.34%
2022	\$20,409	\$69,615,112	0.03%
2023	\$529,191	\$71,111,767	0.74%
2024	\$599,436	\$71,942,725	0.83%
2025	\$381,094	\$75,705,038	0.50%



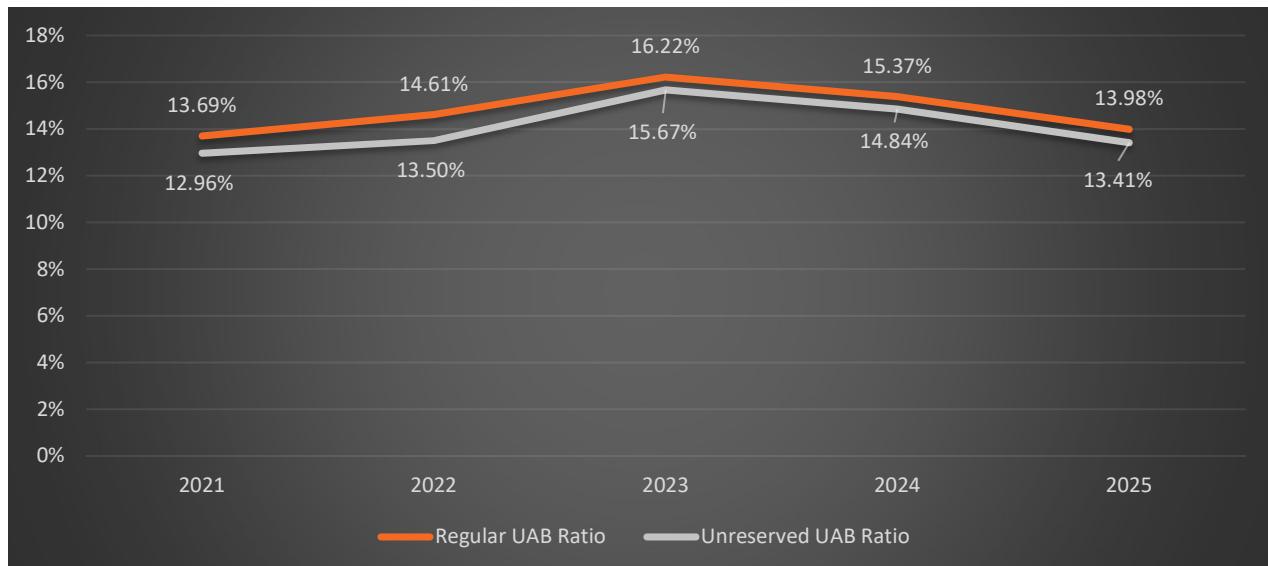
Summary:

This data measures investment results, indicating a recent decline in the trend. Stable to upward trends are considered desirable for this indicator. Historically, economic interest rates have been low, but recent trends show increases in investment rates. Declining cash balances negatively impact this percentage. The corrective action is to continue monitoring idle funds and to take advantage of improving market conditions as opportunities arise.

Unspent Authorized Budget Ratio



Year	Maximum Authorized	Regular Unspent Bal.	Regular UAB Ratio	Reserved Unspent Bal.	Unreserved UAB Ratio
2021	\$ 76,247,951	\$ 10,439,701	13.69%	\$ 557,935	12.96%
2022	\$ 81,547,921	\$ 11,916,617	14.61%	\$ 905,598	13.50%
2023	\$ 86,291,482	\$ 13,997,195	16.22%	\$ 476,109	15.67%
2024	\$ 89,177,311	\$ 13,710,477	15.37%	\$ 472,731	14.84%
2025	\$ 92,648,870	\$ 12,953,189	13.98%	\$ 530,995	13.41%



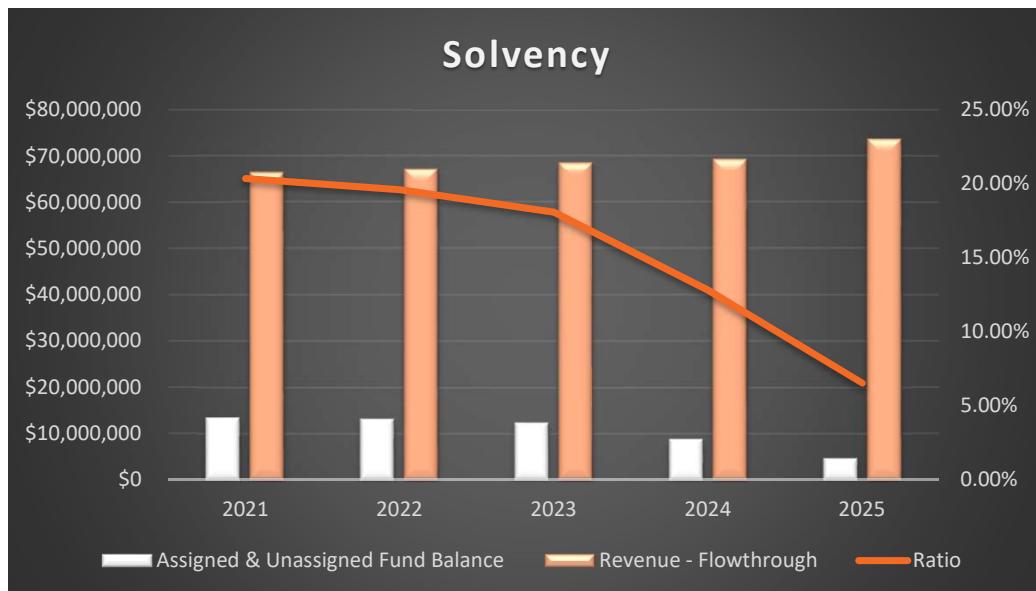
Summary:

This data measures the District's unbudgeted spending reserves, with a stable trend. Stable to upward trends are desirable for this indicator, as adequate budget reserves are crucial for the District's ability to respond to emergencies. The corrective actions include monitoring the unspent balance to maintain it within an ideal range of 10-15%. The District continues to maintain a fairly steady level of unbudgeted spending reserves.

Financial Solvency Ratio



Year	Assigned & Unassigned Fund Balance	Revenue - Flowthrough	Ratio
2021	\$13,490,981	\$66,333,827	20.34%
2022	\$13,147,650	\$67,134,077	19.58%
2023	\$12,386,290	\$68,544,162	18.07%
2024	\$8,872,175	\$69,309,512	12.80%
2025	\$4,810,293	\$73,641,064	6.53%



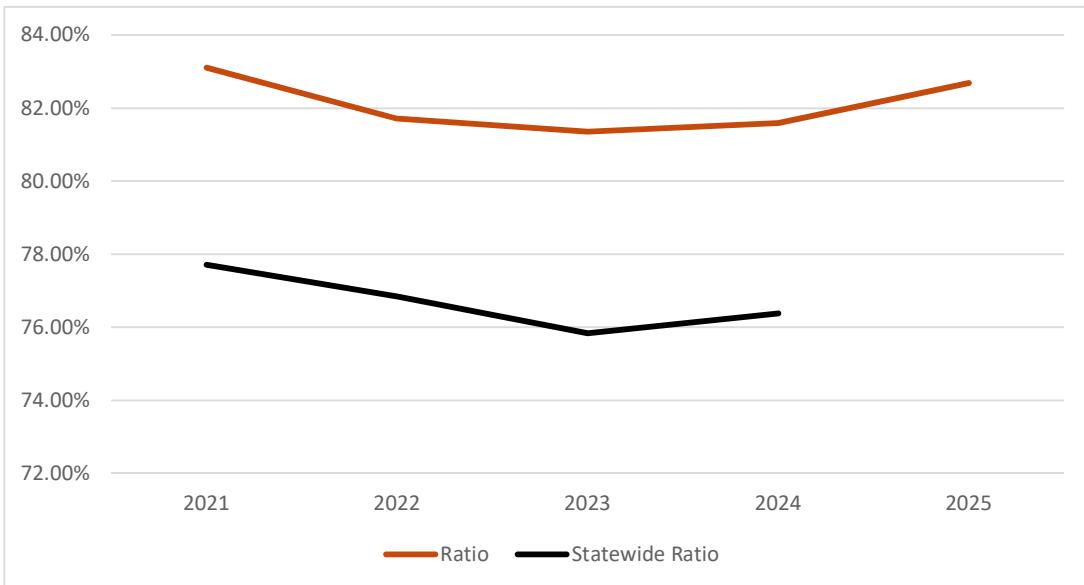
Summary:

This data measures the District's Fund Equity position, showing a declining trend. The long-term target is set between 5-20%, with a recommendation not to exceed 25%. The current indicator is within target, the District will need to monitor cash resources to ensure the Fund Equity remains within the recommended range.

Employee Cost Ratio



Year	Wages and Benefits	Total GF Expenditures	Ratio	Statewide Ratio
2021	\$54,690,553	\$65,808,250	83.11%	77.71%
2022	\$56,893,921	\$69,631,304	81.71%	76.84%
2023	\$58,811,733	\$72,294,287	81.35%	75.84%
2024	\$61,572,898	\$75,466,834	81.59%	76.38%
2025	\$65,899,078	\$79,695,681	82.69%	



Summary:

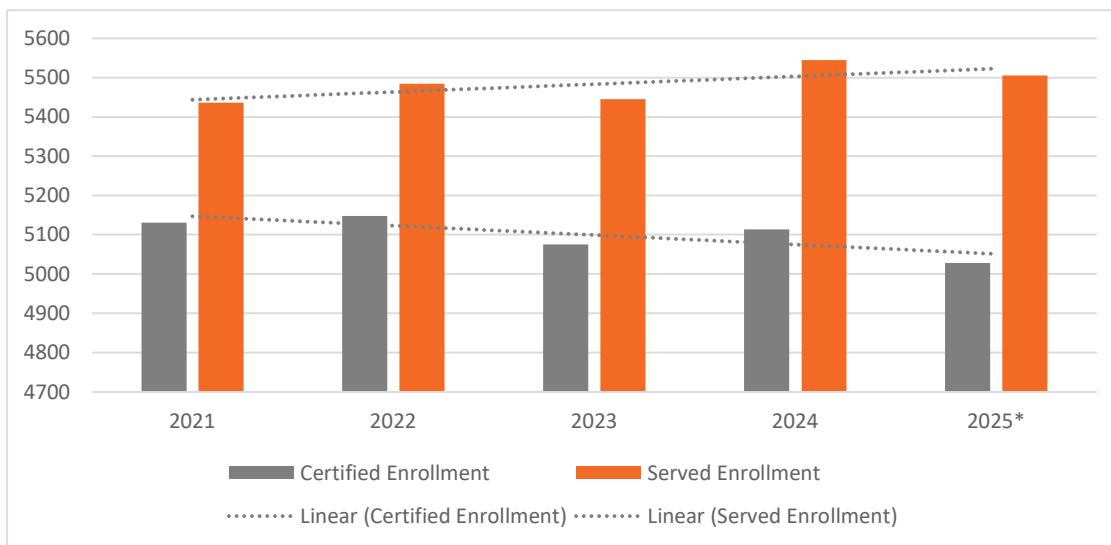
The purpose of this metric is to measure the staffing cost percentage, which represents the largest expenditure category in the General Fund budget. The trend has been relatively stable. The recommended target is 75-80%. The District has consistently been higher than the target range and the state average.

Certified Enrollment Trend



October 1 Enrollment Year	Certified Enrollment	Cert # Change	Cert % Change	Served Enrollment	Served # Change	Served % Change
2021	5,130.9	1.1	0.06%	5,436.4	20.1	0.82%
2022	5,147.9	17.0	0.33%	5,484.4	48.0	0.88%
2023	5,075.2	-72.7	-1.43%	5,445.2	-39.2	-0.71%
2024	5,113.8	38.6	0.76%	5,544.5	99.3	1.82%
2025*	5,028.0	-85.8	-1.71%	5,505.1	-39.4	-0.71%

*Preliminary data, not finalized



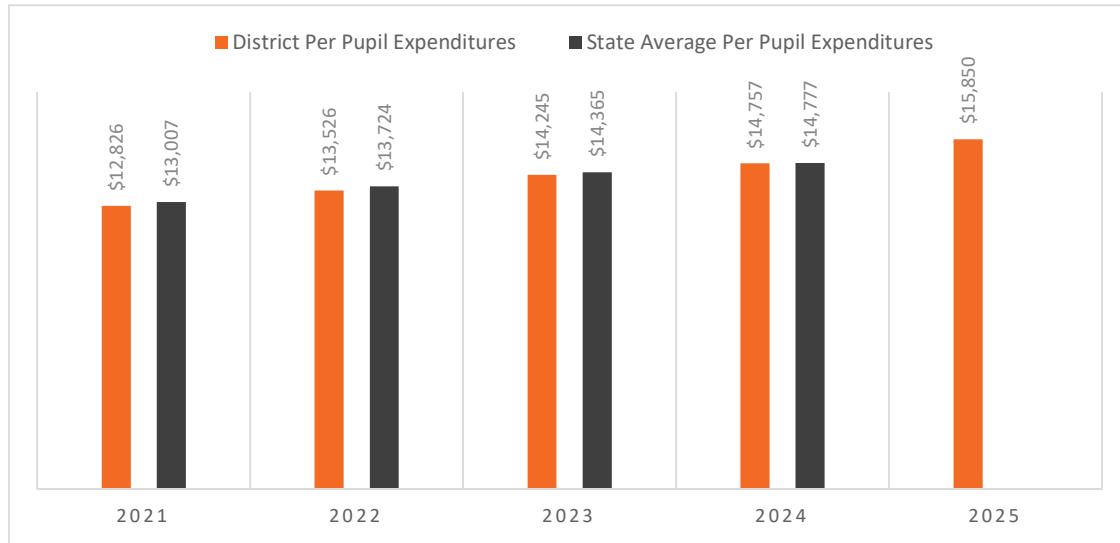
Summary:

This metric tracks enrollment trends for financial forecasting purposes. Currently, certified enrollment is declining, while served enrollment remains steady or is increasing. The ideal target for this indicator is stable to higher enrollment levels. The District continues to rely significantly on open enrollment to meet its needs. New legislation in 2024-25 will allow more funding to follow students, but SAVE funding will remain an essential source of revenue, especially given the high levels of open enrollment.

General Fund Per Pupil Cost



Year	Total Expenditures	Certified Enrollment	District Per Pupil Expenditures	State Average Per Pupil Expenditures
2021	\$65,808,250	5,130.9	\$12,826	\$13,007
2022	\$69,631,304	5,147.9	\$13,526	\$13,724
2023	\$72,294,287	5,075.2	\$14,245	\$14,365
2024	\$75,466,834	5,113.8	\$14,757	\$14,777
2025	\$79,695,681	5,028.0	\$15,850	NA



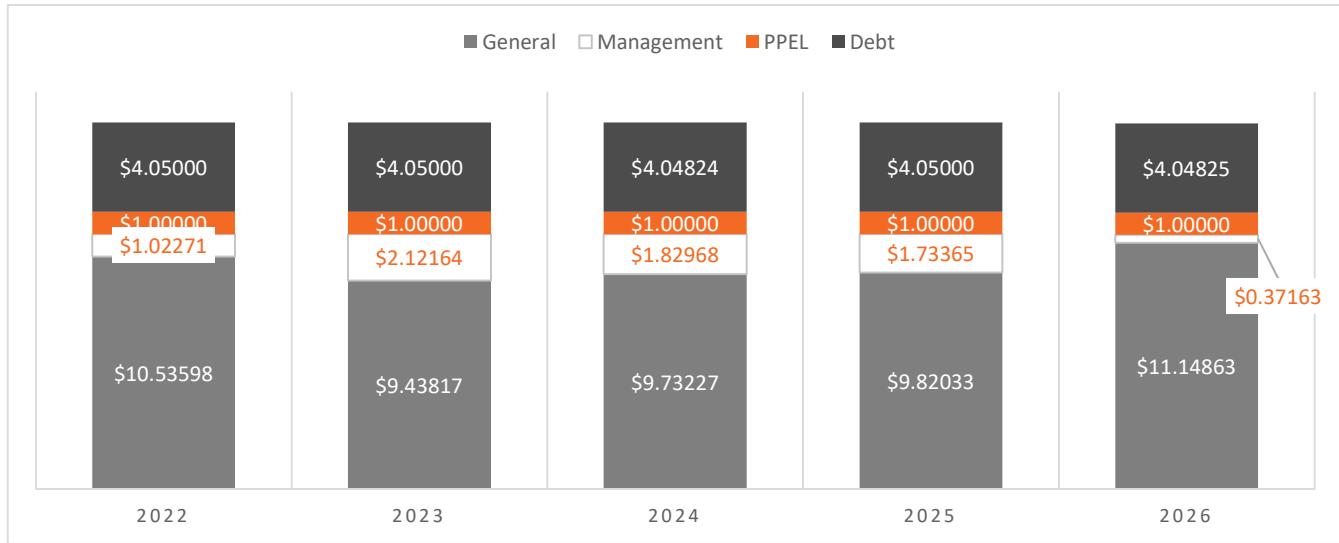
Summary:

This measure provides an indication of efficiency within the General Fund. The trend has been increasing. The District has maintained comparable to the state average cost per pupil. The current ratio is based on certified enrollment; however, a more accurate calculation may be to use served enrollment. Unfortunately, the state does not provide a served enrollment cost for comparison.

Total Tax Rate History By Fund



Year	General	Management	PPEL	Debt	Total Rate
2022	\$10.53598	\$1.02271	\$1.00000	\$4.05000	\$16.60869
2023	\$9.43817	\$2.12164	\$1.00000	\$4.05000	\$16.60981
2024	\$9.73227	\$1.82968	\$1.00000	\$4.04824	\$16.61019
2025	\$9.82033	\$1.73365	\$1.00000	\$4.05000	\$16.60398
2026	\$11.14863	\$0.37163	\$1.00000	\$4.04825	\$16.56851



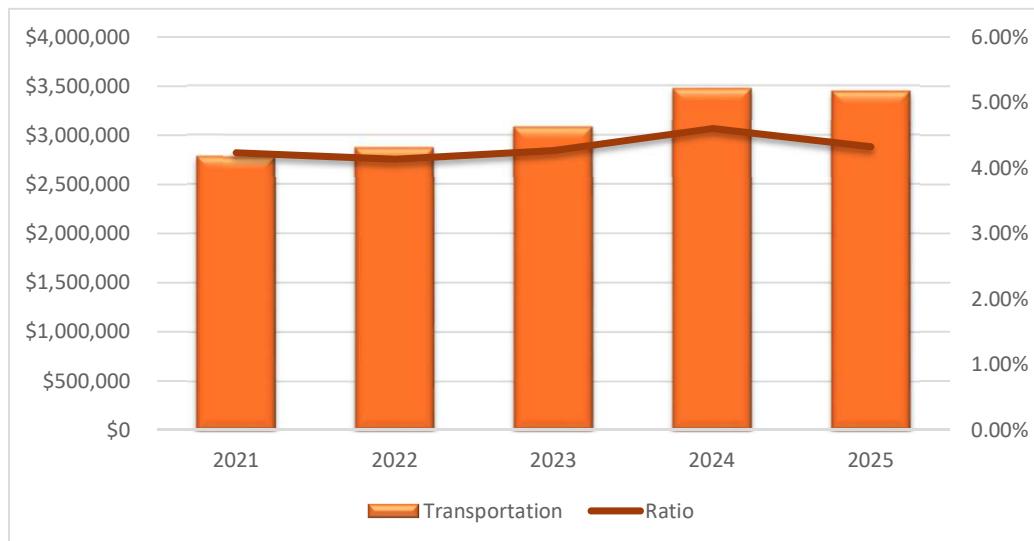
Summary:

This metric evaluates the District's local taxation effort, which has remained stable, aligning with the target of maintaining consistency. Continued monitoring of the tax rate is recommended for future planning, though no corrective action is currently necessary.

Student Transportation Ratio



Year	Transportation	Total Expenditures	Ratio
2021	\$2,786,884	\$65,808,250	4.23%
2022	\$2,879,740	\$69,631,304	4.14%
2023	\$3,084,419	\$72,294,287	4.27%
2024	\$3,473,206	\$75,466,834	4.60%
2025	\$3,446,848	\$79,695,681	4.33%



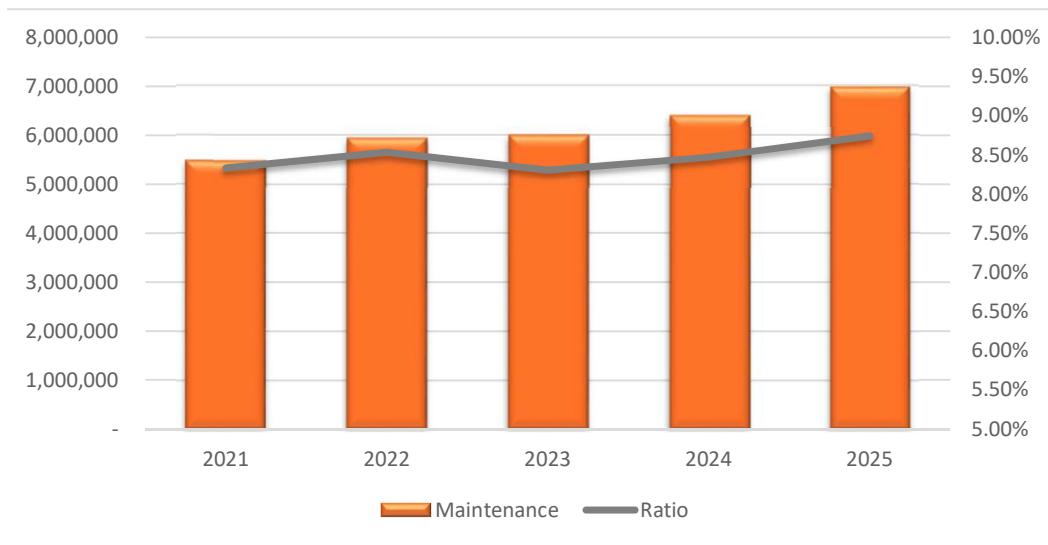
Summary:

This measure evaluates the effectiveness of transportation resource distribution within the District. The trend has remained stable, which aligns with the target of achieving a stable to lower trend. Increased demand for transportation and staff shortages can impact this ratio. The District should continue monitoring this indicator and look for efficiencies to maintain or reduce the current trend.

Maintenance Services Ratio



Year	Maintenance	Total Expenditures	Ratio
2021	5,483,102	\$65,808,250	8.33%
2022	5,940,905	\$69,631,304	8.53%
2023	6,003,766	\$72,294,287	8.30%
2024	6,390,739	\$75,466,834	8.47%
2025	6,967,946	\$79,695,681	8.74%



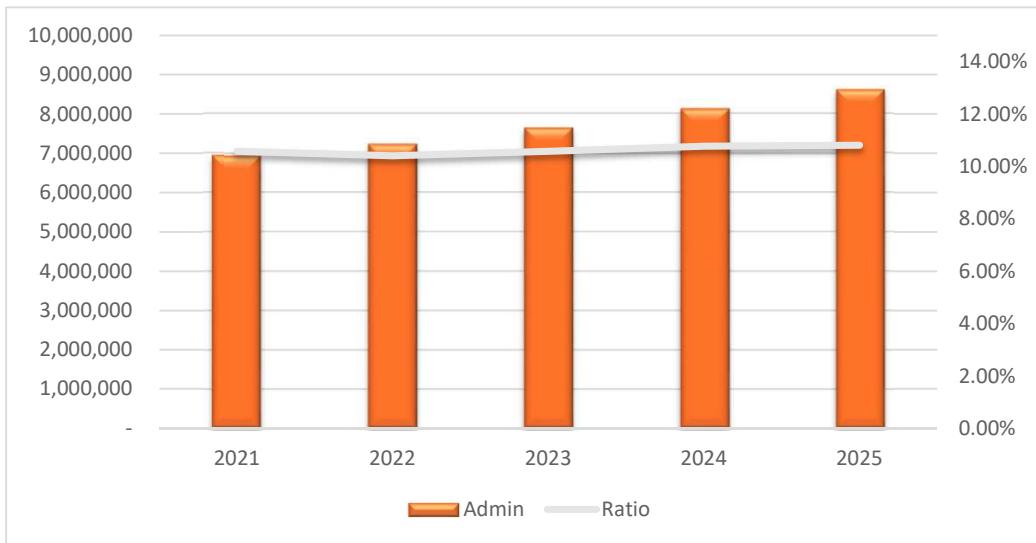
Summary:

This metric assesses facility maintenance resource distribution outcomes in the District. The trend has been stable, which meets the target for this indicator. Facility preventative maintenance is a priority as the District strives to maintain quality facilities for students. Ongoing monitoring and seeking efficiencies are recommended to sustain or lower this trend.

Administrative Services Ratio



Year	Admin	Total Expenditures	Ratio
2021	6,953,826	\$65,808,250	10.57%
2022	7,246,688	\$69,631,304	10.41%
2023	7,639,069	\$72,294,287	10.57%
2024	8,125,892	\$75,466,834	10.77%
2025	8,610,970	\$79,695,681	10.80%



Summary:

This measure tracks the distribution of administrative resources within the District. The current trend is stable. A stable to lower trend is preferred. The recommendation is to continue monitoring and maintaining this indicator.

