

**Cozad Community Schools
Board of Education Budget Workshop
Monday, January 8, 2024 6:30 PM
Office of the Superintendent**

Mission: Cozad Community Schools, in partnership with family and community, prepares students to be successful lifelong learners through quality education.

Vision: Cozad Creates Success

Values - Guiding Principles

Respect - Trust, appreciate, celebrate, value, act with urgency

Integrity - Do the right thing, deliver highest quality instruction and practice full accountability

Teamwork - Teamwork at all levels districtwide, recognize and celebrate, have fun and enjoy

Innovation - Positive attitude, open to new ideas,

Courage - Embrace change and take calculated risk, encourage others, communicate directly with respect

1. BOARD OF EDUCATION BUDGET WORKSHOP 6:30 P.M.

1.1. Call to Order, Roll Call

1.2. Nebraska Open Meeting Law, Publication of Meeting

This meeting has been preceded by advance notice and is hereby declared to be in open session. A current copy of the Nebraska Open Meetings Act is posted on the West wall of the meeting room.

Notice of this meeting was given in advance by publication in the Cozad Local and posted on the Cozad Community Schools website and at the District Office, Cozad Post Office and Wilson Public Library. Notice of this meeting was also given in advance to all members of the Board of Education. The order of agenda items may be changed when deemed necessary.

The board may choose to enter closed (executive) session to discuss any matter for which closed (executive) session is lawful and appropriate.

1.3. Excused/Unexcused Board Member Absence

2. APPROVAL OF THE AGENDA

This agenda item enables the board to validate if an item was added prior to the 24-hour period before the board meeting. If an item was added, the board may verify when the modifications were made and when the updated agenda was posted to the district website.

3. FINANCIAL WORKSHOP WITH CARL DIETZ



First National
Capital Markets

Public Finance

Cozad Community Schools Home of the Haymakers

Budget and Finance

January 8, 2024

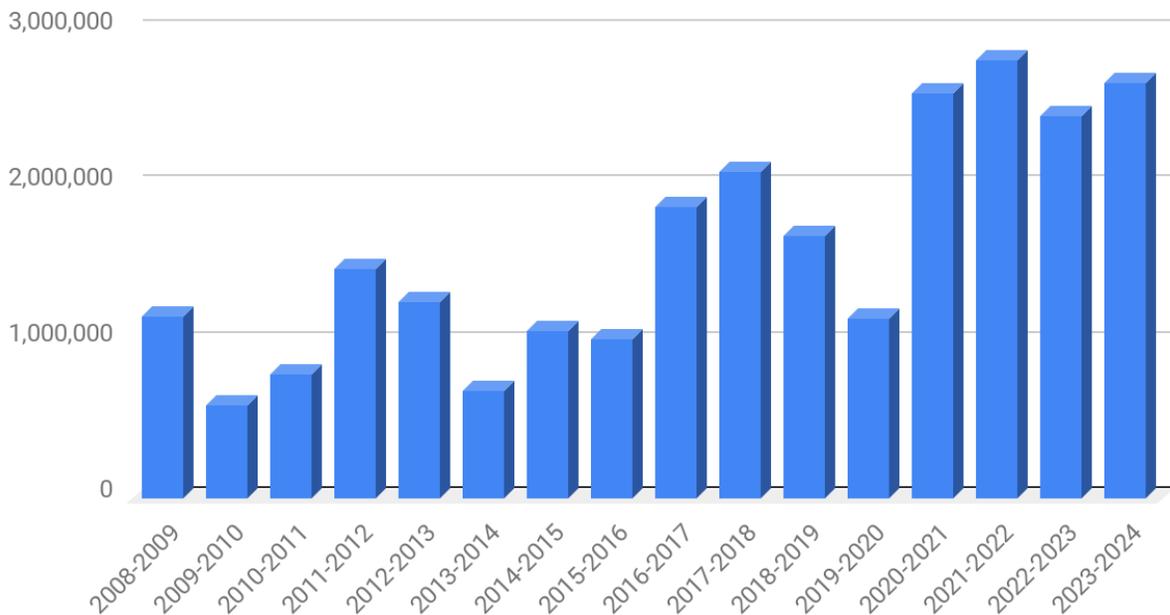
PREPARED BY: Carl Dietz
First National Capital Markets,
Public Finance

Workshop Overview

- A. Historical Information of the three major funds and cash balances
- B. Levy and tax request for each fund.
- C. Projected general fund receipts, including a breakdown of the state aid components
- D. General fund expenses
- E. AFR comparability of total expenses and payroll
- F. Receipt and expense projections

General Fund-As shown by the line chart below the cash balance has been a little erratic over the past 15 years. We recommend a minimum of three months of operating expenditures to be carried as a cash balance on August 31 of the fiscal year. Your bills average over \$1.0M monthly, so a cash balance of at least \$3.0M is recommended. The cash balance on September 1, 2023 was \$2,660,142 (up about \$200K from last year)..

General Fund Cash Balance

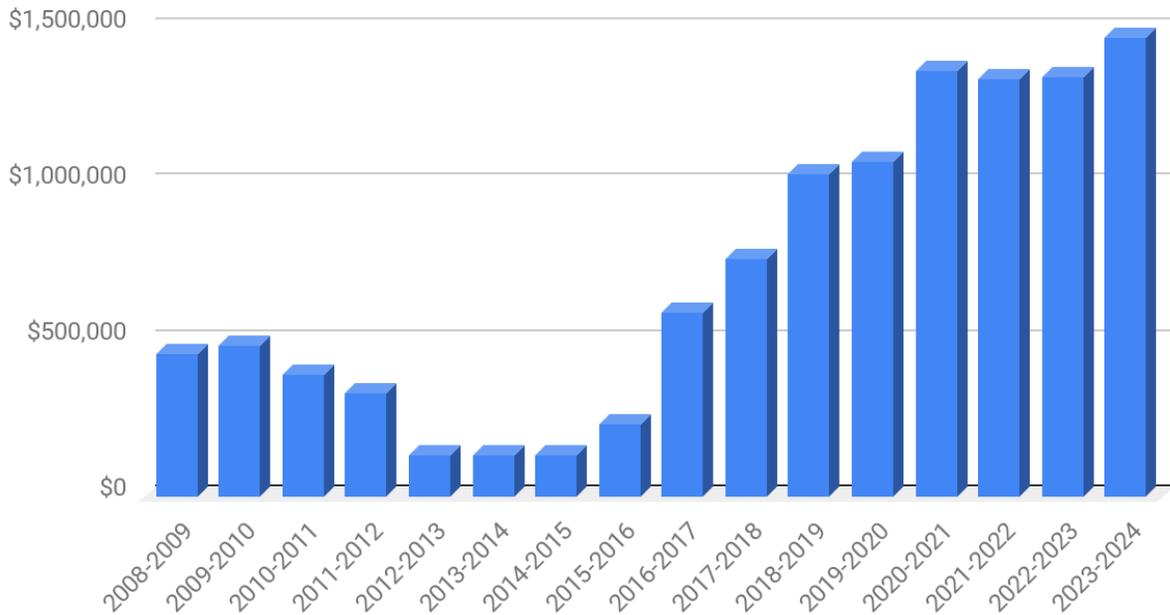


Depreciation Fund

- ❖ The Depreciation Fund is not specifically provided for in law; therefore, this fund shall be considered a component of the General Fund.
- ❖ Used to spread replacement costs over a period of years in order to avoid a disproportionate tax effort in a single year

This fund is restricted by statute as part of the Allowable Reserve limitation. The district has transferred more money into the Depreciation Fund over the past few years. The cash balance on September 1, 2023 was \$1,472,565 (an increase of over \$100K)

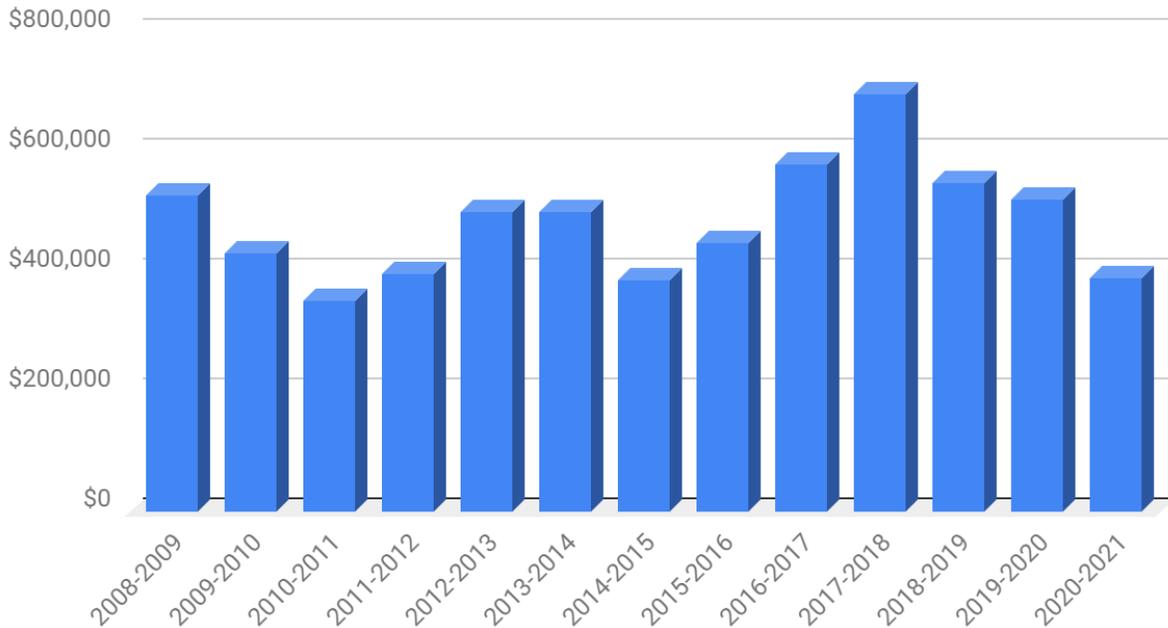
Depreciation Fund Cash Balance



Special Building Fund

- ❖ A Special Building Fund shall be established when a school board decides to acquire or improve sites and/or to erect, alter or improve buildings.
- ❖ The sale of bonds, the sale of property, or tax receipts will be the primary sources of revenue for the Special Building Fund.
- ❖ The tax levy for this fund is restricted to 14¢ with local board approval or 17.5¢ following a vote of the people for a term not to exceed ten years. The cash balance on September 1, 2023 was over \$13 million.

Building Fund Cash Balance prior to Construction



Qualified Capital Purpose Undertaking Fund

- ❖ A Qualified Capital Purpose Undertaking Fund (QCPUF) may be established for:
 - removal of environmental hazards
 - elimination of accessibility barriers in school buildings
 - repayment of a qualified zone academy bonds
 - modifications for life safety code violations
 - mold abatement and prevention projects
- ❖ Effective April 22, 2016, the tax levy for this fund is restricted to 3¢ and cannot exceed ten years for each project.
- ❖ A majority vote of the board of education is required to issue bonds to be supported by a tax levy for each qualified capital purpose.

District Valuation and Levy The chart below shows valuation, including the bond valuation, and the levy for each fund dating back to 2009-2010. Valuations increased 97.4% from 2010-2017, and from 2018 to 2023 they dropped 1.65%. Valuations increased 9.91% for FY 23-24. The chart below shows the 2023-2024 General Fund levy at \$0.986 and the Building Fund is at .032 for FY 23-24. LB 243 restricts the district from taxing any higher.

The bond valuations on the chart below represent the original elementary bond. I left the valuation at 0.00 since that bond will be retired.

LEVY INFORMATION								
% Inc. Val.	Year	Valuations	General	Bond Valuation	Bond Levy	Building	Total	Gen./Bldg
	2009-2010	\$425,090,910	0.9791	\$187,800,000	0.325	0.01	1.3141	\$0.98910
6.87%	2010-2011	\$454,294,150	1.00	\$187,500,000	0.2128	0.01	1.22	\$1.01000
7.79%	2011-2012	\$489,662,099	0.9563	\$194,000,000	0.2128	0.0099	1.179	\$0.96620
4.64%	2012-2013	\$512,381,933	0.9565	\$192,920,365	0.2271	0.0099	1.1935	\$0.96640
15.34%	2013-2014	\$590,978,746	0.9566	\$199,593,194	0.2984	0.0099	1.2649	\$0.96650
20.68%	2014-2015	\$713,201,677	0.9562	\$209,951,181	0.2883	0.0099	1.2544	\$0.96610
11.67%	2015-2016	\$796,440,220	0.979	\$218,371,228	0.269	0.0199	1.2679	\$0.99890
5.58%	2016-2017	\$840,899,011	1.00	\$223,189,289	0.2691	0.02	1.29	\$1.02000
0.48%	2017-2018	\$844,899,606	1.0136	\$224,484,786	0.25	0.02	1.2836	\$1.03360
-1.87%	2018-2019	\$829,101,595	\$1.030	\$229,111,230	0.25	0.02	\$1.300	\$1.05000
1.24%	2019-2020	\$839,380,326	\$1.026	\$231,270,352	0.2472	0.0241	\$1.297	\$1.04960
-4.31%	2020-2021	\$803,195,080	1.003706	\$234,566,731	0.219619	0.046253	1.269578	\$1.04996
1.11%	2021-2022	\$812,086,343	1.0077	\$234,566,731	0.206328	0.0412	1.255228	\$1.04890
2.32%	2022-2023	\$830,954,025	1.010886		0.227062	0.039112	1.27706	\$1.05000
9.91%	2023-2024	\$913,302,544	0.986085	\$0	0.195003	0.032627	1.213715	\$1.01871
5.00%	2024-2025	\$958,967,671	0.98	\$0	0.200	0.02	1.200	\$1.00000
5.00%	2025-2026	\$1,006,916,055	0.96	\$0	0.200	0.02	1.180	\$0.98000
5.00%	2026-2027	\$1,057,261,857	0.94	\$0	0.200	0.02	1.160	\$0.96000
5.00%	2027-2028	\$1,110,124,950	0.92	\$0	0.200	0.02	1.140	\$0.94000
5.00%	2028-2029	\$1,165,631,198	0.91	\$0	0.200	0.02	1.130	\$0.93000

Total Tax Request-The General Fund Tax Request increased an average of 7.9% annually from 2010-2020 (mostly due to a decrease in state aid), and closer to 2.4% the past three years. Valuation and total tax request projections are highlighted in yellow. At the far right is the tax limit based on LB 243 with and without the additional 6%. A 3% growth is figured into each of the numbers for future reference.

TOTAL TAX REQUEST							
Tax Inc	Year	General Fund	Bond Fund	Building Fund	General & Building Fund Tax	LB 243 Limit with 3% growth	Additional 6%
	2009-2010	\$4,162,065	\$610,350	\$42,509			
9.15%	2010-2011	\$4,542,942	\$399,000	\$45,429	\$4,588,371		
3.08%	2011-2012	\$4,682,639	\$412,832	\$48,477	\$4,731,115		
4.66%	2012-2013	\$4,900,933	\$438,122	\$50,726	\$4,951,659		
15.35%	2013-2014	\$5,653,303	\$595,586	\$58,507	\$5,711,810		
20.63%	2014-2015	\$6,819,634	\$605,289	\$70,607	\$6,890,241		
14.33%	2015-2016	\$7,797,150	\$587,419	\$158,492	\$7,955,641		
7.85%	2016-2017	\$8,408,990	\$600,602	\$168,180	\$8,577,170		
1.84%	2017-2018	\$8,563,902	\$561,212	\$168,980	\$8,732,882		
-0.28%	2018-2019	\$8,539,746	\$572,778	\$165,820	\$8,705,567		
0.80%	2019-2020	\$8,607,845	\$571,700	\$202,291	\$8,810,136		
-6.34%	2020-2021	\$8,061,717	\$515,153	\$371,502	\$8,433,219		
1.51%	2021-2022	\$8,183,394	\$483,977	\$334,580	\$8,517,974		
2.65%	2022-2023	\$8,399,998	\$1,886,781	\$325,003	\$8,725,001		
7.21%	2023-2024	\$9,005,939	\$1,780,967	\$297,983	\$9,303,923	\$8,566,372	\$9,304,790
4.35%	2024-2025	\$9,397,883	\$1,917,935	\$191,794	\$9,589,677	\$8,823,363	\$9,583,934
1.79%	2025-2026	\$9,565,703	\$2,013,832	\$201,383	\$9,767,086	\$9,088,064	\$9,871,452
3.89%	2026-2027	\$9,938,261	\$2,114,524	\$211,452	\$10,149,714	\$9,360,706	\$10,167,595
2.77%	2027-2028	\$10,213,150	\$2,220,250	\$222,025	\$10,435,175	\$9,641,527	\$10,472,623
3.86%	2028-2029	\$10,607,244	\$2,331,262	\$233,126	\$10,840,370	\$9,930,773	\$10,786,802

State aid will increase \$835,955 for next year. The district could receive an additional \$500K in SPED funding for the next two years.

STATE AID	
2009-10	\$3,989,938
2010-11	\$3,905,643
2011-12	\$2,934,196
2012-13	\$2,753,386
2013-14	\$3,003,570
2014-15	\$2,684,740
2015-16	\$2,094,542
2016-17	\$941,819
2017-18	\$492,317
2018-19	\$423,705
2019-20	\$2,852,846
2020-21	\$1,906,001
2021-22	\$1,976,682
2022-23	\$2,047,337
2023-24	\$2,883,292

System Needs				
	2021-2022	2022-2023	2023-2024	Change
Basic Funding	\$10,133,806	\$10,610,081	\$11,306,776	\$696,695
Poverty Allowance	\$377,400		\$391,000	\$391,000
LEP Allowance	\$78,625		\$85,000	
Summer School Allow			\$3,650	
Special Rec Allow	\$647,226	\$661,740	\$627,459	-\$34,281
Transportation Allow	\$72,712	\$82,909	\$95,960	\$13,051
Dist. Ed. allow	\$46,262	\$23,149	\$22,186	-\$963
Student Growth Adj			\$6,236	
Tot. Calc. Needs	\$11,356,031	\$11,377,879	\$12,538,267	\$1,160,388
Needs Stabilization	\$261,622	\$239,774		-\$239,774
Total Formula needs	\$11,617,653	\$11,617,653	\$12,538,267	\$920,614
Temporary Aid Adj. factor				\$0
Total System Needs	\$11,617,653	\$11,617,653	\$12,538,267	\$920,614
System Resources				
Local Effort Rate	\$8,184,134	\$8,123,697	\$8,311,849	\$188,152
Option Funding			\$28,938	\$28,938
Income Tax Funds	\$100,090	\$97,778	\$111,984	\$14,206
Foundation Aid			\$1,359,944	\$1,359,944
Other Rec	\$1,453,624	\$1,452,241	\$1,346,970	-\$105,271
Total Formula Resources	\$9,737,848	\$9,673,716	\$11,159,685	\$1,485,969
State Aid Calculated				
Equalization Aid	\$1,879,805	\$1,943,937	\$1,378,582	-\$565,355
Option Funding			\$28,938	
Income Tax Funds	\$100,090	\$97,778	\$111,984	\$14,206
Foundation Aid			\$1,359,944	\$1,359,944
State Aid Calculated	\$1,979,895	\$2,041,715	\$2,879,448	\$837,733
Prior year Correction		\$5,622	\$3,844	-\$1,778
Total State Aid	\$1,979,895	\$2,047,337	\$2,883,292	\$835,955

ANNUAL RECEIPTS AND EXPENSES: The next chart shows historical expenses and projections based on a 4% increase in payroll for next year, and then 3% the next four years, and a 3% increase in other bills. (I increased insurance by 7% annually)

The average increase in spending from 2009 to 2022 was about 2.3% annually. The large expense increase during 2022 and 2023 was due to ESSER expenditures. The large increase from FY 2012-2013 was due to increase in Federal Expenses.

EXPENSES											
Year	Payroll	FICA	Retirement	Insurance	Tot Payroll	Bills	Total Expenses	% increase	Payroll incr	PR % of total	\$ Increase
2008-2009							\$9,511,575				
2009-2010							\$9,921,036	4.30%			\$409,461
2010-2011							\$9,779,161	-1.43%			-\$141,875
2011-2012							\$9,467,338	-3.19%			-\$311,823
2012-2013							\$10,053,253	6.19%			\$585,915
2013-2014							\$10,265,556	2.11%			\$212,303
2014-2015							\$10,904,095	6.22%			\$638,539
2015-2016							\$10,849,084	-0.50%			-\$55,011
2016-2017	\$6,560,017	\$501,841	\$612,542	\$1,400,000	\$9,074,400	\$1,720,548	\$10,794,948	-0.50%			-\$54,136
2017-2018	\$6,677,145	\$510,802	\$623,256	\$1,500,000	\$9,311,203	\$2,301,709	\$11,612,912	7.58%	2.61%	80.18%	\$817,964
2018-2019	\$6,779,036	\$518,596	\$632,898	\$1,600,000	\$9,530,530	\$1,984,908	\$11,515,438	-0.84%	2.36%	82.76%	-\$97,474
2019-2020	\$6,677,104	\$510,798	\$615,153	\$1,700,000	\$9,503,055	\$2,904,615	\$12,407,670	7.75%	-0.29%	76.59%	\$892,232
2020-2021	\$6,896,632	\$527,592	\$650,248	\$1,800,000	\$9,874,472	\$2,237,194	\$12,111,666	-2.39%	3.91%	81.53%	-\$296,004
2021-2022	\$7,147,719	\$546,801	\$672,203	\$1,900,000	\$10,266,723	\$2,367,736	\$12,634,459	4.32%	3.97%	81.26%	\$522,793
2022-2023	\$7,536,274	\$576,525	\$664,780	\$2,033,000	\$10,810,579	\$3,102,514	\$13,913,093	10.12%	5.30%	77.70%	\$1,278,634
2023-2024	\$7,837,725	\$599,586	\$781,953	\$2,175,310	\$11,394,573	\$2,438,769	\$13,833,342	-0.57%	5.40%	82.37%	-\$79,751
2024-2025	\$8,072,857	\$617,574	\$805,411	\$2,327,582	\$11,823,423	\$2,511,932	\$14,335,355	3.63%	3.76%	82.48%	\$502,013
2025-2026	\$8,315,042	\$636,101	\$829,573	\$2,490,512	\$12,271,229	\$2,587,290	\$14,858,519	3.65%	3.79%	82.59%	\$523,164
2026-2027	\$8,564,494	\$655,184	\$854,461	\$2,664,848	\$12,738,986	\$2,664,908	\$15,403,895	3.67%	3.81%	82.70%	\$545,376
2027-2028	\$8,821,428	\$674,839	\$880,095	\$2,851,388	\$13,227,750	\$2,744,856	\$15,972,605	3.69%	3.84%	82.82%	\$568,711

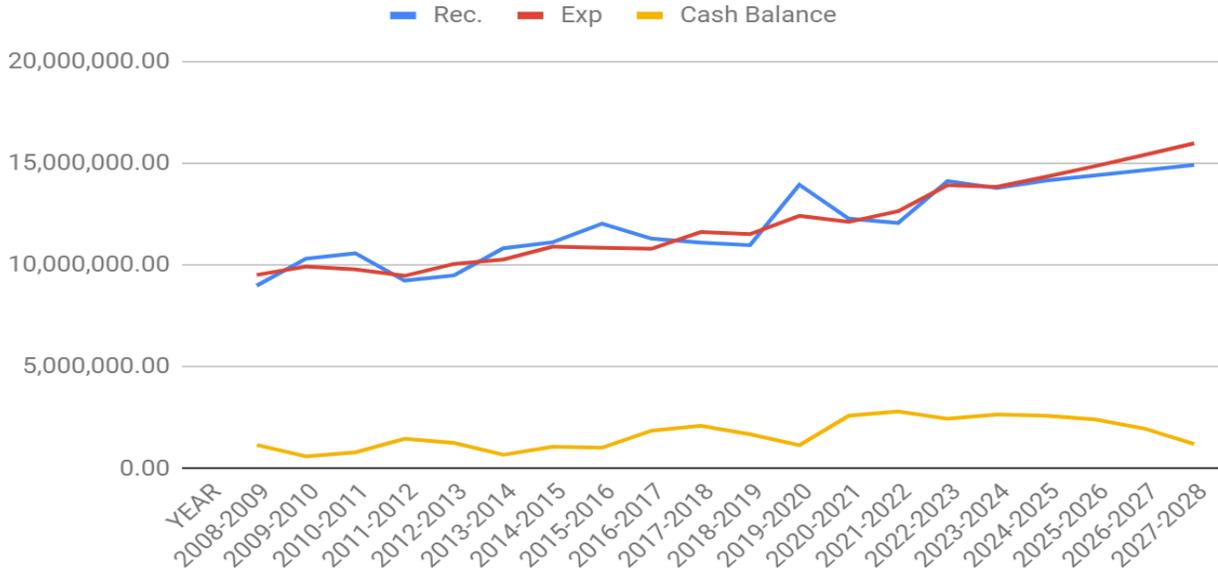
The next chart below shows receipts by program and then future projections. Total local receipts are based on valuations increasing 5% annually, and a general fund levy of \$1.01 (tax collections at .94). State receipts are based on an average of the previous ten years plus the increase in state aid for next year. Federal and Other receipts are based on the nine year average.

RECEIPTS AND EXPENSES													
YEAR	Taxes	Local	State Aid	SPED	Other State	State	Federal	Other	Total Rec	Total Exp	Difference	Exp Incr	Rev Incr
2008-2009									\$8,983,128	\$9,511,575	-\$528,447		
2009-2010									\$10,308,808	\$9,921,036	\$387,772	\$409,461	\$1,325,680
2010-2011									\$10,571,506	\$9,779,161	\$792,345	-\$141,875	\$262,698
2011-2012									\$9,235,050	\$9,467,338	-\$232,288	-\$311,823	-\$1,336,456
2012-2013									\$9,487,404	\$10,053,253	-\$565,849	\$585,915	\$252,354
2013-2014	\$5,295,676	\$5,763,438	\$3,003,571	\$577,475	\$517,655	\$4,098,701	\$792,810	\$164,822	\$10,819,771	\$10,265,556	\$554,215	\$212,303	\$1,332,367
2014-2015	\$6,270,806	\$6,751,987	\$2,684,740	\$539,590	\$648,742	\$3,873,072	\$352,630	\$137,973	\$11,115,662	\$10,904,095	\$211,567	\$638,539	\$295,891
2015-2016	\$7,308,632	\$7,839,325	\$2,094,542	\$584,168	\$928,094	\$3,606,804	\$465,282	\$114,443	\$12,025,854	\$10,849,084	\$1,176,770	-\$55,011	\$910,192
2016-2017	\$7,824,730	\$8,304,916	\$941,819	\$577,573	\$827,157	\$2,346,549	\$514,485	\$125,253	\$11,291,203	\$10,794,948	\$496,255	-\$54,136	-\$734,651
2017-2018	\$7,765,498	\$8,326,191	\$492,317	\$597,695	\$874,453	\$1,964,465	\$604,095	\$202,245	\$11,096,996	\$11,612,912	-\$515,916	\$817,964	-\$194,207
2018-2019	\$7,801,316	\$8,344,585	\$423,705	\$551,787	\$867,682	\$1,843,174	\$639,955	\$148,097	\$10,975,811	\$11,515,438	-\$539,627	-\$97,474	-\$121,185
2019-2020	\$7,920,686	\$8,512,565	\$2,852,846	\$641,554	\$963,248	\$4,457,648	\$703,883	\$265,912	\$13,940,008	\$12,407,670	\$1,532,338	\$892,232	\$2,964,197
2020-2021	\$7,481,305	\$8,145,560	\$1,906,001	\$640,319	\$852,427	\$3,398,747	\$592,772	\$137,399	\$12,274,478	\$12,111,666	\$162,812	-\$296,004	-\$1,665,530
2021-2022	\$7,353,402	\$7,963,234	\$1,976,682	\$605,418	\$900,058	\$3,482,158	\$544,220	\$74,922	\$12,064,534	\$12,634,459	-\$569,925	\$522,793	-\$209,944
2022-2023	\$7,584,726	\$8,224,944	\$2,047,337	\$597,086	\$840,638	\$3,485,061	\$2,122,989	\$152,341	\$14,123,401	\$13,913,093	\$210,308	\$1,278,634	\$2,058,867
2023-2024	\$8,465,583	\$9,015,583	\$2,883,292	\$1,208,722	\$822,015	\$4,030,146	\$578,904	\$152,341	\$13,776,974	\$13,833,342	-\$56,368	-\$79,751	-\$346,427
2024-2025	\$8,834,010	\$9,384,010	\$2,883,292	\$1,208,722	\$852,451	\$4,030,146	\$578,904	\$152,341	\$14,145,401	\$14,335,355	-\$189,954	\$502,013	\$368,427
2025-2026	\$9,086,410	\$9,636,410	\$2,883,292	\$1,208,722	\$872,822	\$4,030,146	\$578,904	\$152,341	\$14,397,801	\$14,858,519	-\$460,718	\$523,164	\$252,400
2026-2027	\$9,341,966	\$9,891,966	\$2,883,292	\$1,208,722	\$867,295	\$4,030,146	\$578,904	\$152,341	\$14,653,356	\$15,403,895	-\$750,538	\$545,376	\$255,555
2027-2028	\$9,600,361	\$10,150,361	\$2,883,292	\$1,208,722	\$871,309	\$4,030,146	\$578,904	\$152,341	\$14,911,751	\$15,972,605	-\$1,060,854	\$568,711	\$258,395

PROJECTING FUTURE RECEIPTS, EXPENSES AND CASH BALANCE

The line graph below reflects the two charts above. Expenses could increase about 3.6% annually (\$500K) and receipts will increase about 2% annually (\$250K).

Receipts Expenses and Cash Balance



During 2022-2023 total payroll for Cozad was \$343,789 more than the cost group average (Ogallala, Lakeview, Milford, Fairbury, Chadron, Wayne, Auburn and Gothenburg).

	Cozad	Group Average	Difference
Regular Ed	\$5,360,793	\$5,614,487	-\$253,694
SPED	\$1,203,804	\$1,167,884	\$35,920
Guidance	\$638,880	\$479,809	\$159,071
Library/Tech	\$135,610	\$275,500	-\$139,890
Exec Admin	\$247,388	\$254,062	-\$6,674
Principal	\$706,293	\$624,207	\$82,087
Cent Serv	\$231,073	\$146,967	\$84,106
Facilities	\$353,337	\$496,165	-\$142,828
Transp	\$193,814	\$112,016	\$81,798
Comm Hal	\$221,221	\$63,745	\$157,476
Other	\$0	\$0	\$0
Federal	\$738,089	\$451,665	\$286,425
Total Payr	\$10,030,302	\$9,686,504	\$343,798
Total Exp	\$12,634,471	\$12,559,261	\$75,210
Percent	79%	77%	

**Thank you for allowing us to be a part of this
important process!**

Carl Dietz

First National Capital Markets

**FNCM is not acting as a MA or underwriter. Member
FINRA, SIPC and MSRB**

Data sources:

education.ne.gov/fos

nep.education.ne.gov

auditors.nebraska.gov

4. **AGENDA SETTING AND FUTURE MEETINGS**

5. **ADJOURNMENT**

* **Closed Session:** If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the board will conduct a closed meeting in accordance with the Nebraska Open Meetings Law.

****Sequence of Agenda:** The sequence of agenda topics is subject to change at the discretion of the board. Please arrive at the beginning of the meeting.

*****Action Item:** The board reserves the right to take action on any item on the board agenda.