

Meeting of the Board of Finance for MSD of Pike Township

January 13, 2022



Agenda

- Elect President and Secretary
- Receive and review the 2020 Investment Report
- Review Investment Policy
- Receive and review Financial Condition of School Corporation Report

Elect President and Secretary

2020 Investment Report

Interest Posted for 01/01/21 through 12/31/21

<u>Investment</u>	<u>Amount</u>	<u>Settlement Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Interest Posted</u>
Forum Credit Union CD	\$ 1,063,000	08/01/19	02/01/21	2.80%	\$ 45,828.97
Merchants Bank CD	1,816,000	08/28/20	04/28/21	0.45%	5,444.61
HoosierFund	Varies			0.30%	14,790.51
Huntington MM Fund	varies			0.04%	498.54
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					\$ 66,562.63

Estimated Interest Accrued through 12/31/21

<u>Investment</u>	<u>Amount</u>	<u>Settlement Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Interest Posted</u>
Forum Credit Union CD	\$ 3,000,000.00	10/22/21	7/22/22	0.45%	\$ 2,589.04
Merchants Bank CD	3,000,000.00	10/22/21	04/22/22	0.35%	2,013.70
HoosierFund	1,920,771.15			0.30%	0.00
Huntington MM Fund	1,813.29			0.04%	0.06
					<hr/>
					\$ 4,602.80

Interest Earned by Year

- 2019 = \$401,903.30
- 2020 = \$289,561.60
- 2021 = \$ 71,165.43 (posted + estimated)
- 2022 = \$ 50,000.00 (budgeted)
 - Continue to scaffold investments in Certificates of Deposits (CDs)
 - Potential to exceed budget based on current economic trends

Review Investment Policy

Policy 6144 Investment Income

The School Board authorizes the Treasurer or Deputy Treasurer to make investments of available monies from the several funds of the School Corporation in:

- A. bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State;
- B. certificates of deposit issued by financial institutions organized and authorized to operate in this State;
- C. commercial paper rated prime 1 or prime 2 at the time of purchase and maturing not more than 270 days after the date of purchase.

The purpose of the investments is to maximize the returns on the Corporation's excess cash balances consistent with safety of those monies and with the desired liquidity of the investments.

Investments in U.S. Treasury securities and those other securities completely guaranteed by the Treasury as to payment of principal and interest may be purchased in any dollar amount up to 100% of the available reserves.

All investments must mature or be redeemable within two (2) years of the date of purchase, not to exceed two (2) years.

The Treasurer or Deputy Treasurer is authorized to contract with a depository for the operation of a cash management system under the following conditions:

- A. the contract is in writing
- B. the contract provides for the investment of funds by the depository with the written approval of the Board
- C. the depository keeps all records concerning investment cash management
- D. the investments are made in accordance with State law with maturities not to exceed two (2) years
- E. the contract, which cannot exceed two (2) years, is awarded using the Corporation's bidding procedure

The Treasurer shall require at least four (4) times per year, that each public depository report the amount of monies deposited by him/her and the total value of the pool of securities pledged to secure the monies of this Corporation held by the depository.

An obligation when received by the Treasurer, shall be deposited with the bank or trust company having the deposit of the money of the particular fund from which the obligation was purchased.

Financial Condition of School Corporation Report

Based on Fiscal Indicators as Determined by the DUAB Fiscal Indicators Committee

General Information

School Corporation Fiscal Indicators

School Corporation (ID):

M.S.D. PIKE TOWNSHIP SCHOOL CORPORATION

6901 Zionsville Rd, Indianapolis, IN, 46268
<http://www.pike.k12.in.us/>

Most Recent Audit as of July 1, 2021: <https://www.in.gov/sboa/WebReports/B54466.pdf>
Additional audit reports may be found at <https://secure.in.gov/apps/sboa/audit-reports/#/>

2020-21 Fall Student Count (Average Daily Membersh 10,817
[Learn more about student demographics of the school corporation](#) ▶

2021 Net Assessed Value: **\$5,107,510,008**
2019 Estimated Population: **78,041**



NOTICE

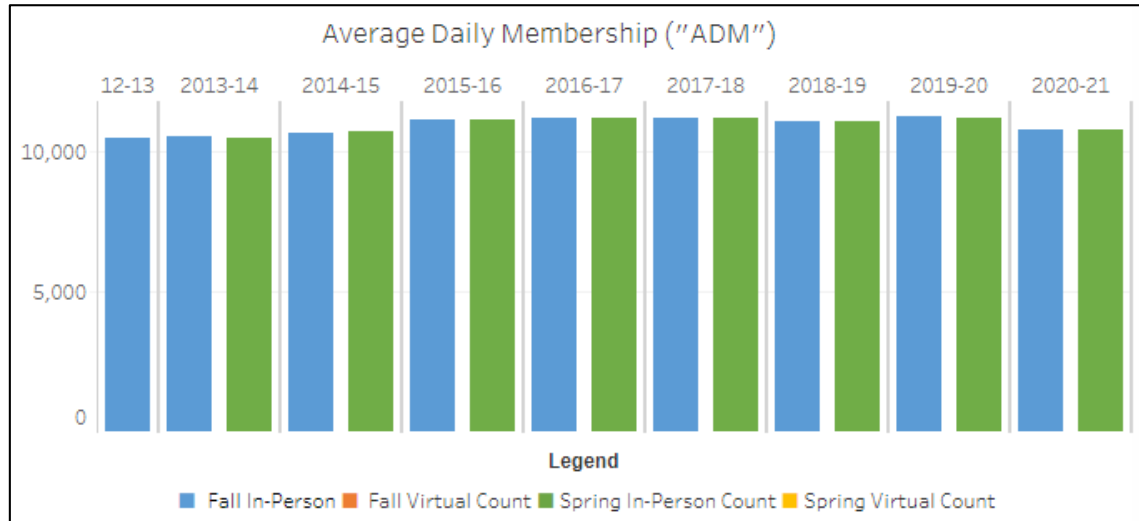
School fund structure was modified in 2019. The General Fund, Capital Projects Fund, Transportation Fund, Bus Replacement Fund and certain specialty operating funds were eliminated and replaced with an Education Fund and an Operations Fund. Additional updates also were made to the chart of accounts at that time.

It is important to note that many funds have specific purposes as required either by State statutes or State or Federal grant requirements. As such, a school corporation's ability to transfer between funds or utilize fund balances and revenue for uses other than the purposes directed for a particular fund may be restricted.

For description of funds included by fund classification, please refer to the Data Sources document - <https://www.in.gov/duab/files/School-Corporation-Fiscal-Indicators-Data-Sources.pdf>

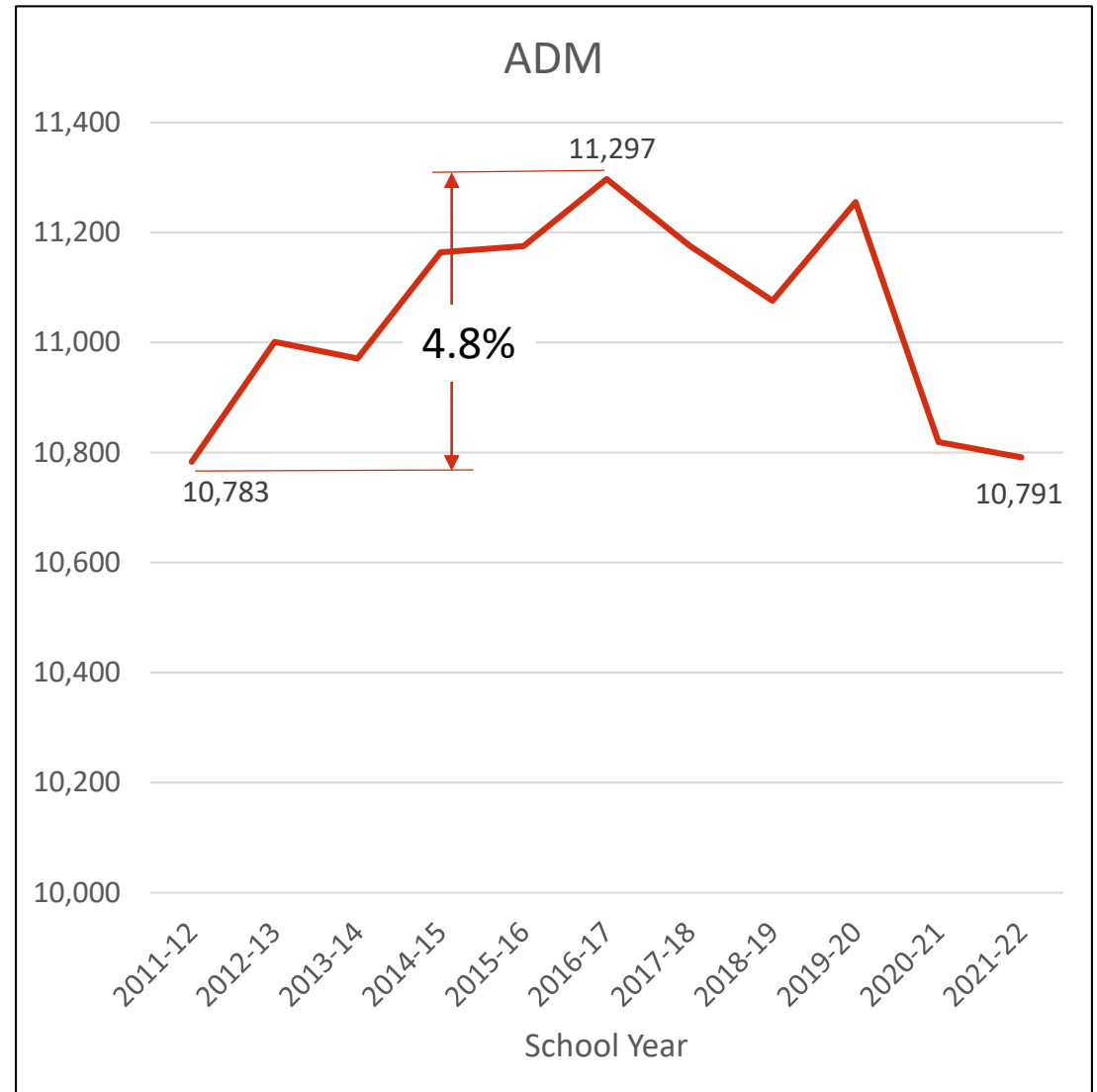
- Data located at:
<https://www.in.gov/duab/fiscal-indicators-committee/school-corporation-fiscal-indicators2/>

Average Daily Membership

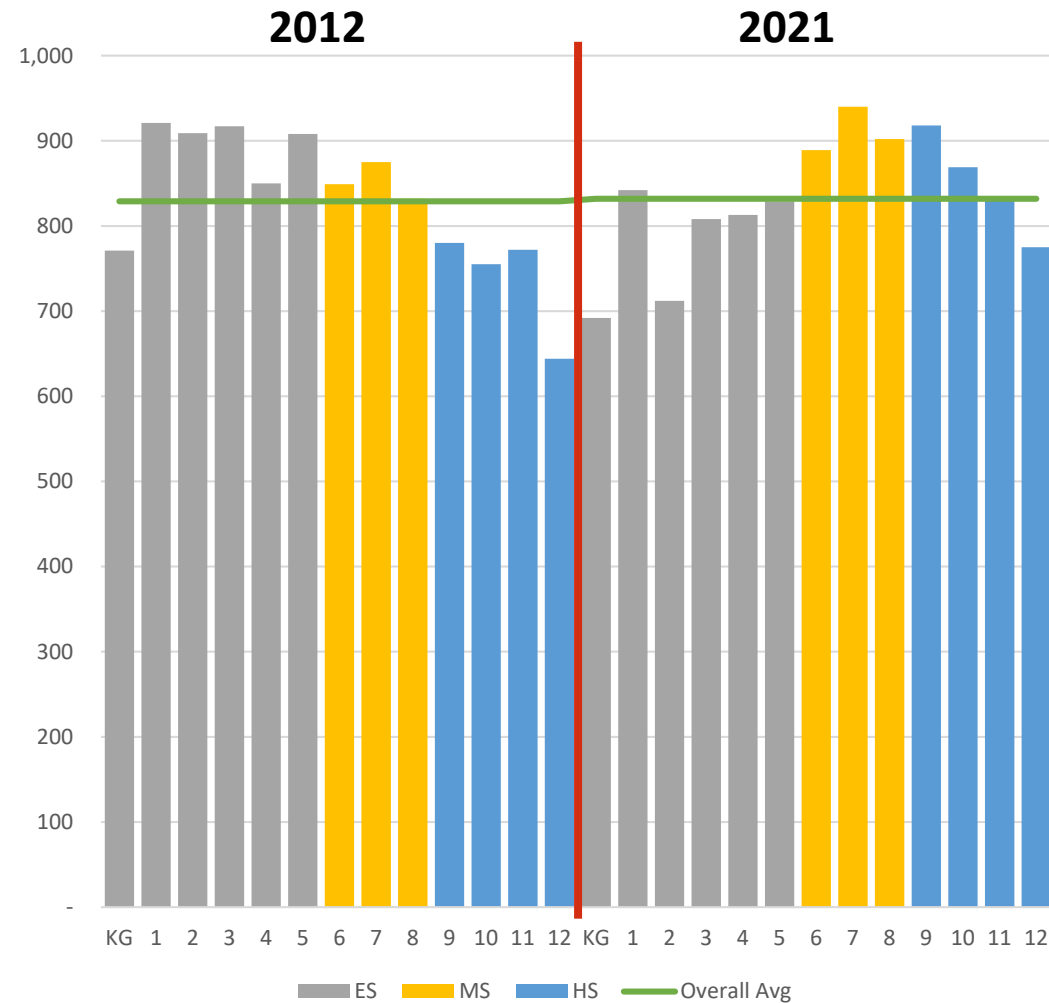


- Scale of DUAB data

- ~5% increase from SY11-12 to SY16-17
- ~5% decrease from SY16-17 to SY21-22

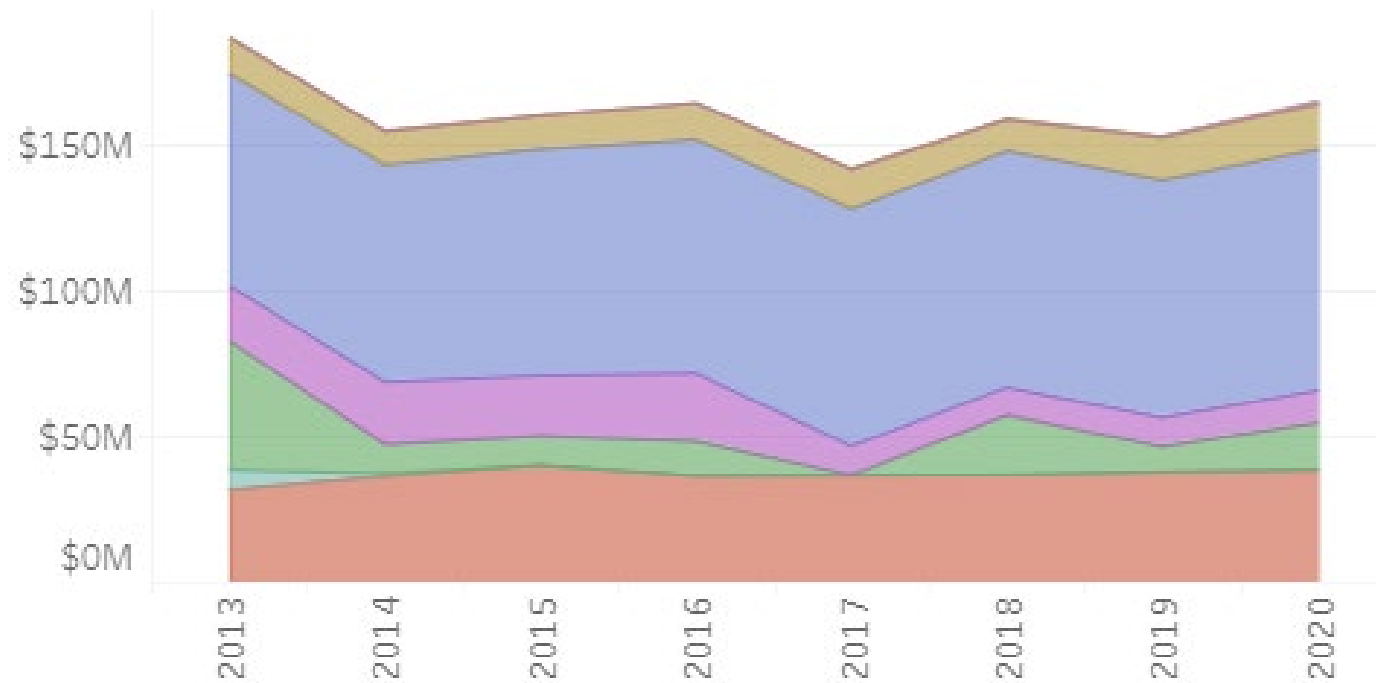


Enrollment Trends – 2021 vs 2021



- Similar overall enrollment
- Similar overall class size
- Shift from primary to secondary
- Signifies potential loss with cohort prediction method

Revenue by Type – All Funds



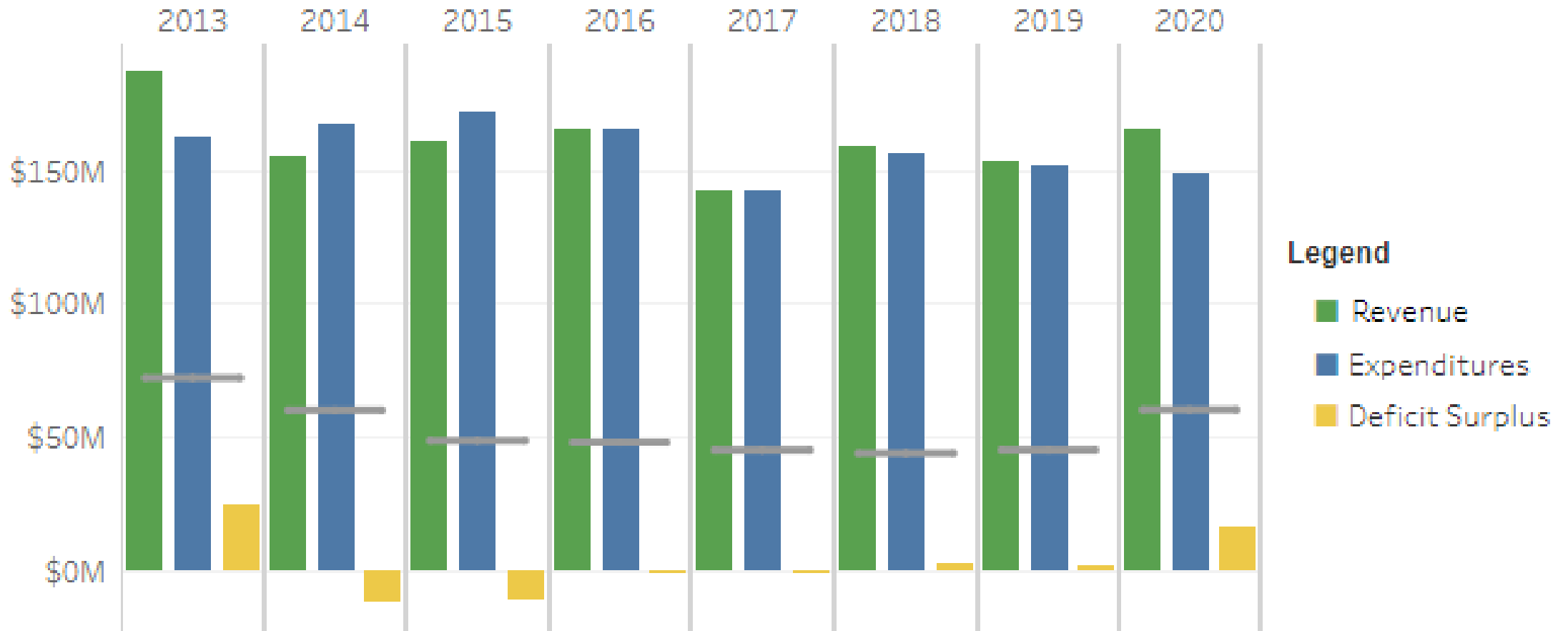
- Largest sources
 - State tuition support
 - ADM driven
 - Property Taxes
 - Economy driven

Legend

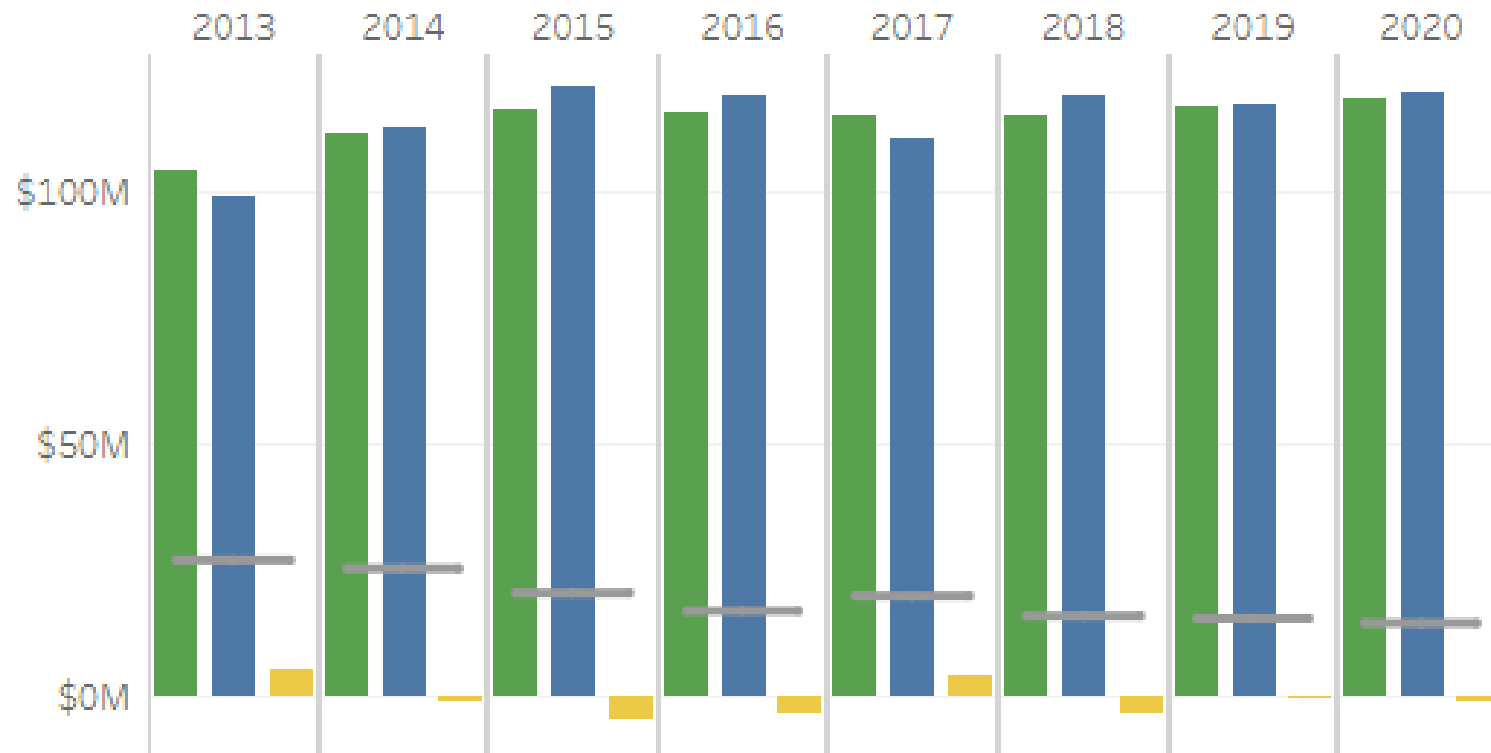
- Federal Stimulus Revenue
- Federal Revenue
- State Revenue
- Other Local Revenue
- Debt Revenue
- Operating Referendum Revenue
- Local Tax Revenue

- Federal revenue includes grant funding received from the Federal Government.
- State revenue includes tuition support and other grants received from the state.
- Other local revenue will include revenue sources such as rental income and sale of property.
- Debt revenue includes bond and loan proceeds.
- Local Tax revenue includes property tax, income tax, and other taxes as applicable.

Annual Deficit/Surplus – All Funds



Annual Deficit/Surplus – Budget Funds*



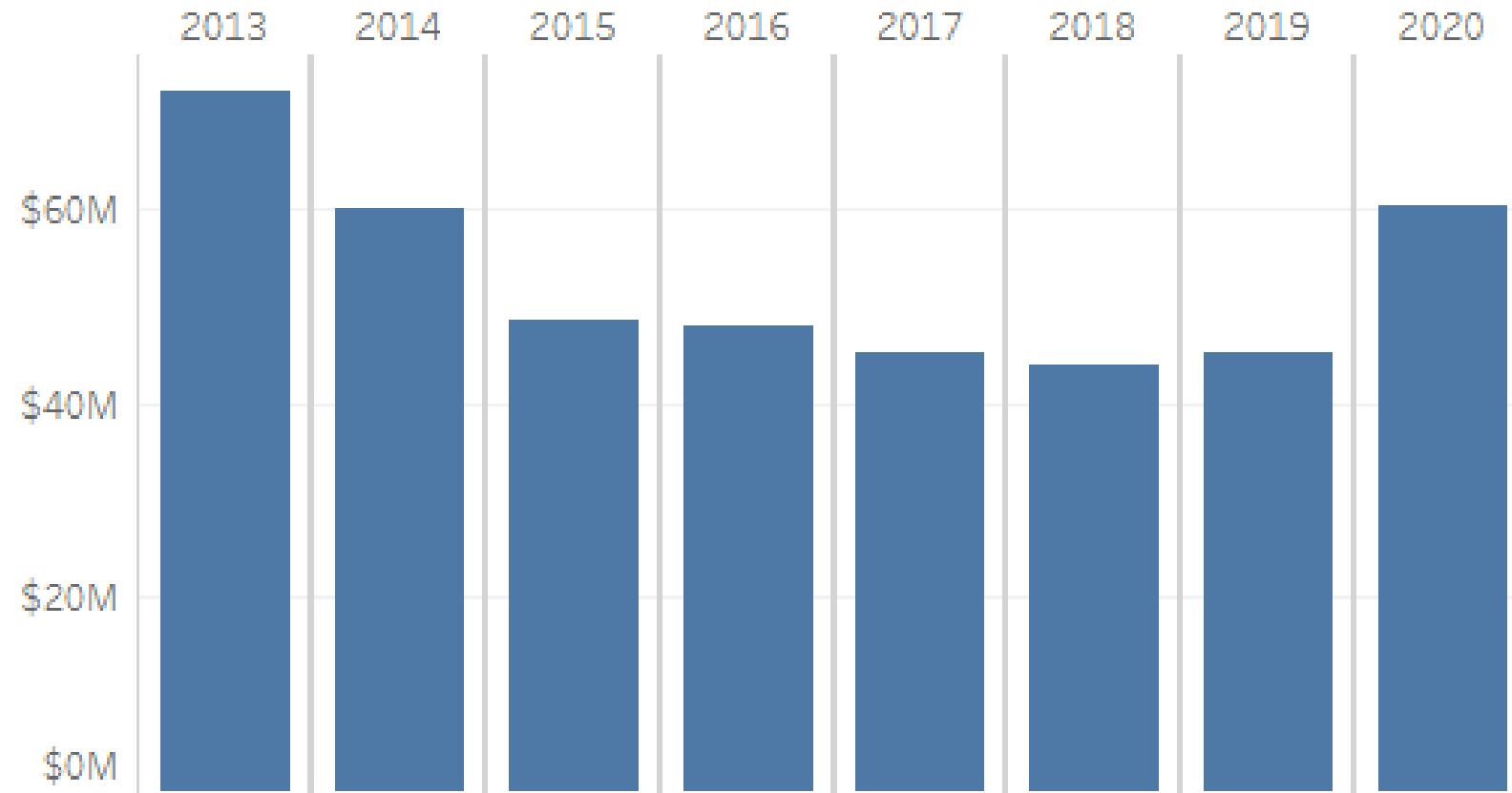
- Deficit for six of eight years shown
- Balance overall using grant, debts, and donations
- Continued focus on alignment of revenues and expenditures required
- Future revenue will be impacted by enrollment

Legend

- Revenue
- Expenditures
- Deficit Surplus
- Fund Balance

* General/Education, Operational, Debt, Rainy Day

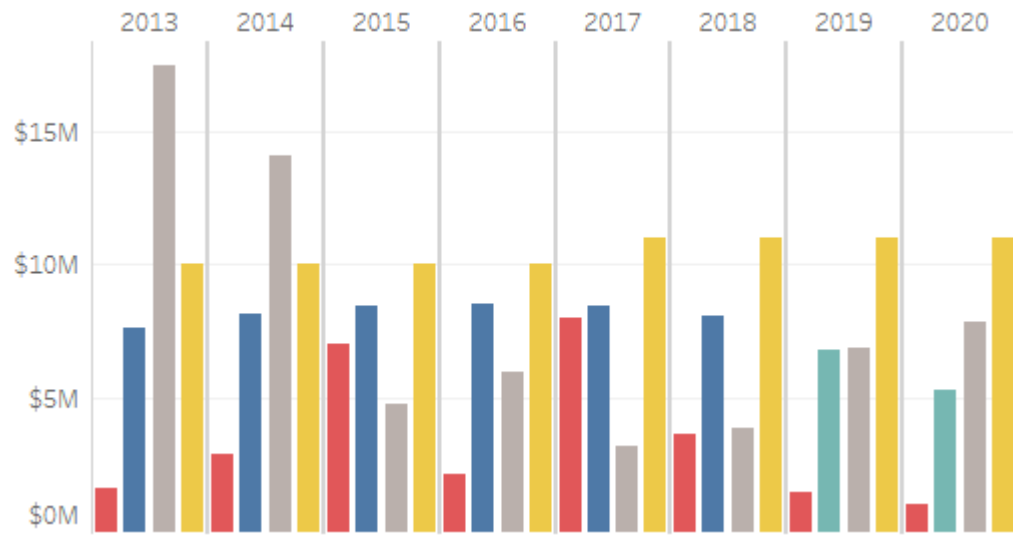
Fund Balance – Sum of All Funds



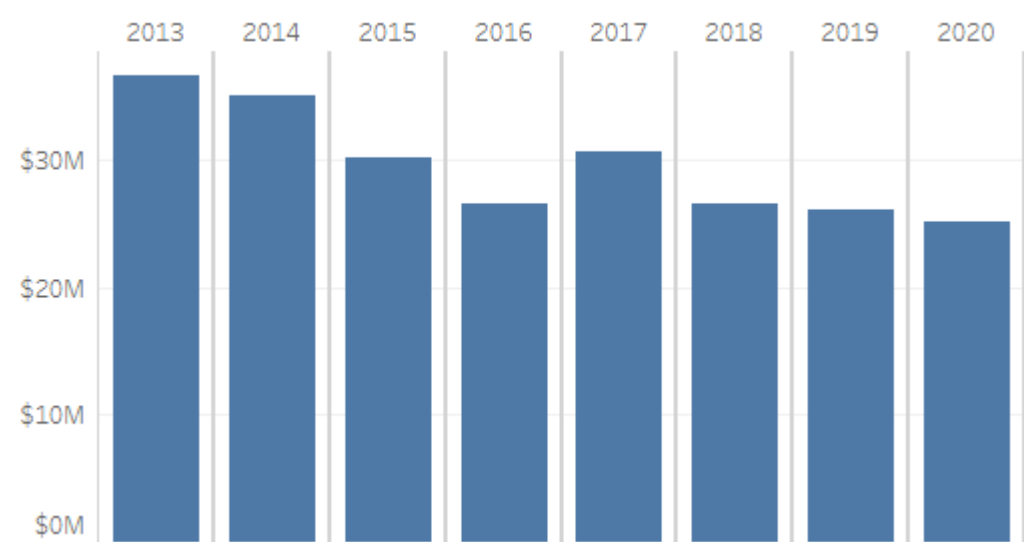
- Increase in 2020 related to bond revenue

Fund Balance – Budget Funds*

By Fund



Summation

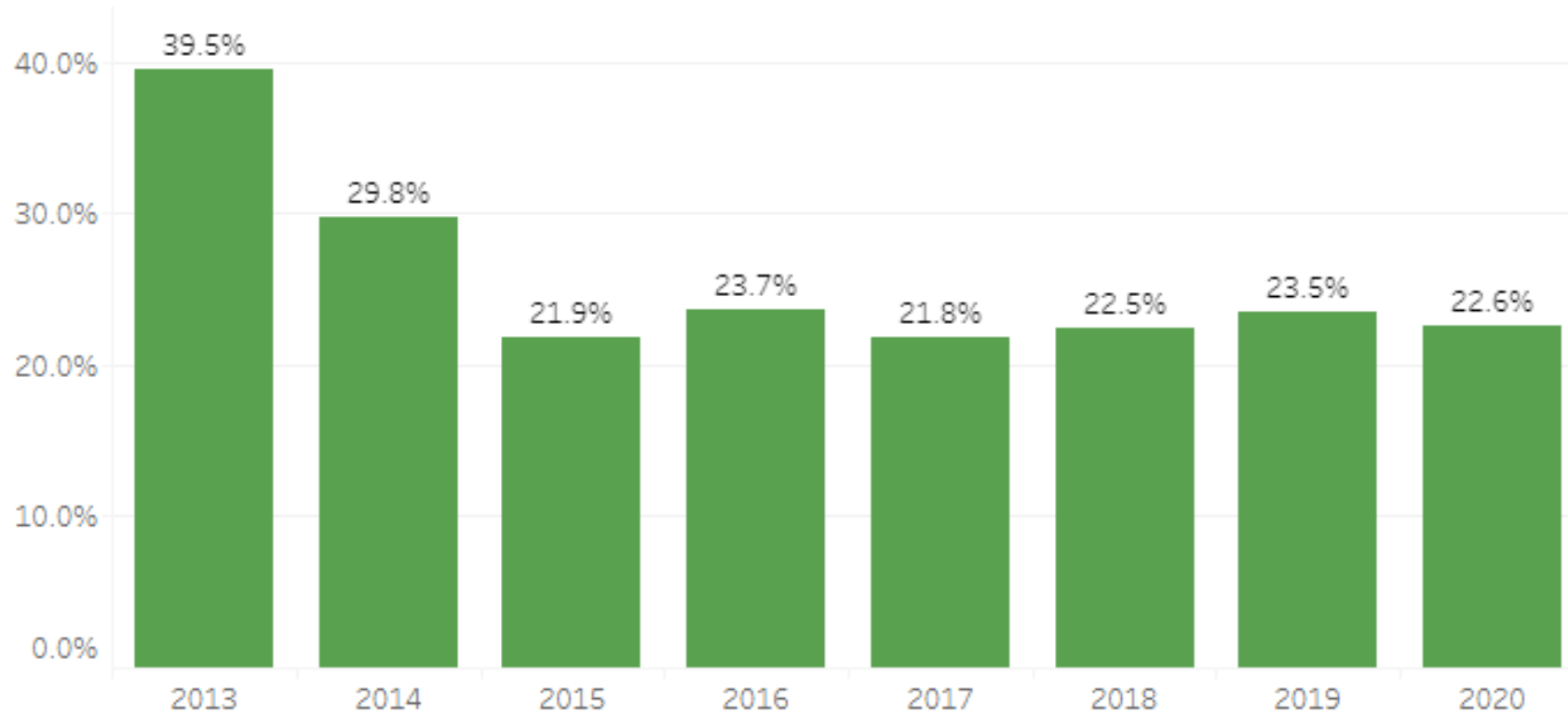


Legend

- Debt Funds
- Education Fund
- General Funds
- Operational Funds
- Rainy Day Funds

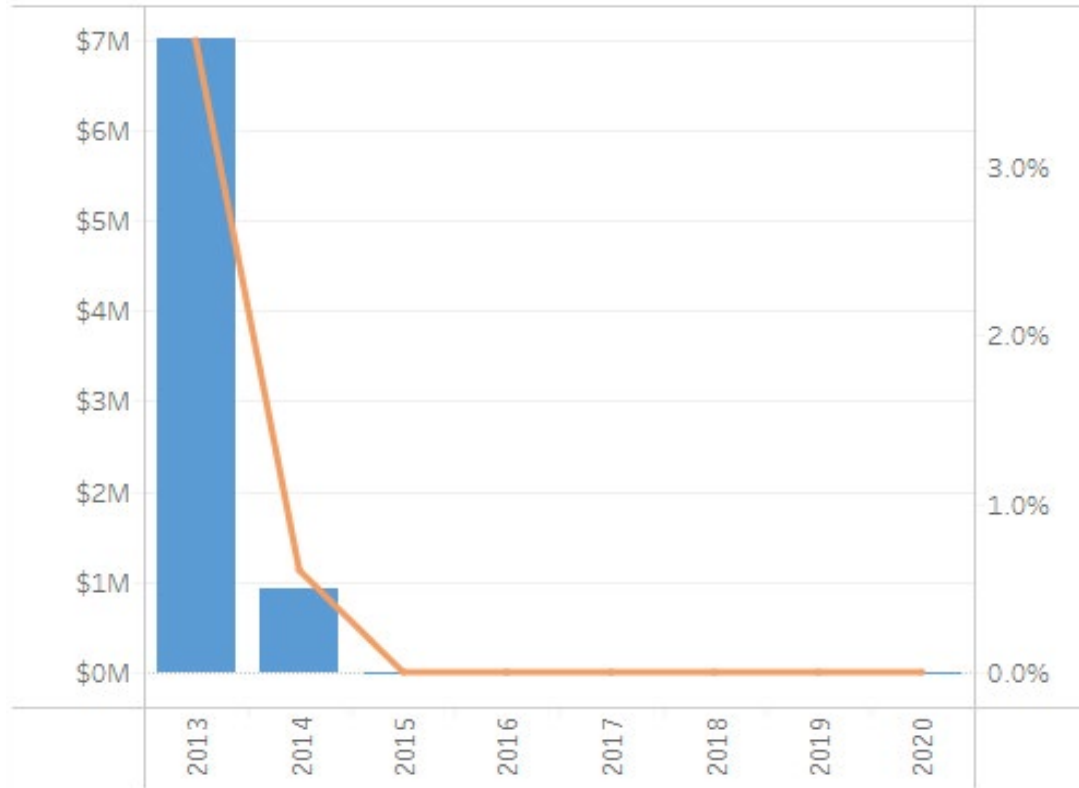
* General/Education, Operational, Debt, Rainy Day

Fund Balance as a Percent of Operations Expenditures



- Operations Expenditures = Budget Funds
- \cong 2.7 months of Expenditures

Operating Referendum Revenue



Legend

- Operating Referendum Fund
- Percent of Total Revenue

- Recent and proposed legislative changes will continue to make referendums difficult.
- Consideration and analysis of options required over next 6-12 months.

Summary

- Continue to manage debt responsibly
- Maintain fund balance levels as a percent of operating expenditures
- Manage expenditures
 - Balance within funds
 - Find efficiencies
 - Match to Strategic Plan