

FORT WAYNE COMMUNITY SCHOOLS



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CHIEF FINANCIAL OFFICER

FINANCIAL CONDITION
JANUARY 24, 2022

REPORT REQUIREMENT

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- **IC 20-19-7 – School Corporation Financial Condition Analysis passed by the Indiana General Assembly in 2018**
- **State Committee determines:**
 - The fiscal and qualitative indicators to be used for evaluating the financial condition of each school corporation
 - The information that is to be presented on the DUAB's (Distressed Unit Appeals Board) Internet website in regards to the indicators. (this is 3rd year)
- **DUAB determines school districts in financial distress that may need corrective action**

- Average Daily Membership (“ADM”)
- Fund Balances
- Annual Deficit/Surplus
- Fund Balance as Percent of Expenditures
- Revenue by Type
- Operating Referendum Revenue as Percent of Total Revenue (not applicable to FWCS)

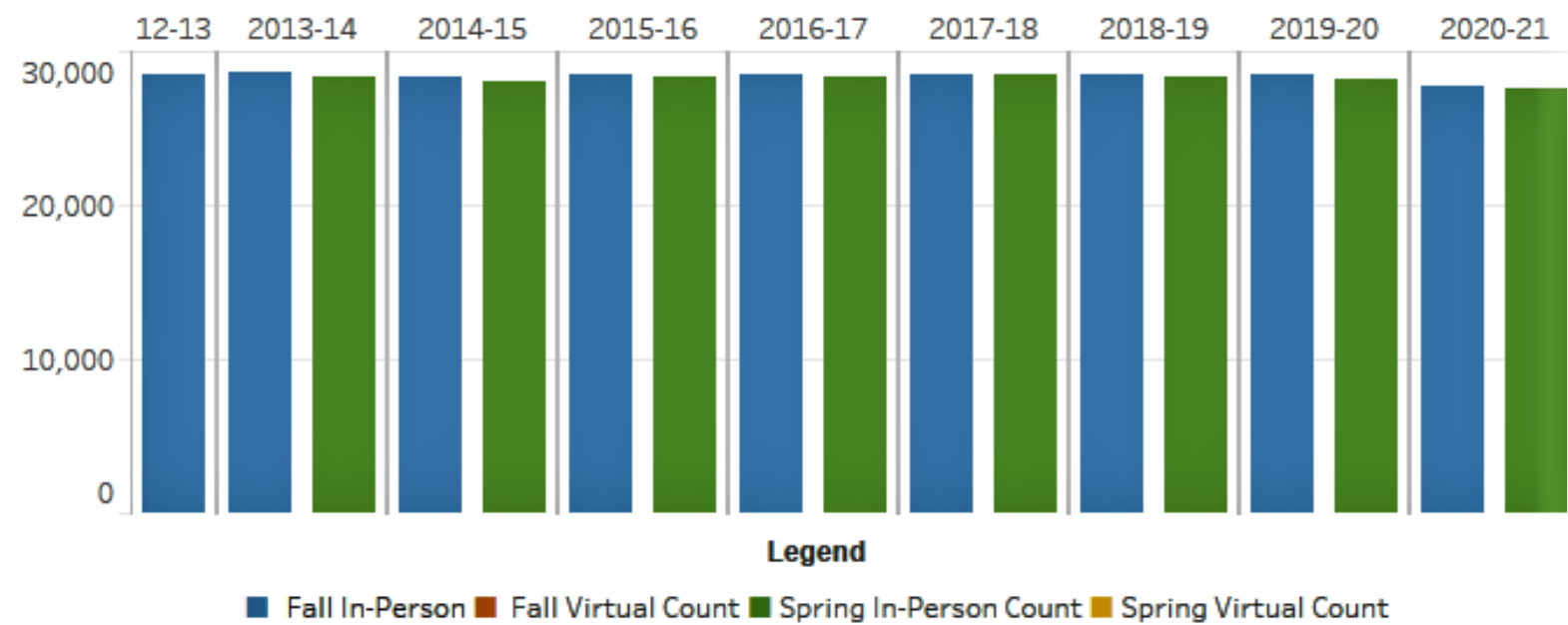
AVERAGE DAILY MEMBERSHIP (ADM)



Average Daily Membership (“ADM”)

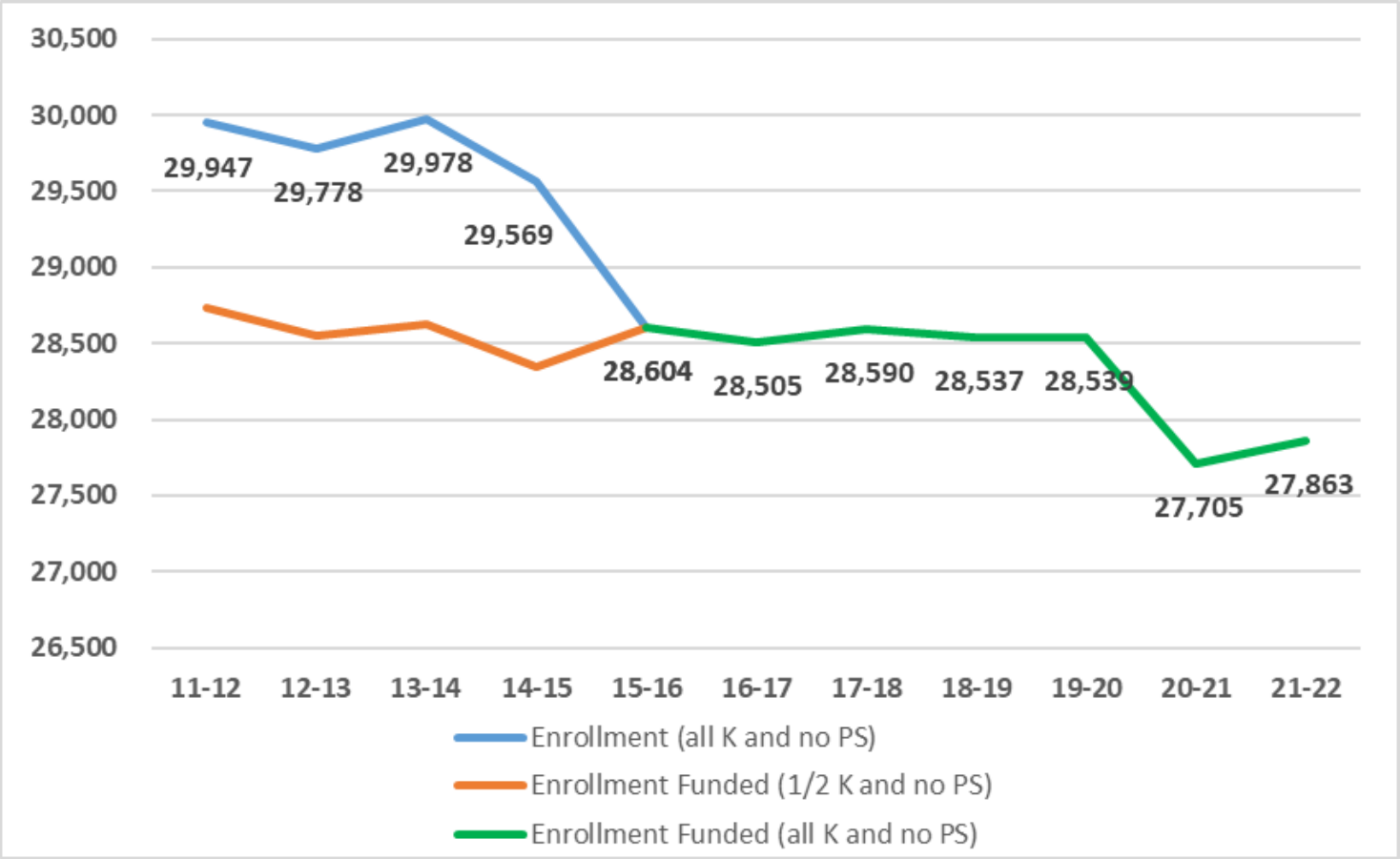
ADM is the number of eligible students enrolled in a school corporation on a particular day (“count day”) designated by the State Board of Education. ADM is utilized in the State funding formula to determine the amount of tuition support that the State of Indiana will provide to the school corporation. Increasing or decreasing ADM will impact the amount of funding available to the school corporation. It should be noted that kindergarten was only counted at one-half until 15-16 when it became funded in full.

Average Daily Membership (“ADM”) – excludes Preschool



Fall	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22
Funded	28,555	28,627	28,343	28,604	28,505	28,590	28,537	28,539	27,705	27,863

Enrollment vs. ADM (not including Preschool)



Significant enrollment impacts:

Enrollment (without preschool)

- Vouchers began 11-12 (now over 4,500 in FWCS boundaries)
- Transportation reductions implemented 15-16
- Enrollment has gone down about 2,200 since 11-12
- Enrollment has remained stable since 15-16, until this year

Enrollment Funded (ADM)

- Preschool not funded
- Kindergarten counted (funded) at 1/2 through 14-15
- Kindergarten counted (funded) fully beginning 15-16

Enrollment and ADM are the same

- Beginning in 15-16



FUND BALANCES

www.fortwayneschools.org

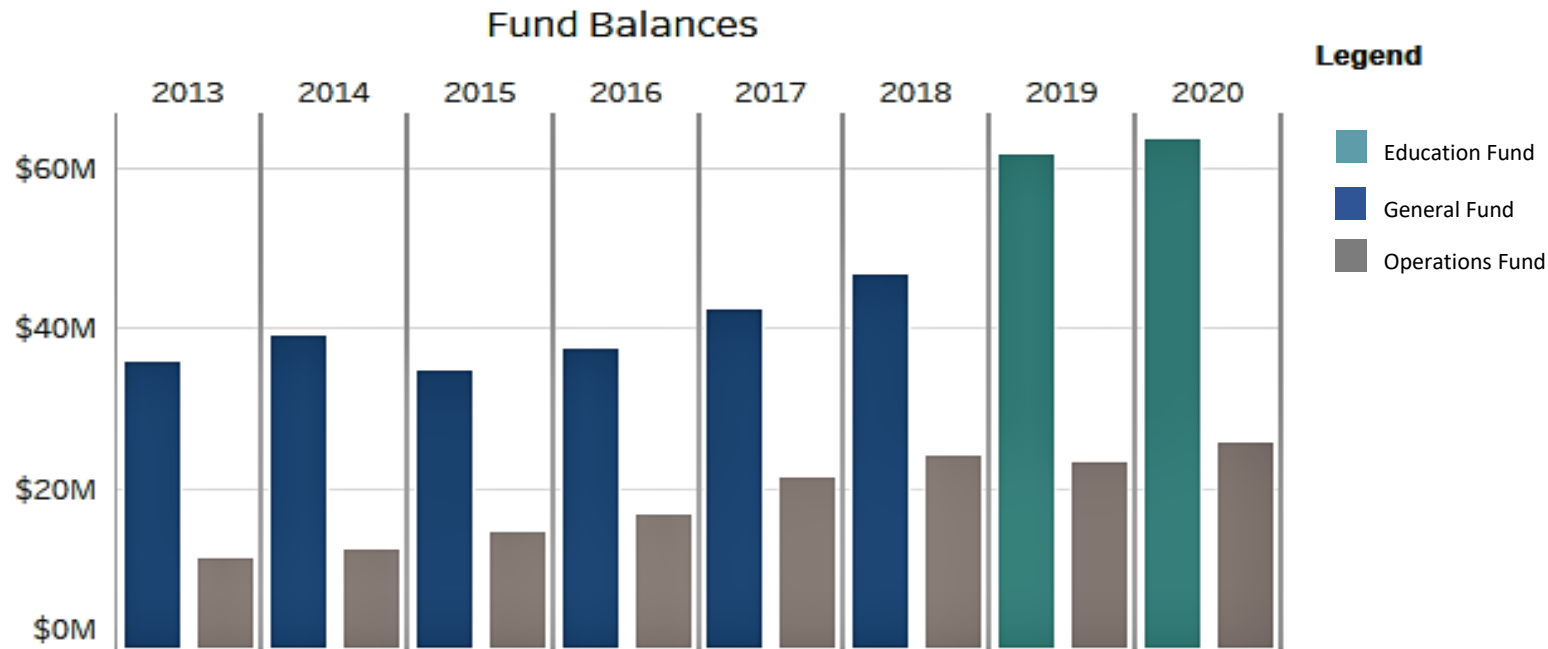
- Indicators presented online include calendar year-end balances of all funds
- This portion of presentation includes **most significant funds:**
 - Former General and Operational Funds compared to Education Fund and Operations Fund
- Funds excluded include grants, construction, debt, lunch, textbook rental



Fund Balances for Major Funds

Fund Balances as of December of the calendar year listed.

- General Fund** – eliminated 12-31-18
- Education Fund** – first year 2019, portion of former General Fund & Racial Balance
- Operations Fund** – pre 2019 – Capital Projects, Transportation, Racial Balance
- Operations Fund** – first year 2019, portion of former General Fund, Capital Projects Fund, Transportation



FUND BALANCES

- **Board Policy 6210** - Education and Operations Funds desired Fund Balance - 8 to 15% of budget, provides about 2 months of payroll

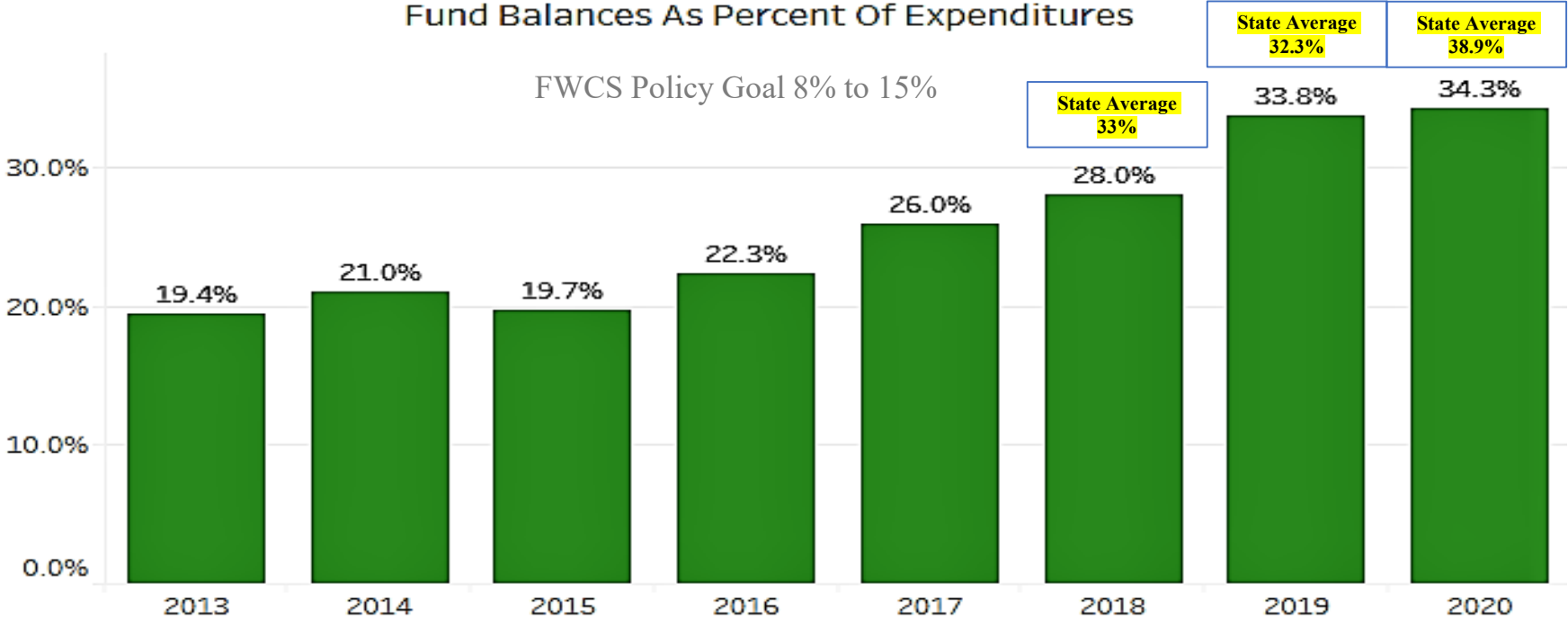
- End of 2020

	<u>Education</u>	<u>Operations</u>
2020 Budget (incl. 2019 encumbrances)	\$202,708,188	\$76,185,003
12/31/20 Cash	\$63,578,846	\$23,627,059
12/31/20 Encumbrances	-\$897,822	-\$2,938,397
	\$62,681,024	\$20,688,662
Fund Balance as % of Budget	30.9%	27.2%
<i>if at 15%</i>	<i>\$31 million</i>	<i>\$12 million</i>

- **Necessity of Fund Balance**
 - Absorption of expired grant expenditures if desired
 - Enrollment changes
 - Uncertainty of next 2-year funding formula July 2023
 - Reduced interest rates – total of 2020 and 2021 interest compared to 2019 down about \$6 million
 - Future outlook anticipates reaching goal by 2025

Fund Balances as Percent of Expenditures (Before Reduced for Encumbrances)

This indicator considers the ability of the school corporation to maintain operations in the event of delays in revenue by utilizing existing fund balances to fund operations. This chart includes General, Education, and Operations Funds.



149 districts have higher % than FWCS

268 districts are above 15%
16 districts are between 8% and 15%
6 districts are below 8%
290

About 4 months
of expenditures

The background is a solid orange color with a repeating pattern of various school-related icons in a lighter orange shade. These icons include a backpack, a pencil, a ruler, a lightbulb, a globe, a magnifying glass, a trophy, a paint palette, a basketball, a notebook, a pencil sharpener, a pair of glasses, a pencil case, a book, a compass, a protractor, a pencil, a ruler, a lightbulb, a globe, a magnifying glass, a trophy, a paint palette, a basketball, a notebook, a pencil sharpener, a pair of glasses, a pencil case, a book, a compass, and a protractor.

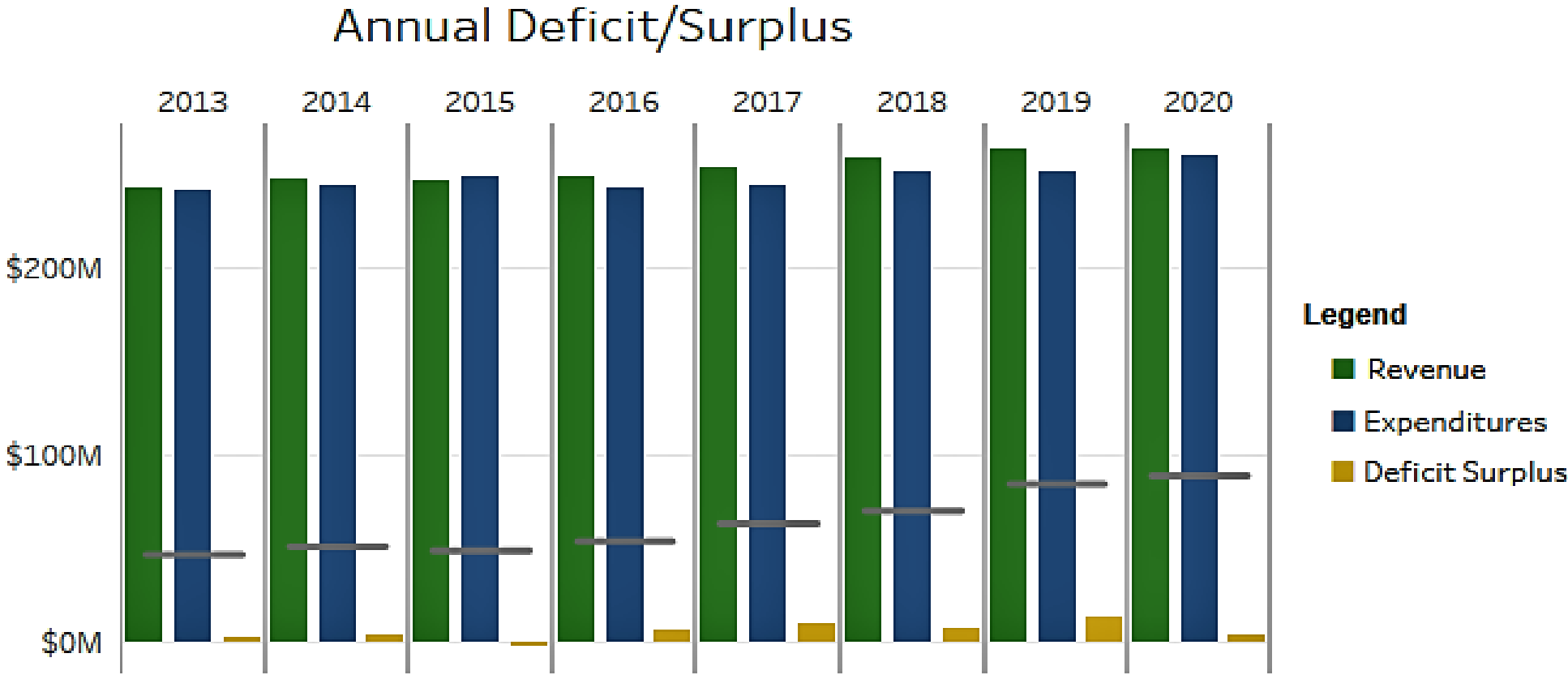
ANNUAL DEFICIT/SURPLUS

Annual Deficit/Surplus

This indicator provides a comparison of revenue to expenditures on a calendar year basis, including whether the school corporation had an operating deficit or surplus for that year. Fund balance is also included to assist in identifying situations in which the school corporation utilized existing fund balances to fund expenditures.

Funds included in below graph:

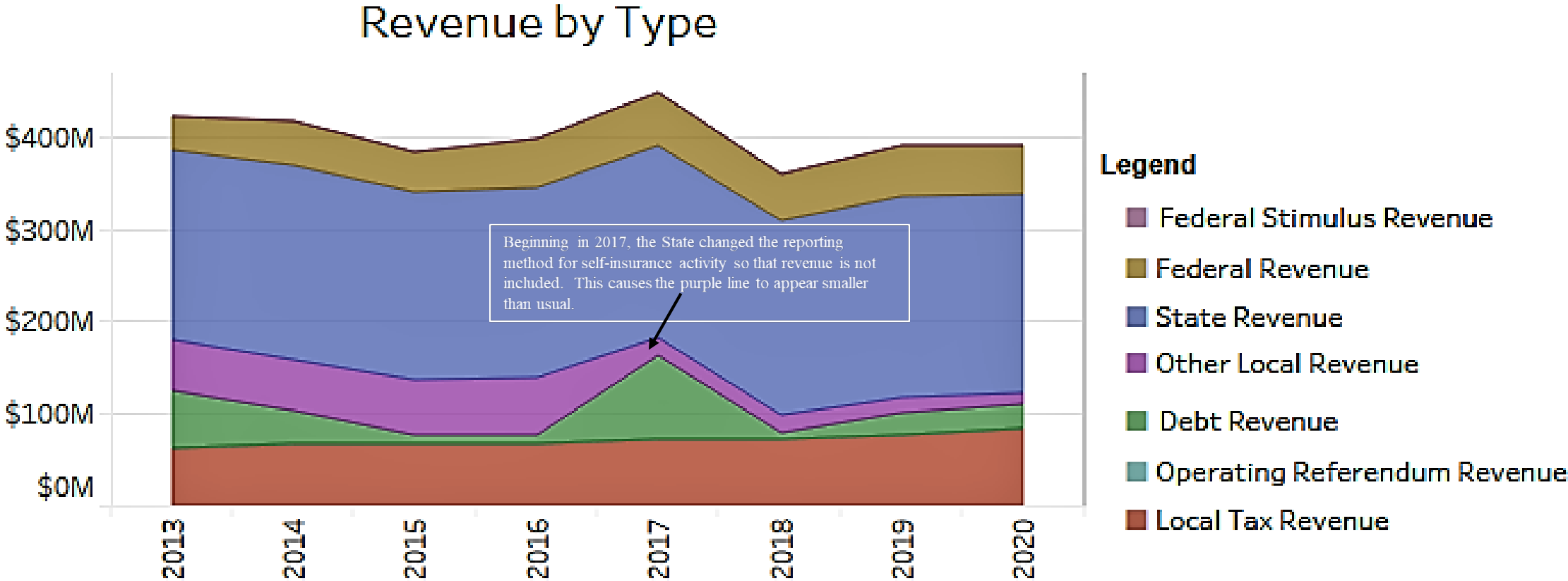
- Education Fund & Operations Fund (Post 2018)
- General Fund (Pre 2019)
- Operations Funds (Pre 2019)



REVENUE

Revenue by Type – ALL FUNDS

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





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REVENUE BY TYPE – ALL FUNDS

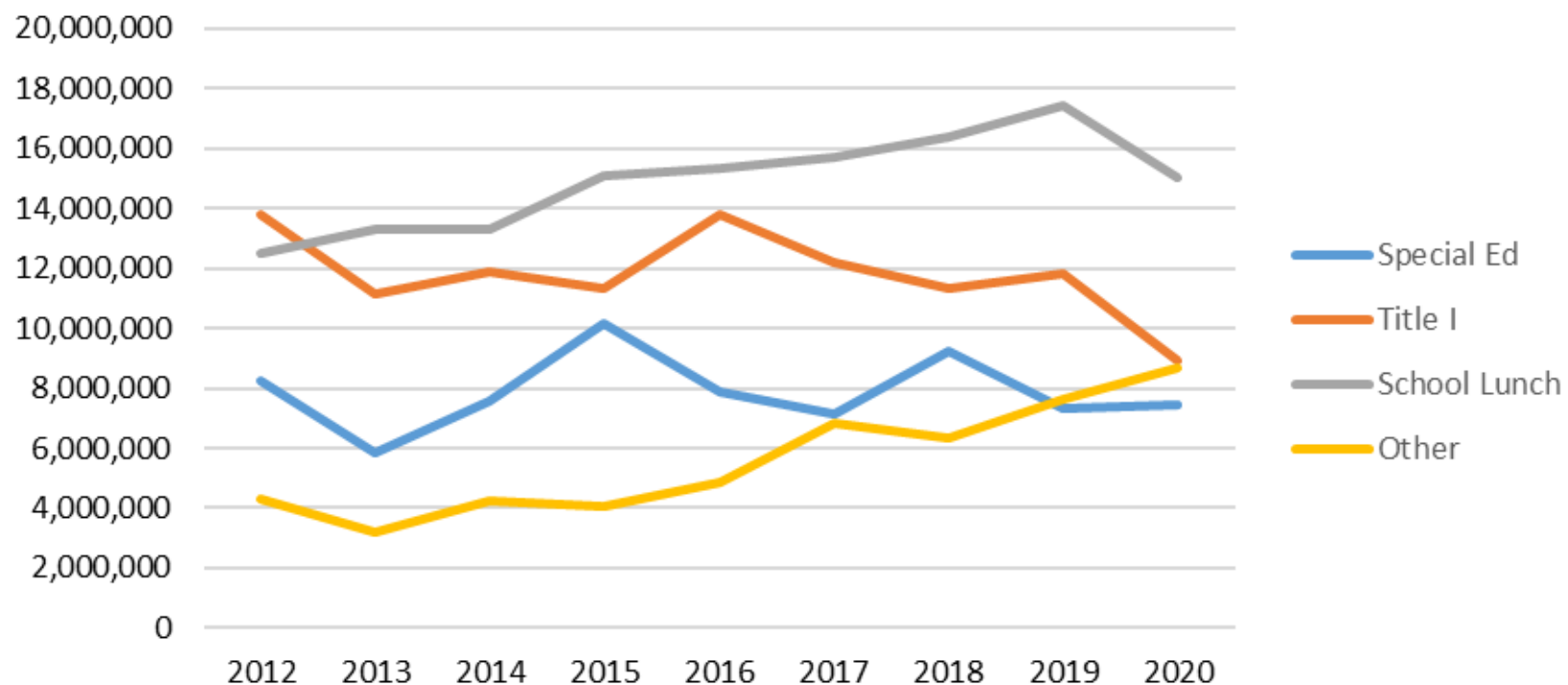
	<u>2020</u>	
State Revenue	\$214,943,578	59.2%
Local Tax Revenue	\$82,816,527	22.8%
Federal Revenue	\$52,851,596	14.6%
Other Local Revenue	\$12,405,478	3.4%
	\$363,017,179	100.0%
Debt Revenue	26,760,653	
	\$389,777,832	



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FEDERAL REVENUE

Major Federal Funds Revenue



	<u>2020</u>
Special Ed	7,464,514
Title I	8,934,448
School Lunch	15,023,941
Other	9,396,838
	40,819,740
PEER Grant	12,031,856
	<u>\$52,851,596</u>



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Thank you