

Financial Condition Report

January 25, 2021

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Fiscal Indicators

- 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 2nd year)
- **DUAB determines school districts in financial distress that may need corrective action.**

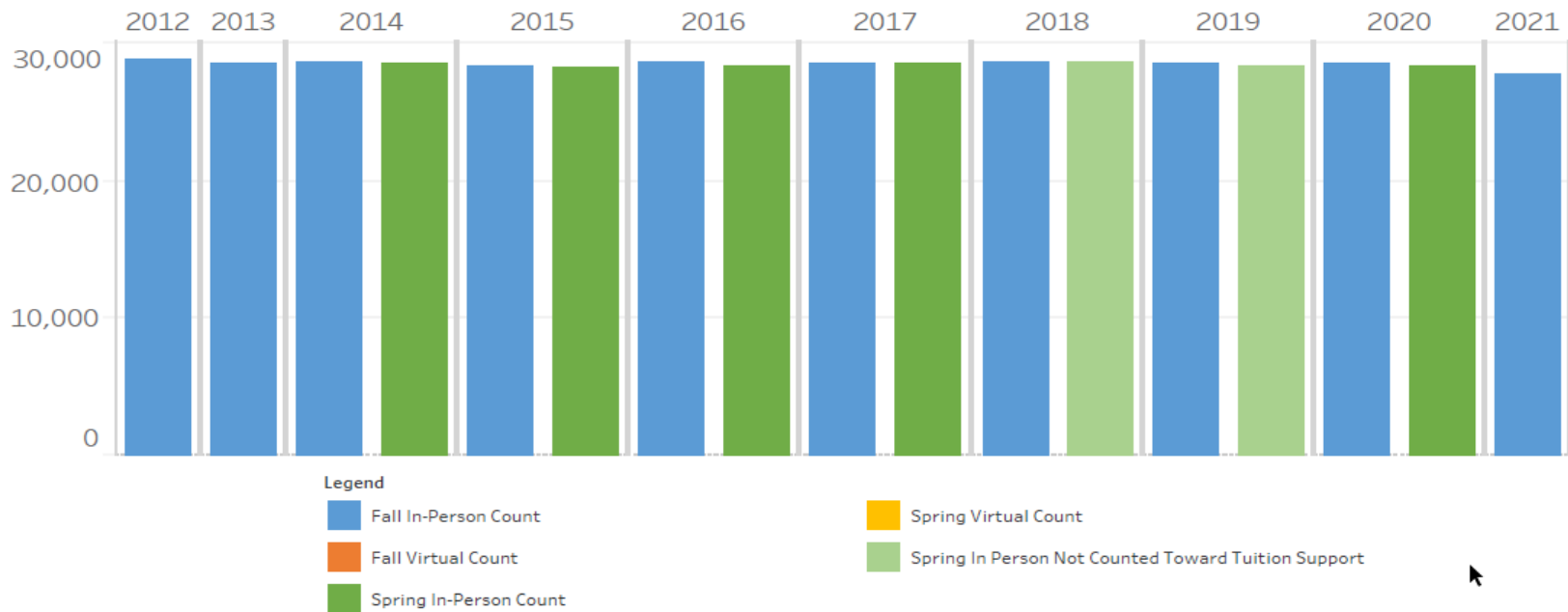
Fiscal Indicators

- 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”)

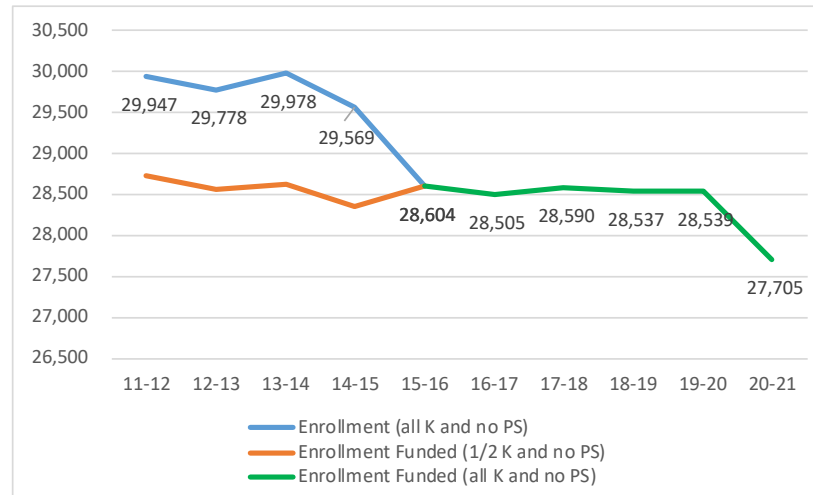
ADM is the number of eligible students enrolled in a school corporation on a particular day (“count day”) designated by the State Board of Education. ADM is utilized in the State funding formula to determine the amount of tuition support that the State of Indiana will provide to the school corporation. Increasing or decreasing ADM will impact the amount of funding available to the school corporation. **It should be noted that the kindergarten count was only funded at ½ until 15-16 when it became funded in full.**

Average Daily Membership (“ADM”) – *excludes Preschool*



Fall	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Funded	28,728	28,555	28,627	28,343	28,604	28,505	28,590	28,537	28,539	27,705

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

Annual Deficit/Surplus and Fund Balances

- Indicators presented online include calendar year-end balances of all funds.
- This portion of presentation includes the **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

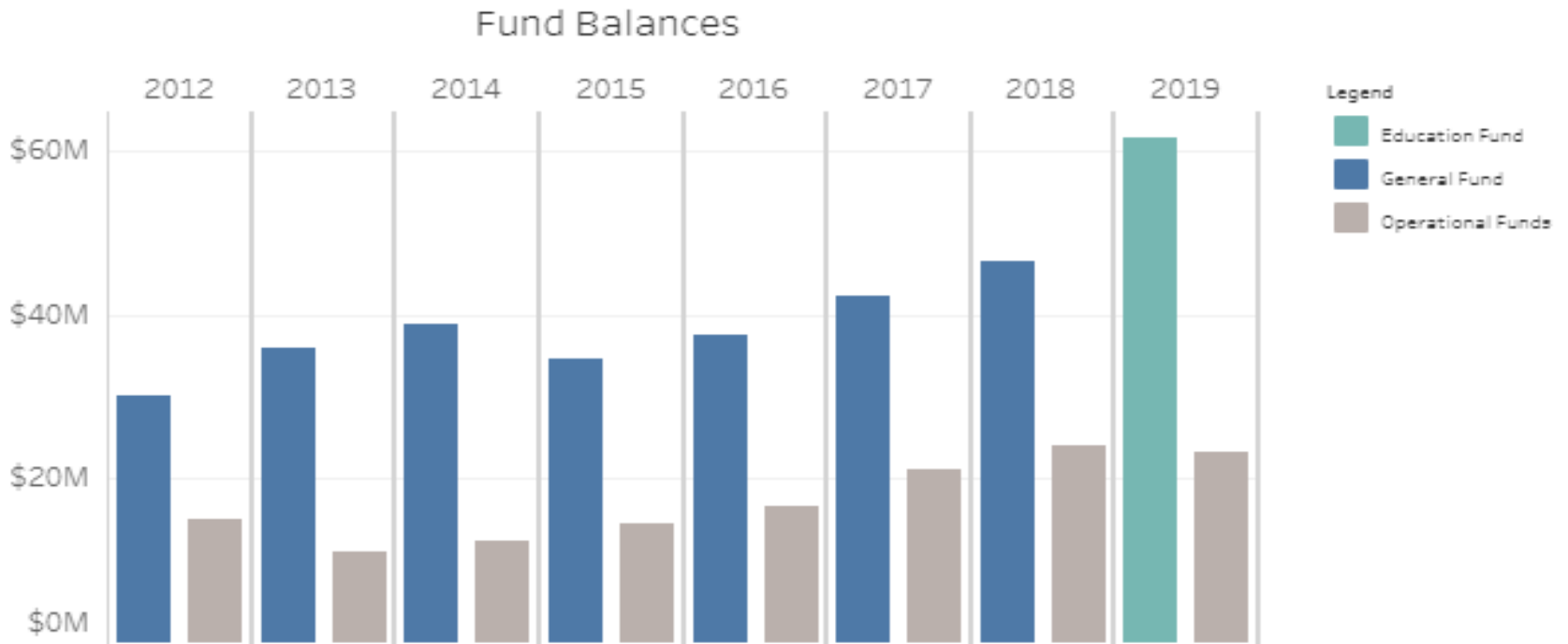
Fund Balances as of December of the calendar year listed.

General Fund – eliminated 12-31-18

Education Fund – first year 2019, portion of former General Fund & Racial Balance

Operational Funds – pre 2019 – Capital Projects, Transportation, Racial Balance

Operations Fund – first year 2019, portion of former General Fund, Capital Projects Fund, Transportation



Fund Balance

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

- End of 2019

	<u>Education</u>	<u>Operations</u>
Budget	\$205,572,655	\$78,030,783
12/31/19 Cash	\$61,650,898	\$23,163,675
Encumbrances	-\$1,777,674	-\$1,260,239
	\$59,873,224	\$21,903,436
Fund Balance as % of Budget	29.1%	28.1%
<i>if at 15%</i>	<i>\$31 million</i>	<i>\$12 million</i>

- **Necessity of Fund Balance**
 - Absorption of PEER Grant payroll costs \$3.5 million annually.
 - Enrollment changes – 20-21 loss caused revenue loss of \$5.6 million, unknown future impact.
 - Unknown new 2-year funding formula July 2021.
 - Reduced interest rates – interest down from 2019 to 2020 about \$3 million.
 - Future outlook anticipates reaching goal by 2024.

Annual Deficit/Surplus

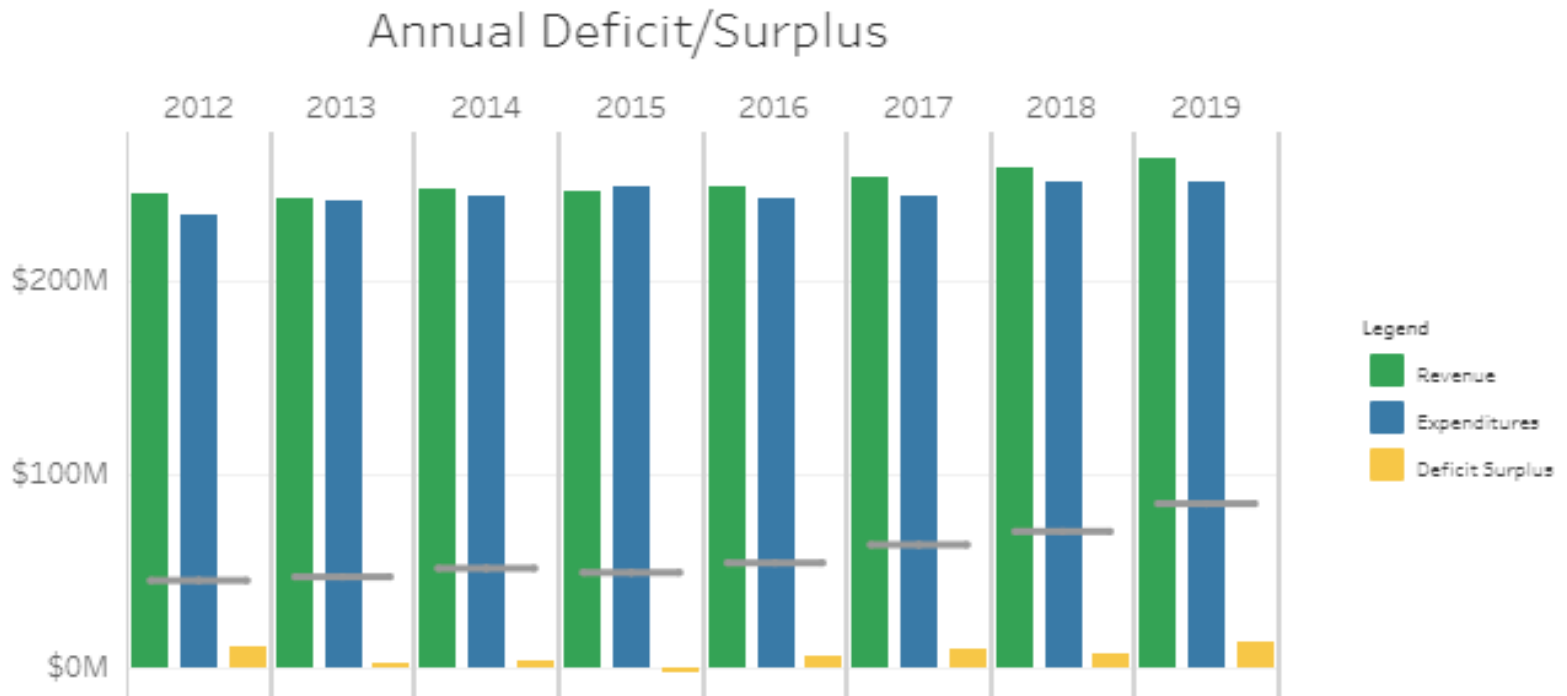
This indicator provides a comparison of revenue to expenditures on a calendar year basis, including whether the school corporation had an operating deficit or surplus for that year. Fund balance is also included to assist in identifying situations in which the school corporation utilized existing fund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

Funds included in below graph:

Education Fund & Operations Fund (Post 2018)

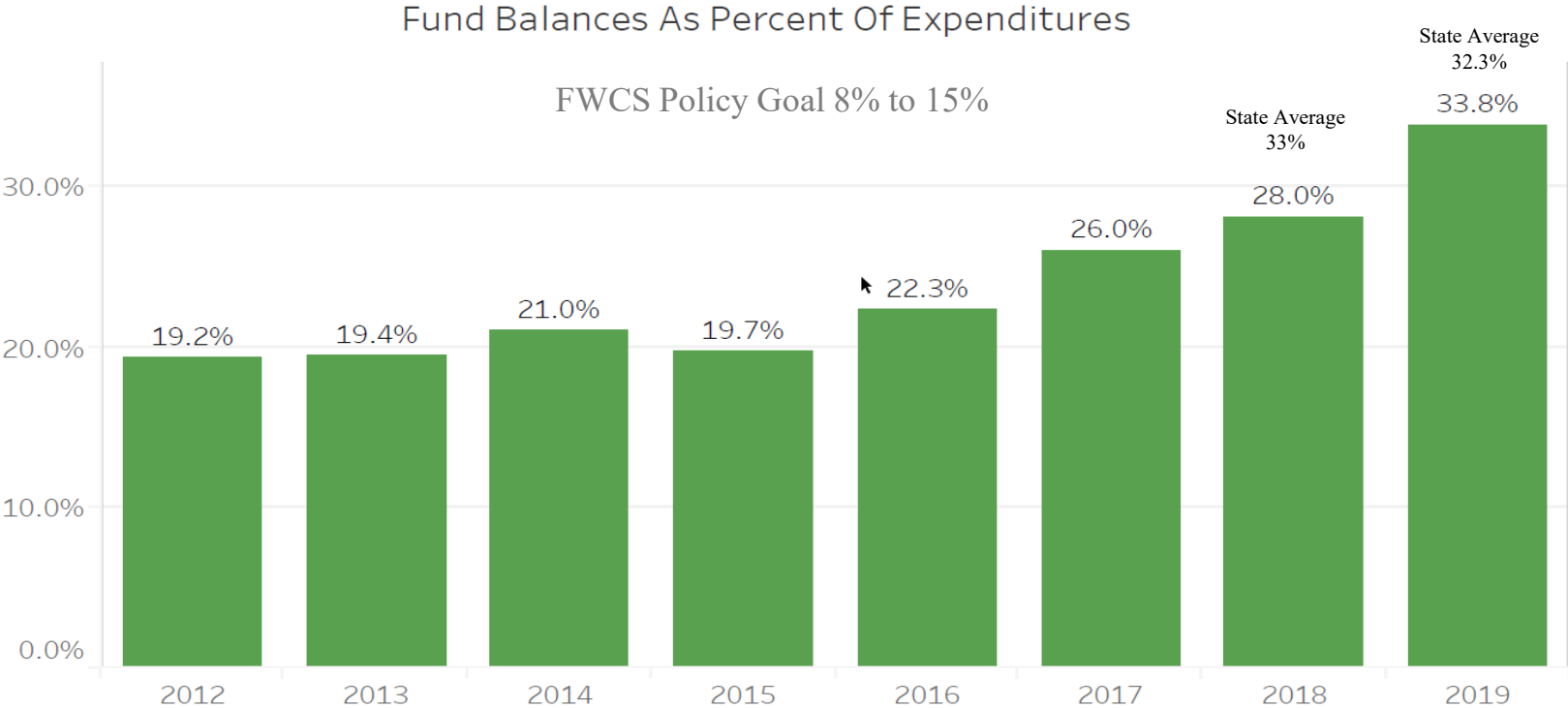
General Fund (Pre 2019)

Operational Funds (Pre 2019)



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.



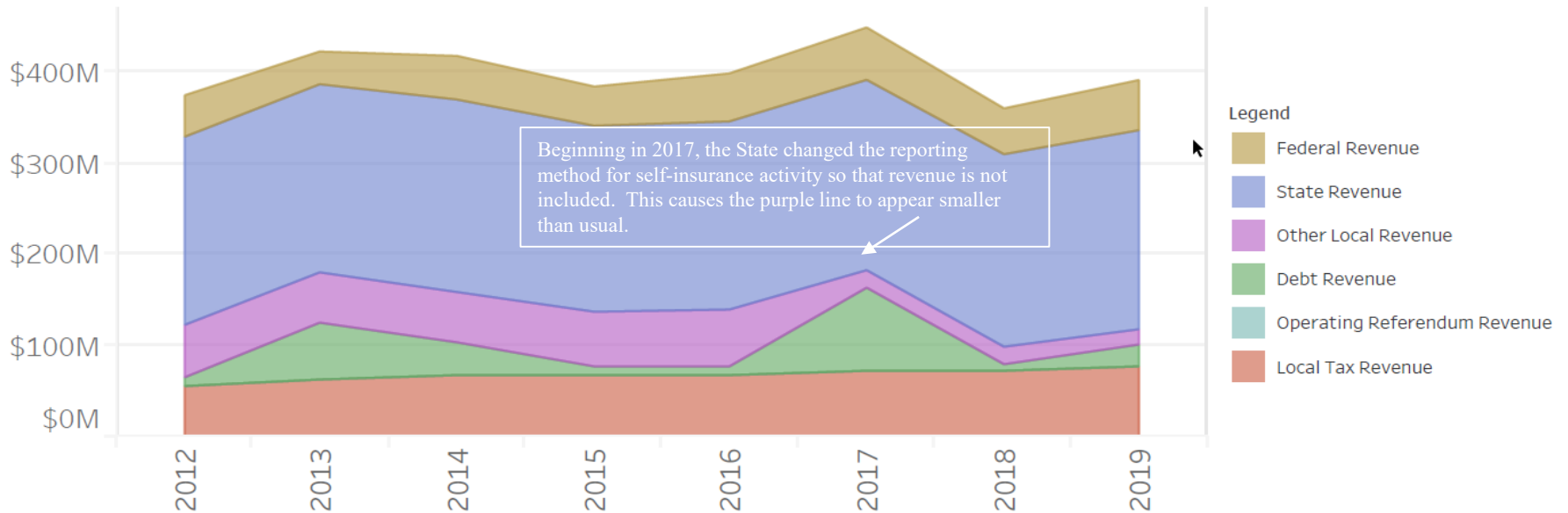
73 districts have higher % than FWCS
161 districts are between FWCS and 15%
49 districts are between 8% and 15%
26 districts are below 8%

About 5 months of payroll

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.

Revenue by Type

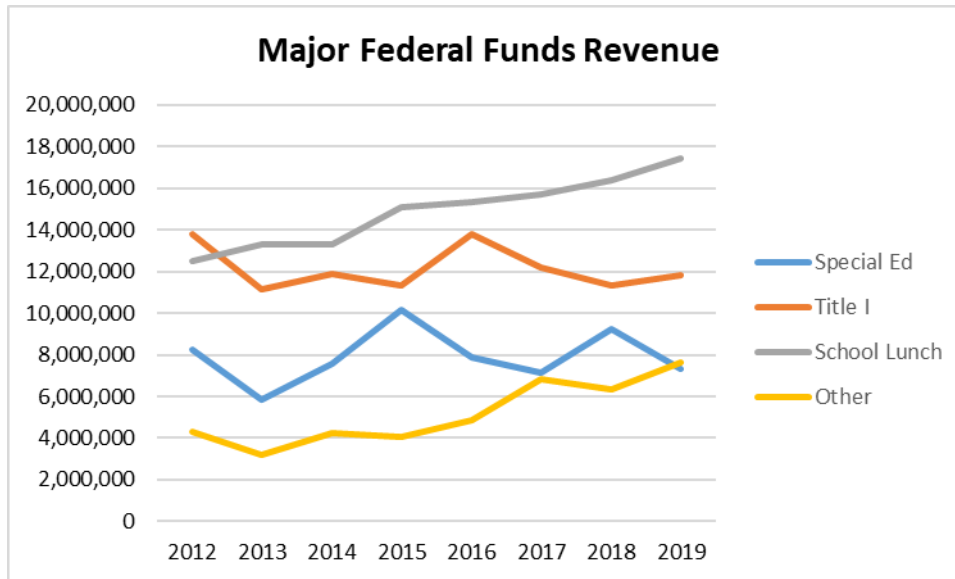




Revenue by Type – ALL Funds (Calendar Year)

	<u>2019</u>	
State Revenue	\$219,128,333	59.8%
Local Tax Revenue	75,903,609	20.7%
	\$295,031,942	80.6%
Federal Revenue	54,879,406	15.0%
Other Local Revenue	16,284,594	4.4%
	\$366,195,942	100.0%
Debt Revenue	24,521,164	
	\$390,717,106	

Federal Revenue (Calendar Year)



	<u>2019</u>
Special Ed	7,078,291
Title I	11,848,581
School Lunch	17,426,549
Other	7,880,317
Major Funds	44,233,738
PEER	10,645,668
	54,879,406