

West Lafayette Community School Corporation

1130 North Salisbury Street ▪ West Lafayette, Indiana 47906-2447
(765) 746-1602 • FAX (765) 746-1644 • www.wl.k12.in.us

TO: Dr. Shawn Greiner, Superintendent
Board of School Trustees

FROM: Michelle Cronk, CFO (**January 9, 2023 board meeting**)

RE: Fiscal Indicator Update

DATE: January 3, 2023

House Enrolled Act 1315 in 2018 established the Fiscal and Qualitative Indicators Committee under the direction of the Indiana Distressed Unit of Appeals Board (DUAB). The committee developed indicators used to evaluate the financial condition of school corporations that were finalized at the end of 2018 and have been updated over the past couple of years. Indiana code 5-13-7-8 requires Indiana school corporations to present a written report on these indicators for review by the Board at a public school board meeting in January when the Board of Finance convenes. No other guidelines were given by the legislature on the format of this report.

Included in your board packets is a printout of the updated fiscal indicators that include data updated through 2021. A summary of the information is outlined below:

- Average Daily Membership: The committee updated the Average Daily Membership to include both September and February counts last year. As you can see, West Lafayette School Corporation's Average Daily Membership increased slightly from the 14-15 school year through the 18-19 school year and has leveled off since. Remember that the ADM count does NOT include transfer students from other districts in which the number has been increasing over the past couple of years.
- Fund Balances: Overall, the school corporation maintains appropriate cash balances in its funds to fund its operations if there were ever an emergency. Please note that the Federal Funds (pink) and Federal Stimulus Funds (green) always run in the negative for year-end cash balances as they are reimbursement funds. We must expend in those funds before we can ask for reimbursement. A reminder that the General Fund (light green) became the Education Fund (orange) in 2019. Operational Funds used to include the Transportation Operating, Bus Replacement and Capital Projects Funds. Those funds all combined into one Operations Fund in 2019.
- Annual Deficit/Surplus: This chart includes revenue and expenses for all funds—revenue in the first column, expenses in the second column and the difference in the third column for each year. As a whole, the school corporation ended 2021 with a surplus across all funds as a total. This is due in part to the healthy cash balances the school corporation maintains.
- Fund Balance as a Percent of Expenditures: This indicator is set to look at the combination of the budgeted fund cash balances (with the exception of Debt Service) as compared to total expenditures in the funds. The absolute minimum acceptable percent for the industry is 8.3%

(the equivalent of one month of expenses). A more acceptable industry standard for cash balance is 24-25% (the equivalent of three months of expenses). The school corporation has historically done a great job conserving cash in case of emergencies.

- Revenue by Type: As can be seen on the graph, total revenue has seen a slight increase over the years. The largest section in blue, state revenue, includes state tuition support payments. Notice that even though our ADM has remained steady or even increased over the years, our state tuition support has remained fairly steady.
- Operating Referendum Revenue as Percent of Total Revenue: This graph indicates that the annual Operating Referendum provided 17.1% of total revenue for the school corporation in 2021. All else equal, without the referendum, we would have had approximately \$6.3 million in expenses that would not have been covered in 2021.

Looking at the data provided by DUAB, the school corporation was in a healthy financial position as of the end of 2021. If you have any questions on the data outlined, please don't hesitate to let me know.