

WBCCSC Board of Finance Annual Report

January 13, 2020

1. 2019 Comparison Report/Year in Review

On January 1, 2019, the Education Fund Cash Balance was \$2,746,791. As of December 31, 2019, the Education Fund cash balance was \$2,902,284. This is an increase of \$155,493. The Education Fund expenditures for December 2019 were \$721,874. As of the end of December 2019, a total of 93% of the 2019 appropriation was expended.

On January 1, 2019, the Operations Fund Cash Balance was \$1,333,650. As of December 31, 2019, the Operation Fund cash balance was \$1,236,219. This is a decrease of \$97,431. In May 2019, \$400,000 was transferred from the Operations Fund to the Rainy Day Fund. The Operation Fund expenditures for December 2019 were \$409,355. As of the end of December 2019, a total of 89% of the 2019 appropriation was expended.

On January 1, 2019, the Rainy Day Fund Cash Balance was \$1,518,371. As of December 31, 2019, the Rainy Day Fund cash balance was \$1,827,021. This is an increase of \$308,650.

On Friday, December 27, 2019, with the authority of the Board of Trustees granted by a resolution on July 8, 2019, the corporation treasurer transferred \$602,688.12 from the Education Fund to the Operations Fund for Operation Fund expenditures during the period of October 2019 through December 2019, that, in prior years were General Fund Expenditures. This brought the 2019 transfer total amount to \$2,263,744.99.

2. Investment Policy Review (Board Policy 7025)

In accordance with I.C. 5-13-7-7, the Board of Finance shall review the overall investment policy of the school corporation.

The WBCCSC School Board Policy 7025 addresses investments. The policy is included in this report. The policy is only good for four years according to I.C. 5-13-9-5.7. Our policy was re-approved in February 2019. The policy complies with law and matches our current practices. Mr. Ramey and Mr. Whiteley met with Baker Tilly this past week to talk about ways to improve our investment policy. Although not required, this type of change to our investment policy, could potentially strengthen our rating as it relates to the issuing of bonds in the future. Mr. Ramey and Mr. Whiteley will continue to investigate these changes, and if deemed beneficial, submit any proposed changes to policy to the board for review and approval.

3. 2019 Investments Review

In accordance with I.C. 5-13-7-7, the Board of Finance shall receive and review a written report of the investing officer that summarizes the school corporation's investments during the previous calendar year.

In 2019, Western Boone County Community School Corporation had investments in the form of various interest-bearing accounts and deposits with financial institutions and earned interest as follows:

Financial Institution	2019 Interest Earned	2018 Interest Earned
Home National Bank	\$127,826.63	\$64,129.03
State Bank of Lizton (Payroll account)	\$0	\$0
State Bank of Lizton (CD)	\$10,111.11	\$0

The increase in interest is largely due to Home National Bank matching the TrustIndiana rate at the beginning of each month beginning in June 2019. We appreciate Home National Bank matching this rate and being a great supporter of our schools.

4. Outstanding Checks/Warrants

In accordance with I.C. 5-11-10.5, the Treasurer shall prepare a list of checks that have been outstanding for two or more years as of December 31 and file the same with the Board of Finance on or before March 1.

At December 31, 2019, two checks were outstanding for two years after Dec. 31st of the year of issue and are listed below:

Issue Date:	Name:	Check Number:	Amount:
02/14/2017	Redacted	072359	18.85
06/13/2017	Redacted	072965	25.30

Per I.C. 5-11-10.5-2, the Treasurer shall declare these checks void and shall receipt the amount of the checks into the fund upon which they were originally drawn.

5. Financial Condition Assessment Report (SEA 549)

“The Distressed Unit Appeal Board (“DUAB”) released in December the annual update of the School Corporation Fiscal Indicators (“Indicators”) as required by Indiana law. This update includes calendar year 2018 financial information (over a year old). The Indicators for all Indiana public school corporations can be accessed at <https://www.in.gov/duab/2377.htm>. Links to supporting documentation, including instructions on how to use the indicators and downloadable data are also available at the same location. The Indicators will be updated annually with new financial information. This link is available to public with more granular data also available.

During the 2019 legislative session, Senate Enrolled Act 549 (“SEA 549”) added a new requirement for school corporations pertaining to the Indicators. During a school corporation’s annual Board of Finance meeting, the superintendent of the school corporation or the superintendent’s designee shall submit a written report to the Board of Finance that assessed the financial condition of the school corporation using the Indicators. The Board of Finance shall review the submitted report. This document should be considered this report and the indicators are included below.

WBCCSC’s financial condition should be considered stable, and the following indicators support this assessment.

School Corporation (ID):
WESTERN BOONE COUNTY SCHOOL CORPORATION

1201 N SR 75, Thorntown, IN, 46071
<http://www.weboschools.org/>

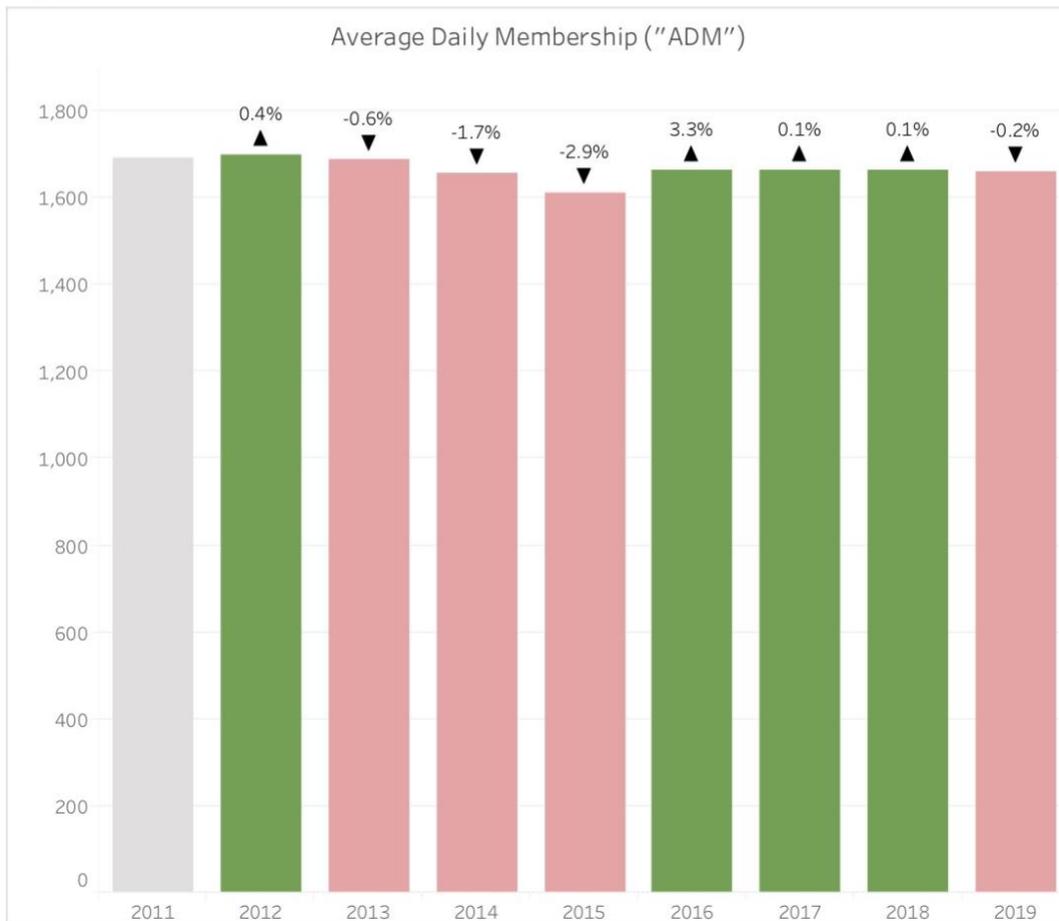
2018-19 Student Count (Average Daily Membership): 1,661
[Learn more about student demographics of the school corporation](#) ▶

2019 Net Assessed Value: \$664,491,306
2017 Estimated Population: 9,825



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.



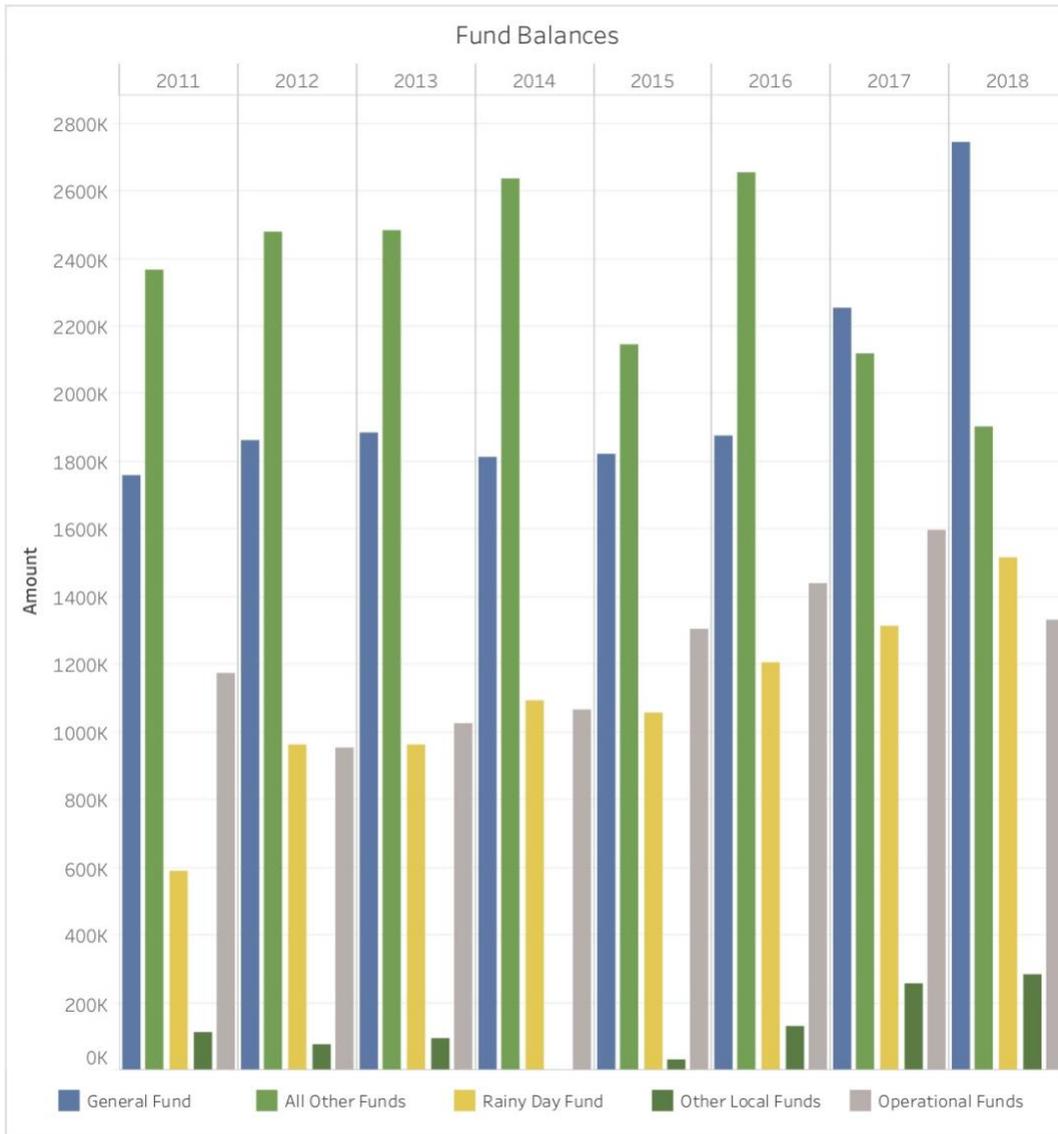
ADM/Enrollment has been steady and, in 2019-2020, has increased.

Fund Balances

Fund Balances as of December of the calendar year listed.

Select Funds to Include:

- All Other Funds
- General Fund
- Operational Funds
- Other Local Funds
- Rainy Day Fund



Fund balances are stable year-to-year. The General (Education) Fund and Rainy Day Fund are trending upward. As we continue to make efforts to improve teacher compensation, we expect to see fund balances level off in the coming years.

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.

Select Funds to Include:

- All Other Funds
- General Fund
- Operational Funds
- Other Local Funds
- Rainy Day Fund



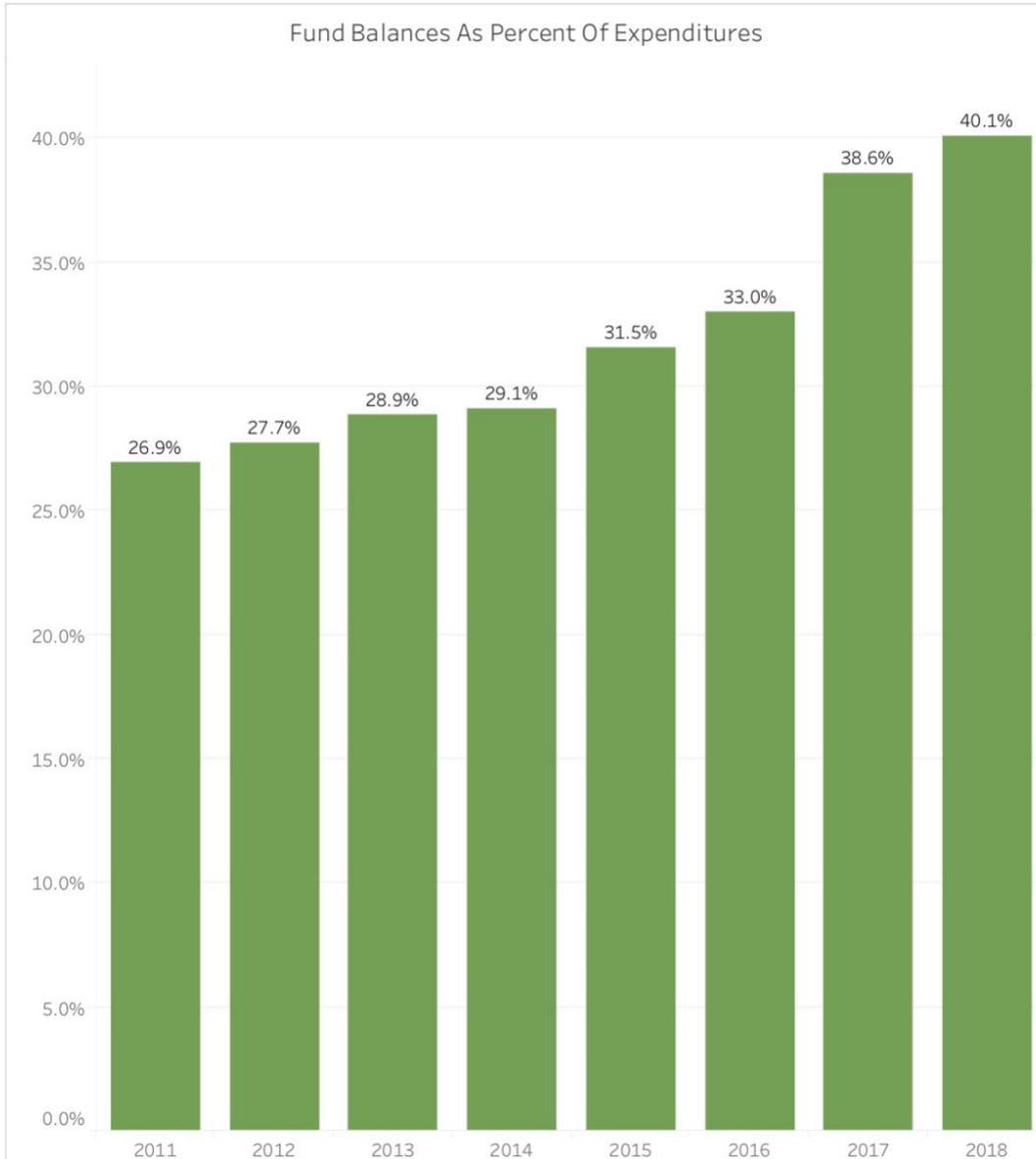
Our revenue and expenditures are very close year-to-year and, most years, have shown a slight surplus.

Fund Balances as Percent of Expenditures

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.

Select Funds to Include:

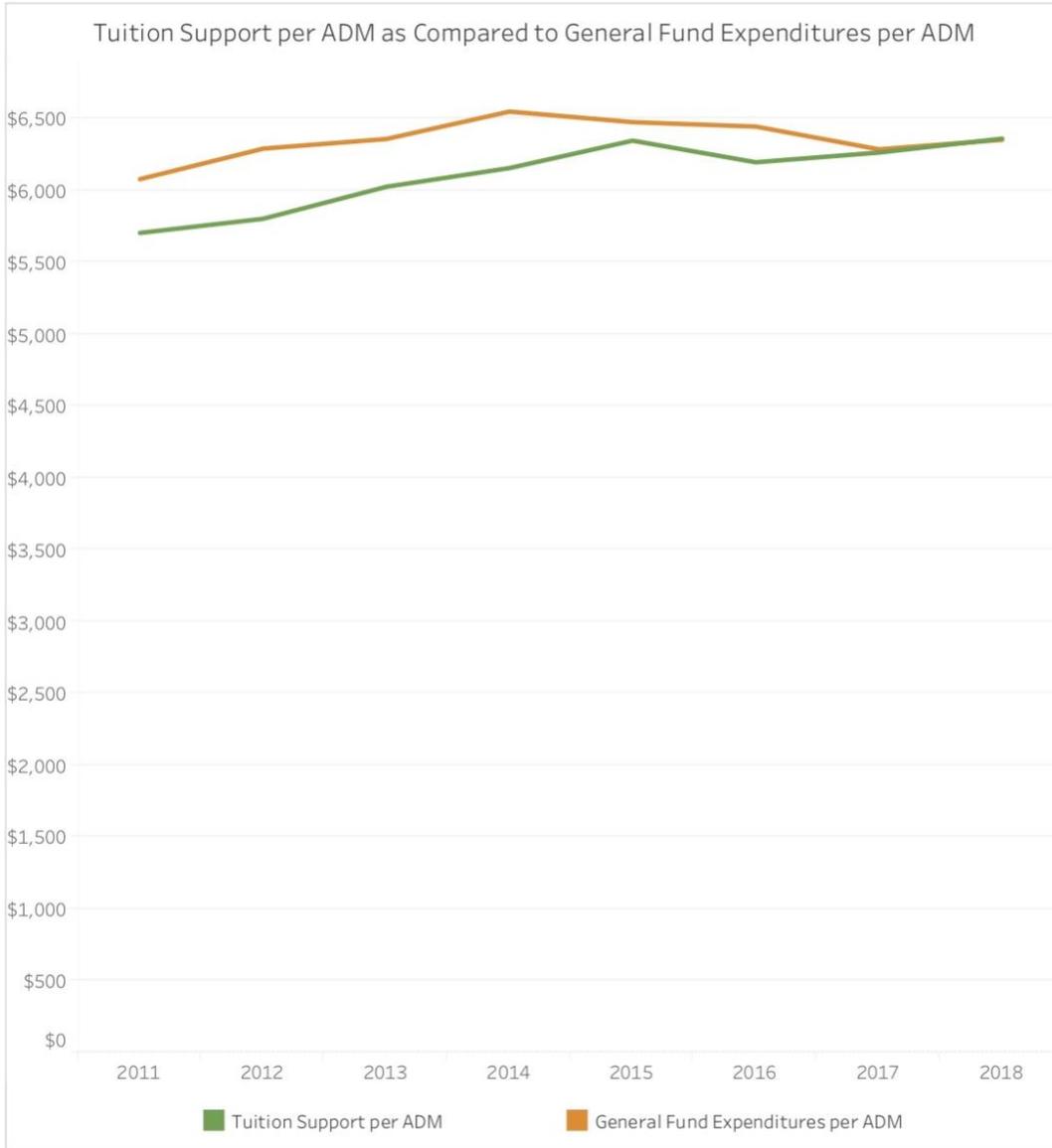
- General Fund
- Operational Funds
- Rainy Day Fund



We have funds to cover expenses in the case of delayed revenues. The Operation Fund revenue is always delayed by five or six months. (I.e. January – June expenditures come from revenue received in June and July – December expenditures come from revenue received in December). As for an unexpected delay in revenue, our fund balances are sufficient to maintain operations.

Tuition Support per ADM as compared to General Fund Expenditures per ADM

Tuition support is the largest revenue source for a school corporation's General Fund, the fund through which the majority of academic programming is funded in addition to other operational expenditures. This indicator considers whether the school corporation's expenditures are consistent with or differ from funding received on a per-student basis.



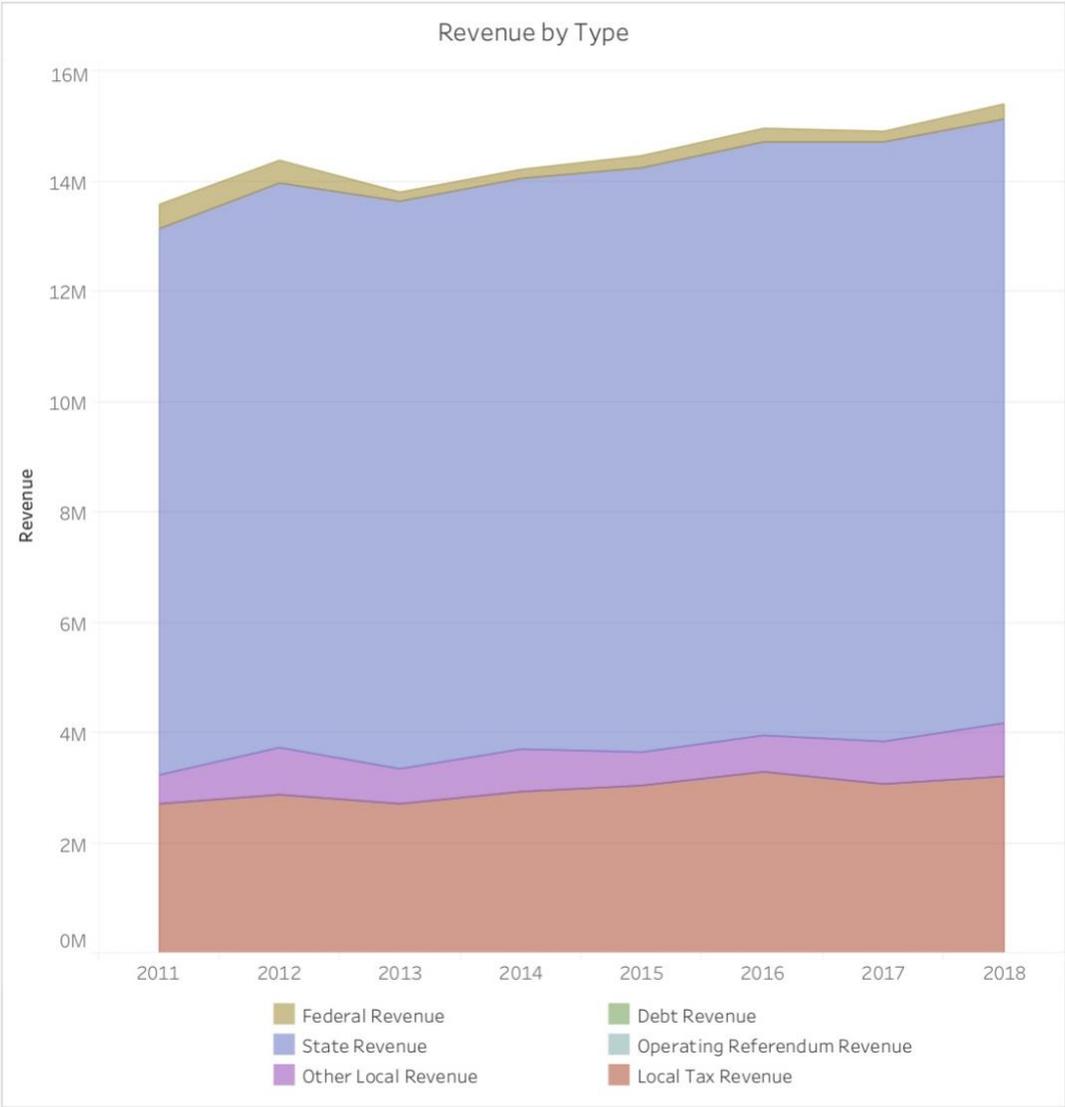
Our tuition support revenue per ADM closely matches General Fund expenditures.

Revenue by Type

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.

Select Funds to Include:

- All Other Funds
- General Fund
- Operational Funds
- Other Local Funds
- Rainy Day Fund

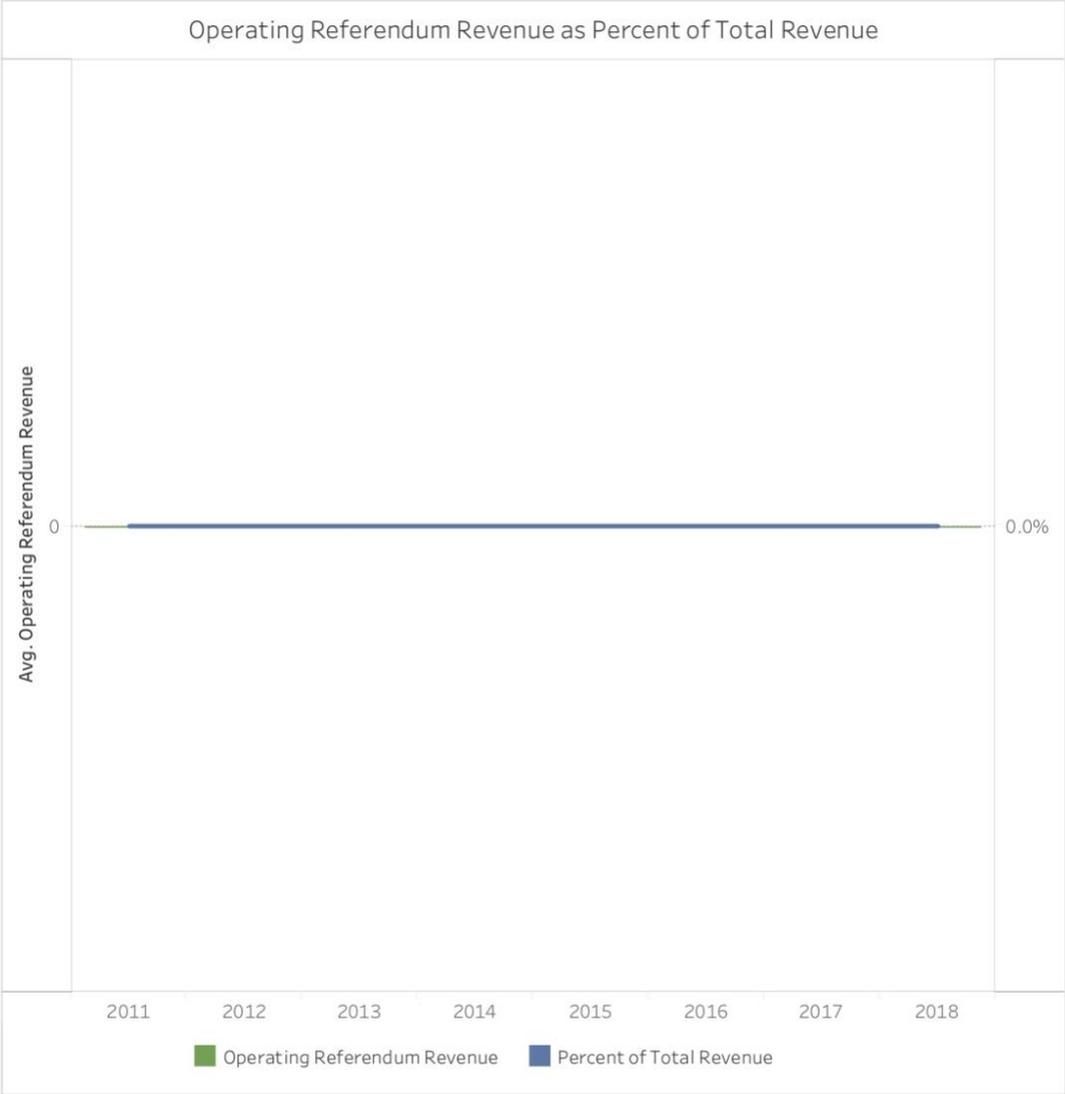


Our revenue has remained steady and is slightly trending upward.

Operating Referendum Revenue as Percent of Total Revenue

For those school corporations that have successfully obtained a referendum, this indicator provides data on the importance of the referendum revenue to the school corporation's revenue picture. For additional information, visit the Department of Local Government Finance's Referendum Information page (<https://www.in.gov/dlgf/8789.htm>).

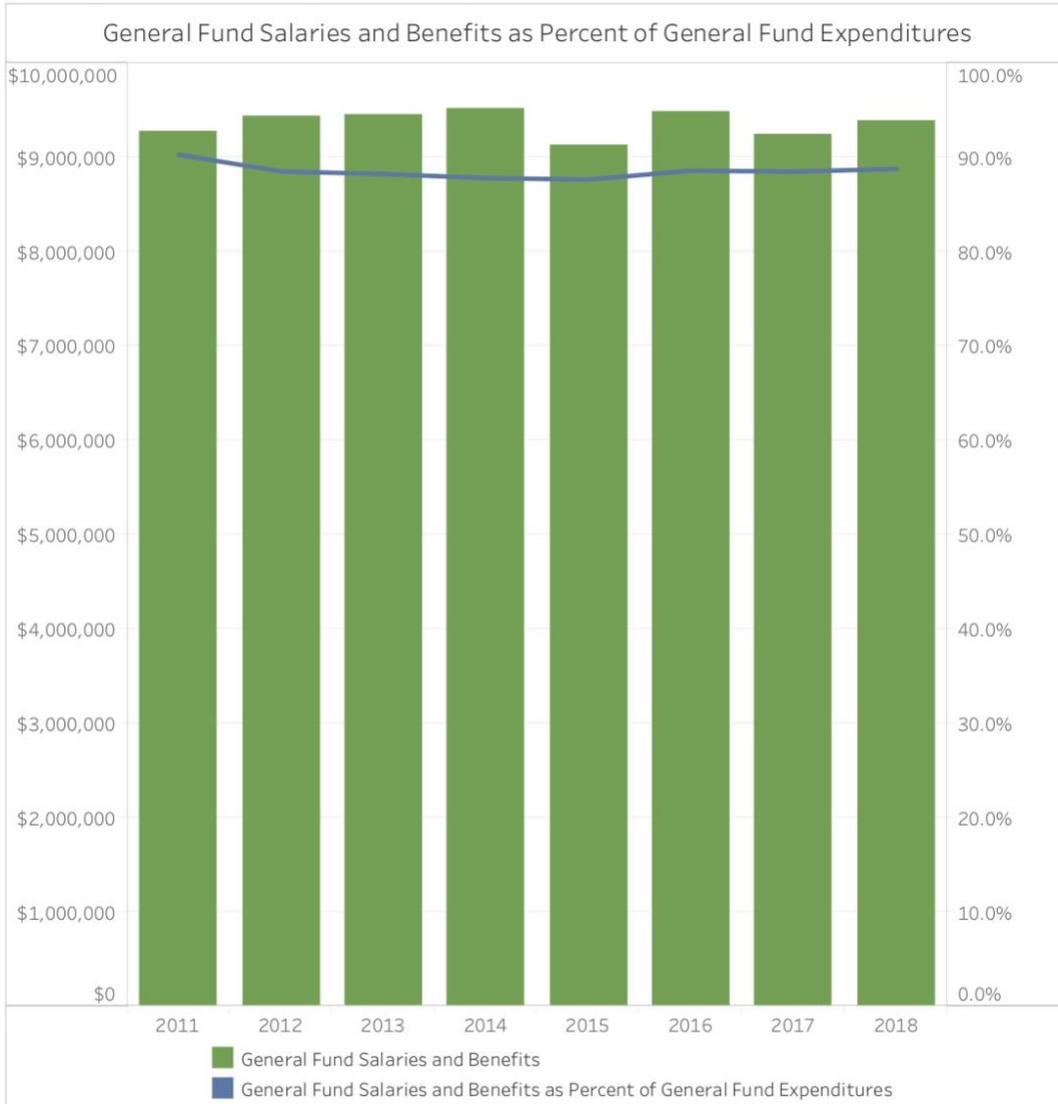
- Select Funds to Include:
- All Other Funds Rev..
 - General Revenue
 - Operational Revenue
 - Other Local Funds R..
 - Rainy Day Revenue



We do not have an operating referendum and currently see no need for one.

General Fund Salaries and Benefits as Percent of General Fund Expenditures

Salaries and benefits typically are the largest expenditures within the General Fund. This indicator shows the percentage of the General Fund that is dedicated to salaries and benefits.



For More Information:

Indiana Department of Education School Financial Reports (<https://www.doe.in.gov/finance/school-financial-reports>)

Indiana Department of Education Compass (School Performance Reports) (<https://compass.doe.in.gov/dashboard/overview.aspx>)

State Board of Accounts Audit Reports (<https://secure.in.gov/apps/sboa/audit-reports/#/>)

Indiana Gateway for Government Units (<https://gateway.ifionline.org/>)

For technical problems, questions or feedback about the Indicators Dashboard, please contact indicators@duab.in.gov.

School Corporation Fiscal Indicators Data Sources

(<https://www.in.gov/duab/files/School%20Corporation%20Fiscal%20Indicators%20Data%20Sources.pdf>)

Our General Fund Salaries and Benefits have historically been approximately 89-90% of our General Fund expenditures.

6. 2020 Budget Update

In December, we received our Notice of Final Budget Recommendations from the DLGF (1782 Notice). Our proposed budget was approved by the DLGF. WBCSC did not request any additional changes based on the 1782 Notice. Our 2020 Assessed Value increased to \$689,327,910 from \$664,491,306 in 2019. Our 2020 maximum levy for the Operations Fund was \$3,370,732. For 2020, we asked for \$3,192,967 levied for the Operations Fund, \$177,765 less than the maximum. This levy, in addition to our Debt Service levy of \$3,649,302, brings our total tax levy in 2020 to \$6,842,269. This levied amount with our 2020 A.V. gives us a 2020 tax rate of .9926. On Friday, January 10, 2020, WBCSC was notified by the DLGF that they have certified the 2020 Budget Order for Boone County and our 2020 tax rate of .9926 is now considered certified.

INVESTMENT OF CORPORATION FUNDS IN TRANSACTION ACCOUNTS

BP - 7025

The board of school trustees for Western Boone County Community School Corporation supports and authorizes a safe and sound investment program. Such a program is viewed as an important ingredient of sound fiscal management, the purpose of which is to secure a maximum yield of interest revenues to supplement other corporation revenues for the support of the educational program of the corporation.

The investing officer for Western Boone County Community School Corporation is the corporation Director of Business and Technology. The investing officer will manage the various funds of the school corporation. This includes the funds to which local and state tax dollars are received, as well as federal and community grant funds.

The objectives, in priority order, of the investment program are:

1. The safety of principal and funds
2. The liquidity of the portfolio sufficient to enable the corporation to meet all cash flow and other operational requirements
3. The attainment of the highest rate of return through fiscal and economic cycles, within the boundaries of statutory constraints, cash flow requirements, and the primary objects of safety and liquidity

Whenever there occurs a cash balance in any active fund which, though allocated to a specific use, is temporarily not needed, the balance will be invested temporarily to the best advantage of the corporation in such securities as are permitted by law.

Investment Guidelines

The investing officer shall approve investing available school funds in the following accounts and within the following parameters. These investments must comply with the requirements of I.C. 5-13.

A. Deposit Accounts

The treasurer may deposit funds only with the financial institutions designated by the State Board of Finance as depositories and by the local board of finance.

B. Certificate of Deposits

Investments of this type will be made based on quotes obtained from depositories designated for the corporation's geographical area.

C. Repurchase Agreements

The treasurer is permitted to enter into repurchase agreements with designated depositories. In general, the collateral securities are restricted to interest bearing obligations issued or fully insured or guaranteed by the United States.

D. Maturity

If investments must have a stated maturity of at least two (2) years and not more than five (5) years, the below Portfolio Limitations will apply

E. Portfolio Limitations

The school corporation's portfolio investment in the above accounts may not exceed twenty-five percent (25%) of the total portfolio investments. Transaction accounts are to be included in the twenty-five percent (25%) restriction.

The treasurer shall prepare a report on December 31st summarizing the financial activities that occurred during the previous month.

This policy is effective until four (4) years from the date it is adopted by the school board.

Legal Reference: I.C. 5-13-9-5.7

Date Adopted: 10/08/12

Date Adopted: 02/11/19

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