

WBCCSC Board of Finance Annual Report

January 13, 2025

Kyle Whiteley, Director of Business & Technology

1. 2024 Comparison Report/Year in Review

On January 1, 2024, the Education Fund Cash Balance was \$4,115,473. As of December 31, 2024, the Education Fund cash balance was \$5,415,637. This is an increase of \$1,300,164. However, the balance of the Curricular Materials Fund (0900) was transferred to the Education Fund on December 19, 2024, in the amount of \$871,953.01. These funds are to be used for future curricular material expenses only. The realized increase to the Education Fund is \$428,211. The Education Fund expenditures for December 2024 were \$898,135. As of the end of December 2024, a total of 89% of the 2024 appropriation was expended.

On January 1, 2024, the Operations Fund Cash Balance was \$3,900,377. As of December 31, 2023, the Operation Fund cash balance was \$4,411,912. This is an increase of \$511,535. The Operation Fund expenditures for December 2024 were \$396,494. As of the end of December 2024, a total of 81% of the 2024 appropriation was expended.

On January 1, 2024, the Rainy Day Fund Cash Balance was \$1,924,968. As of December 31, 2024, the Rainy Day Fund cash balance was \$1,924,968.

On Thursday, December 27, 2024, with the authority of the Board of Trustees granted by a resolution on February 12, 2024, the corporation treasurer transferred \$411,203.75 from the Education Fund to the Operations Fund for Operation Fund expenditures that, in prior years, were General Fund expenditures. In 2024, the corporation treasurer transferred a total of \$1,000,000 from the Education Fund to the Operations Fund. This was 8.12% of the Education Fund Revenue and was \$424,880 less than what was transferred in 2023.

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 good for four years according to I.C. 5-13-9-5.7. Our policy was revised and approved in November 2024. The policy complies with the law and matches our current practices.

2024 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 2024, Western Boone County Community School Corporation had investments in the form of various interest-bearing accounts, deposits, and treasuries with financial institutions and earned interest as follows:

Financial Institution	2024 Earnings	2023 Earnings
Home National Bank	\$570,609.91	\$479,070.35
Raymond James Bank	\$80,609.06	\$100,832.61
North Salem State Bank	\$33,553.77	\$0.00

3. 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.

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. This list is attached for your review.

4. 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 2023 financial information (a year old). The Indicators for all Indiana public school corporations can be accessed at <http://www.in.gov/duab/school-corporation-fiscal-indicators>. 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 the 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. WBCSC’s financial condition should be considered stable, and the following indicators support this assessment. This condition has been further strengthened by our adoption of financial policies and a financial plan as well as an upgrade to our credit rating which, as of September 2024, is AA-. WBCSC is one of five school corporations in Indiana with an AA- or better credit rating and a “Good” Financial Management Assessment (FMA) score. Enrollment continues to be an area of concern which we monitor closely as it directly affects Education Fund revenue.

Basic Information



WESTERN BOONE COUNTY SCHOOL CORPORATION

0615

1201 N SR 75, Thorntown, IN, 46071

<http://www.weboschools.org/>

Most Recent Audit as of June 2024: <https://www.in.gov/sboa/WebReports/82768A.pdf>

Additional audit reports may be found at: <https://secure.in.gov/apps/sboa/audit-reports/#%2F>



**2023-24 Fall Student
Count (ADM):**

1,534.0

**2024 Net Assessed
Value:**

\$923,137,717

Estimated Population

9,561

****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>

Enrollment/Average Daily Membership



We monitor our enrollment closely as it continues to decline. Our greatest opportunity for enrollment growth lies within our local towns, and we hope to see new housing in Jamestown and Thorntown in the next year or two.



Fund Balances



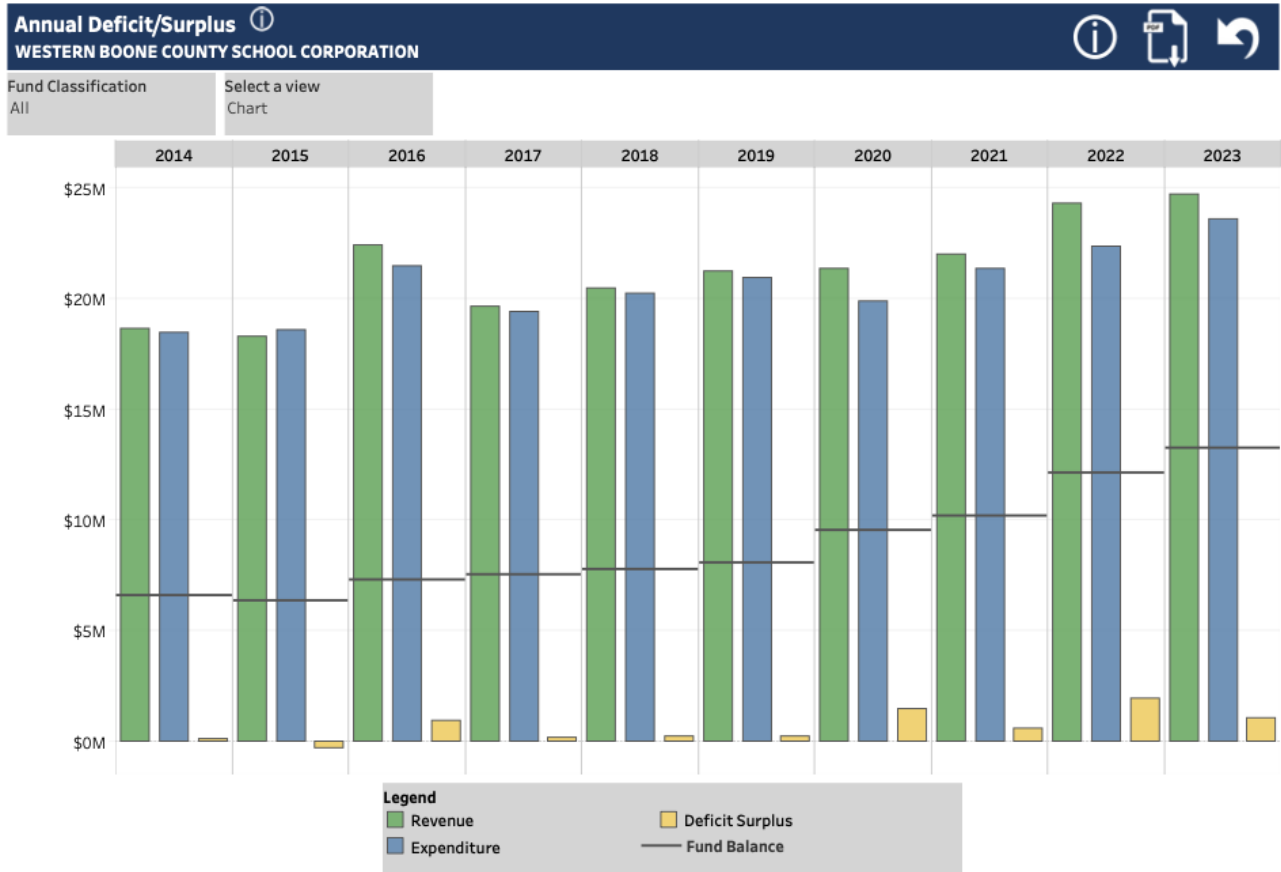
The funds and rules on how funds are used changed in 2019. Fund Balances are healthy and have shown steady growth from 2019-2023. In 2024, the “Local Funds” category will show a large reduction due to the elimination of the Curricular Materials Fund. Subsequently, the Education Fund will show a larger than normal increase. Federal funds are reimbursable grants, so a negative fund balance is not uncommon while waiting for reimbursement.



Annual Deficit/Surplus



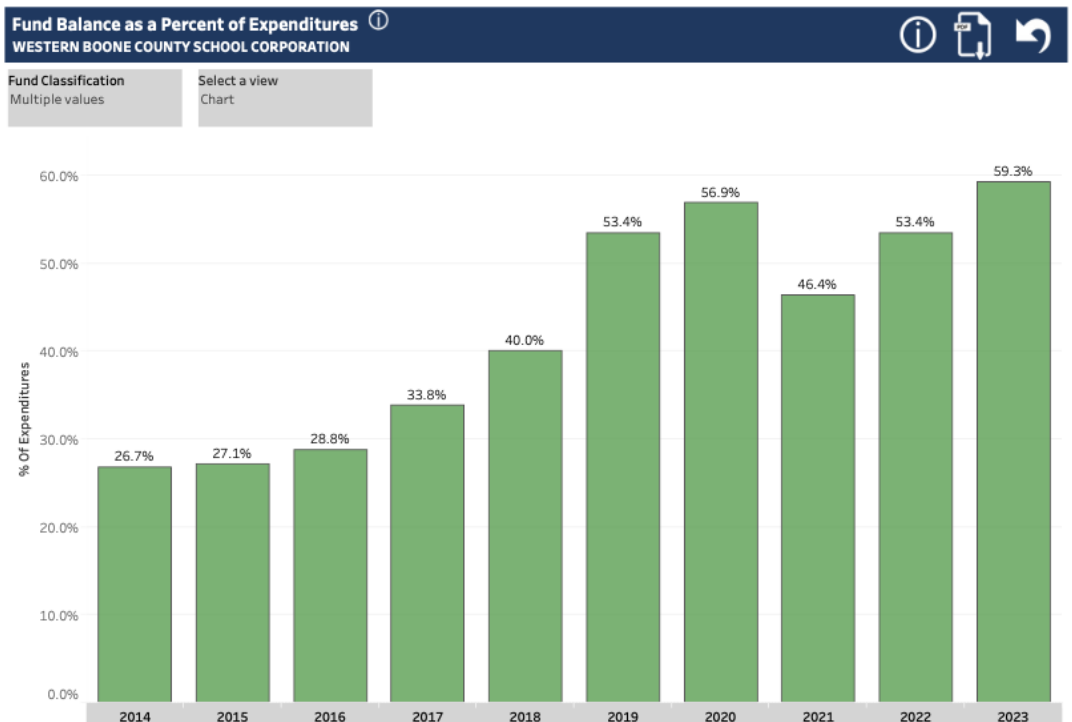
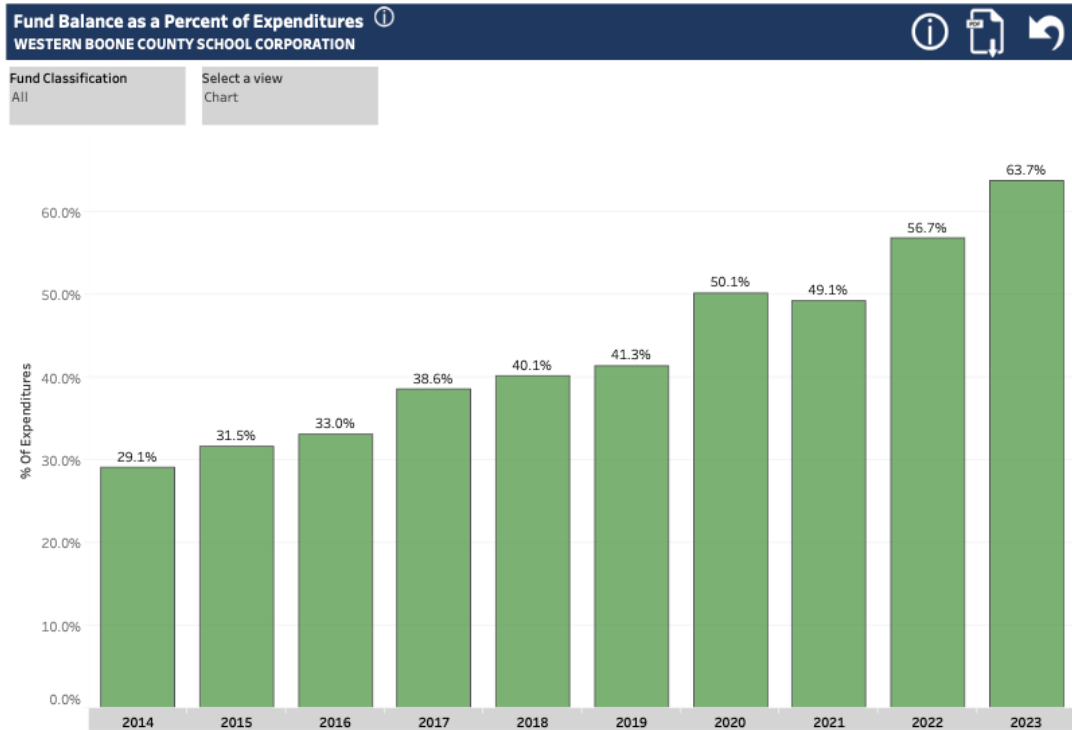
Our revenue and expenditures are close year-to-year and, most years, we show a slight surplus. A surplus occurs when revenue exceeds expenditures. The gray line represents the balance of all funds at the end of each year. In 2024, this number will increase more than normal due to housing the majority of the 2024 bond proceeds in our account versus a trustee bank.



Fund Balances as Percent of Expenditures



Our fund balances individually and collectively are sufficient to maintain operations in the case of delayed revenue. Reserve and Liquidity Board Policy 7022 asserts our “Reserve Target” level is 15% using “Unrestricted Funds” (Education Fund and Rainy Day Fund). Our 2023 reserve level based on unrestricted funds was 59.3% which exceeds our target level (Second graph):



Revenue



Our revenue continued to trend upward through 2023. The maximum levy for Operations has increased over the last several years, but the growth quotient is now capped at 4%. 2024 was the final year for Federal Stimulus Revenue (ESSER funds). Revenue from interest is increasing due to high interest rates and is shown in the “Other Local Revenue” band. In 2024, we will show a “debt revenue” bump much like you see in 2016 due to the 2024 bond proceeds. A declining enrollment may drive state revenue down in the coming years. With the development of the Innovation Development District on the Eli Lilly site, we anticipate some additional passthrough revenue but have not been given an indication yet of what that might be.

Revenue By Type

WESTERN BOONE COUNTY SCHOOL CORPORATION

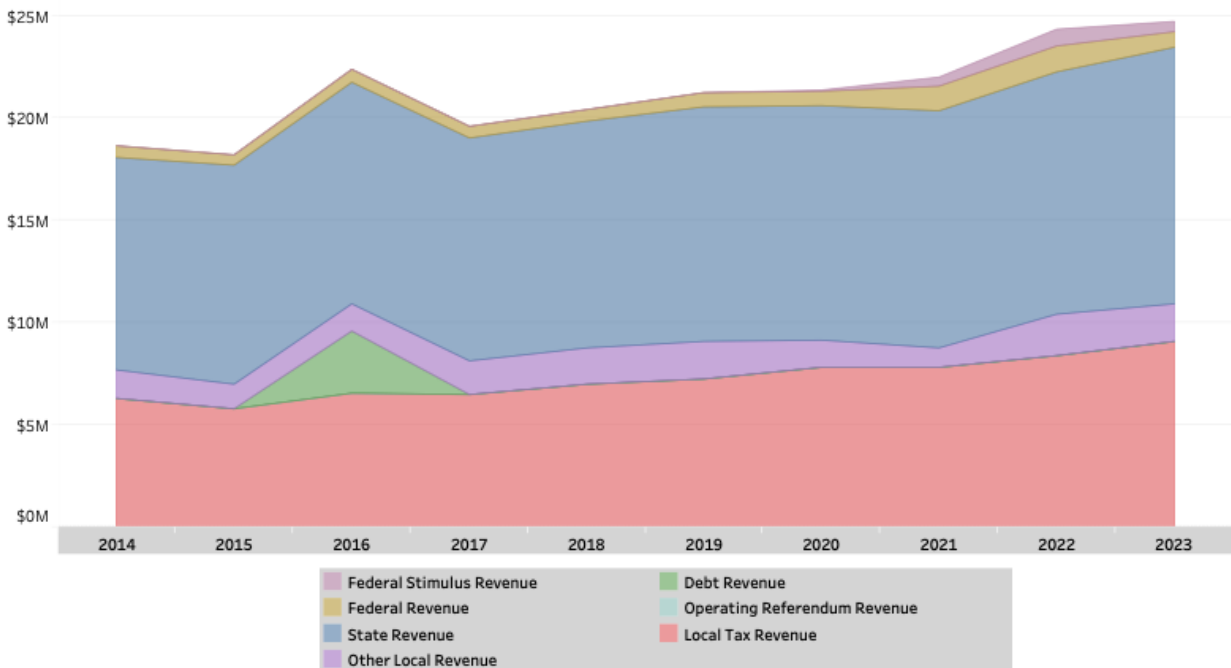


Fund Classification

All

Select a view

Chart



Operating Referendum



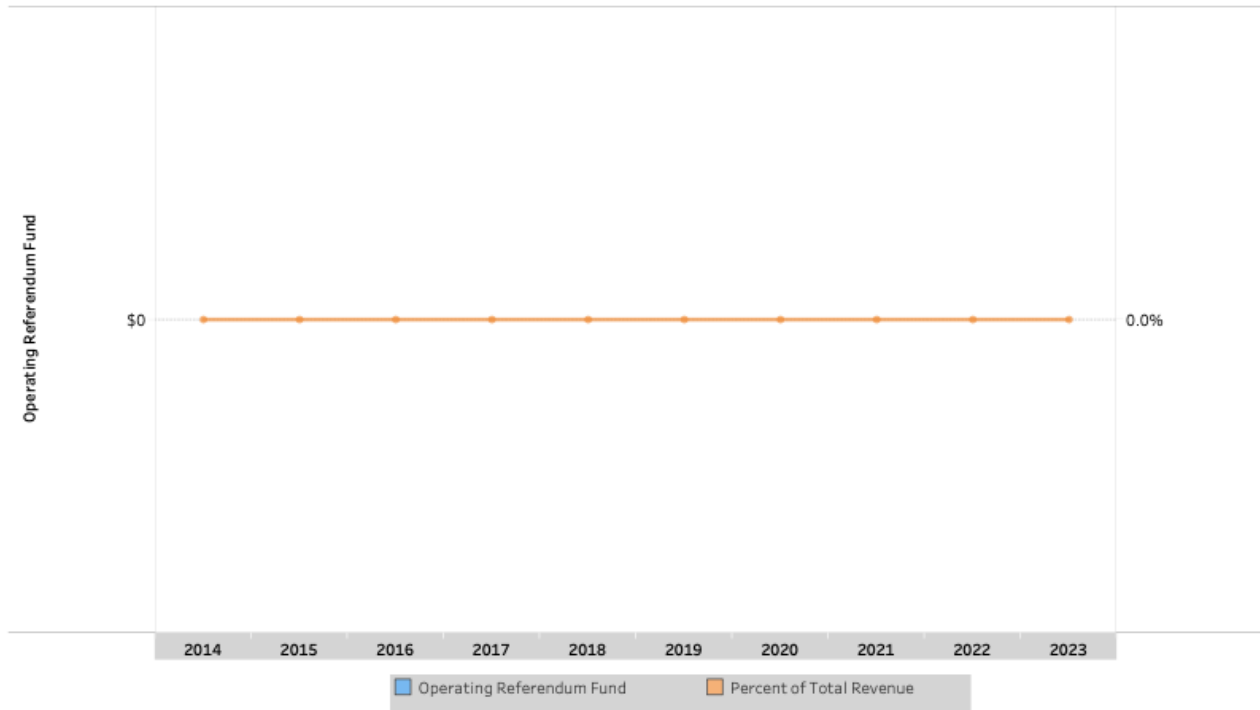
We do not have an operating referendum. With our healthy cash balances and Rainy Day Fund, I do not recommend an operating referendum currently. However, with the maximum levy growth quotient capped at 4% and a declining enrollment, the board has the option to pursue an operating referendum in the future to address a loss in revenue.

Operating Referendum Revenue WESTERN BOONE COUNTY SCHOOL CORPORATION



Fund Classification
All

Select a view
Chart



5. 2025 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 changes. Our 2025 Assessed Value increased to \$1,065,026,330 from \$923,137,717 in 2024. Our 2025 maximum levy for the Operations Fund is \$4,160,373. For 2025, we are taking a levy of \$4,159,993 for the Operations Fund, \$380 less than the maximum. This levy, in addition to our Debt Service levy of \$5,412,464 brings our total tax levy in 2025 to \$9,572,457. This levied amount with our 2025 A.V. gives us a 2025 tax rate of 0.8988. On Friday, January 10, 2025, we received the 2025 Boone County Budget Order from the DLGF indicating our 2025 budget and tax rates had been certified.

\$5,412,464 – 2025 Debt Service Fund Levy

\$4,691,386 – 2024 Debt Service Fund Levy

\$4,159,993 – 2025 Operations Fund Levy

\$3,999,956 – 2024 Operations Fund Levy

\$9,572,457 – 2025 Total Levy

\$8,691,342 – 2024 Total Levy

\$1,065,026,330 – 2025 Assessed Value

\$923,137,717 – 2024 Assessed Value

0.8988 – 2025 Tax Rate

0.9415 – 2024 Tax Rate

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. Suitable and Authorized Investments

Consistent with Indiana Code 5-13-9, the following investments will be permitted by this Policy:

- (1) Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by any of the following:
 - (A) The United States Treasury.
 - (B) A federal agency.
 - (C) A federal instrumentality.
 - (D) A federal government sponsored enterprise.

- (2) Securities fully guaranteed and issued by any of the following:
 - (A) A federal agency.
 - (B) A federal instrumentality.
 - (C) A federal government sponsored enterprise.
- (3) Municipal securities issued by an Indiana local governmental entity, a quasi-governmental entity related to the state, or a unit of government, municipal corporation, or special taxing district in Indiana, if the issuer has not defaulted on any of the issuer's obligations within the twenty (20) years preceding the date of the purchase in accordance with IC 5-13-9-2.
- (4) Money market mutual funds rated AAAM, or its equivalent, by Standard and Poor's Corporation or Aaa, or its equivalent, by Moody's Investors Service, Inc. in accordance with IC 5-13-9-2.5.
- (5) Repurchase agreements in accordance with IC 5-13-9-3.
- (6) Certificates of deposit in accordance with IC 5-13-9-4.
- (7) Certificates of deposit authorized by a resolution of the corporation in accordance with IC 5-13-9-5 and 5-13-9-5.3, which expands the list of approved financial institutions to include all Indiana depositories approved for the receipt of public funds according to the Indiana State Board for Depositories.
- (8) Local government investment pools in accordance with IC 5-13-9-11.

Consistent with Indiana Code 36-1-7, the corporation may pass a resolution to enter into interlocal cooperation agreements for the joint exercise of powers, including the investment of public funds.

C. Maximum Maturities

The corporation's investments must have a stated final maturity of not more than two years pursuant to IC 5-13-9-5.6. The corporation may adopt an ordinance, pursuant to IC 5-13-9-5.7, authorizing its Investment Officer to make investments having a stated final maturity that is more than two (2) years but not more than five (5) years after the date of purchase. The total investments of the corporation with maturities of two (2) to five (5) years outstanding at the time of purchase may not exceed twenty-five percent (25%) of its total portfolio of public funds invested, including balances in transaction accounts. Such ordinance expires on the date on which this Policy expires, which may not exceed four (4) years.

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

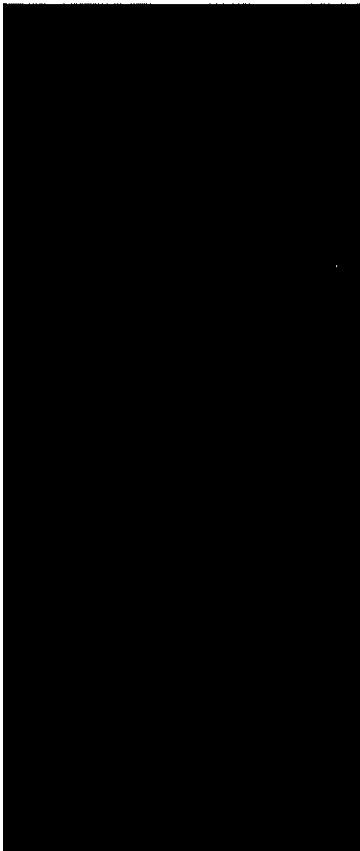
Date Adopted: 10/08/12

Date Adopted: 02/11/19

Date Adopted: 11/09/20

Dated Adopted: 11/11/24

Checks Over Two Years as of December 31, 2024

Check number	Date	Amount	Payee Name	School
4852	5/25/2022	\$17.00		Thorntown Elementary
5575	10/13/2021	\$5.00		Granville Wells Elementary
28752	8/26/2021	\$70.00		Western Boone High School
28925	10/28/2021	\$2.13		Western Boone High School
28957	11/5/2021	\$30.00		Western Boone High School
29429	6/1/2022	\$855.00		Western Boone High School
29437	6/1/2022	\$286.00		Western Boone High School
29559	9/1/2022	\$397.10		Western Boone High School
29664	10/14/2022	\$81.00		Western Boone High School
22248	1/21/2022	\$10.93		Corporation
22360	7/22/2022	\$26.28		Corporation