

# *West Lafayette Community School Corporation*

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

FROM: Michelle Cronk, CFO (**January 13, 2025 board meeting**)

RE: Fiscal Indicator Update

DATE: January 2, 2025

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 public school corporations that were finalized at the end of 2018 and have been updated annually since. Indiana code 5-13-7-8 requires Indiana public 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 calendar year 2023 and school year 2023-2024 as presented by DUAB. A summary of the information is outlined below:

- **Average Daily Membership:** The graph includes both September and February counts last year. As you can see, West Lafayette School Corporation's Average Daily Membership increased slightly from the 15-16 school year through the 18-19 school year and has leveled off since. Remember that the ADM count does NOT include students receiving educational services at WL from other districts.
- **Demographics:** Demographics of our ADM students has been included in this year's Fiscal Indicators Report. Total student count is broken down by Free Reduced Lunch, Special Education and English Language Learner percentages. Please note that our Free Reduced Lunch percent has increased over the past couple of years, special education as a percent has decreased, and English Language Learners has increased as a percent.
- **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 (salmon color) 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 combined—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 2023 with a surplus across all funds as a total. This is due in part to the healthy cash balances the school corporation maintains in the Education and Referendum funds.

- **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 with a small decrease in 2022 due to the federal stimulus funds ending. The largest section in blue, state revenue, includes state tuition support payments. Notice that even though our ADM has remained fairly steady, our state tuition support remains about the same each year.
- **Operating Referendum Revenue as Percent of Total Revenue:** This graph indicates that the annual Operating Referendum provided 17.2% of total revenue across all funds for the school corporation in 2023. All else equal, without the referendum, we would have had approximately \$6.2 million in expenses that would not have been covered in 2023.

Looking at the data provided by DUAB, the school corporation was in a healthy financial position as of the end of 2023 (and the end of school year 2023-2024) and is expected to remain in a healthy position for 2024. If you have any questions on the data outlined, please don't hesitate to let me know.