

all have interest rates of about 5 percent. Mrs. Cronk expressed appreciation for the work that Huntington Bank did to restructure the school corporation's accounts to increase interest earnings.

Mr. Marley asked what the Hoosier Fund interest rate is now. Mrs. Cronk explained that the school corporation no longer invests with the Hoosier Fund (account was closed in February 2023) and she is not sure what the current interest rate is. She said that the school corporation can get the same interest rate or better through Huntington Bank and that having investments in multiple places added complexity. Mr. Marley asked if Baker Tilly is still the school corporation provider for certificate of deposit bids and said that the interest rates are good. Mrs. Cronk confirmed that Baker Tilly is the provider for bids and said that she agrees that they did a great job getting the school corporation high rates.

IV. FISCAL INDICATOR UPDATE

Mrs. Cronk reported that the House Enrolled Act of 1315 in 2018 established the Fiscal and Qualitative Indicators to evaluate the financial condition of school corporations. 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. The fiscal indicators for our school corporation are available on the Indiana Distressed unit of Appeals Board website under the fiscal indicators section.

- **Average Daily Membership:** This indicator is used to determine the school corporation's state funding. ADM has been pretty consistent over the years. For the 23-24 fall count, the ADM is 2,209 which is down 39 students from the ADM count last February. ADM does not include transfer students from other districts who are paying tuition. The number of tuition-paying transfer students has been increasing over the past two years and the school corporation currently has approximately 140 which is up from 110 last year.
- **Fund Balances:** Overall, the school corporation maintains appropriate cash balances in its funds to fund its operations if there were ever an emergency. 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.
- **Annual Deficit/Surplus:** This indicator includes revenue and expenses for all funds combined with revenue in the first column, expenses in the second column, and the difference in the third column. As a whole, the school corporation ended 2022 with a surplus across all funds. This is due in part to the healthy cash balances the school corporation maintains.
- **Fund Balance as a Percent of Expenditures:** This indicator is the combination of the budgeted fund cash balances (Education Fund, Operations Fund, Referendum Fund, and Rainy Day Fund with the Debt Service Fund excluded) 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 a cash balance of 51.9% and has historically done a great job conserving cash in case of emergencies.
- **Revenue by Type:** 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 steady or even increased over the years, our state tuition support has remained fairly steady.

- **Operating Referendum Revenue as Percent of Total Revenue:** The annual Operating Referendum provided 18.7% of total revenue across all funds for the school corporation in 2022. Revenue into the Referendum Fund has been increasing due to increases in assessed value with the tax rate held constant. All else equal, without the referendum, we would have had approximately \$6.73 million in educational and operational expenses that would not have been covered in 2022.

There was discussion with Dr. Yin asking for a work session to help the board better understand the school corporation's finances. Mrs. Cronk said that there is a great deal of information about the school corporation's finances and recommended that Dr. Yin make a specific request. Mr. Wang said he attended the ISBA financial reporting seminar and thought it was helpful in understanding the overall financial health of the school corporation.

Dr. Yin called for adjournment.

V. ADJOURNMENT - The meeting adjourned at 8:12 p.m.

Motion by: Mrs. Austin


Seconded by: Mr. Wang

Vote: 7 of 7

Yes: Austin, Marley, Schott, Witt, Yin, Mumford, Wang; No: None; The motion passed.



President, Board of Finance



Secretary, Board of Finance