

# Financial Condition

## As Reported through Indiana's Fiscal Indicators

January 2021

House Enrolled Act 1315 (2018) established the Fiscal and Qualitative Indicators Committee, under the direction of the state's Distressed Unit Appeal Board (DUAB). Through public hearings and meetings in June – October, 2018, the committee developed indicators used to evaluate the financial condition of school corporations. In 2019, the DUAB reviewed indicators for each corporation and the director contacted several corporations to discuss their financial condition based on these indicators. TCSC is expected to be one of those districts to meet with the DUAB Director in early 2021.

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 assesses the financial condition of the school corporation using the Indicators. The Board of Finance shall review the submitted report. A specific format for this report is not outlined in SEA 549. However, the superintendent or the superintendent's designee should utilize the Indicators as the foundation for this report and can then add additional details or explanations as needed to provide the Board of Finance with an assessment of the school corporation's overall financial condition. This presentation satisfies that requirement.

The six (6) fiscal indicators and the data sources from which this information is obtained include:

1. **Average Daily Membership ("ADM")** - Average Daily Membership data provided by the Indiana Department of Education.
2. **Fund Balances** - Form 9 data as submitted by the school corporations to the Indiana Department of Education ("IDOE").
3. **Annual Deficit/Surplus - Revenues**: Form 9 data as submitted by the school corporations to DOE, Section 1, receipts for selected funds for Period 1 and Period 2 of the calendar year listed; *Expenditures*: Form 9 data as submitted by the school corporations to DOE, Section 2, expenditures for selected funds for Period 1 and Period 2 of the calendar year listed; *Fund Balance*: Form 9 data as submitted by the school corporations to the Indiana Department of Education ("IDOE"), Section 6, Ending Cash Balance as of December (Period 2) of the calendar year listed.

4. **Fund Balances as Percent of Expenditures** - *Fund Balance*: Form 9 data as submitted by the school corporations to the Indiana Department of Education ("IDOE"), Section 6, Ending Cash Balance as of December (Period 2) of the calendar year listed; *Expenditures*: Form 9 data as submitted by the school corporations to DOE, Section 2, expenditures for selected funds for Period 1 and Period 2 of the calendar year listed.
5. **Revenue by Type** - *Local Tax Receipts*: Form 9 data as submitted by the school corporations to DOE; *Other Local Revenue*: Form 9 data as submitted by the school corporations to DOE, Section 1; *Debt Revenue*: Form 9 data as submitted by the school corporations to DOE; *State Revenue*: Form 9 data as submitted by the school corporations to DOE; *Federal Revenue*: Form 9 data as submitted by the school corporations to DOE.
6. **Operating Referendum Revenue as Percent of Total Revenue** - *Operating Referendum Revenue*: Form 9 data as submitted by the school corporations to DOE; *Total Revenues*: Form 9 data as submitted by the school corporations to DOE.

The information found on the [DUAB website](#) is interactive. In addition to the fiscal indicators, information about each school corporation includes student demographics, Net Assessed Value (\$617,242,382 (2020)), and Estimated population (10,640 (2018)).

1. **ADM.** For TCSC's ADM, the data shows a decline of 8% between 2018 and 2021. This has been a trend for the past four years after the corporation experience a peak in 2016 of 1712 student

Average Daily Membership ("ADM") - Data

Coloring	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fall In-Person Count	1,656	1,667	1,670	1,712	1,717	1,642	1,552	1,532	1,487	1,427
Fall Virtual Count									0	1
Spring In-Person Count			1,674	1,721	1,694	1,625			1,455	

2. **Fund Balances.** Although total Fund Balances have increased in recent years, we will begin to see a decline as we tapped into the cash balances and rainy day funds to meet expenses. The data in DUAB indicates that the current funds are considered adequate and appropriate. The report printed here is for all funds incited. By going to the web site, you can click on the individual funds to see that specific fund balance.

## Fund Balances

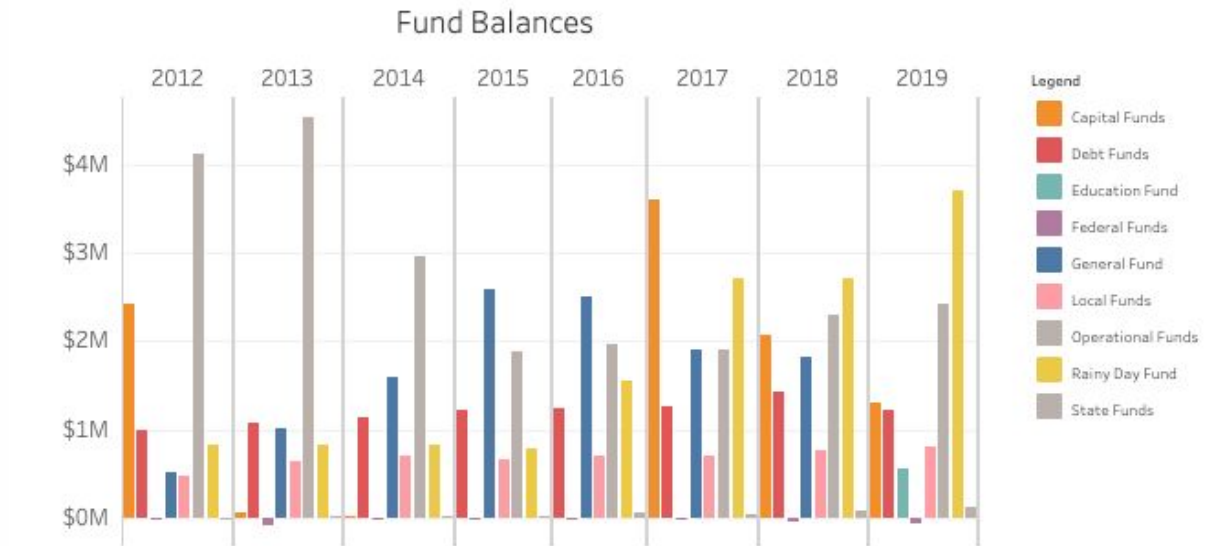
Fund Balances as of December of the calendar year listed.

Select Funds by Fund Classification:

(All)

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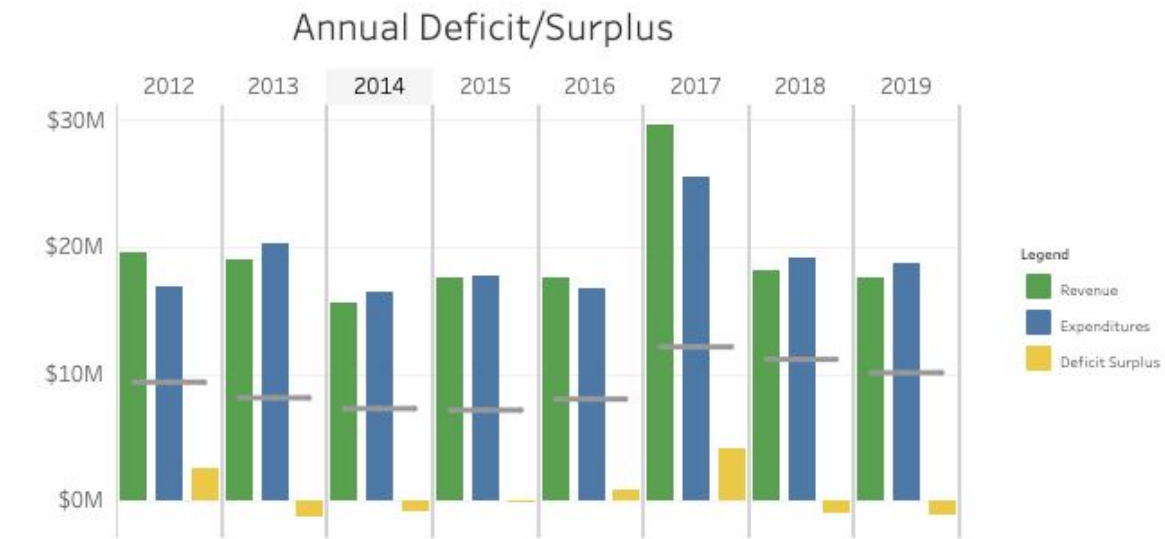
**3. Annual Deficit/Surplus.** This indicator provides a comparison of revenue to expenditures on a calendar year basis, including whether the school corporation had an operating deficit or surplus for that year. Expenditures have exceeded revenue since 2018. Although 2020 is not represented here, there will be a significant deficit in the Education Fund since we are spending 108% of the appropriation. By going to the web site, you can click on the individual funds to see that specific fund balance.

### 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 by Fund Classification:

(All) ▼



**4. Fund Balances as Percent of Expenditures.** An 8.3% fund balance (1 month of expenditures) is considered an absolute minimum for financial health. A 25% balance (or three (3) months of expenditures) is a desired target. This particular report shows a Total Fund Balance of 52.3%. However, this is inflated because of a healthy Rainy Day Fund. Also, the Operation Fund is higher than usual because of meeting many operational costs from bond issues. The individual funds show: General Fund – 17.5%; Operation Fund – 86.7%; Rainy Day Fund – 139.3% (2015). The report printed here is for all funds incited. By going to the web site, you can click on the individual funds to see that specific fund balance.

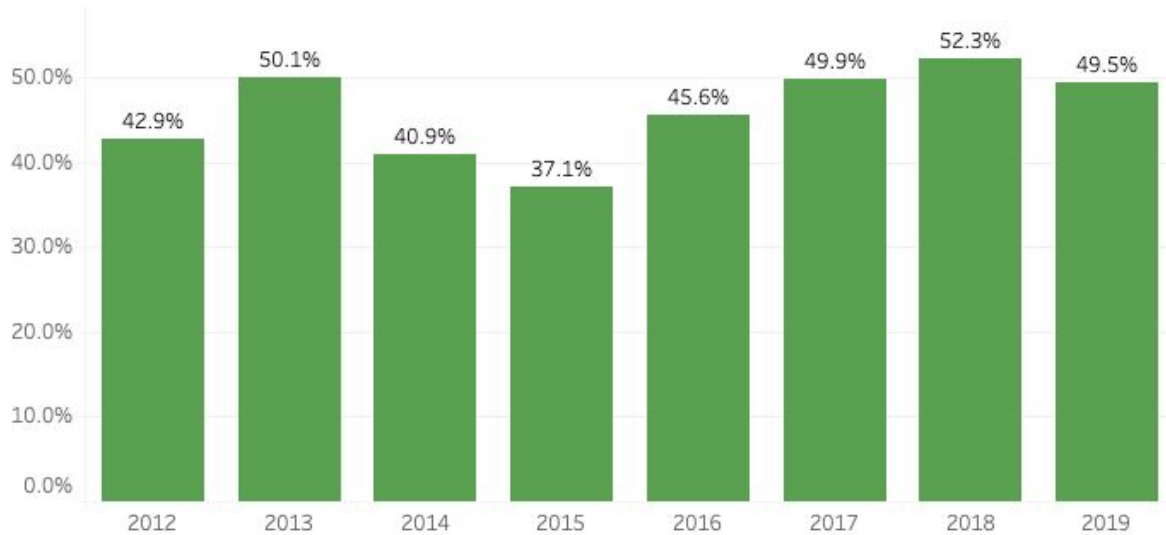
### Fund Balances as Percent of Expenditures

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 by Fund Classification▼

(All) ▼

Fund Balances As Percent Of Expenditures



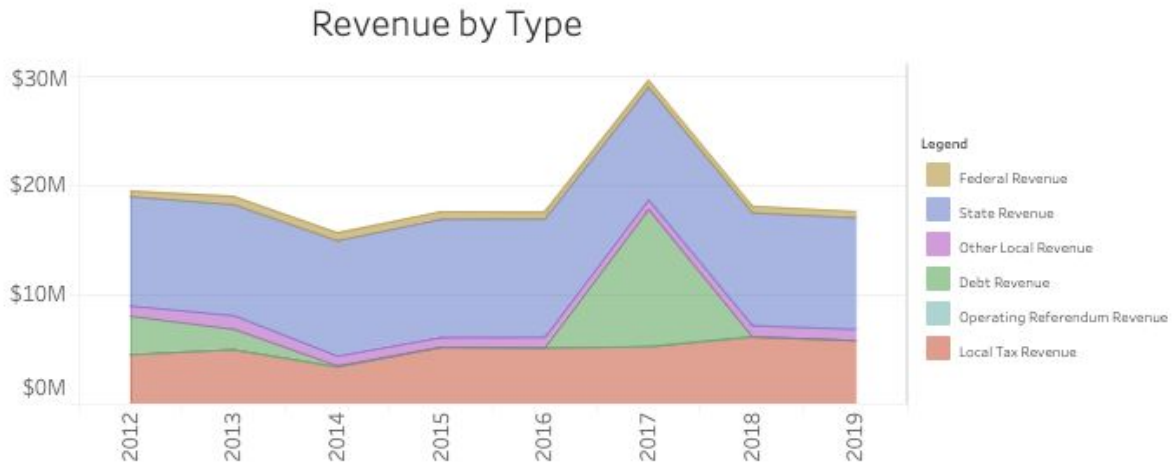
**5. Revenue by Type.** Local Tax revenue includes property tax income tax and other taxes as applicable. Other local revenue will include revenue sources such as rental income and sale of property. Debt revenue includes bond and loan proceeds. State revenue includes tuition support and other grants received from the State. Federal revenue includes grant funding received from the Federal government. This indicator is used to identify trends and any anomalies in revenue sources and also to identify an excessive dependence on operating referendum revenue (if applicable). Revenue for TCSC from all sources is within expected ranges, and TCSC has no operating referendum revenue. The spikes in 2012 and 2016 are Debt Revenue and indicate the bond issues that took place during those years. The report printed here is for all funds incited. By going to the web site, you can click on the individual funds to see that specific fund balance.

### Revenue by Type

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Select Funds by Fund Classification:

(All) ▼



**6. Operating Referendum Revenue as Percent of Total Revenue.** TCSC has no referendum revenue.