

**CULVER COMMUNITY SCHOOLS CORPORATION**  
**Financial Report**  
**December 31, 2012**

<b><u>Fund</u></b>	<b><u>Balance 1/1/2012</u></b>	<b><u>Revenue</u></b>	<b><u>Expenditures</u></b>	<b><u>Balance 12/31/2012</u></b>	<b><u>% Cash Bal</u></b>
GENERAL	\$ 551,654	\$ 7,143,228	\$ 7,263,380	\$ 431,502	5.94%
DEBT SERVICE	\$ 787,609	\$ 1,393,621	\$ 1,556,178	\$ 625,052	40.17%
PENSION BOND	\$ 48,555	\$ 298,045	\$ 297,892	\$ 48,708	16.35%
CAPITAL PROJECTS	\$ 595,916	\$ 954,344	\$ 1,057,261	\$ 492,999	46.63%
TRANSPORTATION	\$ 205,562	\$ 820,709	\$ 751,976	\$ 274,295	36.48%
BUS REPLACEMENT	\$ 154,528	\$ 216,179	\$ 158,214	\$ 212,493	134.31%
RAINY DAY FUND	\$ 818,796	\$ -	\$ -	\$ 818,796	
<b>TOTALS</b>	<b>\$ 3,162,620</b>	<b>\$ 10,826,126</b>	<b>\$ 11,084,901</b>	<b>\$ 2,903,845</b>	<b>26.20%</b>

**CULVER COMMUNITY SCHOOLS CORPORATION**  
**Financial Report**  
**December 31, 2012**

**Additional Fund Information for 2013:**

**General Fund**

**1. Prepayments:**

WWCI January Ins.	\$ 91,167
Utilities	\$ 2,218
JESSE	\$ 135,000
Total 2013 Prepayments	<u>\$ 228,385</u>

**Capital Projects Fund**

Pension Neutrality	<u>\$ 404,621</u>
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**Self Insurance**

	Balance Jan-12	Balance Jan-13
Benefit Account	<u>\$ 3,823</u>	<u>\$ 86,821</u>

# **Culver Community Schools Corporation Board of Finance**

<b><u>Bank Name and Location</u></b>	<b><u>Type of Account</u></b>	<b><u>Main Usage</u></b>	<b><u>Interest Rate</u></b>	<b><u>Balance 1/1/2013</u></b>
1. First Farmers Bank & Trust Culver, Indiana	Checking	Operating account for payroll and claims.	0.15%	\$ 1,414,258.63
2. First National Bank of Monterey Culver, Indiana	Money Market	Investments	0.45%	\$ 2,336,994.09
3. First Farmers Bank & Trust Culver, Indiana	Checking	Operating self-insurance claims.	0.15%	\$ 80,806.00
4. First National Bank of Monterey Culver, Indiana	Money Market	QSCB Construction Account	0.45%	\$ 51,581.65

## **Investment Procedures**

Culver Community Schools Corporation invests its reserve funds in it's money market accounts due to a favorable interest rate as compared to both short term and long term certificates of deposit rates available.

The corporation tries to maintain a balance in its operating account that is equivalent to one month of payroll and claim dockets. In addition, the corporation tries to maintain a balance in its self-insurance benefit account equivalent to one month worth of claims during the year.

The number of transactions within the money market accounts per month is limited and could affect the timing of these investments and/or transfers. CCSC reviews its cash flow statements monthly to try to manage the timing of these investments.

# **Culver Community Schools Corporation Board of Finance**

<b><u>Bank Name and Location</u></b>	<b><u>Type of Account</u></b>	<b><u>Investments in 2012</u></b>	<b><u>Average 2012 Month End Balance</u></b>	<b><u>Interest Earned 2012</u></b>
1. First Farmers Bank & Trust Culver, Indiana	Checking	Interest Income-Operating Account	\$ 1,031,544.20	\$ 2,960.56
2. First National Bank of Monterey Culver, Indiana	Money Market	Interest Income-Money Market Investment	\$ 2,539,804.08	\$ 13,941.81
3. First Farmers Bank & Trust Culver, Indiana	Checking	Interest Income-Self Insurance Account	\$ 77,369.71	\$ 197.78
4. First National Bank of Monterey Culver, Indiana	Money Market	Interest Income-QSCB Construction	\$ 71,137.83	\$ 407.68

**CULVER COMMUNITY SCHOOLS CORPORATION 2012 TAX REVENUE REPORT****Marshall County Funds**

	<u>Levy</u>	<u>Received</u>	<u>Due</u>	<u>% Received</u>
DEBT SERVICE FUND	\$ 910,958	\$ 939,078	\$ (28,120)	103.09%
SCHOOL PENSION DEBT FUND	\$ 199,771	\$ 205,938	\$ (6,167)	103.09%
CAPITAL PROJECTS FUND	\$ 597,470	\$ 615,914	\$ (18,444)	103.09%
TRANSPORTATION FUND	\$ 533,543	\$ 550,014	\$ (16,471)	103.09%
BUS REPLACEMENT FUND	\$ 142,606	\$ 147,008	\$ (4,402)	103.09%
<b>TOTAL MARSHALL COUNTY</b>	<b>\$ 2,384,348</b>	<b>\$ 2,457,952</b>	<b>\$ (73,604)</b>	<b>103.09%</b>

**Starke County Funds**

	<u>Levy</u>	<u>Received</u>	<u>Due</u>	<u>% Received</u>
DEBT SERVICE FUND	\$ 169,616	\$ 180,635	\$ (11,019)	106.50%
SCHOOL PENSION DEBT FUND	\$ 37,247	\$ 39,666	\$ (2,419)	106.50%
CAPITAL PROJECTS FUND	\$ 111,167	\$ 118,389	\$ (7,222)	106.50%
TRANSPORTATION FUND	\$ 99,363	\$ 105,818	\$ (6,455)	106.50%
BUS REPLACEMENT FUND	\$ 26,588	\$ 28,316	\$ (1,728)	106.50%
<b>TOTAL STARKE COUNTY</b>	<b>\$ 443,981</b>	<b>\$ 472,824</b>	<b>\$ (28,843)</b>	<b>106.50%</b>

**Fulton County Funds**

	<u>Levy</u>	<u>Received</u>	<u>Due</u>	<u>% Received</u>
DEBT SERVICE FUND	\$ 77,504	\$ 79,092	\$ (1,588)	102.05%
SCHOOL PENSION DEBT FUND	\$ 16,962	\$ 17,310	\$ (348)	102.05%
CAPITAL PROJECTS FUND	\$ 50,886	\$ 51,929	\$ (1,043)	102.05%
TRANSPORTATION FUND	\$ 45,406	\$ 46,337	\$ (931)	102.05%
BUS REPLACEMENT FUND	\$ 12,161	\$ 12,410	\$ (249)	102.05%
<b>TOTAL FULTON COUNTY</b>	<b>\$ 202,919</b>	<b>\$ 207,078</b>	<b>\$ (4,159)</b>	<b>102.05%</b>

**Pulaski County Funds**

	<u>Levy</u>	<u>Received</u>	<u>Due</u>	<u>% Received</u>
DEBT SERVICE FUND	\$ 72,731	\$ 75,557	\$ (2,826)	103.89%
SCHOOL PENSION DEBT FUND	\$ 15,950	\$ 16,569	\$ (619)	103.88%
CAPITAL PROJECTS FUND	\$ 47,702	\$ 49,556	\$ (1,854)	103.89%
TRANSPORTATION FUND	\$ 42,598	\$ 44,253	\$ (1,655)	103.89%
BUS REPLACEMENT FUND	\$ 11,386	\$ 11,828	\$ (442)	103.88%
<b>TOTAL PULASKI COUNTY</b>	<b>\$ 190,367</b>	<b>\$ 197,763</b>	<b>\$ (7,396)</b>	<b>103.89%</b>

**All Counties Funds**

	<u>Levy</u>	<u>Received</u>	<u>Due</u>	<u>% Received</u>
DEBT SERVICE FUND	\$ 1,230,809	\$ 1,274,363	\$ (43,554)	103.54%
SCHOOL PENSION DEBT FUND	\$ 269,930	\$ 279,484	\$ (9,554)	103.54%
CAPITAL PROJECTS FUND	\$ 807,225	\$ 835,788	\$ (28,563)	103.54%
TRANSPORTATION FUND	\$ 720,910	\$ 746,422	\$ (25,512)	103.54%
BUS REPLACEMENT FUND	\$ 192,741	\$ 199,562	\$ (6,821)	103.54%
<b>TOTAL ALL COUNTIES</b>	<b>\$ 3,221,615</b>	<b>\$ 3,335,618</b>	<b>\$ (114,003)</b>	<b>103.54%</b>

# Culver Community Schools Corporation

## 2013 Budget Appropriations

<b>GENERAL FUND</b>	<b>2013 Advertised</b>	<b>2013 Actual</b>	<b>Net Change</b>
Instruction - Regular Programs (Acct 11000)	\$ 3,952,850	\$ 3,952,850	\$ -
Instruction - Special Programs (Acct 12000)	\$ 522,370	\$ 522,370	\$ -
Instruction - Summer School (Acct 14000)	\$ 13,000	\$ 13,000	\$ -
Instruction - Remediation Programs (Acct 16000)	\$ 36,850	\$ 36,850	\$ -
Payments to Other Governmental Units (Acct 17000)	\$ 50,000	\$ 50,000	\$ -
Support Services - Pupils (Acct 21000)	\$ 410,650	\$ 410,650	\$ -
Support Services - Instruction Staff (Acct 22000)	\$ 145,700	\$ 145,700	\$ -
Support Services - General Admin. (Acct 23000)	\$ 232,550	\$ 232,550	\$ -
Support Services - School Admin. (Acct 24000)	\$ 900,400	\$ 900,400	\$ -
Support Services - Business (Acct 25000)	\$ 98,175	\$ 98,175	\$ -
Support Services - Central (Acct 26000)	\$ 722,450	\$ 722,450	\$ -
Community Services (Acct 30000)	\$ 163,350	\$ 163,350	\$ -
<b>Total General Fund Budget</b>	<b>\$ 7,248,345</b>	<b>\$ 7,248,345</b>	<b>\$ -</b>
<b>DEBT SERVICE FUND</b>			
Debt Services (Acct 50000)	\$ 1,630,220	\$ 1,629,820	\$ (400)
Nonprogramed Charges (Acct 60000)	\$ -	\$ -	\$ -
<b>Total Debt Service Fund Budget</b>	<b>\$ 1,630,220</b>	<b>\$ 1,629,820</b>	<b>\$ (400)</b>
<b>CAPITAL PROJECTS FUND</b>			
Support Services - Business (Acct 40000)	\$ 925,000	\$ 804,621	\$ (120,379)
Support Services - Instruction & Central (Acct 20000)	\$ 698,637	\$ 698,637	\$ -
<b>Total Capital Projects Fund Budget</b>	<b>\$ 1,623,637</b>	<b>\$ 1,503,258</b>	<b>\$ (120,379)</b>
<b>TRANSPORTATION FUND</b>			
Support Services - Business (Acct 25000)	\$ -	\$ -	\$ -
Support Services -Student Transportation (Acct 27000)	\$ 823,450	\$ 823,450	\$ -
<b>Total Transportation Fund Budget</b>	<b>\$ 823,450</b>	<b>\$ 823,450</b>	<b>\$ -</b>
<b>BUS REPLACEMENT FUND</b>			
Support Services - Business (Acct 25000)	\$ -	\$ -	\$ -
Support Services -Student Transportation (Acct 27000)	\$ 186,000	\$ 186,000	\$ -
<b>Total Bus Replacement Fund Budget</b>	<b>\$ 186,000</b>	<b>\$ 186,000</b>	<b>\$ -</b>
<b>PENSION FUND</b>			
Debt Services (Acct 50000)	\$ 299,094	\$ 299,094	\$ -
<b>Total Pension Fund Budget</b>	<b>\$ 299,094</b>	<b>\$ 299,094</b>	<b>\$ -</b>
<b>RAINY DAY FUND</b>			
Payments to Other Governmental Units (Acct 17000)	\$ 242,850	\$ 242,850	\$ -
<b>Total Rainy Day Fund Budget</b>	<b>\$ 242,850</b>	<b>\$ 242,850</b>	<b>\$ -</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 12,053,596</b>	<b>\$ 11,932,817</b>	<b>\$ (120,779)</b>

**TAX RATES AND VALUATIONS FOR 2013**

COUNTY	VALUATION	GENERAL	DEBT SERV	TRANSP	BUS REPL	CAP PROJ	PENSION	TOTAL
MARSHALL	\$ 630,039,398	0.0000	0.1623	0.0828	0.0231	0.1208	0.0319	0.4209
FULTON	\$ 53,701,653	0.0000	0.1622	0.0827	0.0231	0.1207	0.0319	0.4206
STARKE	\$ 114,170,527	0.0000	0.1618	0.0825	0.0230	0.1204	0.0319	0.4196
PULASKI	<u>\$ 58,826,148</u>	<u>0.0000</u>	<u>0.1621</u>	<u>0.0827</u>	<u>0.0231</u>	<u>0.1207</u>	<u>0.0319</u>	<u>0.4205</u>
<b>TOTALS</b>	<u><u>\$ 856,737,726</u></u>	<u><u>0.0000</u></u>	<u><u>0.1621</u></u>	<u><u>0.0827</u></u>	<u><u>0.0231</u></u>	<u><u>0.1207</u></u>	<u><u>0.0319</u></u>	<u><u>0.4204</u></u>

RATE ADVERTISED

0.5077

RATE APPROVED

**0.4204**0.0873

LESS THAN ADVERTISED

**TAX RATES AND VALUATIONS FOR 2012**

COUNTY	VALUATION	GENERAL	DEBT SERV	TRANSP	BUS REPL	CAP PROJ	PENSION	TOTAL
MARSHALL	\$ 614,681,200	0.0000	0.1482	0.0868	0.0232	0.0972	0.0325	0.3879
FULTON	\$ 52,191,174	0.0000	0.1485	0.0870	0.0233	0.0975	0.0325	0.3888
STARKE	\$ 114,605,302	0.0000	0.1480	0.0867	0.0232	0.0970	0.0325	0.3874
PULASKI	<u>\$ 49,076,299</u>	<u>0.0000</u>	<u>0.1482</u>	<u>0.0868</u>	<u>0.0232</u>	<u>0.0972</u>	<u>0.0325</u>	<u>0.3879</u>
<b>TOTALS</b>	<u><u>\$ 830,553,975</u></u>	<u><u>0.0000</u></u>	<u><u>0.1482</u></u>	<u><u>0.0868</u></u>	<u><u>0.0232</u></u>	<u><u>0.0972</u></u>	<u><u>0.0325</u></u>	<u><u>0.3880</u></u>

RATE ADVERTISED

0.4993

RATE APPROVED

**0.3880**0.1113

LESS THAN ADVERTISED

## CULVER COMMUNITY SCHOOLS CORPORATION-TAX RATES AND LEVY COMPARISONS

### Rate Comparisons

<u>Year</u>	<u>General</u>	<u>Debt</u>	<u>Cap. Proj.</u>	<u>Transport.</u>	<u>Bus Repl.</u>	<u>PreSchool</u>	<u>Pension</u>	<u>Total</u>
Adv. 2008	\$0.7091	\$0.3072	\$0.2314	\$0.1313	\$0.0501	\$0.0017	\$0.0559	\$1.4867
<b>Final 2008</b>	<b>\$0.4102</b>	<b>\$0.1968</b>	<b>\$0.1079</b>	<b>\$0.0793</b>	<b>\$0.0276</b>	<b>\$0.0010</b>	<b>\$0.0346</b>	<b>\$0.8574</b>
Adv. 2009	\$0.0603	\$0.2266	\$0.1729	\$0.1143	\$0.0348	\$0.0000	\$0.0428	\$0.6517
<b>Final 2009</b>	<b>\$0.0000</b>	<b>\$0.1698</b>	<b>\$0.0717</b>	<b>\$0.0808</b>	<b>\$0.0289</b>	<b>\$0.0000</b>	<b>\$0.0354</b>	<b>\$0.3866</b>
Adv. 2010	\$0.0000	\$0.1963	\$0.1655	\$0.1088	\$0.0377	\$0.0000	\$0.0391	\$0.5474
<b>Final 2010</b>	<b>\$0.0000</b>	<b>\$0.1542</b>	<b>\$0.1012</b>	<b>\$0.0860</b>	<b>\$0.0300</b>	<b>\$0.0000</b>	<b>\$0.0345</b>	<b>\$0.4058</b>
Adv. 2011	\$0.0000	\$0.1757	\$0.1504	\$0.1055	\$0.0349	\$0.0000	\$0.0378	\$0.5043
<b>Final 2011</b>	<b>\$0.0000</b>	<b>\$0.1451</b>	<b>\$0.0952</b>	<b>\$0.0868</b>	<b>\$0.0301</b>	<b>\$0.0000</b>	<b>\$0.0336</b>	<b>\$0.3907</b>
Adv. 2012	\$0.0000	\$0.1701	\$0.1622	\$0.0996	\$0.0298	\$0.0000	\$0.0376	\$0.4993
<b>Final 2012</b>	<b>\$0.0000</b>	<b>\$0.1482</b>	<b>\$0.0972</b>	<b>\$0.0868</b>	<b>\$0.0232</b>	<b>\$0.0000</b>	<b>\$0.0325</b>	<b>\$0.3880</b>
Adv. 2013	\$0.0000	\$0.1862	\$0.1592	\$0.0979	\$0.0278	\$0.0000	\$0.0366	\$0.5077
<b>Final 2013</b>	<b>\$0.0000</b>	<b>\$0.1621</b>	<b>\$0.1207</b>	<b>\$0.0827</b>	<b>\$0.0231</b>	<b>\$0.0000</b>	<b>\$0.0319</b>	<b>\$0.4204</b>

### Levy Comparisons

<u>Year</u>	<u>General</u>	<u>Debt</u>	<u>Cap. Proj.</u>	<u>Transport.</u>	<u>Bus Repl.</u>	<u>PreSchool</u>	<u>Pension</u>	<u>Total</u>
Adv. 2008	\$3,758,053	\$1,628,184	\$1,226,529	\$696,083	\$265,537	\$8,985	\$296,206	\$7,879,577
<b>Final 2008</b>	<b>\$3,393,089</b>	<b>\$1,627,870</b>	<b>\$892,618</b>	<b>\$655,525</b>	<b>\$227,964</b>	<b>\$8,300</b>	<b>\$287,169</b>	<b>\$7,092,535</b>
Adv. 2009	\$401,061	\$1,506,774	\$1,149,542	\$760,423	\$261,468	\$0	\$284,786	\$4,364,054
<b>Final 2009</b>	<b>\$0</b>	<b>\$1,344,194</b>	<b>\$567,925</b>	<b>\$640,013</b>	<b>\$228,880</b>	<b>\$0</b>	<b>\$280,432</b>	<b>\$3,061,444</b>
Adv. 2010	\$0	\$1,400,026	\$1,180,265	\$775,417	\$268,759	\$0	\$279,078	\$3,903,545
<b>Final 2010</b>	<b>\$0</b>	<b>\$1,247,500</b>	<b>\$818,597</b>	<b>\$695,233</b>	<b>\$242,250</b>	<b>\$0</b>	<b>\$278,767</b>	<b>\$3,282,347</b>
Adv. 2011	\$0	\$1,277,065	\$1,093,642	\$766,763	\$253,839	\$0	\$274,538	\$3,665,847
<b>Final 2011</b>	<b>\$0</b>	<b>\$1,168,043</b>	<b>\$765,865</b>	<b>\$698,915</b>	<b>\$241,866</b>	<b>\$0</b>	<b>\$270,568</b>	<b>\$3,145,257</b>
Adv. 2012	\$0	\$1,231,361	\$1,174,185	\$721,157	\$215,837	\$0	\$272,169	\$3,614,709
<b>Final 2012</b>	<b>\$0</b>	<b>\$1,230,809</b>	<b>\$807,225</b>	<b>\$720,910</b>	<b>\$192,741</b>	<b>\$0</b>	<b>\$269,930</b>	<b>\$3,221,615</b>
Adv. 2013	\$0	\$1,390,731	\$1,189,268	\$731,198	\$207,954	\$0	\$273,702	\$3,792,853
<b>Final 2013</b>	<b>\$0</b>	<b>\$1,389,743</b>	<b>\$1,034,370</b>	<b>\$708,924</b>	<b>\$197,792</b>	<b>\$0</b>	<b>\$273,300</b>	<b>\$3,604,129</b>



# Take Advantage of Changes in Pension Debt Neutrality to Manage Total School Tax Rates and Levies

By Belvia B. Hiadari, CIPFA, Manager, November 28, 2012

Articles: Schools Related, Latest News

Recognizing that many school corporations are struggling because property tax caps are reducing revenues, the Indiana General Assembly enacted temporary changes in the amount of pension debt payments that must be offset in another fund.



For 2012 tax rates, 100% of pension debt must still be offset in another fund, but here is what will happen in the next few years using \$100,000 as an example levy:

- 2013 25% of pension debt must be offset (\$25,000 neutralized)
- 2014 50% must be offset (\$50,000 neutralized)
- 2015 75% must be offset (\$75,000 neutralized)
- 2016 (and thereafter) 100% of pension debt must be offset in other funds (\$100,000 neutralized)

This was a change many school corporations requested to help make up for revenue shortfalls, particularly since the tax caps are also limiting property tax increases.

While this change provides an opportunity to collect additional revenue over the next few years, it will also increase the total tax rate of the school corporation, keeping everything else constant. This may lead to additional revenue shortfalls due to further losses from tax caps.

As a result, some school corporations are beginning to look at options to manage their total tax rate to minimize additional revenue losses. It helps to think of property tax rates as the total tax rate of the school corporation, rather than as separate rates. Think about keeping the total tax rate the same by adjusting the component funds as the amount of pension debt offset fluctuates for the next few years. These offsets could come from any property tax supported funds, including debt service by reducing the total working balance, taking advantage of drops in total debt service payments if possible and through refinancing. Below is a possible way to manage the total tax rate:

This adjustment can put more money into the Capital Projects, Bus Transportation and Bus Replacement funds to offset tax cap losses.

Although the 2013 budget has already been submitted, it's not too late to make a change in levies when you receive your 1782 notice. After that, formulate a long-term strategy to take advantage of this

<u>Funds</u>	<u>Current</u>	<u>Tax Rates with Neutrality Change for 2013</u>	<u>Tax Rate Adjustments</u>	<u>Tax Rates After Adjustments</u>
Debt Service	\$0.3800	\$0.3800	(\$0.0500)	\$0.3300
Pension Debt Service	0.1200	0.1200	0.0000	0.1200
Capital Projects	0.2500	0.3400	0.0000	0.3400
Bus Replacement	0.1000	0.1000	(0.0200)	0.0800
Transportation	0.1500	0.1500	(0.0200)	0.1300
Totals	<u>\$1.0000</u>	<u>\$1.0900</u>	<u>(\$0.0900)</u>	<u>\$1.0000</u>

opportunity again for 2014 and 2015.

In our next issue of Footnotes we'll talk about additional strategies for managing pension debt.

*If you have questions or need help with taking advantage of the opportunity to adjust for the pension debt offset, please contact us at [footnotes@umbaugh.com](mailto:footnotes@umbaugh.com)*

*Information in this article was believed current as of the date of publication. As you know, changes occur frequently. The information presented is of a general educational nature. Before applying to your specific circumstances, please contact us at [footnotes@umbaugh.com](mailto:footnotes@umbaugh.com).*