

Lakota Local Schools Five Year Forecast

OCTOBER 26, 2015

JENNI L. LOGAN, TREASURER

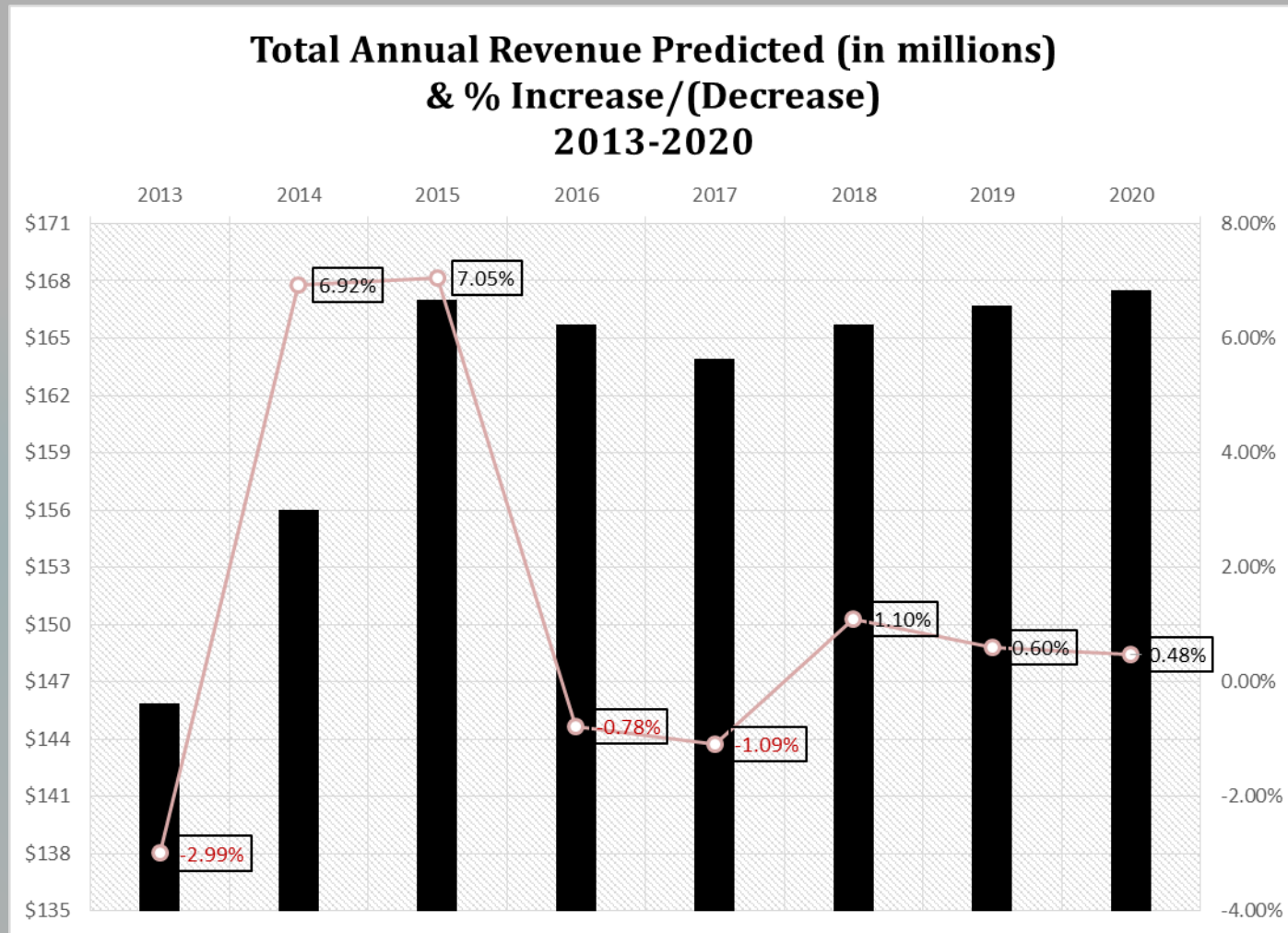
Purpose

- ▶ Provides History as well as Projections
- ▶ Long-Range Planning
- ▶ Management Tool
- ▶ Snap Shot Financial Report
- ▶ Legal Requirement
 - ▶ Board must adopt a five year forecast in October and May of each fiscal year

Notable Revenue Assumptions

- ▶ Tax Revenue Stable
 - ▶ Reappraisal – 2% Res/Ag, 0% Comm/Ind
 - ▶ Valuation of Commercial/Industrial Property has declined even with the most recent revaluation
 - ▶ The District is losing money due to HB920 caps being met for the 2000, 2005 and 2013 levies for Comm/Ind
- ▶ Additional TIF payments due to Liberty Center begin in 2017 (\$1.5MM annually by 2018)
- ▶ Three biennium budgets included, assume district remains on guarantee and 1.5% annual increase in per pupil funding
- ▶ Assumes TPP Reimbursement going away - \$3.1MM annual reduction begins in 2017 (total phase-out)

Revenue Trends & Assumptions

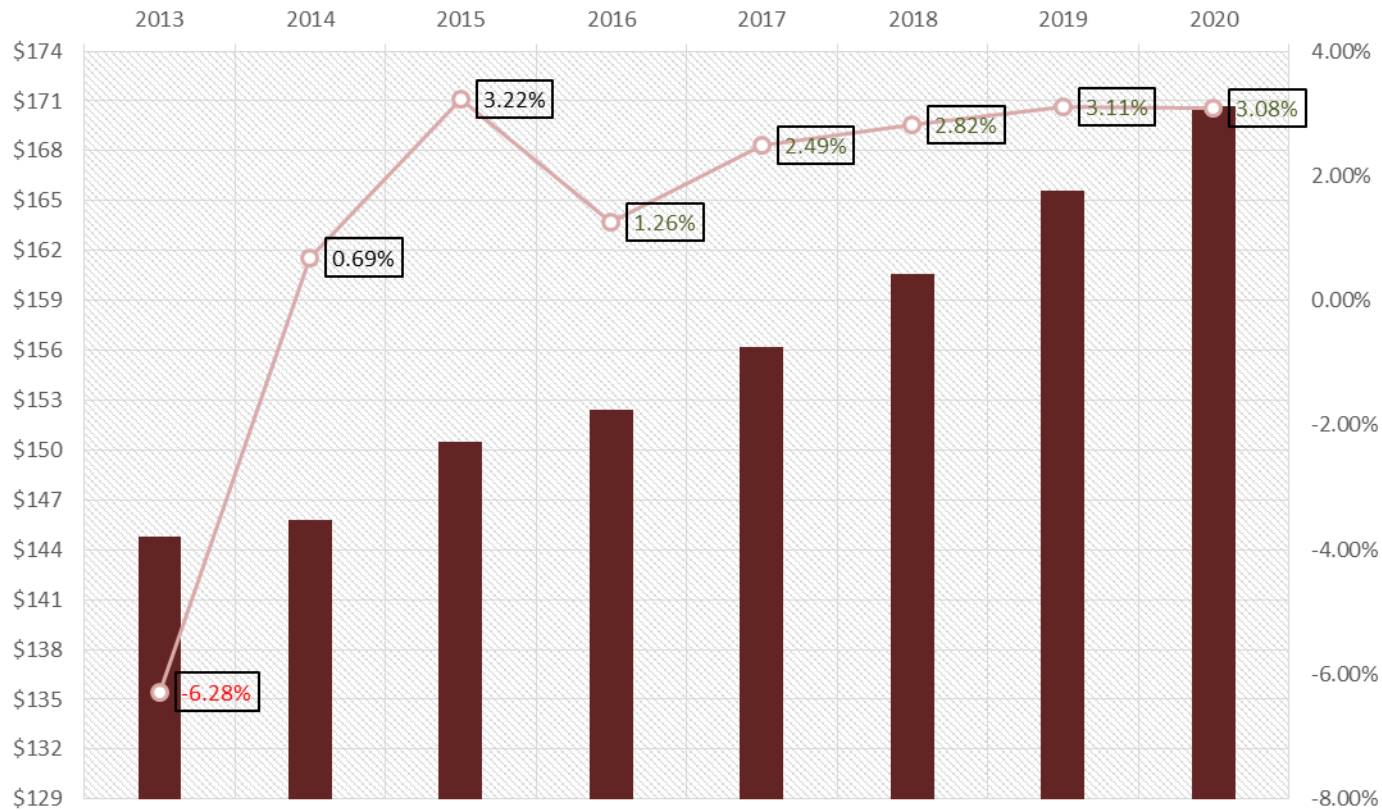


Notable Expenditure Assumptions

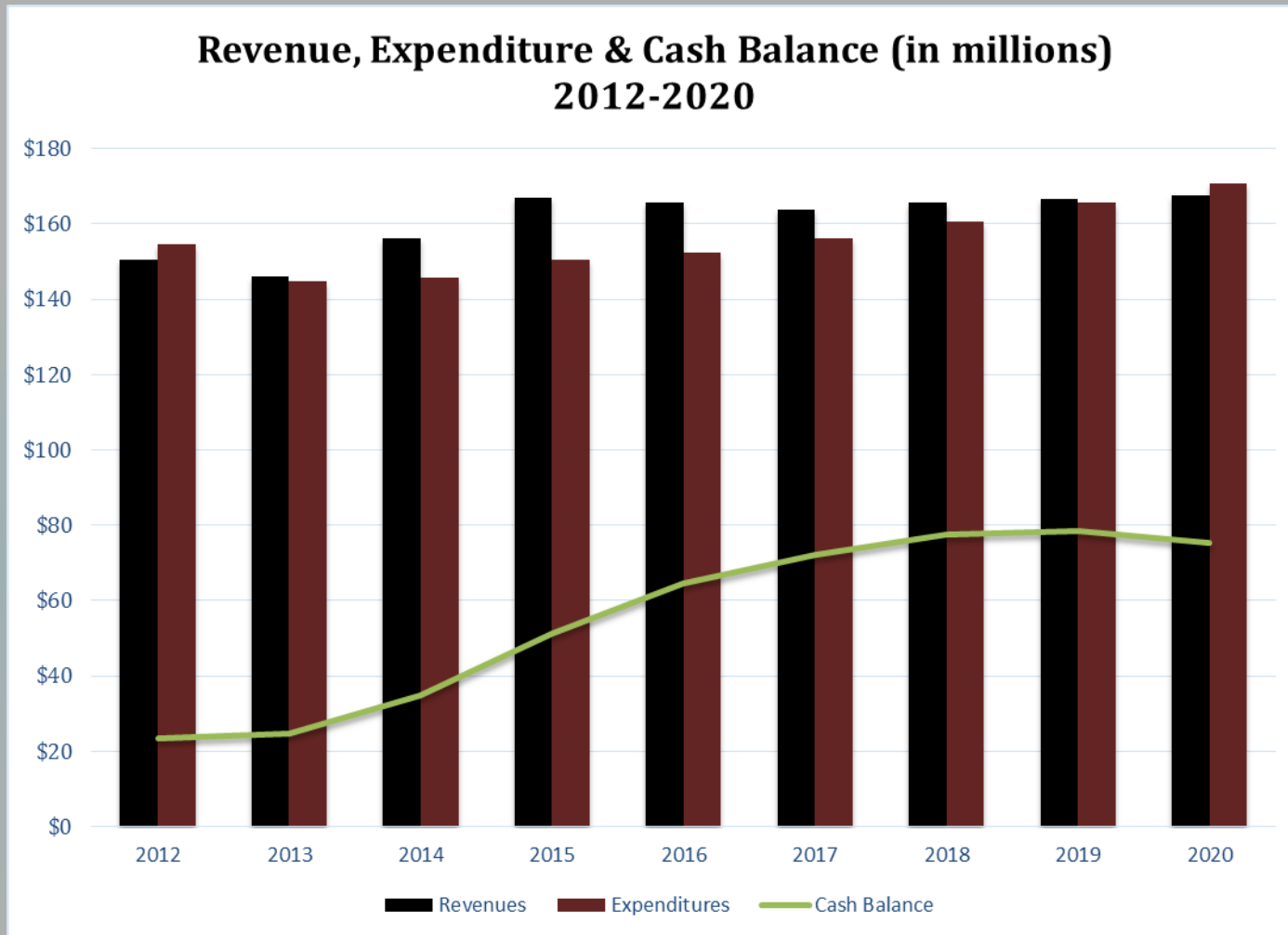
- ▶ Wages: Assuming 2.2% increase 2016-2020
 - ▶ Non-cert (LSSA) contract through 2018
 - ▶ Cert (LEA) Contract through 2018
 - ▶ COLA = 1.97% + 2% increase on base, less 1.75% savings from 60 staff annually resign/retire
- ▶ Assuming annual 1.5% decrease in health 2016, 4.5% increase 2017 and 7.5% increase annually for remainder
- ▶ Assuming annual 7% decrease in dental 2016, flat for 2017, 5% annual increase in 2018 and remainder
- ▶ Workers Comp “vacation” on self-insurance premium transfer from general fund through 2018
- ▶ Transportation annual increase 2%, 3% for utilities, 10% for tuition
- ▶ Capital outlay expenditures are now primarily budgeted and expended in the PI fund

Expenditure Trends & Assumptions

**Total Annual Expenditures Predicted (in millions)
& % Increase/(Decrease)
2013-2020**



Revenue, Expenditures & Cash (Spending Deficit)



Summary

- ▶ The spending deficit has been pushed out a year to 2020
- ▶ The District's cash balance is expected to drastically improve from less than 60 days in 2013 to over 150 in 2020