

Lakota Five-Year Forecast Shows Balanced Budget, Fiscal Responsibility

December 1, 2017

The most recent five year forecast, which is a snapshot financial report, was presented at the October 23, 2017 Lakota Board of Education meeting. For the last five consecutive years, Lakota Local Schools has operated with a balanced budget. This updated forecast predicts that we will continue to have a balanced budget through 2022 and that our cash balance will grow.

Most of Lakota Local Schools' funding comes from two sources. First, state sources account for 35% of our total revenues. Currently, state foundation funding, the dollars we receive directly from the Ohio Department of Education, accounts for 29% of our total revenues.

The second source of funding is the amount that our voters have graciously approved. This equates to more than half of our revenue sources, or 65%, coming from local taxpayers, including residents and businesses. This local share percentage has increased over the past several years. Upon my arrival in the District seven (7) years ago, the split was 60% local and 40% state.

One of the reasons for this shift is the phase out of the Tangible Personal Property Tax (TPP) reimbursement. In 2011, a gradual phase out for the reimbursement began, ending funding from the tax at the end of FY 2018 for Lakota. This will cut \$3.15 million annually from our district after this fiscal year, which is equivalent to a 1.2 mill operating levy loss.

House Bill 49, which creates the operating budget for FY 2018-2019, shows our district returning to guarantee status in FY 2019. Guarantee status basically means flat funding. This is critical for our district because the State of Ohio has begun making cuts to guarantee districts based on declining enrollment. It is crucial that we continue to watch this and advocate for our district.

While healthcare is a major expense, we were able to negotiate low premium increases with our provider. In January 2018, our premiums will increase a mere 3.5 percent for healthcare and two percent for dental. This was a critical negotiation, saving the district and its employees a great deal of money. We will continue to negotiate with our insurance providers in order to keep premium increases to a minimum.

Overall expenses in 2017 were \$7.7 million less than we spent in 2010 and our budget for the 2018 fiscal year remains well below this figure. Lakota continues to operate in a fiscally responsible and efficient manner, while at the same time providing an excellent quality education for its students. We have worked hard to restore a stable financial status to this District. We will continue to align our resources with our instructional priorities, while at the same time focusing on fiscal sustainability. We have worked hard to gain back credibility from our

community. We must continue to look towards the future to ensure we are providing the best education for the children of West Chester and Liberty Townships.

Jenni Logan is the Treasurer/CFO of Lakota Local Schools. Follow her on Twitter (@LakotaCFO) and Facebook (Jenni L. Logan).