



SPRING 2017

Financial Prospectus

*Great Opportunities.
Great Value.*

LETTER FROM THE Treasurer



Jenni L. Logan

Lakota Local Schools is an excellent school district that provides a great value to the community. We've made strong financial and academic strides to create great opportunities for students. Thanks to the efforts of our dedicated staff, we've not only met our levy commitments, but we've exceeded them and re-stored a stable outlook to the district's financial future.

We know that academic opportunities for students are important to our residents. Providing an excellent quality of education is the foundation for the great value we provide to the community. And we are committed to developing more programs to provide student pathways for careers and advanced education in fields like engineering, medicine and technology. We also want to expose students to different career paths and post-graduation options.

Yet we also know that without a stable financial picture and reasonable budget priorities, these educational initiatives are not possible. That's why the financial health of the district is so important. It is also important for us as a school district to share both the academic and financial successes and challenges that we all face together.

This is why we are issuing our first Financial Prospectus. Just like with any business that shares financial information with investors, this report is designed to share with our residents a more in-depth look at the district's finances in an easy to understand format. This shows you not only what great strides the district has made to stabilize the serious financial situations of the past, but also what our priorities on spending are now and how we are taking measures to be effective and efficient with our precious resources in the future.

We want to continue to create great opportunities for students so they are able to choose whatever college or career path they want after graduation. Yet we know we must accomplish this goal in a fiscally responsible manner. This is all part of protecting the great value we provide.

Please review the information in this Financial Prospectus and should you have any additional questions, please feel free to contact my office. I'm happy to discuss this information with our residents, parents and business partners at any time.

Sincerely,

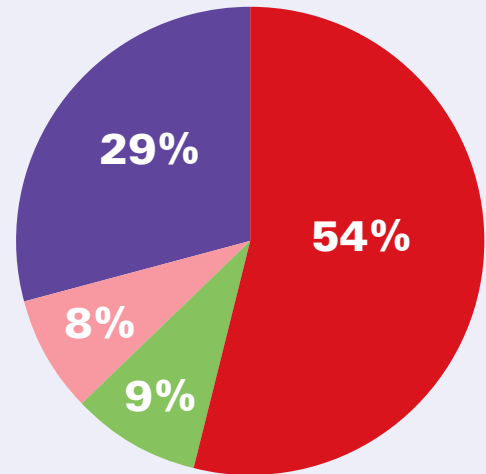
A handwritten signature in black ink, appearing to read "Jenni Logan".

Treasurer / CFO

Where Does the Money Come From?

Like all public school districts in Ohio, most of Lakota Local Schools funding comes from two sources. First, is the state. Lakota receives approximately 37 percent of the district's day-to-day operating budget from the State of Ohio. This level of support has declined over the years leaving an unstable hole in the district's financial outlook. Second, is the funding that our voters have graciously approved. Currently Lakota Local Schools receives more than half or 63 percent of our day-to-day operating dollars from local taxpayers. This includes residents and businesses in our community.

FUNDING SOURCES BY AREA FOR FY 2016



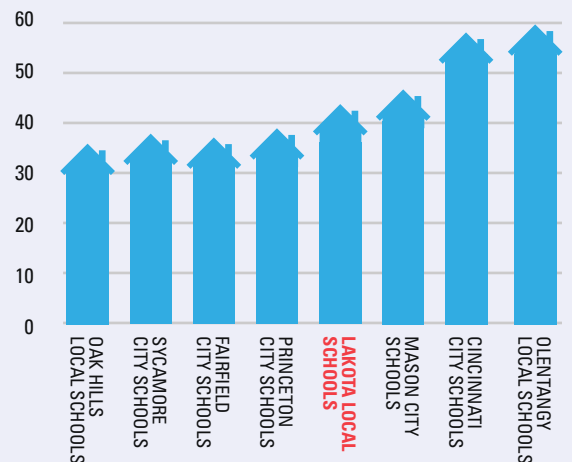
- Local Real Estate
- Other Local Revenue
- State Homestead Exemption
- State Aid



How do our taxes compare to our neighbors?

Lakota Local Schools understands what it means to live within our means. This is part of the reason why our tax rate is inline with those in the area. From our area neighbors to other large school districts in Ohio similar to Lakota, we offer a great educational value with a comparable tax rate. This makes owning a home in our community an affordable reality for our residents.

TAX COMPARISON FOR TAX YEAR 2016

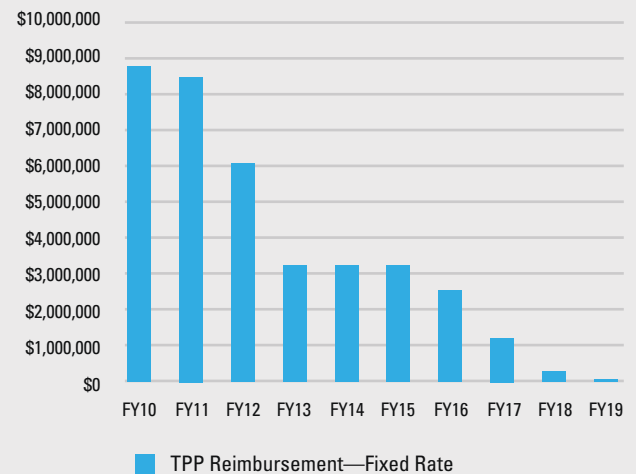


- Effective Millage Collected

How has funding from the state changed over time?

Lakota Local Schools funding levels from the State of Ohio have decreased over the last several years. One major change is the phase out of the Tangible Personal Property Tax (TPP) reimbursement. This is a year-end state tax paid by businesses in Ohio. The state eliminated the tax back in 2005 but kept school districts whole as this was a major source of funding for many school districts across the state. However in 2011, the legislature changed the process and began a phase out for the reimbursement. This means that with the end of the reimbursement phase out, Lakota Local Schools is losing nearly \$9 million per school year since 2011.

STATE TPP REVENUE REIMBURSEMENT

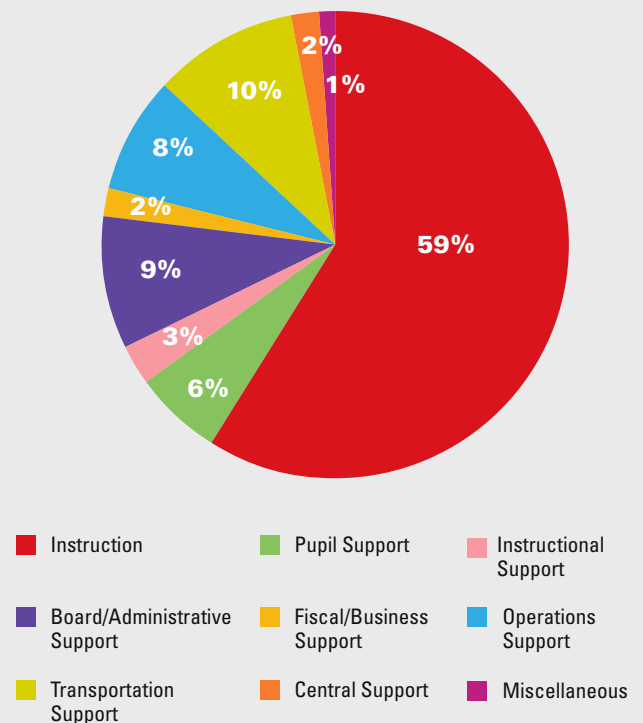


What are the spending priorities?

If you want to know what any organization's priorities are, look at their budget. At Lakota Local Schools we direct 59 percent of our operating dollars to where they can do the most good—classroom instruction. We believe that if we want to provide great opportunities and a great value to residents, we must continue to ensure that efficient yet appropriate levels of funding are available for our classrooms.

The remaining areas include 10 percent for transportation, nine percent for administrative support, eight percent for operations and six percent for pupil support.

GENERAL FUND EXPENSES BY AREA FY 2016

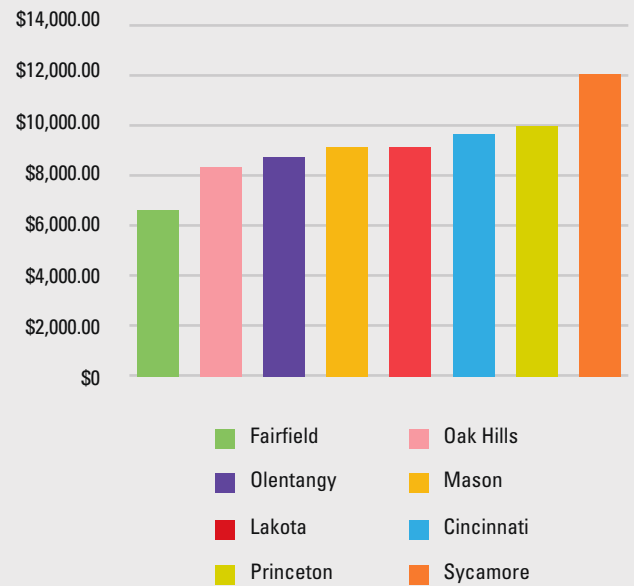


How does our spending compare to our neighbors?

Lakota Local Schools has made significant changes to the way we operate our schools. In fact, the district spent \$13.8 million less during the 2015-16 school year than we did during the 2009-10 school year.

We did this while also restoring critical programs and creating more opportunities for students. As a result, our spending per pupil is in line with our neighboring school districts and other school districts in the state that the Ohio Department of Education has deemed to be similar to Lakota Local Schools.

SPENDING PER PUPIL FY 2016



How are we ensuring an efficient budget?

Lakota Local Schools is effective and efficient in our day-to-day operations. We've changed the way we operate our schools and saved taxpayers millions of dollars while also creating important opportunities for students. We are able to do this because we are careful in the way we approach our budgeting process. Our primary focus is still on meeting the student needs in the classroom, but we go to great lengths to also ensure a responsible budget.

For example, staffing levels are reviewed and adjusted every year based upon enrollment. As our student enrollment numbers have decreased, we have kept our staffing levels in check as we vigilantly watch these numbers and base our staff needs around student enrollment. The district has restored important programs, but in a fiscally responsible manner that prioritizes the true needs versus wants of the district.

What have we done to cut costs?

Lakota Local Schools spent \$13.8 million less in the Fiscal Year (FY) 2016 operating budget than it did in FY 2010. The district has accomplished this by changing the way we do business, reallocating some resources instead of automatically just adding more to the bottom line and when necessary making cuts.

For example, our staff has done their part. Today, all staff members receive a simple cost of living adjustment (COLA). The district has entered into energy efficient programs that provide rebates and refinanced bond issues to save money on lower interest rates.



\$13.8

MILLION LESS

THE FOLLOWING REPRESENTS JUST A SAMPLING OF LAKOTA'S FOLLOW-THROUGH ON THE 2013 LEVY COMMITMENTS APPROVED BY THE COMMUNITY.

Did we meet the 2013 Levy Promises?

YES! Lakota Local Schools not only met every commitment from the 2013 operating levy that was approved by voters, but we've exceeded those promises. We promised to expand busing, reduce school fees, increase specials for elementary students, boost security measures in our schools and modernize our curricular opportunities. We did this while also stabilizing our financial outlook and refocusing our spending priorities.

At times this was a difficult process. Yet we've emerged from those times a leaner and stronger school system that is providing great opportunities and a great value to our community.



EXPAND BUSING

WE PROMISED

Expand transportation coverage areas to provide more than the state minimum in grades 2-6.

WE DELIVERED

Expanded busing beyond the post-levy coverage areas to positively impact even more students across more grade levels (K-8).



REDUCE FEES

WE PROMISED

To encourage more participation, introduce a family cap and reduce extracurricular fees for athletics, band and winter guard by \$150 (high school) and \$50 (junior high).

WE DELIVERED

Reduced fees by \$350 (high school) and \$200 (junior high), and cut new family cap amounts in half.



INCREASE SPECIALS

WE PROMISED

Add one day of art, music or PE in grades 4-6.

WE DELIVERED

Added grades 1-3 to expansion of specials, and added a technology rotation at all elementary grade levels.



BOOST SECURITY

WE PROMISED

Increase law enforcement presence and enhance school building security.

WE DELIVERED

Tripled number of school resource officers and modified 11 school entrances.



MODERNIZE

WE PROMISED

Expand and modernize curricular opportunities and enhance student experience through instructional technology.

WE DELIVERED

- New technology infrastructure to support thousands of new, modern devices.
- A Digital Learning Team providing standards-based support for staff's effective use of new technology,
- 5 new Advanced Placement courses,
- 3 four-year pathways for career exploration,
- 21 internship programs,
- 7 elementary STEAM labs,
- Alternative high school program,
- And more...

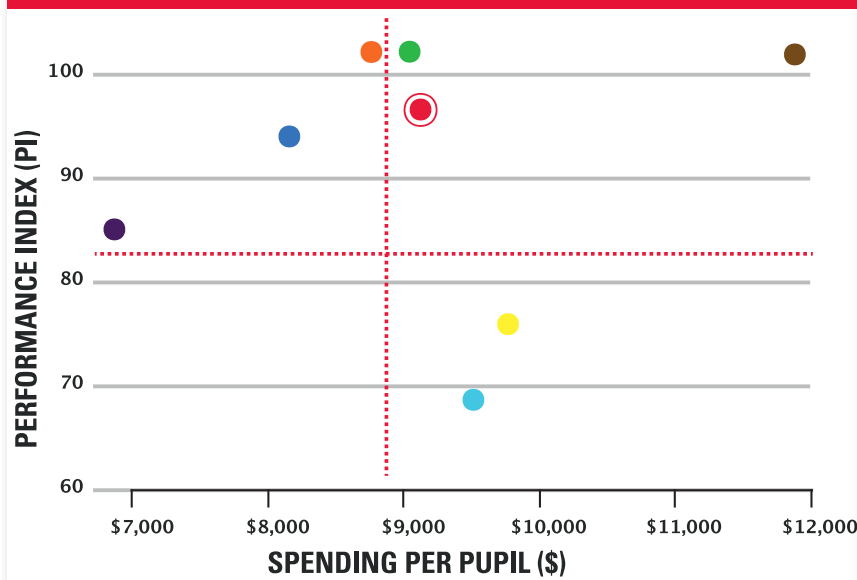
When will Lakota be back on the ballot?

When voters approved the last operating levy in 2013 it was on the understanding that levy cycles would be different. It has been nearly four years since the last levy was approved and the district doesn't expect to be on the ballot for operating dollars at least another four years. This means the time between operating levy requests will be at least eight years.

Lakota Local Schools believes in open and honest communication with residents about the district's financial picture. The current Five-Year Financial Forecast doesn't show a need for a new operating levy within the next four years. However we will closely monitor this important planning tool and keep our community informed.



PERFORMANCE VS. SPENDING: LAKOTA & AREA DISTRICTS*



DISTRICT	PI	SPENDING
CINCINNATI	68.9	\$9,518
FAIRFIELD	84.9	\$6,865
LAKOTA	96.6	\$9,120
MASON	102.1	\$9,048
OAK HILLS	94.1	\$8,160
OLENTANGY	102.1	\$8,761
PRINCETON	76	\$9,762
SYCAMORE	101.9	\$11,962

..... STATE AVERAGE

Are we getting a good return on our investment?

YES! Lakota Local Schools offers a great educational value to residents. One way to measure the quality of education that the district provides is through the Performance Index (PI). This is a measurement determined by the Ohio Department of Education (ODE) that establishes how well students are meeting certain benchmarks or standards. Lakota's PI score is 96.6 placing it in the top 20 percent of all school districts in Ohio.

What does this mean for local taxpayers?

A Great Value! Lakota Local Schools is an excellent school district that has made strong financial and academic strides to create great opportunities for students. We've not only met our 2013 levy commitments but we've exceeded them. We are doing things differently and restored a stable outlook for our financial future.

Lakota Local Schools is committed to developing more opportunities that expand career pathways for students and enhance technology so that students are prepared to meet the challenges of today's world. We have great business partners that provide students with internships and real-world learning opportunities. All of this together creates great opportunities and a great value in the Lakota Local Schools.



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