



TRI-CREEK SCHOOL CORPORATION

COMPREHENSIVE FINANCIAL PLAN & PROPOSED OPERATING REFERENDUM

March 7, 2023

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**Actual and Projected
Financial Analysis
2019 - 2031**

DISCUSSION TOPICS



Overview of Assumptions



Overview of Baseline Financial
Projection



Overview of Operating
Referendum Considerations



Ballot Question and Impact
Percentages



Impact to Taxpayers



Overview of Assumptions

The background of the slide is a solid teal color. On the right side, there are several overlapping, semi-transparent teal circles of varying sizes, creating a ripple effect that fades towards the right edge of the slide.

COMPREHENSIVE FINANCIAL PLAN: ASSUMPTIONS

Assessed Valuation	
Net Assessed Valuations	<ul style="list-style-type: none">• 2023 based upon certified assessed valuations, per the Department of Local Government Finance (DLGF).• 2024 – 2031 projections per Policy Analytics, LLC.• Assumed annual assessed value growth is 4.1%.
Tax Increment Finance (TIF) Assessed Valuations	<ul style="list-style-type: none">• Tax Increment Finance (TIF) assessed valuation included in calculation of referendum levies and rates.• Average assumed TIF assessed valuation is \$23,960,359, based upon the 2023 certified TIF assessed valuation of \$20,851,755, per the DLGF.



COMPREHENSIVE FINANCIAL PLAN: ASSUMPTIONS (CONT'D)

Receipts	
Certified Property Tax Levy	<ul style="list-style-type: none"> • 2023 reflects certified property tax levies, per the DLGF. • 2024 – 2026 assume the School Corporation will qualify for Alternative School Operations Fund Assessed Value Growth Quotients of 8.0%, 8.2%, and 8.3%, respectively. • 2027 – 2031 based upon projected MLGQ's, per Policy Analytics, LLC. • The projected average MLGQ in 2027 – 2031 is 4.8%.
Circuit Breaker Tax Credits	<ul style="list-style-type: none"> • 2023 – 2031 projections per Policy Analytics, LLC. • The average annual circuit breaker impact is projected to be \$532,213, or 7.5% of the average projected Operations levy.
Miscellaneous Revenues	<ul style="list-style-type: none"> • Property tax levy funds include estimated receipt of license excise tax, commercial vehicle excise tax, and financial institutions tax. • The estimated miscellaneous revenue factor in 2024 – 2031 is 4.8%, based upon 2023 DLGF certifications.
State Tuition Support	<ul style="list-style-type: none"> • 2022 – 2023 per Indiana Department of Education (DOE) Form 54's for FY2022 and FY2023. • Beginning in FY2024, assumes 2.0% annual growth to per pupil funding amount for Basic Grant and Complexity. • Beginning with the 2023/2024 school year, assumes an average annual enrollment growth of 1.2%, per School Corporation officials.
Other Receipts	<ul style="list-style-type: none"> • Miscellaneous receipts including summer school revenue, student and adult fees, receipts from extra-curricular accounts, unrestricted grants-in-aid, and interest on investments estimated based upon the 2023 1782 Notice and discussions with School Corporation officials.



COMPREHENSIVE FINANCIAL PLAN: ASSUMPTIONS (CONT'D)

Disbursements

Instruction,
Support Services,
Community Services,
& Facilities Acquisition
and Construction

- 2023 – 2031 based upon the 2023 budget and historical trends.
- 2023 – 2031 assume annual increases to compensation and salaries of support staff, administrators, teachers, and annual inflationary increases to all other operating disbursements, including the cost of programming.
- Assumes increased expenditures resulting from the addition of staff and programming beginning in the 2023/24 school year. See “Teaching and Security Program” on the following slide.
- Assumes increased expenditures resulting from the reallocation of costs currently paid from Elementary and Secondary School Emergency Relief (ESSER) funding beginning in the 2024/25 school year. See “Teaching and Security Program” on the following slide.



COMPREHENSIVE FINANCIAL PLAN: ASSUMPTIONS (CONT'D)

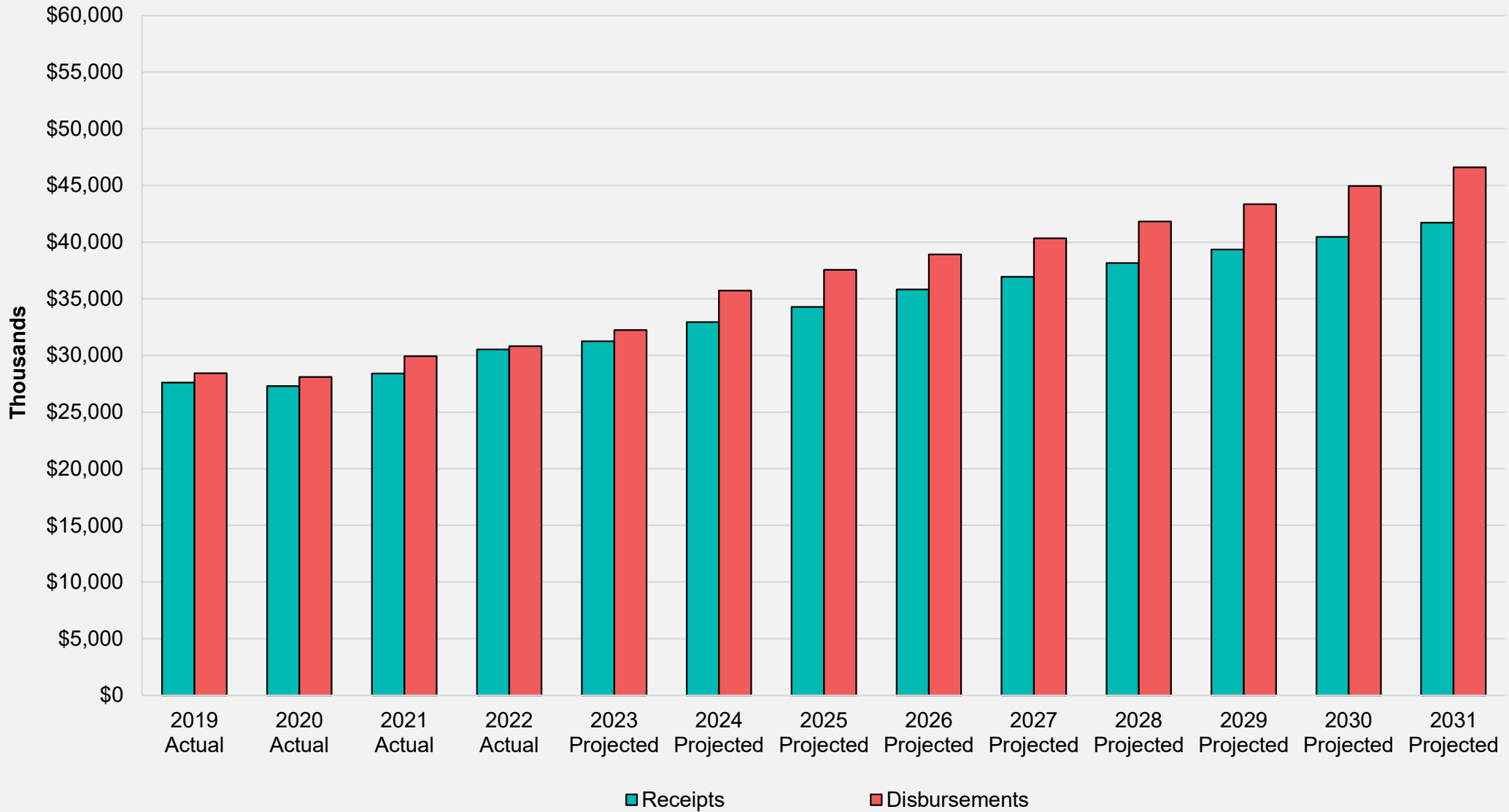
Tri-Creek Teaching and Security Program	
Recruitment and Retention of Staff	\$3,000,000
Grant Funded Aides	103,701
Grant Funded Counselor	83,743
Grant Funded Teacher	310,602
Grant Funded Dean	182,411
Grant Funded Health Aide	33,565
Safety - Grant Funded Behavioral Aide	52,000
Additional Certified Staff - Class Size Reduction	472,453
Instructional Coaches	436,354
Technology Integration Specialists	218,177
Safety - Behavior Specialist	137,152
Safety - Student Resource Officers	116,262
Maintenance & Grounds Personnel	92,977
Total Estimated Annual Cost	\$5,239,396



Overview of Baseline Financial Projection

ACTUAL AND PROJECTED RECEIPTS AND DISBURSEMENTS - BASELINE

Includes the Education (101), Operations (300), & Rainy Day (610) Funds

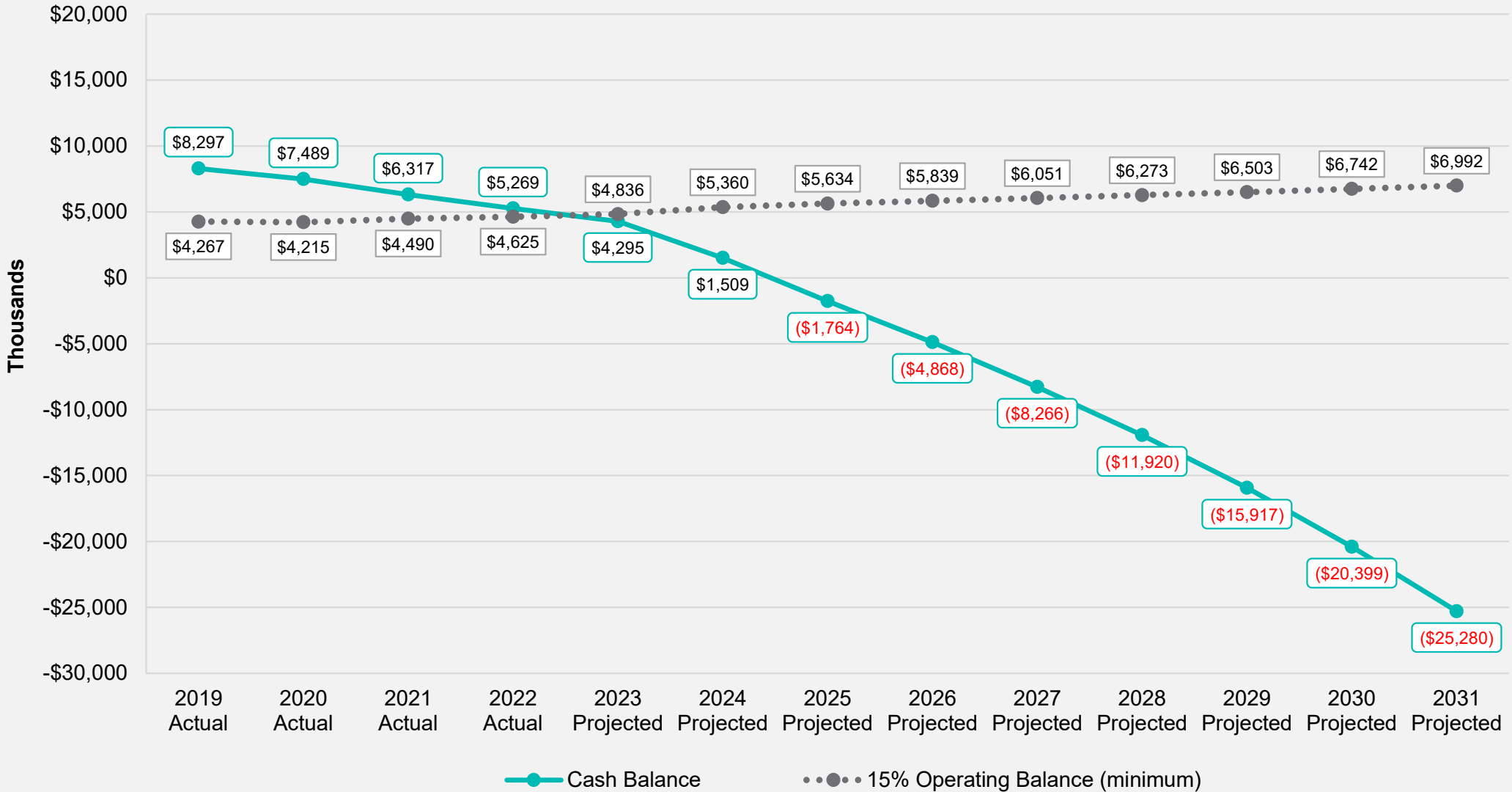


Note: Receipts and disbursements exclude interfund transfers.



ACTUAL AND PROJECTED YEAR-ENDING CASH BALANCES - BASELINE

Includes the Education (101), Operations (300), & Rainy Day (610) Funds



Note: Calculation of 15% operating balance excludes interfund transfers.



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Overview of Operating Referendum Considerations

SUMMARY OF PROPOSED OPERATING REFERENDUM

Proposed Operating Referendum (2024 – 2031)	
Proposed Maximum Operating Referendum Tax Rate (1):	\$0.2050
Estimated 2024 Operating Referendum Levy (2):	\$3,766,039
Estimated Average Annual Referendum Fund Revenue (3):	\$4,583,620
Estimated December 31, 2031, Cash Balance – Operating Funds (4):	\$8,157,004
Estimated December 31, 2031, Operating Balance Percentage – Operating Funds (4):	18%
Estimated December 31, 2031, Cash Balance – Rainy Day Fund (5):	\$3,232,346

(1) Tax rate per \$100 of assessed valuation.

(2) Based upon the 2023 certified net assessed valuation, including TIF assessed valuation, per the Department of Local Government Finance (DLGF), with 4.5% assumed growth in 2024, per Policy Analytics, LLC.

(3) Assumes a license excise/financial institutions tax factor of 4.8%, based upon 2023 DLGF certifications, and average annual assessed value growth of 4.1%, per Policy Analytics, LLC.

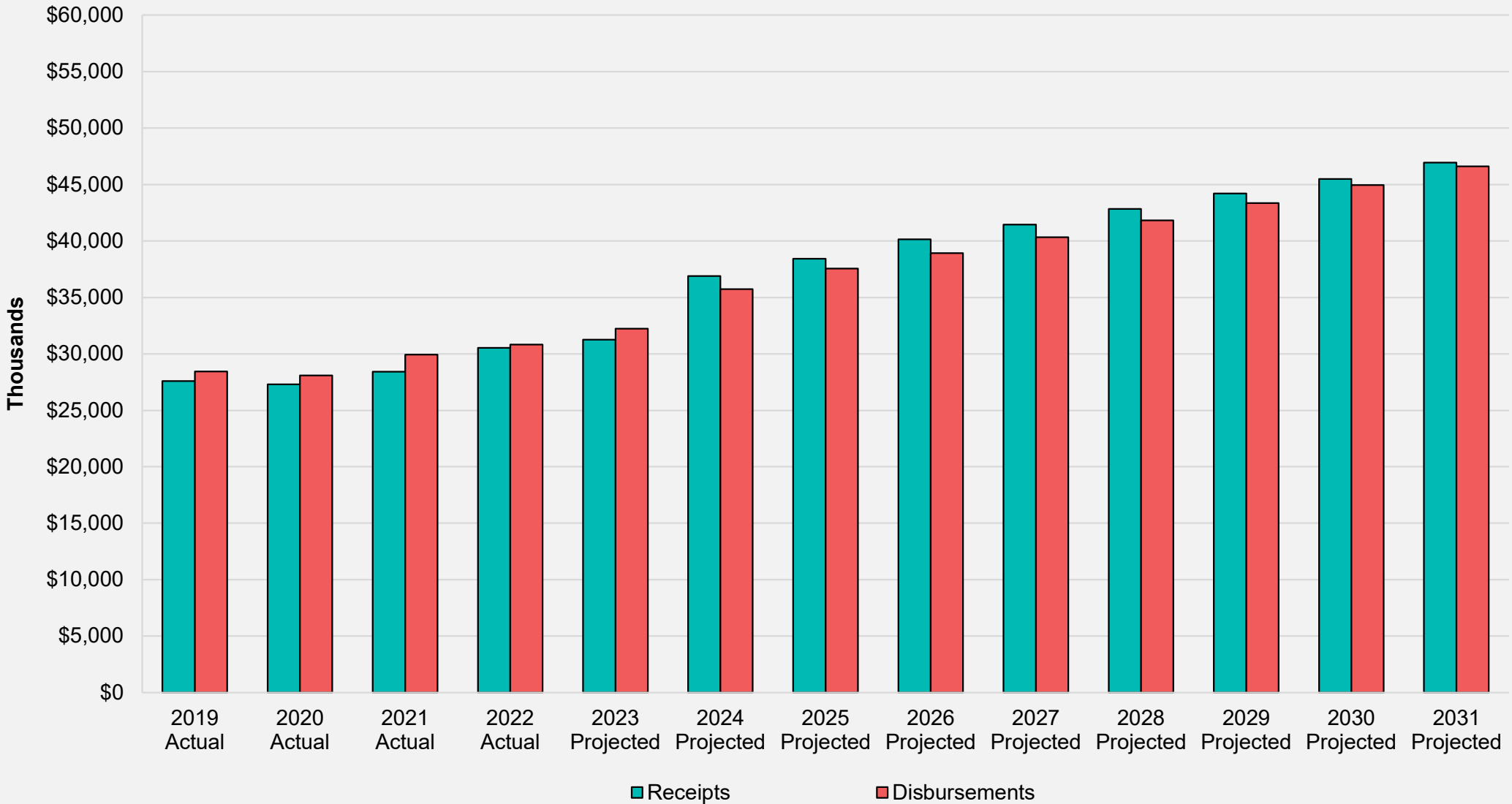
(4) Includes the Education Fund, School Referendum Fund, and Operations Fund.

(5) The current Rainy Day Fund balance is \$1,681,846.



ACTUAL AND PROJECTED RECEIPTS AND DISBURSEMENTS - REFERENDUM

Includes the Education (101), School Referendum (160), & Operations (300) Funds

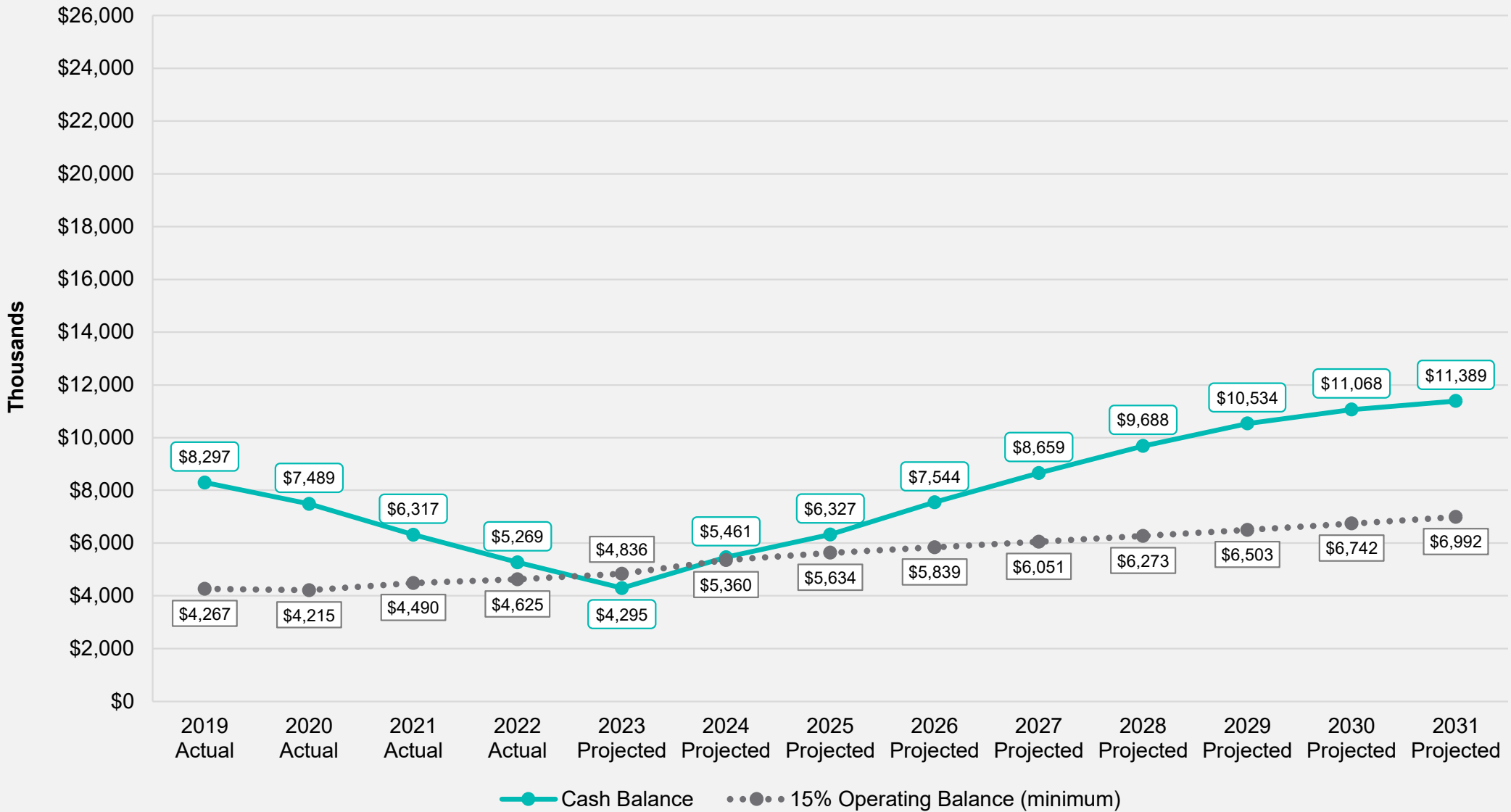


Note: Receipts and disbursements exclude interfund transfers.



ACTUAL AND PROJECTED YEAR-ENDING CASH BALANCES - REFERENDUM

Includes the Education (101), School Referendum (160), Operations (300), & Rainy Day (610) Funds



Note: Calculation of 15% operating balance excludes interfund transfers.



Ballot Question and Impact Percentages

FORM OF BALLOT QUESTION

"Shall the Tri-Creek School Corporation increase property taxes paid to the school corporation by homeowners and businesses for eight (8) years immediately following the holding of the referendum for the purpose of funding The Tri-Creek School Corporation Teaching and Safety Program that will invest in teachers, aides, staff, and safety personnel? If this public question is approved by the voters, the average property tax paid to the school corporation per year on a residence would increase by 25.5%, and the average property tax paid to the school corporation per year on a business property would increase by 24.5%. The Tri-Creek School Corporation has not previously held a property tax referendum."



CALCULATION OF BALLOT QUESTION PERCENTAGES - HOMESTEADS

Estimated Taxes Paid to:	Tri-Creek Schools	Other Taxing Units	Total Tax Bill
Average Homestead Value as certified by County Auditor (Pay 2022)	\$221,071	\$221,071	\$221,071
Less: Deductions (1)	(\$106,625)	(\$106,625)	(\$106,625)
Equals: Average Net Assessed Value	\$114,446	\$114,446	\$114,446
Multiplied by: Average District Tax Rate (2)	\$0.9843	\$1.3805	\$2.3648
Equals: Average Gross Property Tax Liability – Homesteads	\$1,126.50	\$1,579.88	\$2,706.38
Less: Property Tax Replacement Credits (3)	(\$170.60)	(\$239.27)	(\$409.87)
Less: Circuit Breaker Tax Credits (4)	(\$35.71)	(\$50.09)	(\$85.80)
Equals: Average Net Property Tax Liability – Homesteads	\$920.19	\$1,290.52	\$2,210.71
Estimated Average Impact of Proposed Operating Referendum – Homestead Properties			
Estimated Maximum Operating Referendum Tax Rate	\$0.2050	\$0.0000	\$0.2050
Estimated Average Increase to Annual Property Tax Liability – Homesteads (\$)	\$234.61	\$0.00	\$234.61
Estimated Average Increase to Annual Property Tax Liability – Homesteads (%)	25.5%	0.0%	10.6%

(1) Per the formula prescribed by the State of Indiana, includes the standard deduction and the supplemental homestead deduction.

(2) Reflects 2022 certified tax rate for the School Corporation and the average tax rate of overlapping units in Tri-Creek’s district, per the DLGF.

(3) Includes PTRC of 15.1447% for all properties, per the Lake County Auditor's Office. Local property tax replacement credits are not applied to operating referendum tax rates, per Indiana Code 6-3.6-5-6.

(4) Reflects estimated circuit breaker tax credits for property subject to the 1% tax cap allocated on a pro-rata basis. Referendum tax levies not subject to circuit breaker.



CALCULATION OF BALLOT QUESTION PERCENTAGES - BUSINESSES

Estimated Taxes Paid to:	Tri-Creek Schools	Other Taxing Units	Total Tax Bill
Average Business Value as certified by County Auditor (Pay 2022)	\$45,826	\$45,826	\$45,826
Less: Deductions (1)	\$0	\$0	\$0
Equals: Average Net Assessed Value	\$45,826	\$45,826	\$45,826
Multiplied by: Average District Tax Rate (2)	\$0.9843	\$1.3805	\$2.3648
Equals: Average Gross Property Tax Liability – Businesses	\$451.07	\$632.61	\$1,083.68
Less: Property Tax Replacement Credits (3)	(\$68.31)	(\$95.81)	(\$164.12)
Less: Circuit Breaker Tax Credits (4)	\$0.00	\$0.00	\$0.00
Equals: Average Net Property Tax Liability – Businesses	\$382.76	\$536.80	\$919.56
Estimated Average Impact of Proposed Operating Referendum – Business Properties			
Estimated Maximum Operating Referendum Tax Rate	\$0.2050	\$0.0000	\$0.2050
Estimated Average Increase to Annual Property Tax Liability – Businesses (\$)	\$93.94	\$0.00	\$93.94
Estimated Average Increase to Annual Property Tax Liability – Businesses (%)	24.5%	0.0%	10.2%

(1) Per the formula prescribed by the State of Indiana, assumes no deductions for non-homestead properties.

(2) Reflects 2022 certified tax rate for the School Corporation and the average tax rate of overlapping units in Tri-Creek’s district, per the DLGF.

(3) Includes PTRC of 15.1447% for all properties, per the Lake County Auditor's Office. Local property tax replacement credits are not applied to operating referendum tax rates, per Indiana Code 6-3.6-5-6.

(4) Reflects estimated circuit breaker tax credits for property subject to the 3% tax cap allocated on a pro-rata basis. Referendum tax levies not subject to circuit breaker.



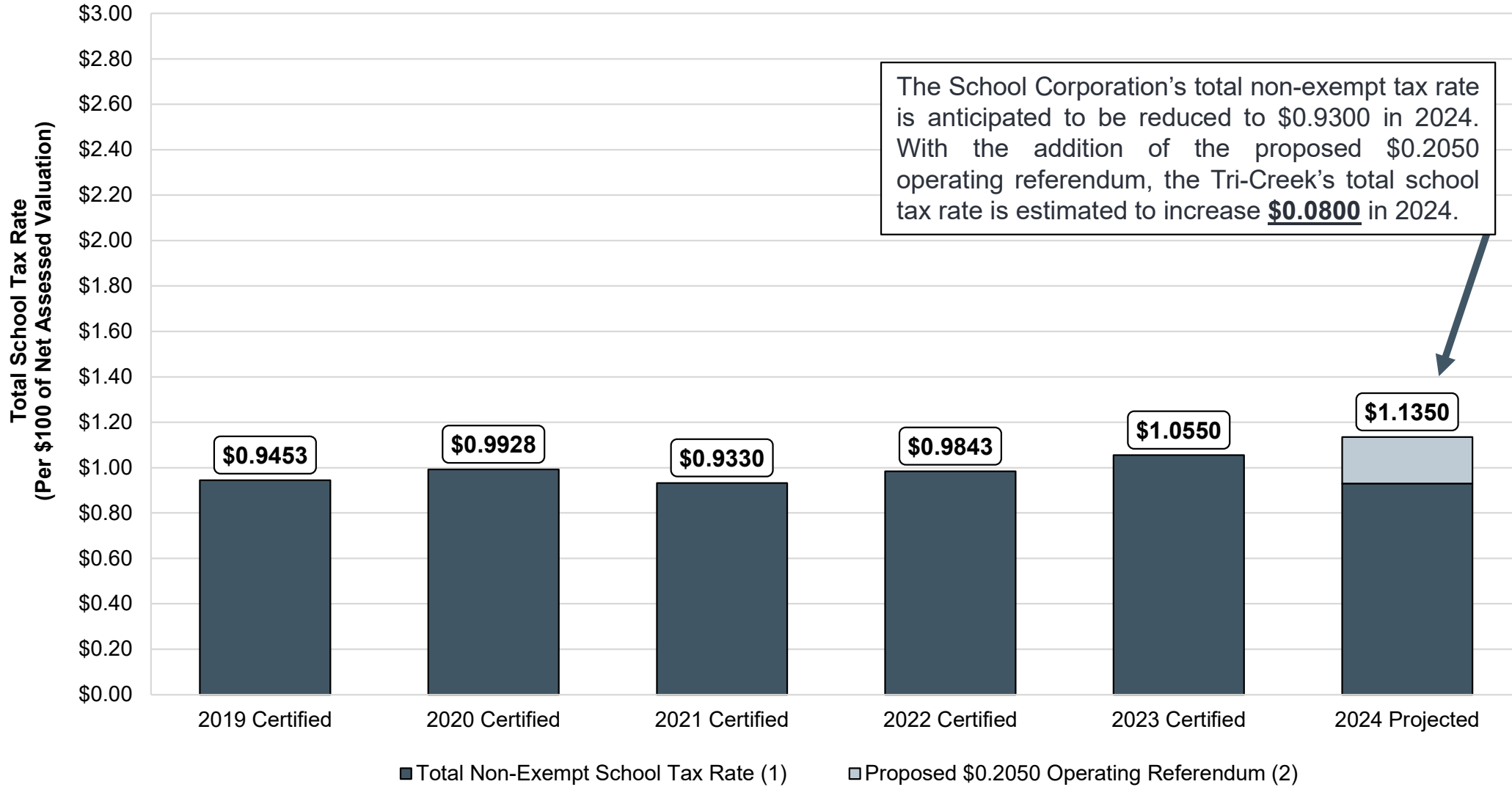
REQUIRED PERCENTAGES FOR BALLOT QUESTION - NOTES

- Calculations are made according to a State-prescribed formula.
- The formula requires the use of the average assessed valuation of a homestead and a business property in the School Corporation's district, as certified by the Lake County Auditor.
- The formula requires the use of the average district tax rate. Tri-Creek School Corporation serves eight different taxing districts, each with its own district tax rate ranging from \$1.9002 to \$3.1589 in 2023.
- Calculates the average property taxes that will be paid to the School Corporation for the proposed operating referendum as a percentage of what the average taxpayer paid the School Corporation in 2022.
- No calculation is made for the anticipated impact on total tax bills.
- Calculation does not account for planned reduction to Debt Service tax rate in 2024.



Impact to Taxpayers

CHART OF HISTORICAL AND PROJECTED TOTAL SCHOOL TAX RATES



(1) Includes tax rates of the Operations fund, Debt Service fund, and School Pension Debt fund. 2024 assumes Tri-Creek School Corporation's total non-exempt tax rate is reduced to \$0.9300 in 2024.

(2) Assumes Tri-Creek School Corporation's proposed \$0.2050 operating referendum is approved by voters in 2023 and levied in 2024.



SCHEDULE OF ESTIMATED TAX IMPACT BY DISTRICT - HOMESTEADS

Taxing District:	Cedar Creek (007)	Lowell – Cedar Creek (008)	Eagle Creek (012)	West Creek Twp. (037)	Lowell – West Creek (038)	Schneider (039)	Cedar Lake – West Creek (057)	Cedar Lake – Cedar Creek (058)
Estimated Average Total Tax Bill – Pay 2023 (1)	\$2,288.08	\$2,576.94*	\$2,263.09	\$2,229.19	\$2,576.94*	\$2,576.94*	\$2,576.94*	\$2,576.94*
Estimated Average Total Tax Bill – Pay 2024 (2)	\$2,390.65	\$2,856.36*	\$2,366.02	\$2,332.60	\$2,856.36*	\$2,856.36*	\$2,856.36*	\$2,856.36*
Estimated Increase – Pay 2024 (\$)	\$102.57	\$279.42	\$102.93	\$103.41	\$279.42	\$279.42	\$279.42	\$279.42
Estimated Increase – Pay 2024 (%)	4.5%	10.8%	4.5%	4.6%	10.8%	10.8%	10.8%	10.8%

*Average homestead is at the 1% property tax cap.

- (1) Based upon the 2023 average gross assessed valuation of \$257,694 for homesteads in Tri-Creek School Corporation's district, per Policy Analytics, LLC. Net assessed valuation assumes the homestead deduction and supplemental homestead deduction. 2023 certified district tax rates per the Department of Local Government Finance (the "DLGF"). Assumes property tax replacement credits of 15.1447% for all properties, which reflects the 2022 credit amount per the Lake County Auditor's office. 2023 property tax replacement credits are currently unavailable. Assumes the application of the 1% property tax cap as applicable.
- (2) Based upon the 2023 average gross assessed valuation of \$257,694 for homesteads in Tri-Creek School Corporation's district, per Policy Analytics, LLC. Net assessed valuation assumes the homestead deduction, increased to a maximum of \$48,000 pursuant to HEA 1260, and supplemental homestead deduction. Assumes Tri-Creek School Corporation's total non-exempt tax rate is reduced to \$0.9300 and the addition of the School Corporation's \$0.2050 operating referendum tax rate. Assumes tax rates of other taxing units remain unchanged from 2023. Assumes property tax replacement credits of 15.1447% for all properties, which reflects the 2022 credit amount per the Lake County Auditor's office. 2023 and 2024 property tax replacement credits are currently unavailable. Assumes the application of the 1% property tax cap as applicable.



SCHEDULE OF ESTIMATED TAX IMPACT BY DISTRICT - BUSINESSES

Taxing District:	Cedar Creek (007)	Lowell – Cedar Creek (008)	Eagle Creek (012)	West Creek Twp. (037)	Lowell – West Creek (038)	Schneider (039)	Cedar Lake – West Creek (057)	Cedar Lake – Cedar Creek (058)
Estimated Average Total Tax Bill – Pay 2023 (1)	\$884.07	\$1,139.36	\$874.43	\$861.32	\$1,130.43	\$1,431.87	\$1,189.22	\$1,198.16
Estimated Average Total Tax Bill – Pay 2024 (2)	\$936.93	\$1,192.21	\$927.27	\$914.18	\$1,183.29	\$1,484.72	\$1,242.07	\$1,251.01
Estimated Increase – Pay 2024 (\$)	\$52.86	\$52.85	\$52.84	\$52.86	\$52.86	\$52.85	\$52.85	\$52.85
Estimated Increase – Pay 2024 (%)	6.0%	4.6%	6.0%	6.1%	4.7%	3.7%	4.4%	4.4%

(1) Based upon a gross assessed valuation of \$53,418, which assumes annual growth equal to that of homestead properties (16.6%), per Policy Analytics, LLC. Assumes no deductions to non-homestead properties. 2023 certified district tax rates per the Department of Local Government Finance (the "DLGF"). Assumes property tax replacement credits of 15.1447% for all properties, which reflects the 2022 credit amount per the Lake County Auditor's office. 2023 property tax replacement credits are currently unavailable. Assumes the application of the 3% property tax cap as applicable.

(2) Based upon the average gross assessed valuation of \$53,418. Assumes no deductions for non-homestead properties. Assumes Tri-Creek School Corporation's total non-exempt tax rate is reduced to \$0.9300 and the addition of the School Corporation's \$0.2050 operating referendum tax rate. Assumes tax rates of other taxing units remain unchanged from 2023. Assumes property tax replacement credits of 15.1447% for all properties, which reflects the 2022 credit amount per the Lake County Auditor's office. 2023 and 2024 property tax replacement credits are currently unavailable. Assumes the application of the 3% property tax cap as applicable.



SCHEDULE OF ESTIMATED TAX IMPACT – AGRICULTURAL LAND

Agricultural Land	Estimated Annual Tax Impact (1)	Estimated Monthly Tax Impact (1)
1 Acre	\$3.90	\$0.33
25 Acres	97.38	8.12
50 Acres	194.75	16.23
100 Acres	389.50	32.46

(1) Reflects tax impact of proposed \$0.2050 operating referendum tax rate. Assumes agricultural land is assessed at the base rate of \$1,900 for assessment year 2023, per the Department of Local Government Finance. Actual results may vary based upon productivity factors.





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