



Tecumseh Local School District

Five Year Forecast Financial Report

May, 2019

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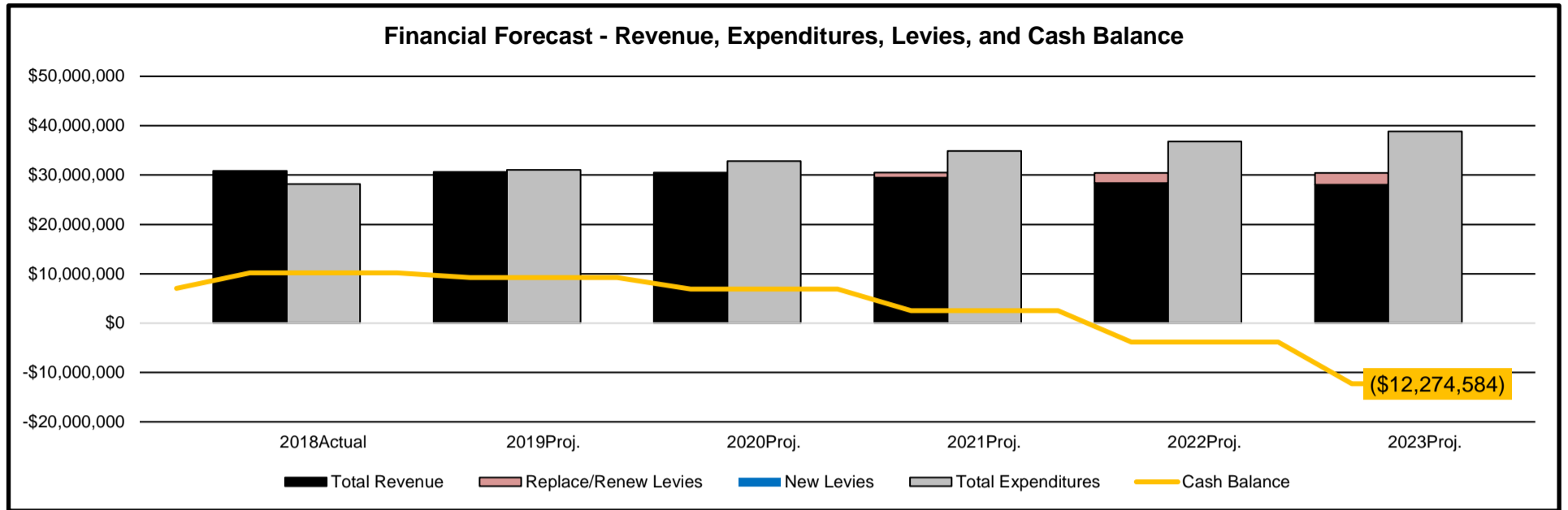
Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

Forecast Summary



Tecumseh Local School District

Financial Forecast

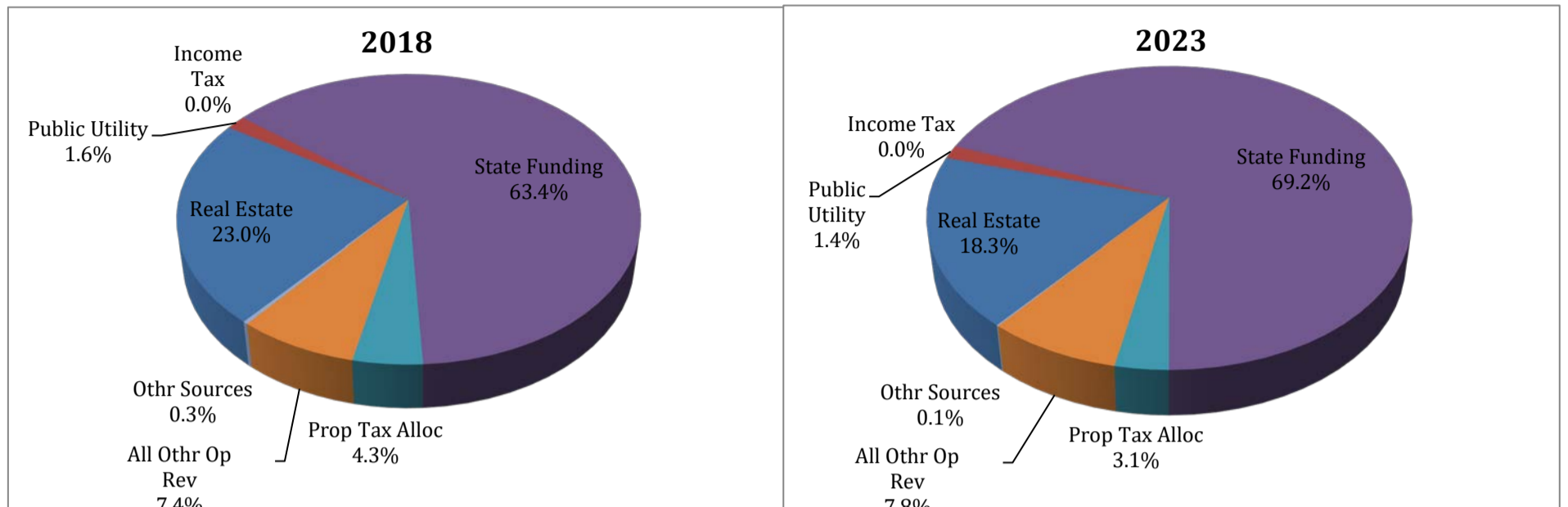
| | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 | Fiscal Year 2022 | Fiscal Year 2023 |
|--|------------------|------------------|------------------|------------------|------------------|
| Beginning Balance | 11,249,470 | 10,888,354 | 8,541,769 | 4,154,028 | (2,216,299) |
| + Revenue | 30,665,535 | 30,507,886 | 29,499,397 | 28,396,619 | 28,040,729 |
| + Proposed Renew/Replacement Levies | - | - | 1,013,717 | 2,032,991 | 2,385,201 |
| + Proposed New Levies | - | - | - | - | - |
| - Expenditures | (31,026,651) | (32,854,471) | (34,900,855) | (36,799,937) | (38,839,619) |
| = Revenue Surplus or Deficit | (361,116) | (2,346,585) | (4,387,741) | (6,370,327) | (8,413,689) |
| Ending Balance with renewal levies Note: Not Reduced for Encumbrances | 10,888,354 | 8,541,769 | 4,154,028 | (2,216,299) | (10,629,988) |

Analysis Without Renewal Levies Included:

| | | | | | |
|---------------------------------------|------------|-------------|-------------|-------------|--------------|
| Revenue Surplus or Deficit w/o Levies | (361,116) | (2,346,585) | (5,401,458) | (8,403,318) | (10,798,890) |
| Ending Balance w/o Levies | 10,888,354 | 8,541,769 | 3,140,311 | (5,263,007) | (16,061,897) |

This section depicts the overall outlook for the next five years for the district. As can be seen above, the district is predicted to be deficit spending each year of the five year forecast. This happens when there aren't additional revenue streams, yet our expenses continue to grow. Eventually, if additional revenue is not secured, cuts will need to be made to expenditures. I show the district is financially stable through FY 21, based on current assumptions. In my opinion, data after FY 21 is highly unreliable, even though it is predicted with current data.

Revenue Sources and Forecast Year-Over-Year Projected Overview

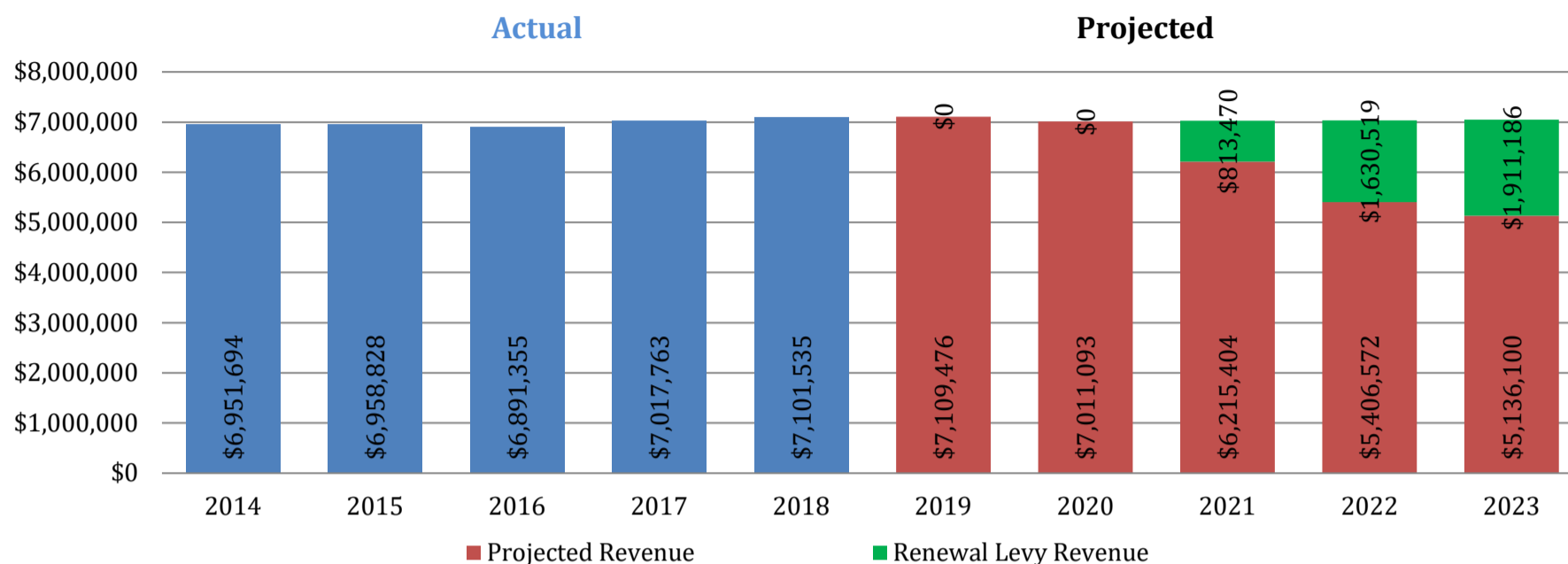


| | Prev. 5-Year Avg. Annual Change | PROJECTED | | | | | 5-Year Avg. Annual Change |
|----------------------------------|---------------------------------|------------------|------------------|------------------|------------------|------------------|---------------------------|
| | | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 | Fiscal Year 2022 | Fiscal Year 2023 | |
| Revenue: | | | | | | | |
| 1.010-Real Estate | 0.31% | 0.11% | -1.38% | 0.25% | 0.12% | 0.14% | -0.15% |
| 1.020-Public Utility | 6.16% | 2.90% | 2.68% | 1.50% | 1.62% | 1.36% | 2.01% |
| 1.030-Income Tax | n/a | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 1.035-State Funding | 4.52% | 0.43% | 0.00% | 0.04% | 0.00% | 0.02% | 0.10% |
| 1.040-Restricted Aid | 94.25% | -30.88% | -3.62% | -0.82% | 0.22% | -1.53% | -7.33% |
| 1.045-Restr Federal SFSF | -100.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 1.050-Property Tax Alloc | -0.55% | -3.45% | -1.34% | -0.84% | -1.06% | -0.31% | -1.40% |
| 1.060-All Other Operating | 3.33% | 2.77% | -1.62% | -0.54% | -3.80% | -0.64% | -0.77% |
| 1.070-Total Revenue | 3.41% | -0.37% | -0.52% | 0.02% | -0.27% | -0.01% | -0.23% |
| 2.070-Total Other Sources | -57.10% | -68.80% | 5.68% | 0.00% | 0.00% | 0.00% | -12.62% |
| 2.080-Total w/Other Srcs | 2.75% | -0.58% | -0.51% | 0.02% | -0.27% | -0.01% | -0.27% |

This section shows the percent change in each revenue line item through the five year forecast. As can be seen on the graph, overall revenues are projected to stay fairly consistent over the forecast. Restricted Grants is the only line item with significant change and that is due to the decrease in our economically disadvantaged student population during the current school year.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



| | 2018 | 2019 | 2020 | FORECASTED | | |
|---------------------------|-----------|-----------|-----------|------------|-----------|-----------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total With Renewal Levies | 7,101,535 | 7,109,476 | 7,011,093 | 7,028,874 | 7,037,091 | 7,047,286 |
| YOY \$ Change | 83,772 | 7,941 | (98,383) | 17,781 | 8,217 | 10,195 |
| YOY % Change | 1.2% | 0.1% | -1.4% | 0.3% | 0.1% | 0.1% |

| Percentage of Total Revenue | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------|-------|-------|-------|-------|-------|-------|
| | 23.0% | 23.2% | 23.0% | 23.0% | 23.1% | 23.2% |

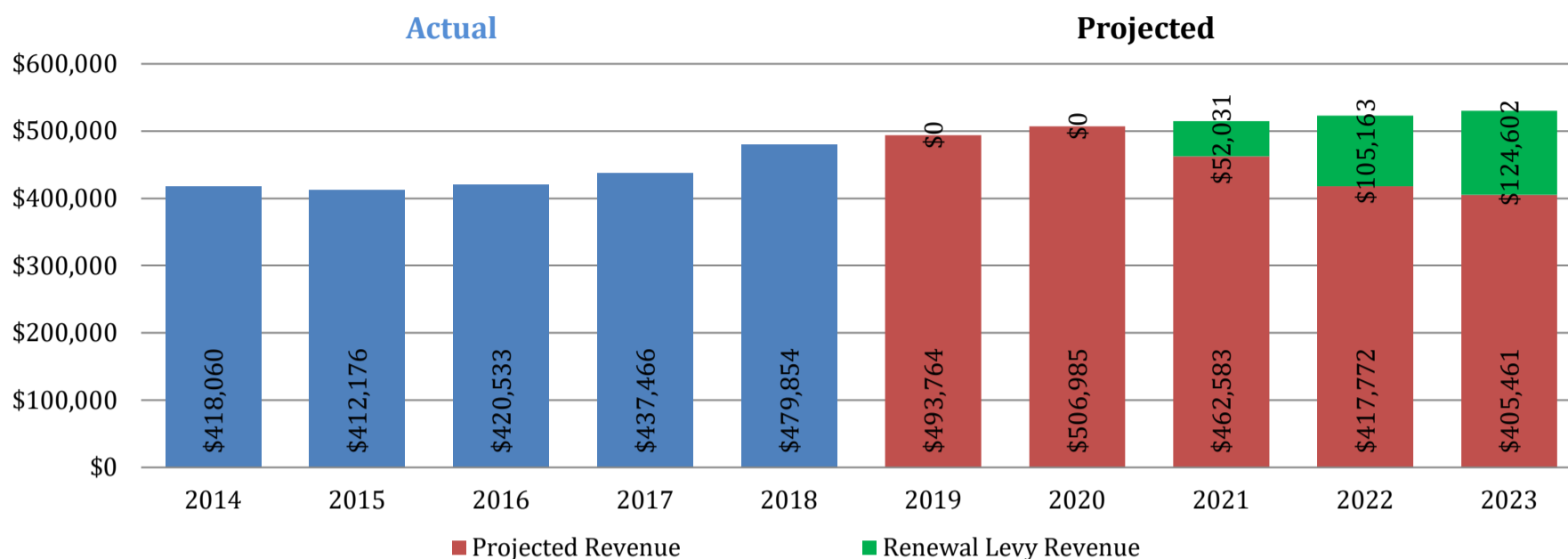
| Values, Tax Rates and Gross Collections | | | | | | | Gross Collection Rate Including Delinquencies |
|---|-------------|--------------|--------------|--------|---------------|--------|---|
| Tax Yr | Valuation | Value Change | Class I Rate | Change | Class II Rate | Change | |
| 2017 | 268,743,740 | 778,850 | 30.54 | (0.01) | 32.47 | 0.03 | 99.7% |
| 2018 | 268,366,680 | (377,060) | 30.65 | 0.12 | 32.63 | 0.16 | 99.1% |
| 2019 | 272,202,914 | 3,836,234 | 30.33 | (0.32) | 32.63 | 0.00 | 98.9% |
| 2020 | 271,583,729 | (619,184) | 30.43 | 0.10 | 32.87 | 0.24 | 98.9% |
| 2021 | 270,969,105 | (614,624) | 30.52 | 0.10 | 33.12 | 0.24 | 98.9% |
| 2022 | 273,657,105 | 2,688,000 | 30.25 | (0.27) | 33.19 | 0.08 | 98.9% |

General Property Tax represents 23% of the districts revenue. As can be seen by the graph, this revenue stream stays fairly consistent from year to year. There are three renewal levies (emergency levies) that begin to show up in 2019. It is imperative that the district passes these levies – as you can see how much revenue will be lost if they do not pass. Our next revaluation for property will be during 2019.

*Projected % trends include renewal levies

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



| | FORECASTED | | | | | |
|---------------------------|------------|---------|---------|---------|---------|---------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total With Renewal Levies | 479,854 | 493,764 | 506,985 | 514,614 | 522,935 | 530,063 |
| YOY \$ Change | 42,388 | 13,910 | 13,221 | 7,629 | 8,320 | 7,129 |
| YOY % Change | 9.7% | 2.9% | 2.7% | 1.5% | 1.6% | 1.4% |

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------|------|------|------|------|------|------|
| Percentage of Total Revenue | 1.6% | 1.6% | 1.7% | 1.7% | 1.7% | 1.7% |

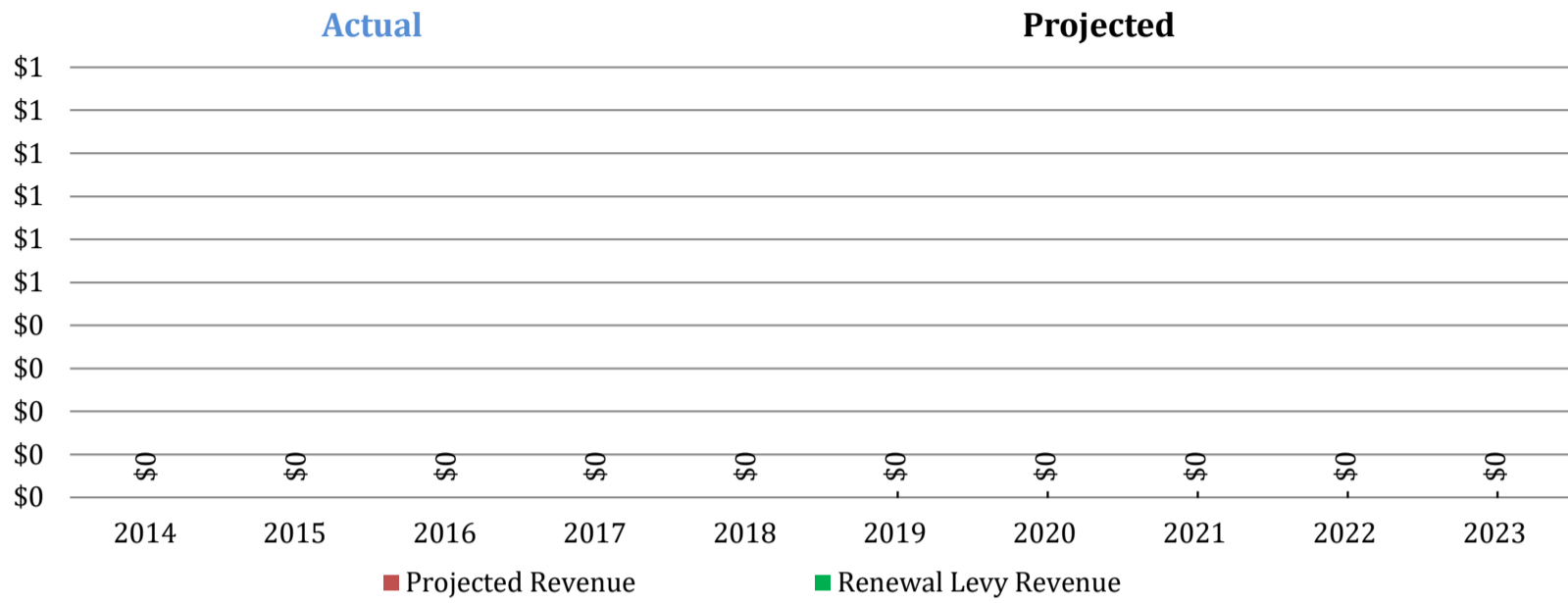
| Values and Tax Rates | | | | | Gross Collection Rate Including Delinquencies |
|----------------------|------------|--------------|-----------------|--------|---|
| Tax Year | Valuation | Value Change | Full Voted Rate | Change | |
| 2017 | 13,099,060 | 589,530 | 36.56 | (0.04) | 100.0% |
| 2018 | 13,755,960 | 656,900 | 36.66 | 0.10 | 100.0% |
| 2019 | 13,955,960 | 200,000 | 36.58 | (0.08) | 100.0% |
| 2020 | 14,155,960 | 200,000 | 36.65 | 0.07 | 100.0% |
| 2021 | 14,355,960 | 200,000 | 36.72 | 0.07 | 100.0% |
| 2022 | 14,555,960 | 200,000 | 36.62 | (0.10) | 100.0% |

Public Utility Personal Property (PUPP) makes up 1.6% of the district's revenue. This revenue stream continues to climb slightly each year, but is also dependent upon the renewal levies.

**Projected % trends include renewal levies*

1.030 - Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



| | FORECASTED | | | | | |
|---------------|------------|------|------|------|------|------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total | - | - | - | - | - | - |
| YOY \$ Change | - | - | - | - | - | - |
| YOY % Change | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

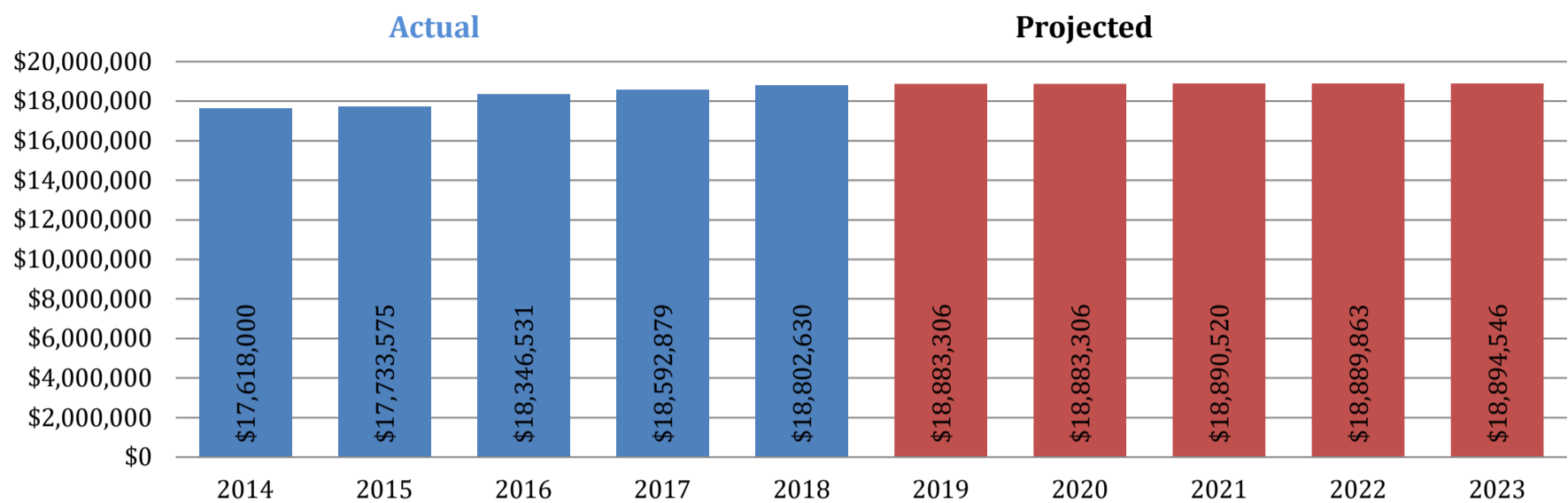
| | | | | | | |
|-----------------------------|------|------|------|------|------|------|
| Percentage of Total Revenue | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
|-----------------------------|------|------|------|------|------|------|



**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.

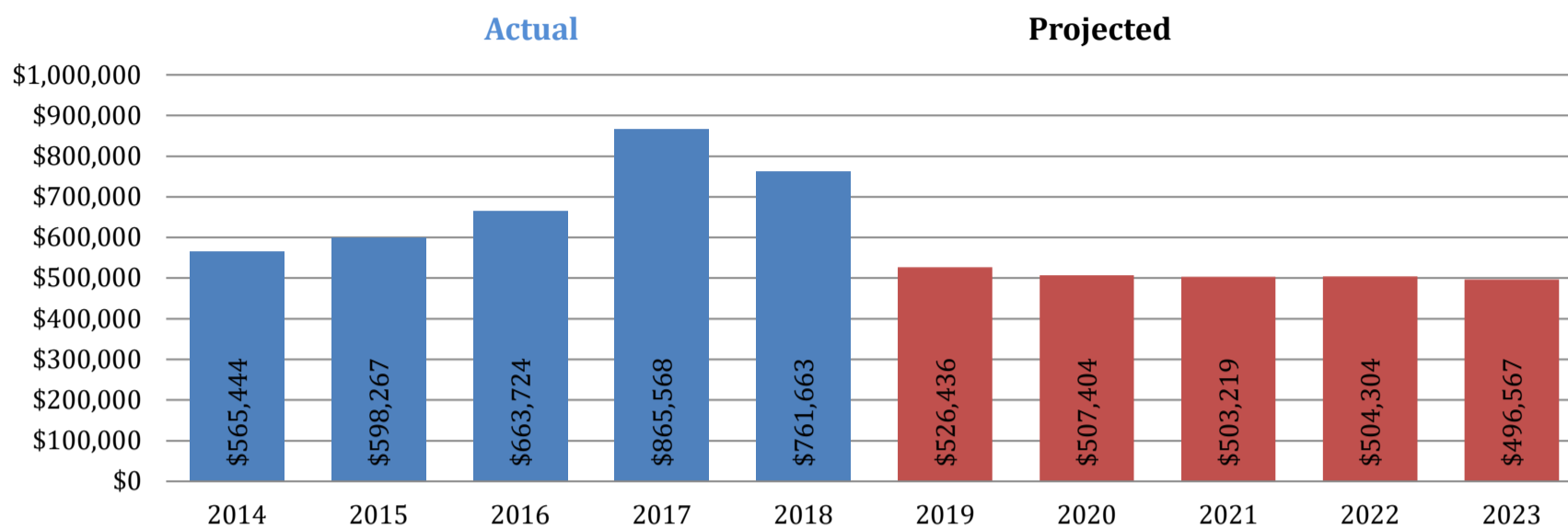


| | FORECASTED | | | | | |
|------------------------------------|------------|------------|------------|------------|------------|------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total | 18,802,630 | 18,883,306 | 18,883,306 | 18,890,520 | 18,889,863 | 18,894,546 |
| YOY \$ Change | 209,751 | 80,676 | - | 7,214 | (657) | 4,683 |
| YOY % Change | 1.1% | 0.4% | 0.0% | 0.0% | 0.0% | 0.0% |
| Percentage of Total Revenue | 61.0% | 61.6% | 61.9% | 61.9% | 62.1% | 62.1% |
| Core Funding Per Pupil | 6,010 | 6,020 | 6,030 | 6,040 | 6,050 | 6,020 |
| State Share Index (SSI) | 69.8% | 69.8% | 70.3% | 70.3% | 71.0% | 71.0% |
| State Core Funding Per Pupil | 4,194 | 4,201 | 4,242 | 4,249 | 4,297 | 4,276 |
| Formula ADM (Funded Student Count) | 2,818 | 2,838 | 2,774 | 2,742 | 2,750 | 2,692 |
| Funding Status | Guarantee | Guarantee | Guarantee | Guarantee | Guarantee | Guarantee |

Unrestricted Grant in Aid represents approximately 62% of the district’s revenue. These are the funds received directly from the State through our foundation program. This revenue stream is driven by district wealth and student population. The district’s student population has been declining over the last few years. For FY 19, our enrollment appears to be up a few students from last year, mainly due to a larger incoming Kindergarten class. State funding changes every two years with the Governor’s biennium budget. The current budget is for FY 18 and FY 19. The district is on what we call the “guarantee”. This means that we are guaranteed to receive the same state funding amount as we did in FY 18. The new budget simulation from the Governor (Fair School Funding Plan or FSFP) estimates that Tecumseh LSD will receive approximately \$700,000 in additional revenue during FY 20 and approximately \$600,000 in FY 21. The newest version of the budget that was passed by the House estimates that the district will receive \$862,521 in additional funds for FY 20 and \$1,579,603 in additional funds for FY 21. The budget also calls for funding to be given to the district that educates the student, not the resident district like the current model. This will reduce the revenue that we receive for students who attend Community Schools, STEM, and those on scholarships. However, it will also reduce the Purchased Services expenditure line item because we will no longer be charging those funds off when they leave our district to follow the student. The main difference between this budget and the last biennium budget is that this budget is based on what happens in each individual district and takes into account each district’s unique characteristics. The budget also no longer assigns each district with a “State Share” index. I have not entered any of these simulated increases for FY 20 and FY 21 into the five year forecast. I believe it is too early on in the budget process and many of the simulation figures were based on estimates and not actual data. I will continue to monitor the new biennium budget and any new information will be communicated to the Board.

1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.

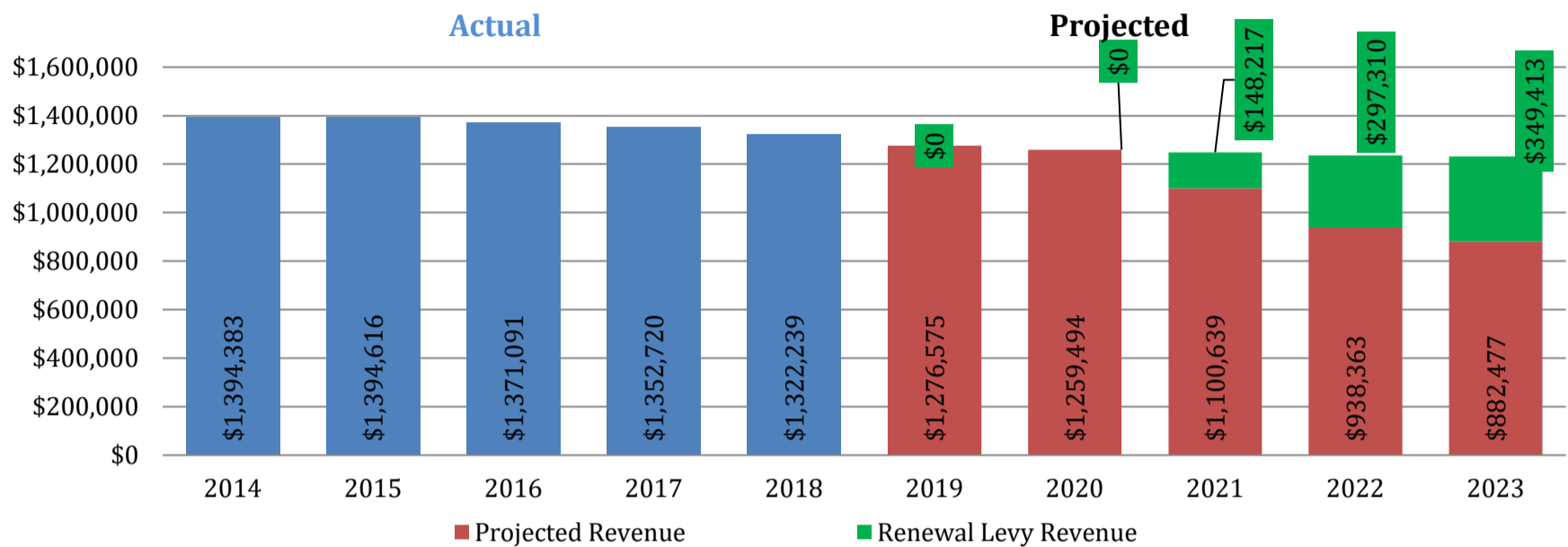


| | 2018 | FORECASTED | | | | |
|--------------------------------------|-----------|------------|----------|---------|---------|---------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total | 761,663 | 526,436 | 507,404 | 503,219 | 504,304 | 496,567 |
| YOY \$ Change | (103,905) | (235,227) | (19,032) | (4,185) | 1,085 | (7,737) |
| YOY % Change | -12.0% | -30.9% | -3.6% | -0.8% | 0.2% | -1.5% |
| Percentage of Total Revenue | 2.5% | 1.7% | 1.7% | 1.6% | 1.7% | 1.6% |
| Economic Disadvantaged Funding | 775,661 | 391,231 | 372,199 | 368,014 | 369,099 | 361,362 |
| Percentage of Disadvantaged Students | 61.7% | 48.6% | 48.6% | 48.6% | 48.6% | 48.6% |

Restricted Grants in Aid represents 2.5% of the district's revenue. Career tech and Economic Disadvantaged funding are the restricted revenue types from the state that are represented here. The decrease in revenue is due to the decrease in the amount of students who qualified as economically disadvantaged this school year.

1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



| | FORECASTED | | | | | |
|--|------------|-----------|-----------|-----------|-----------|-----------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total With Renewal Levies | 1,322,239 | 1,276,575 | 1,259,494 | 1,248,856 | 1,235,673 | 1,231,890 |
| YOY \$ Change | (30,481) | (45,664) | (17,081) | (10,638) | (13,183) | (3,783) |
| YOY % Change | -2.3% | -3.5% | -1.3% | -0.8% | -1.1% | -0.3% |
| Percentage of Total Revenue | 4.3% | 4.2% | 4.1% | 4.1% | 4.1% | 4.0% |
| % of Residential Real Estate 10% Rollback | 9.93% | 9.93% | 9.93% | 9.93% | 9.93% | 9.93% |
| % of Residential Real Estate 2.5% Rollback | 1.65% | 1.65% | 1.65% | 1.65% | 1.65% | 1.65% |
| % of Residential Real Estate Homestead | 5.19% | 5.19% | 5.19% | 5.19% | 5.19% | 5.19% |

Property Tax Allocation represents approximately 4.3% of the district's revenue. This line item represents funds received from the Tangible Personal Property (TPP) Tax Reimbursement and Homestead and Rollback. For TPP, phase out started in August 2013 on business and telephone/telecommunications. Our last payment is projected to be in FY 2022.

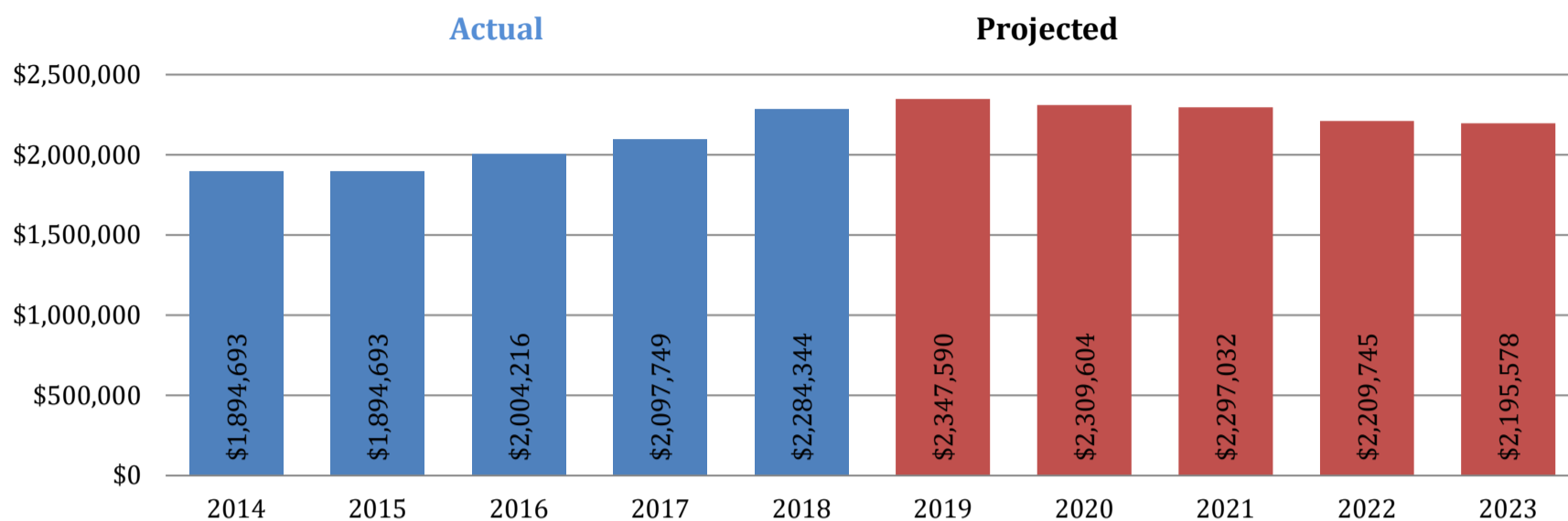
Homestead and Rollback remain steady but are also effected by the renewals of the three emergency levies. These payments come from the state due to revenue lost from property tax relief programs granted by the state. The homestead exemption allows low-income senior citizens and permanently and totally disabled Ohioans, to reduce their property tax bills, by shielding some of the market value of their homes from taxation. The exemption, which takes the form of a credit on property tax bills, allows qualifying homeowners to exempt up to \$25,000 of the market value of their homes from all local property taxes. For example, through the homestead exemption, a home with a market value of \$100,000 is billed as if it is worth \$75,000.

For Rollback, current state law (Revised Code Section 319.302) requires each county auditor to reduce all qualifying levies against real property taxes charged by a 10 percent Non-Business Credit. In addition, Section 323.152(B) requires the county auditor to further reduce the same qualifying levies against real property taxes on by a 2.5 percent Owner Occupancy credit. Owner-occupants who are age 65 or older or who are permanently and totally disabled may qualify for an additional reduction in their real property taxes by applying for a homestead exemption under Section 323.152(A).

**Projected % trends include renewal levies*

1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



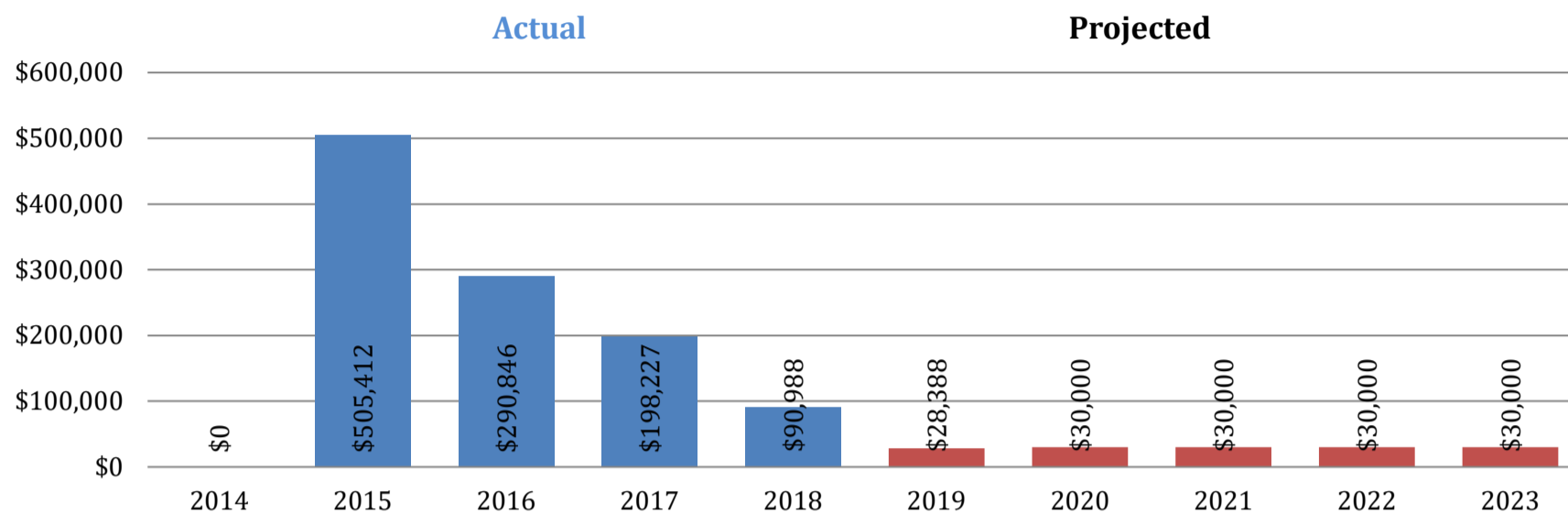
| | FORECASTED | | | | | |
|---------------|------------|-----------|-----------|-----------|-----------|-----------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total | 2,284,344 | 2,347,590 | 2,309,604 | 2,297,032 | 2,209,745 | 2,195,578 |
| YOY \$ Change | 186,595 | 63,246 | (37,986) | (12,572) | (87,287) | (14,167) |
| YOY % Change | 8.9% | 2.8% | -1.6% | -0.5% | -3.8% | -0.6% |

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------|------|------|------|------|------|------|
| Percentage of Total Revenue | 7.4% | 7.7% | 7.6% | 7.5% | 7.3% | 7.2% |

Other Operating Revenues represents a little over 7% of the district's revenue. This includes tuition, fees, interest earnings, rentals and donations. As the graph indicates, I'm projected these revenues to stay consistent from year to year, with slight decreases only. The largest revenue item in this category is open enrollment in. This line item could change in regards to the new Fair School Funding Plan.

2.070 - Total Other Financing Sources

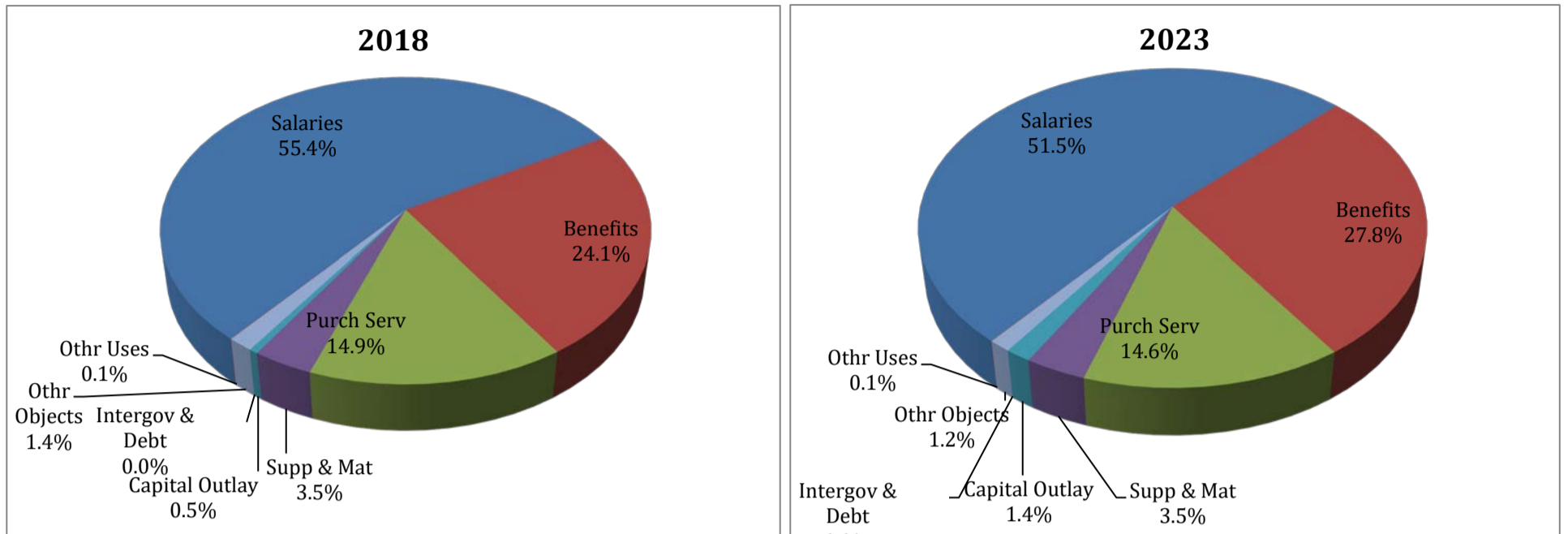
Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



| | FORECASTED | | | | | |
|-----------------------------|------------|----------|--------|--------|--------|--------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total | 90,988 | 28,388 | 30,000 | 30,000 | 30,000 | 30,000 |
| YOY \$ Change | (107,239) | (62,600) | 1,612 | - | - | - |
| YOY % Change | -54.1% | -68.8% | 5.7% | 0.0% | 0.0% | 0.0% |
| Percentage of Total Revenue | 0.3% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% |
| Transfers In | 16,007 | - | - | - | - | - |
| Advances In | 68,898 | 18,388 | 20,000 | 20,000 | 20,000 | 20,000 |

This area represents less than one percent of the district's revenue. This category includes operating transfers, sale of fixed assets, and refunds of prior year expenditures.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

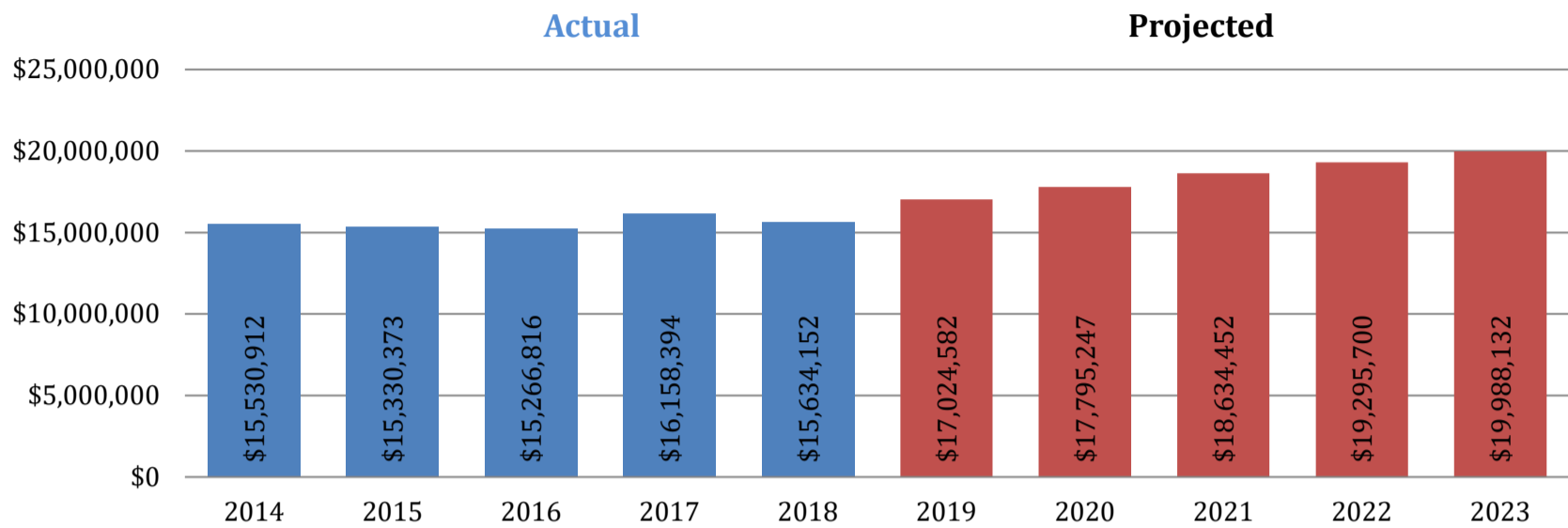


| | Prev. 5-Year Avg. Annual Change | PROJECTED | | | | | 5-Year Avg. Annual Change |
|----------------------------|---------------------------------|------------------|------------------|------------------|------------------|------------------|---------------------------|
| | | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 | Fiscal Year 2022 | Fiscal Year 2023 | |
| Expenditures: | | | | | | | |
| 3.010-Salaries | 0.02% | 8.89% | 4.53% | 4.72% | 3.55% | 3.59% | 5.05% |
| 3.020-Benefits | 2.66% | 11.02% | 9.48% | 9.85% | 8.96% | 8.97% | 9.66% |
| 3.030-Purchased Services | 2.60% | 6.50% | 5.63% | 6.24% | 6.32% | 6.39% | 6.22% |
| 3.040-Supplies & Materials | 1.26% | 16.22% | 3.83% | 3.86% | 3.89% | 3.92% | 6.34% |
| 3.050-Capital Outlay | 10.23% | 172.10% | 7.50% | 8.37% | 9.26% | 10.17% | 41.48% |
| 3.060-Intergov | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 4.010-4.060-Debt | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 4.300-Other Objects | 10.05% | 0.07% | 3.66% | 3.63% | 3.60% | 3.57% | 2.91% |
| 4.500-Total Expenditures | 1.10% | 10.04% | 5.89% | 6.23% | 5.44% | 5.55% | 6.63% |
| 5.040-Total Other Uses | -75.40% | 9.76% | 0.00% | 0.00% | 0.00% | 0.00% | 1.95% |
| 5.050-Total w/Other Uses | 0.48% | 10.04% | 5.89% | 6.23% | 5.44% | 5.54% | 6.63% |

For expenditures, the largest change is in Capital Outlay. The reason for this large change is because I have set aside \$250,000 for the upcoming Capital Improvement Plan for the district.

3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.

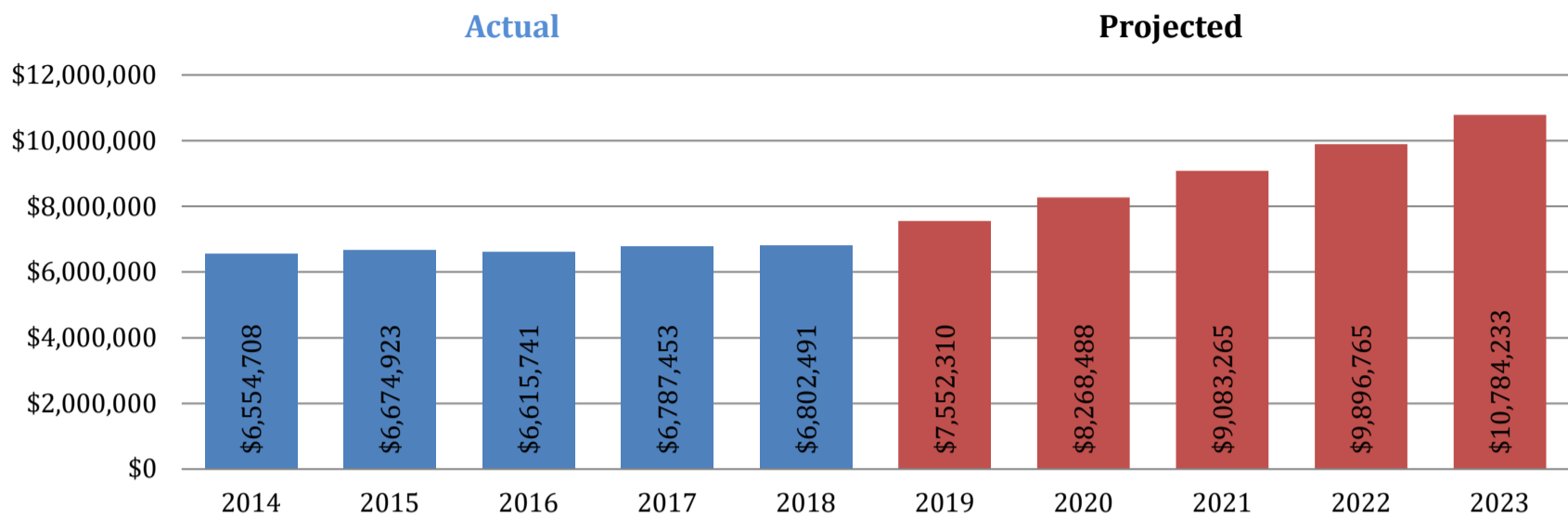


| | FORECASTED | | | | | |
|----------------------------|------------|------------|------------|------------|------------|------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total | 15,634,152 | 17,024,582 | 17,795,247 | 18,634,452 | 19,295,700 | 19,988,132 |
| YOY \$ Change | (524,242) | 1,390,430 | 770,665 | 839,205 | 661,248 | 692,432 |
| YOY % Change | -3.2% | 8.9% | 4.5% | 4.7% | 3.5% | 3.6% |
| Percentage of Total Budget | 55.4% | 54.9% | 54.2% | 53.4% | 52.4% | 51.5% |

Personnel Services represents a little more than 55% of the district's expenses. FY 19 - FY 23 I am showing an increase in personnel services for step increases and negotiations. The large increase for FY 19 is due to the negotiated increases as well as having 26 pays again for a normal fiscal year pay cycle.

3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.

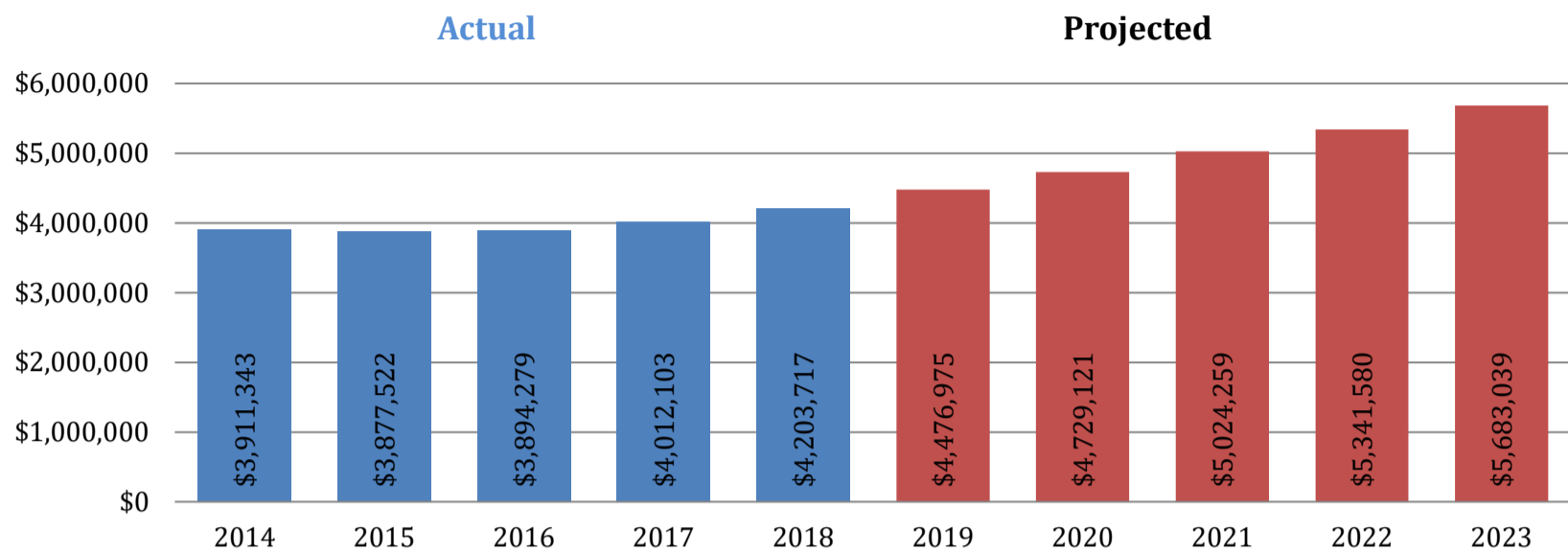


| | FORECASTED | | | | | |
|----------------------------|------------|-----------|-----------|-----------|-----------|------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total | 6,802,491 | 7,552,310 | 8,268,488 | 9,083,265 | 9,896,765 | 10,784,233 |
| YOY \$ Change | 15,038 | 749,819 | 716,178 | 814,777 | 813,500 | 887,468 |
| YOY % Change | 0.2% | 11.0% | 9.5% | 9.9% | 9.0% | 9.0% |
| Percentage of Total Budget | 24.1% | 24.3% | 25.2% | 26.0% | 26.9% | 27.8% |

Employee Benefits represent 24% of the district's expenses. This line item includes retirement, worker's compensation, Medicare, unemployment, and all health insurance. For FY 19, there was a 6% increase in medical insurance, a 4% increase in dental insurance, and a 3% increase in vision insurance. The district participates in the SOEPC (Southwest Ohio Educational Purchasing Cooperative) for insurance benefits. This co-op allows many school districts to pool their benefits to get a lower cost for insurance. Rates for FY 20 were dramatically higher for health insurance. Tecumseh LSD's rate increase is 12%, the lowest in Clark County. However, that increase will cost the District over \$563,000. The highest rate increase for a Clark County School next year is 26%. This increase is due in part to higher prescription drug costs and rising claim costs. Dental and Vision insurance rates will not increase for FY 20.

3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services which the school district may purchase.

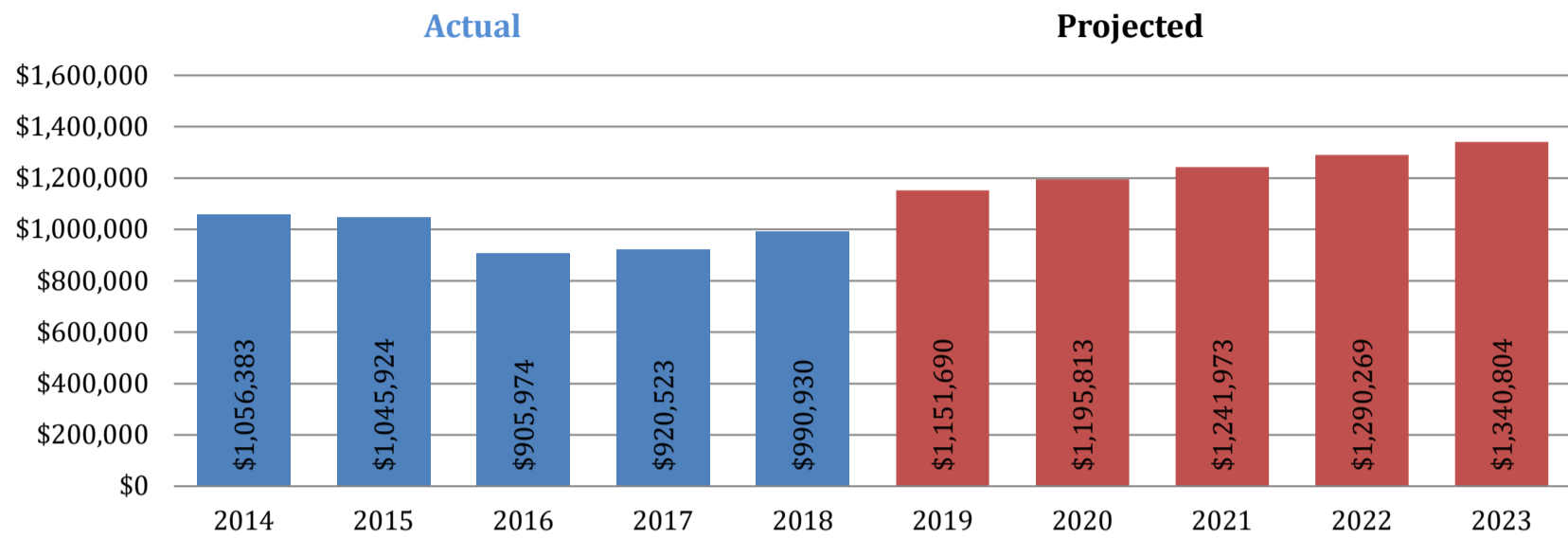


| | FORECASTED | | | | | |
|----------------------------|------------|-----------|-----------|-----------|-----------|-----------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total | 4,203,717 | 4,476,975 | 4,729,121 | 5,024,259 | 5,341,580 | 5,683,039 |
| YOY \$ Change | 191,614 | 273,258 | 252,146 | 295,138 | 317,321 | 341,459 |
| YOY % Change | 4.8% | 6.5% | 5.6% | 6.2% | 6.3% | 6.4% |
| Percentage of Total Budget | 14.9% | 14.4% | 14.4% | 14.4% | 14.5% | 14.6% |

Purchased Services represents 15% of the district’s expenses. This line item consists of the costs of open enrollment out, utilities, repairs, and other contracted services. The majority of the expenses derives from open enrollment out and tuition paid to community schools, including the STEM school in Springfield, and excess costs. This line item will be affected if the new Fair School Funding Plan is adopted as it’s currently proposed.

3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.

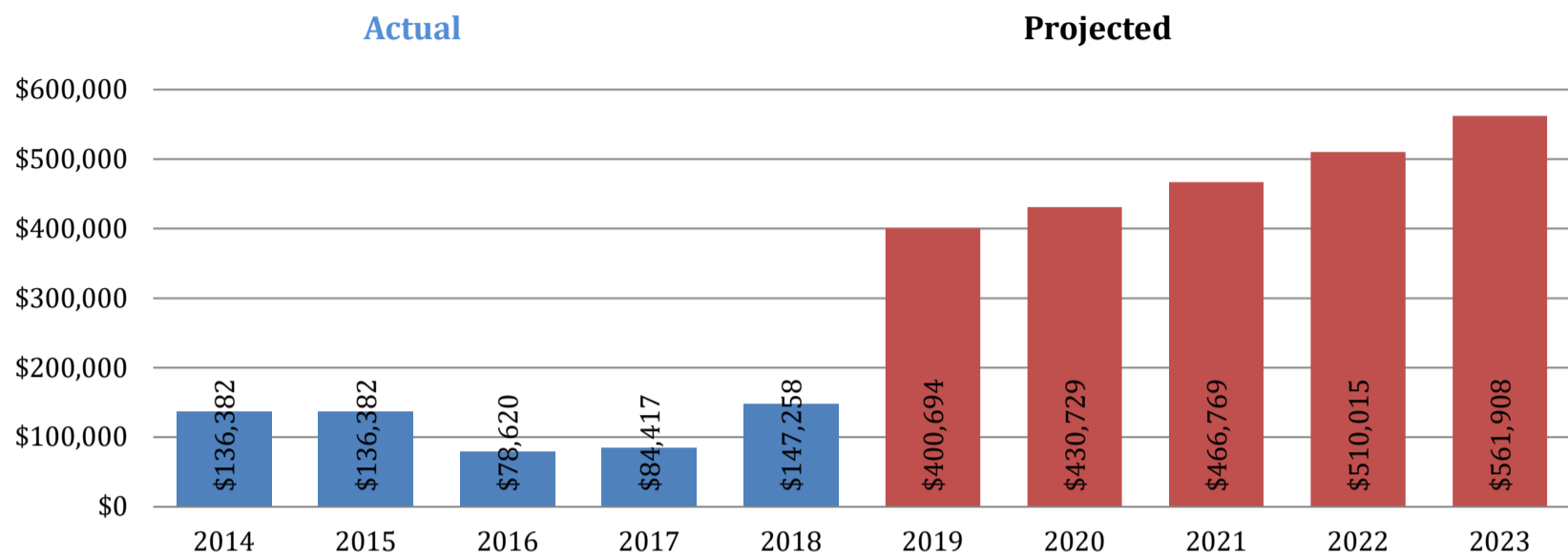


| | FORECASTED | | | | | |
|----------------------------|------------|-----------|-----------|-----------|-----------|-----------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total | 990,930 | 1,151,690 | 1,195,813 | 1,241,973 | 1,290,269 | 1,340,804 |
| YOY \$ Change | 70,407 | 160,760 | 44,123 | 46,160 | 48,296 | 50,535 |
| YOY % Change | 7.6% | 16.2% | 3.8% | 3.9% | 3.9% | 3.9% |
| Percentage of Total Budget | 3.5% | 3.7% | 3.6% | 3.6% | 3.5% | 3.5% |

Supplies and Materials represents approximately 3.5% of the district's expenses. This line item consists of general supplies, bus fuel, tires, and other maintenance supplies. The district is part of the SOEPC Co-op for supplies - which provides us discounts when purchasing. I have projected a 3% increase each year for supplies.

3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



| | FORECASTED | | | | | |
|----------------------------|------------|---------|---------|---------|---------|---------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total | 147,258 | 400,694 | 430,729 | 466,769 | 510,015 | 561,908 |
| YOY \$ Change | 62,841 | 253,436 | 30,035 | 36,040 | 43,246 | 51,893 |
| YOY % Change | 74.4% | 172.1% | 7.5% | 8.4% | 9.3% | 10.2% |
| Percentage of Total Budget | 0.5% | 1.3% | 1.3% | 1.3% | 1.4% | 1.4% |

Capital Outlay represents about one half of one percent of the district's expenses. However, the district is working towards implementing a Capital Improvement Plan that spans the next five years. With that in mind, I have budgeted \$250,000 for FY 19 - FY 23 for those expenses. These funds can be used for items that have at least a five-year life expectancy, such as busses, equipment, computers, etc.

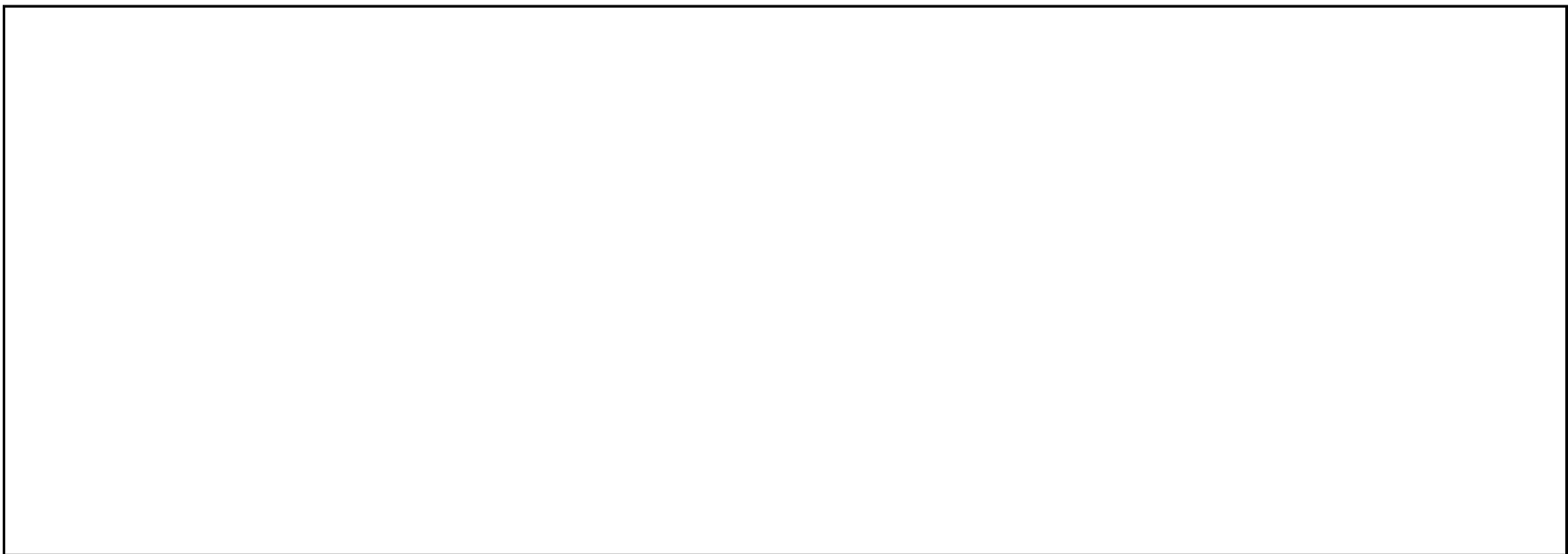
3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.

| | Actual | | | | | Projected | | | | |
|-----|--------|------|------|------|------|-----------|------|------|------|------|
| \$1 | | | | | | | | | | |
| \$1 | | | | | | | | | | |
| \$1 | | | | | | | | | | |
| \$1 | | | | | | | | | | |
| \$1 | | | | | | | | | | |
| \$1 | | | | | | | | | | |
| \$0 | | | | | | | | | | |
| \$0 | | | | | | | | | | |
| \$0 | | | | | | | | | | |
| \$0 | | | | | | | | | | |
| \$0 | | | | | | | | | | |
| | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |

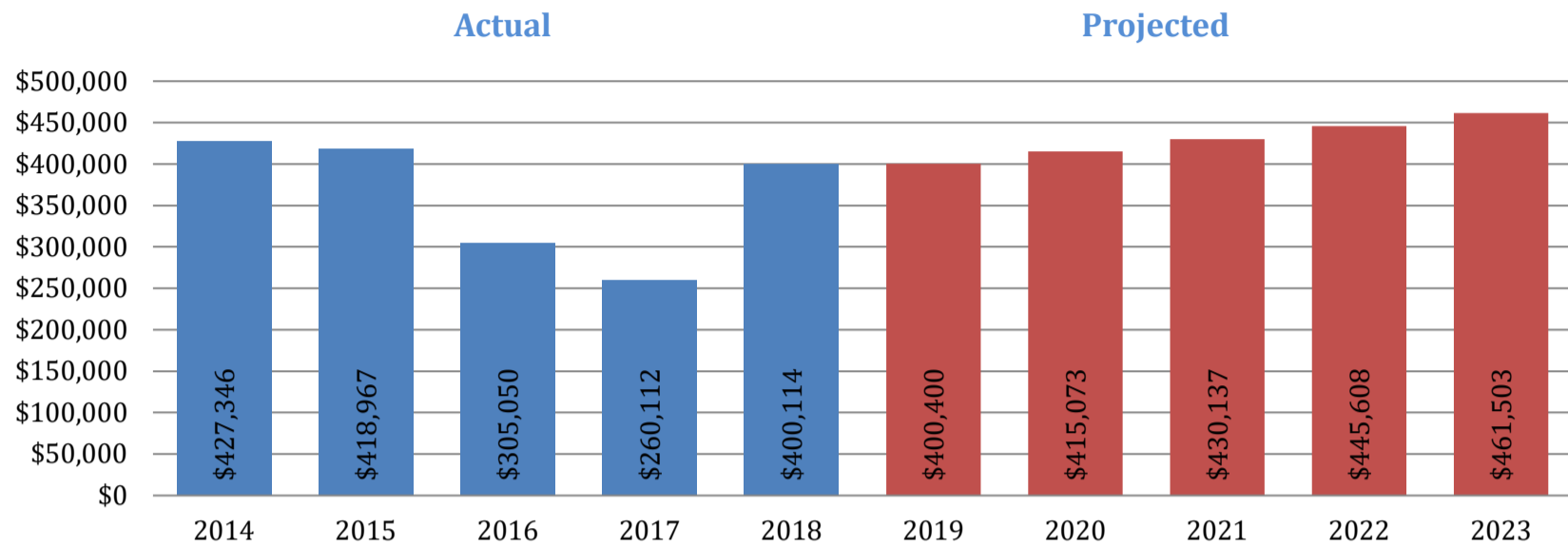
| | FORECASTED | | | | | |
|---------------|------------|------|------|------|------|------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total | - | - | - | - | - | - |
| YOY \$ Change | - | - | - | - | - | - |
| YOY % Change | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

| | | | | | | |
|----------------------------|------|------|------|------|------|------|
| Percentage of Total Budget | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
|----------------------------|------|------|------|------|------|------|



4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



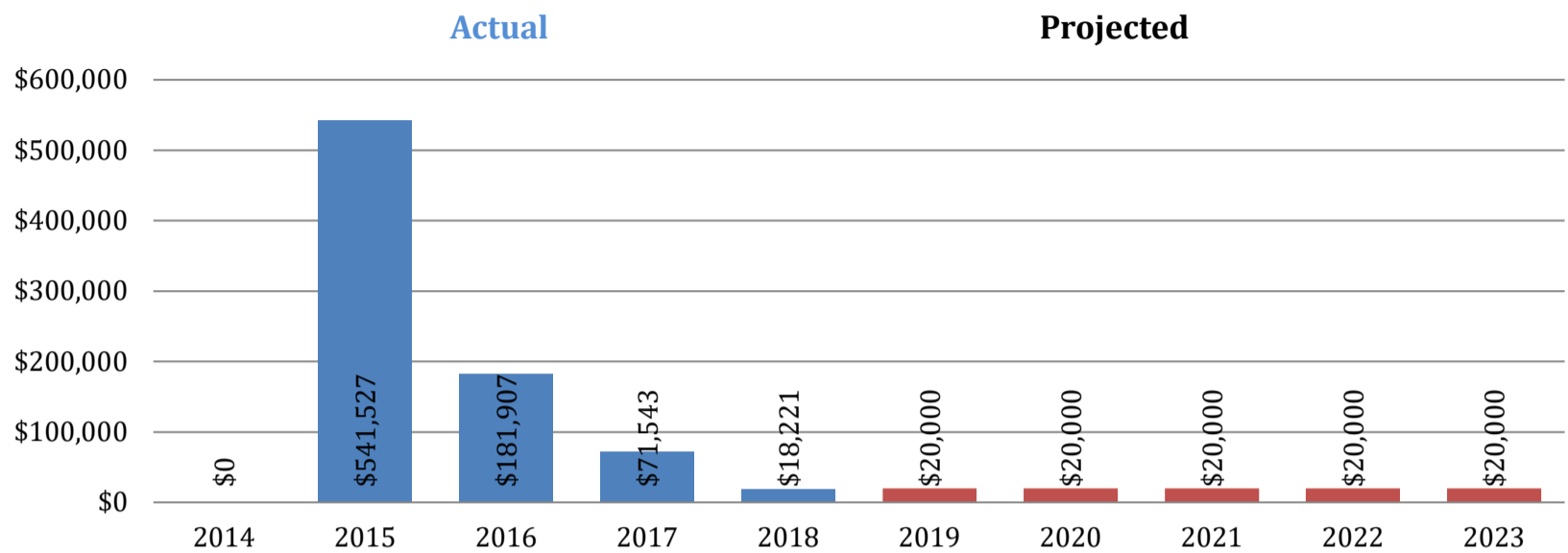
| | FORECASTED | | | | | |
|---------------|------------|---------|---------|---------|---------|---------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total | 400,114 | 400,400 | 415,073 | 430,137 | 445,608 | 461,503 |
| YOY \$ Change | 140,002 | 286 | 14,673 | 15,064 | 15,471 | 15,895 |
| YOY % Change | 53.8% | 0.1% | 3.7% | 3.6% | 3.6% | 3.6% |

| | | | | | | |
|----------------------------|------|------|------|------|------|------|
| Percentage of Total Budget | 1.4% | 1.3% | 1.3% | 1.2% | 1.2% | 1.2% |
|----------------------------|------|------|------|------|------|------|

Other Objects represents 1.4% of the district's expenses. This line encompasses membership dues and fees, audit expenses, and auditor and treasurer fees. I am only predicting an increase of up to 3% each year in this category.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



| | FORECASTED | | | | | |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total | 18,221 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| YOY \$ Change | (53,322) | 1,779 | - | - | - | - |
| YOY % Change | -74.5% | 9.8% | 0.0% | 0.0% | 0.0% | 0.0% |
| Percentage of Total Budget | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% |
| Transfers Out | - | - | - | - | - | - |
| Advances Out | 18,221 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |

This area is for transfers out and advances to other funds. At the end of the fiscal year, the General Fund will advance money to the Federal Grant Funds because they will have a negative balance (reimbursable grants). This amount is unknown until year end. On July 1st, the funds will be advanced back to the General Fund.

Tecumseh Local School District

Five Year Forecast

| Fiscal Year: | Actual | FORECASTED | | | | |
|--|-------------------|-------------------|--------------------|--------------------|--------------------|---------------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Revenue: | | | | | | |
| 1.010 - General Property Tax (Real Estate) | 7,101,535 | 7,109,476 | 7,011,093 | 6,215,404 | 5,406,572 | 5,136,100 |
| 1.020 - Public Utility Personal Property | 479,854 | 493,764 | 506,985 | 462,583 | 417,772 | 405,461 |
| 1.030 - Income Tax | - | - | - | - | - | - |
| 1.035 - Unrestricted Grants-in-Aid | 18,802,630 | 18,883,306 | 18,883,306 | 18,890,520 | 18,889,863 | 18,894,546 |
| 1.040 - Restricted Grants-in-Aid | 761,663 | 526,436 | 507,404 | 503,219 | 504,304 | 496,567 |
| 1.050 - Property Tax Allocation | 1,322,239 | 1,276,575 | 1,259,494 | 1,100,639 | 938,363 | 882,477 |
| 1.060 - All Other Operating Revenues | 2,284,344 | 2,347,590 | 2,309,604 | 2,297,032 | 2,209,745 | 2,195,578 |
| 1.070 - Total Revenue | 30,752,266 | 30,637,147 | 30,477,886 | 29,469,397 | 28,366,619 | 28,010,729 |
| Other Financing Sources: | | | | | | |
| 2.010 - Proceeds from Sale of Notes | - | - | - | - | - | - |
| 2.020 - State Emergency Loans and Adv | - | - | - | - | - | - |
| 2.040 - Operating Transfers-In | 16,007 | - | - | - | - | - |
| 2.050 - Advances-In | 68,898 | 18,388 | 20,000 | 20,000 | 20,000 | 20,000 |
| 2.060 - All Other Financing Sources | 6,084 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| 2.070 - Total Other Financing Sources | 90,988 | 28,388 | 30,000 | 30,000 | 30,000 | 30,000 |
| 2.080 - Total Rev & Other Sources | 30,843,254 | 30,665,535 | 30,507,886 | 29,499,397 | 28,396,619 | 28,040,729 |
| Expenditures: | | | | | | |
| 3.010 - Personnel Services | 15,634,152 | 17,024,582 | 17,795,247 | 18,634,452 | 19,295,700 | 19,988,132 |
| 3.020 - Employee Benefits | 6,802,491 | 7,552,310 | 8,268,488 | 9,083,265 | 9,896,765 | 10,784,233 |
| 3.030 - Purchased Services | 4,203,717 | 4,476,975 | 4,729,121 | 5,024,259 | 5,341,580 | 5,683,039 |
| 3.040 - Supplies and Materials | 990,930 | 1,151,690 | 1,195,813 | 1,241,973 | 1,290,269 | 1,340,804 |
| 3.050 - Capital Outlay | 147,258 | 400,694 | 430,729 | 466,769 | 510,015 | 561,908 |
| Intergovernmental & Debt Service | - | - | - | - | - | - |
| 4.300 - Other Objects | 400,114 | 400,400 | 415,073 | 430,137 | 445,608 | 461,503 |
| 4.500 - Total Expenditures | 28,178,662 | 31,006,651 | 32,834,471 | 34,880,855 | 36,779,937 | 38,819,619 |
| Other Financing Uses | | | | | | |
| 5.010 - Operating Transfers-Out | - | - | - | - | - | - |
| 5.020 - Advances-Out | 18,221 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| 5.030 - All Other Financing Uses | - | - | - | - | - | - |
| 5.040 - Total Other Financing Uses | 18,221 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| 5.050 - Total Exp and Other Financing Uses | 28,196,883 | 31,026,651 | 32,854,471 | 34,900,855 | 36,799,937 | 38,839,619 |
| 6.010 - Excess of Rev Over/(Under) Exp | 2,646,372 | (361,116) | (2,346,585) | (5,401,458) | (8,403,318) | (10,798,890) |
| 7.010 - Cash Balance July 1 (No Levies) | 8,603,098 | 11,249,470 | 10,888,354 | 8,541,769 | 3,140,311 | (5,263,007) |
| 7.020 - Cash Balance June 30 (No Levies) | 11,249,470 | 10,888,354 | 8,541,769 | 3,140,311 | (5,263,007) | (16,061,897) |
| | | Reservations | | | | |
| 8.010 - Estimated Encumbrances June 30 | 520,983 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 |
| 9.080 - Reservations Subtotal | 544,596 | 544,596 | 544,596 | 544,596 | 544,596 | 544,596 |
| 10.010 - Fund Bal June 30 for Cert of App | 10,183,891 | 9,243,758 | 6,897,173 | 1,495,715 | (6,907,603) | (17,706,493) |
| Rev from Replacement/Renewal Levies | | | | | | |
| 11.010 & 11.020 - Renewal Levies | - | - | - | 1,013,717 | 2,032,991 | 2,385,201 |
| 11.030 - Cumulative Balance of Levies | - | - | - | 1,013,717 | 3,046,709 | 5,431,909 |
| 12.010 - Fund Bal June 30 for Cert of Obligations | 10,183,891 | 9,243,758 | 6,897,173 | 2,509,432 | (3,860,895) | (12,274,584) |
| Revenue from New Levies | | | | | | |
| 13.010 & 13.020 - New Levies | - | - | - | - | - | - |
| 13.030 - Cumulative Balance of New Levies | - | - | - | - | - | - |
| 15.010 - Unreserved Fund Balance June 30 | 10,183,891 | 9,243,758 | 6,897,173 | 2,509,432 | (3,860,895) | (12,274,584) |