



Tecumseh Local School District

Five Year Forecast Financial Report

November 14, 2023

Presented by: Denise L. Robinson, Treasurer/CFO

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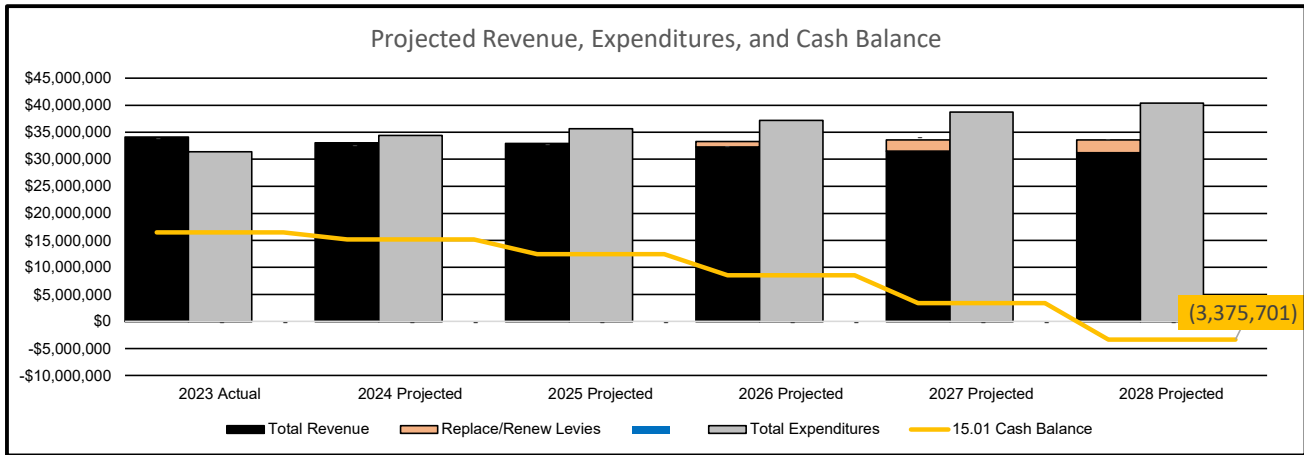
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Forecast Purpose/Objectives

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.



Note: Cash balance (Line 7.020) plus any existing levy modeled as renewed or new during the forecast.

Financial Forecast

	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	16,467,392	15,135,350	12,422,416	8,530,434	3,388,479
+ Revenue	33,092,367	32,975,043	32,287,586	31,543,187	31,213,133
+ Proposed Renew/Replacement Levies	-	-	1,022,220	2,044,491	2,393,069
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(34,424,409)	(35,687,977)	(37,201,788)	(38,729,633)	(40,370,382)
= Revenue Surplus or Deficit	(1,332,042)	(2,712,934)	(3,891,982)	(5,141,955)	(6,764,181)
Line 7.020 Ending Balance with renewal/new levies	15,135,350	12,422,416	8,530,434	3,388,479	(3,375,701)

Analysis Without Renewal Levies Included:

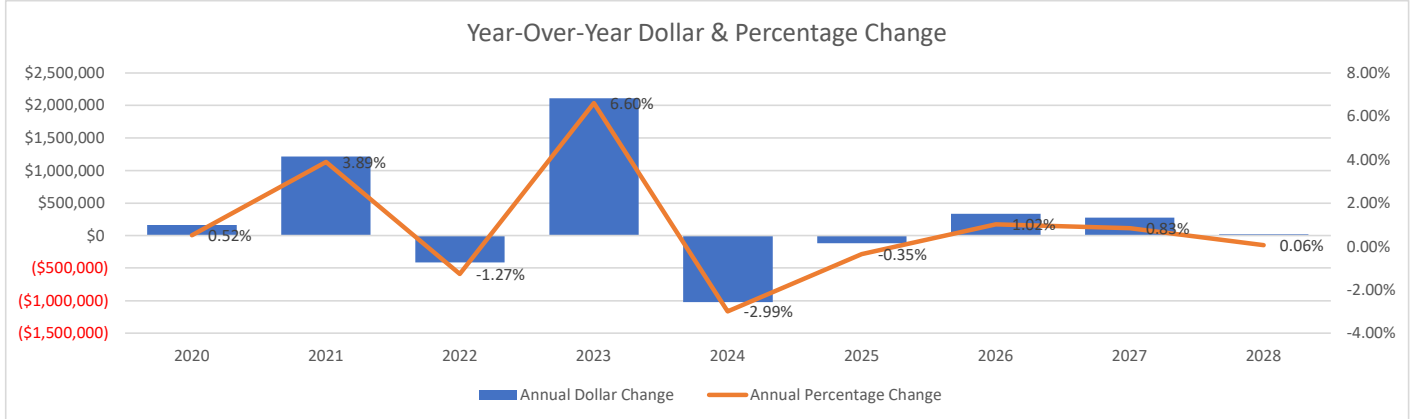
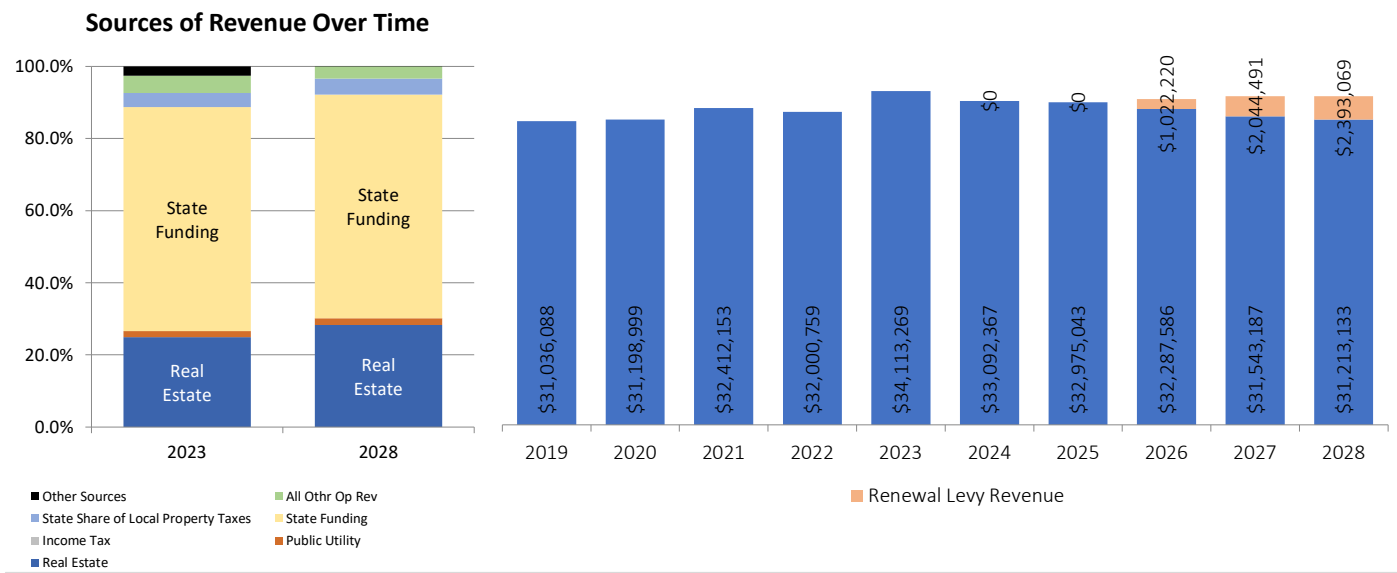
Revenue Surplus or Deficit w/o Levies	(1,332,042)	(2,712,934)	(4,914,202)	(7,186,446)	(9,157,250)
Ending Balance w/o Levies	15,135,350	12,422,416	7,508,214	321,768	(8,835,481)

In FY 2024 a revenue shortfall is expected. This means that expenditures are expected to be greater than revenue by \$1,332,042 in FY 2024. By the last year of the forecast, FY 2028, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$9,157,250. The district would need to cut its FY 2028 projected expenses by 22.68% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2024 and is projected to worsen by FY 2028. A worsening cash balance can erode the district's financial stability over time.

This forecast includes the Fair School Funding Plan (FSFP) adopted by Ohio starting in FY 2022. In addition to calculated results, this forecast includes a CFO adjusted trend calculation of the FSFP impact using current information. As information changes the estimates will be updated. The district is considered a formula district in FY 2023. A detailed state funding supplement to this forecast has been prepared and should be reviewed and considered part of the forecast assumptions.

Revenue Sources and Forecast Year-Over-Year Projected Overview



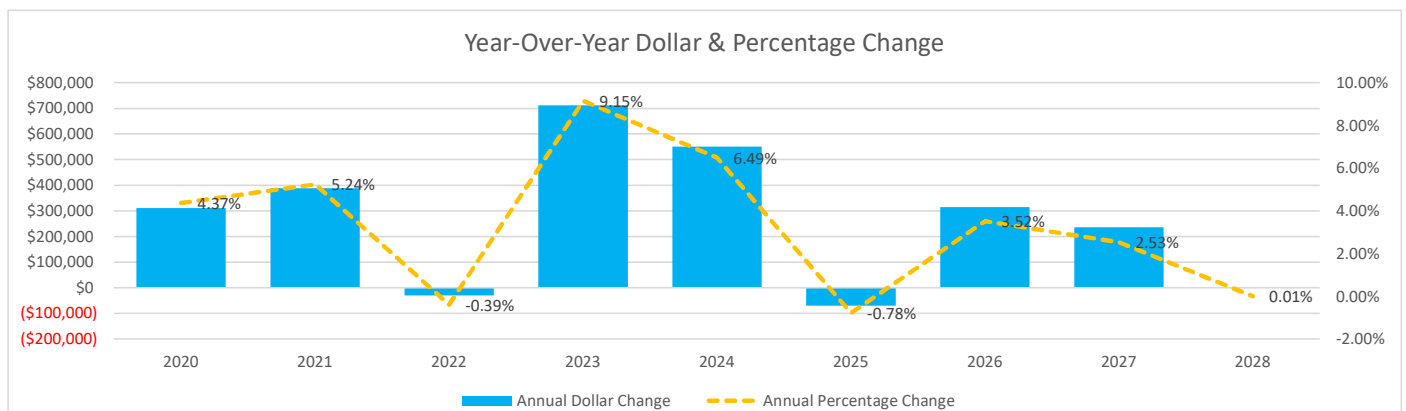
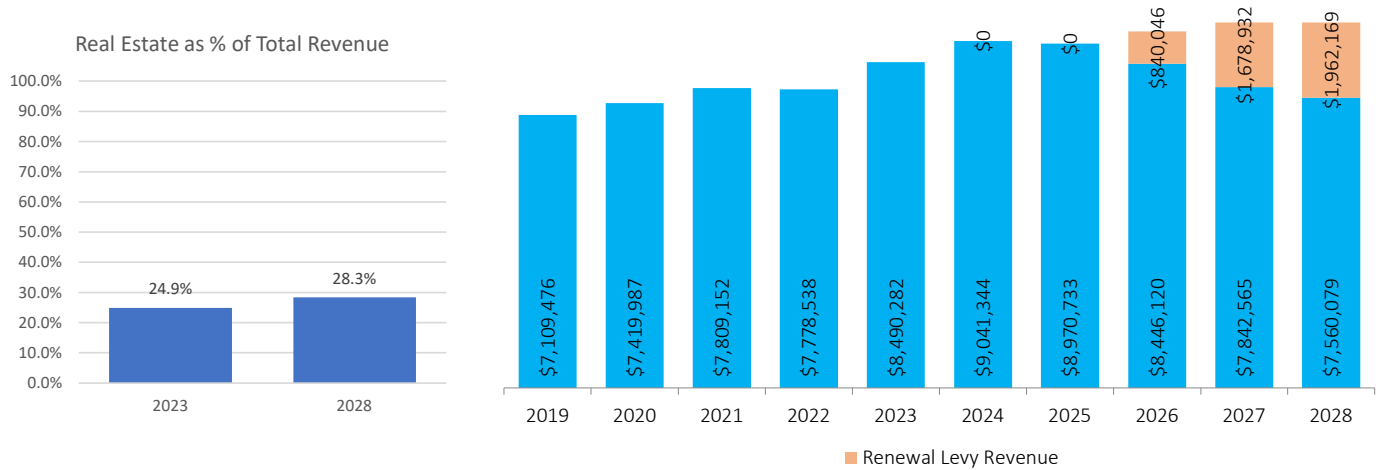
4-Year Historical Actual Average Annual Dollar Change Compared to 5-year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total revenue increased 2.44% or \$769,295 annually during the past 4-Year period and is projected to decrease -0.29% or -\$101,413 annually through FY2028. State Funding has the most projected average annual variance compared to the historical average at -\$496,421
Real Estate	345,202	206,393	(\$138,809)	
Public Utility	\$25,115	\$597	(\$24,518)	
Income Tax	\$0	\$0	\$0	
State Funding	\$430,006	(66,414)	(\$496,421)	
Prop Tax Alloc	\$7,603	\$30,954	\$23,351	
All Othr Op Rev	(\$233,948)	(\$97,715)	\$136,232	
Other Sources	\$195,317	(\$175,227)	(\$370,545)	
Total Average Annual Change	769,295 2.44%	(101,413) -0.29%	(\$870,709) -2.72%	

Note: Expenditure average annual change is projected to be > \$1,795,077 On an annual average basis, expenditures are projected to grow faster than revenue.

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).



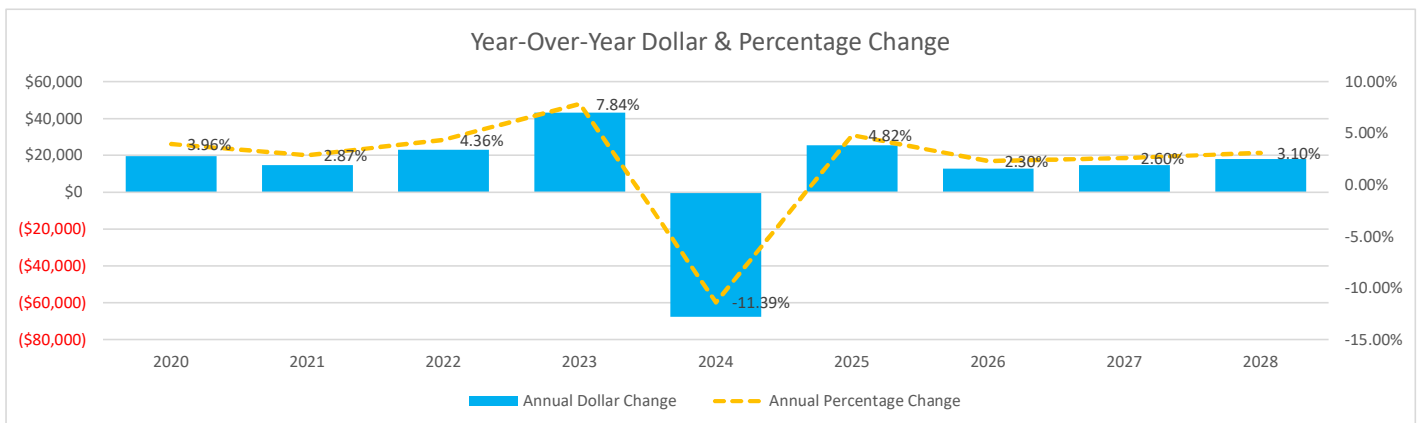
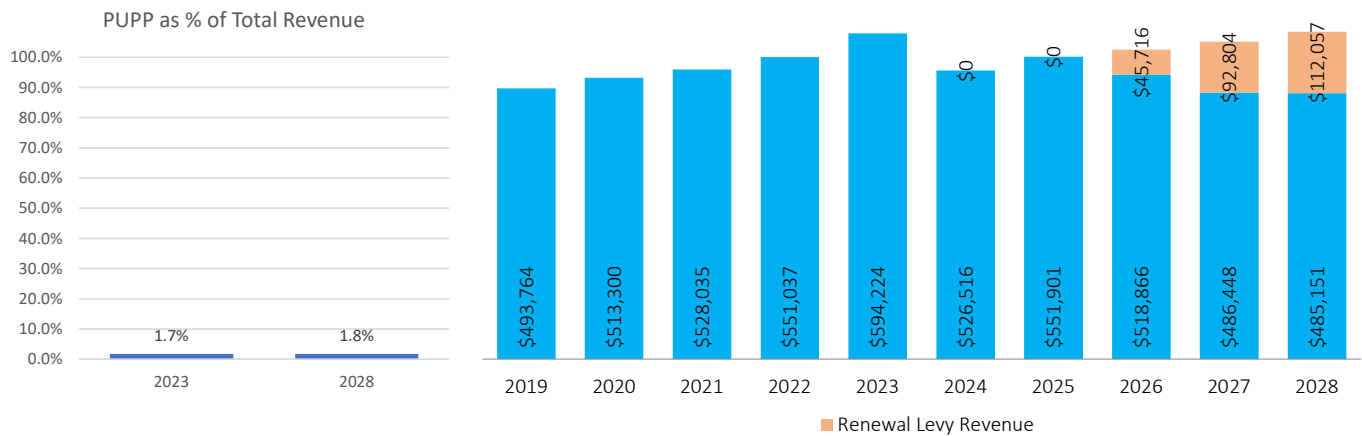
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2022	381,397,890	71,977,140	27.12	-	29.60	-	101.1%
2023	381,935,890	538,000	27.10	(0.02)	29.58	(0.02)	99.1%
2024	382,373,890	438,000	27.08	(0.02)	29.56	(0.02)	99.1%
2025	414,773,890	32,400,000	26.54	(0.54)	28.88	(0.68)	99.1%
2026	415,023,890	250,000	26.53	(0.01)	28.87	(0.01)	99.1%
2027	415,273,890	250,000	26.52	(0.01)	28.85	(0.01)	99.1%

Real estate property tax revenue accounts for 24.89% of total revenue. Class I or residential/agricultural taxes make up approximately 86.24% of the real estate property tax revenue. The Class I tax rate is 27.1 mills in tax year 2023. The district is modeling the renewal of real estate property taxes levies through 2024. The projections reflect an average gross collection rate of 99.1% annually through tax year 2027. The revenue changed at an average annual historical rate of 4.59% and is projected to change at an average annual rate of 2.35% through FY 2028.

*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.



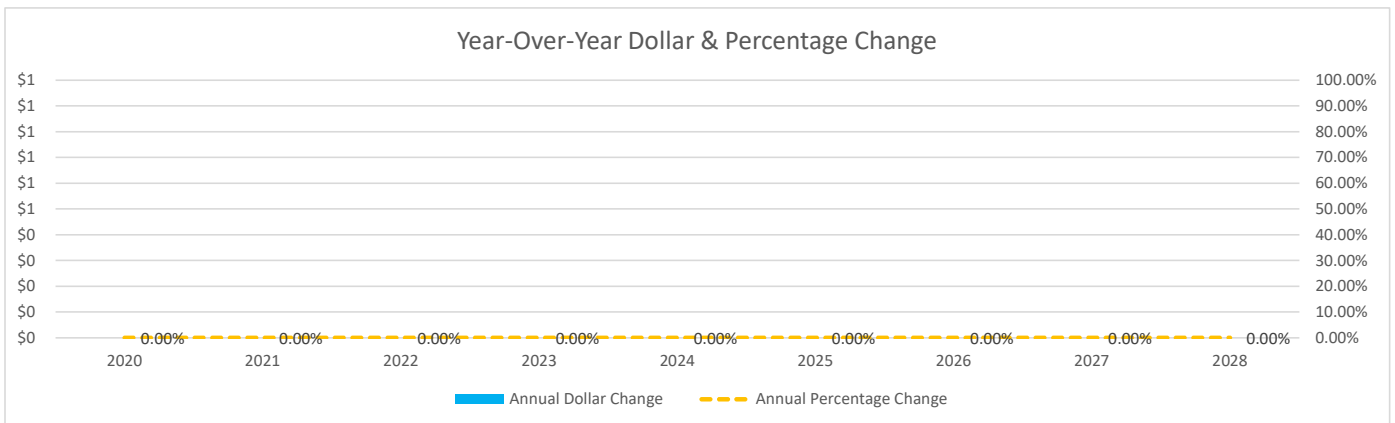
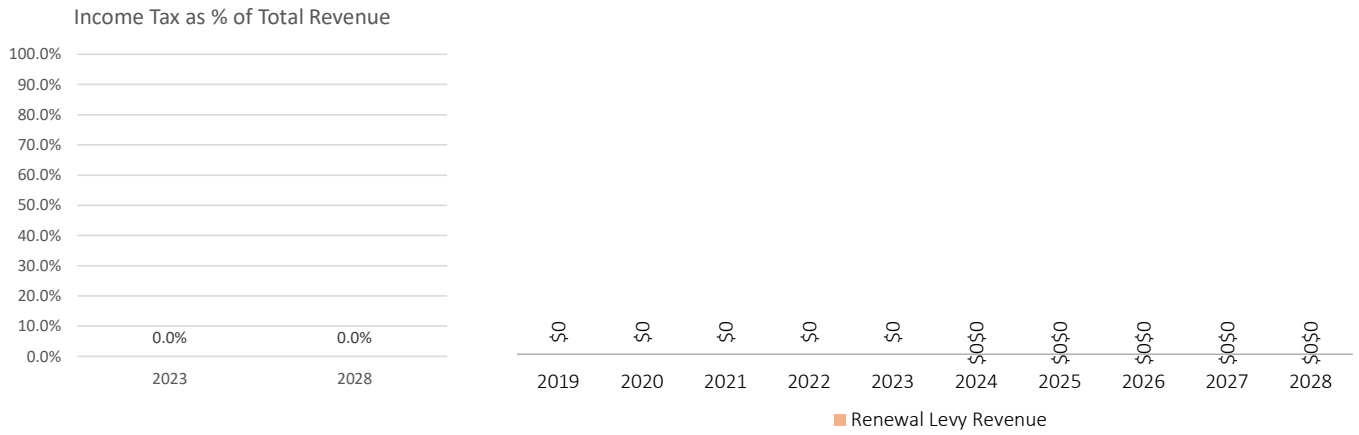
Values and Tax Rates					Gross Collection Rate Including Delinquencies	
Tax Year	Valuation	Value Change	Full Voted Rate	Change		
2022	16,939,400	1,035,070	33.92	(1.57)	100.0%	
2023	17,539,400	600,000	33.90	(0.02)	87.6%	
2024	18,139,400	600,000	33.88	(0.02)	90.9%	
2025	18,739,400	600,000	33.34	(0.54)	90.9%	
2026	19,339,400	600,000	33.33	(0.01)	90.9%	
2027	19,939,400	600,000	33.32	(0.01)	90.9%	

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 1.74% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2023 is 33.9 mills. The forecast is modeling an average gross collection rate of 90.27%. The revenue changed historically at an average annual dollar amount of \$25,115 and is projected to change at an average annual dollar amount of \$597 through FY 2028.

*Projected % trends include renewal levies

1.030 - No 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.

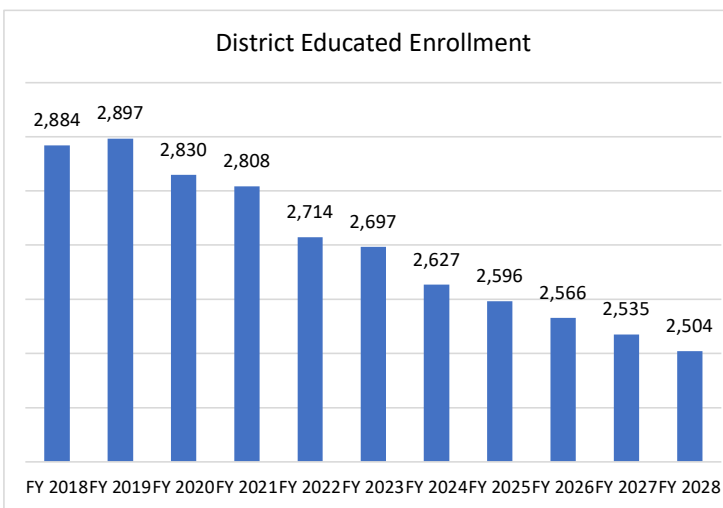
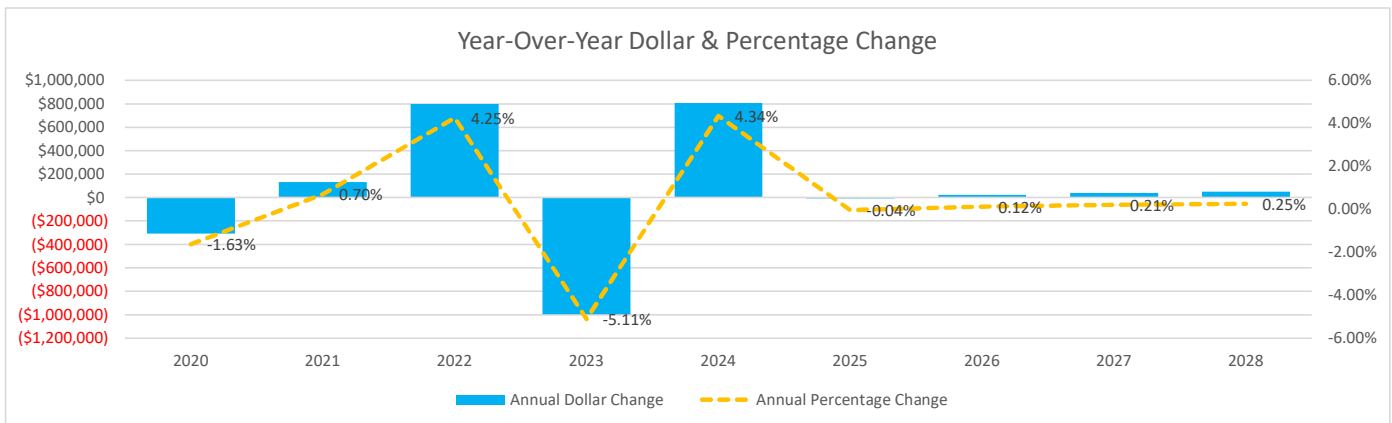
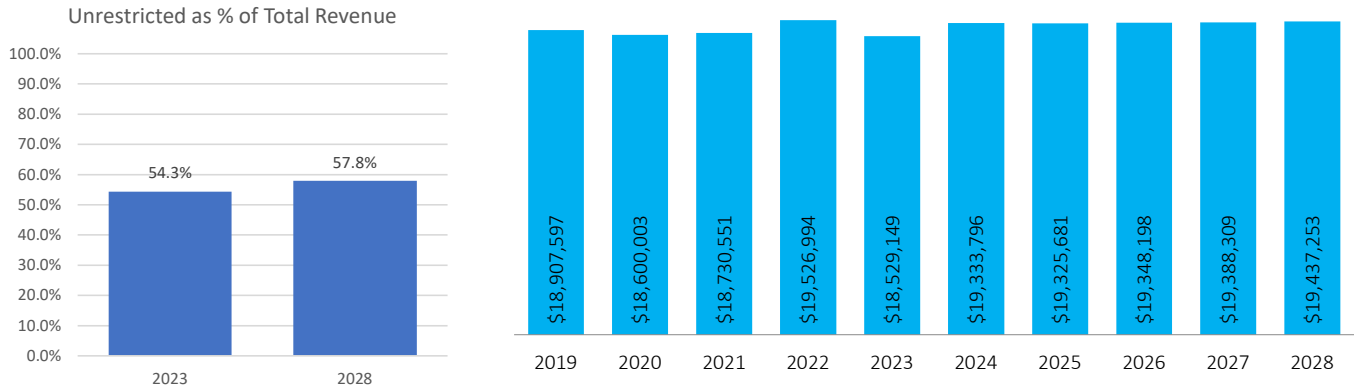


The district does not have an income tax levy.

*Projected % trends include renewal levies

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



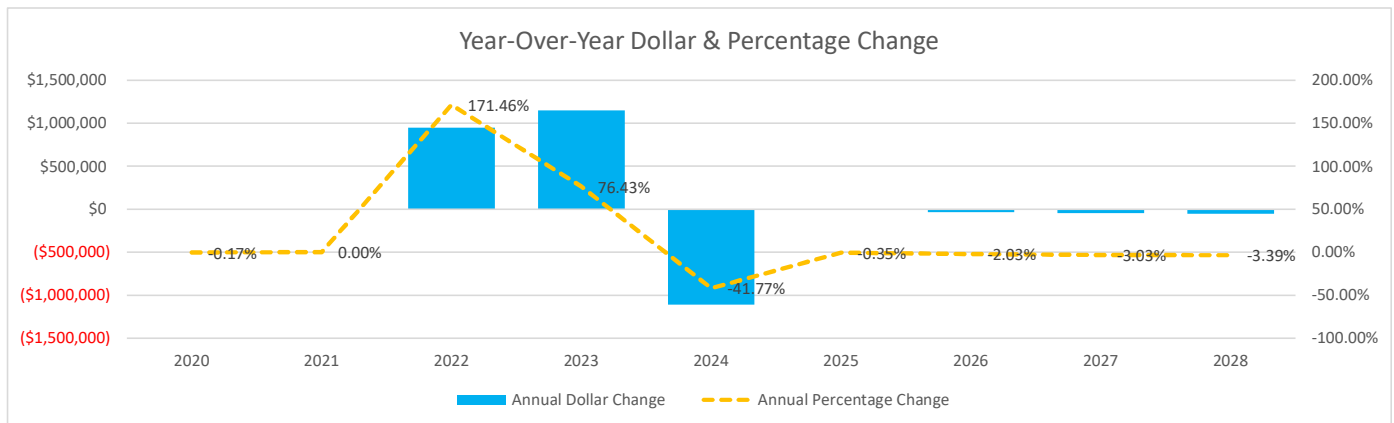
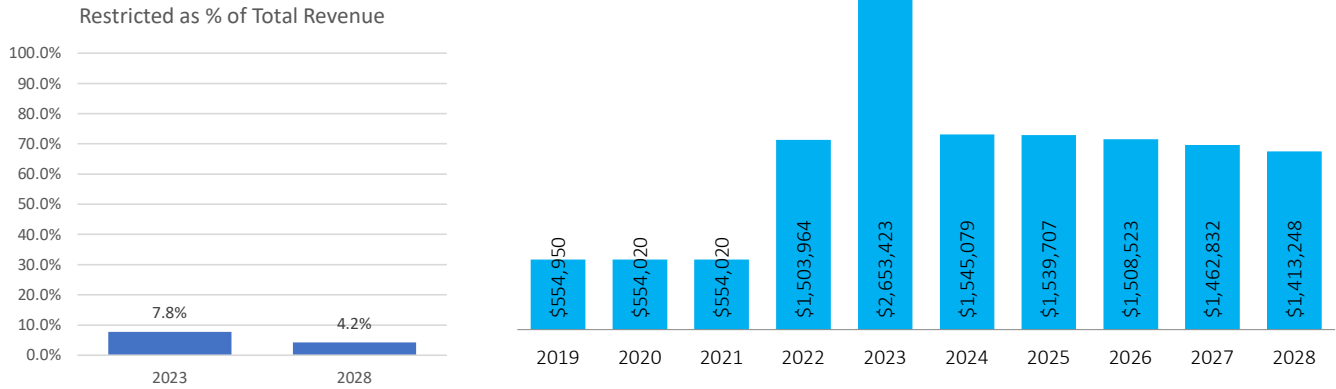
Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

For Tecumseh Local School District the calculated Base Cost total is \$22,301,453 in FY 2023. The state's share of the calculated Base Cost total is \$13,927,614 or \$5,302 per pupil.

The FSFP also started funding students where they attended school. Therefore district educated enrollment is now used for per pupil funding. At the same time, the FSFP eliminated tuition transfer payments from school districts.

1.040 & 1.045 - Restricted Grants-in-Aid

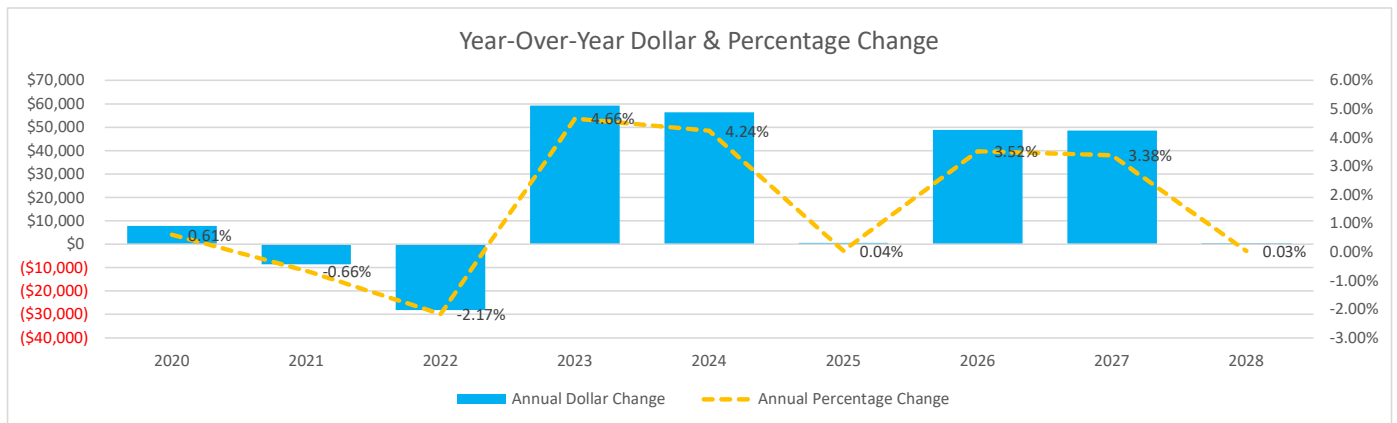
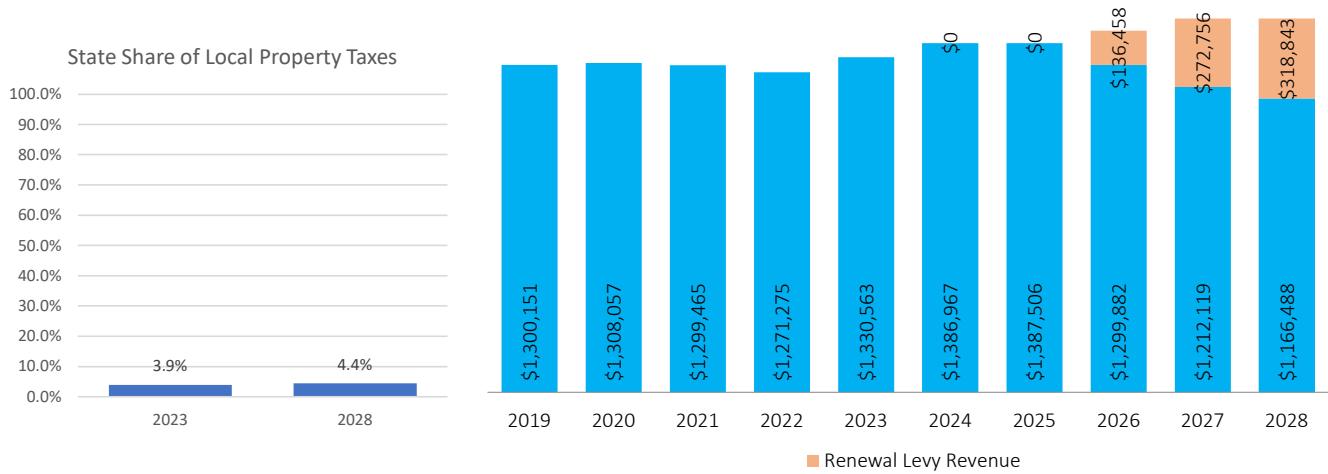
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by \$699,801 and is projected to change annually on average by -\$248,035. Restricted funds represent 7.78% of total revenue. Starting in FY 2022 the district's Success & Wellness funding is considered restricted, the state's share of this funding is recorded as restricted is \$634,358. This funding has implications on general fund expenditures in that certain spending now occurring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

1.050 - State Share of Local Property Taxes

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

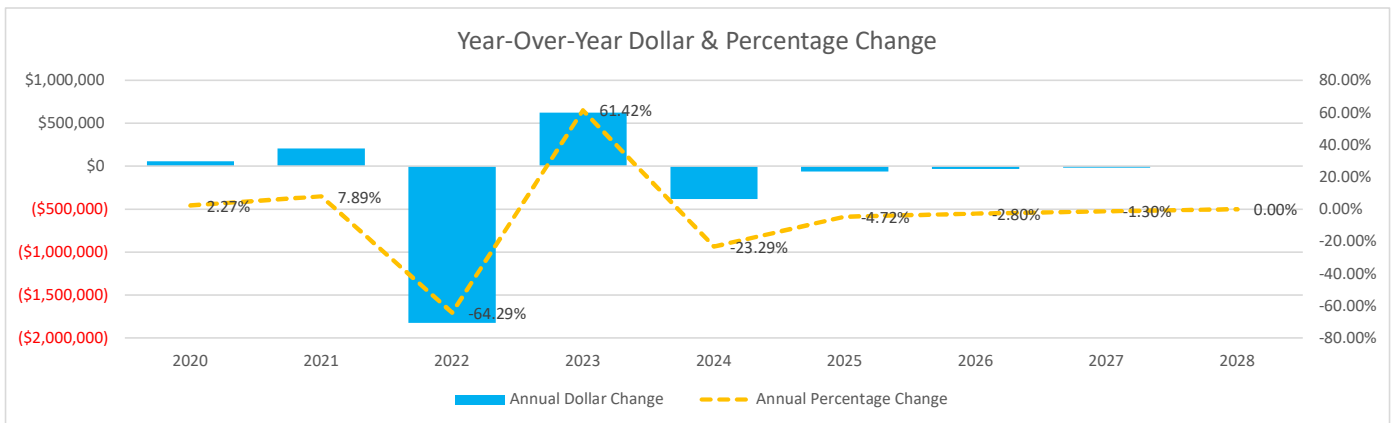
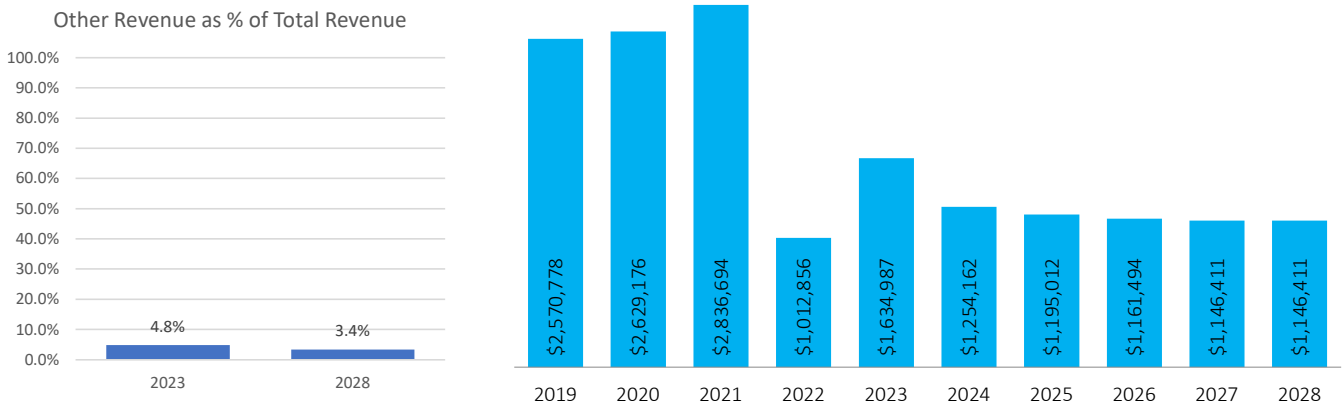


State Share of Local Property Taxes primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2024, approximately 11.7% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 3.1% will be reimbursed in the form of qualifying homestead exemption credits.

*Projected % trends include renewal levies

1.060 - All Other Operating Revenues

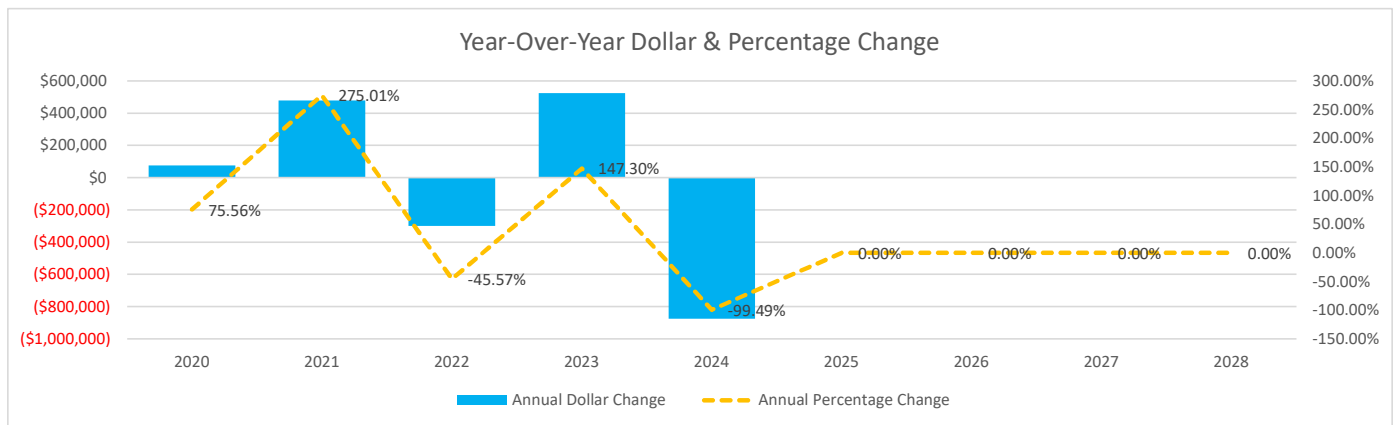
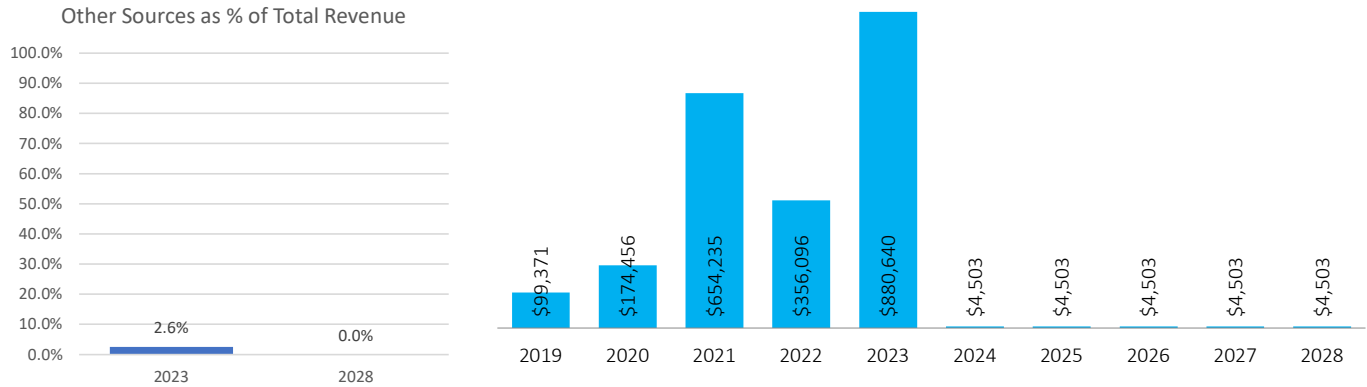
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was -\$233,948. The projected average annual change is -\$97,715 through FY 2028.

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.

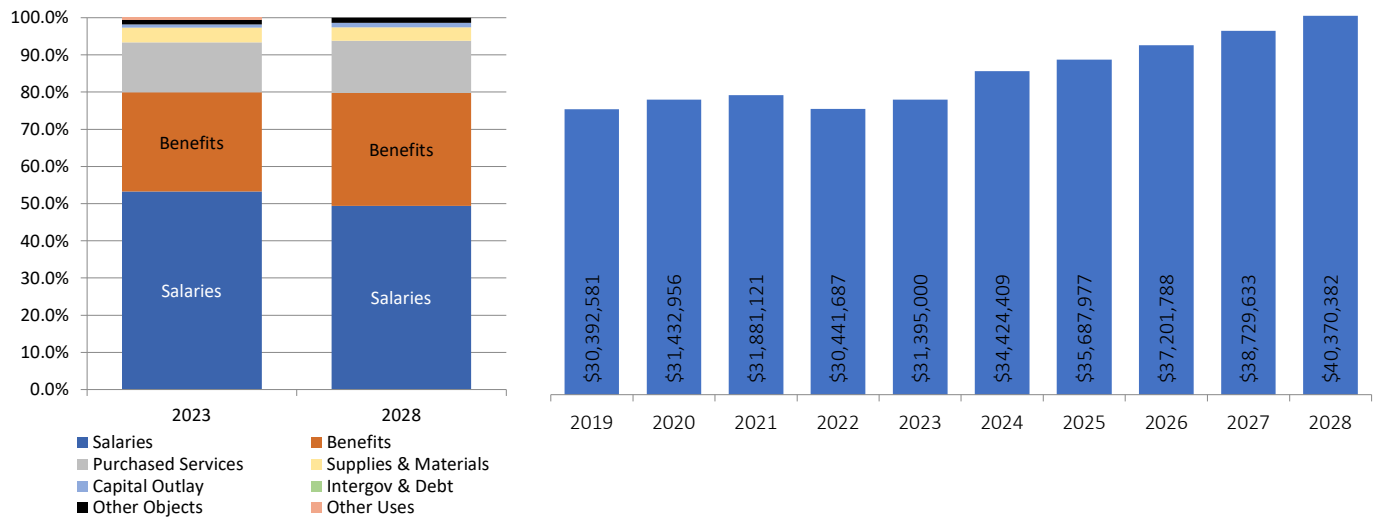


	2023	FORECASTED				
		2024	2025	2026	2027	2028
Transfers In	195,211	-	-	-	-	-
Advances In	676,532	-	-	-	-	-
All Other Financing Sources	8,897	4,503	4,503	4,503	4,503	4,503

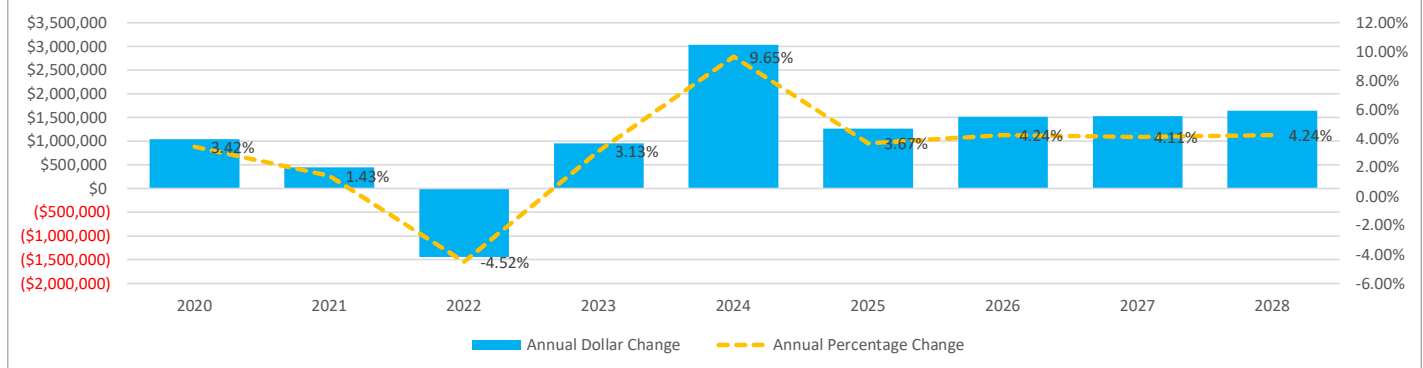
Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2023 the district receipted \$676,532 as advances-in and is projecting advances of \$0 in FY 2024. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$4,503 in FY 2024 and average \$4,503 annually through FY 2028.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



Year-Over-Year Dollar & Percentage Change



4-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total expenditures increased 0.87% or \$250,605 annually during the past 4-Year period and is projected to increase 5.72% or \$1,795,077 annually through FY2028. Salaries has the largest projected average annual variance compared to the historical average at \$712,727.
Salaries	(64,958)	647,769	\$712,727	
Benefits	\$213,586	\$772,595	\$559,009	
Purchased Services	\$47,530	\$286,434	\$238,904	
Supplies & Materials	\$36,071	\$49,313	\$13,242	
Capital Outlay	\$22,257	\$37,419	\$15,161	
Intergov & Debt	\$0	\$0	\$0	
Other Objects	(\$7,246)	\$38,805	\$46,051	
Other Uses	\$3,364	(\$37,258)	(\$40,622)	
Total Average Annual Change	\$250,605	\$1,795,077	\$1,544,472	
	0.87%	5.72%	4.85%	

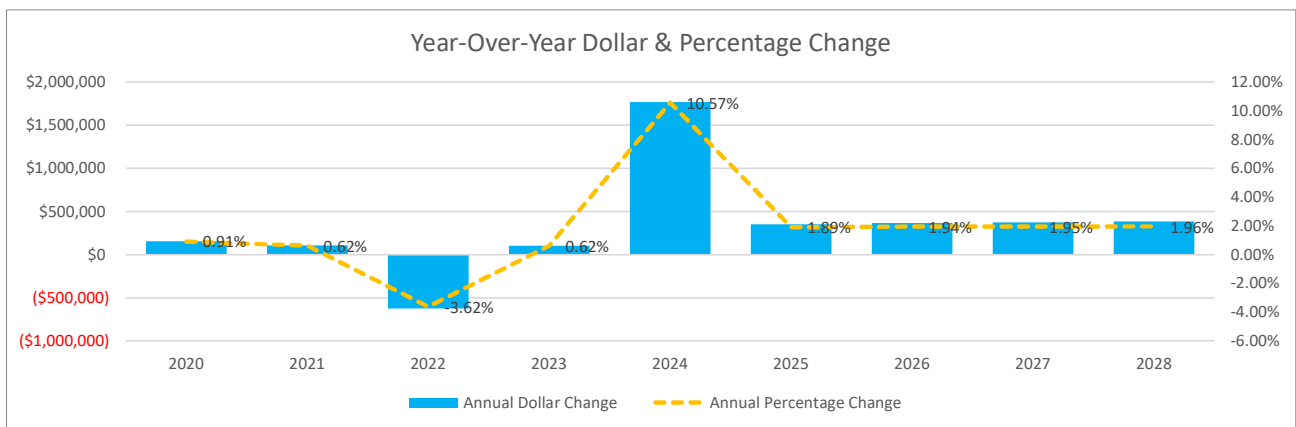
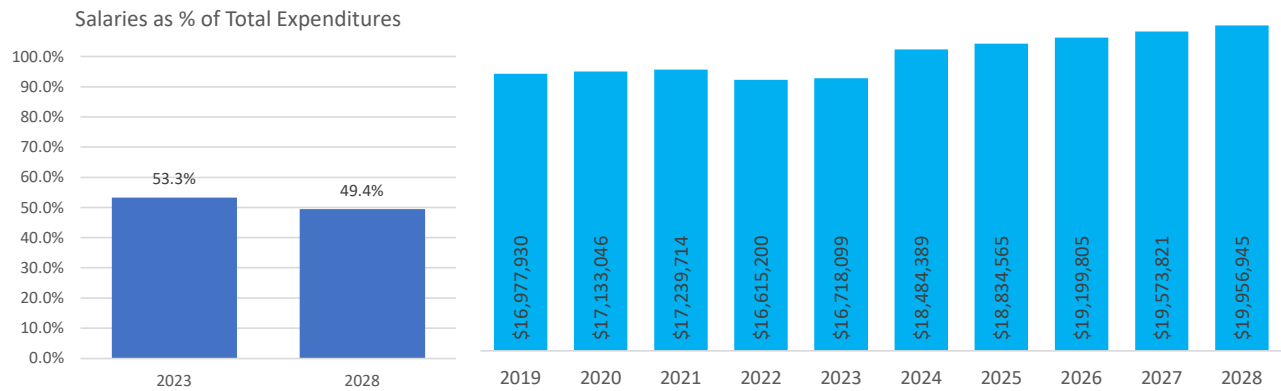
Note: Revenue average annual change is projected to

be > (\$101,413)

On an annual average basis, revenue are projected to contract while expenditures grows

3.010 - Personnel Services

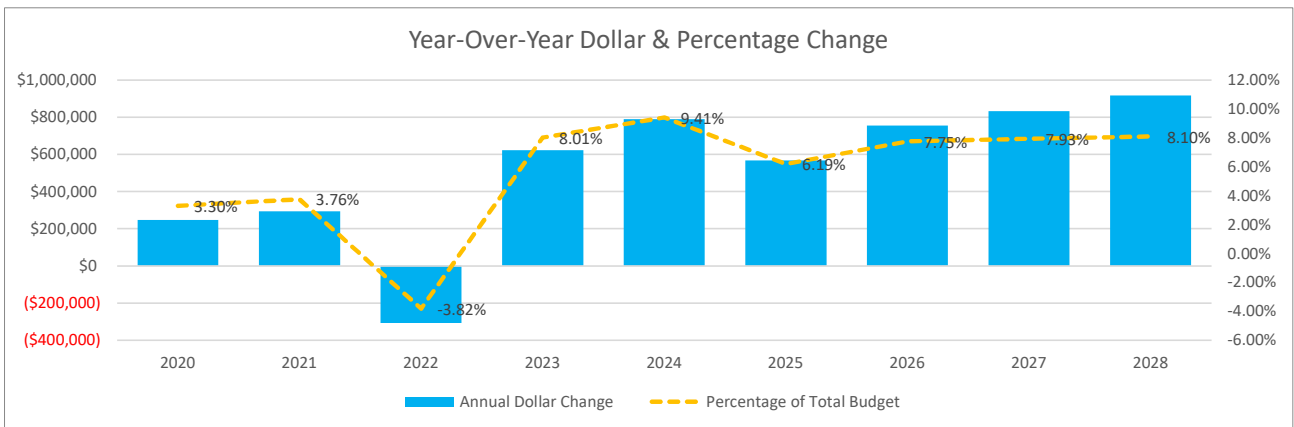
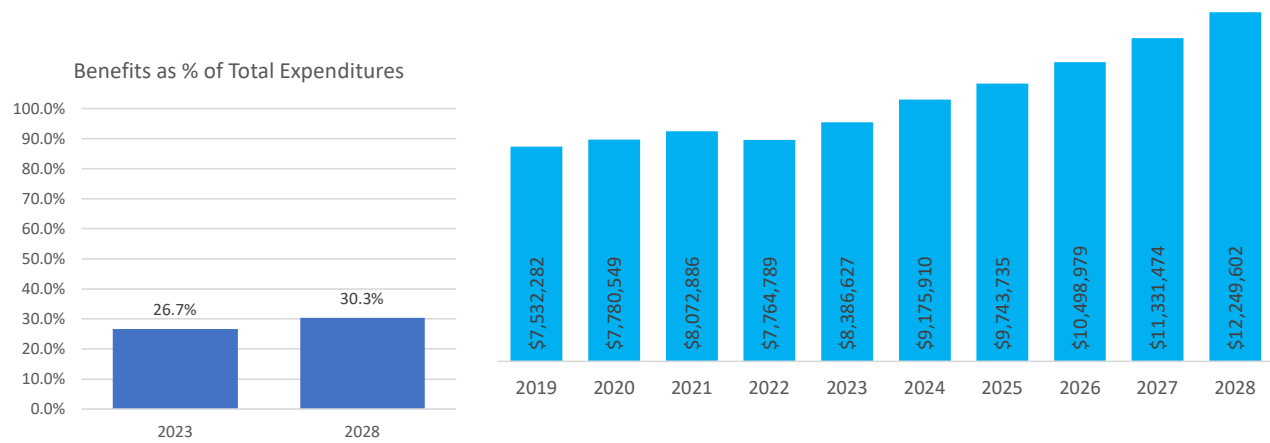
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 53.25% of total expenditures and decreased at a historical average annual rate of -0.37% or -\$64,958. This category of expenditure is projected to grow at an annual average rate of 3.66% or \$647,769 through FY 2028. The projected average annual rate of change is 4.03% more than the five year historical annual average.

3.020 - Employees' Benefits

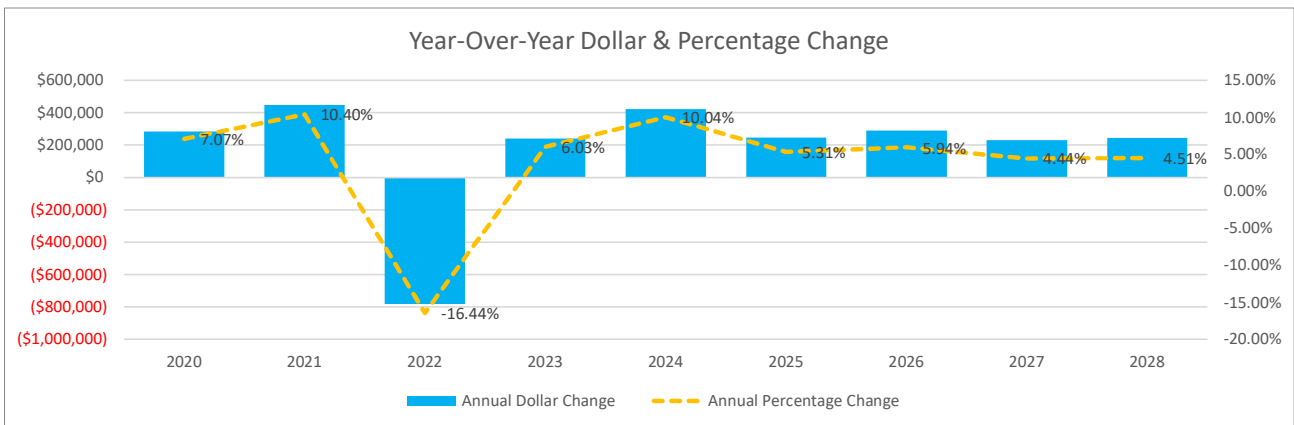
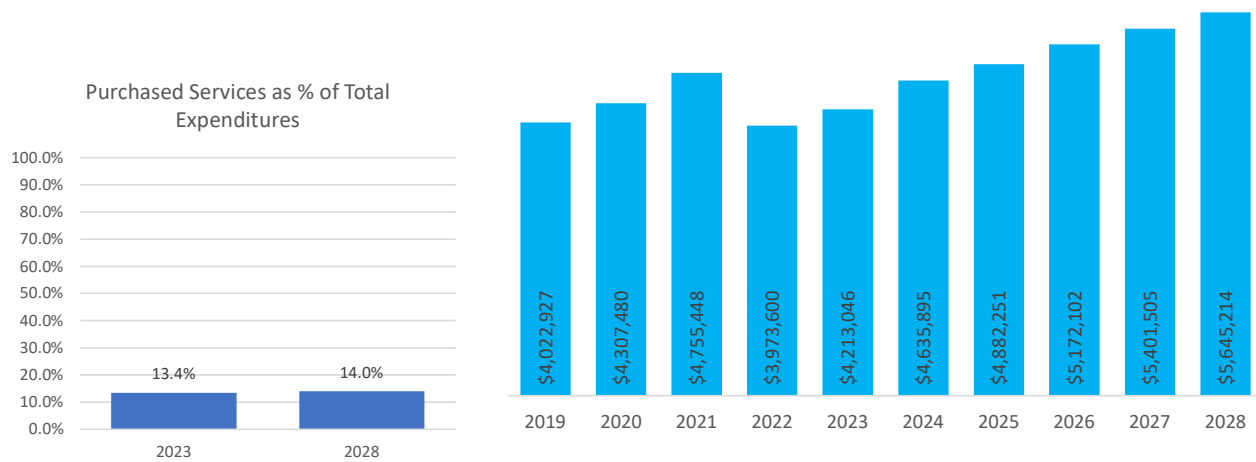
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 26.71% of total expenditures and increased at a historical average annual rate of 2.81%. This category of expenditure is projected to grow at an annual average rate of 7.88% through FY 2028. The projected average annual rate of change is 5.07% more than the five year historical annual average.

3.030 - Purchased Services

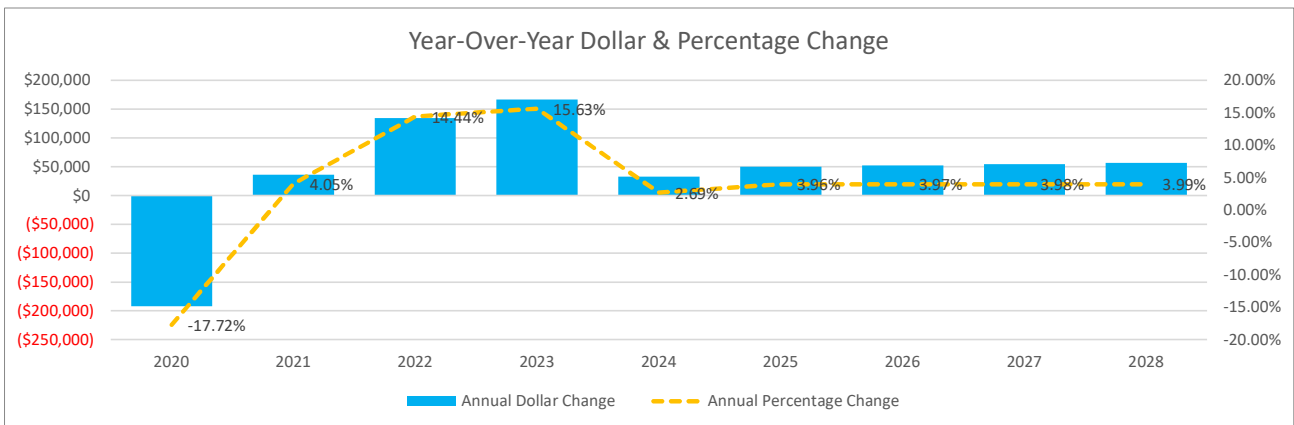
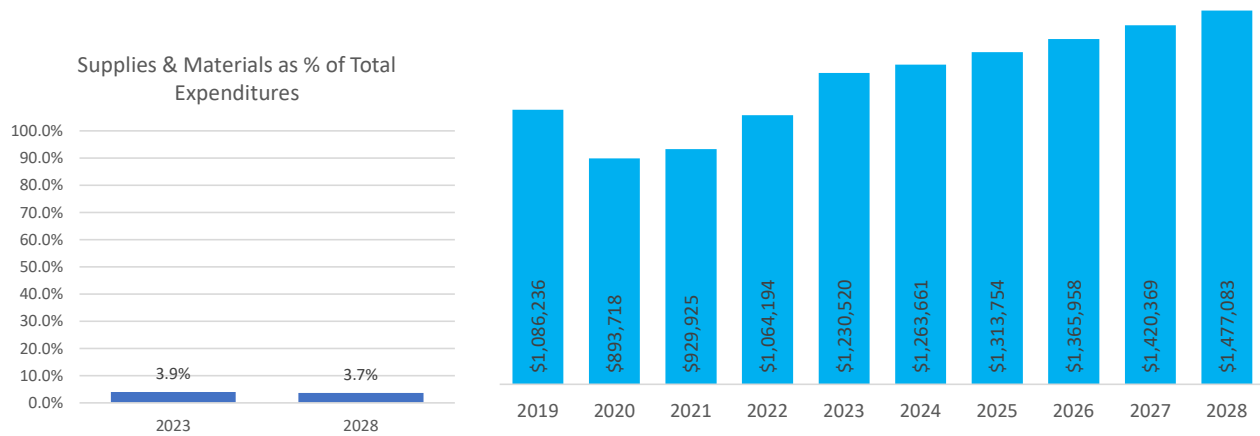
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 13.42% of total expenditures and increased at a historical average annual rate of 1.76%. This category of expenditure is projected to grow at an annual average rate of 6.05% through FY 2028. The FSFP funds only district educated enrollment thereby reducing tuition cost for open enrollment out, community schools, STEM, and scholarships starting in FY 2022. This change resulted in lower district cost but also less per pupil state revenue since per pupil funding was paid directly by the state to the attending school.

3.040 - Supplies & Materials

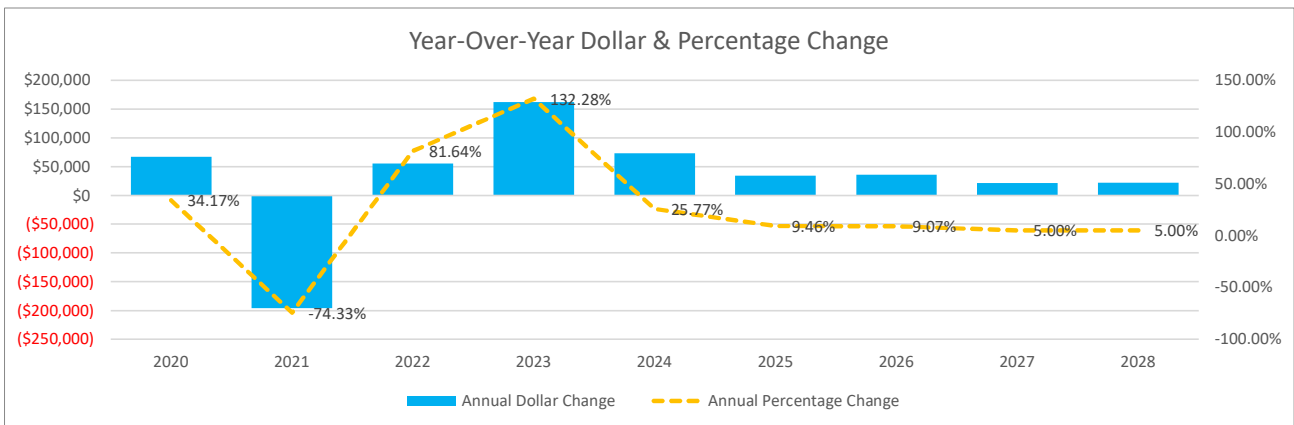
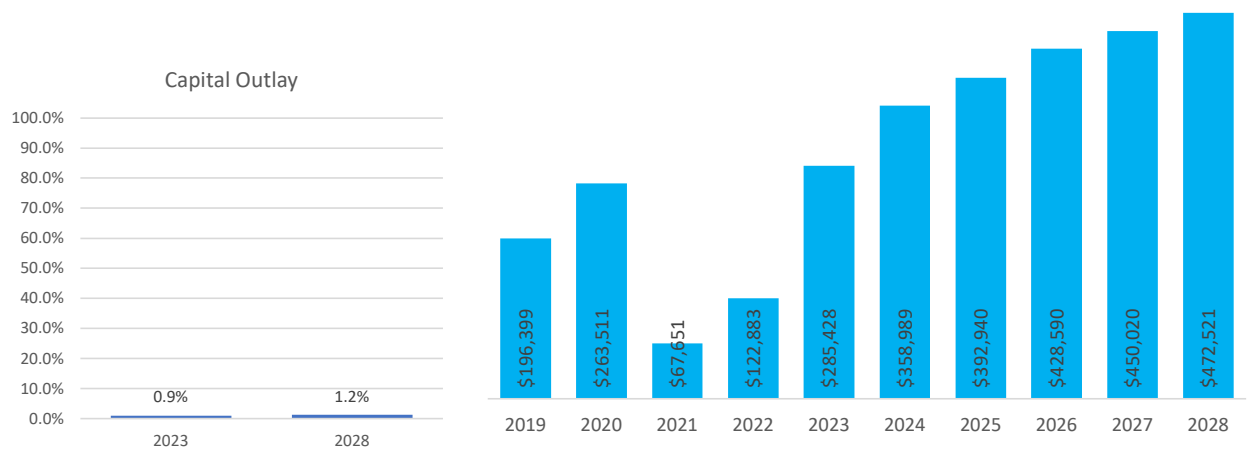
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 3.92% of total expenditures and increased at a historical average annual rate of 4.10%. This category of expenditure is projected to grow at an annual average rate of 3.72% through FY 2028. The projected average annual rate of change is -0.38% less than the five year historical annual average.

3.050 - Capital Outlay

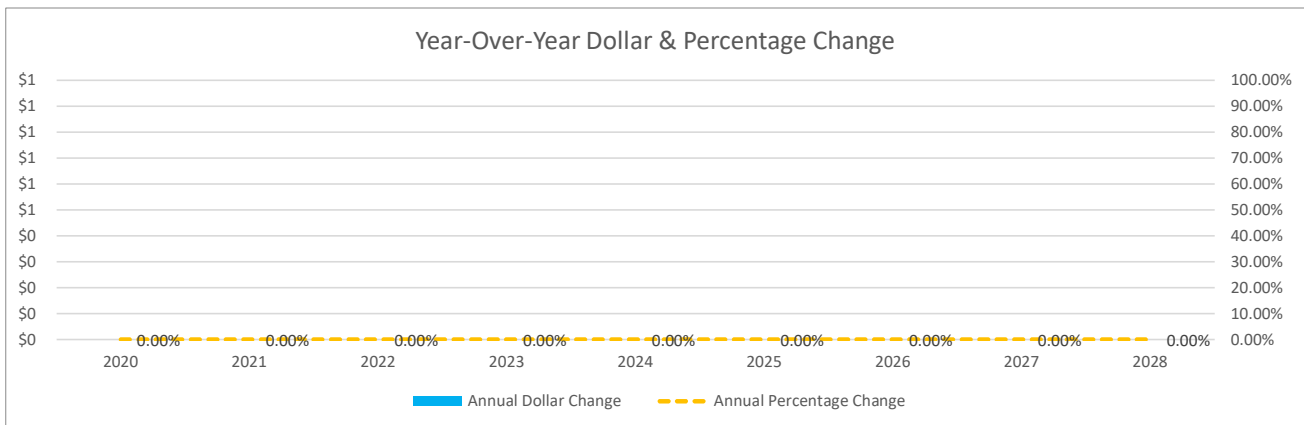
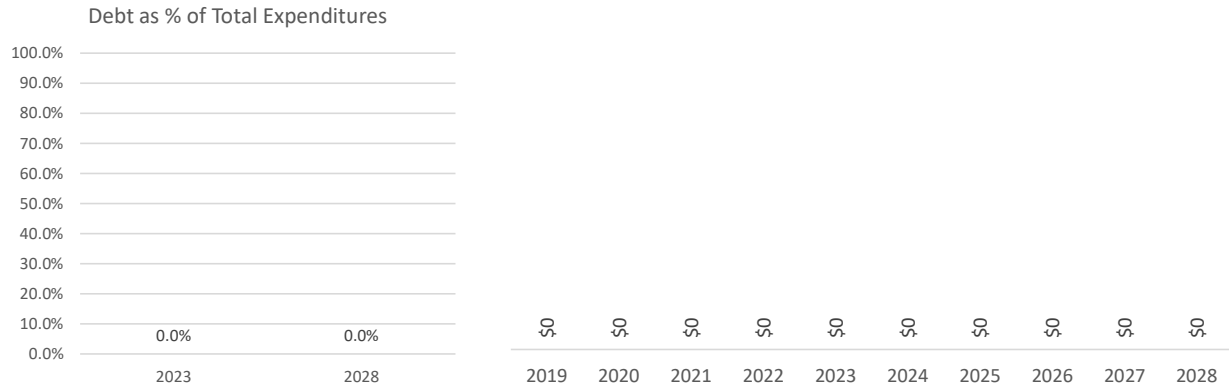
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 0.91% of total expenditures and increased at a historical average annual amount of \$22,257. This category of expenditure is projected to grow at an annual average rate of \$37,419 through FY 2028. The projected average annual change is less than the five year historical annual average.

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.

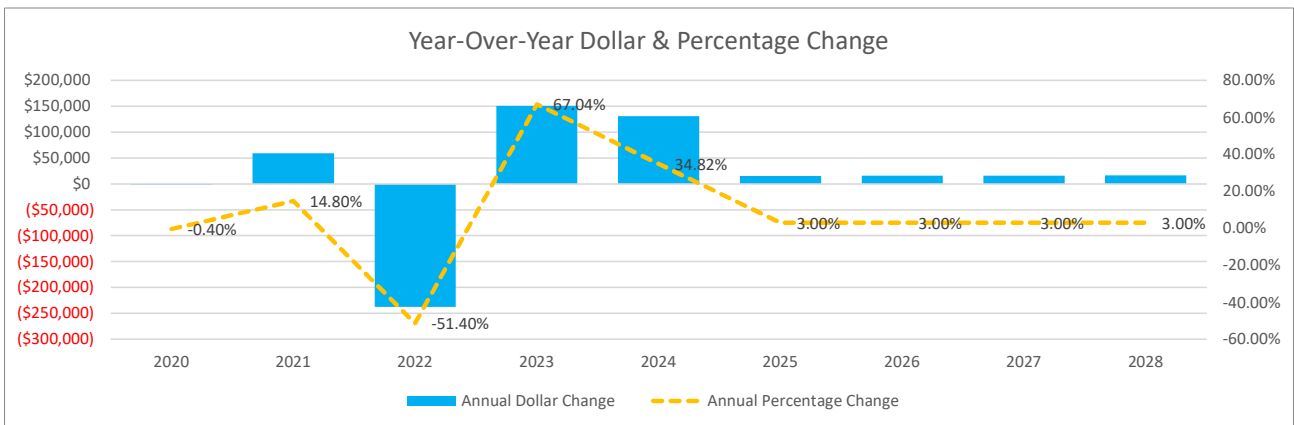
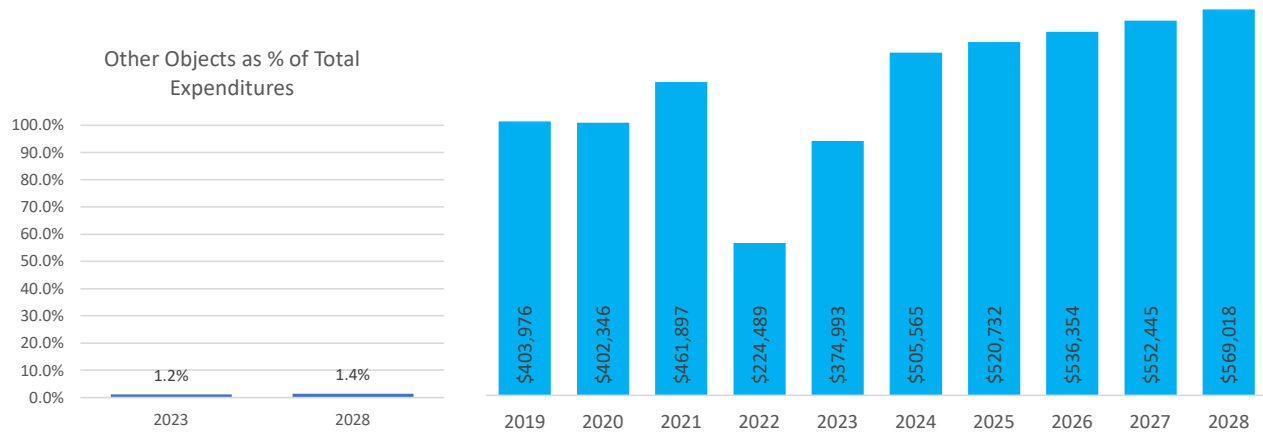


The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

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4.300 - Other Objects

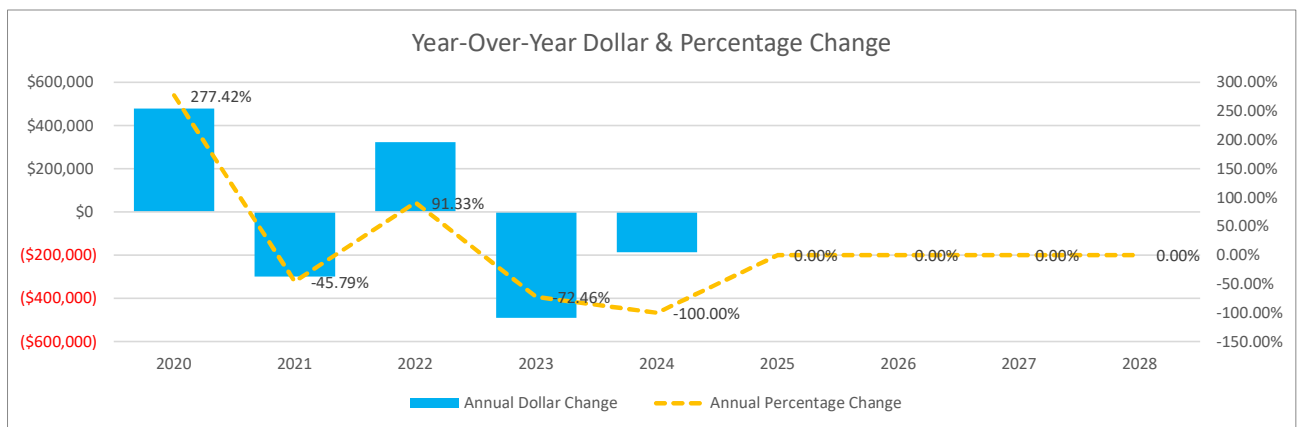
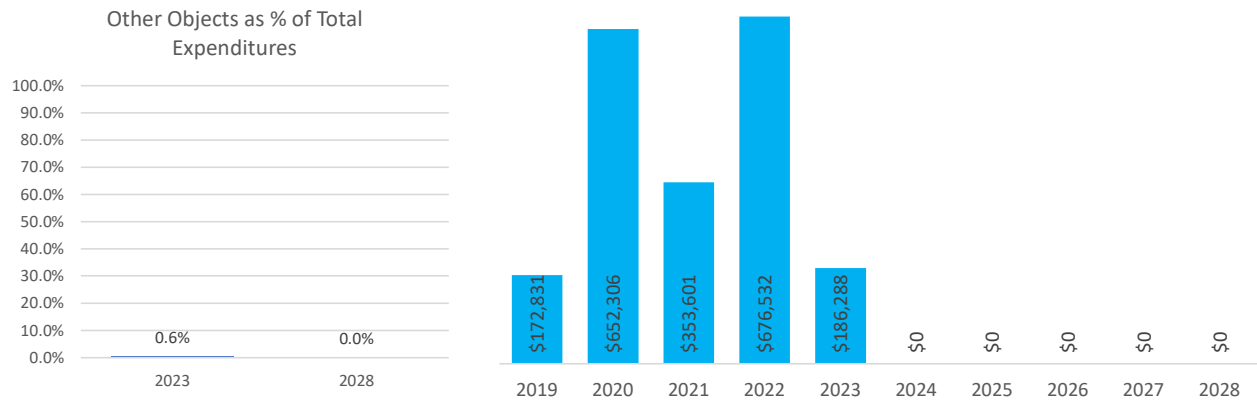
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.19% of total expenditures and increased at a historical average annual rate of 7.51%. This category of expenditure is projected to grow at an annual average rate of 9.36% through FY 2028. The projected average annual rate of change is 1.85% more than the five year historical annual average.

5.040 - Total Other Financing Uses

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



	2023	FORECASTED				
		2024	2025	2026	2027	2028
Transfers Out	186,288	-	-	-	-	-
Advances Out	-	-	-	-	-	-
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In FY 2023 the district had no advances-out and has no advances-out forecasted through FY 2028. The district can also move general funds permanently to other funds and as the schedule above presents, the district has no transfers forecasted through FY 2028. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

Tecumseh Local School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2023	2024	2025	2026	2027	2028
Revenue:						
1.010 - General Property Tax (Real Estate)	8,490,282	9,041,344	8,970,733	8,446,120	7,842,565	7,560,079
1.020 - Public Utility Personal Property	594,224	526,516	551,901	518,866	486,448	485,151
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	18,529,149	19,333,796	19,325,681	19,348,198	19,388,309	19,437,253
1.040 - Restricted Grants-in-Aid	2,653,423	1,545,079	1,539,707	1,508,523	1,462,832	1,413,248
1.050 - State Share-Local Property Taxes	1,330,563	1,386,967	1,387,506	1,299,882	1,212,119	1,166,488
1.060 - All Other Operating Revenues	1,634,987	1,254,162	1,195,012	1,161,494	1,146,411	1,146,411
1.070 - Total Revenue	33,232,629	33,087,864	32,970,540	32,283,083	31,538,684	31,208,630
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	195,211	-	-	-	-	-
2.050 - Advances-In	676,532	-	-	-	-	-
2.060 - All Other Financing Sources	8,897	4,503	4,503	4,503	4,503	4,503
2.070 - Total Other Financing Sources	880,640	4,503	4,503	4,503	4,503	4,503
2.080 - Total Rev & Other Sources	34,113,269	33,092,367	32,975,043	32,287,586	31,543,187	31,213,133
Expenditures:						
3.010 - Personnel Services	16,718,099	18,484,389	18,834,565	19,199,805	19,573,821	19,956,945
3.020 - Employee Benefits	8,386,627	9,175,910	9,743,735	10,498,979	11,331,474	12,249,602
3.030 - Purchased Services	4,213,046	4,635,895	4,882,251	5,172,102	5,401,505	5,645,214
3.040 - Supplies and Materials	1,230,520	1,263,661	1,313,754	1,365,958	1,420,369	1,477,083
3.050 - Capital Outlay	285,428	358,989	392,940	428,590	450,020	472,521
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	374,993	505,565	520,732	536,354	552,445	569,018
4.500 - Total Expenditures	31,208,712	34,424,409	35,687,977	37,201,788	38,729,633	40,370,382
Other Financing Uses						
5.010 - Operating Transfers-Out	186,288	-	-	-	-	-
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	186,288	-	-	-	-	-
5.050 - Total Exp and Other Financing Uses	31,395,000	34,424,409	35,687,977	37,201,788	38,729,633	40,370,382
6.010 - Excess of Rev Over/(Under) Exp	2,718,269	(1,332,042)	(2,712,934)	(4,914,202)	(7,186,446)	(9,157,250)
7.010 - Cash Balance July 1 (No Levies)	13,749,123	16,467,392	15,135,350	12,422,416	7,508,214	321,768
7.020 - Cash Balance June 30 (No Levies)	16,467,392	15,135,350	12,422,416	7,508,214	321,768	(8,835,481)
		Reservations				
8.010 - Estimated Encumbrances June 30	1,339,244	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
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	14,583,552	13,590,754	10,877,820	5,963,618	(1,222,828)	(10,380,077)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	1,022,220	2,044,491	2,393,069
11.030 - Cumulative Balance of Levies	-	-	-	1,022,220	3,066,711	5,459,780
12.010 - Fund Bal June 30 for Cert of Obligations	14,583,552	13,590,754	10,877,820	6,985,838	1,843,883	(4,920,297)
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	14,583,552	13,590,754	10,877,820	6,985,838	1,843,883	(4,920,297)



Tecumseh Local School District
Five Year Forecast Assumptions
November 14th, 2023

Forecast Summary:

The forecast summary shows the district is deficit spending in FY 24, as well as the other four years in the five year forecast. The district will need to continue to monitor spending and look at other possible revenue streams to combat this trend.

Revenue Sources:

This section shows the percent change in each revenue line item through the five year forecast. Overall revenues are projected to stay fairly consistent over the forecast unless otherwise noted.

General Property Tax:

General Property Tax represents 24.89% of the district's revenue. A general reappraisal is mandated by Ohio Law every six years and an update every three years. Calendar Year 2019 was a reappraisal year, therefore 2022 was an update year for Clark County. The new values became effective January 1, 2023. If there is an increase in property values, we will see an increase in revenue in regards to our 5.8 inside millage. We may not see the entire increase in additional revenue due to House Bill 920. When property values increase, the effective tax rate decreases so that the amount of tax collected does not exceed what was originally levied. However, we are at the 20 mill floor, which will allow for growth as values continue to increase. This line item increased over previous years due to the 22.4% increase in property values from the 2022 update. There are no additional tax levies projected in the five year forecast at this time.

Public Utility Personal Property:

Public Utility Personal Property (PUPP) makes up less than 2% of the district's revenue. This revenue stream fluctuates slightly each year because it is dependent upon the renewal levies.

Income Tax:

Not applicable



Unrestricted Grants in Aid:

Unrestricted Grants in Aid represents approximately 54.3% of the district’s revenue. These are the funds received directly from the State through our foundation program.

This line item is determined by the Governor’s Budget, which is a two-year plan. The current budget is for FY 24 & FY 25 and is called the Fair School Funding Plan (FSFP). It is driven by a base cost methodology that incorporates the four components identified as necessary to the education process: Direct Classroom Instruction, Building Leadership & Operations, Instructional and Student Support, and District Leadership & Accountability. With the FSFP, Tecumseh’s current calculated Base Cost per Pupil is approximately \$8,140 (\$2,838 local share; \$5,302 state share). This changes as enrollment and district wealth changes. This funding formula was first introduced in the last budget cycle. It continues to provide funds directly to schools where students are educated

Restricted Grants in Aid:

This line item represents approximately 7.8% of total revenue. With the FSFP, Career Tech Funds, Disadvantaged Pupil Impact Aid (DPIA), Gifted Funding, English Language Learners (ELL), and Student Wellness and Success Funding (SWSF) are all restricted funds. Not only are there restrictions to the use of these funds, but there is also additional state reporting that must occur as a result of spending the funds. We also must work with a “Community Partner” to develop a plan to spend the DPIA funds, as well as a Mental Health Organization. The SWSF were previously required to be reported in a separate fund. Now, the funds are restricted in the general fund and all corresponding expenses will also be recorded in the general fund. The decrease in these funds is a result of the reduction of DPIA funding due to the district no longer qualifying for the Community Eligibility Provision (CEP).



State Share of Local Property Taxes:

The State Share of Local Property Taxes 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 was in FY 2022.

Homestead and Rollback remain steady but are also affected by the renewals of the 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 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).

Other Operating Revenues:

Other Operating Revenues includes tuition, fees, interest earnings, rentals and donations. This line item is predicted to stay fairly consistent over the forecast. Interest revenue is currently showing a significant increase over last year, but student fee revenue is showing a slight decrease.

Total Other Financing Sources:

This area currently represents a little more than two and one half percent of the district's revenue. This category includes operating transfers, sale of fixed assets, and refunds of prior year expenditures. The advance in and out of the general fund from one year to the next is due to the general fund advancing funds to all negative grant funds at June 30th and then receiving those exact funds back on July 1st.



Expenditure Sources:

For expenditures, the largest change is in Salaries and Benefits. The district has been using Student Wellness and Success Funds as well as ESSER funds to supplant salaries and benefits from the General Fund since FY 21, however those salaries and benefits came back into the General Fund in FY 24.

Personnel Services:

Personnel Services represents approximately 53.3% of the district's expenses. Salaries are predicted to increase in FY 24 from the previous year. The increase is due to salaries coming back into the General Fund (ESSER II and ESSER III supplanted salaries) plus the 2% increase given to staff during FY 24.

I have added in the cost of step increases each year into the forecast, as well as a 2% base increase for all staff for FY 24. I have not added any base increases for FY 25 – FY 28.

Employee Benefits:

Employee Benefits represent approximately 26.7% of the district's expenses. This line item includes retirement, worker's compensation, Medicare, unemployment, and all health 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. Tecumseh LSD's rate increase beginning in January 2024 is 6.5% for medical insurance and 1.5% for dental and vision insurance. I have forecasted an 11% increase projected for medical insurance for FY 25 – FY 28.

Purchased Services:

Purchased Services represents a little over 13% of the district's expenses. The expenditures in this line item consist of amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase. For FY 24 and moving forward, I have forecasted a 3% increase in this line item, except for utilities expenses. I have predicted a 10% increase in those costs.

Supplies & Materials:

Supplies and Materials represents approximately 3.9% 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 3-5% increase in supplies expense for FY 24 - FY 28.

Capital Outlay:

Capital Outlay represents less than one percent of the district's expenses. However, the district has implemented a Capital Improvement Plan that spans the next three years, with the assumption that it will continue to be updated as we plan for the future. With that in mind, I have budgeted a 5% increase in this line item each year of the forecast.

Intergovernmental Debt:

N/A



Other Objects:

Other Objects represents a little more than 1% of the district's expenses. This line encompasses membership dues and fees, audit expenses, and auditor and treasurer fees. I am forecasting an increase of 3% in this category for FY 24 to FY 28.

Total Other Financing Uses:

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.

Questions regarding the five year forecast and/or the assumptions can be emailed to Denise Robinson, Treasurer/CFO at denise.robinson@tecumsehlocal.org or by calling 937-845-3576.