

Tecumseh Local School District
5 Year Forecast
November 19, 2024



Tecumseh Local School District
Schedule Of Revenue, Expenditures and Changes In Fund Balances
Actual and Forecasted Operating Fund

	ACTUAL			FORECASTED				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Revenue:								
1.010 - General Property Tax (Real Estate)	7,778,538	8,490,281	9,151,902	9,091,323	8,542,016	7,969,190	7,689,978	7,608,724
1.020 - Public Utility Personal Property	551,036	594,225	614,590	680,418	626,476	602,302	611,741	619,807
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	19,526,992	18,529,149	19,584,235	19,446,303	19,574,798	19,387,407	19,442,290	19,510,989
1.040 - Restricted Grants-in-Aid	1,503,960	2,653,425	1,994,797	3,297,873	1,752,443	1,697,916	1,642,416	1,566,545
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - State Share of Local Property Taxes	1,271,273	1,330,562	1,405,816	1,390,825	1,309,000	1,228,039	1,183,189	1,168,204
1.060 - All Other Operating Revenues	1,012,862	1,634,989	2,032,289	1,858,526	1,754,081	1,665,303	1,589,842	1,525,700
1.070 - Total Revenue	31,644,661	33,232,631	34,783,629	35,765,268	33,558,814	32,550,157	32,159,456	31,999,969
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	195,211	4,085	-	-	-	-	-
2.050 - Advances-In	353,601	676,532	-	-	-	-	-	-
2.060 - All Other Financing Sources	2,495	8,897	4,503	-	-	-	-	-
2.070 - Total Other Financing Sources	356,096	880,640	8,588	-	-	-	-	-
2.080 - Total Revenues and Other Financing Sources	32,000,757	34,113,271	34,792,217	35,765,268	33,558,814	32,550,157	32,159,456	31,999,969
Expenditures:								
3.010 - Personnel Services	16,615,200	16,718,099	18,065,809	18,888,651	19,320,757	19,844,498	20,382,800	20,935,963
3.020 - Employees' Retirement/Insurance Benefits	7,764,789	8,386,627	8,723,613	9,199,493	9,797,962	10,585,859	11,452,633	12,406,723
3.030 - Purchased Services	3,973,600	4,213,046	5,393,437	5,785,175	6,324,364	6,578,373	6,846,429	7,129,598
3.040 - Supplies and Materials	1,064,194	1,230,520	1,340,070	1,404,769	1,460,715	1,519,030	1,579,818	1,643,191
3.050 - Capital Outlay	122,883	285,428	68,610	387,666	421,042	440,084	460,078	481,072
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	-	-	-	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	-	-	-	-	-	-	-	-
4.300 - Other Objects	224,489	374,993	392,620	462,715	476,585	490,871	505,587	520,742
4.500 - Total Expenditures	29,765,155	31,208,712	33,984,159	36,128,468	37,801,426	39,458,714	41,227,346	43,117,289
Other Financing Uses								
5.010 - Operating Transfers-Out	-	186,288	-	-	-	-	-	-
5.020 - Advances-Out	676,532	-	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	676,532	186,288	-	-	-	-	-	-
5.050 - Total Expenditures and Other Financing Uses	30,441,687	31,395,000	33,984,159	36,128,468	37,801,426	39,458,714	41,227,346	43,117,289
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	1,559,070	2,718,271	808,058	(363,201)	(4,242,611)	(6,908,557)	(9,067,889)	(11,117,319)
Cash Balance July 1 - Excluding Proposed Renewal/ 7.010 - Replacement and New Levies	12,190,051	13,749,121	16,467,392	17,275,450	16,912,250	12,669,638	5,761,081	(3,306,808)
7.020 - Cash Balance June 30	13,749,121	16,467,392	17,275,450	16,912,250	12,669,638	5,761,081	(3,306,808)	(14,424,127)
8.010 - Estimated Encumbrances June 30	1,585,028	1,339,244	1,011,009	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Reservations of Fund Balance:								
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-	-
9.030 - Budget Reserve	544,596	544,596	544,596	544,596	544,596	544,596	544,596	544,596
9.040 - DPIA	-	-	-	-	-	-	-	-
9.050 - Debt Service	-	-	-	-	-	-	-	-
9.060 - Property Tax Advances	-	-	-	-	-	-	-	-
9.070 - Bus Purchases	-	-	-	-	-	-	-	-
9.080 - Subtotal	544,596	544,596	544,596	544,596	544,596	544,596	544,596	544,596
Fund Balance June 30 for Certification								
10.010 - of Appropriations	11,619,497	14,583,552	15,719,846	14,867,654	10,625,042	3,716,485	(5,351,404)	(16,468,723)
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	1,025,813	2,051,701	2,401,653	2,751,644
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	1,025,813	3,077,514	5,479,167	8,230,811
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	11,619,497	14,583,552	15,719,846	14,867,654	11,650,855	6,793,999	127,763	(8,237,912)
Revenue from New Levies								
13.010 - Income Tax - New	-	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	11,619,497	14,583,552	15,719,846	14,867,654	11,650,855	6,793,999	127,763	(8,237,912)



Tecumseh Local School District

Fiscal Year
2025
November

Five Year
Forecast
Report



Prepared By:

Denise L. Robinson, Treasurer/CFO

Tecumseh Local School District

Table of Contents

Forecast Summary	3
Forecast Analysis	4
Revenue Overview	5
1.010 - General Property Tax (Real Estate)	6
1.020 - Public Utility Personal Property	7
1.030 - Income Tax	8
1.035 - Unrestricted Grants-in-Aid	9
1.040 & 1.045 - Restricted Grants-in-Aid	10
1.050 - State Share-Local Property Taxes	11
1.060 - All Other Operating Revenues	12
2.070 - Total Other Financing Sources	13
Expenditures Overview	14
3.010 - Personnel Services	15
3.020 - Employee Benefits	16
3.030 - Purchased Services	17
3.040 - Supplies and Materials	18
3.050 - Capital Outlay	19
3.060 - 4.060 - Intergovernmental & Debt	20
4.300 - Other Objects	21
5.040 - Total Other Financing Uses	22
Five Year Forecast	23
Appendix	
Financial Health Indicators	24
Current to Prior Forecast Compare	25

Forecast Purpose/Objectives

Ohio Department of Education and Workforce'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.

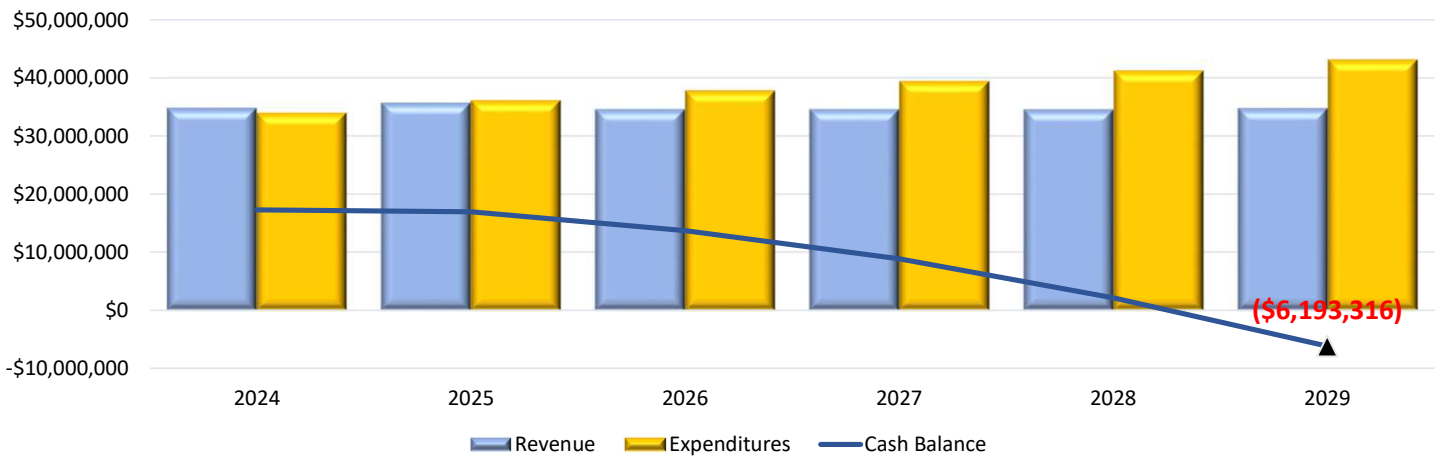
Forecast Methodology

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

Projected Revenue, Expenditures, and Cash Balance



Financial Forecast Summary

	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Beginning Balance (Line 7.010)	17,275,450	16,912,250	13,695,451	8,838,595	2,172,359
+ Renewal/New Levies Modeled					
+ Revenue	35,765,268	34,584,627	34,601,858	34,561,109	34,751,613
- Expenditures	(36,128,468)	(37,801,426)	(39,458,714)	(41,227,346)	(43,117,289)
= Revenue Surplus or Deficit	(363,201)	(3,216,798)	(4,856,856)	(6,666,236)	(8,365,675)
Line 7.020 Ending Balance with Renewal/New Levies	16,912,250	13,695,451	8,838,595	2,172,359	(6,193,316)

Financial Summary Notes

Expenditure growth is projected to outpace revenue change. By the end of 2029, the cash balance is projected to decline by a total of \$23,468,767 compared to 2024. For fiscal year 2029, expenditures are currently projected to exceed revenue, resulting in a revenue shortfall the final year of the forecast period.

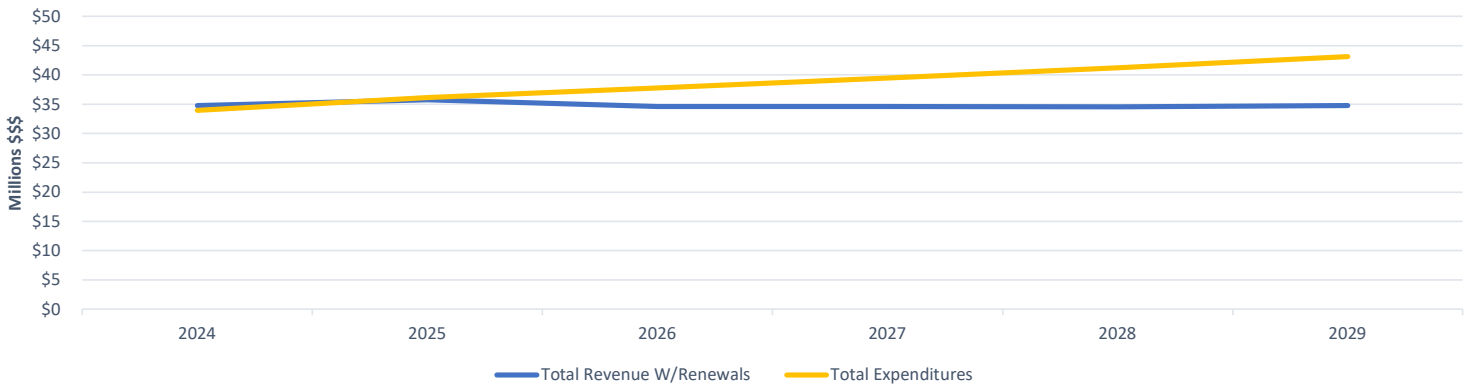
For revenue, projected change is expected to be less than the historical average. Over the past five years, revenue increased by 2.35% (\$751,226 annually). However, it is projected to decrease by 0.00% (-\$8,121 annually) through fiscal year 2029. Notably, State Funding, is expected to be \$523,597 less per year compared to history, and is the biggest driver of trend change on the revenue side.

For expenses, projected change is forecasted to increase at a faster pace than the historical trend. Expenditures increased by 2.34% (\$718,316 annually) during the past 5-year period, and are projected to increase by 5.37% (\$1,826,626 annually) through 2029. The forecast line with the most change on the expense side, Benefits, is anticipated to be \$498,356 more per year in the projected period compared to historical averages.

Disclosure Items:	2025	2026	2027	2028	2029
Modeled Renewal Levies - Annual Amount	-	1,025,813	2,051,701	2,401,653	2,751,644
Modeled New Levies - Annual Amount	-	-	-	-	-
Encumbrances (not subtracted from Cash Balance)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000

Forecast Analysis

Revenue Compared to Expenditures

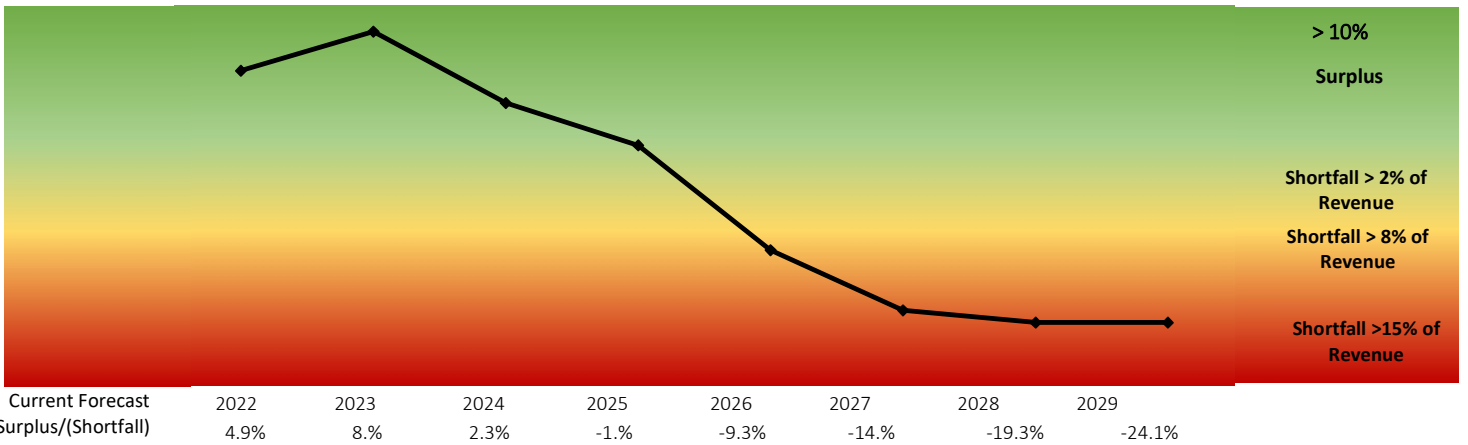


From 2025 to 2029, total revenues are projected to change by 0.00%

Expenditure change is expected to outpace revenue change.

From 2025 to 2029, total expenses are projected to change by 4.88%

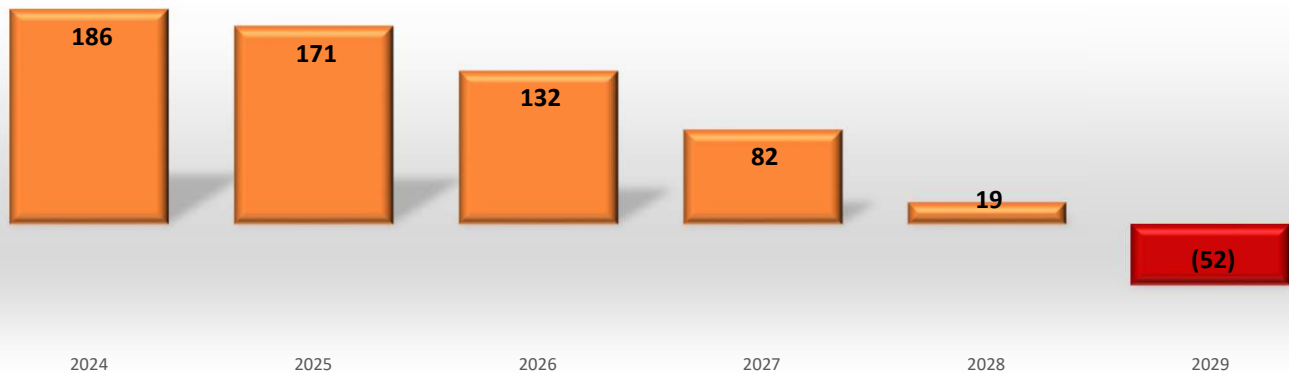
Revenue Surplus/(Shortfall) as a Percentage of Revenue



The district is trending toward revenue shortfall with the expenditures growing faster than revenue. A revenue increase of 24.07% is needed to balance the budget in fiscal year 2029, or a \$8,365,675 reduction in expenditures.

- The largest contributor to the projected revenue trend is the change in State Funding.
- The expenditure most impacting the changing trend is Benefits.

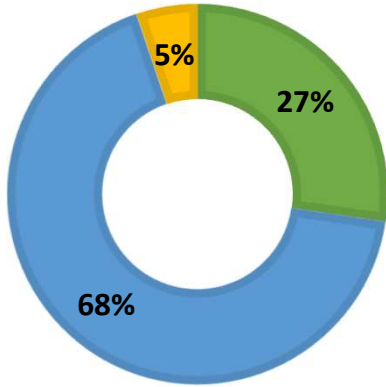
Days Cash on Hand at Fiscal Year-end



*based on 365 days

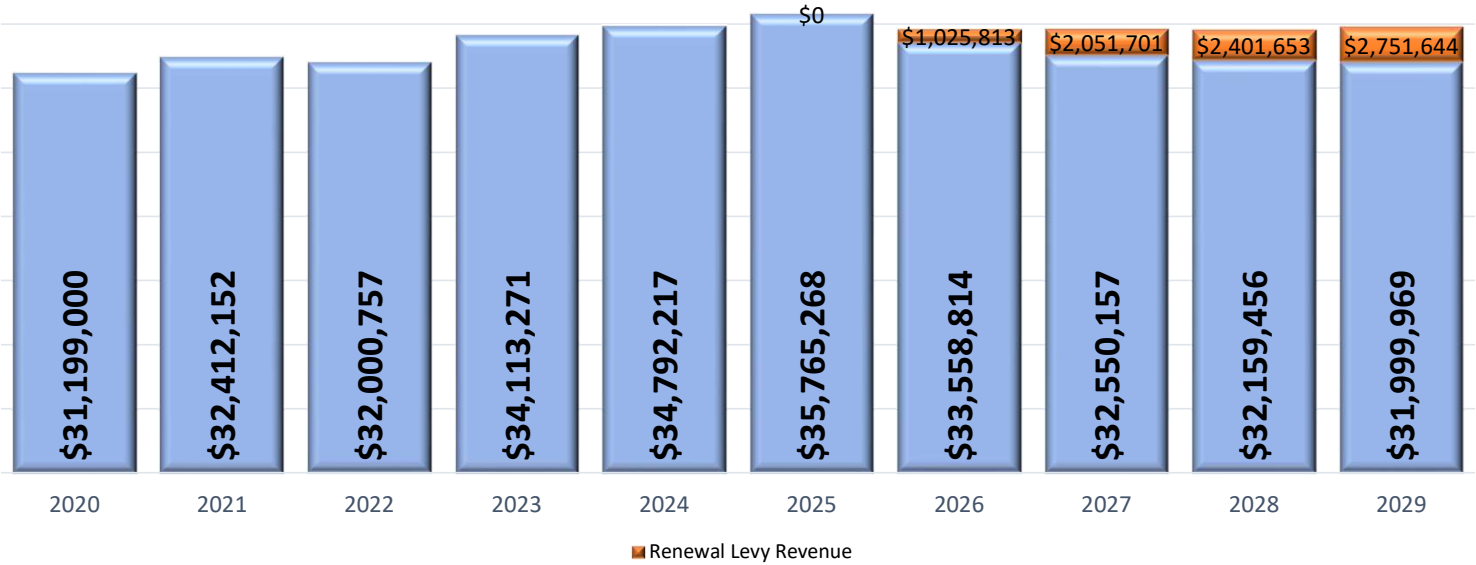
Revenue Overview

Revenue Sources



Local Taxes	
Real Estate Tax	25.42%
Public Utility Tax	1.90%
Income Tax	0.00%
State Sources	
State Funding	54.37%
Restricted Aid	9.22%
State Share of Local Tax	3.89%
All Other Revenue	
Other Revenue	5.20%
Other Sources	0.00%

Annual Revenue Actual + Projected



Historic Revenue Change versus Projected Revenue Change

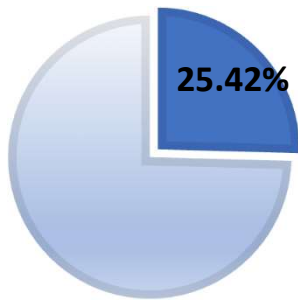
	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	
Real Estate	\$408,485	\$139,875	(\$268,611)	Over the past five years, revenue increased by 2.35% (\$751,226 annually). However, it is projected to decrease by 0.00% (-\$8,121 annually) through fiscal year 2029. Notably, State Funding, is expected to be \$523,597 less per year compared to history, and is the biggest driver of trend change on the revenue side.
Public Utility	\$24,165	\$30,111	\$5,946	
Income Tax	\$0	\$0	\$0	
State Funding	\$423,297	(\$100,300)	(\$523,597)	
State Share of Property Tax	\$21,133	\$25,229	\$4,096	
All Othr Op Rev	(\$107,698)	(\$101,318)	\$6,380	
Other Sources	(\$18,157)	(\$1,718)	\$16,439	
Total Average Annual Change	\$751,226 2.35%	(\$8,121) 0.00%	(\$759,347) -2.35%	

For Comparison:
Expenditure average annual change is projected to be >

\$1,826,626 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).



Real estate property tax revenue accounts for 25.42% of total district general fund revenue.



Key Assumptions & Notes

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class 2 Rate	Change	
2023	383,896,820	2,498,930	27.04	-	29.44	-	101.1%
2024	384,334,820	438,000	27.01	(0.03)	29.42	(0.03)	99.5%
2025	420,634,820	36,300,000	26.42	(0.59)	28.69	(0.73)	99.5%
2026	421,084,820	450,000	26.40	(0.02)	28.66	(0.02)	99.5%
2027	421,534,820	450,000	26.38	(0.02)	28.64	(0.02)	99.5%
2028	442,284,820	20,750,000	26.08	(0.30)	28.35	(0.30)	99.5%

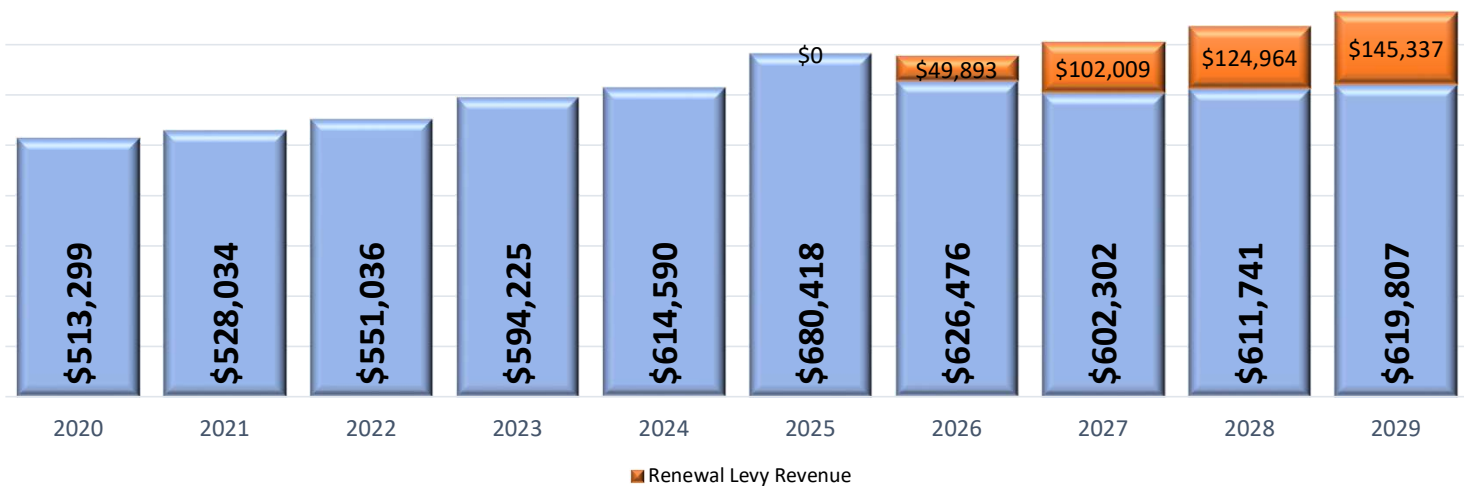
Class I, or residential/agricultural taxes make up approximately 87.14% of the real estate property tax revenue. The Class I tax rate is 27.01 mills in tax year 2024. The district is modeling the renewal of real estate property taxes levies through 2024. The projections reflect an average gross collection rate of 99.5% annually through tax year 2028. The revenue changed at an average annual historical rate of 5.23% and is projected to change at an average annual rate of 1.50% through fiscal year 2029.

1.020 - Public Utility Personal Property

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



Public Utility Personal Property tax revenue accounts for 1.90% of total district general fund revenue.



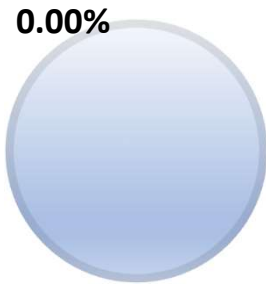
Key Assumptions & Notes

Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2023	18,835,030	1,895,630	33.84	(0.08)	87.6%
2024	19,835,030	1,000,000	33.81	(0.03)	110.7%
2025	20,835,030	1,000,000	33.22	(0.59)	98.9%
2026	21,835,030	1,000,000	33.20	(0.02)	98.9%
2027	22,835,030	1,000,000	33.18	(0.02)	98.9%
2028	23,835,030	1,000,000	32.88	(0.30)	98.9%

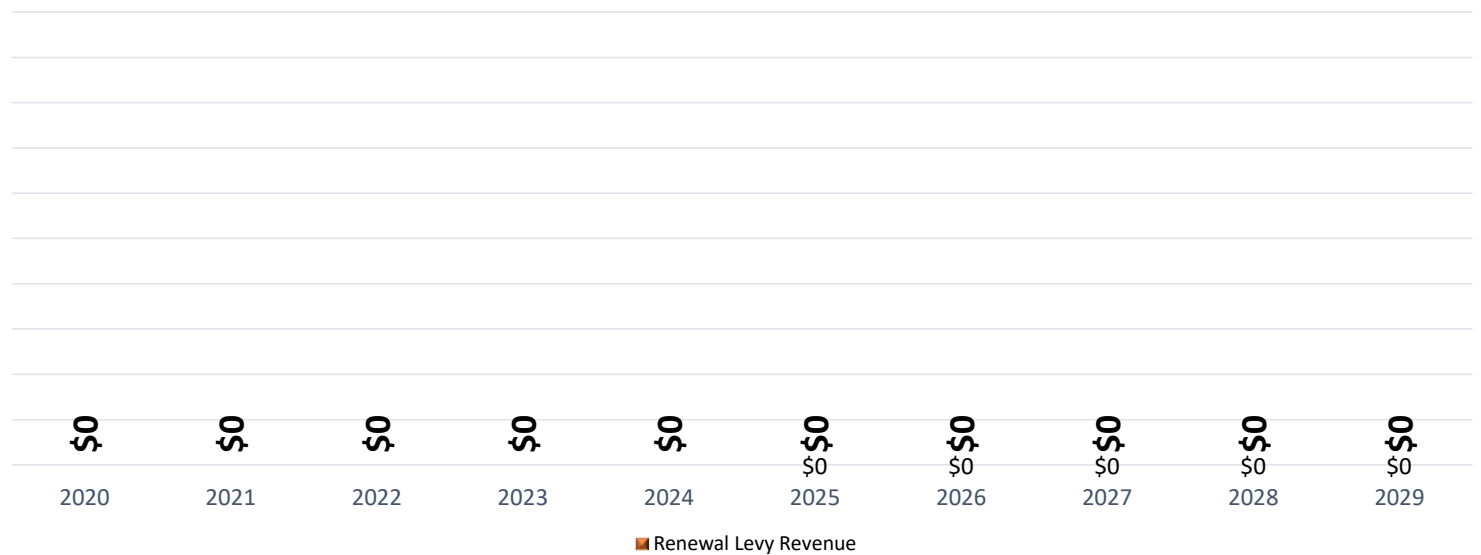
The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. The property is taxed at the full voted tax rate which in tax year 2024 is 33.81 mills. The forecast is modeling an average gross collection rate of 101.29%. The revenue changed historically at an average annual dollar amount of \$24,165 and is projected to change at an average annual dollar amount of \$30,111 through fiscal year 2029.

1.030 - School District 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 a School District Income Tax levy.

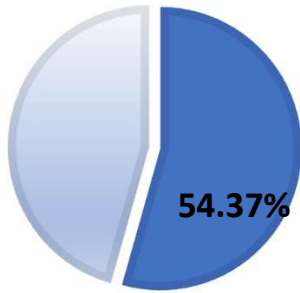


Key Assumptions & Notes

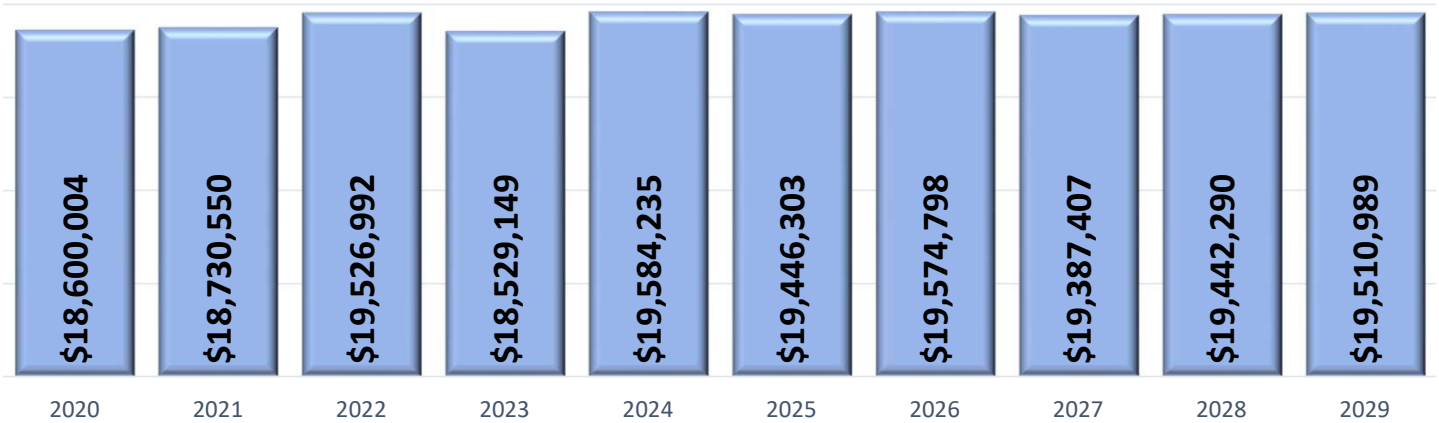
The district does not have an income tax levy.

1.035 - Unrestricted Grants-in-Aid

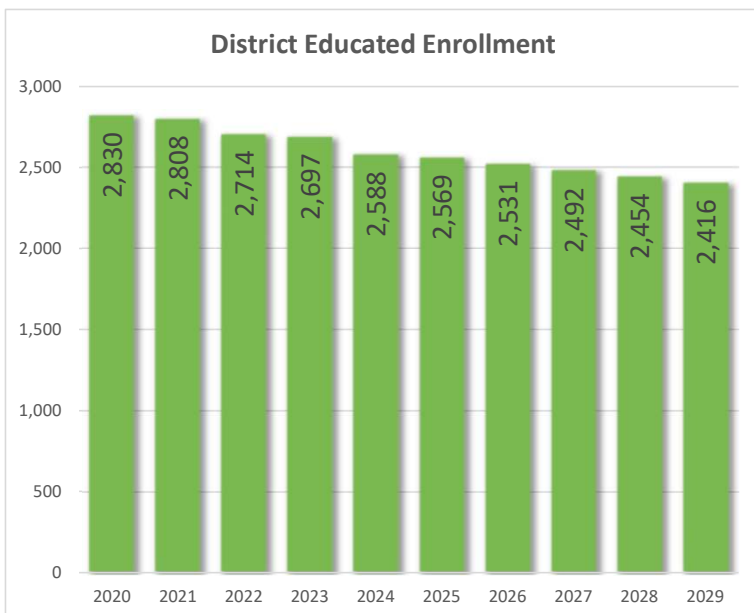
Funds received through the State Foundation Program with no restriction.



Unrestricted State Aid revenue accounts for 54.37% of total district general fund revenue.



Key Assumptions & Notes



Beginning in fiscal year 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.

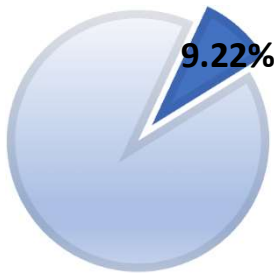
For Tecumseh Local School District, the calculated Base Cost total is \$21,730,430 in 2025.

The State's Share of the calculated Base Cost total is \$12,969,963, or \$5,049 per pupil.

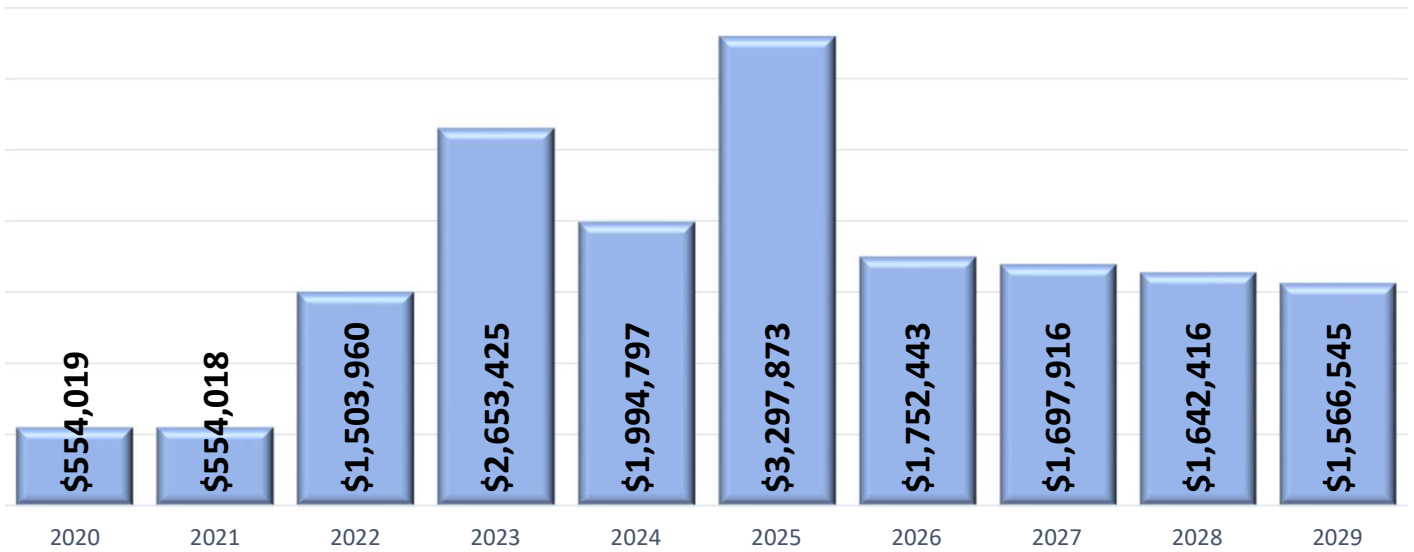
The FSFP also started funding students where they attended school. Therefore district educated enrollment is now used for per pupil funding. At the same time, the FSFP eliminated tuition transfer payments from school districts, which impacts the expense side of the forecast.

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 State Aid revenue accounts for 9.22% of total district general fund revenue.



Key Assumptions & Notes

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 \$480,260 and is projected to change annually on average by -\$85,650. Restricted funds represent 9.22% of the district's total revenue. Starting in fiscal year 2022, the district's Success & Wellness funding became restricted; the state's share of this funding recorded as restricted is \$612,770. 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 tax revenue accounts for 3.89% of total district general fund revenue.



Key Assumptions & Notes

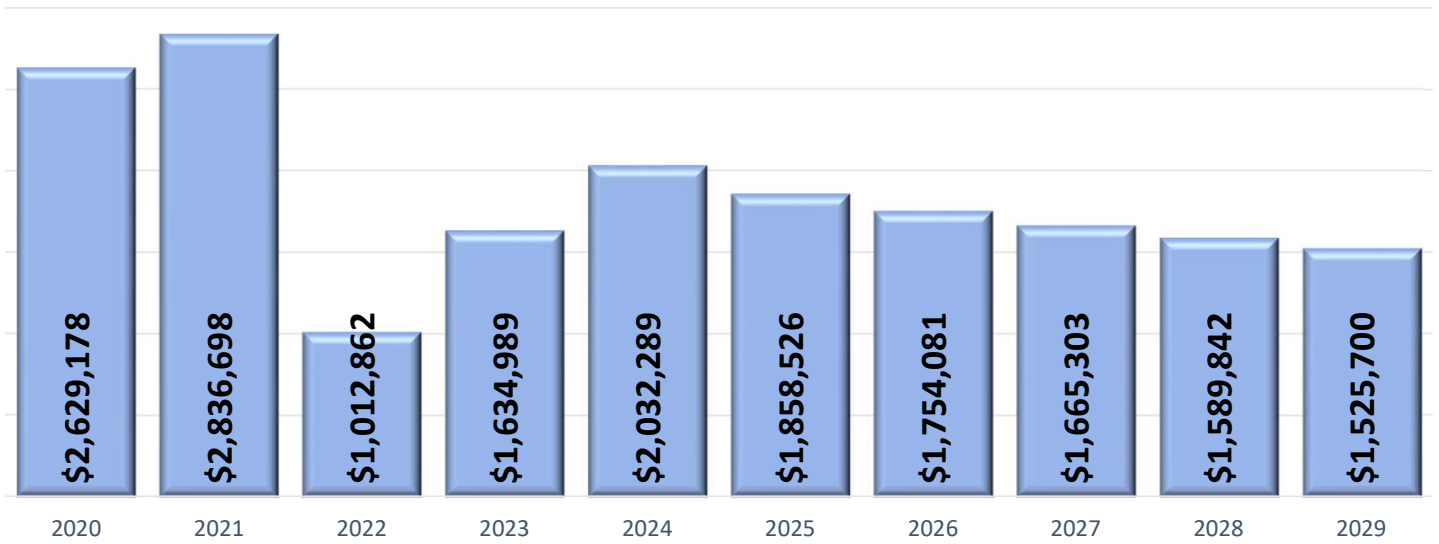
State Share of Local Property Taxes primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions to their tax bill. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In fiscal year 2025, approximately 11.6% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 3.2% will be reimbursed in the form of qualifying homestead exemption credits.

1.060 - All Other Operating Revenues

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



All Other Revenue accounts for 5.20% of total district general fund revenue.



Key Assumptions & Notes

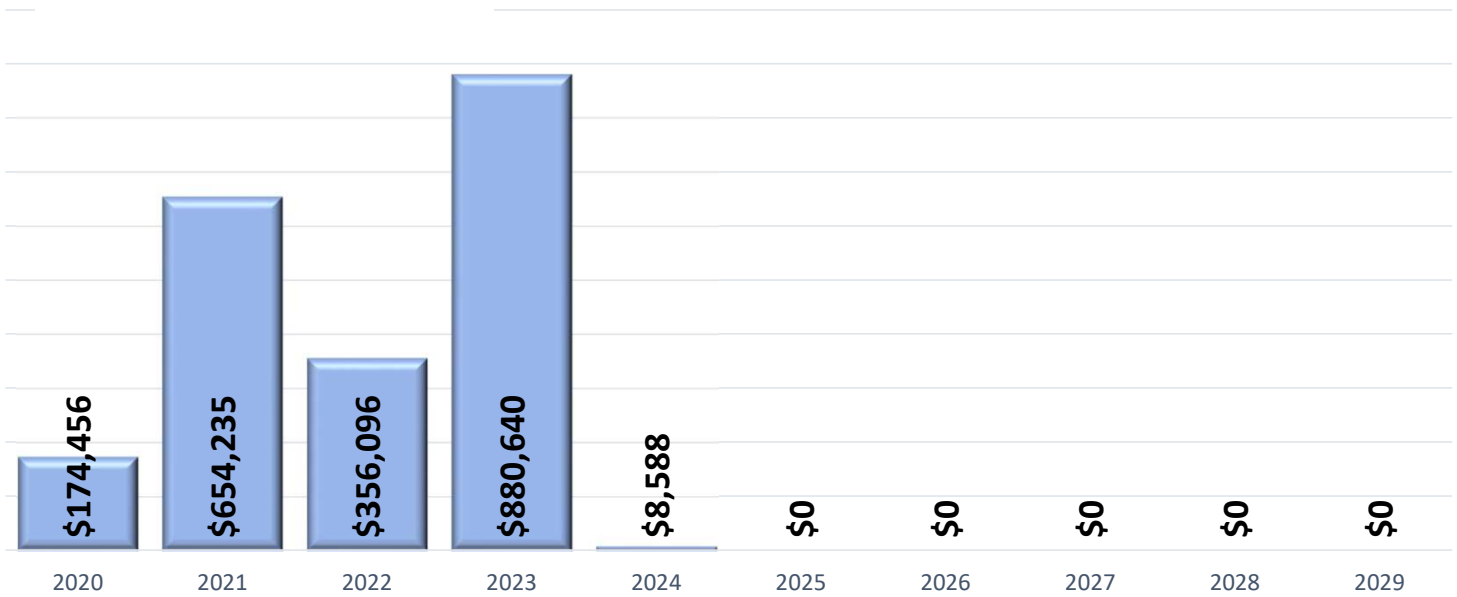
Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was -\$107,698. The projected average annual change is -\$101,318 through fiscal year 2029.

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.



Other Sources of revenue accounts for 0.00% of total district general fund revenue.



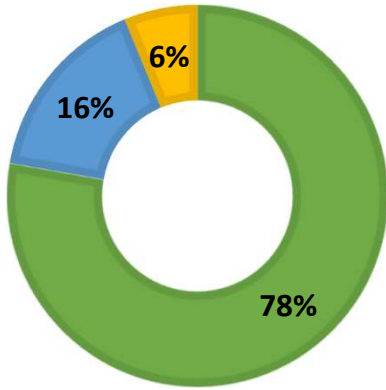
Key Assumptions & Notes

	FORECASTED					
	2024	2025	2026	2027	2028	2029
Transfers In	4,085	-	-	-	-	-
Advances In	-	-	-	-	-	-
All Other Financing Sources	4,503	-	-	-	-	-

Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In 2024 the district receipted \$0 as advances-in and is projecting advances of \$0 in fiscal year 2025. 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 \$0 in 2025 and average \$0 annually through 2029.

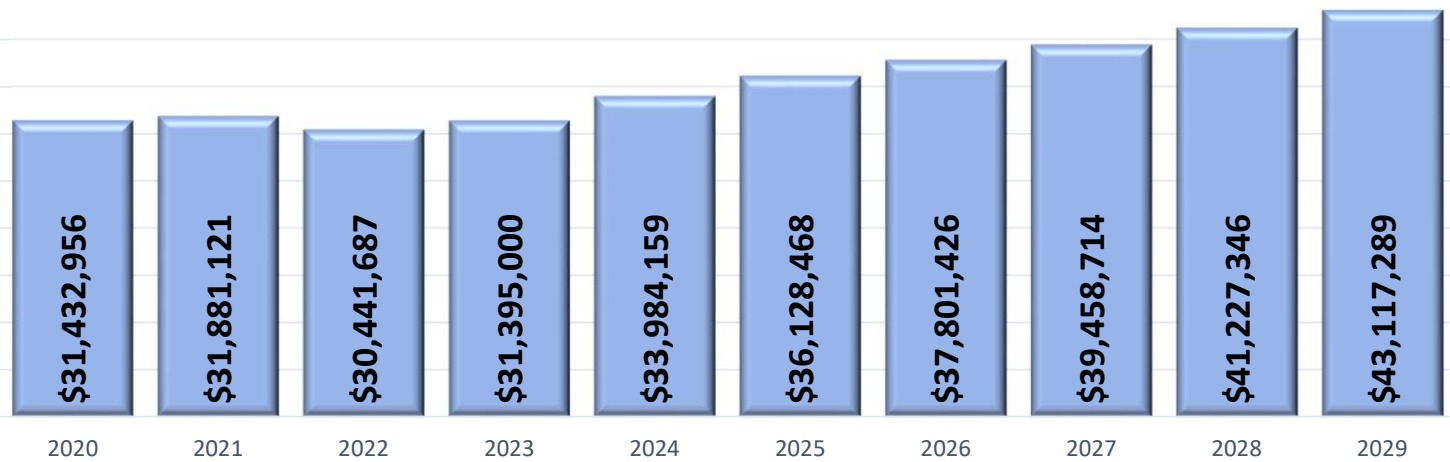
Expenditure Overview

Expenditure Categories



Personnel Costs	
Salaries	52.28%
Benefits	25.46%
Purchased Services	16.01%
All Other Expenditures	
Supplies, Capital, Debt, Other Obj	6.24%
Other Uses	0.00%

Annual Expenditures Actual + Projected



Historic Expenditures Change versus Projected Expenditures Change

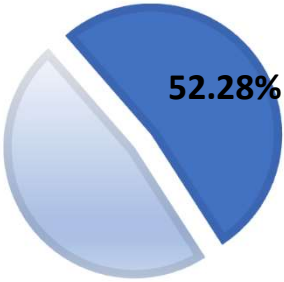
	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Expenditures increased by 2.34% (\$718,316 annually) during the past 5-year period, and are projected to increase by 5.37% (\$1,826,626 annually) through 2029. The forecast line with the most change on the expense side, Benefits, is anticipated to be \$498,356 more per year in the projected period compared to historical averages.
Salaries	\$217,576	\$574,031	\$356,455	
Benefits	\$238,266	\$736,622	\$498,356	
Purchased Services	\$274,102	\$347,232	\$73,130	
Supplies & Materials	\$50,767	\$60,624	\$9,858	
Capital Outlay	(\$25,558)	\$82,492	\$108,050	
Intergov & Debt	\$0	\$0	(\$0)	
Other Objects	(\$2,271)	\$25,624	\$27,896	
Other Uses	(\$34,566)	\$0	\$34,566	
Total Average Annual Change	\$718,316 2.34%	\$1,826,626 4.88%	\$1,108,310 2.54%	

For Comparison:
Revenue average annual change is projected to be >

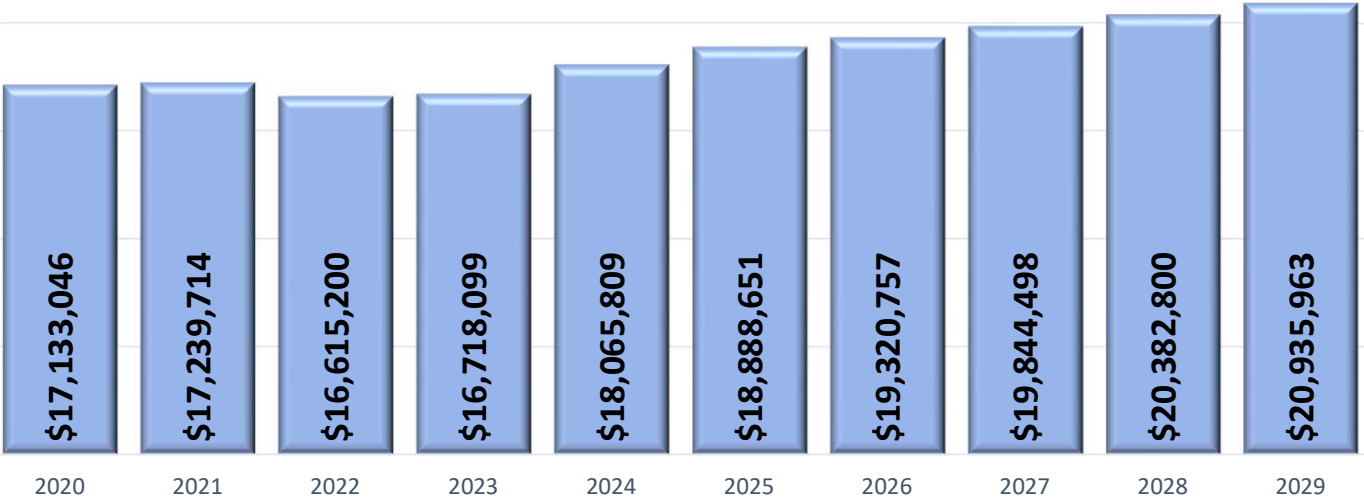
(\$8,121) On an annual average basis, revenues are projected to contract while expenditures grows

3.010 - Personnel Services

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



Salaries account for 52.28% of the district's total general fund spending.

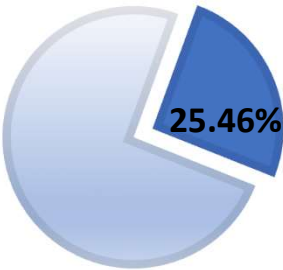


Key Assumptions & Notes

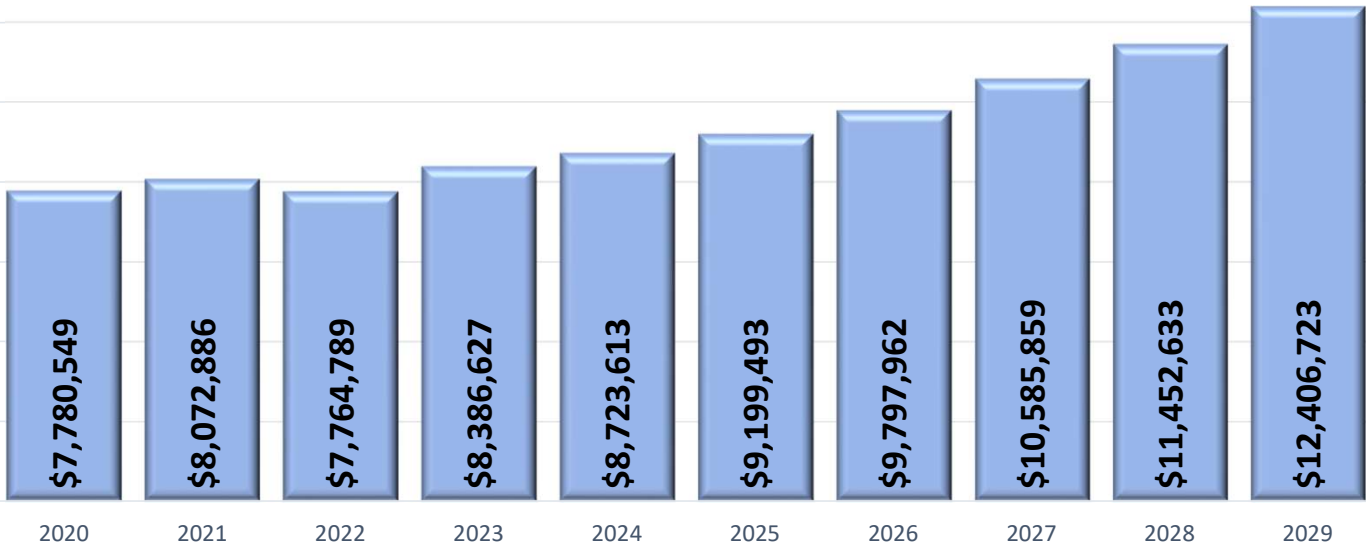
Salaries represent 52.28% of total expenditures and increased at a historical average annual rate of 1.32% (or \$217,576). This category of expenditure is projected to grow at an annual average rate of 3.00% (or \$574,031) through fiscal year 2029. The projected average annual rate of change is 1.68% 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 account for 25.46% of the district's total general fund spending.



Key Assumptions & Notes

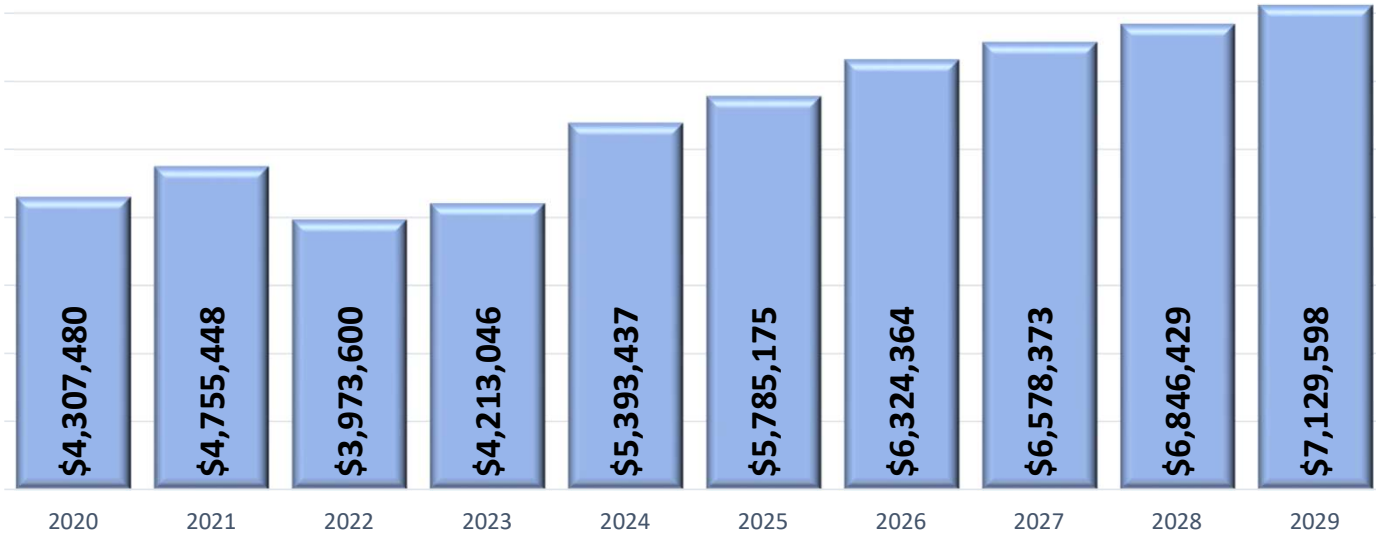
Benefits represent 25.46% of total expenditures and increased at a historical average annual rate of 3.05%. This category of expenditure is projected to grow at an annual average rate of 7.30% through fiscal year 2029. The projected average annual rate of change is 4.25% more than the five year historical annual average.

3.030 - Purchased Services

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



Purchased Services account for 16.01% of the district's total general fund spending.



Key Assumptions & Notes

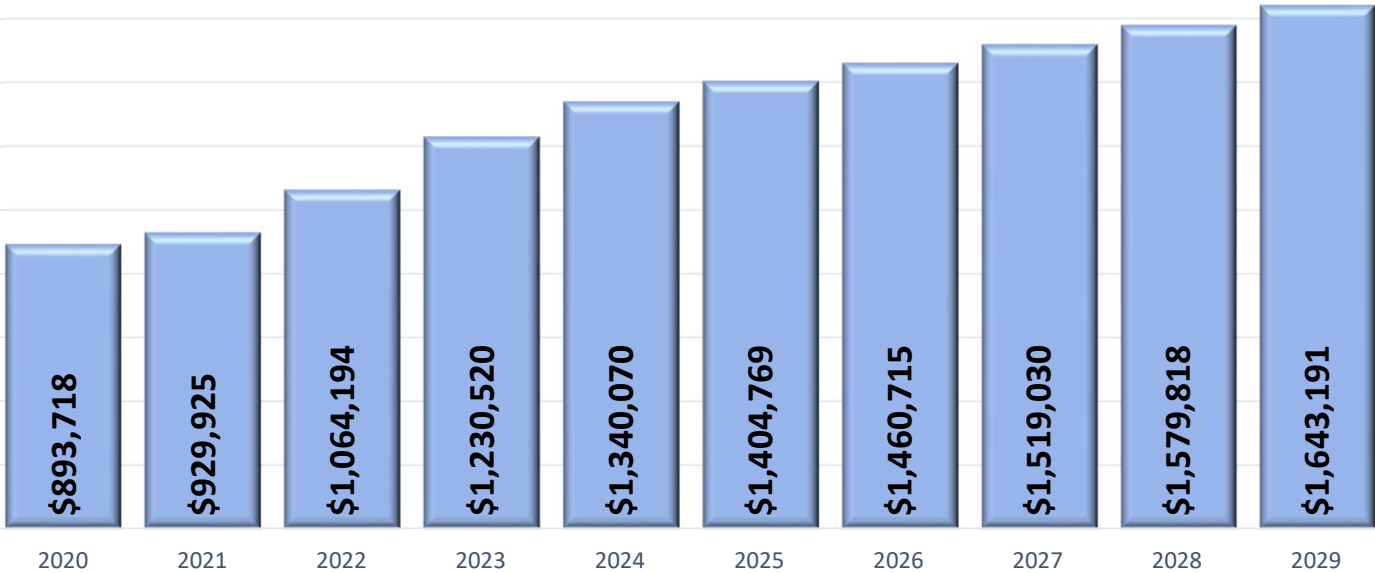
Purchased Services represent 16.01% of total expenditures and increased at a historical average annual rate of 7.02%. This category of expenditure is projected to grow at an annual average rate of 5.76% through fiscal year 2029. Starting in 2022, the Fair School Funding Plan (State Funding) only accounted for district educated enrollment, thereby reducing district tuition costs for open enrollment 'out,' community schools, STEM, and scholarship students. This change resulted in lower district costs, but also less per pupil state revenue since per pupil funding is now paid directly by the state to the district students attend.

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 and Materials account for 3.89% of the district's total general fund spending.



Key Assumptions & Notes

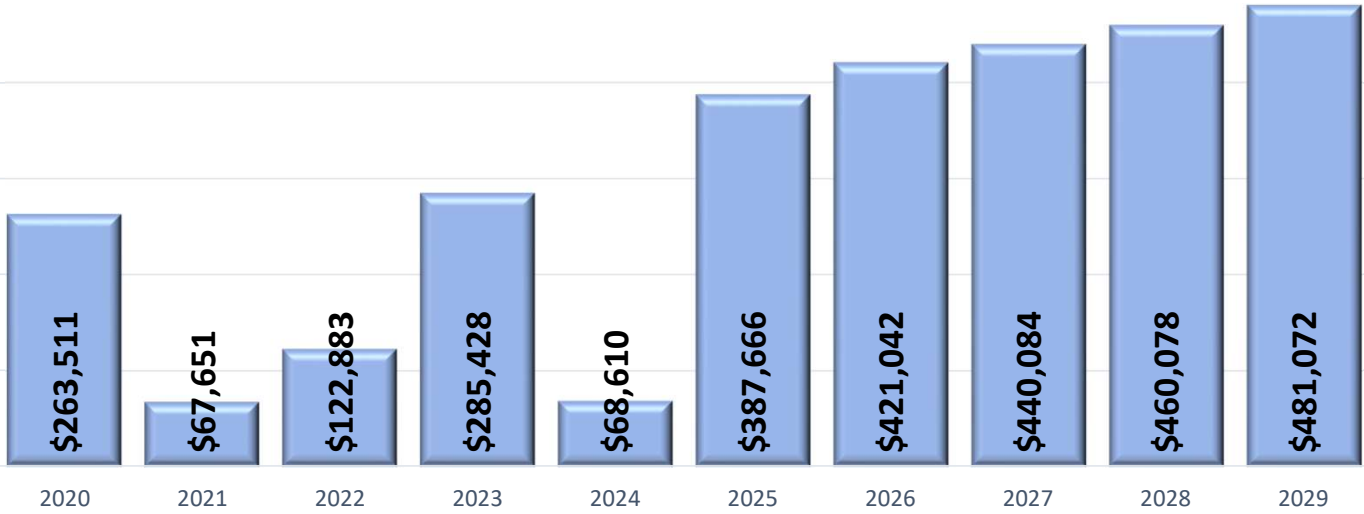
Supplies & Materials represent 3.89% of total expenditures and increased at a historical average annual rate of 5.06%. This category of expenditure is projected to grow at an annual average rate of 4.16% through fiscal year 2029. The projected average annual rate of change is 0.90% less than the five 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 account for 1.07% of the district's total general fund spending.

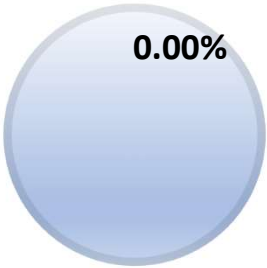


Key Assumptions & Notes

Capital Outlay represent 1.07% of total expenditures and decreased at a historical average annual amount of \$25,558. This category of expenditure is projected to grow at an annual average rate of \$82,492 through 2029. The projected average annual change is more 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.



Intergovernmental and Debt account for 0.00% of the district's total general fund spending.

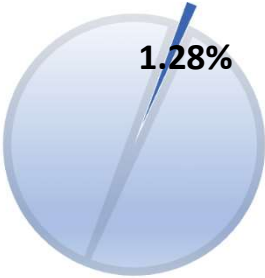
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020	2021	2022	2023	2024	2025	2026	2027	2028	2029

Key Assumptions & Notes

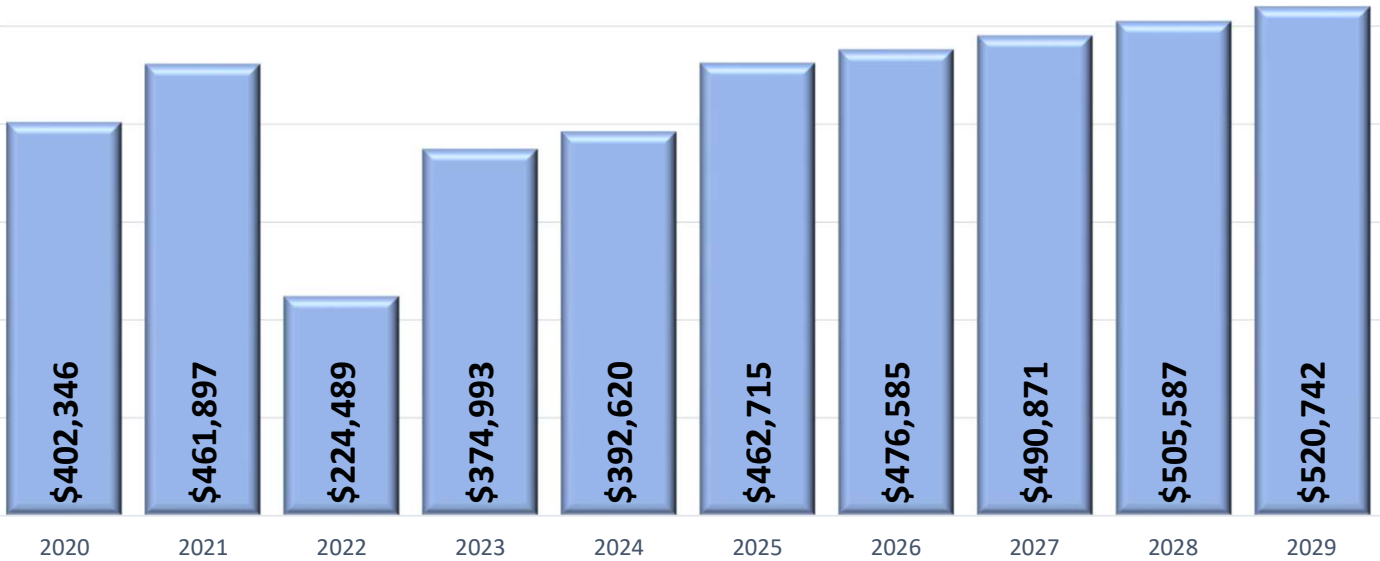
The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

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 account for 1.28% of the district's total general fund spending.

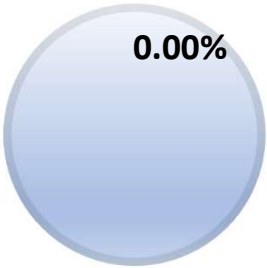


Key Assumptions & Notes

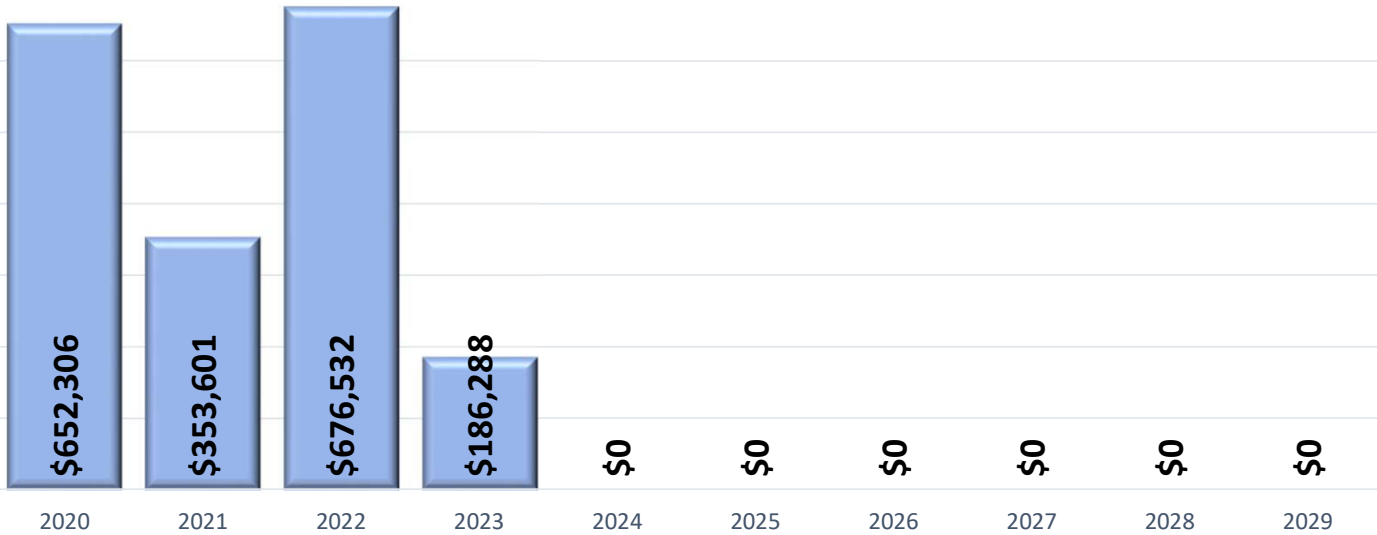
Other Objects represent 1.28% of total expenditures and increased at a historical average annual rate of 6.95%. This category of expenditure is projected to grow at an annual average rate of 5.97% through fiscal year 2029. The projected average annual rate of change is 0.98% less than the five year historical annual average.

5.040 - Total Other Financing Uses

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



Other Uses account for 0.00% of the district's total general fund spending.

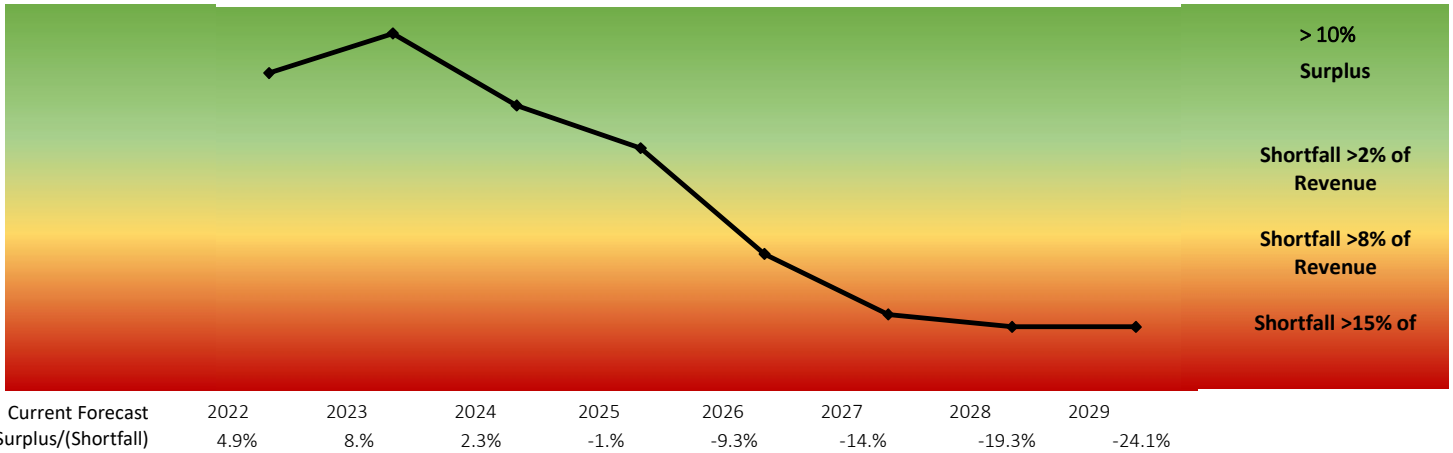


Key Assumptions & Notes

	FORECASTED					
	2024	2025	2026	2027	2028	2029
Transfers Out	-	-	-	-	-	-
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 2024 the district had no advances-out and has no advances-out forecasted through fiscal year 2029. The district can also move general funds permanently to other funds, and as the schedule above presents, the district has no transfers forecasted through fiscal year 2029. 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.

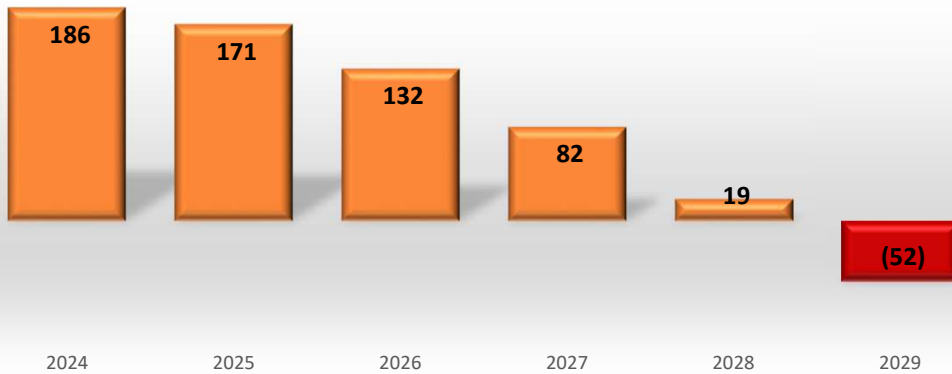
Revenue Surplus/(Shortfall) - Current Forecast



The district is trending toward revenue shortfall with the expenditures growing faster than revenue. A revenue increase of 24.07% is needed to balance the budget in fiscal year 2029, or a \$8,365,675 reduction in expenditures.

- The largest contributor to the projected revenue trend is the change in State Funding.
- The expenditure most impacting the changing trend is Benefits.

Days Cash on Hand - Current Forecast

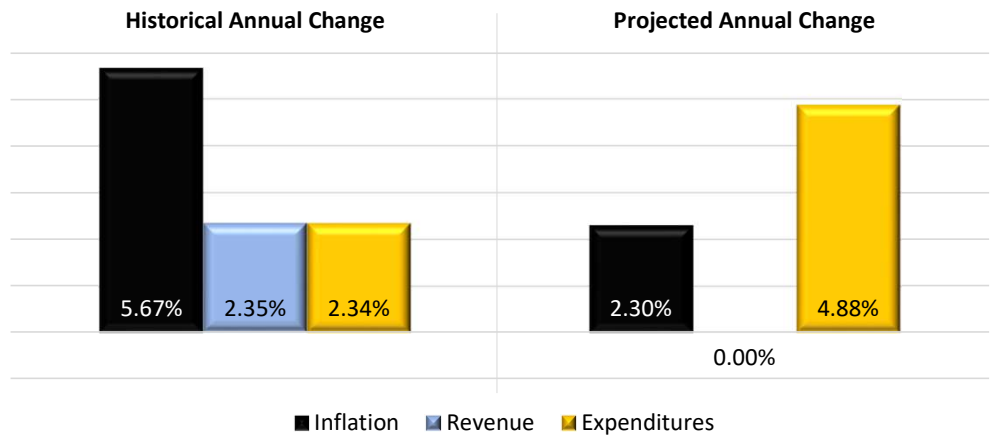


Days cash on hand is projected to decline and is projected to be negative by 2029.

*based on 365 days

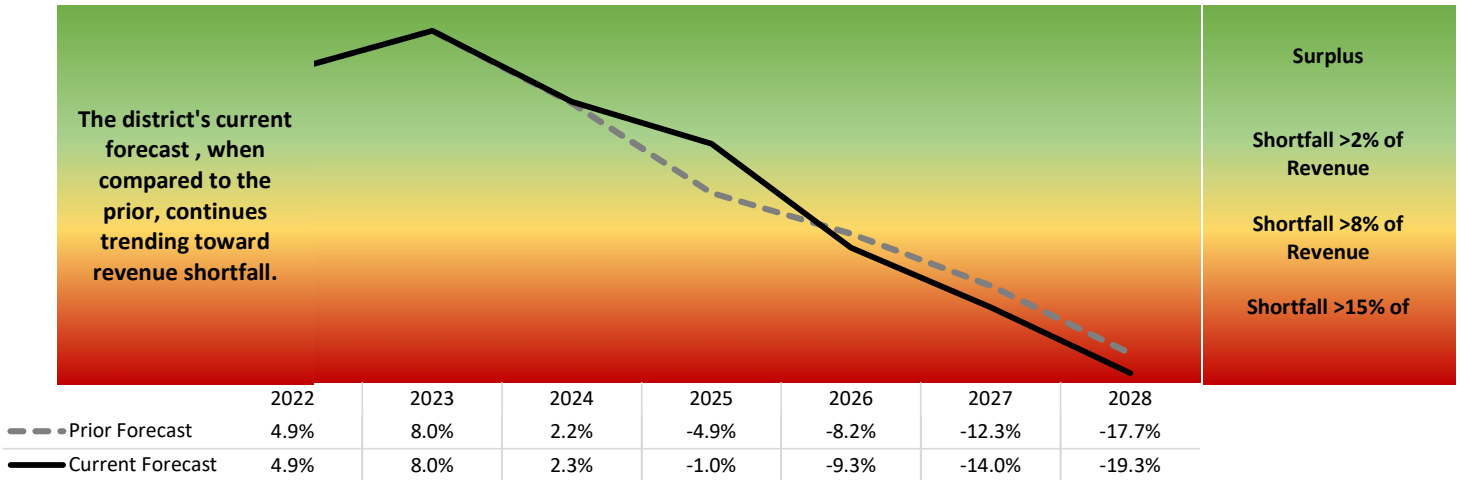
5-Year Average Annual Change - Inflation, Revenue and Expenditures

Average projected annual expenditure change is greater than inflation, and more than revenue.



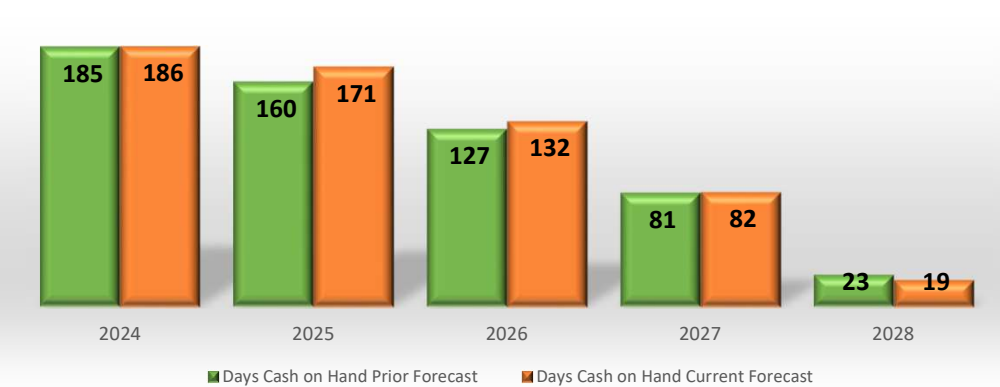
CPI (Inflation) Source: Federal Reserve Bank of St. Louis (September 23, 2024) <https://alfred.stlouisfed.org>

Revenue Surplus/(Shortfall) - Current Compared to Prior Forecast



Note: 2029 not included in prior forecast

Days Cash on Hand - Current Compared to Prior Forecast



Days cash on hand is forecasted to decline, and is similar to the prior forecast trend.

*based on 365 days

Revenue and Expenditure Variances - Current Compared to Prior Forecast

Revenue Variance		
Cumulative Favorable Revenue Variance	1.89%	\$3,225,989
Largest Revenue Variances		
1.035,1.040 State	1.71%	\$2,922,552
1.01 Real Estate	0.07%	\$122,903
1.060 All Other 2.xx Other Sources	0.06%	\$111,177
All Other Revenue Categories	0.04%	\$69,357

The current revenue forecast is up by 1.89% compared to the prior forecast.

NET cumulative forecast impact for the forecast period 2024 - 2028 of Revenue and Expense variances is -0.03% (or -\$324,404).

The current forecast for expenditures is up by 1.92% compared to the prior forecast.

Expenditure Variance		
Cumulative Unfavorable Expenditure Variance	1.92%	\$3,550,393
Largest Expenditure Variances		
3.03 Purchased Serv.	1.18%	\$2,181,878
3.01 Salaries	0.49%	\$915,588
3.04 Supplies	0.34%	\$621,692
All Other Expenditure Categories	-0.09%	(\$168,764)



Tecumseh Local School District
Five Year Forecast Assumptions
November 19th, 2024

Forecast Summary:

The forecast summary shows the district is deficit spending in FY 25, 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 25.42% 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, calendar year 2022 was an update year, and calendar year 2025 will be a reappraisal year. The new values will become effective January 1, 2026. If there is an increase in property values, we will see an increase in revenue in regards to our 5.8 inside millage, as well as being 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. I have kept the renewal of the two emergency levies in the forecast.

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 54.37% 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 \$8,150 (\$3,101 local share; \$5,049 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. I assume the funding level will stay the same throughout the forecast.

Restricted Grants in Aid:

This line item represents approximately 9.22% 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 increase in these funds for FY 25 is a result of the district qualifying for the Community Eligibility Provision (CEP) this year. The district is permitted to stay on the CEP program for four years. However, there is currently talks of only allowing school districts to see an increase in DPIA funding due to CEP for the first year the district is on CEP. After that, the district will receive funding based on the previous year’s economically disadvantaged percentage (63.22%). I consulted with my forecast company on this one year increase in funding and using only one year of additional DPIA funding (for FY 25 only) was recommended. If this philosophy changes, I will make the change in the May 2025 forecast.



State Share of Local Property Taxes:

The State Share of Local Property Taxes (3.89%) 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 staying on pace as last year, but with the cut in interest rates, I believe our interest revenue will be lower in FY 25 than last year.

Total Other Financing Sources:

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 52.28% of the district's expenses. Salaries are predicted to increase every year of the forecast. The increase is more significant the next two fiscal years due to the 2% increase given to staff for FY 25 and FY 26.

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 25 and a 1% base increase for FY 26 – FY 29.

Employee Benefits:

Employee Benefits represent approximately 25.46% 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 2025 is 7% for medical insurance and 0% for dental and vision insurance. I have forecasted an 11% increase projected for medical insurance for FY 26 – FY 29.

Purchased Services:

Purchased Services represents a little over 16% 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 25 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 3.89% 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 25 - FY 29.

Capital Outlay:

Capital Outlay represents a little more than one percent of the district's expenses. However, the district has implemented a Capital Improvement Plan that includes the current year, as well as the next four 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 25 to FY 29.

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.