



Tecumseh Local School District

Five Year Forecast Financial Report

May 25th, 2021

Presented by: Denise L. Robinson, Treasurer/CFO

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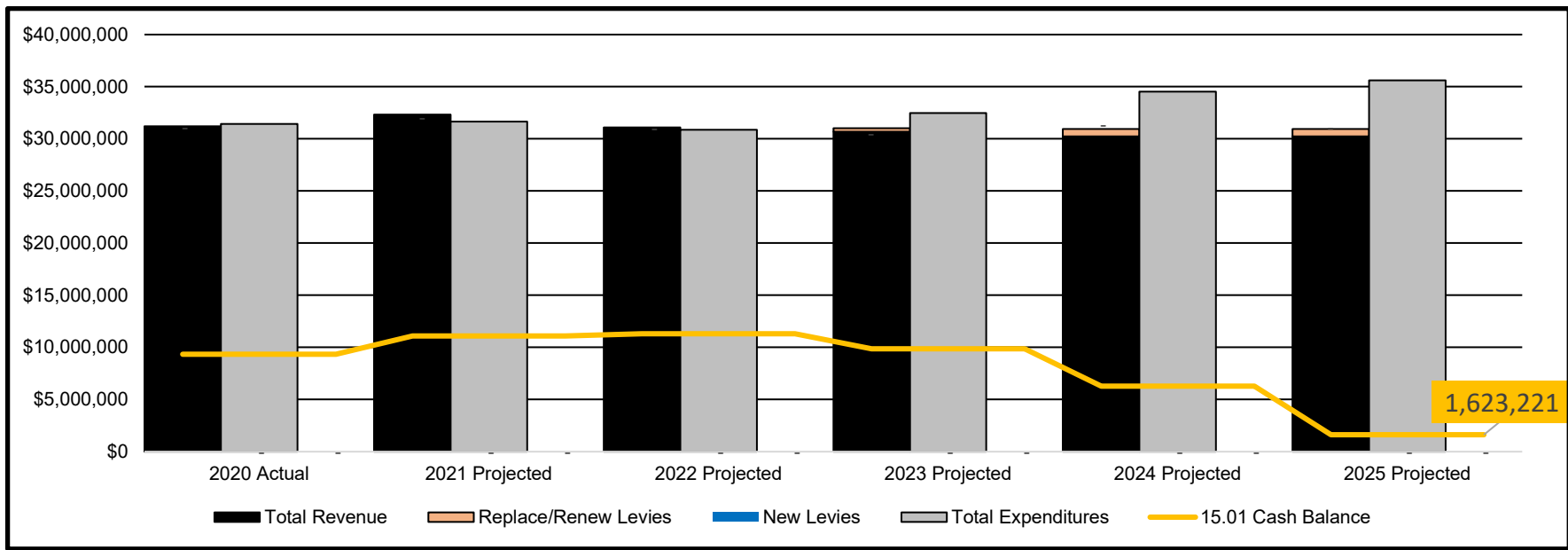
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Forecast Purpose/Objectives

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 includes any existing levy modeled as renewed during the forecast.
Cash balance is not reduced for encumbrances.

Financial Forecast

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Beginning Balance	11,659,019	12,343,518	12,551,304	11,119,825	7,542,551
+ Revenue	32,324,161	31,078,943	30,672,640	30,245,768	30,219,825
+ Proposed Renew/Replacement Levies	-	-	357,637	715,284	715,302
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(31,639,662)	(30,871,157)	(32,461,757)	(34,538,326)	(35,609,861)
= Revenue Surplus or Deficit	684,499	207,786	(1,431,480)	(3,577,273)	(4,674,734)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	12,343,518	12,551,304	11,119,824	7,542,551	2,867,817

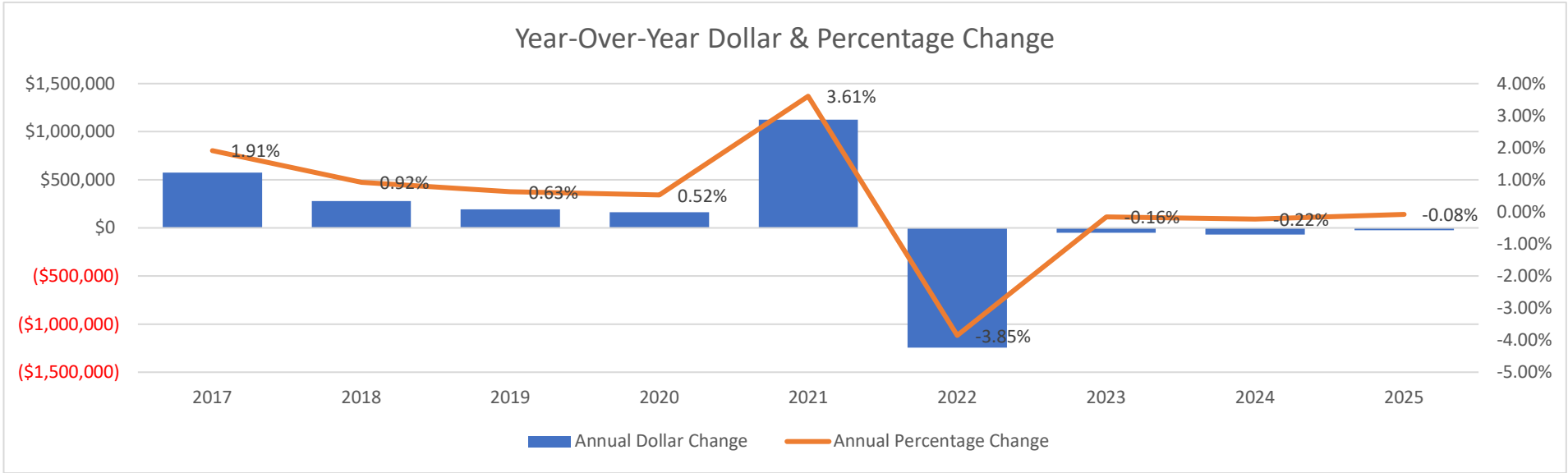
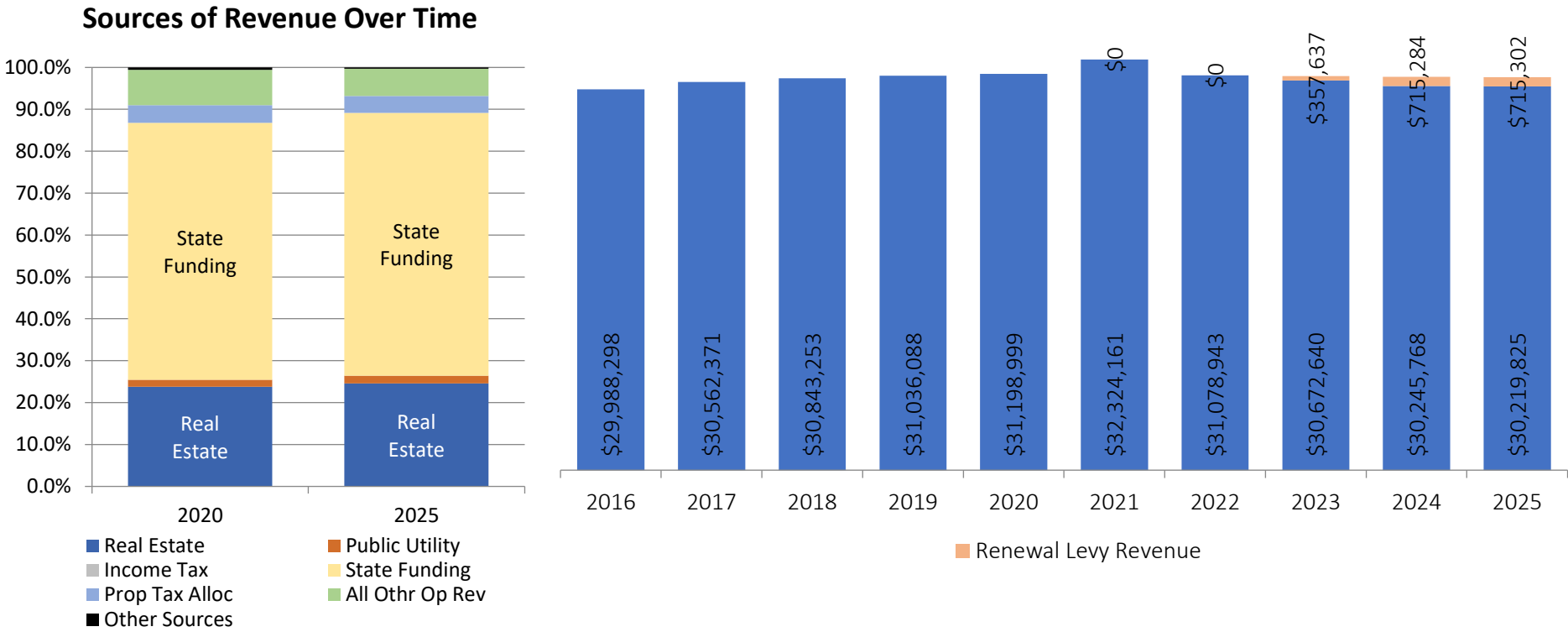
Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	684,499	207,786	(1,789,117)	(4,292,557)	(5,390,036)
Ending Balance w/o Levies	12,343,518	12,551,304	10,762,187	6,469,630	1,079,594

In FY 2021 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$684,499 in FY 2021. By the last year of the forecast, FY 2025, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$5,390,036. The district would need to cut its FY 2025 projected expenses by 15.14% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2021 and is projected to worsen by FY 2025. A worsening cash balance can erode the district's financial stability over time.

Revenue Sources and Forecast Year-Over-Year Projected Overview



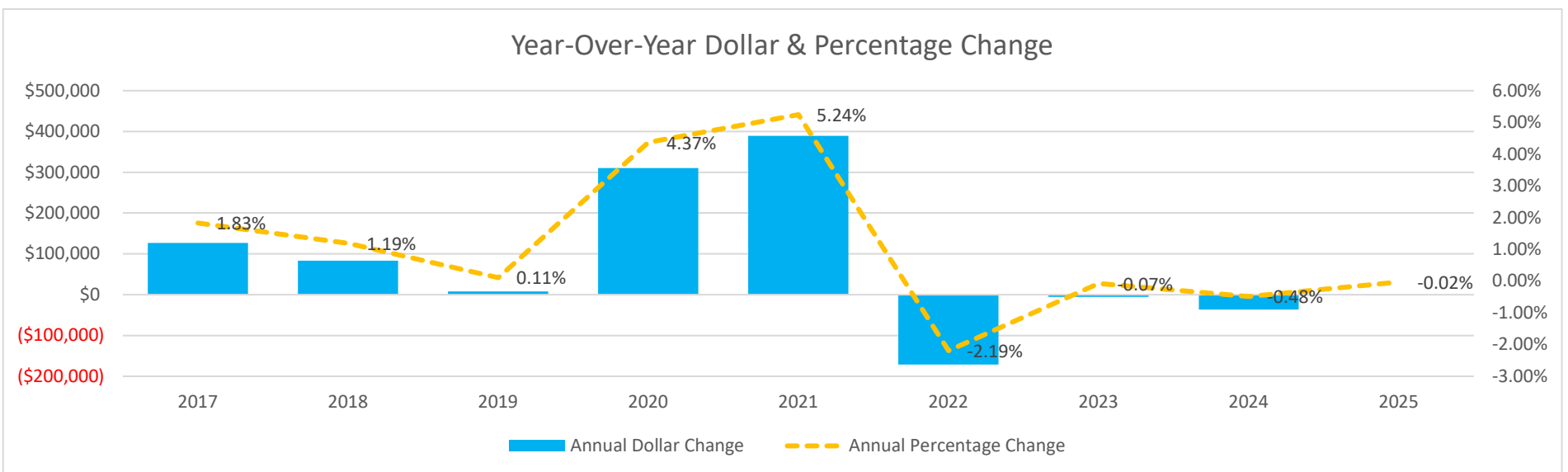
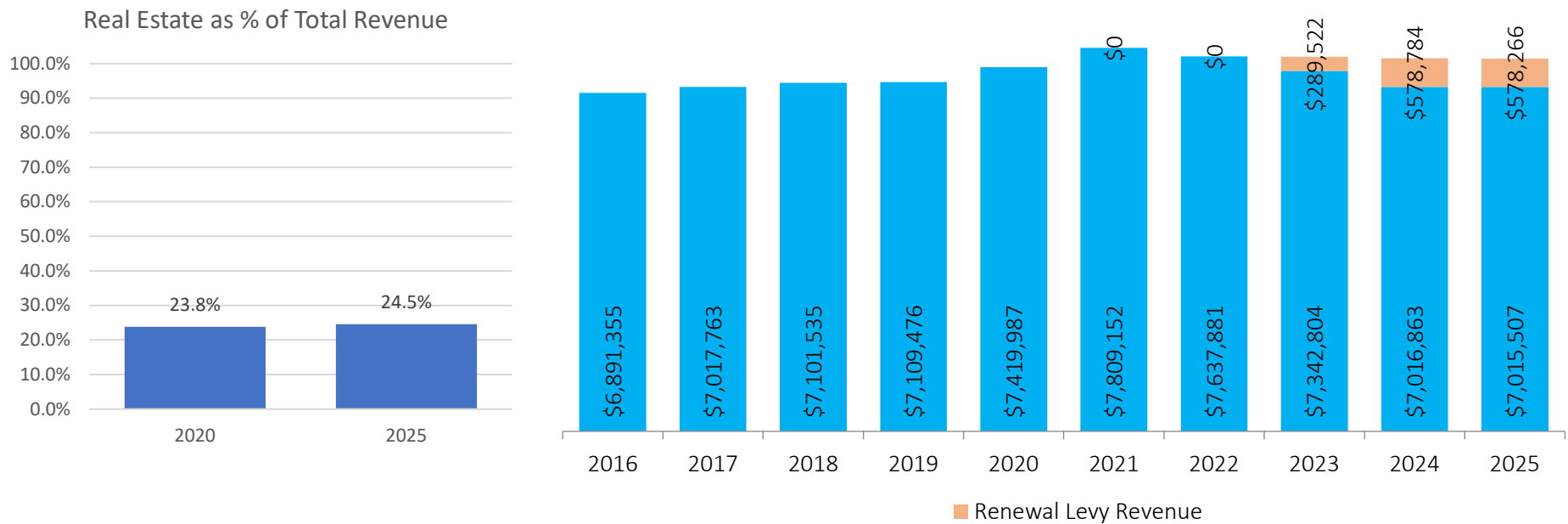
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Total revenue increased 0.69% or \$212,209 annually during the past five years and is projected to decrease -0.14% or -\$52,774 annually through FY2025. All Othr Op Rev has the most projected average annual variance compared to the historical average at -\$302,848
Real Estate	\$134,075	\$34,757	(\$99,317)	
Public Utility	\$25,278	\$11,913	(\$13,365)	
Income Tax	\$0	\$0	\$0	
State Funding	(\$101,474)	\$51,934	\$153,408	
Prop Tax Alloc	(\$14,888)	(\$10,782)	\$4,106	
All Othr Op Rev	\$177,142	(\$125,706)	(\$302,848)	
Other Sources	(\$7,924)	(\$14,891)	(\$6,967)	
Total Average Annual Change	\$212,209	(\$52,774)	(\$264,984)	
	0.69%	-0.14%	-0.83%	

Note: Expenditure average annual change is projected to be > \$835,381. 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).



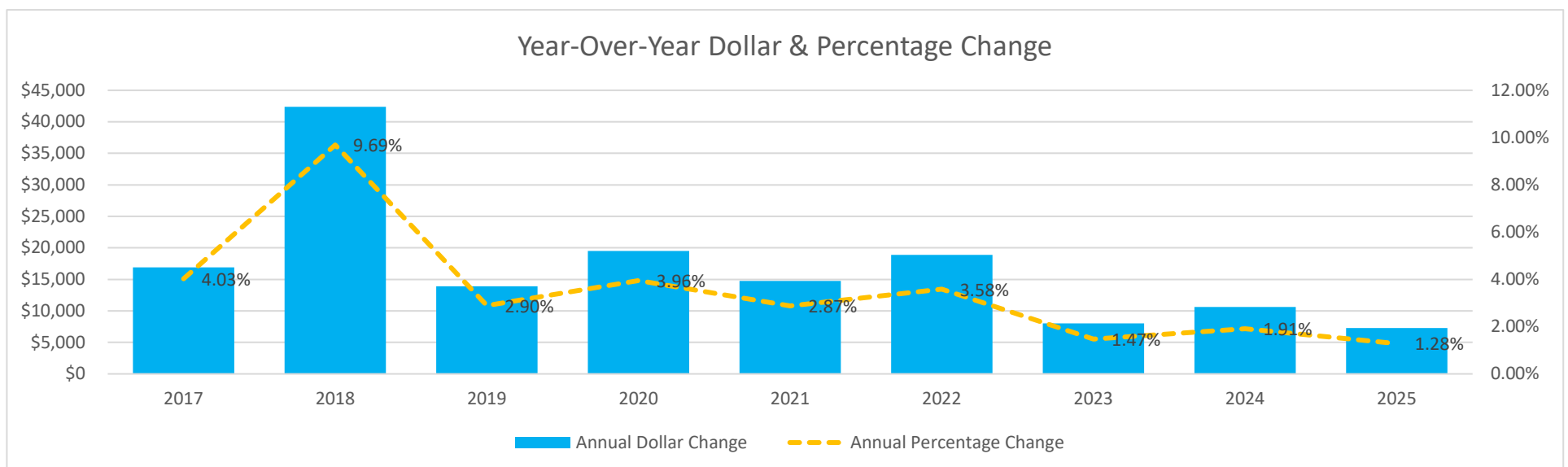
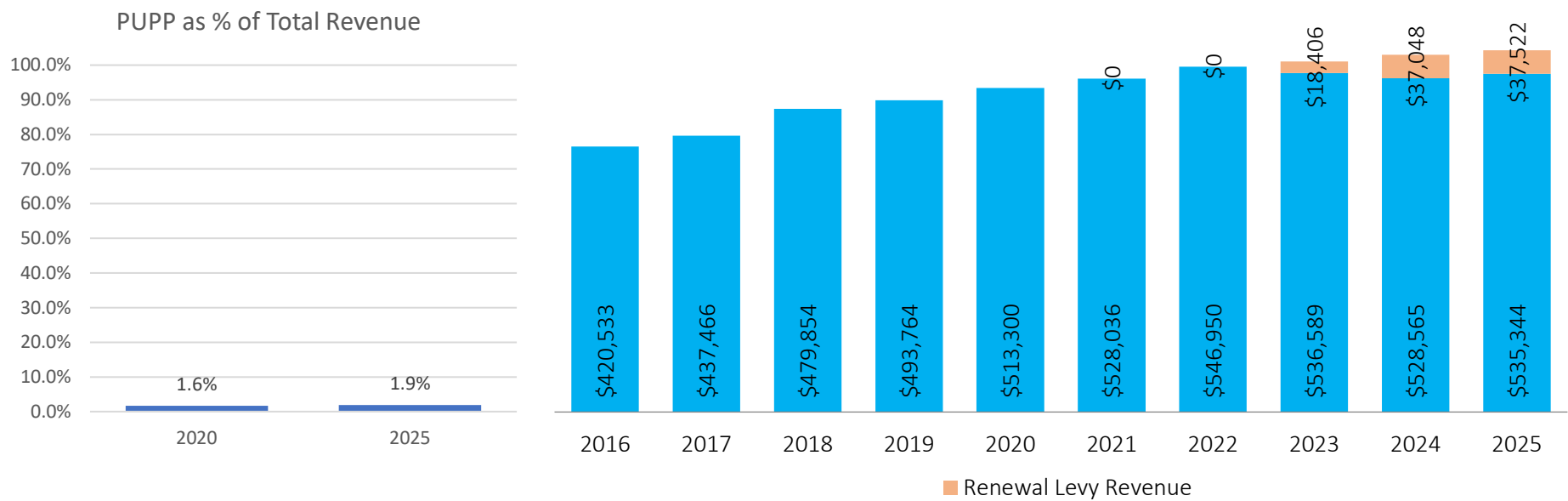
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2019	306,280,160	37,913,480	28.85	-	31.29	-	99.5%
2020	308,436,310	2,156,150	28.92	0.07	31.51	0.22	99.1%
2021	308,243,828	(192,482)	28.97	0.05	31.72	0.20	99.1%
2022	292,891,828	(15,352,000)	30.20	1.23	32.68	0.97	99.1%
2023	292,711,028	(180,800)	30.20	0.00	32.85	0.16	99.1%
2024	292,521,028	(190,000)	30.20	0.00	33.01	0.17	99.1%

Real estate property tax revenue accounts for 23.78% of total revenue. Class I or residential/agricultural taxes make up approximately 85.16% of the real estate property tax revenue. The Class I tax rate is 28.92 mills in tax year 2020. 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 2024. The revenue changed at an average annual historical rate of 1.89% and is projected to change at an average annual rate of 0.49% through FY 2025.

**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.



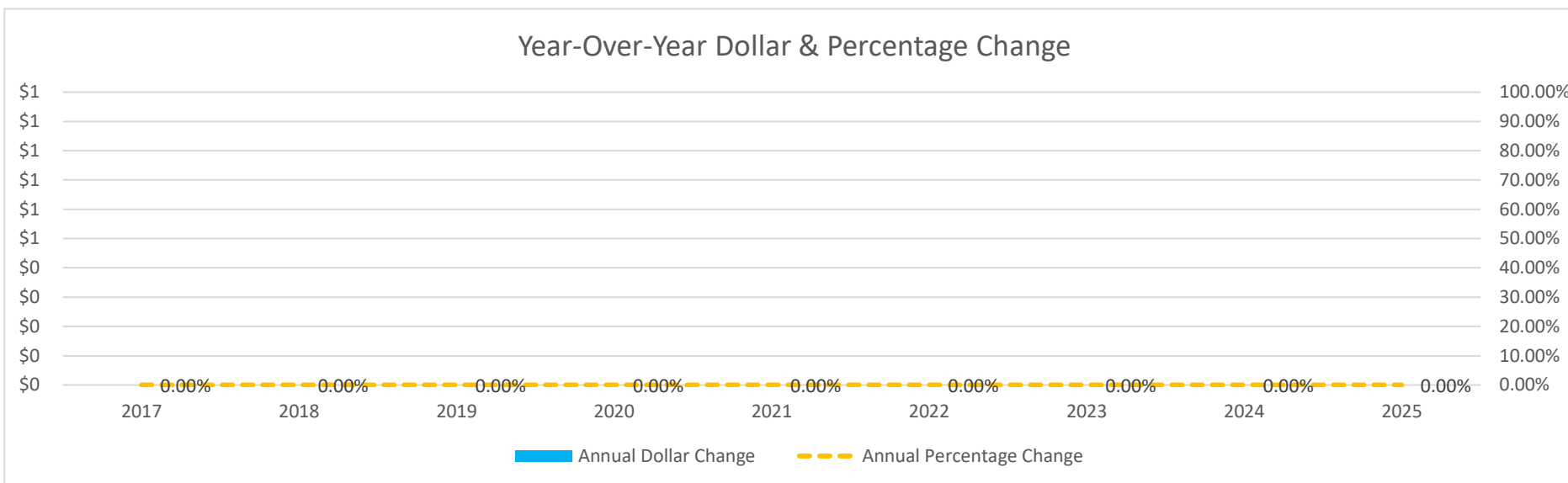
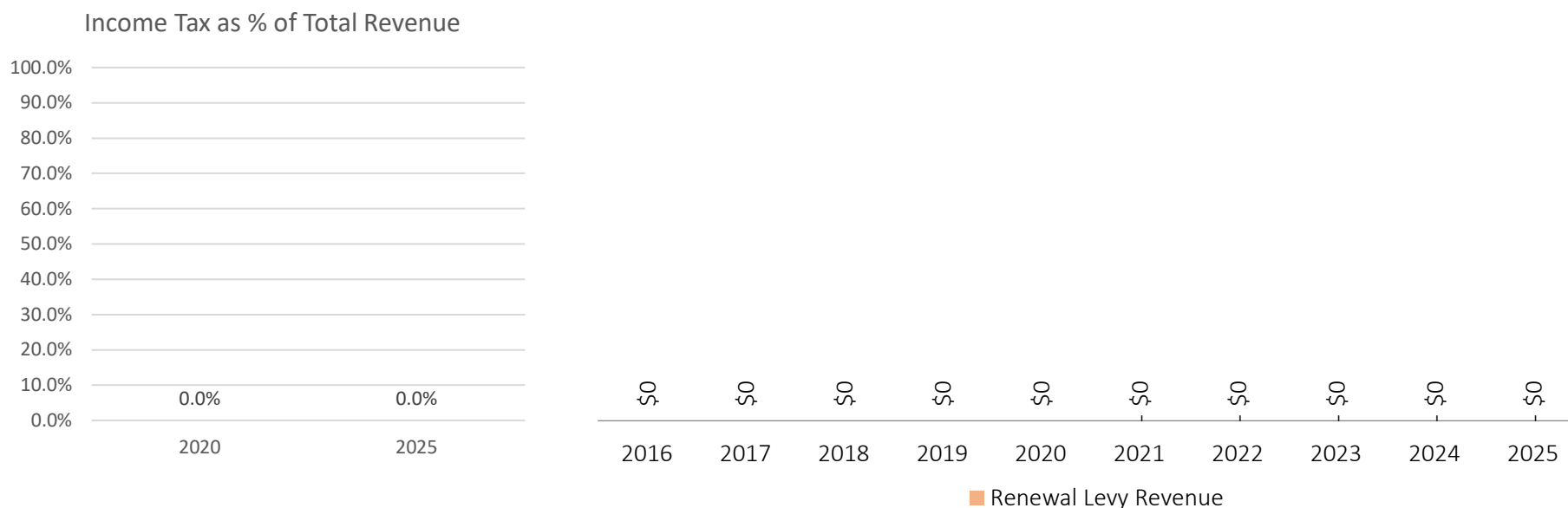
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2019	14,592,130	836,170	35.65	(1.16)	100.0%
2020	15,082,710	490,580	35.72	0.07	100.3%
2021	15,282,710	200,000	35.77	0.05	100.2%
2022	15,482,710	200,000	36.21	0.44	100.2%
2023	15,682,710	200,000	36.21	(0.00)	100.2%
2024	15,882,710	200,000	36.21	(0.00)	100.2%

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 1.65% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2020 is 35.72 mills. The forecast is modeling an average gross collection rate of 100.26%. The revenue changed historically at an average annual dollar amount of \$25,278 and is projected to change at an average annual dollar amount of \$11,913 through FY 2025.

**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.

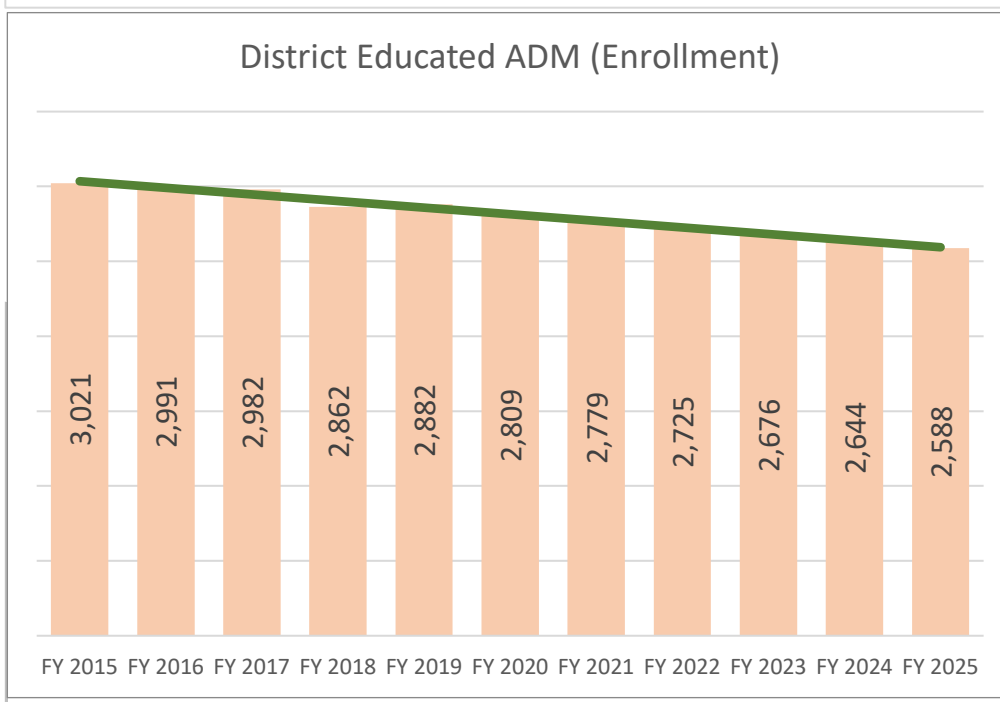
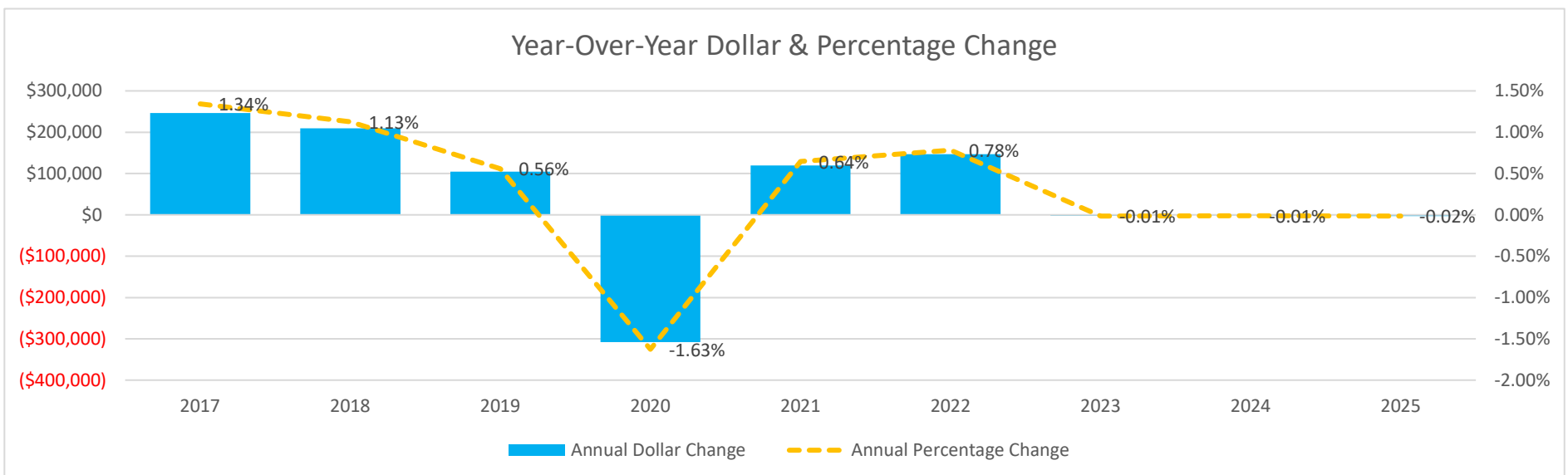
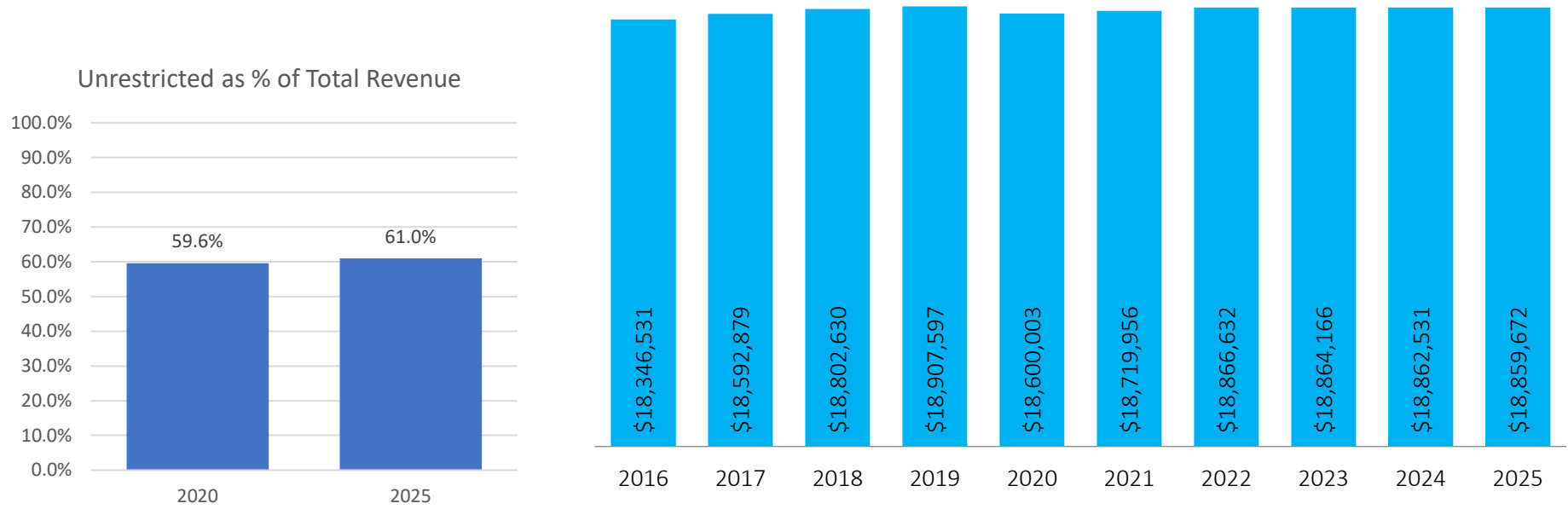


The district does not have an income tax levy.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

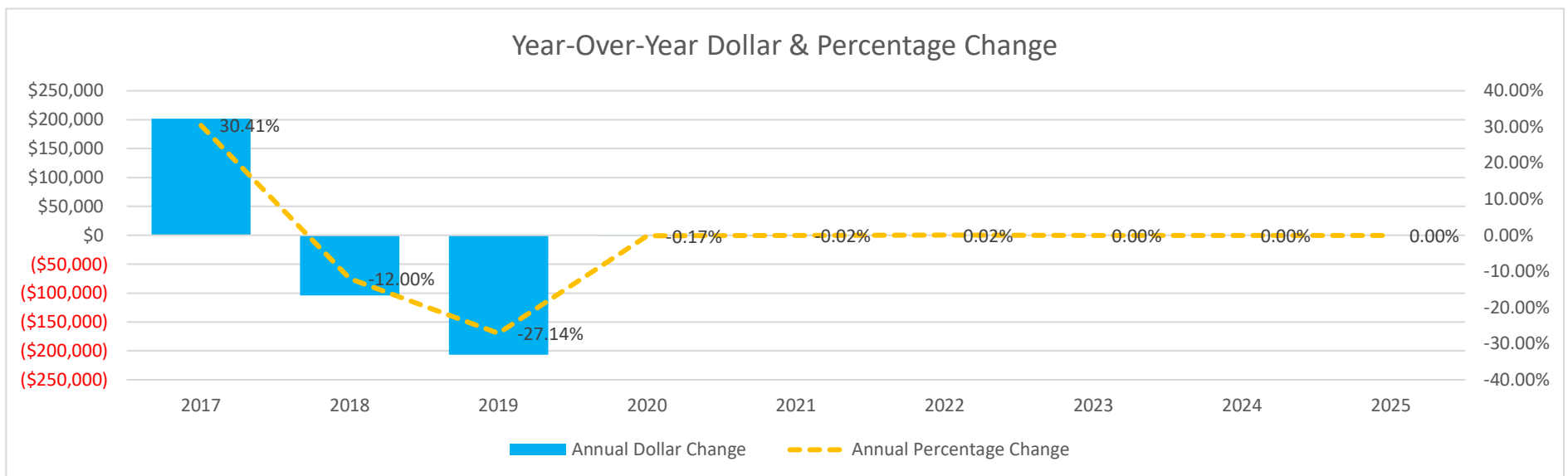
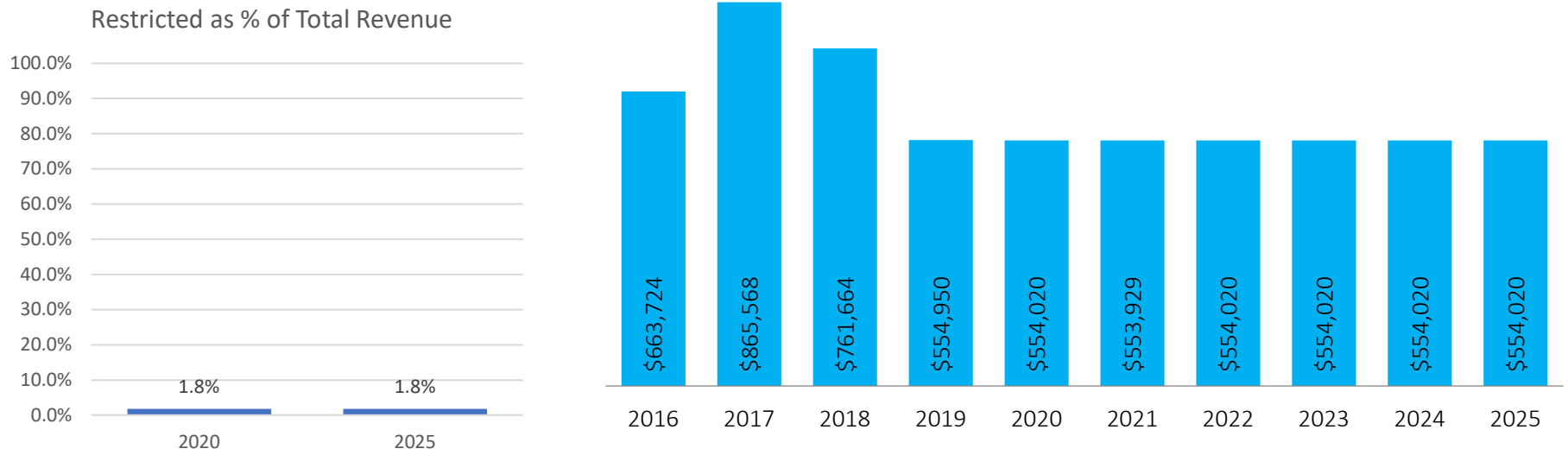
Funds received through the State Foundation Program with no restriction.



The FY 2019 per pupil and foundation revenue amount is the base aid amount used in FY 2021. In addition to its FY 2021 base funding amount of \$18,310,174 the district calculated FY 2021 categorical funding such as special education, preschool, and casino tax of \$539,782. Projected amounts less than the FY 2019 base indicate state budget cuts and other assumed change. For fiscal year 2022 - 2025, the district is projecting an average annual increase of 0.19% Note: Wellness funding is not included in these calculations.

1.040 & 1.045 - Restricted Grants-in-Aid

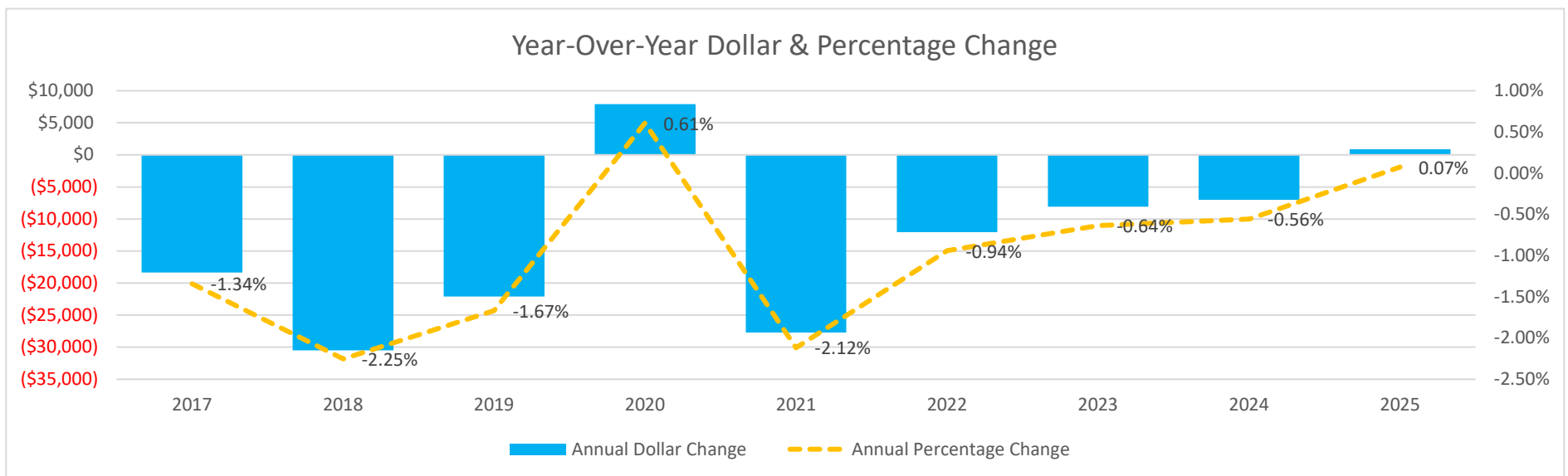
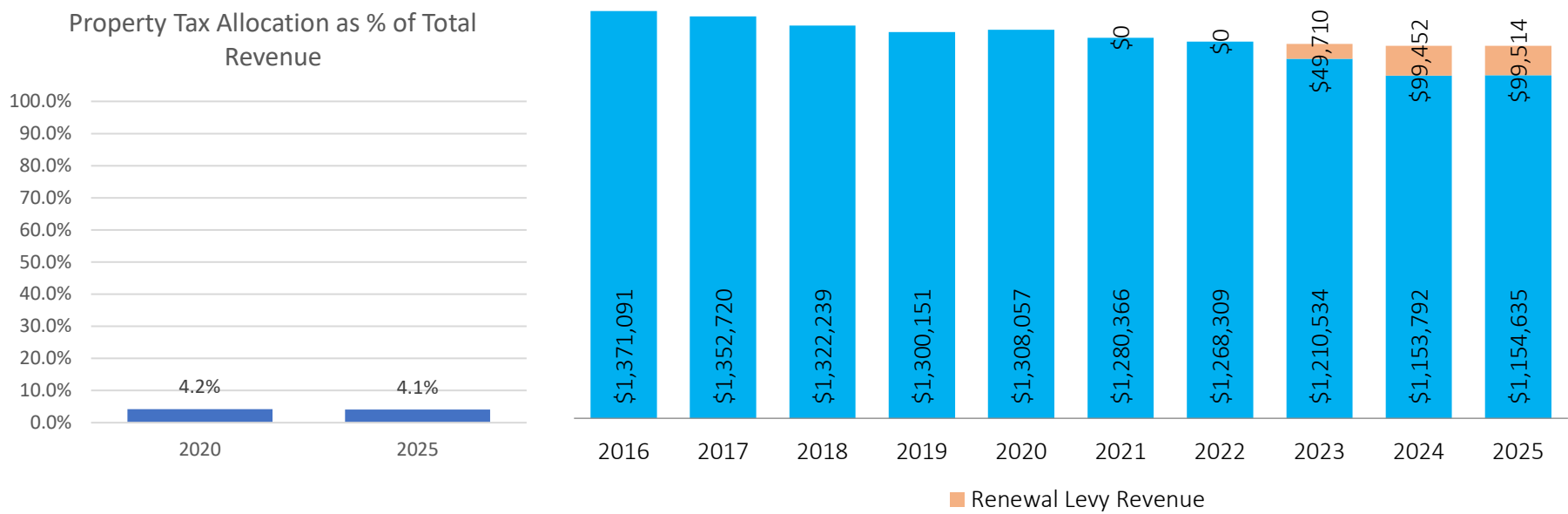
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



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 -\$103,849 and is projected to remain stable through the forecasted period. Restricted funds represent 1.78% of total revenue.

1.050 - Property Tax Allocation

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

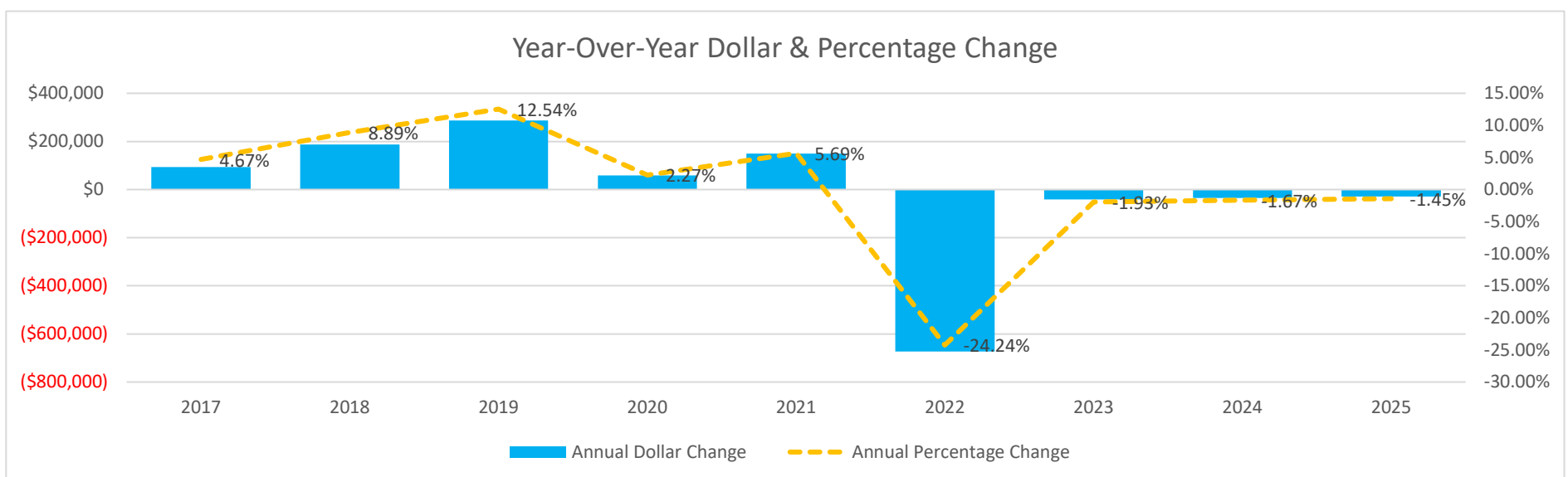
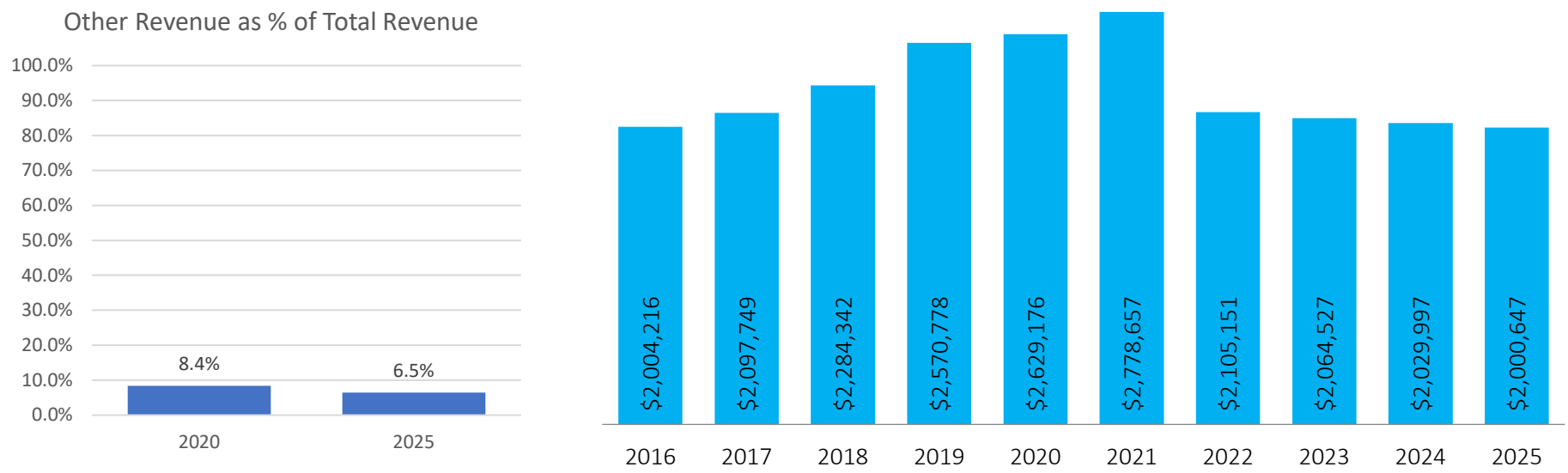


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2021, approximately 11.7% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 4.4% 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.

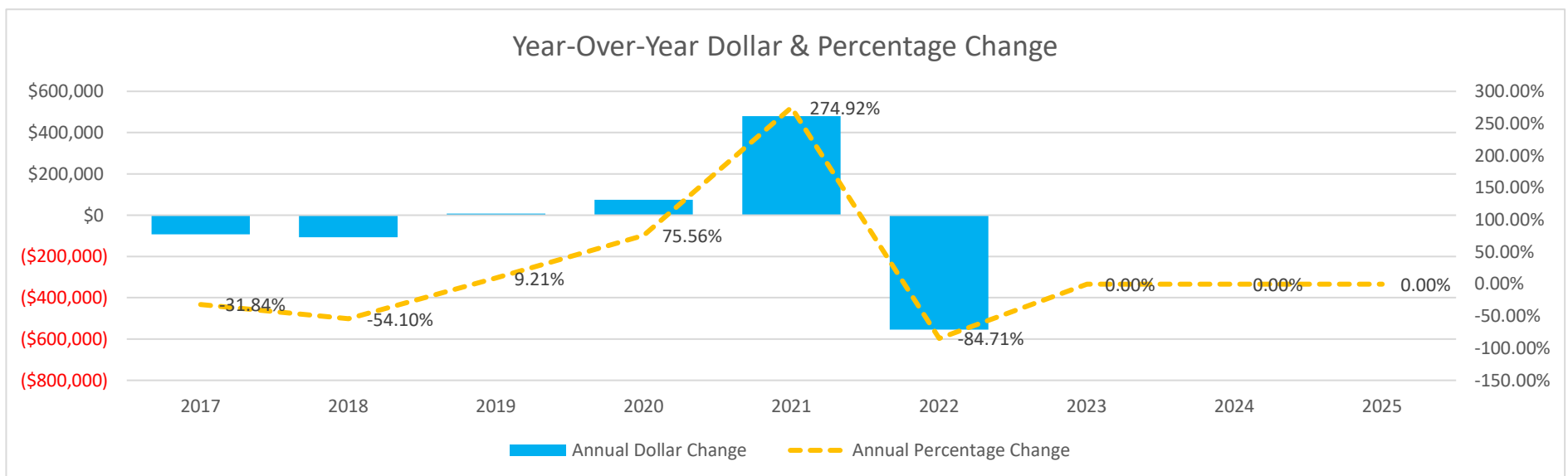
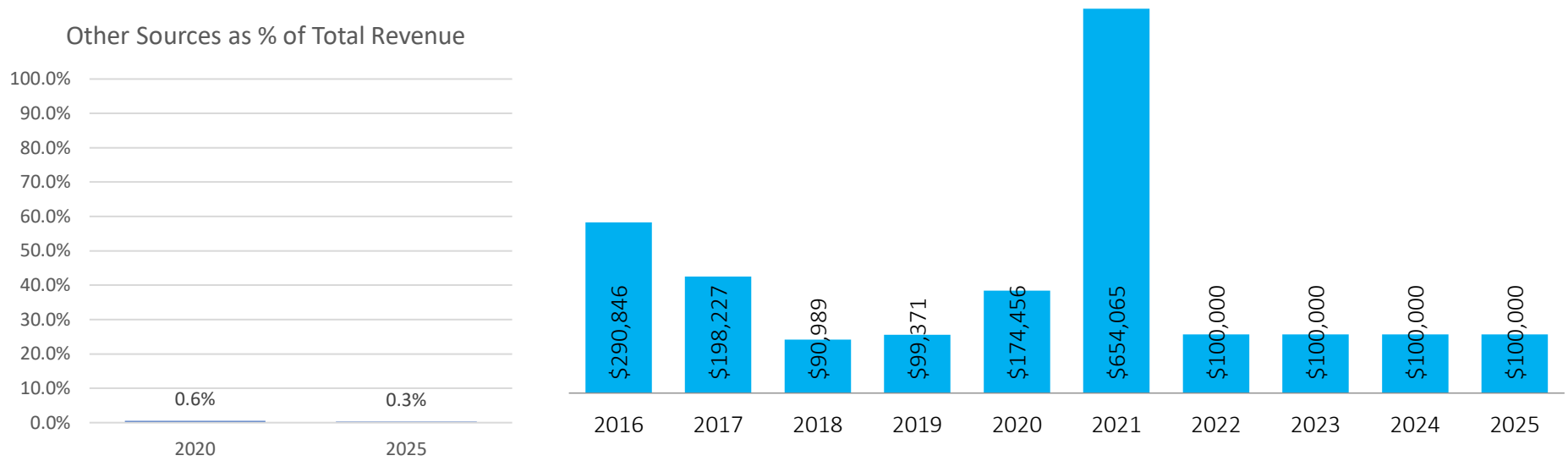


Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$177,142. The projected average annual change is -\$125,706 through FY 2025.

This line item is where the Worker's Compensation rebates were recorded. As you can see, there is a significant drop in revenue projected from FY 21 to FY 22, due to the lack of additional rebates predicted in future years.

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.

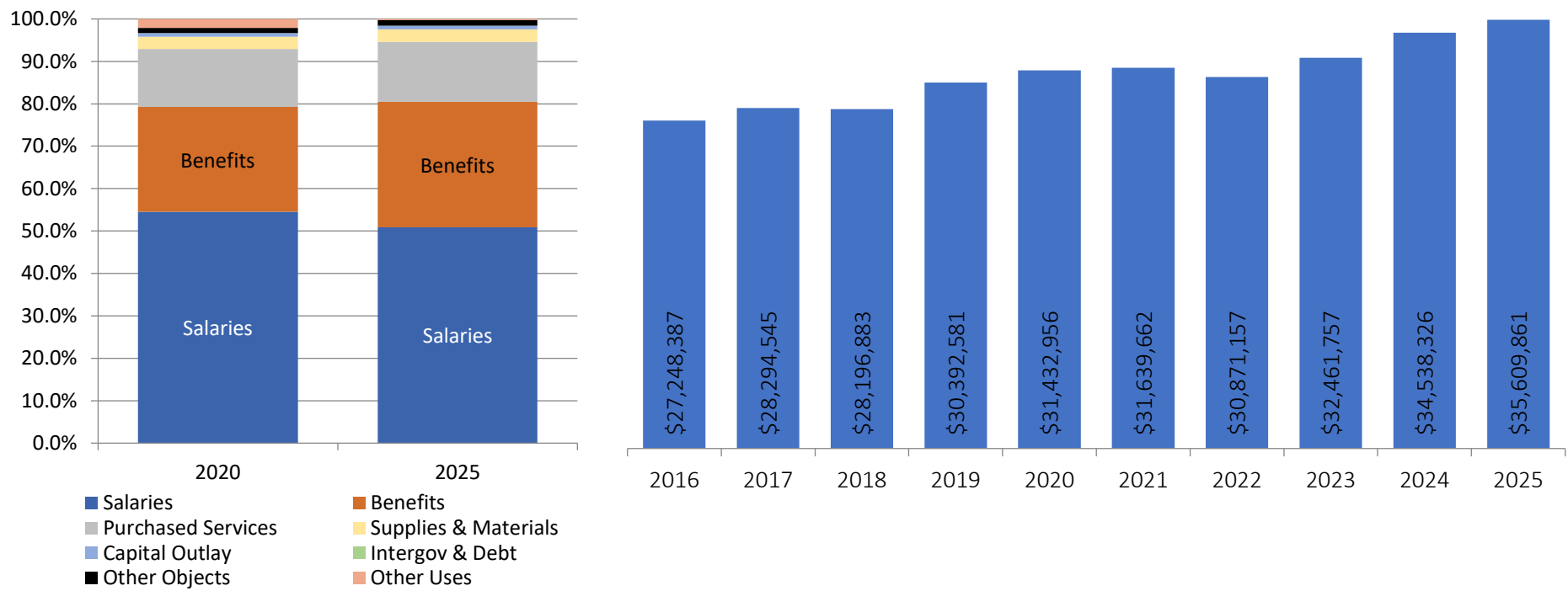


	2020	2021	2022	FORECASTED		
				2023	2024	2025
Transfers In	-	-	-	-	-	-
Advances In	172,831	652,306	100,000	100,000	100,000	100,000
All Other Financing Sources	1,625	1,759	-	-	-	-

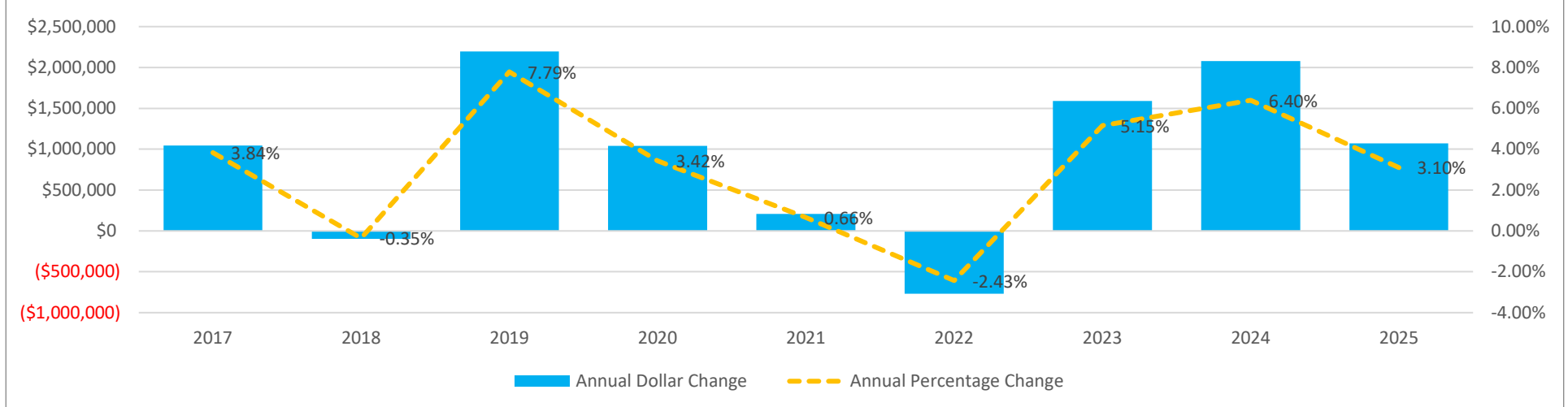
Other sources includes revenue that is generally classified as non-operating. It is typically in the form of advances-in which are the repayment of temporary loans made from the general fund to other district funds. In FY 2020 the district received \$172,831 as advances-in and is projecting advances of \$652,306 in FY 2021. 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 \$1,759 in FY 2021 and average \$0 annually through FY 2025.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



Year-Over-Year Dollar & Percentage Change



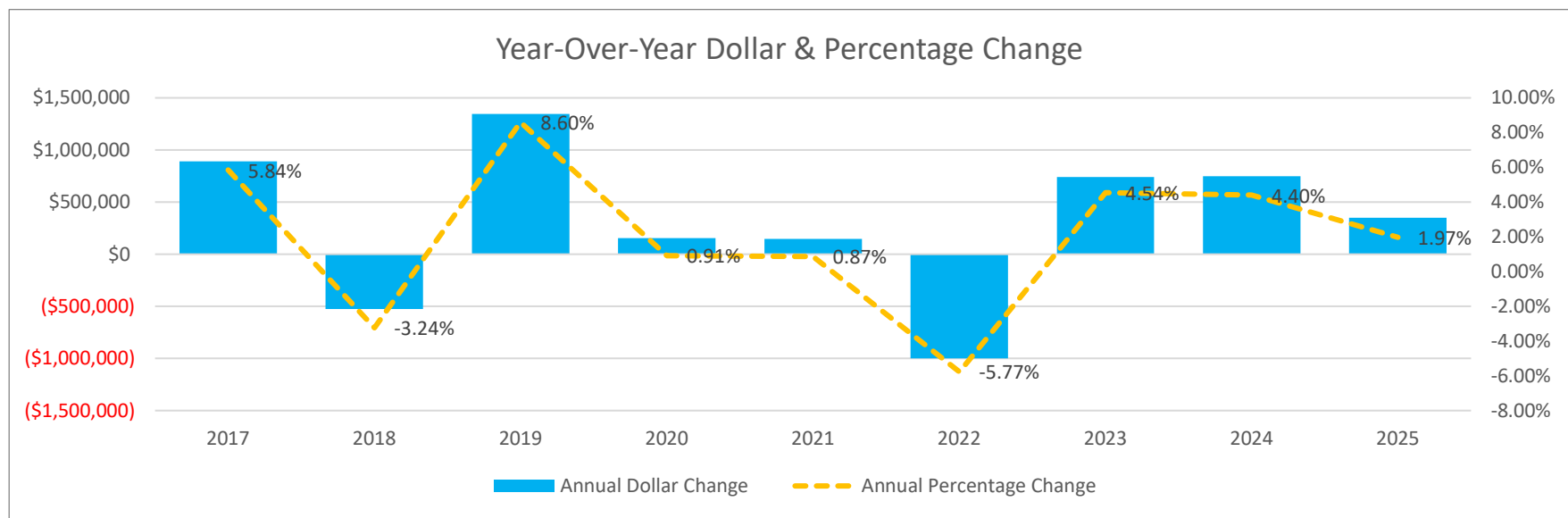
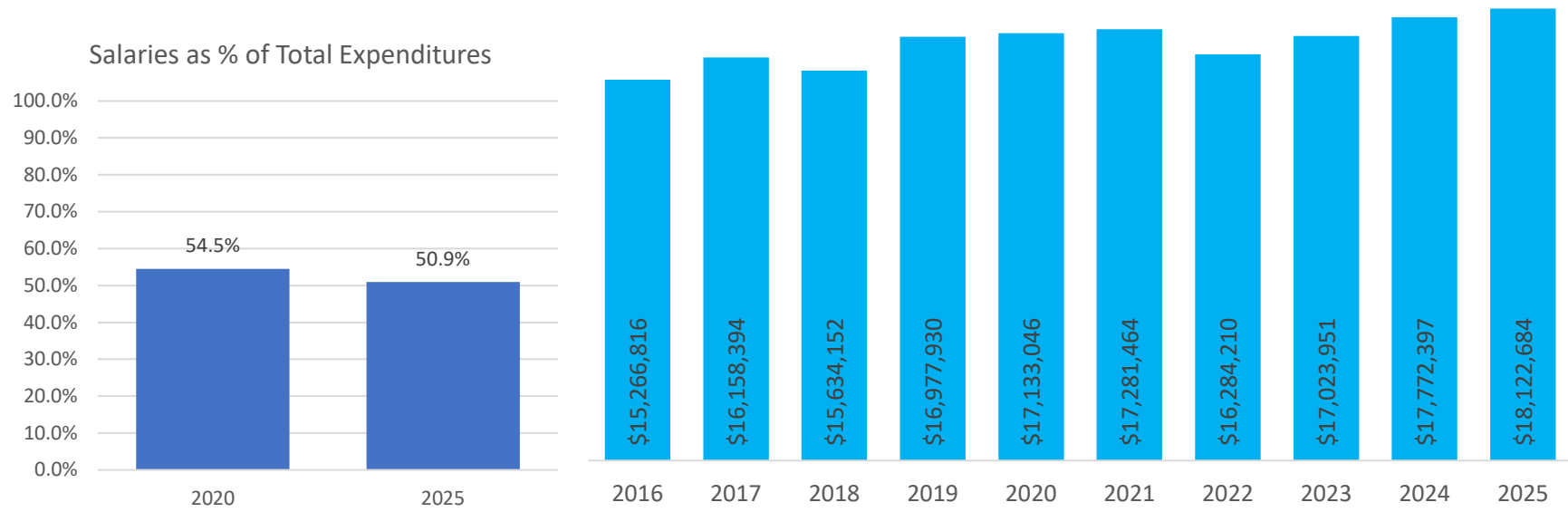
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Total expenditures increased 3.62% or \$1,046,137 annually during the past five years and is projected to increase 2.66% or \$835,381 annually through FY2025. Other Uses has the largest projected average annual variance compared to the historical average at - \$304,049.
Salaries	\$324,884	\$197,927	(\$126,957)	
Benefits	\$331,032	\$548,657	\$217,625	
Purchased Services	\$98,459	\$147,597	\$49,138	
Supplies & Materials	(\$8,935)	\$30,063	\$38,998	
Capital Outlay	\$59,698	\$12,073	(\$47,625)	
Intergov & Debt	\$0	\$0	\$0	
Other Objects	\$47,411	\$9,524	(\$37,887)	
Other Uses	\$193,588	(\$110,461)	(\$304,049)	
Total Average Annual Change	\$1,046,137	\$835,381	(\$210,756)	
	3.62%	2.66%	-0.96%	

Note: Expenditure average annual change is projected to be > \$835,381 On an annual average basis, revenues are projected to grow slower than expenditures.

3.010 - Personnel Services

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

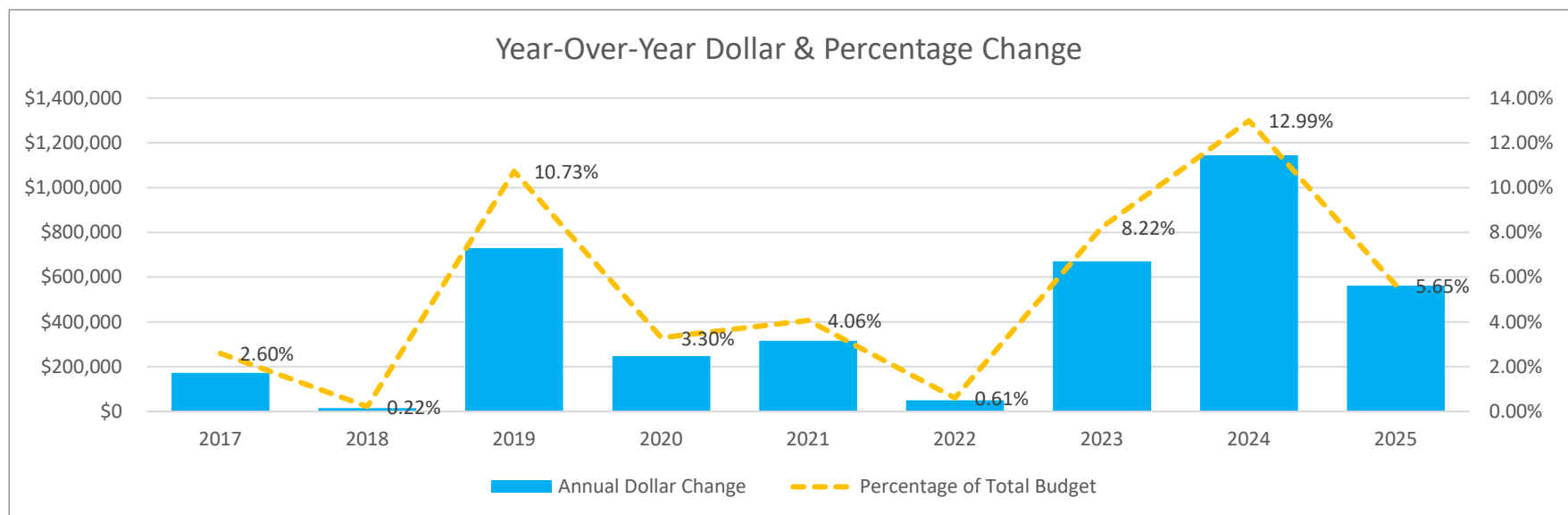
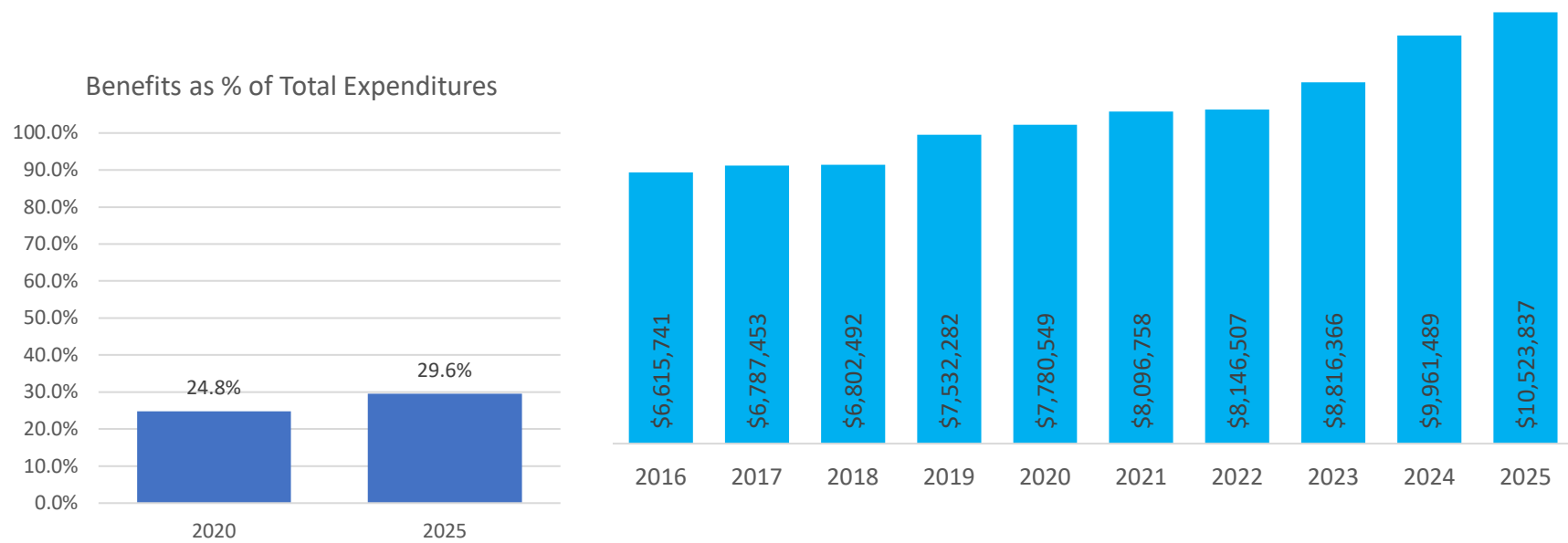


Salaries represent 54.51% of total expenditures and increased at a historical average annual rate of 2.09% or \$324,884. This category of expenditure is projected to grow at an average annual rate of 1.20% or \$197,927 through FY 2025. The projected average annual rate of change is -0.89% less than the five year historical annual average.

This line item is where the Worker's Compensation rebates were recorded. As you can see, there is a significant drop in revenue projected from FY 21 to FY 22, due to the lack of additional rebates predicted in future years.

3.020 - Employees' Benefits

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

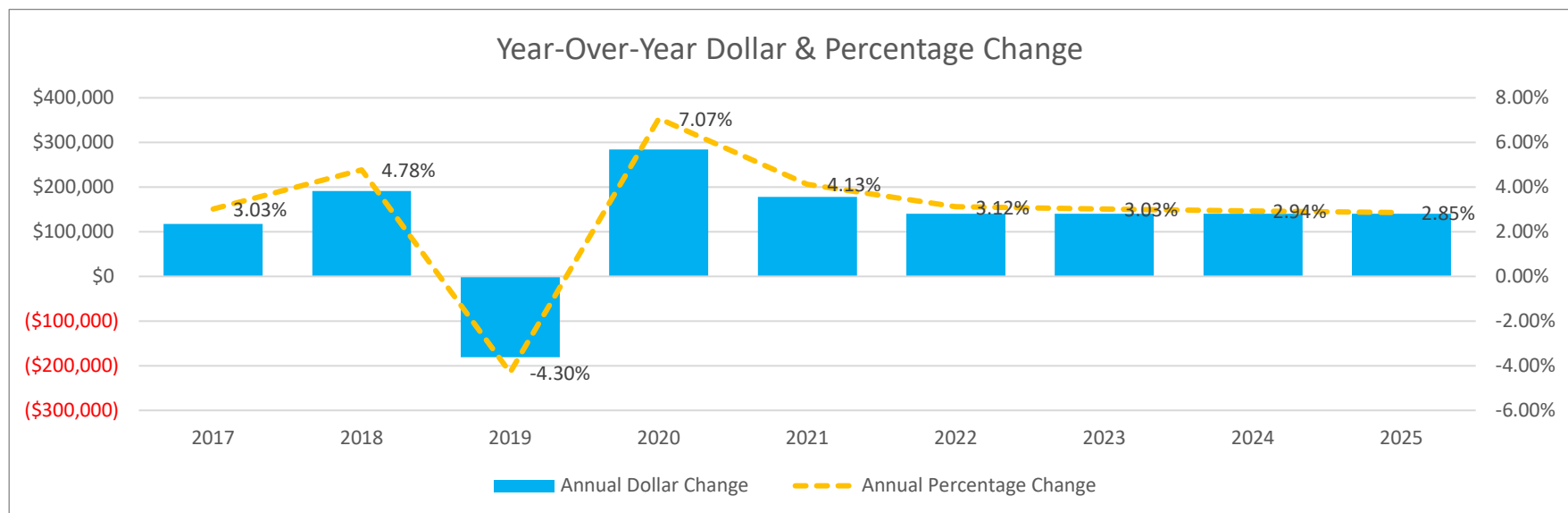
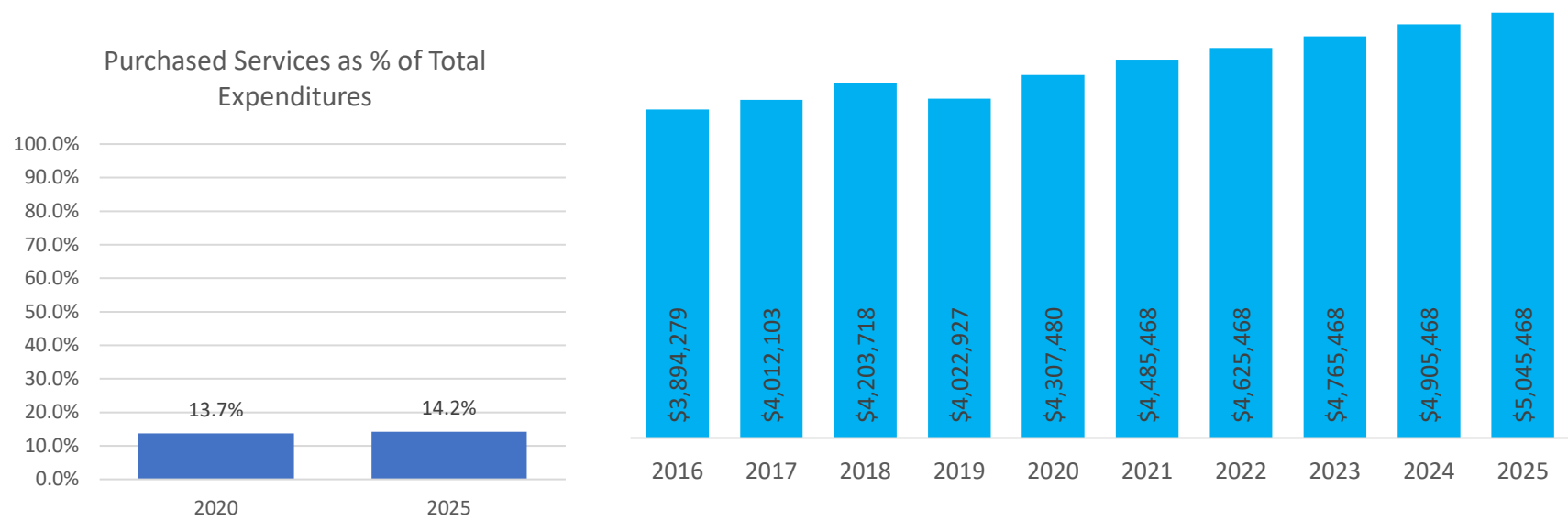


Benefits represent 24.75% of total expenditures and increased at a historical average annual rate of 4.75%. This category of expenditure is projected to grow at an annual average rate of 6.31% through FY 2025. The projected average annual rate of change is 1.56% more than the five year historical annual average.

The renewal rate for health insurance beginning January 2022 is an increase of 5.5%. For dental and vision, both will increase by 2% each. Moving forward, I maintain an 11% increase in health insurance and a 2% increase for dental and vision insurance.

3.030 - Purchased Services

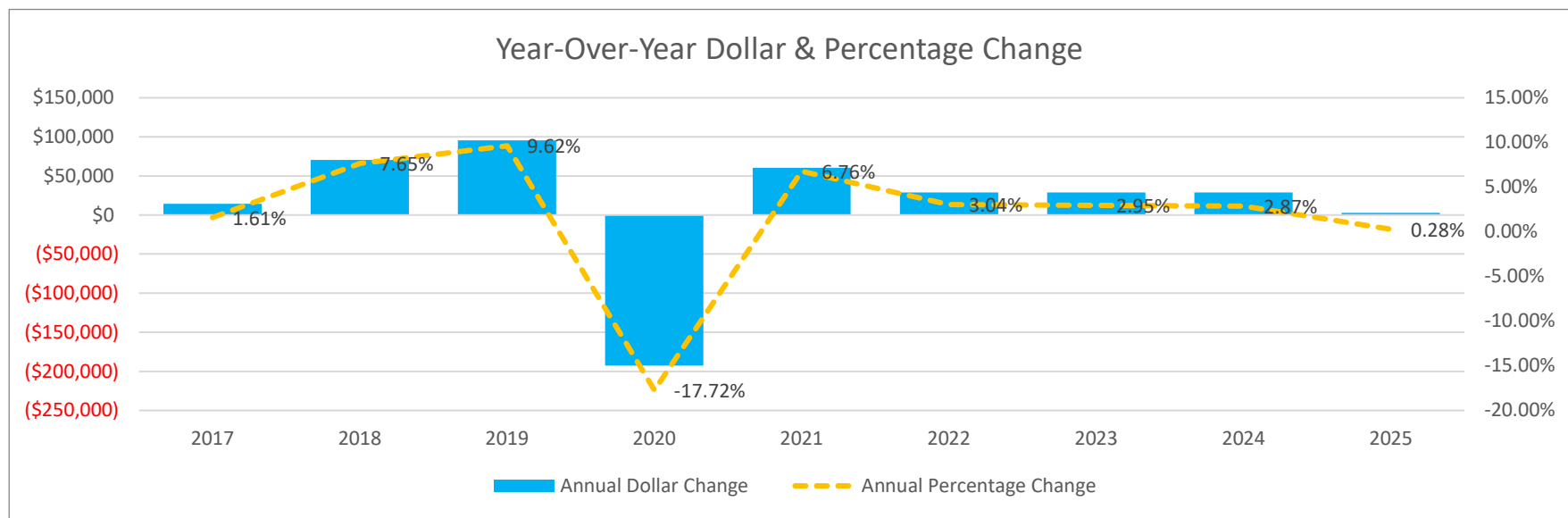
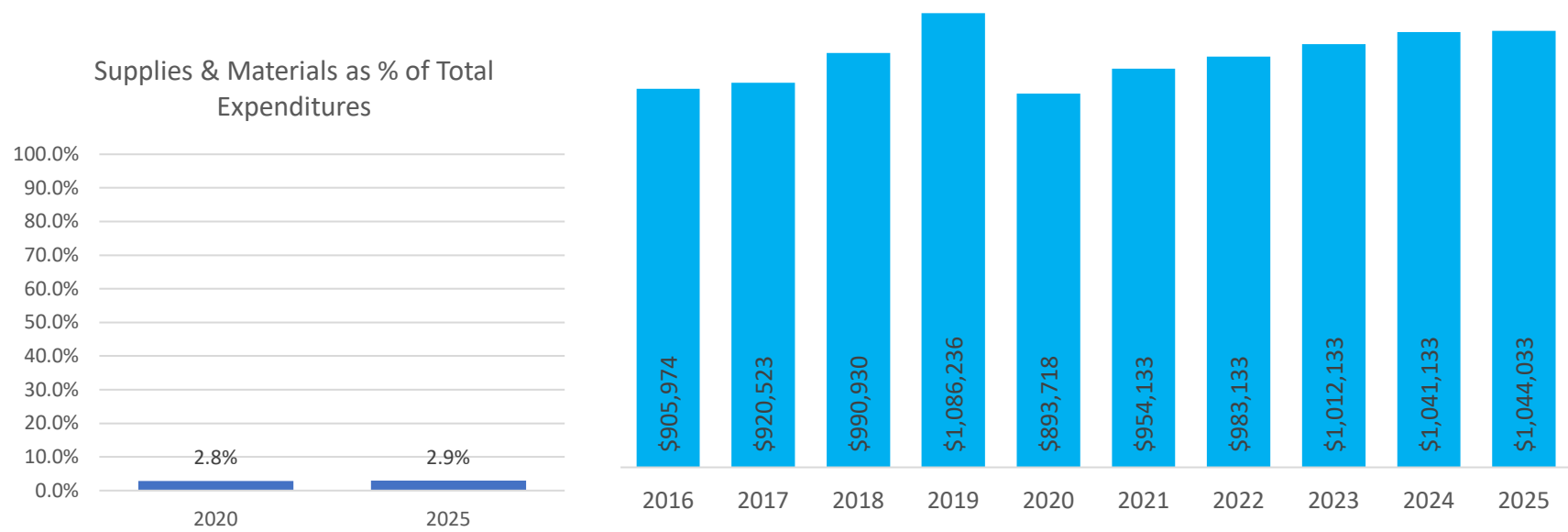
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 13.70% of total expenditures and increased at a historical average annual rate of 2.52%. This category of expenditure is projected to grow at an annual average rate of 3.21% through FY 2025. The projected average annual rate of change is 0.70% more than the five year historical annual average.

3.040 - Supplies & Materials

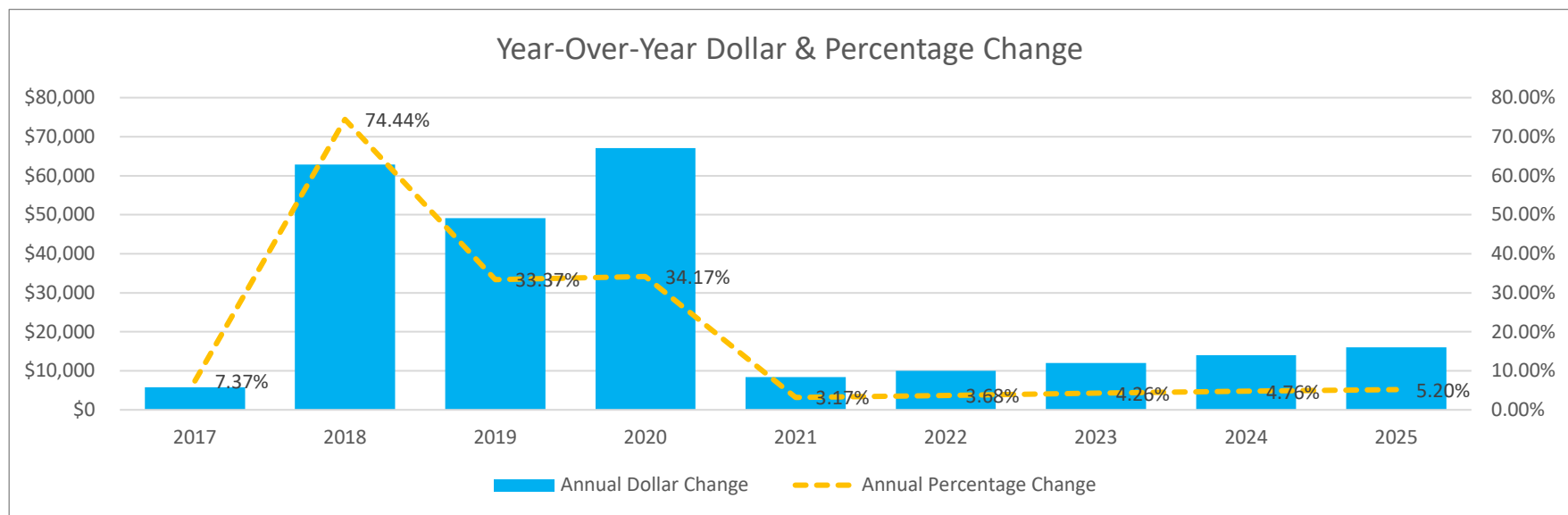
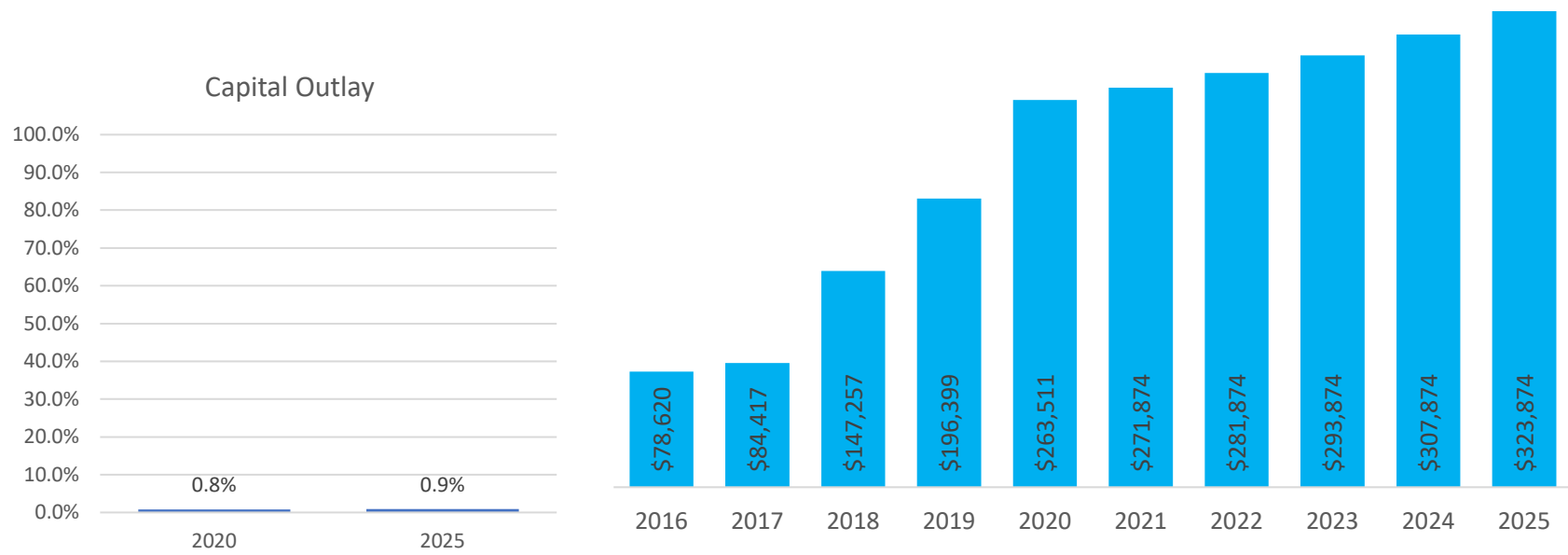
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 2.84% of total expenditures and decreased at a historical average annual rate of -0.15%. This category of expenditure is projected to grow at an annual average rate of 3.18% through FY 2025. The projected average annual rate of change is 3.33% more than the five year historical annual average.

3.050 - Capital Outlay

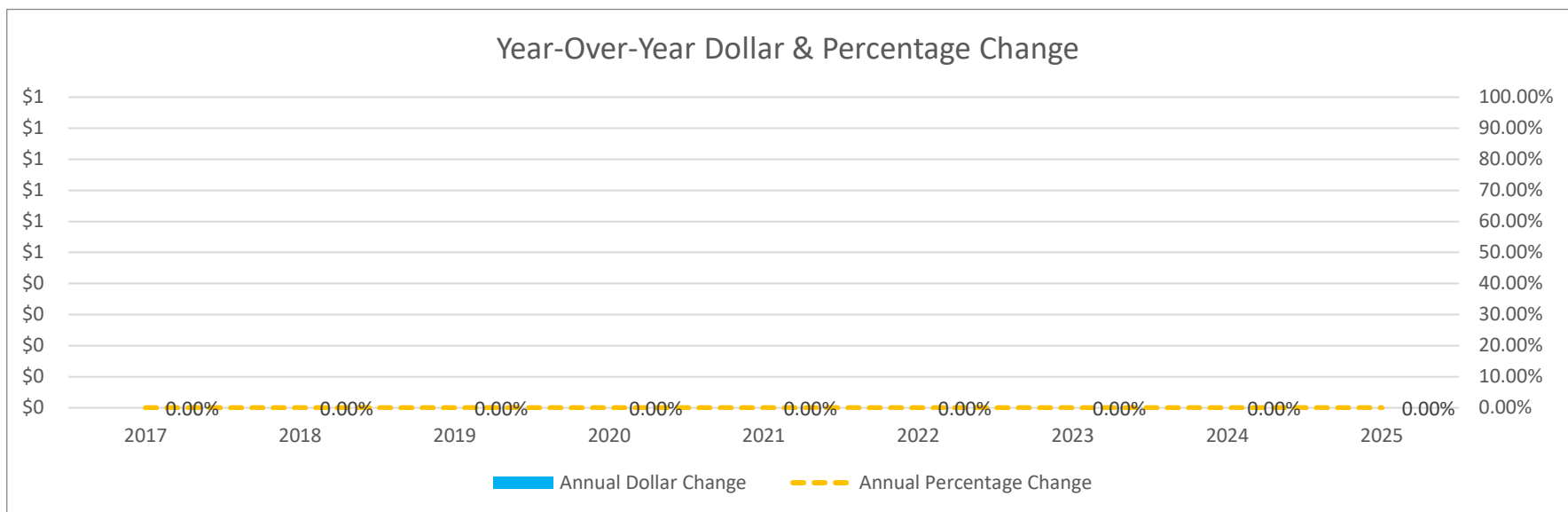
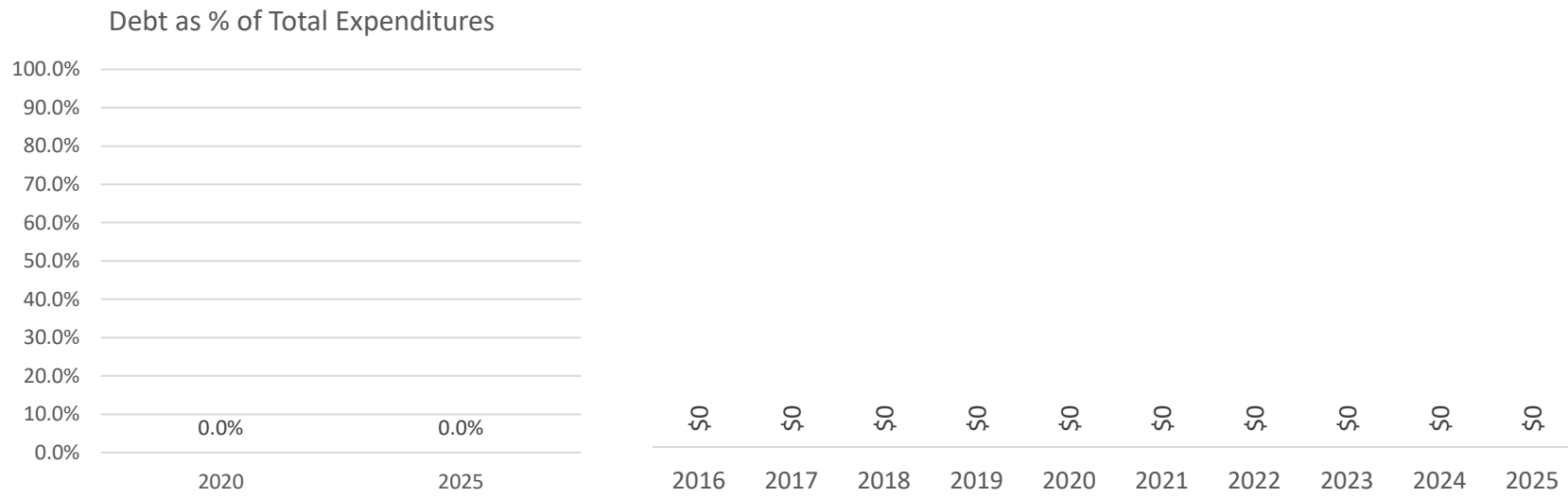
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 0.84% of total expenditures and increased at a historical average annual amount of \$59,698. This category of expenditure is projected to grow at an annual average amount of \$12,073 through FY 2025. The projected average annual change is less than the five year historical annual average.

3.060-4.060 - Intergovernmental & Debt

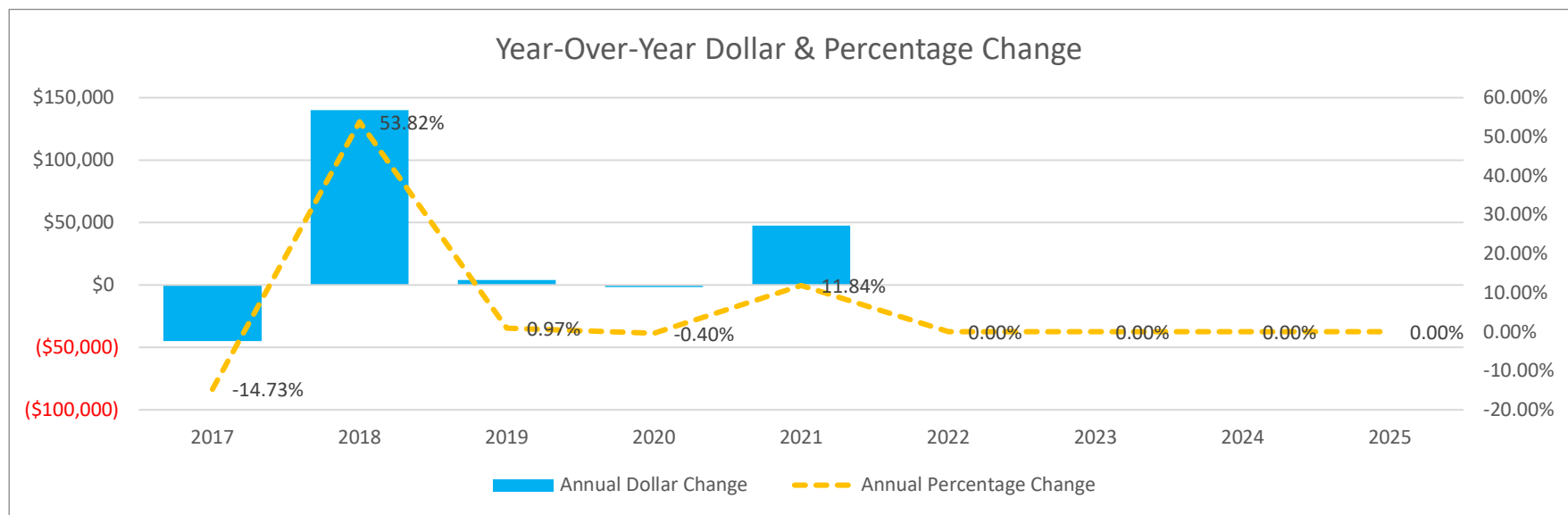
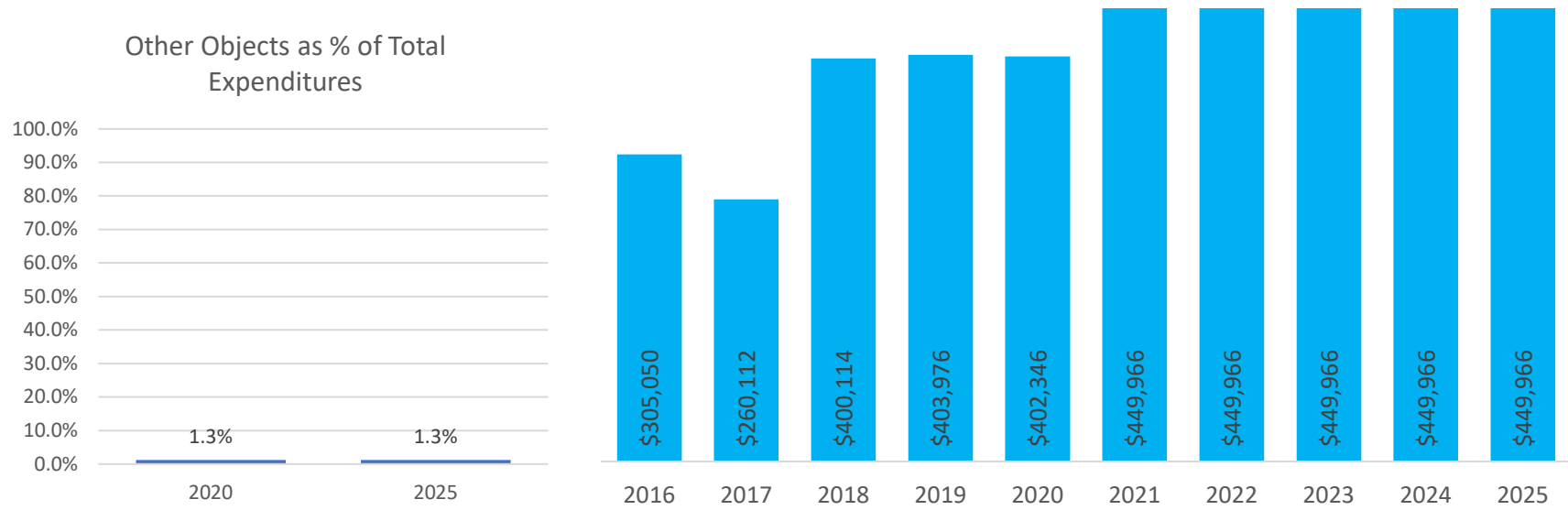
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



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

4.300 - Other Objects

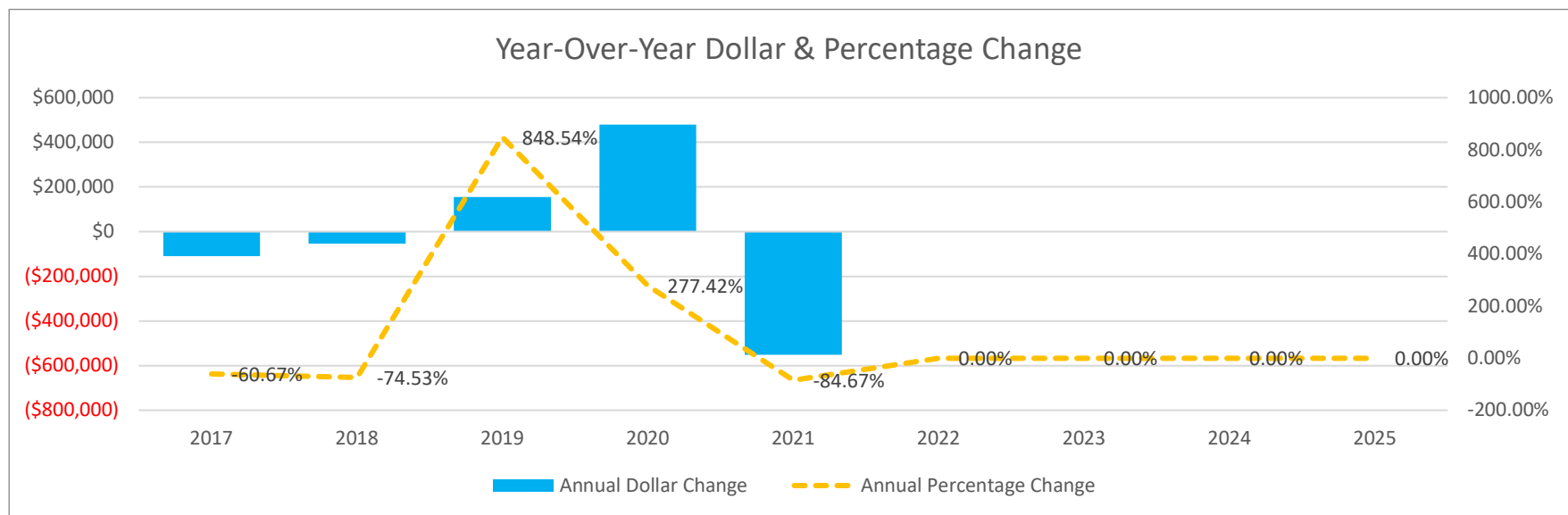
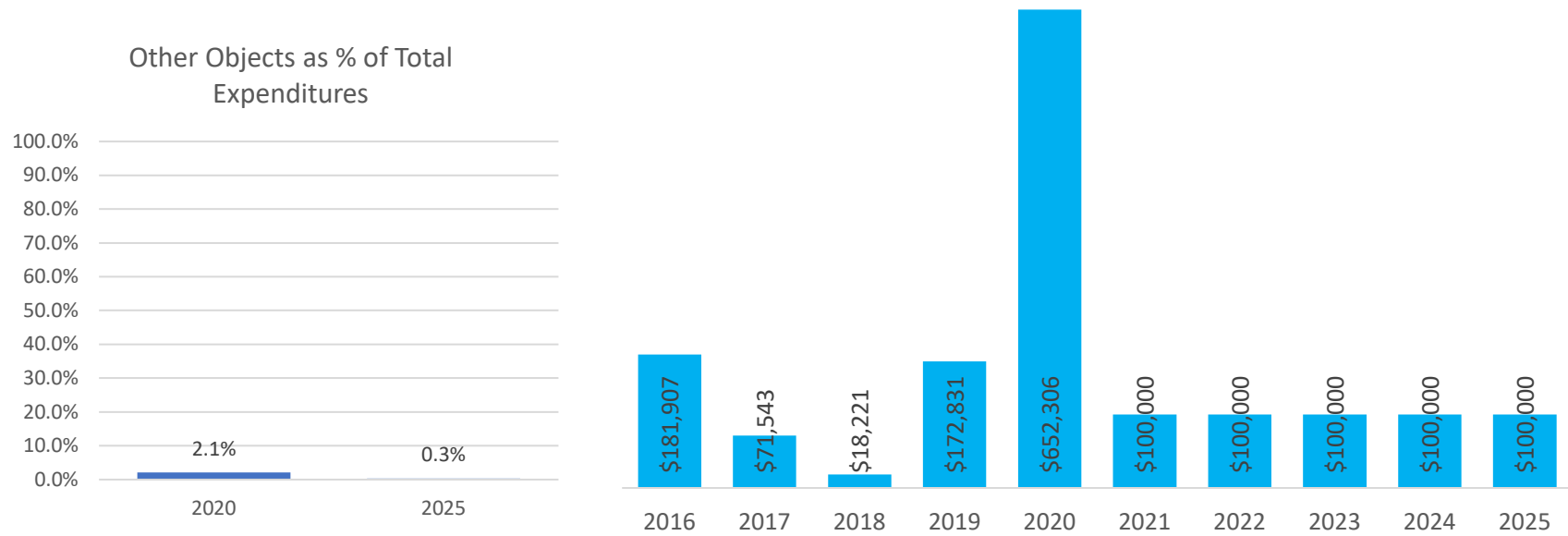
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.28% of total expenditures and increased at a historical average annual rate of 18.13%. This category of expenditure is projected to grow at an annual average rate of 2.37% through FY 2025. The projected average annual rate of change is -15.76% 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.



	2020	2021	2022	2023	2024	2025
Transfers Out	-	-	-	-	-	-
Advances Out	652,306	100,000	100,000	100,000	100,000	100,000
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 2020 the district had advances-out and has advances-out forecasted through FY 2025. 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 2025. 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				
	2020	2021	2022	2023	2024	2025
Revenue:						
1.010 - General Property Tax (Real Estate)	7,419,987	7,809,152	7,637,881	7,342,804	7,016,863	7,015,507
1.020 - Public Utility Personal Property	513,300	528,036	546,950	536,589	528,565	535,344
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	18,600,003	18,719,956	18,866,632	18,864,166	18,862,531	18,859,672
1.040 - Restricted Grants-in-Aid	554,020	553,929	554,020	554,020	554,020	554,020
1.050 - Property Tax Allocation	1,308,057	1,280,366	1,268,309	1,210,534	1,153,792	1,154,635
1.060 - All Other Operating Revenues	2,629,176	2,778,657	2,105,151	2,064,527	2,029,997	2,000,647
1.070 - Total Revenue	31,024,543	31,670,096	30,978,943	30,572,640	30,145,768	30,119,825
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	172,831	652,306	100,000	100,000	100,000	100,000
2.060 - All Other Financing Sources	1,625	1,759	-	-	-	-
2.070 - Total Other Financing Sources	174,456	654,065	100,000	100,000	100,000	100,000
2.080 - Total Rev & Other Sources	31,198,999	32,324,161	31,078,943	30,672,640	30,245,768	30,219,825
Expenditures:						
3.010 - Personnel Services	17,133,046	17,281,464	16,284,210	17,023,951	17,772,397	18,122,684
3.020 - Employee Benefits	7,780,549	8,096,758	8,146,507	8,816,366	9,961,489	10,523,837
3.030 - Purchased Services	4,307,480	4,485,468	4,625,468	4,765,468	4,905,468	5,045,468
3.040 - Supplies and Materials	893,718	954,133	983,133	1,012,133	1,041,133	1,044,033
3.050 - Capital Outlay	263,511	271,874	281,874	293,874	307,874	323,874
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	402,346	449,966	449,966	449,966	449,966	449,966
4.500 - Total Expenditures	30,780,651	31,539,662	30,771,157	32,361,757	34,438,326	35,509,861
Other Financing Uses						
5.010 - Operating Transfers-Out	-	-	-	-	-	-
5.020 - Advances-Out	652,306	100,000	100,000	100,000	100,000	100,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	652,306	100,000	100,000	100,000	100,000	100,000
5.050 - Total Exp and Other Financing Uses	31,432,956	31,639,662	30,871,157	32,461,757	34,538,326	35,609,861
6.010 - Excess of Rev Over/(Under) Exp	(233,957)	684,499	207,786	(1,789,117)	(4,292,557)	(5,390,036)
7.010 - Cash Balance July 1 (No Levies)	11,892,977	11,659,019	12,343,518	12,551,304	10,762,187	6,469,630
7.020 - Cash Balance June 30 (No Levies)	11,659,019	12,343,518	12,551,304	10,762,187	6,469,630	1,079,594
		Reservations				
8.010 - Estimated Encumbrances June 30	1,784,085	700,000	700,000	700,000	700,000	700,000
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	9,330,338	11,098,922	11,306,708	9,517,591	5,225,034	(165,002)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	357,637	715,284	715,302
11.030 - Cumulative Balance of Levies	-	-	-	357,637	1,072,921	1,788,223
12.010 - Fund Bal June 30 for Cert of Obligations	9,330,338	11,098,922	11,306,708	9,875,228	6,297,955	1,623,221
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	9,330,338	11,098,922	11,306,708	9,875,228	6,297,955	1,623,221



Tecumseh Local School District
Five Year Forecast Summary/Assumptions
May 25th, 2021

Forecast Summary:

The forecast summary shows the district is deficit spending during the five year forecast. This is due to revenues not exceeding expenditures during those years. The district will need 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 23.78% of the districts revenue. As can be seen by the graph in my report, this revenue stream stays fairly consistent from year to year. There was an emergency renewal levy on the November 5th 2019 ballot. It combined two emergency levies into one. The levy passed 64% to 36%. It was imperative that the district passed this levy – as you can see how much revenue would have been lost if it did not pass. Clark County had a revaluation of property during 2019. The new values were effective January 1, 2020. According to the Clark County Auditor, values in our District increased approximately 13% over last year. We see an increase in revenue only in regards to our 5.8 inside millage. We do not see the entire increase in additional revenue due to House Bill 920. When values increase, the effective tax rate decreases so that the amount of tax collected does not exceed what was originally levied. We will have our other emergency levy on the ballot in November 2021. This levy generates approximately \$712,000 annually.

Public Utility Personal Property:

Public Utility Personal Property (PUPP) makes up less than 2% of the district's revenue. This revenue stream continues to climb slightly each year, but is also dependent upon the renewal levies.

Income Tax:

Not applicable



Unrestricted Grants in Aid:

Unrestricted Grants in Aid represents approximately 60% of the district's revenue. These are the funds received directly from the State through our foundation program. This revenue stream was, in the past, driven by district wealth and student population. The district's student population has been declining over the last few years. Our enrollment for FY 21 is down from the previous year. For the forecast, I continue the downward trend for enrollment.

State funding changes every two years with the Governor's biennium budget. The current budget is for FY 20 and FY 21. Tecumseh LSD was cut by \$397,547.06 in state funding at the end of FY 20 due to COVID. However, part of that reduction has been reinstated (\$217,000) during FY 21.

The Governor's proposed new biennium budget for FY 22 and FY 23 restores funding to FY 2019 levels. It also contains the new Fair School Funding Plan (FSFP). This plan calls for a six-year phase-in of incremental, annual increases to Ohio's public school funding. The plan calculates the actual base cost to adequately educate each child, the cost to adequately educate students with different needs (economically disadvantaged, students with disabilities, gifted students, etc.) and the equitable portion of the state and local share to fund public education in each community without an over-reliance on local taxes. For Tecumseh Local Schools, this equates to approximately \$219,624 in additional revenue for FY 22 and an additional \$24,600 for FY 23. While this does not create a windfall for our school district, it is essentially the best funding model that has been introduced since 1997.

The new budget bill also addresses Student Wellness and Success Funds (SWSF) again. However, in the version of the budget that passed the House (HB 110), those funds are included in each district's funding formula and not considered a separate funding source to be accounted for in a separate fund like they are currently. The SWSF are to help districts and schools support their students' academic achievement through mental health counseling, wraparound services, mentoring and after-school programs. School districts must work with local organizations to determine community needs and resources, so they can use the state dollars to make the greatest impact on students' lives. Tecumseh Local School District has partnered with Family and Youth Initiatives in New Carlisle to develop a SWSF Plan to spend the funds that have already been received in the past two fiscal years. The estimated amounts the District would receive under the new budget would be \$1,446,969 in FY 22 and \$1,646,881 in FY 23.

The District has chosen to use those funds to supplant current guidance counselors, add two new guidance counselors, contract for mental health services, and many other initiatives.

Restricted Grants in Aid:

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 have qualified as economically disadvantaged. I kept this line item consistent throughout the forecast.



Property Tax Allocation:

Property Tax Allocation 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 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 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).

All Other Operating Revenues:

Other Operating Revenues includes tuition, fees, interest earnings, rentals and donations.

A large portion of this line item over the past few years has been from funds received from the Bureau of Workers Compensation (BWC). They have issued several refunds of prior year premiums due to their large carryover of funds. During FY 21, the district received two BWC refunds/rebates, that totaled a little over \$540,000.

The largest line item for Other Revenue is Open Enrollment In. At the beginning of FY 21, the district was receiving approximately \$1,150,000 per year in revenue. However, when the district received its November 13th 2020 Foundation Payment, open enrollment revenue was only \$837,000, a reduction of \$313,000 for FY 21. Then, in February 2021, the Ohio Department of Education recalculated our open enrollment funding, and we received a net increase of \$330,670.

For interest revenue, the district is on track to receive approximately \$120,000 in the general fund this year, which is \$175,000 less than FY 20. This is reflective of a poor economy, due to COVID, which in turn has caused interest rates to be extremely low. Also, as our cash balance decreases, so does the amount of funds we can invest.

Total Other Financing Sources:

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 Sources:

For expenditures, the largest line items are salaries and benefits. They represent approximately 80% of the district's total expenses.

Personnel Services:

Personnel Services represents 54.51% of the district's expenses. This line item fluctuates over the five year forecast significantly due to eligible salaries being paid with Student Wellness and Success Funds (SWSF), as well as the CARES Act funds (ESSER). For FY 22, I am showing a large decrease in salaries due to additional supplanting of salaries by using SWSF and ESSER funds. Salaries increase each year after that with step increases and the supplanted salaries coming back to the general fund. However, with additional ESSER funds on the horizon, salaries may be able to be supplanted further than just for FY 22. There are no base increases included in the five year forecast.

Employee Benefits:

Employee Benefits represent 24.75% 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 in FY 21 was 7.5% - which was the same as the rest of the Clark County EPC Districts. The district's health insurance period used to begin October 1st, however, the EPC asked all districts to change to a January 1st start date. So, beginning January 1st 2022, our medical insurance rates will increase 5.5%, dental increases 2%, and vision increases 2%. For future years, I have forecasted an 11% increase for medical insurance.

Purchased Services:

Purchased Services represents 13.7% of the district's expenses. This line item consists of the costs of open enrollment out, utilities, repairs, and other contracted services. During FY 21, the District has contracted for roof work on Medway Elementary and Park Layne Elementary Schools. This expense (approximately \$500,000) is represented in this line item as a repair, versus as a capital outlay item.

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. Open Enrollment Out at the beginning of FY 21 was approximately \$560,000, however, as of May 7th, 2021 that amount has decreased to approximately \$467,000. Moving forward, I increase that amount each year. I also project an approximate 3% increase each year to this line item.

Supplies & Materials:

Supplies and Materials represents approximately 2.84% 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 in supplies expense for FY 22 - FY 25.



Capital Outlay:

Capital Outlay represents less than one percent of the district's expenses. The funds in this category can be used for items that have at least a five-year life expectancy, such as busses, equipment, computers, etc. The district has implemented a Capital Improvement Plan that spans the next five years, with the assumption that it will continue to be updated as we plan for the future. Due to budget constraints, I have significantly reduced this line item for FY 22 – FY 25. My projection is a 3% increase in this line item each year.

Intergovernmental Debt:

N/A

Other Objects:

Other Objects represents 1.28% 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 3% in this category for FY 22 to FY 25.

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.