



Mason City Schools 5 Year Forecast

October, 2015



❖ ORC 5705.391

❖ Reflects three years of historical revenues and expenditures with projections for the current fiscal year and four additional fiscal years

❖ General fund only – reports general operations of the district but not all financial activity

❖ Only one universal truth

❖ Intended to forecast a reliable trend

❖ Must understand assumptions and inherent risks

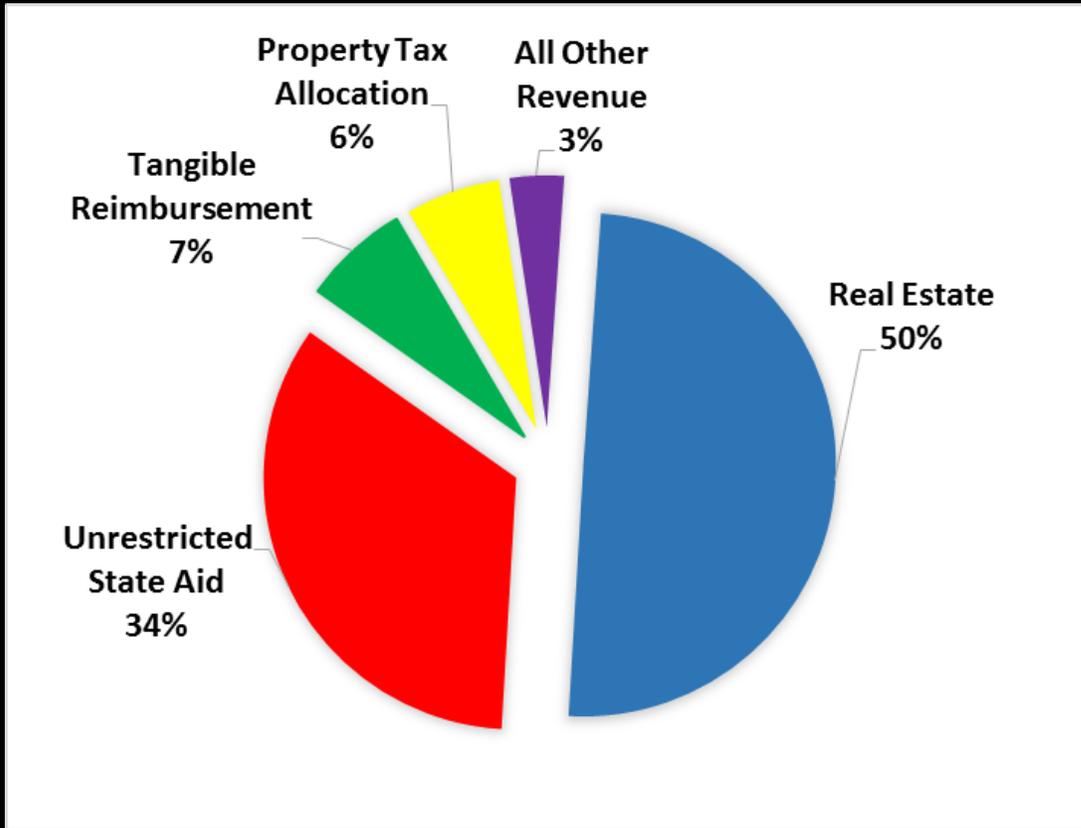


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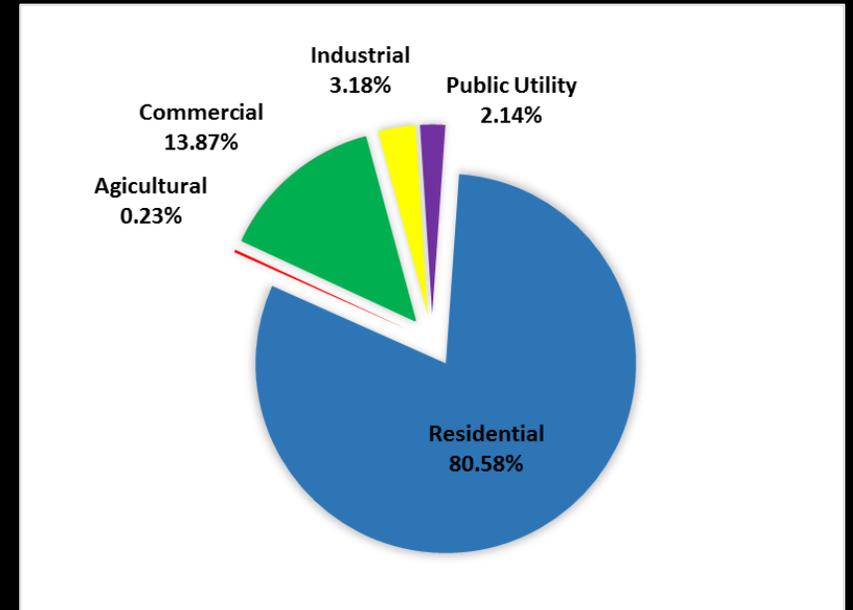
	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Beginning Balance	\$ 40,299,532	\$ 33,511,811	\$ 33,784,848	\$ 36,459,943	\$ 36,654,552	\$ 32,377,037	\$ 21,984,345	\$ 6,965,707
Revenue	\$ 93,184,183	\$ 98,397,416	\$ 101,457,210	\$ 102,821,711	\$ 101,190,432	\$ 99,017,241	\$ 98,512,153	\$ 99,422,474
Expenditures	\$ 99,971,904	\$ 98,124,379	\$ 98,782,115	\$ 102,627,102	\$ 105,467,947	\$ 109,409,933	\$ 113,530,791	\$ 117,779,620
Revenue Surplus or Deficit Spend	\$ (6,787,721)	\$ 273,037	\$ 2,675,095	\$ 194,609	\$ (4,277,515)	\$ (10,392,692)	\$ (15,018,638)	\$ (18,357,146)
Cash Balance	\$ 33,511,811	\$ 33,784,848	\$ 36,459,943	\$ 36,654,552	\$ 32,377,037	\$ 21,984,345	\$ 6,965,707	\$ (11,391,439)
Days True Cash	122.35	125.67	134.72	130.36	112.05	73.34	22.39	(35.30)
Cash Balance as Percentage of Expend	33.52%	34.43%	36.91%	35.72%	30.70%	20.09%	6.14%	-9.67%



FY 16 Revenue Sources



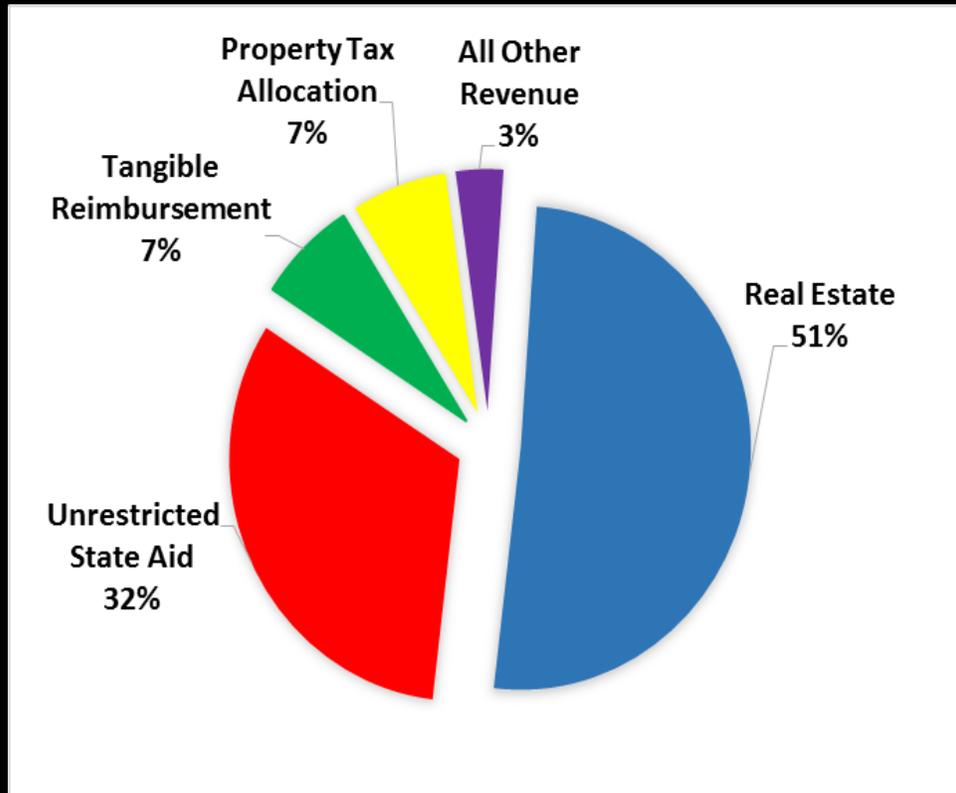
Real Estate



2015 is a reappraisal year in Warren County. The County Auditor has advised to project a 6% increase in values – which will result in increased revenue from our 4.68 inside millage.



FY 16 Revenue Sources



Unrestricted State Aid

* State funding “model” – designed for linear distribution with state share as high as 90% and as low as 5% depending on income and wealth index of district

MASON FY 16 = .4239

* Model is \$5900 per pupil amount x ADM x State Share = Core Funding

* Add Targeted Funding to Core Funding = State Funding

* Apply cap or guarantee to State Funding total

* FY15 model – Mason was “on the cap” with an unfunded liability of \$1,203,939

Important because the CAPPED Base Funding Amount in FY15 is used as the benchmark moving forward - not the true calculated funding amount.

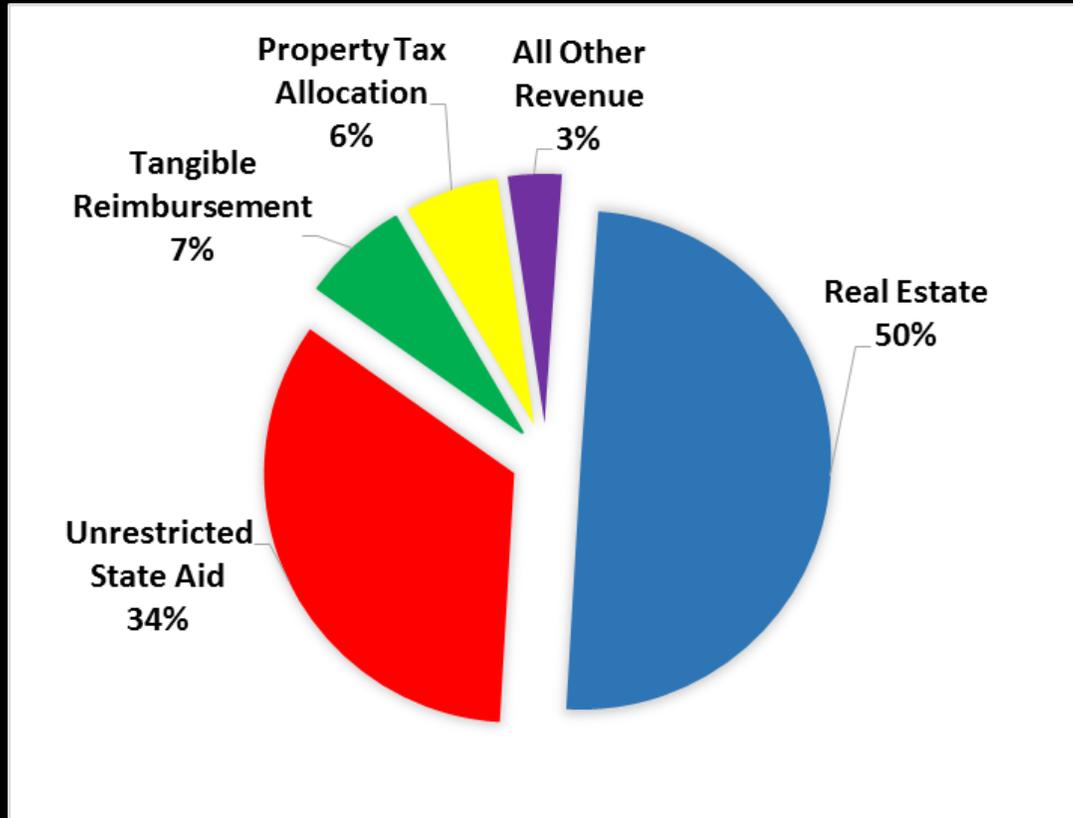
* Add Preschool Funding, Special Ed Transportation Funding and Casino Funding to the new total to calculate actual state funding revenue

* FY16 formula generates additional revenue of \$1.7 million



Property Tax Allocation

FY 16 Revenue Sources



12.5% Rollback and Homestead Exemption = property tax revenue paid by the State of Ohio in the form of credits to taxpayers and revenue to the District

Tangible Reimbursement

Payment from the State intended to hold school districts harmless from the HB 66 2005 tax law change that was intended to make Ohio more friendly to economic development. Taxes on machinery and equipment (tangible personal property) that were paid and collected locally were replaced by a Commercial Activity Tax (CAT) that was paid directly to Columbus. A portion of the CAT revenue was set aside to make the hold harmless payments to school districts who lost significant local tax revenue due to the tax law change. Mason received \$14 million in TPP reimbursement in FY07 but through subsequent State budget cycles – the reimbursement was reduced to \$7 million in FY15. HB 64 as passed by the Ohio Legislature in June, 2015 included a provision for TPP reimbursement – but was partially vetoed by the Governor on June 30, 2015.



Tangible Personal Property Tax Reimbursement

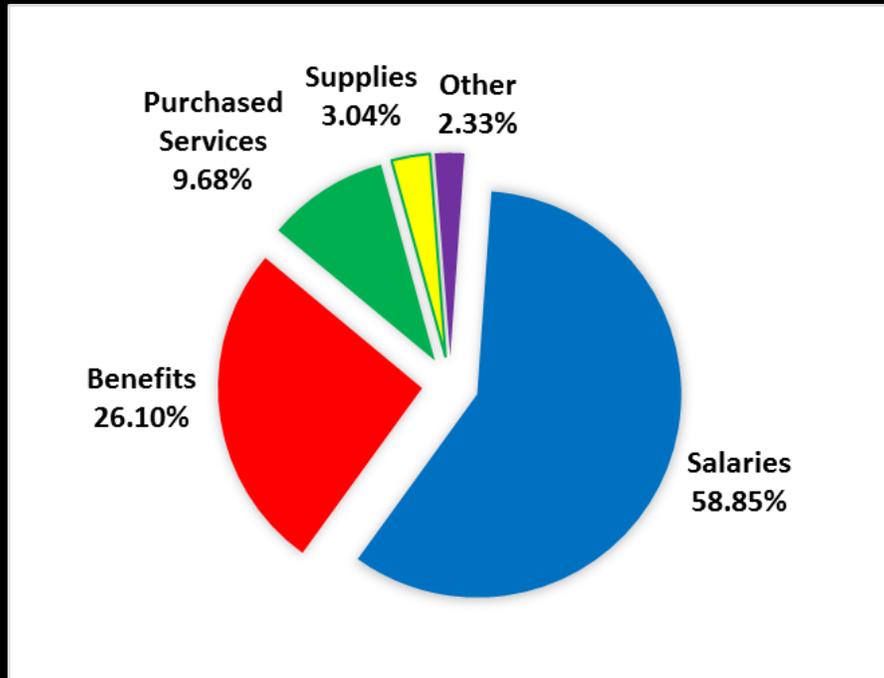
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	Cap	Formula	Formula	Guarantee	Guarantee	Guarantee
			current law	current law	current law	current law
	FY15	FY16	FY17	FY18	FY19	FY20
Formula Funding	\$ 31,864,932	\$ 33,788,327	\$ 33,224,404	\$ 31,864,832	\$ 31,864,832	\$ 31,864,832
TPP	\$ 6,958,548	\$ 5,303,790	\$ 3,649,031	\$ 1,994,272	\$ 339,513	\$ -
Total	\$ 38,823,480	\$ 39,092,117	\$ 36,873,435	\$ 33,859,104	\$ 32,204,345	\$ 31,864,832
		\$ 268,637	\$ (2,218,682)	\$ (5,233,013)	\$ (6,887,772)	\$ (7,227,285)

With the phase-out of TPP implemented, Mason is losing \$24 million in revenue over the life of the this forecast.



FY 16 Expenditures

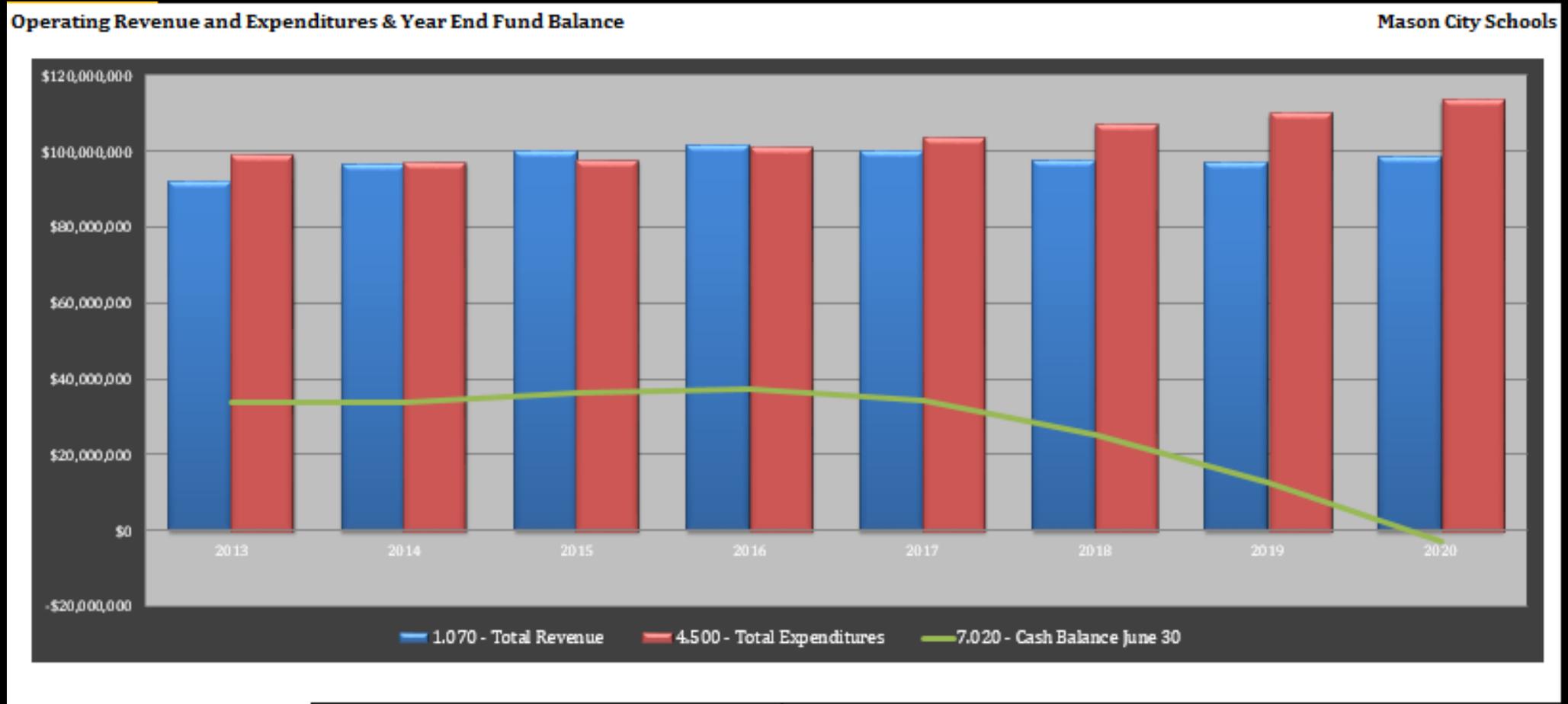


- Salary and Benefits represent 85% of total budget
- Fixed Costs represent nearly 9% of the budget
 - Utilities \$3.7 million
 - Student Services / Tuition – including community schools \$2 million
 - County Fees/Audit Charges/Bank Fees \$870,000
 - Insurance \$300,000
 - Advances/Transfers \$1.4 million
- Remaining 6% for materials and supplies, professional development, purchased services or instruction, general repair and maintenance of buildings, fuel for school bus fleet
- Salary projections in line with market and includes staffing adjustments for declining enrollment
- Benefit projections in line with current benefit structure
- NOT INCLUDED – textbooks, technology, school bus replacement all appropriated from PI Fund



General Fund Revenues vs. Expenditures

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