

**Mason City School District**  
Warren  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2021, 2022 and 2023 Actual;  
Forecasted Fiscal Years Ending June 30, 2024 Through 2028

FALL, 2023 - FINAL

	Actual			Average Change	Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023		Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	66,190,837	80,519,707	89,043,337	16.1%	89,556,404	89,838,720	90,421,606	90,744,012	90,883,790
1.020 Public Utility Personal Property Tax	3,444,132	4,276,221	4,367,657	13.1%	4,504,388	4,606,166	4,709,041	4,791,916	4,889,791
1.030 Income Tax									
1.035 Unrestricted State Grants-in-Aid	34,367,310	33,945,343	33,884,560	-0.7%	34,872,640	34,891,333	34,899,591	34,905,969	34,910,288
1.040 Restricted State Grants-in-Aid	266,103	3,071,182	2,812,735	522.9%	2,734,955	2,300,744	2,073,160	1,843,112	1,835,471
1.045 Restricted Federal Grants-in-Aid - SFSF									
1.050 State Share of Local Property Taxes	6,840,249	7,078,549	7,316,465	3.4%	7,324,915	7,336,475	7,354,310	7,376,349	7,382,840
1.060 All Other Revenues	4,460,186	2,004,569	3,472,106	9.1%	3,450,866	3,012,444	2,582,552	2,259,408	2,016,643
1.070 <b>Total Revenues</b>	<b>115,568,817</b>	<b>130,895,571</b>	<b>140,896,860</b>	<b>10.5%</b>	<b>142,444,168</b>	<b>141,985,882</b>	<b>142,040,260</b>	<b>141,920,766</b>	<b>141,918,823</b>
<b>Other Financing Sources</b>									
2.010 Proceeds from Sale of Notes									
2.020 State Emergency Loans and Advancements (Approved)									
2.040 Operating Transfers-In									
2.050 Advances-In	1,863,504	1,090,975	384,141	-53.1%	2,612,968	750,000	750,000	750,000	750,000
2.060 All Other Financing Sources	16,404	778,990	103,396	999.0%	9,821	9,919	10,019	10,119	10,220
2.070 <b>Total Other Financing Sources</b>	<b>1,879,908</b>	<b>1,869,965</b>	<b>487,537</b>	<b>-37.2%</b>	<b>2,622,789</b>	<b>759,919</b>	<b>760,019</b>	<b>760,119</b>	<b>760,220</b>
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>117,448,725</b>	<b>132,765,536</b>	<b>141,384,397</b>	<b>9.8%</b>	<b>145,066,957</b>	<b>142,745,801</b>	<b>142,800,279</b>	<b>142,680,885</b>	<b>142,679,043</b>
<b>Expenditures</b>									
3.010 Personal Services	69,978,696	74,455,031	72,742,258	2.0%	79,825,162	82,975,142	86,080,621	89,311,750	92,665,786
3.020 Employees' Retirement/Insurance Benefits	29,723,453	28,133,443	29,627,618	0.0%	31,801,762	33,938,253	36,425,822	38,892,675	41,569,205
3.030 Purchased Services	13,314,314	13,072,911	14,631,545	5.1%	16,248,587	17,527,831	18,488,382	19,503,694	20,577,042
3.040 Supplies and Materials	2,639,874	3,398,548	3,644,613	18.0%	4,213,265	4,423,928	4,645,125	4,877,381	5,121,250
3.050 Capital Outlay		6,249		-50.0%					
3.060 Intergovernmental									
Debt Service:									
4.010 Principal-All (Historical Only)									
4.020 Principal-Notes									
4.030 Principal-State Loans									
4.040 Principal-State Advancements									
4.050 Principal-HB 264 Loans									
4.055 Principal-Other									
4.060 Interest and Fiscal Charges									
4.300 Other Objects	990,278	1,428,191	1,549,426	26.4%	1,608,103	1,666,923	1,727,929	1,791,203	1,856,832
4.500 <b>Total Expenditures</b>	<b>116,646,615</b>	<b>120,494,373</b>	<b>122,195,460</b>	<b>2.4%</b>	<b>133,696,879</b>	<b>140,532,077</b>	<b>147,367,879</b>	<b>154,376,703</b>	<b>161,790,115</b>
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	1,805,299		3,750,000	-50.0%	3,750,000	3,000,000	3,000,000	3,000,000	3,000,000
5.020 Advances-Out	1,090,975	384,141	2,612,968	257.7%	750,000	750,000	750,000	750,000	750,000
5.030 All Other Financing Uses	268			-50.0%					
5.040 <b>Total Other Financing Uses</b>	<b>2,896,542</b>	<b>384,141</b>	<b>6,362,968</b>	<b>734.8%</b>	<b>4,500,000</b>	<b>3,750,000</b>	<b>3,750,000</b>	<b>3,750,000</b>	<b>3,750,000</b>
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>119,543,157</b>	<b>120,878,514</b>	<b>128,558,428</b>	<b>3.7%</b>	<b>138,196,879</b>	<b>144,282,077</b>	<b>151,117,879</b>	<b>158,126,703</b>	<b>165,540,115</b>
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>2,094,432-</b>	<b>11,887,022</b>	<b>12,825,969</b>	<b>-329.8%</b>	<b>6,870,078</b>	<b>1,536,276-</b>	<b>8,317,600-</b>	<b>15,445,818-</b>	<b>22,861,072-</b>
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	23,255,629	21,161,197	33,048,219	23.6%	45,874,188	52,744,266	51,207,990	42,890,390	27,444,572
7.020 <b>Cash Balance June 30</b>	<b>21,161,197</b>	<b>33,048,219</b>	<b>45,874,188</b>	<b>47.5%</b>	<b>52,744,266</b>	<b>51,207,990</b>	<b>42,890,390</b>	<b>27,444,572</b>	<b>4,583,500</b>
8.010 <b>Estimated Encumbrances June 30</b>	<b>518,044</b>	<b>946,263</b>	<b>996,639</b>	<b>44.0%</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>Reservation of Fund Balance</b>									
9.010 Textbooks and Instructional Materials									
9.020 Capital Improvements									
9.030 Budget Reserve									
9.040 DPIA									
9.045 Fiscal Stabilization									
9.050 Debt Service									
9.060 Property Tax Advances									
9.070 Bus Purchases									
9.080 <b>Subtotal</b>									
10.010 <b>Fund Balance June 30 for Certification of Appropriations</b>	<b>20,643,153</b>	<b>32,101,956</b>	<b>44,877,549</b>		<b>51,744,266</b>	<b>50,207,990</b>	<b>41,890,390</b>	<b>26,444,572</b>	<b>3,583,500</b>
<b>Revenue from Replacement/Renewal Levies</b>									
11.010 Income Tax - Renewal									
11.020 Property Tax - Renewal or Replacement									
11.300 Cumulative Balance of Replacement/Renewal Levies									
12.010 <b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>20,643,153</b>	<b>32,101,956</b>	<b>44,877,549</b>		<b>51,744,266</b>	<b>50,207,990</b>	<b>41,890,390</b>	<b>26,444,572</b>	<b>3,583,500</b>
<b>Revenue from New Levies</b>									
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 <b>Unreserved Fund Balance June 30</b>	<b>20,643,153</b>	<b>32,101,956</b>	<b>44,877,549</b>		<b>51,744,266</b>	<b>50,207,990</b>	<b>41,890,390</b>	<b>26,444,572</b>	<b>3,583,500</b>

See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt



Mason City School District

# Five Year Forecast Financial Report

November, 2023

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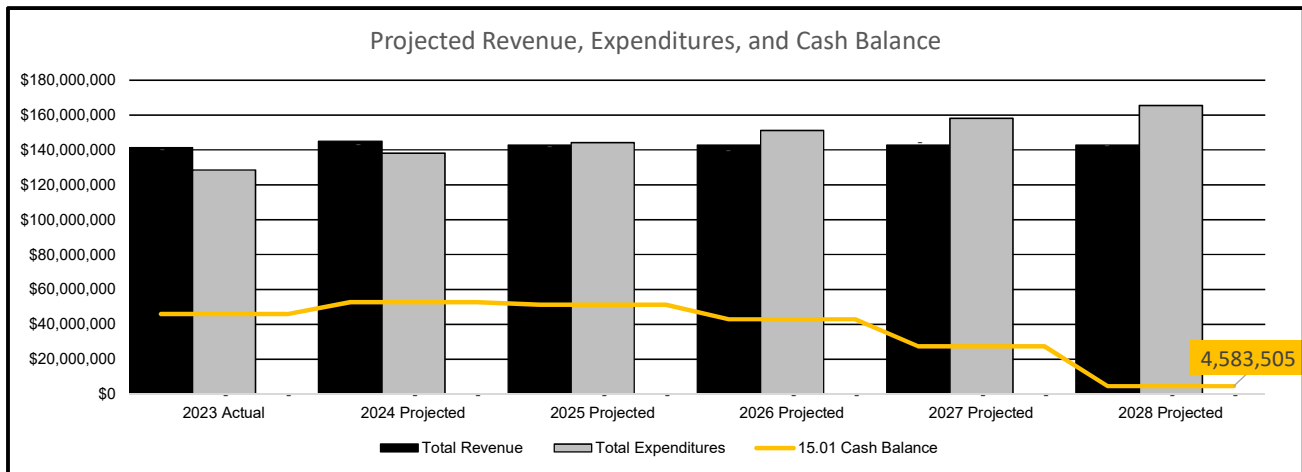
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### Forecast Purpose/Objectives

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

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

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



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

Financial Forecast	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	45,874,191	52,744,270	51,207,994	42,890,394	27,444,576
+ Revenue	145,066,958	142,745,802	142,800,279	142,680,885	142,679,044
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(138,196,879)	(144,282,078)	(151,117,879)	(158,126,703)	(165,540,115)
= Revenue Surplus or Deficit	6,870,078	(1,536,276)	(8,317,600)	(15,445,818)	(22,861,071)
Line 7.020 Ending Balance with renewal/new levies	52,744,270	51,207,994	42,890,394	27,444,576	4,583,505

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	6,870,078	(1,536,276)	(8,317,600)	(15,445,818)	(22,861,071)
Ending Balance w/o Levies	52,744,270	51,207,994	42,890,394	27,444,576	4,583,505

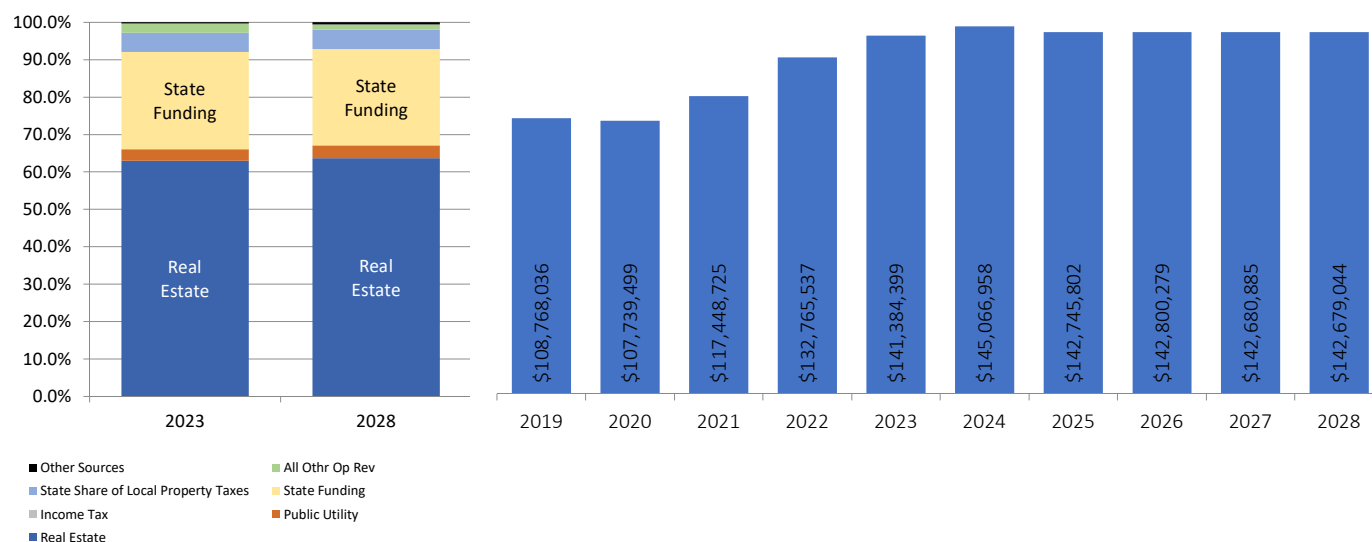
At the beginning of FY'24, the district had approx. 3.97 months of cash reserves and is projected to finish the year with approx. 4.56 months of reserves.

The incremental operating levy that was approved by the Mason community in April, 2020 provides additional financial stability for the school district in the coming years. The incremental levy adds 4.71 mills in tax year 2020 and an additional 5.25 mills in operating tax revenue in tax year 2021, for a total of 9.96 mills. It's worth noting that the school's bond millage rate dropped by 6 mills in tax year 2021, which fully offset the 5.25 mill increase from the operating levy. This was the first operating levy passed by the District in 15 years (since 2005), which was well beyond the typical 3-5 year levy cycle.

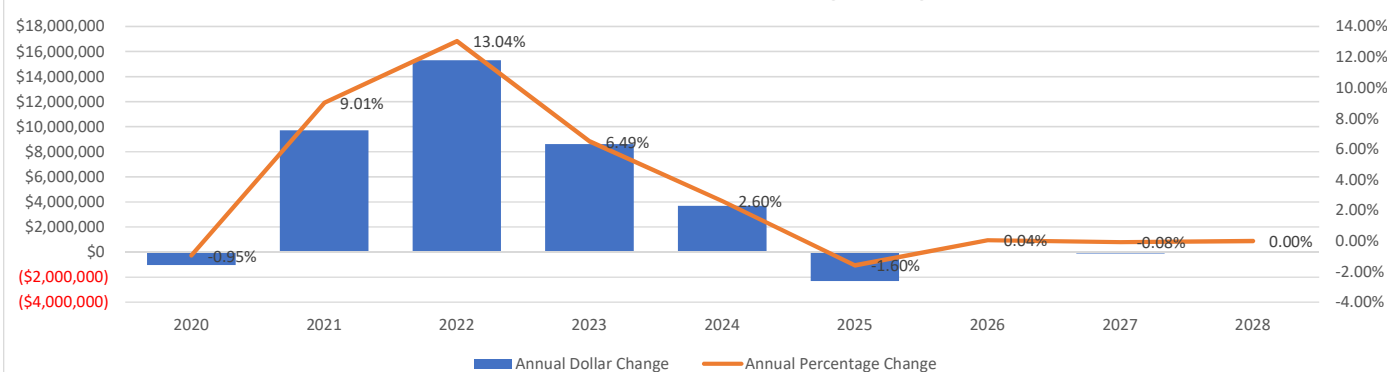
The Board and administrative team continually evaluate the District's financial outlook in an attempt to ensure fiscal stewardship, reflect the values of this community, and deliver a high quality product at the most cost effective price possible. The current forecast assumptions reflect our best estimate of how key factors will most likely turn out, but there is also the possibility the financial situation could turn out better or worse than this forecast shows.

## Revenue Sources and Forecast Year-Over-Year Projected Overview

### Sources of Revenue Over Time



### Year-Over-Year Dollar & Percentage Change

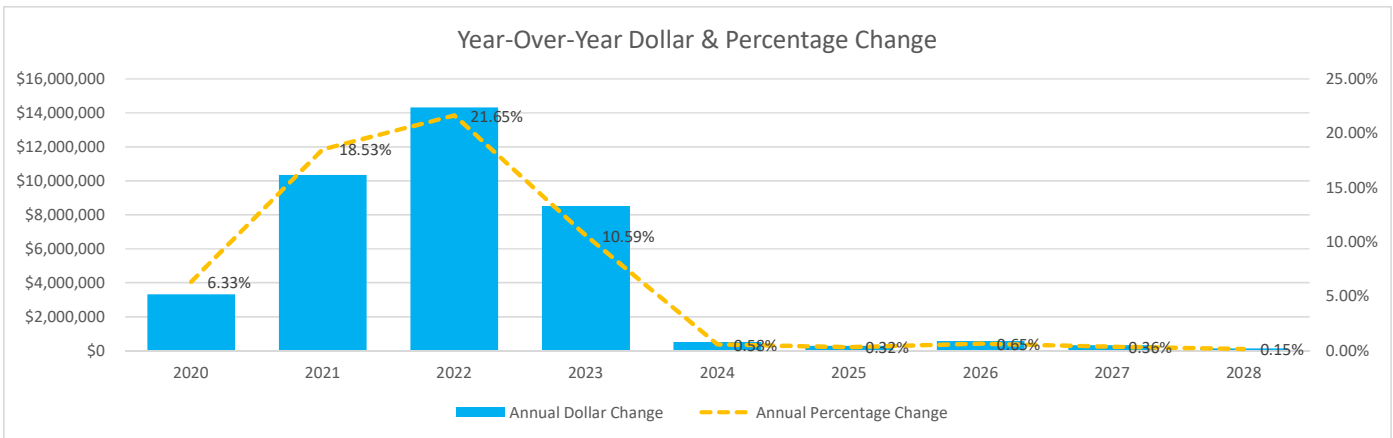
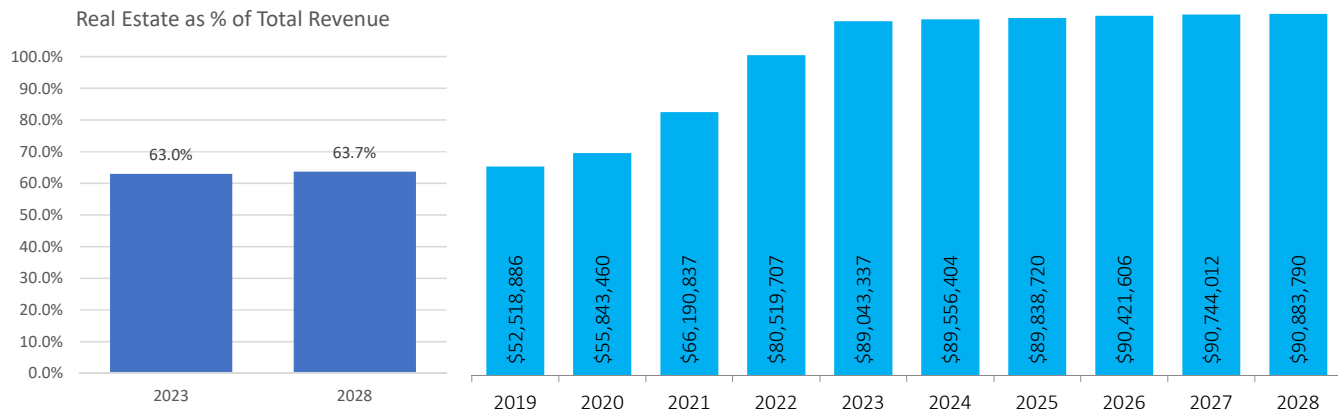


4-Year Historical Actual Average Annual Dollar Change  
Compared to 5-year Projected

	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	
Real Estate	9,131,113	368,091	(\$8,763,022)	The largest source of revenues to the district's general operating fund is from local property taxes. The new operating levy generated an additional 4.71 mills in tax year 2020 and adds 5.25 mills in tax year 2021, which is the cause of the larger than normal percentage increases. It's worth noting that the school's bond millage rate dropped by 6 mills, which fully offset the 5.25 mill increase from the operating levy.
Public Utility	\$363,378	\$104,427	(\$258,951)	
Income Tax	\$0	\$0	\$0	
State Funding	\$248,729	9,693	(\$239,037)	
Prop Tax Alloc	(\$197,795)	\$13,275	\$211,070	
All Othr Op Rev	(\$146,912)	(\$291,093)	(\$144,181)	
Other Sources	(\$1,244,422)	\$54,537	\$1,298,958	
Total Average Annual Change	8,154,091	258,929	(\$7,895,162)	Negative impacts on revenues in FY'20 and FY'21 were realized due to the impact of COVID-19. This includes reductions in state funding in both FY'20 and FY'21.
	6.90%	0.19%	-6.71%	A new state biennium budget was implemented in FY'24, which will be further addressed in the unrestricted grants funding line note (line 1.035).

## 1.010 - General Property Tax (Real Estate)

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



Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2022	2,569,855,700	106,094,560	36.52	-	46.43	-	100.0%
2023	2,598,602,450	28,746,750	36.49	(0.03)	46.61	0.19	98.5%
2024	3,151,952,450	553,350,000	30.09	(6.39)	45.84	(0.77)	97.5%
2025	3,173,702,450	21,750,000	30.07	(0.02)	45.84	(0.00)	97.5%
2026	3,195,452,450	21,750,000	30.05	(0.02)	45.84	(0.00)	97.5%
2027	3,235,202,450	39,750,000	29.86	(0.19)	45.84	(0.00)	97.5%

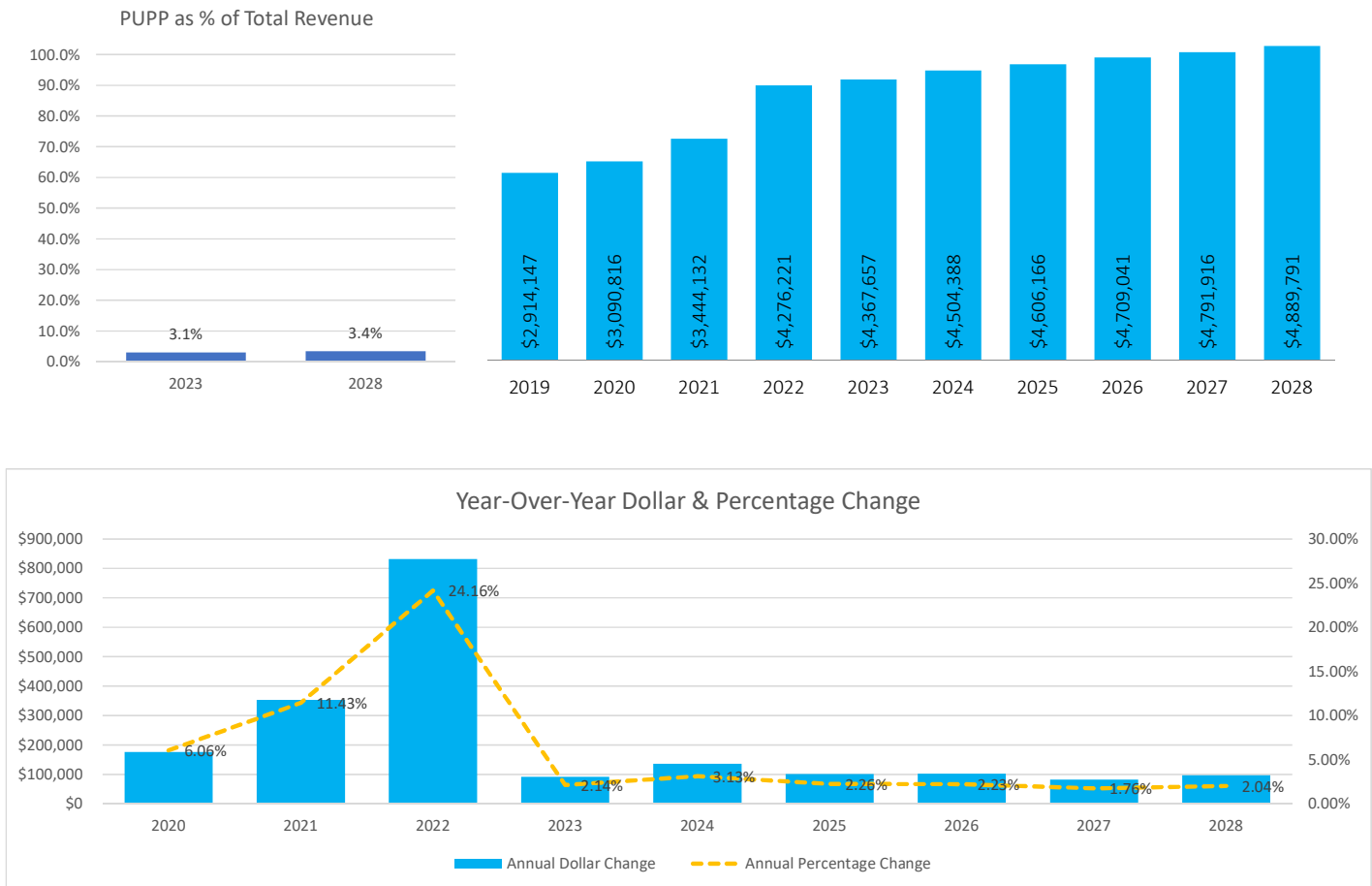
The largest source of revenues to the district's general operating fund is from local property taxes (66% in FY'24). The operating levy that was approved in 2020 generated an additional 4.71 mills in tax year 2020 and an additional 5.25 mills in tax year 2021, which is the cause of the larger than normal percentage increases for FY'21 through FY'23. It's worth noting that the school's bond millage rate dropped by 6 mills in tax year 2021, which fully offset the 5.25 mill increase from the operating levy. Property values are established each year by the County Auditor, and any changes in valuation are based on the impact of new construction and property value reappraisals or updates. Due to the Triennial Update/Reappraisal, property values are reappraised every 6 years, with a valuation update being performed in the third year between each reappraisal. Mason City Schools are located in Warren County, and the next reappraisal will take place in tax year 2024. As of this writing we're closely monitoring potential new legislation that could impact the way property values are assessed in the TY2024 reappraisal. For example, HB187 would greatly reduce /offset the increase in property values, and it is currently working its way through the legislative process. The assumption in this forecast is that HB187, or something like it, will be enacted that will greatly reduce the increase in assessed property values for TY2024.

Of the district's total current assessed valuation of \$2.62 billion, approx. 78% of that is from Class I residential/agricultural property, 20% is from Class II commercial/industrial property, and the remaining 2% is public utility personal property. Residential new construction growth has averaged 2.18% per year over the past 6 years. We're projecting similar new construction moving forward.

Commercial/industrial properties that have not been included on the tax duplicate due to being in a TIF (tax increment financing) district, are also added to the total property valuation once those individual TIF's have expired. Two recent examples of this are the Deerfield Township TIF's that ended in tax year 2020 and the P&G property tax abatement that ended in tax year 2022.

## 1.020 - Public Utility Personal Property

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

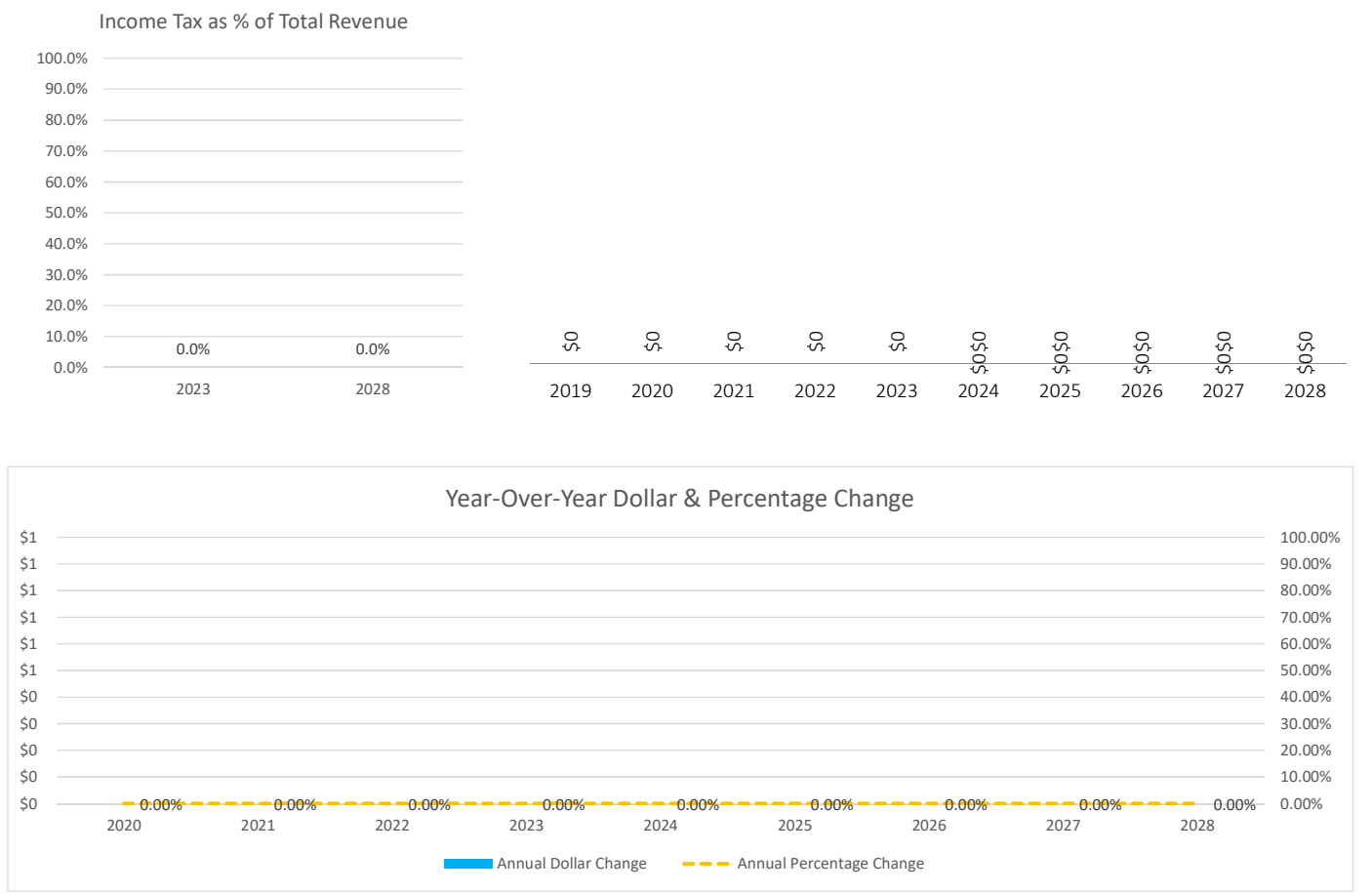


Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2022	53,303,380	2,232,250	84.42	-	104.7%
2023	54,803,380	1,500,000	84.42	-	99.0%
2024	56,303,380	1,500,000	84.42	-	101.0%
2025	57,803,380	1,500,000	84.42	-	101.0%
2026	59,303,380	1,500,000	84.42	-	101.0%
2027	60,803,380	1,500,000	84.42	-	101.0%

Public Utility personal property taxes represent 3% of the district's operating revenues in FY'24 and have been increasing slightly each year. This forecast shows a higher percentage increase in 2022 due to the new operating tax levy.

1.030 - No Income Tax

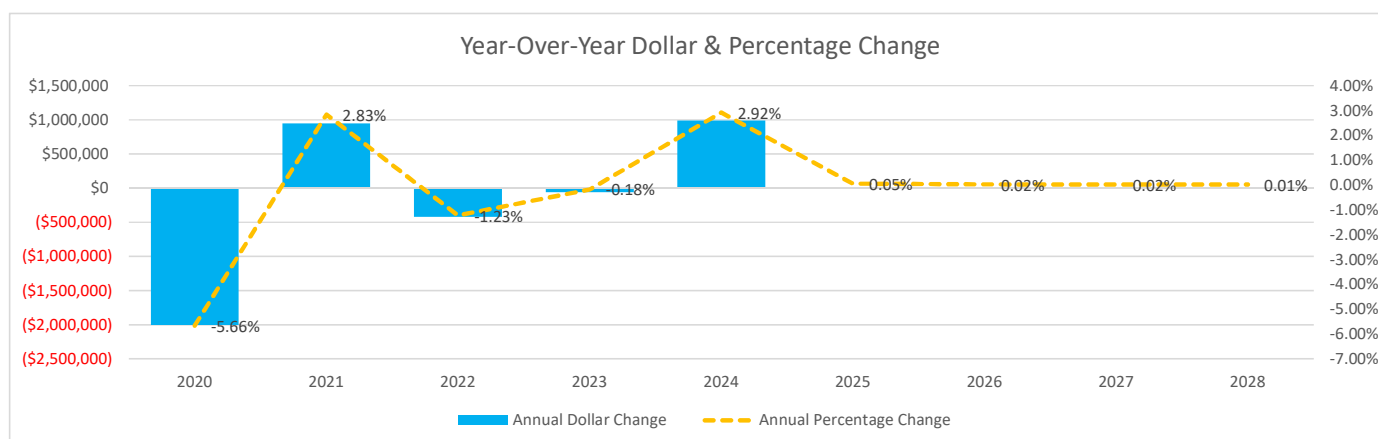
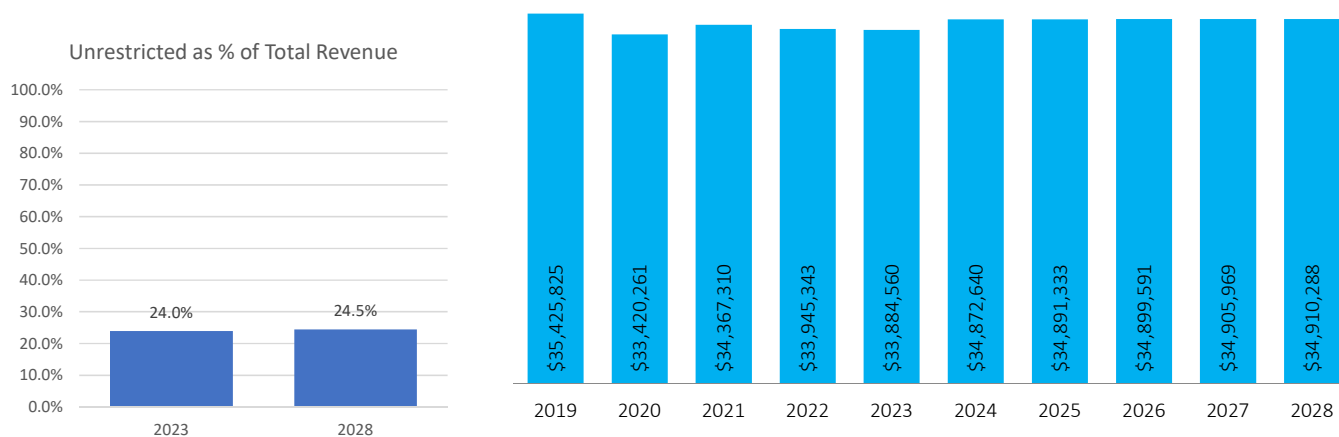
Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



The district does not have an income tax levy.

## 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.

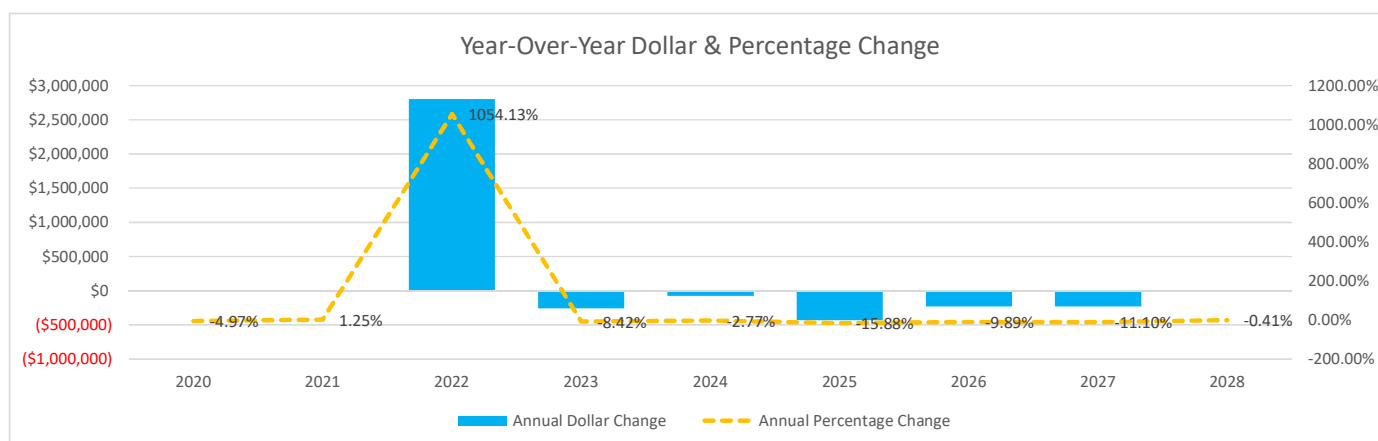
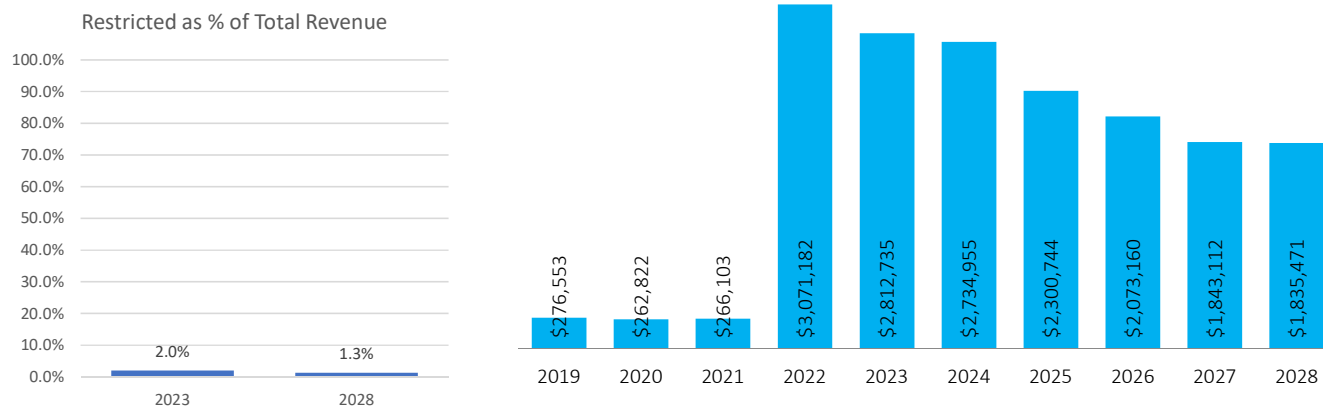


The previous biennium budget bill (HB110) was passed by the Ohio general assembly and signed into law by the Governor in June 2021. This budget bill included the implementation of the new Fair School Funding Plan (FSFP) for FY'22 and beyond. This funding plan introduces a new formula that the state is using to determine how much funding they will send to public schools. For FY'24, MCS remains a district on the funding "guarantee," and is projecting to receive a total of \$37 million between unrestricted and restricted combined. One change in this formula compared to previous state funding formulas is that there are some funding items that are subject to the guarantee, while other funding line items are not subject to the guarantee. What this means for Mason's state funding is that even though the district is on the guarantee, there are still certain funding line items that are forecasted to decrease as local property values increase into the future because these increases in property values decrease Mason's "state share" percentage.

Another change as a result of the FSFP is to fund students directly where they are educated. This resulted in a reduction of expenses in FY'22 and beyond that were previously recognized in areas such as charter schools and open enrollment.

## 1.040 & 1.045 - Restricted Grants-in-Aid

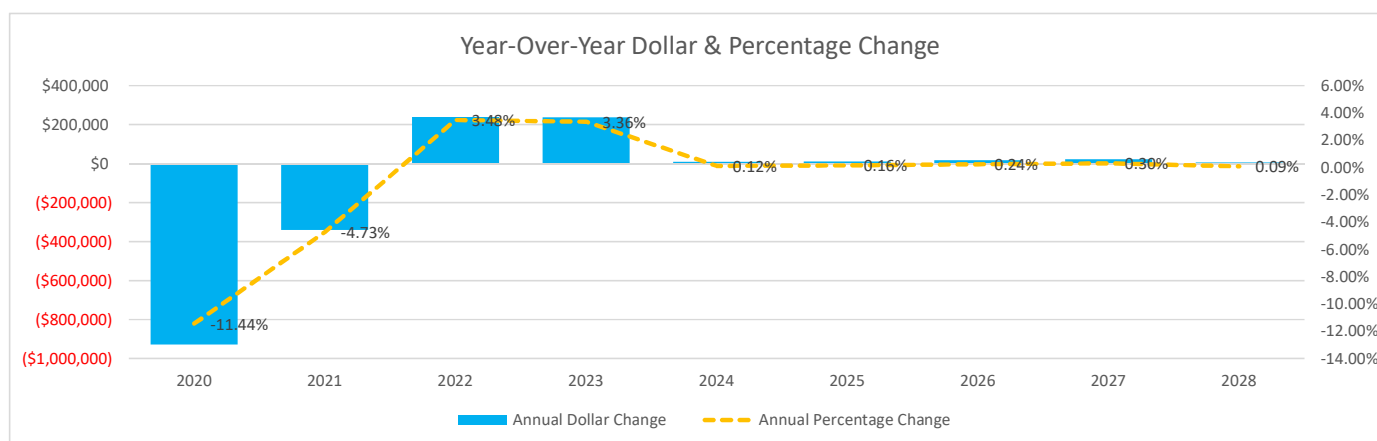
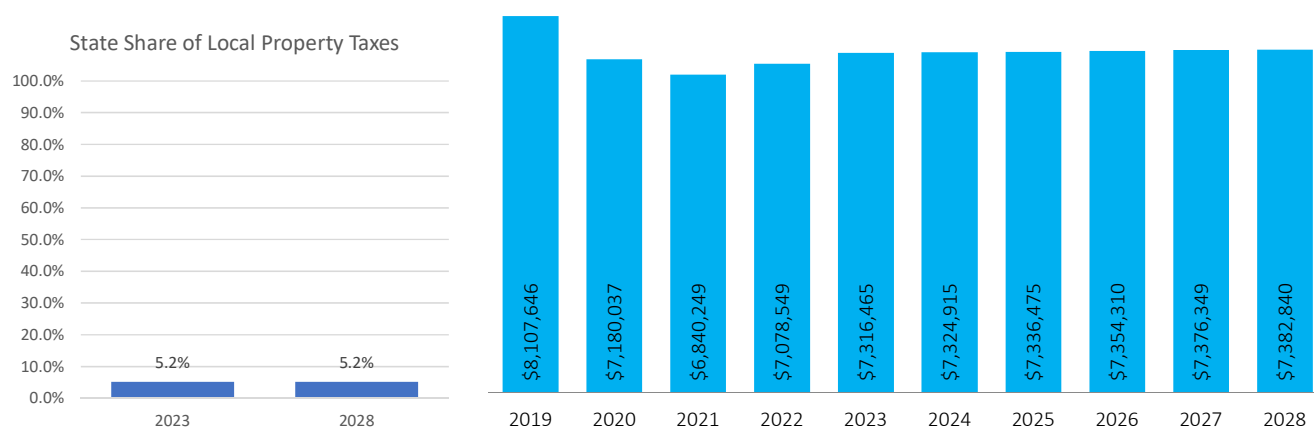
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



In total, restricted aid represents approx. 2% of total general fund revenues in FY'24. The current FSFP formula that the state is using to fund Ohio public schools presented some changes in this line for FY'22 and beyond. Historically, the primary funding source in this line was the catastrophic cost reimbursement from ODE. In the new formula, this line includes those same revenues as well as additional state revenues in the areas of student wellness and gifted funding. These funding sources are expected to decrease annually as the overall property values in the MCS district increase.

## 1.050 - State Share of Local Property Taxes

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



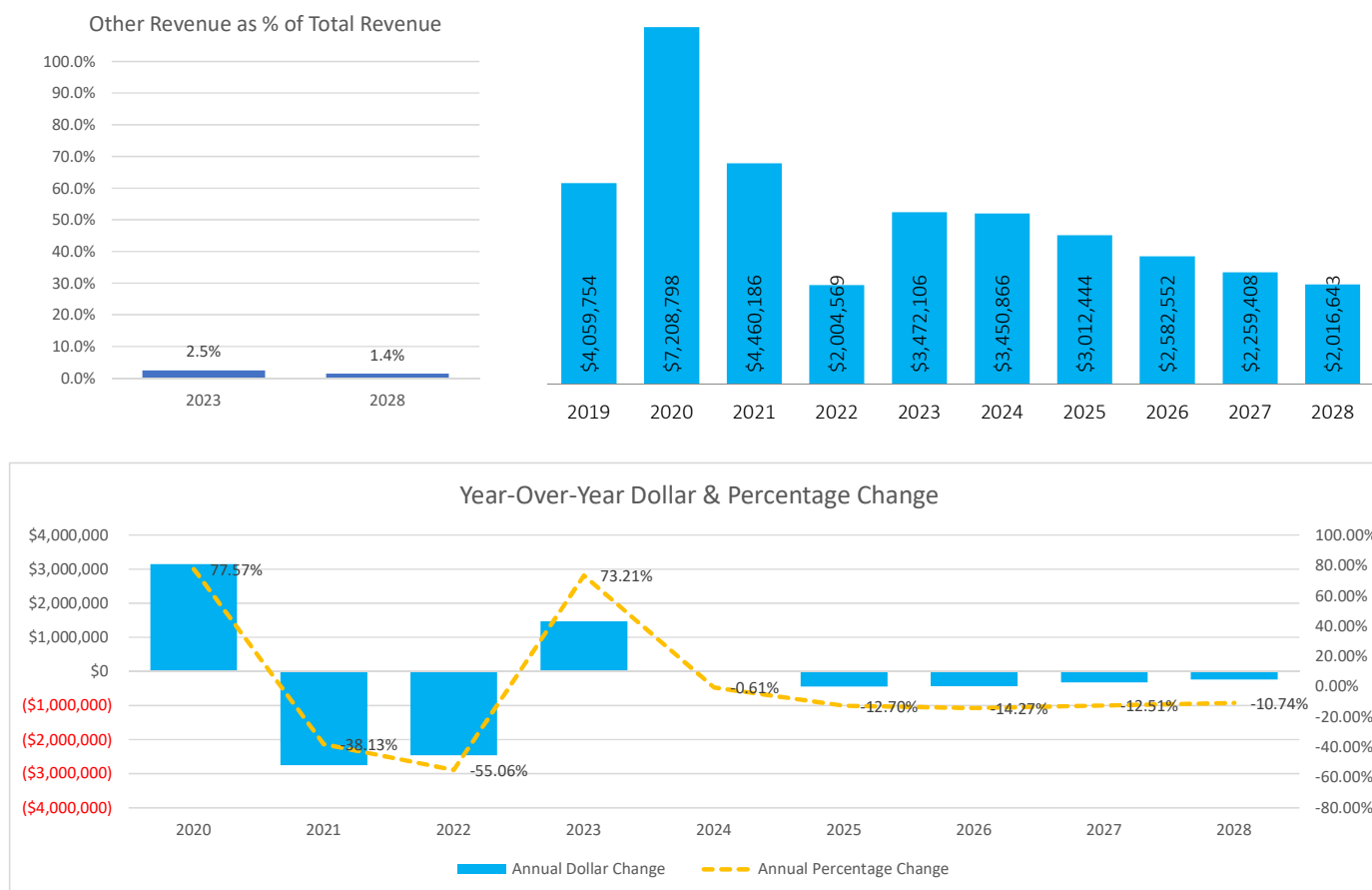
Historically, there were two significant sources of revenue within this line item, both of which represented funding from the Ohio General Assembly.

The first part of this line item was the Tangible Personal Property tax loss reimbursements. The state reduced this amount to school districts over the past several years, based on the phase out schedule from SB208. In FY'11, the district received \$10.8 million in TPP reimbursement, and by FY'21 this amount had been completely phased down to \$0. This is the primary cause for the decrease from FY'17 to FY'21.

The second part of this funding line is a credit to local property taxpayers. The state gives a 10% rollback credit for property owners, and an additional 2.5% for those who live in their homes. Furthermore, they also give a credit to senior citizens up to a certain dollar threshold. This credit has historically amounted to approximately 1%. The property owners receive the credit, and then the General Assembly pays that tax in their place and gives it to local schools. The reimbursement for property tax exemptions and rollbacks includes the Homestead exemption and the 10% rollback and 2.5% rollback that local taxpayers receive as a "discount" on their property taxes. The state then picks up the tab and reimburses local school districts for this loss. These amounts are expected to total \$7.3 million in FY'24 with small increases into the future as well.

## 1.060 - All Other Operating Revenues

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

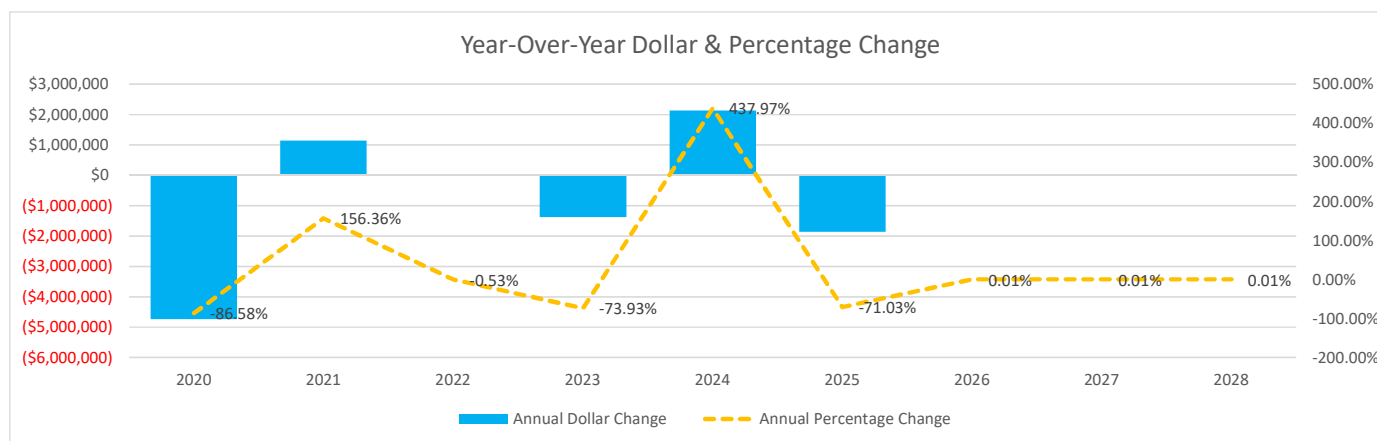
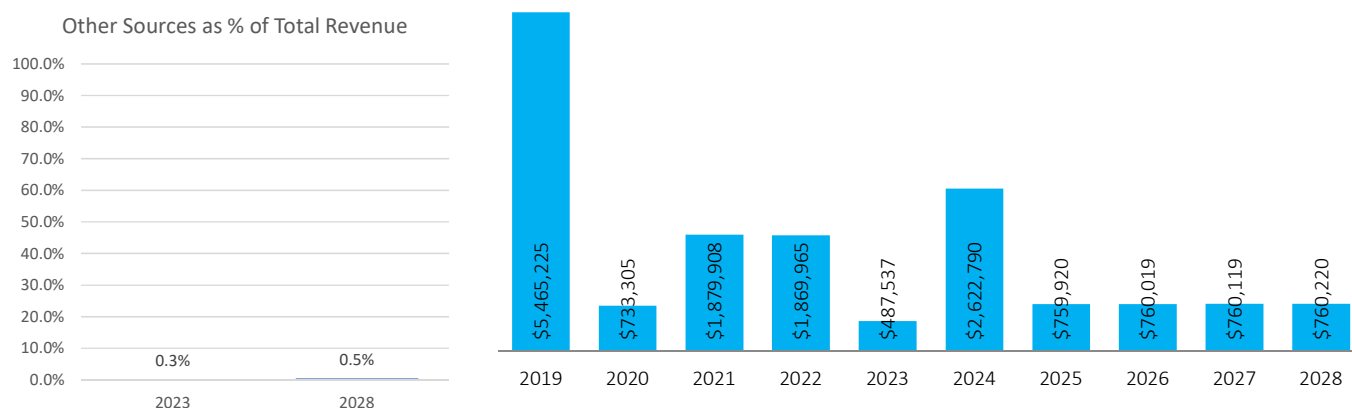


This line includes a few different items, including student fee revenues, interest income, and Medicaid reimbursements.

The revenue amounts in this line increased in FY'20 due to TIF revenues being received into the general fund for FY'20. In FY'21, a portion of those revenues were received into the general fund and then transferred out by the end of the year (see forecast line 5.01). In FY'22 and beyond, those TIF revenues will be received into the permanent improvement fund to address capital needs around the district.

## 2.070 - Total Other Financing Sources

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

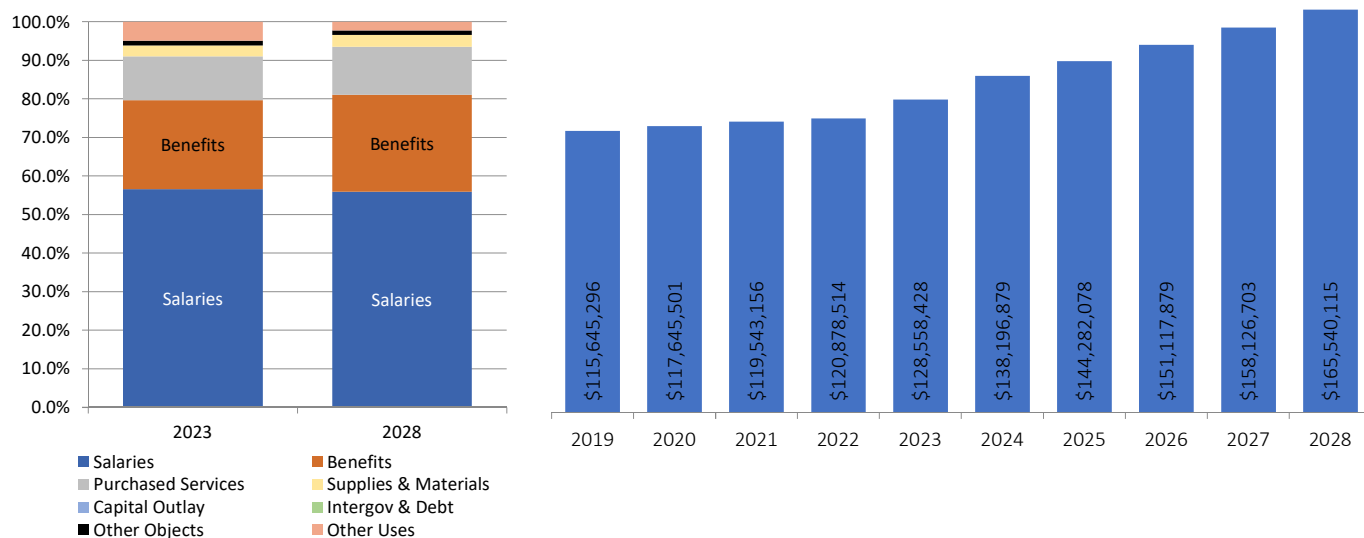


	2023	FORECASTED				
		2024	2025	2026	2027	2028
Transfers In	-	-	-	-	-	-
Advances In	384,141	2,612,968	750,000	750,000	750,000	750,000
All Other Financing Sources	103,396	9,821	9,919	10,019	10,119	10,220

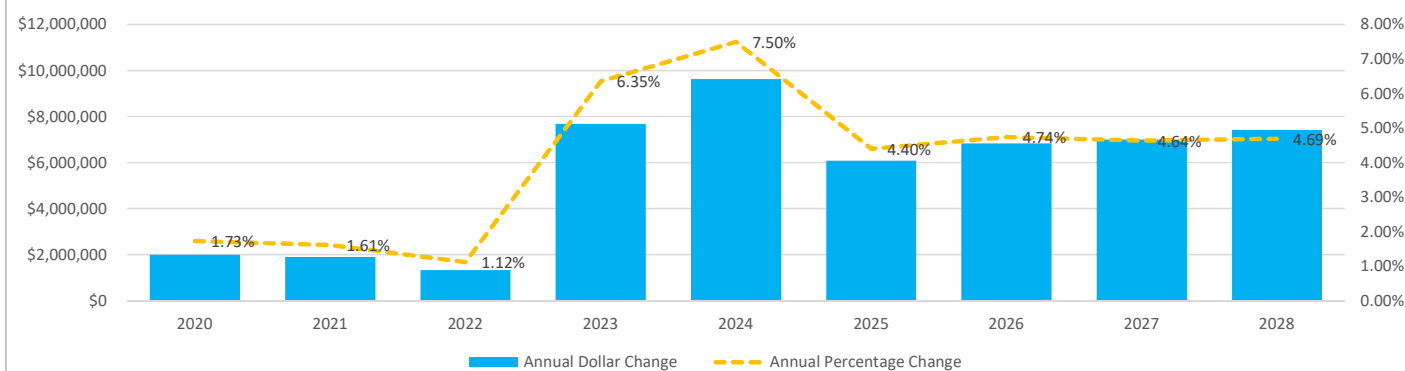
Historically, transfers and advances are the main source of revenues in this line, and are needed from time to time to cover any other funds that may have a cash need. These transfers and advances can vary from year to year and each one is approved by the Board of Education. The one-time increase in FY'22 is a result of some additional funding from the County Auditor's office for the unused portion of dollars that are used to help collect delinquent property taxes from County taxpayers. The higher number in FY'24 is the result of a higher "advances out" number in FY'23 that is being returned back to the general fund in FY'24.

## Expenditure Categories and Forecast Year-Over-Year Projected Overview

### Expenditure Categories Over Time



### Year-Over-Year Dollar & Percentage Change

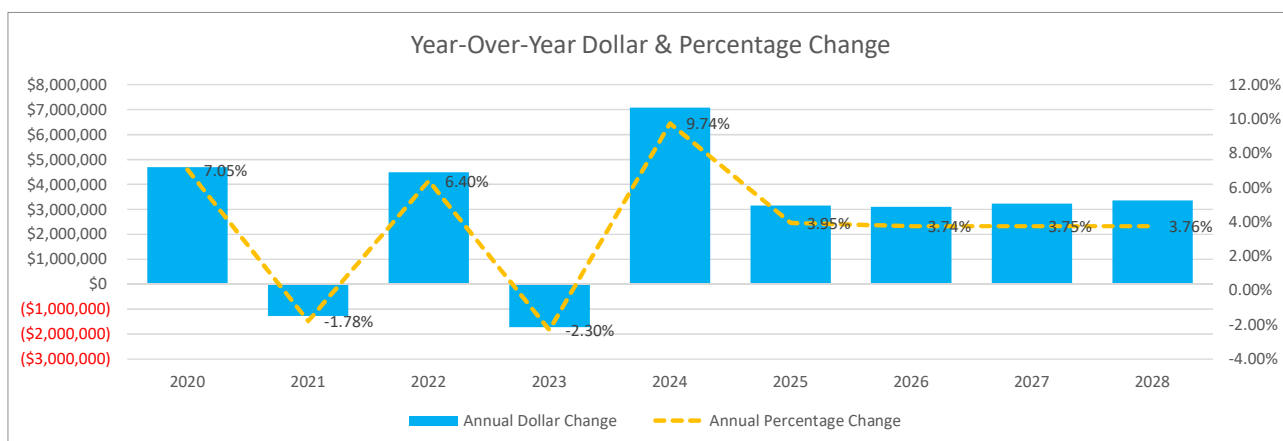
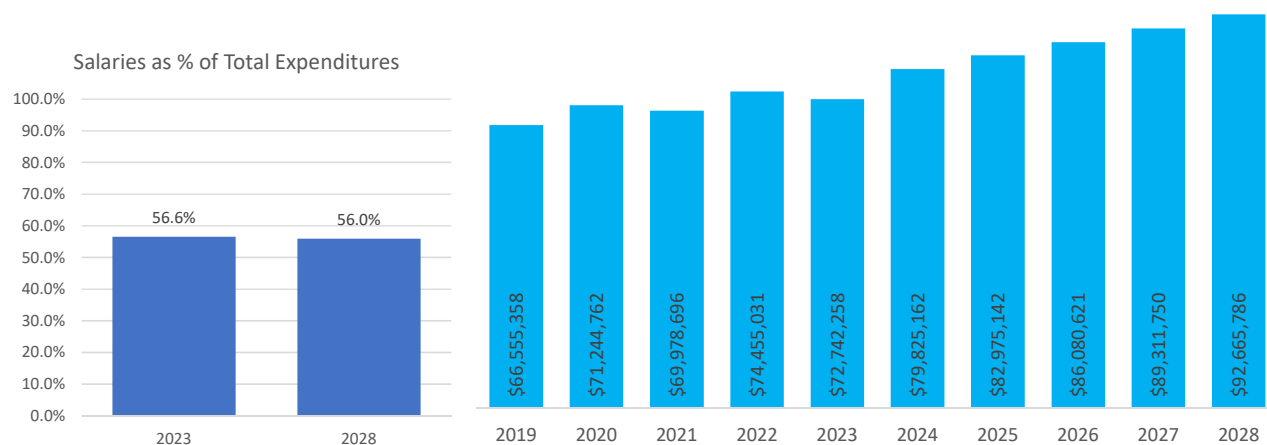


With school districts being in the service industry, the primary expense for any school district is that of personnel costs. Total personnel (salaries and benefits) costs for FY'24 are expected to comprise approx. 84% of the general fund operating expenditures.

This forecast also reflects the compensation agreed upon in the 3 year collective bargaining agreements with the MEA and OAPSE unions for FY'22-FY'24. As part of a goal to recruit and retain the best staff, MCS teachers and staff members are paid at or near the top of the market when compared to other school districts in the area. Looking ahead, this forecast projects that MCS teachers and staff will continue to be paid at or near the top of the market in the coming years as well.

### 3.010 - Personnel Services

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



The district employs over 1,100 staff, and the main factors in future salary costs are wage increases and staffing levels. For FY'22 – FY'24, the base salary increases that were negotiated with the Mason Education Association (MEA) and the Ohio Association of Public School Employees (OAPSE) were 2%, 2%, and 2.25% per year, respectively. A 2% increase is projected for FY'25-FY'27.

Over the past 10 years, staffing levels have been significantly impacted. Sixty-eight positions were reduced in FY'12, forty-eight positions in FY'13, and twenty-six positions were reduced in FY'15. These reductions are part of what helped flat line salary and benefit costs in recent years and help the district stretch the 2005 operating levy to 2020, which is far beyond the typical 3-5 year levy cycle.

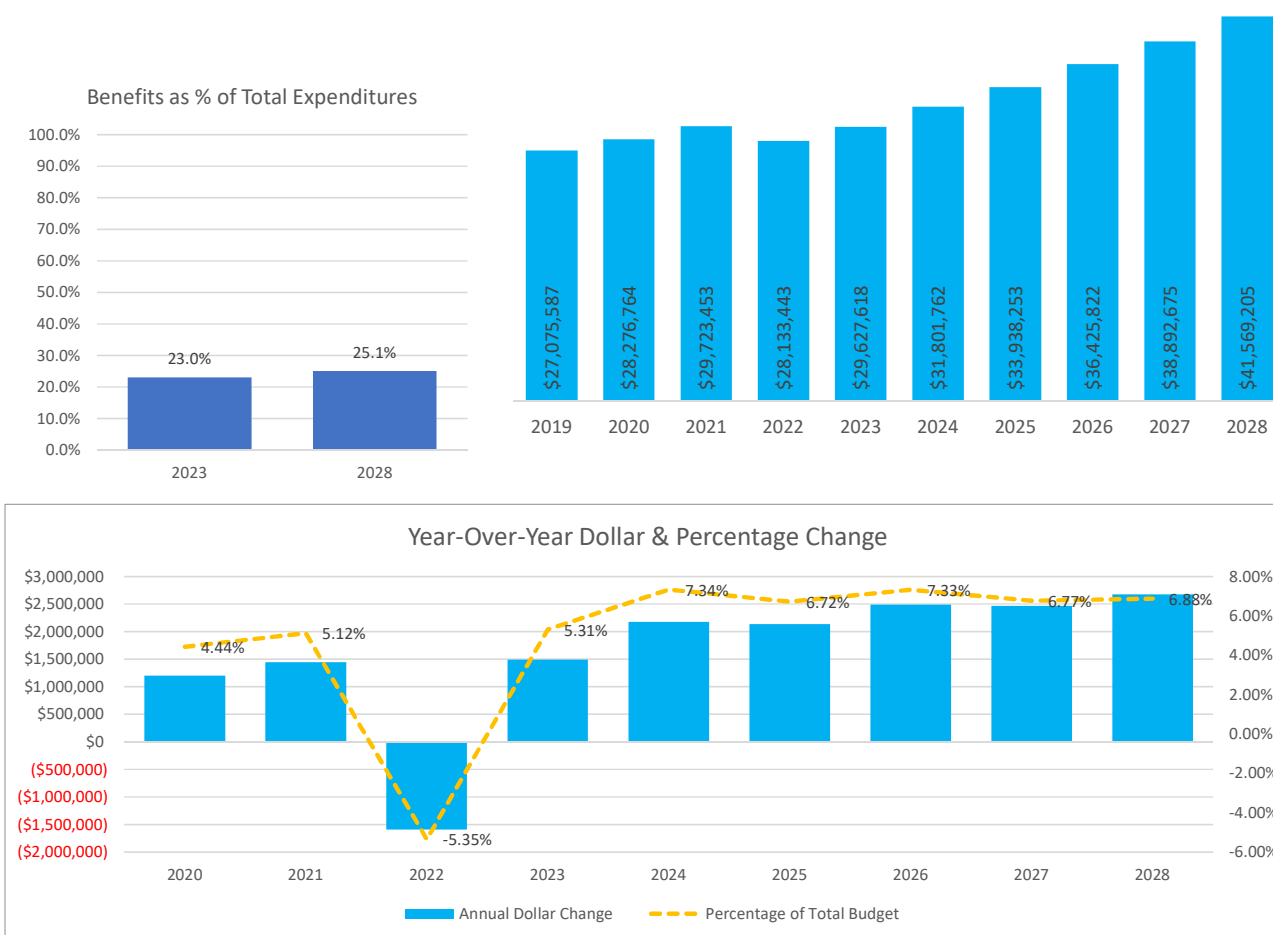
Wage expenses increased more than normal for FY'22 due to the one-time COVID impact payment made to staff. This 3% payment was made to staff as a way of recognizing their work and efforts to safely and successfully keep the school buildings open for the entirety of the 2021-2022 school year in the midst of the pandemic.

Another unique factor in this line item is the impact of the federal ESSER/COVID-19 dollars. In December, 2021, the district was notified it would receive an additional round of COVID-19 related funding in the amount of \$7.5 million. These dollars are being used to offset existing MCS staff members in FY'22, FY'23, and FY'24. Therefore, salaries in these years have been decreased due to these one-time funds. In FY'25, all of these salaries will be moved back to the general fund, which is the cause of the higher than normal increase in salary expenses in FY'25.

Looking back, wage expenses increased more than normal for FY'21 due to a timing difference. Paychecks are distributed every two weeks to MCS employees, which typically results in 26 payroll dates per fiscal year. The way the payroll calendar dates fell for FY'20, there were actually 27 payroll dates. This did not change the amount of pay or pay rate that each individual employee received, but it did increase the overall expenditures of the district for that one year. In FY'21, there were again 26 payroll dates in the fiscal year, which was the cause for the lower percentage increase that year.

### 3.020 - Employees' Benefits

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



The main costs included in this line are for retirement and health insurance benefits. Retirement and Medicare costs are directly related to salary amounts. The employer share of STRS/SERS contributions is 14% of wages, and the Medicare cost is 1.45%.

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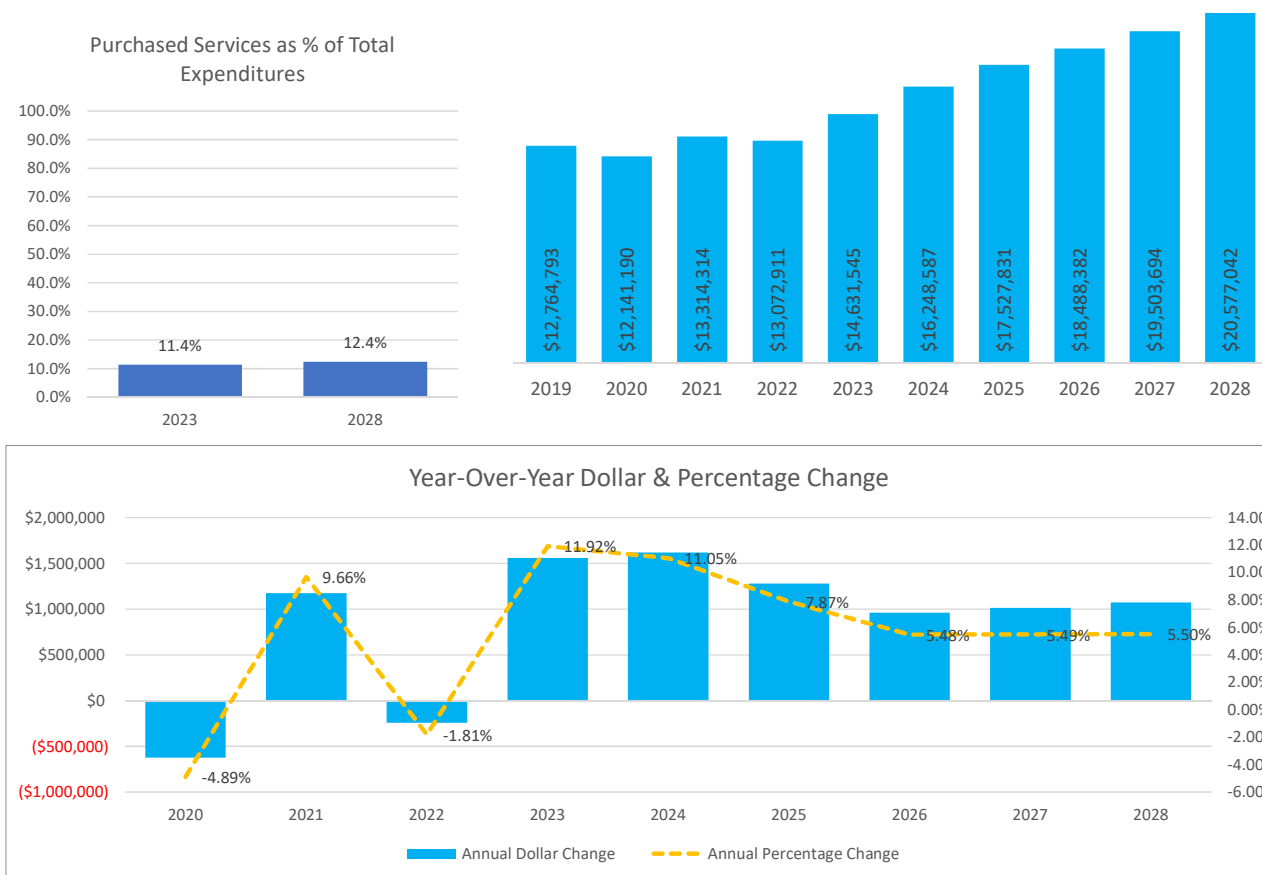
Employees paid 10% of their medical insurance premiums in FY'23. As part of the agreements with MEA and OAPSE, staff members will begin paying 15% of their premiums in FY'24 and beyond. The district is self-funded for all health insurances as well as worker's comp. Health insurance premium costs have remained relatively stable over the past 5 years. Medical premiums increased by 9.7% in FY'23, and due to the current inflationary environment, they are projected to increase by 12% per year for FY'24 and beyond.

In FY'22, the district decreased the contribution into the medical self-insurance funds in order to offset the cost of the one-time 3% COVID impact payment to staff in FY'22. This is the cause for the decrease in benefits expenses for FY'22.

Another unique factor in this line item is the impact of the federal ESSER/COVID-19 dollars. The personnel expenses line of the forecast is lower than normal due to the use of the ESSER/COVID-19 dollars received for FY'22, FY'23, and FY'24 (see the note/explanation for that line item for more details). The fringe benefit costs associated with those salaries/wages are also being paid for with ESSER/COVID-19 funds, which is causing this fringe benefits line to be lower than normal for fiscal years 2022 through 2024. In FY'25, all of those salaries and the associated fringe benefit costs will be moved back to the general fund, which is the cause of the higher than normal increase in fringe benefit expenses in FY'25.

### 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.



The primary expenditures in this category are utilities, educational services, special education services, custodial services, and maintenance and repair costs.

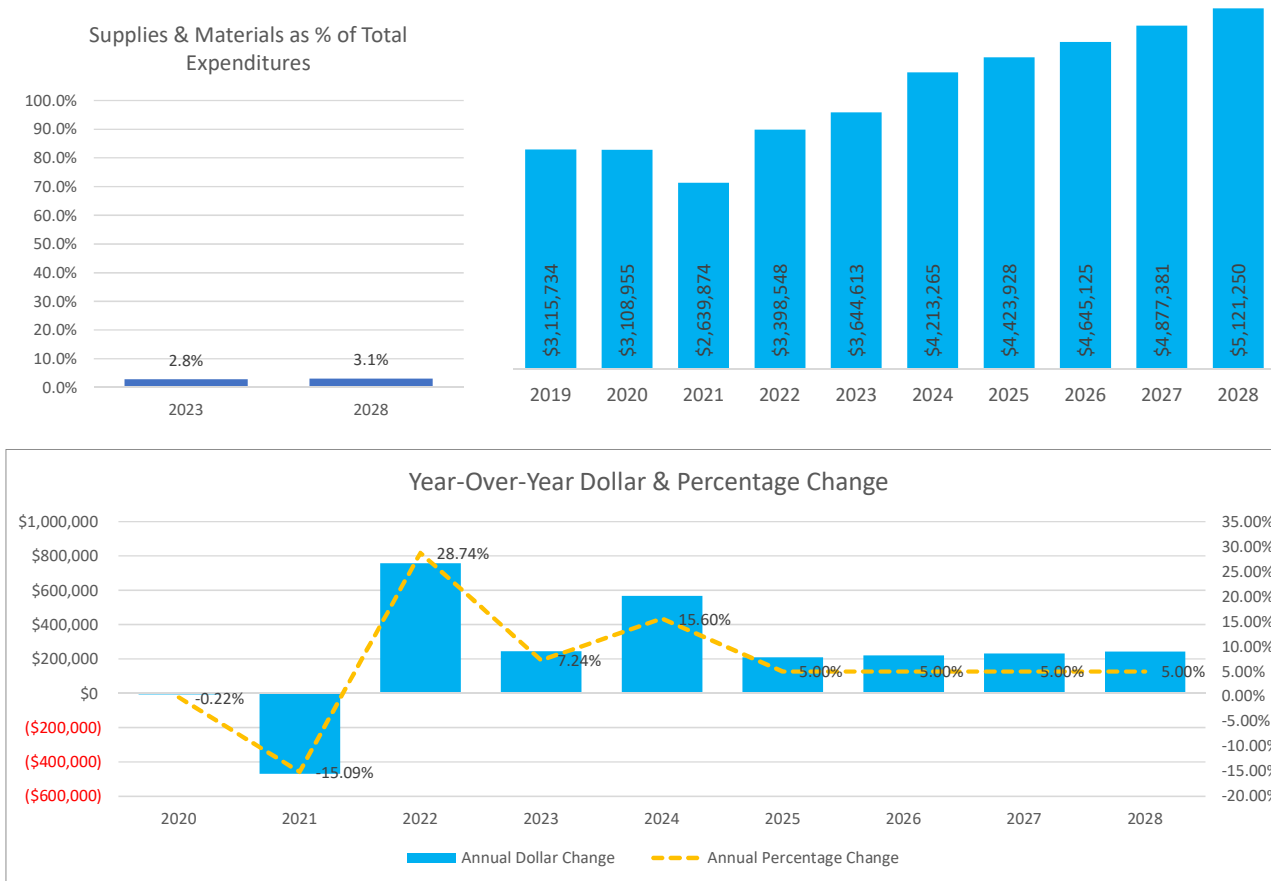
The large increase for FY'19 was due to a few different things. There were some new investments made that year. The largest one was the investment in additional safety and security personnel as part of a partnership with the City of Mason. The other investments were in the areas of inclusive excellence and culture, and the shifting of a tech position to being outsourced. Additionally, special ed placements and corresponding costs increased more than usual in FY'19.

The decrease in costs for FY'20 was due to some cost reductions that were implemented by the District in response to the COVID-19 situation. The primary driver of these cost savings was the temporary lay-off of the outsourced custodial positions starting 4/1/20. These costs returned to the budget in FY'21 and beyond.

The FSFP model changed some of the expenditure line items in this category for FY'22 and beyond. Expenses for open enrollment out, community schools, and special ed scholarships that were previously charged to the district as expenses in FY'21 and earlier years were no longer charged to MCS beginning in FY'22. Those expenditure amounts were paid directly by the state in FY'22 and beyond, which serves to decrease the level of transparency from the state of Ohio on where public taxpayer dollars are being spent. Looking ahead, the current inflationary environment is playing a factor in the projected increases for purchased services into the future, including in the areas of utilities, special ed, and beyond.

### 3.040 - Supplies & Materials

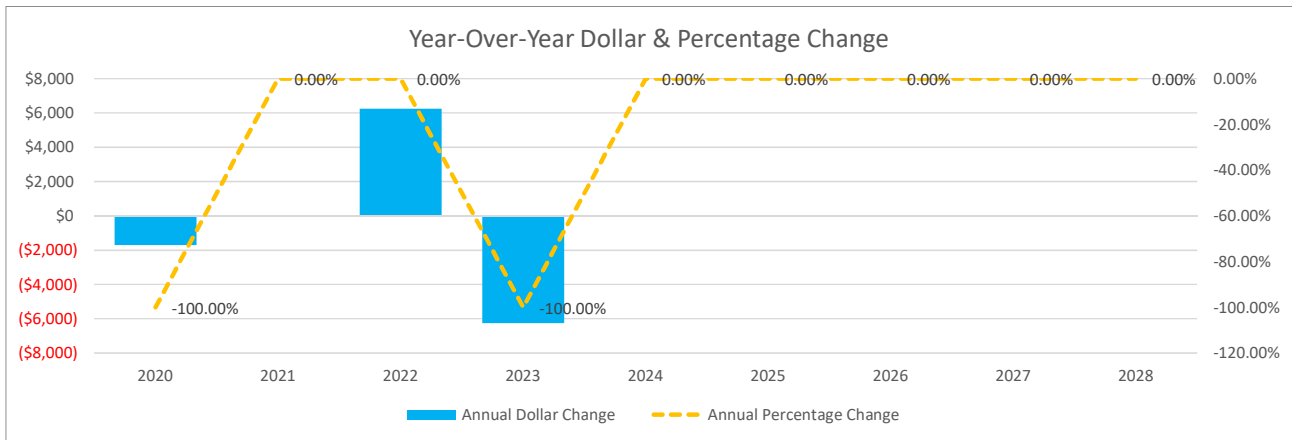
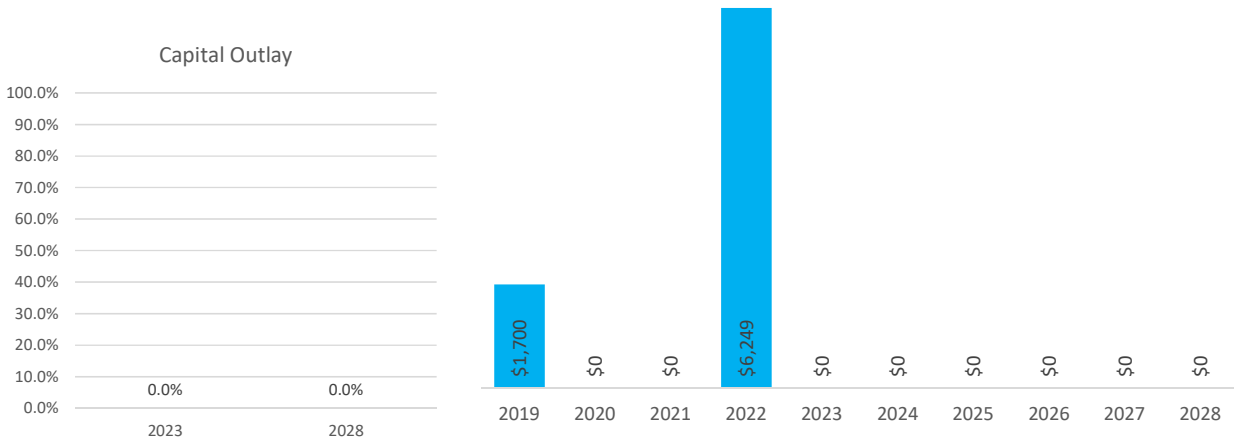
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Classroom supplies, maintenance and custodial supplies, and fuel costs are the primary costs in this line item. The decrease in expenses for FY'21 is due to the use of some COVID-19 funding from both the federal government and the Warren County Commissioners to offset the cleaning supply costs due to COVID-19. Future expenses are anticipated to increase each year in line with historical trends and current/future anticipated inflation.

### 3.050 - Capital Outlay

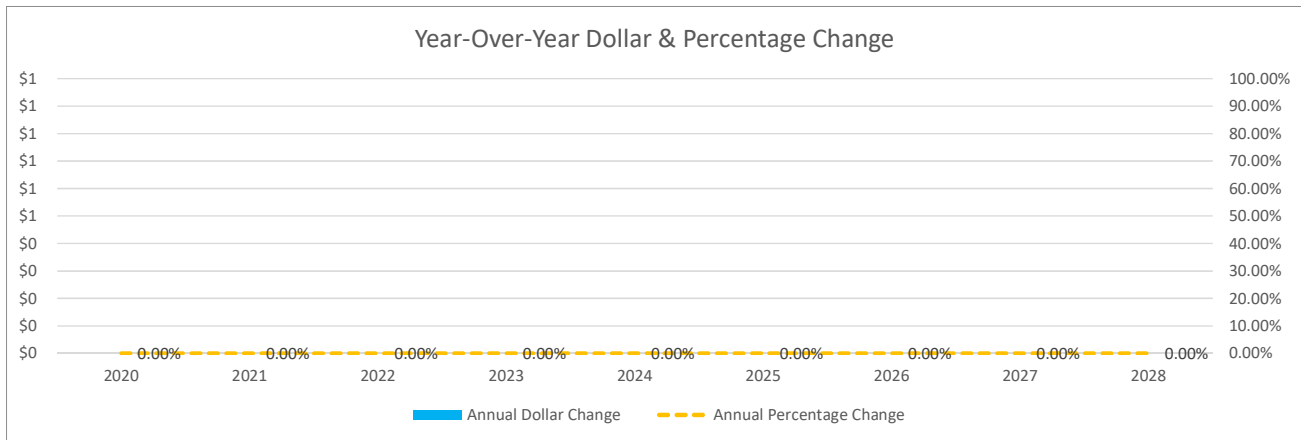
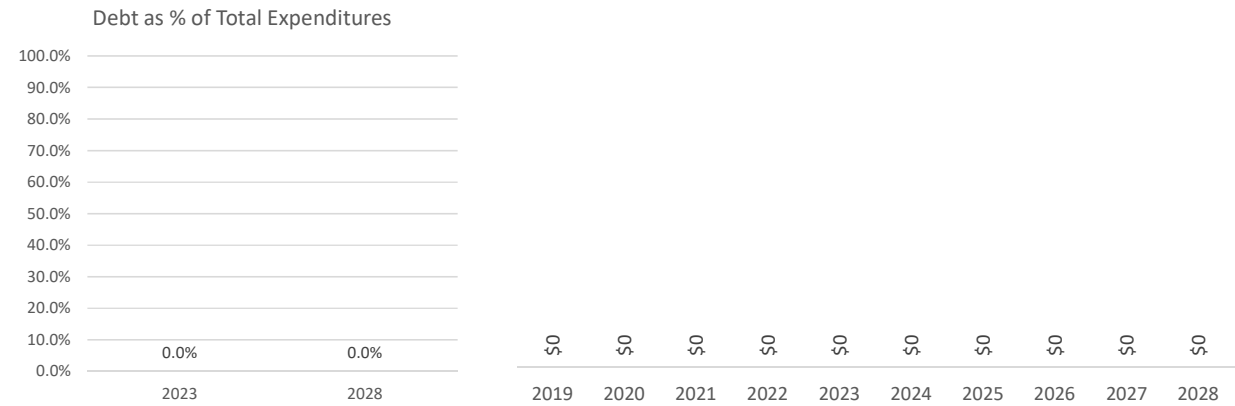
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital outlay expenses include items that have a useful life of 5 years or greater, including equipment, technology, school buses, etc. In a typical year, most of the capital outlay type of expenditures are made from the district's Permanent Improvement Fund, which is why there are no expenditures forecasted in this line into the future.

### 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.

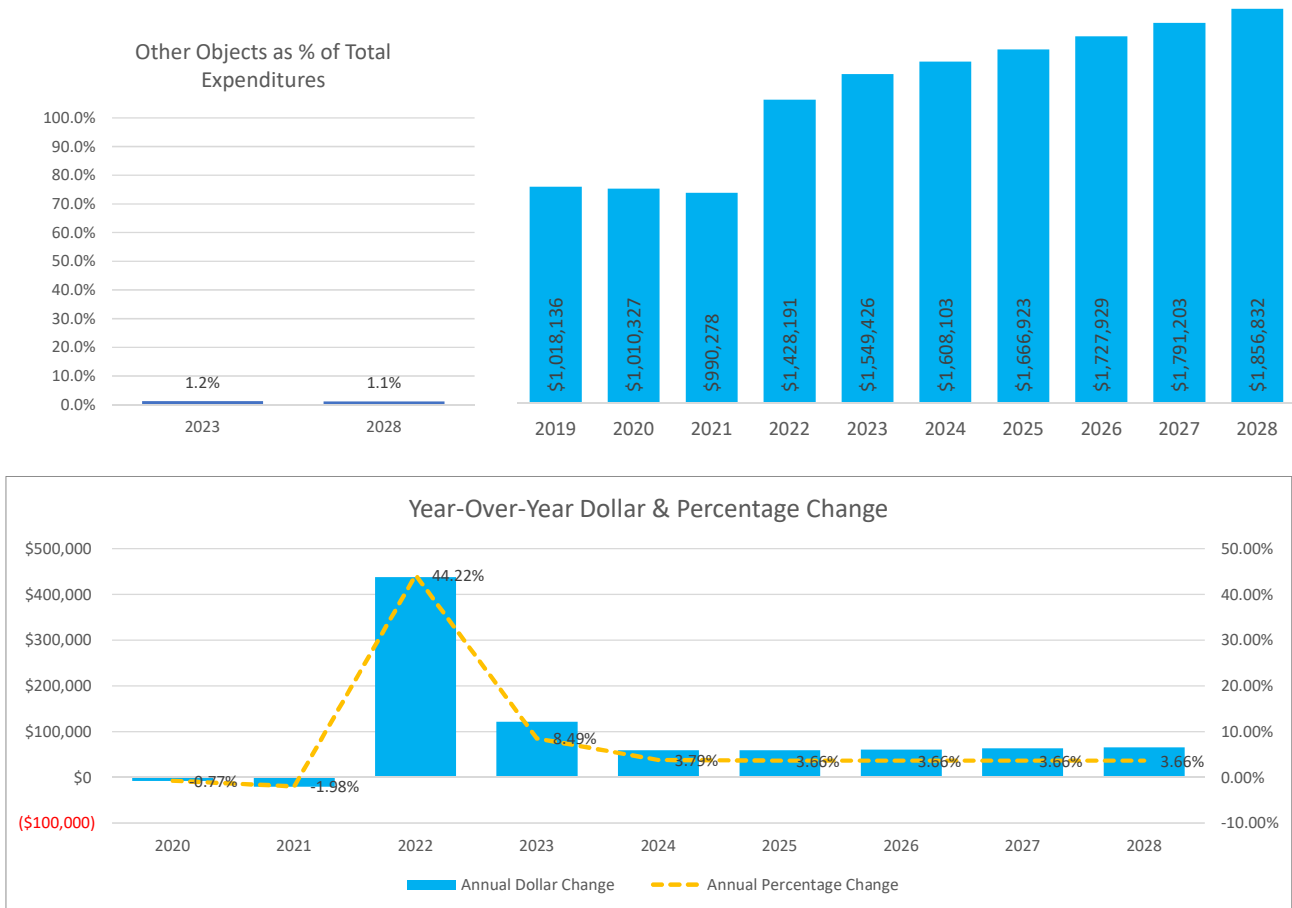


The Intergovernmental/Debt expenditure category details general fund debt issued by the District. This is not applicable for MCS.

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## 4.300 - Other Objects

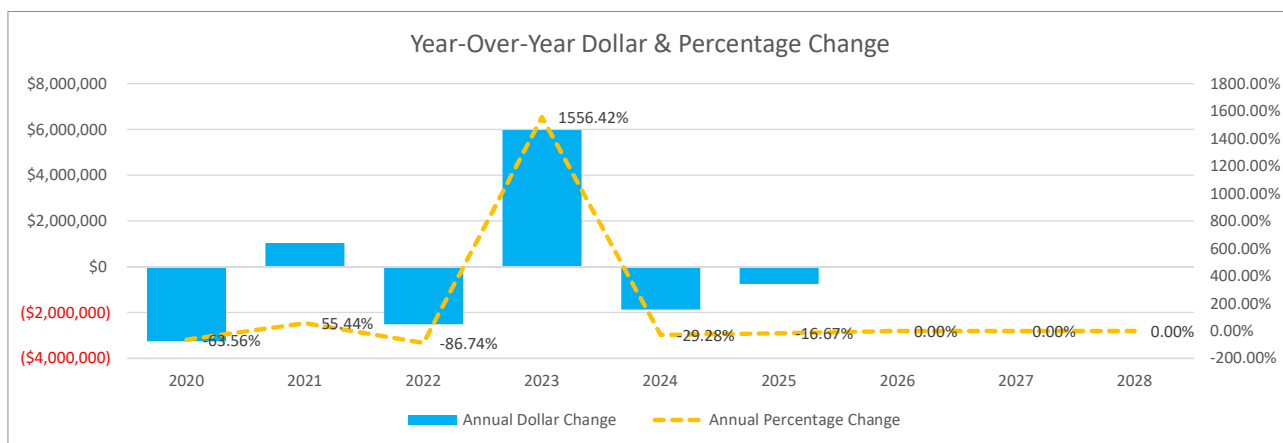
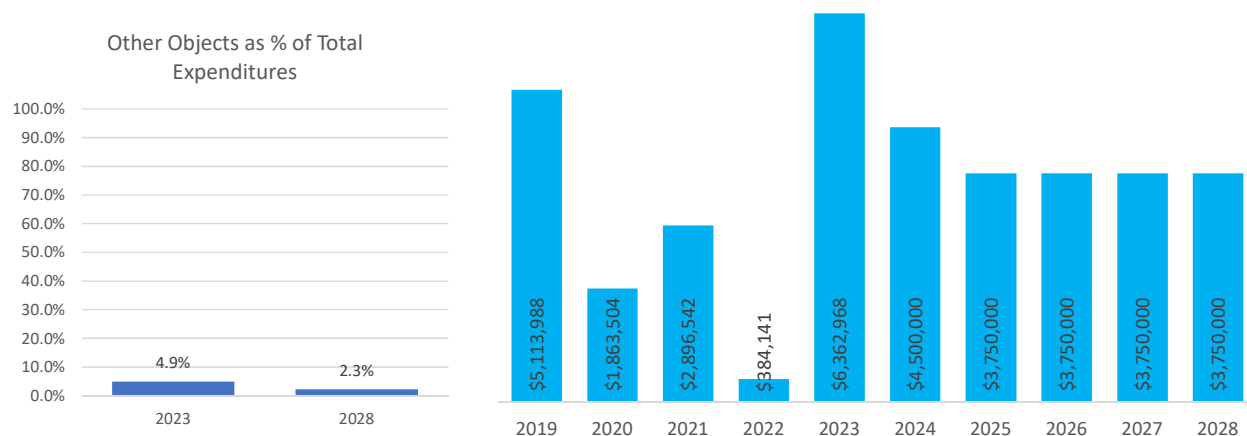
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other object expenditures consist of County Auditor collection fees, property/casualty insurance premiums, and bank/audit fees. The increase in FY'22 is due to the increase in collection fees from the County that are tied to the increase in revenues from the 2020 operating levy.

## 5.040 - Total Other Financing Uses

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



	2023	FORECASTED				
	2023	2024	2025	2026	2027	2028
Transfers Out	3,750,000	3,750,000	3,000,000	3,000,000	3,000,000	3,000,000
Advances Out	2,612,968	750,000	750,000	750,000	750,000	750,000
Other Financing Uses	-	-	-	-	-	-

This line primarily reflects transfers and advances, which are needed from time to time to cover any other funds that may have a cash need. These transfers and advances can vary from year to year and each one is approved by the Board of Education.

In FY'23 and beyond, the district is projecting to transfer between \$3 million and \$3.75 million annually into the Permanent Improvement (P/I) or capital fund. As mentioned in the capital outlay line item note/explanation, MCS has a P/I fund that is used to cover the cost of capital items such as facility repairs, technology, busses, textbooks, etc. Historically, this fund had the benefit of tax abatement revenues, such as TIF's, to provide the dollars needed. However, when the Deerfield Township TIF related to the Deerfield Towne Center expired in 2020, those TIF dollars became regular property tax dollars and were then received into the general fund each year. The projected transfers in this line represent a way to allocate those same dollars into the P/I fund to continue funding capital related items.

In FY'19, the transfer out was to cover a balance from educating students from a local residential facility over the past several years. Previously, the funds had been advanced from the general fund to this special education fund annually, and then advanced back to the general fund at the end of the year. However, it became clear that the balance would not be decreasing over time, so the transfer was necessary to cover this. Also, there was an advance of \$1.7 million was due to timing of cash flows. This amount was advanced to the bond retirement fund to cover a bond anticipation note expense in January, 2019 until the revenues would be received in April, 2019.

The other factor in FY'21 is transferring approx. \$1.8 million in TIF revenues that were received in the general fund in FY'21 out to the permanent improvement fund to help cover facility repairs around the district. The higher number in FY'23 is the result of two things. First, there was a transfer of \$3.75 million to the P/I fund for the reasons noted above. Secondly, there was an advance of \$2.6 million for temporary cash flow timing purposes. That \$2.6 million advance (i.e. temporary "loan") to other district funds will be returned back to the general fund in FY'24.

# Mason City School District

## Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2023	2024	2025	2026	2027	2028
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	89,043,337	89,556,404	89,838,720	90,421,606	90,744,012	90,883,790
1.020 - Public Utility Personal Property	4,367,657	4,504,388	4,606,166	4,709,041	4,791,916	4,889,791
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	33,884,560	34,872,640	34,891,333	34,899,591	34,905,969	34,910,288
1.040 - Restricted Grants-in-Aid	2,812,735	2,734,955	2,300,744	2,073,160	1,843,112	1,835,471
1.050 - State Share-Local Property Taxes	7,316,465	7,324,915	7,336,475	7,354,310	7,376,349	7,382,840
1.060 - All Other Operating Revenues	3,472,106	3,450,866	3,012,444	2,582,552	2,259,408	2,016,643
<b>1.070 - Total Revenue</b>	<b>140,896,862</b>	<b>142,444,168</b>	<b>141,985,882</b>	<b>142,040,260</b>	<b>141,920,766</b>	<b>141,918,823</b>
<b>Other Financing Sources:</b>						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	384,141	2,612,968	750,000	750,000	750,000	750,000
2.060 - All Other Financing Sources	103,396	9,821	9,919	10,019	10,119	10,220
2.070 - Total Other Financing Sources	487,537	2,622,790	759,920	760,019	760,119	760,220
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>141,384,399</b>	<b>145,066,958</b>	<b>142,745,802</b>	<b>142,800,279</b>	<b>142,680,885</b>	<b>142,679,044</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	72,742,258	79,825,162	82,975,142	86,080,621	89,311,750	92,665,786
3.020 - Employee Benefits	29,627,618	31,801,762	33,938,253	36,425,822	38,892,675	41,569,205
3.030 - Purchased Services	14,631,545	16,248,587	17,527,831	18,488,382	19,503,694	20,577,042
3.040 - Supplies and Materials	3,644,613	4,213,265	4,423,928	4,645,125	4,877,381	5,121,250
3.050 - Capital Outlay	-	-	-	-	-	-
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	1,549,426	1,608,103	1,666,923	1,727,929	1,791,203	1,856,832
<b>4.500 - Total Expenditures</b>	<b>122,195,460</b>	<b>133,696,880</b>	<b>140,532,078</b>	<b>147,367,879</b>	<b>154,376,703</b>	<b>161,790,115</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	3,750,000	3,750,000	3,000,000	3,000,000	3,000,000	3,000,000
5.020 - Advances-Out	2,612,968	750,000	750,000	750,000	750,000	750,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	6,362,968	4,500,000	3,750,000	3,750,000	3,750,000	3,750,000
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>128,558,428</b>	<b>138,196,879</b>	<b>144,282,078</b>	<b>151,117,879</b>	<b>158,126,703</b>	<b>165,540,115</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>12,825,971</b>	<b>6,870,078</b>	<b>(1,536,276)</b>	<b>(8,317,600)</b>	<b>(15,445,818)</b>	<b>(22,861,071)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>33,048,220</b>	<b>45,874,191</b>	<b>52,744,270</b>	<b>51,207,994</b>	<b>42,890,394</b>	<b>27,444,576</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>45,874,191</b>	<b>52,744,270</b>	<b>51,207,994</b>	<b>42,890,394</b>	<b>27,444,576</b>	<b>4,583,505</b>
		Reservations				
8.010 - Estimated Encumbrances June 30	996,639	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>44,877,552</b>	<b>51,744,270</b>	<b>50,207,994</b>	<b>41,890,394</b>	<b>26,444,576</b>	<b>3,583,505</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>44,877,552</b>	<b>51,744,270</b>	<b>50,207,994</b>	<b>41,890,394</b>	<b>26,444,576</b>	<b>3,583,505</b>
<b>Revenue from New Levies</b>						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>44,877,552</b>	<b>51,744,270</b>	<b>50,207,994</b>	<b>41,890,394</b>	<b>26,444,576</b>	<b>3,583,505</b>