

**Mason City School District**  
**Schedule Of Revenue, Expenditures and Changes In Fund Balances**  
**Actual and Forecasted Operating Fund**

FINAL - FALL, 2024

	ACTUAL			FORECASTED				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
<b>Revenue:</b>								
1.010 - General Property Tax (Real Estate)	80,519,707	89,043,337	92,119,375	93,357,538	93,570,171	93,710,129	93,950,511	94,184,609
1.020 - Public Utility Personal Property	4,276,221	4,367,657	4,851,710	4,980,332	5,078,772	5,156,798	5,234,824	5,312,851
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	33,945,343	33,884,560	34,282,736	34,316,579	34,422,344	34,439,067	34,454,844	34,602,572
1.040 - Restricted Grants-in-Aid	3,071,182	2,812,735	3,174,244	2,372,491	2,154,028	1,936,853	1,951,582	968,459
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - State Share of Local Property Taxes	7,078,549	7,316,465	7,464,823	7,629,466	7,795,214	7,845,486	7,895,227	7,944,809
1.060 - All Other Operating Revenues	2,004,569	3,472,106	6,078,057	4,087,444	3,440,802	2,955,615	2,591,844	2,319,429
<b>1.070 - Total Revenue</b>	<b>130,895,572</b>	<b>140,896,862</b>	<b>147,970,945</b>	<b>146,743,850</b>	<b>146,461,331</b>	<b>146,043,948</b>	<b>146,078,832</b>	<b>145,332,729</b>
<b>Other Financing Sources:</b>								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	450,000	-	-	-	-	-
2.050 - Advances-In	1,090,975	384,141	2,612,968	750,000	750,000	750,000	750,000	750,000
2.060 - All Other Financing Sources	778,990	103,396	227,609	9,919	10,019	10,119	10,220	10,322
2.070 - Total Other Financing Sources	1,869,965	487,537	3,290,577	759,920	760,019	760,119	760,220	760,323
<b>2.080 - Total Revenues and Other Financing Sources</b>	<b>132,765,537</b>	<b>141,384,399</b>	<b>151,261,522</b>	<b>147,503,770</b>	<b>147,221,350</b>	<b>146,804,067</b>	<b>146,839,053</b>	<b>146,093,051</b>
<b>Expenditures:</b>								
3.010 - Personnel Services	74,455,031	72,742,258	79,504,171	84,998,624	88,703,254	92,783,289	96,416,795	100,108,711
3.020 - Employees' Retirement/Insurance Benefits	28,133,443	29,627,618	30,718,591	32,899,677	34,998,225	37,387,243	39,859,123	43,233,544
3.030 - Purchased Services	13,072,911	14,631,545	15,964,957	17,118,368	18,375,128	19,725,720	21,177,261	22,737,413
3.040 - Supplies and Materials	3,398,548	3,644,613	3,847,475	4,235,886	4,468,472	4,713,935	4,972,993	5,246,405
3.050 - Capital Outlay	6,249	-	7,483	-	-	-	-	-
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
<b>Debt Service:</b>								
4.010 - Principal-All Years	-	-	-	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	-	-	-	-	-	-	-	-
4.300 - Other Objects	1,428,191	1,549,426	1,721,647	1,780,207	1,925,029	2,025,187	2,130,626	2,241,630
<b>4.500 - Total Expenditures</b>	<b>120,494,373</b>	<b>122,195,460</b>	<b>131,764,324</b>	<b>141,032,763</b>	<b>148,470,108</b>	<b>156,635,374</b>	<b>164,556,798</b>	<b>173,567,704</b>
<b>Other Financing Uses</b>								
5.010 - Operating Transfers-Out	-	3,750,000	4,200,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
5.020 - Advances-Out	384,141	2,612,968	958,463	750,000	750,000	750,000	750,000	750,000
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	384,141	6,362,968	5,158,463	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
<b>5.050 - Total Expenditures and Other Financing Uses</b>	<b>120,878,514</b>	<b>128,558,428</b>	<b>136,922,787</b>	<b>144,782,763</b>	<b>152,220,108</b>	<b>160,385,374</b>	<b>168,306,798</b>	<b>177,317,703</b>
Excess of Rev & Other Financing Uses Over (Under)								
<b>6.010 - Expenditures and Other Financing Uses</b>	<b>11,887,023</b>	<b>12,825,971</b>	<b>14,338,735</b>	<b>2,721,007</b>	<b>(4,998,758)</b>	<b>(13,581,307)</b>	<b>(21,467,745)</b>	<b>(31,224,652)</b>
Cash Balance July 1 - Excluding Proposed Renewal/ 7.010 - Replacement and New Levies	21,161,197	33,048,220	45,874,191	60,212,926	62,933,933	57,935,175	44,353,868	22,886,123
<b>7.020 - Cash Balance June 30</b>	<b>33,048,220</b>	<b>45,874,191</b>	<b>60,212,926</b>	<b>62,933,933</b>	<b>57,935,175</b>	<b>44,353,868</b>	<b>22,886,123</b>	<b>(8,338,529)</b>
8.010 - Estimated Encumbrances June 30	946,263	996,639	878,571	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Reservations of Fund Balance:</b>								
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-	-
9.030 - Budget Reserve	-	-	-	-	-	-	-	-
9.040 - DPIA	-	-	-	-	-	-	-	-
9.050 - Debt Service	-	-	-	-	-	-	-	-
9.060 - Property Tax Advances	-	-	-	-	-	-	-	-
9.070 - Bus Purchases	-	-	-	-	-	-	-	-
9.080 - Subtotal	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
<b>10.010 - of Appropriations</b>	<b>32,101,957</b>	<b>44,877,552</b>	<b>59,334,355</b>	<b>61,933,933</b>	<b>56,935,175</b>	<b>43,353,868</b>	<b>21,886,123</b>	<b>(9,338,529)</b>
<b>Rev from Replacement/Renewal Levies</b>								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
<b>12.010 - of Contracts, Salary and Other Obligations</b>	<b>32,101,957</b>	<b>44,877,552</b>	<b>59,334,355</b>	<b>61,933,933</b>	<b>56,935,175</b>	<b>43,353,868</b>	<b>21,886,123</b>	<b>(9,338,529)</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	-	-	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>32,101,957</b>	<b>44,877,552</b>	<b>59,334,355</b>	<b>61,933,933</b>	<b>56,935,175</b>	<b>43,353,868</b>	<b>21,886,123</b>	<b>(9,338,529)</b>



Mason City School District

# Five Year Forecast Financial Report

November, 2024



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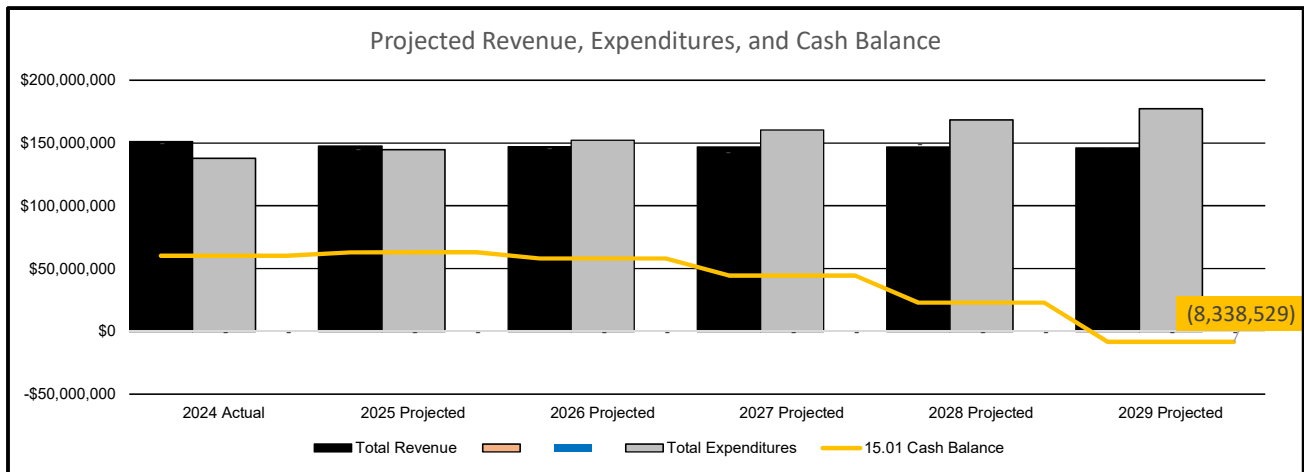
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### Forecast Purpose/Objectives

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 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	59,381,340	62,102,347	57,103,589	43,522,282	22,054,537
+ Revenue	147,503,770	147,221,350	146,804,067	146,839,053	146,093,051
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(144,782,763)	(152,220,108)	(160,385,374)	(168,306,798)	(177,317,703)
= Revenue Surplus or Deficit	2,721,007	(4,998,758)	(13,581,307)	(21,467,745)	(31,224,652)
Line 7.020 Ending Balance with renewal/new levies	62,102,347	57,103,589	43,522,282	22,054,537	(9,170,115)

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	2,721,007	(4,998,758)	(13,581,307)	(21,467,745)	(31,224,652)
Ending Balance w/o Levies	62,102,347	57,103,589	43,522,282	22,054,537	(9,170,115)

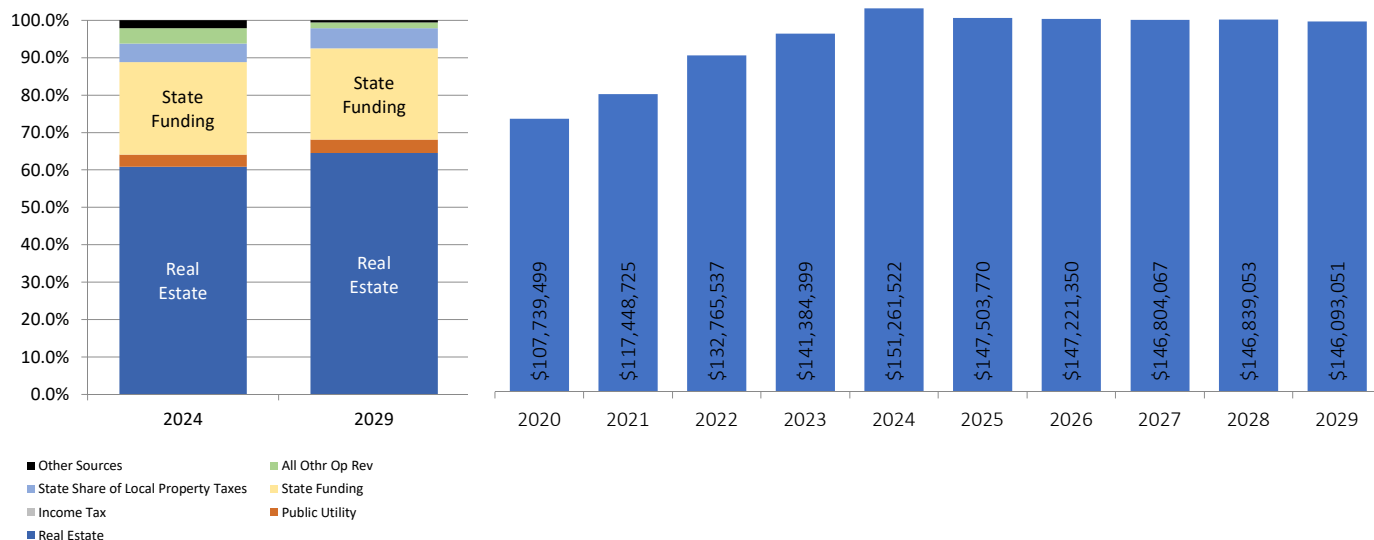
At the beginning of FY'24, the district had approx. 5.05 months of cash reserves and is projected to finish the year with approx. 5.27 months of reserves.

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.

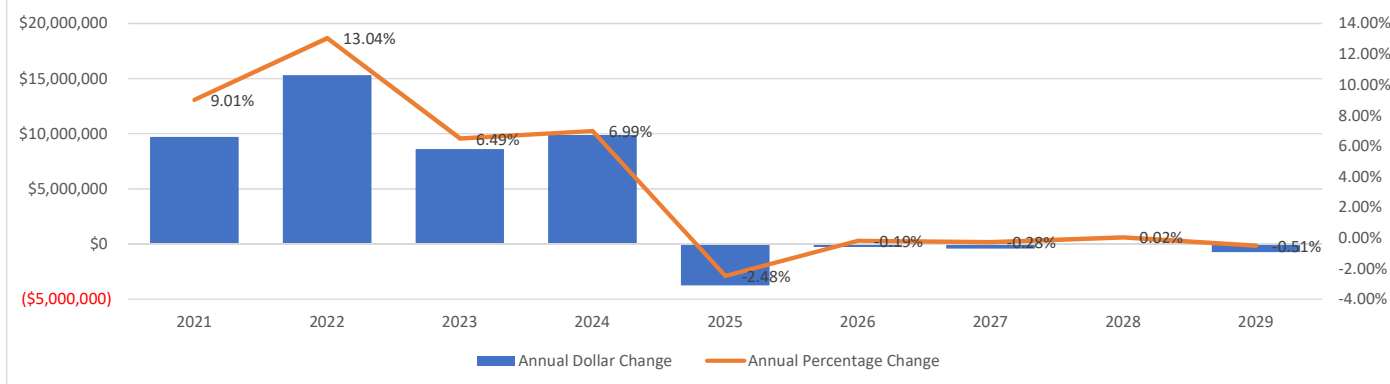
The Board and administrative team continually evaluate the District's financial outlook in an attempt to ensure fiscal stewardship, reflect the values of this community, and deliver a high quality product at the most cost effective price possible. The current forecast assumptions reflect our best estimate 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

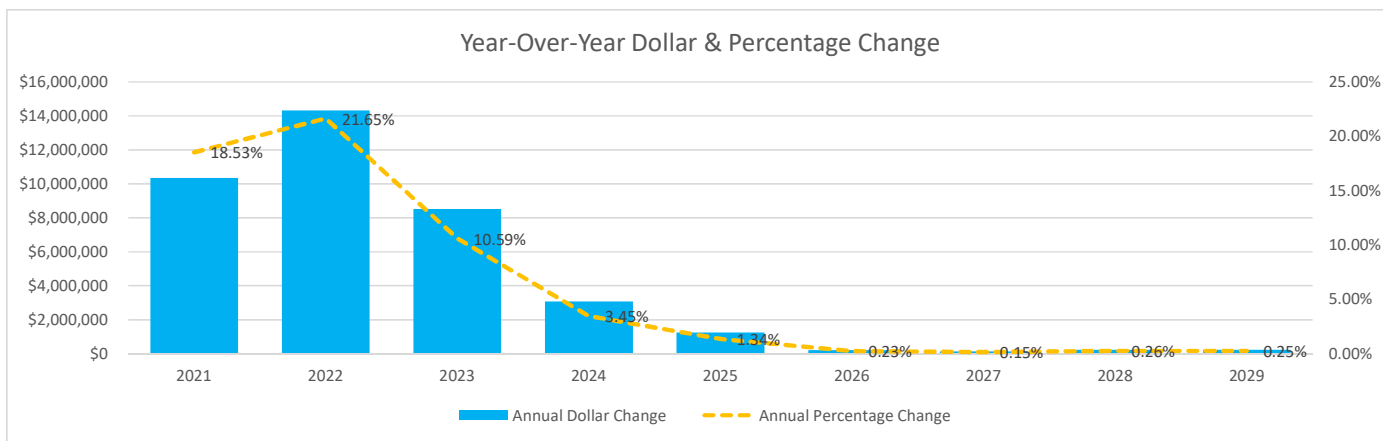
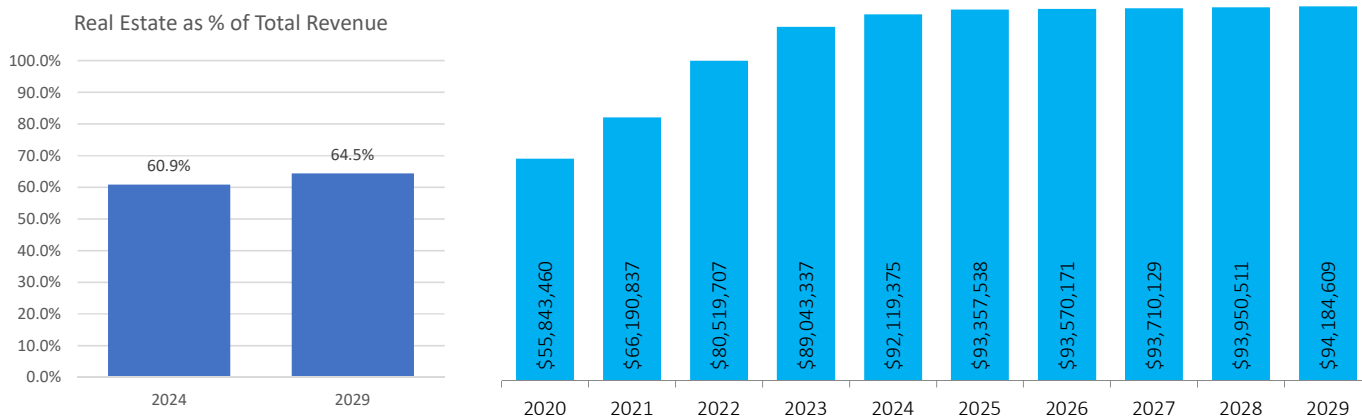


4-Year Historical Actual Average Annual Dollar Change Compared to 5-year Projected

	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	
Real Estate	9,068,979	413,047	(\$8,655,932)	<p>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.</p> <p>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.</p> <p>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).</p>
Public Utility	\$440,224	\$92,228	(\$347,995)	
Income Tax	\$0	\$0	\$0	
State Funding	\$943,474	(377,190)	(\$1,320,664)	
Prop Tax Alloc	\$71,196	\$95,997	\$24,801	
All Othr Op Rev	(\$282,685)	(\$751,726)	(\$469,041)	
Other Sources	\$639,318	(\$506,051)	(\$1,145,369)	
<b>Total Average Annual Change</b>	<b>10,880,506</b> 8.88%	<b>(1,033,694)</b> -0.69%	<b>(\$11,914,200)</b> -9.57%	

### 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	
2023	2,631,325,930	61,470,230	36.36	-	45.78	-	100.2%
2024	3,163,236,930	531,911,000	30.59	(5.77)	42.39	(3.39)	97.1%
2025	3,182,986,930	19,750,000	30.57	(0.02)	42.39	(0.00)	97.1%
2026	3,199,736,930	16,750,000	30.55	(0.02)	42.39	(0.00)	97.1%
2027	3,234,486,930	34,750,000	30.35	(0.20)	42.39	(0.00)	97.1%
2028	3,251,236,930	16,750,000	30.33	(0.02)	42.39	(0.00)	97.1%

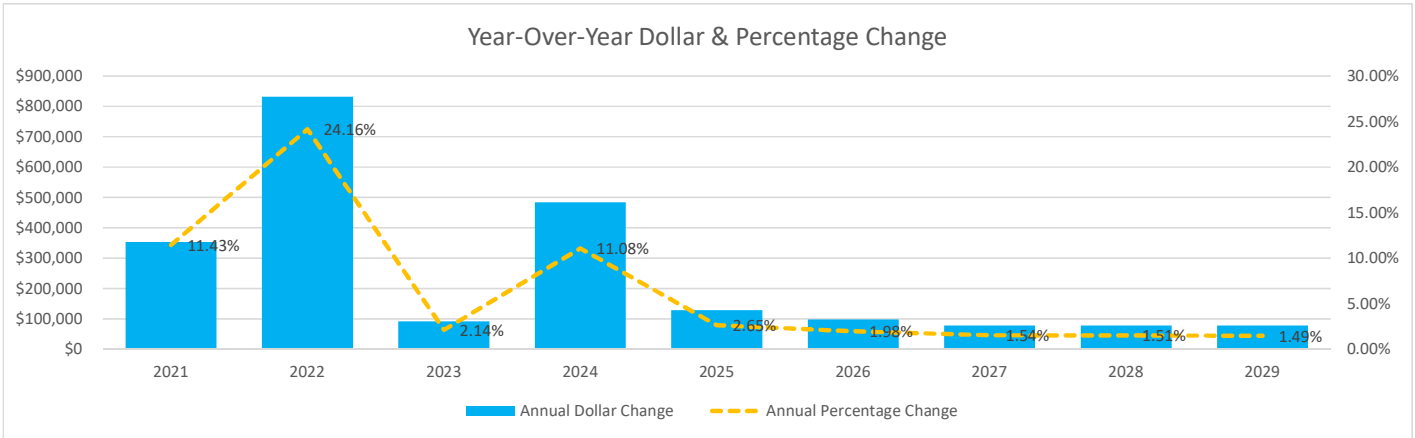
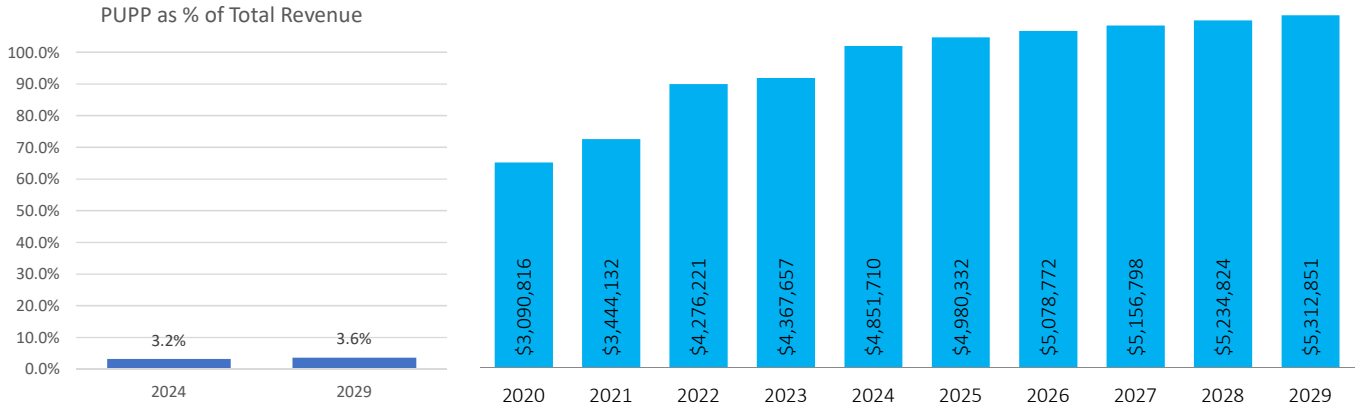
The largest source of revenues to the district's general operating fund is from local property taxes (64% in FY'25). The operating levy that was approved in 2020 generated an additional 4.71 mills in tax year 2020 and an additional 5.25 mills in tax year 2021, which is the cause of the larger than normal 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. Residential property values in the MCS community are projected to increase by approx. 28% on average for tax year 2024. However, due to HB920, the system is designed for homeowners to have no increase in taxes on any levy that was voted into place by the taxpayers. The only increase that homeowners should see is due to inside millage. Current estimates show this increase at between 3% and 5% for TY2024.

Of the district's total current assessed valuation of \$2.69 billion, approx. 77% of that is from Class I residential/agricultural property, 21% 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.

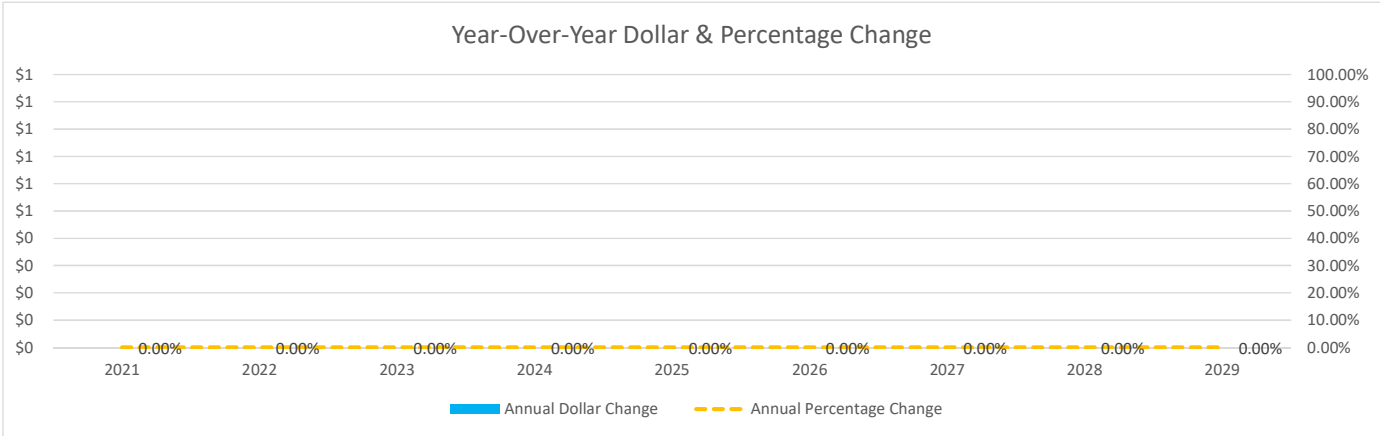
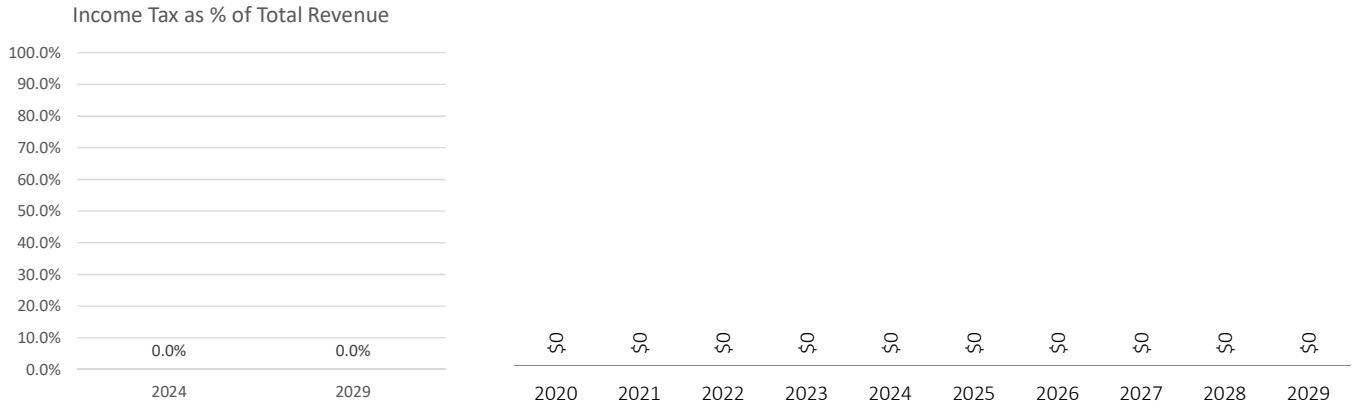


Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2023	60,753,300	7,449,920	84.42	-	99.0%
2024	62,253,300	1,500,000	84.42	-	100.3%
2025	63,753,300	1,500,000	84.42	-	101.1%
2026	65,253,300	1,500,000	84.42	-	101.1%
2027	66,753,300	1,500,000	84.42	-	101.1%
2028	68,253,300	1,500,000	84.42	-	101.1%

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.

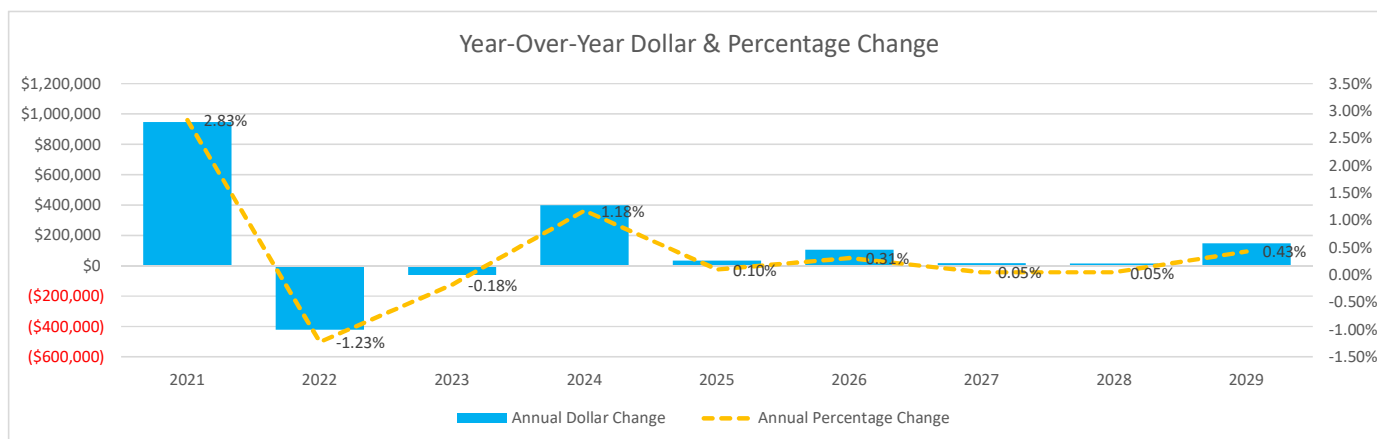
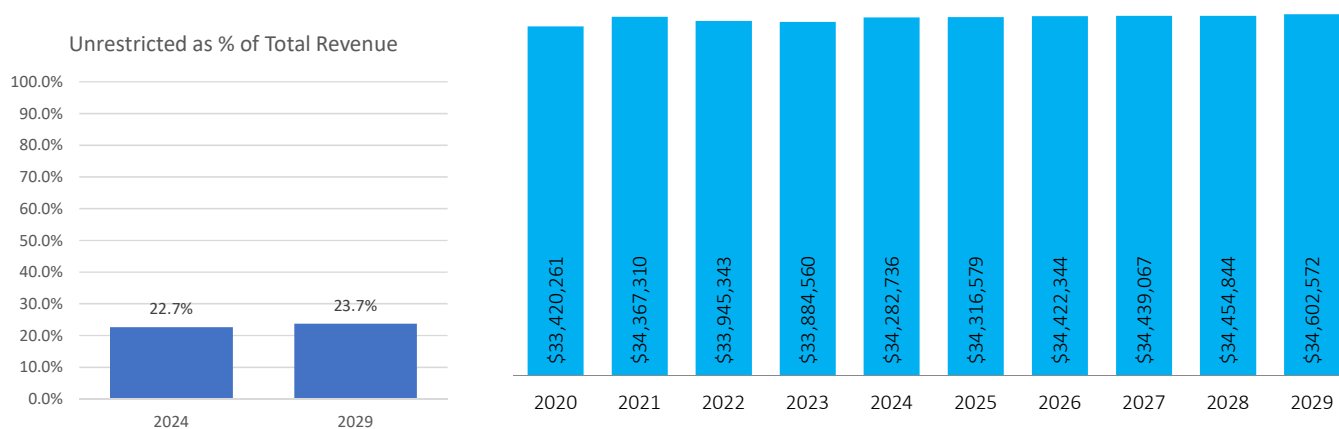


The district does not have an income tax levy.



### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.

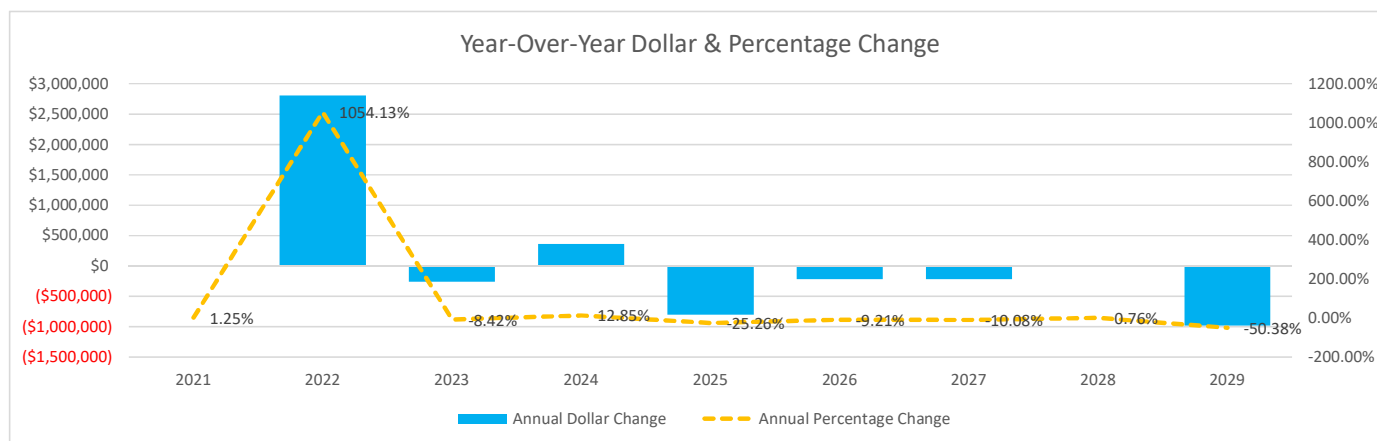
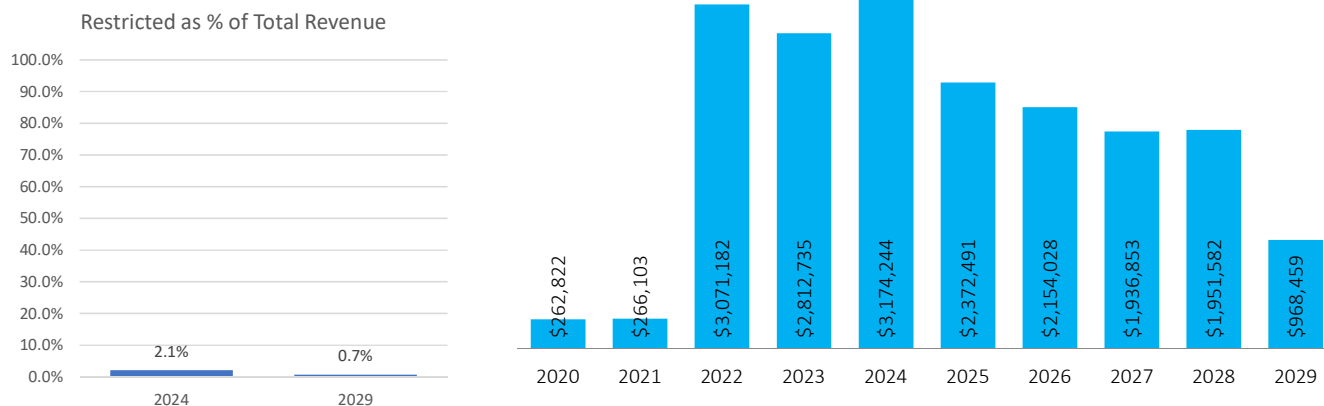


The previous biennium budget bill (HB110) was passed by the Ohio general assembly and signed into law by the Governor in June 2021. This budget bill included the implementation of the new Fair School Funding Plan (FSFP) for FY'22 and beyond. This funding plan introduces a new formula that the state is using to determine how much funding they will send to public schools. For FY'25, 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

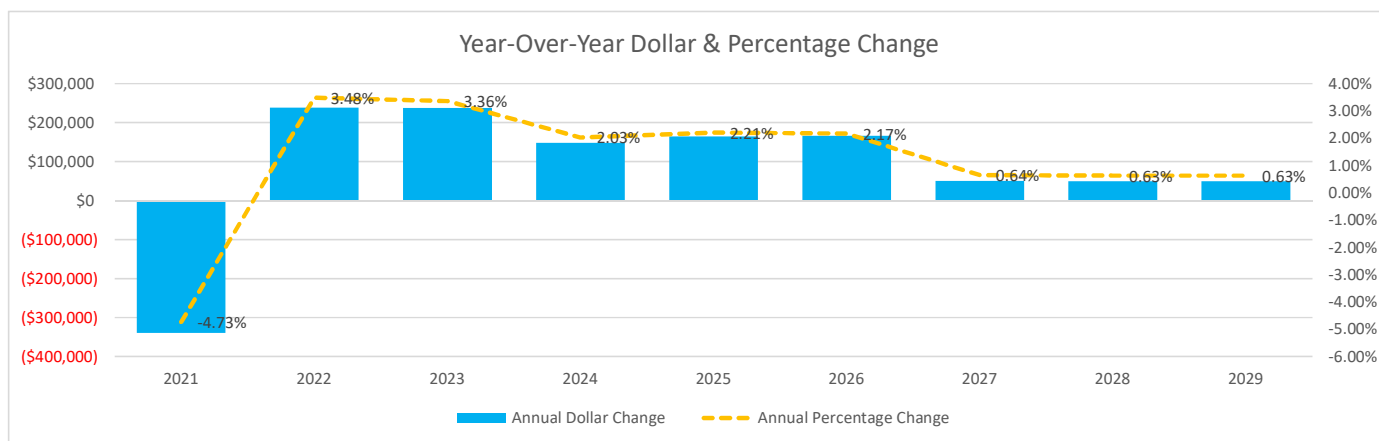
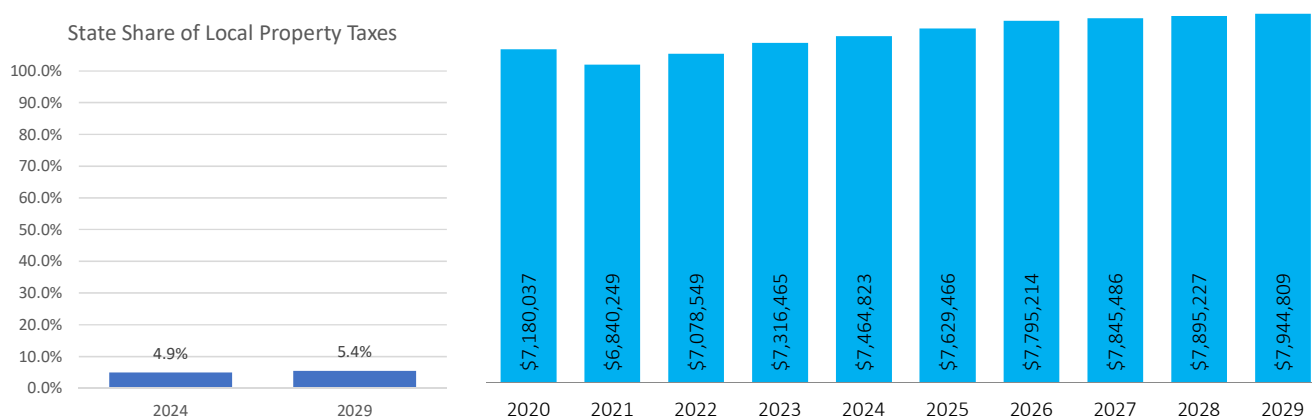
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



In total, restricted aid represents approx. 2% of total general fund revenues in FY'25. 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.



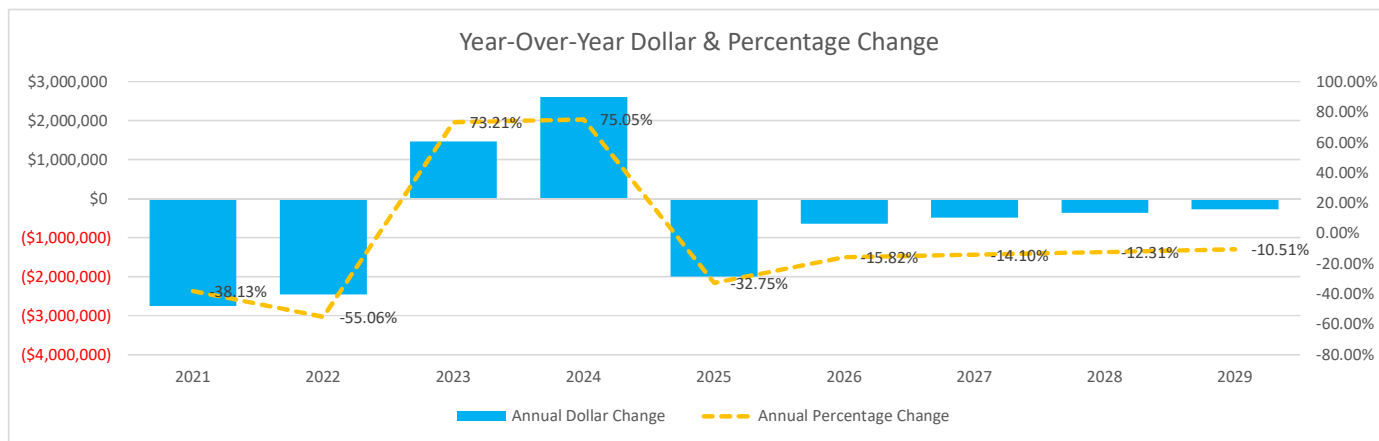
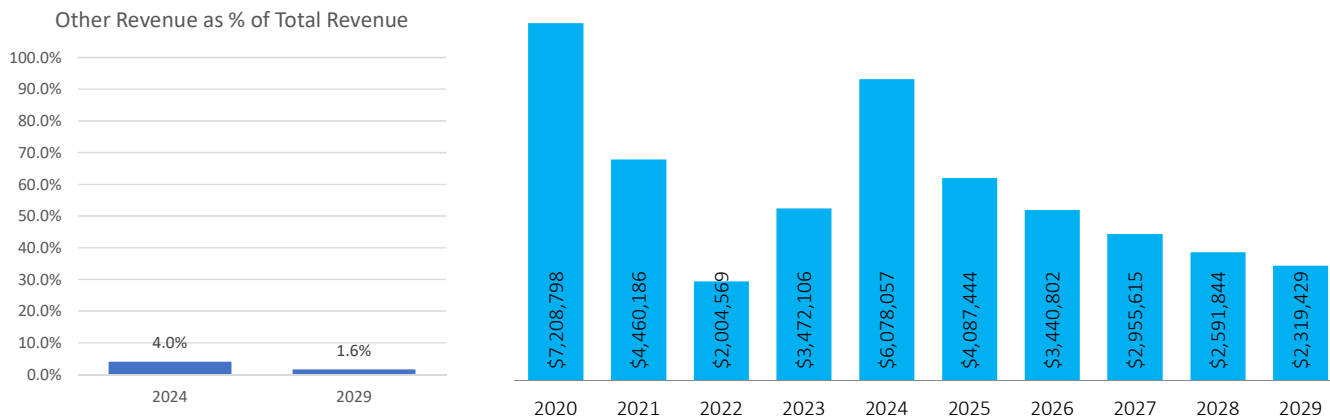
Historically, there were two significant sources of revenue within this line item, both of which represented funding from the Ohio General Assembly.

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 \$7.6 million in FY'25 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.

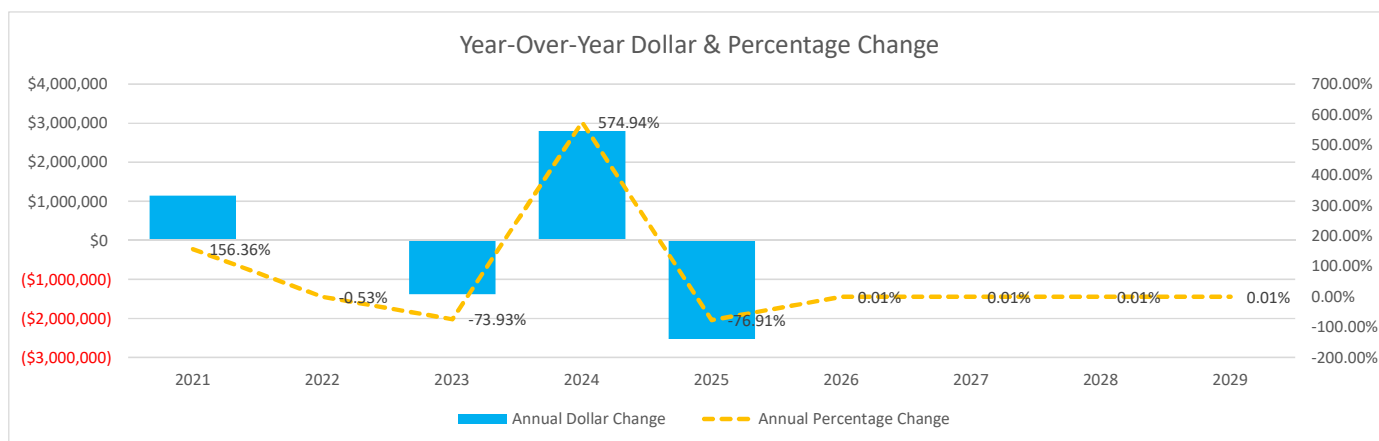
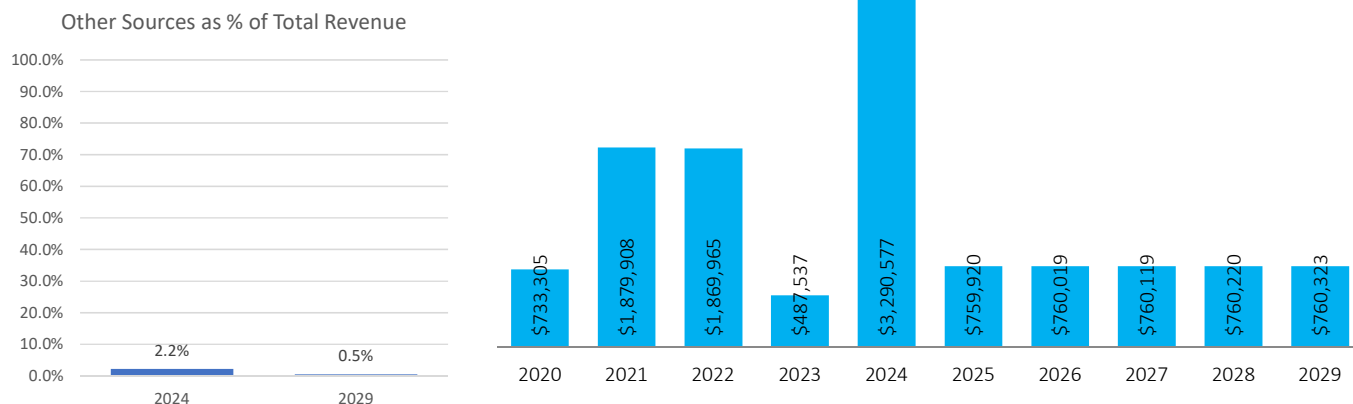


This line includes a few different items, including student fee revenues, interest income, and Medicaid reimbursements.

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. The higher amount in FY'24 is primarily due to an increase in investment earnings. With projected declines in interest rates and cash reserves, those revenues are anticipated to decrease in the future.

## 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.

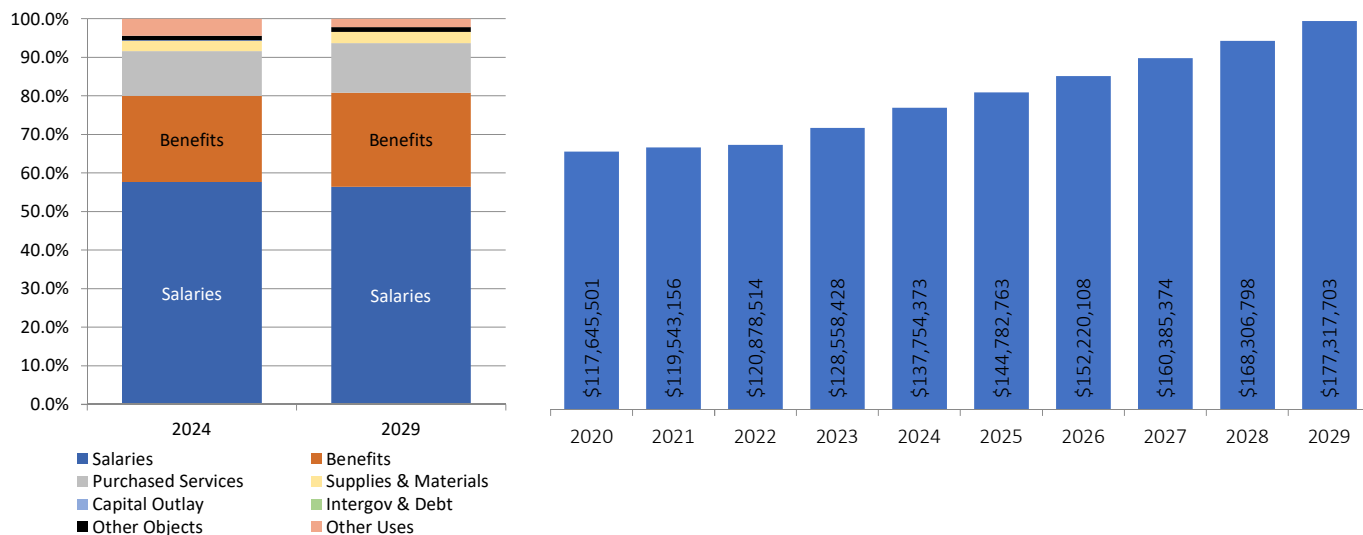


	2024	FORECASTED				
	2024	2025	2026	2027	2028	2029
Transfers In	450,000	-	-	-	-	-
Advances In	2,612,968	750,000	750,000	750,000	750,000	750,000
All Other Financing Sources	227,609	9,919	10,019	10,119	10,220	10,322

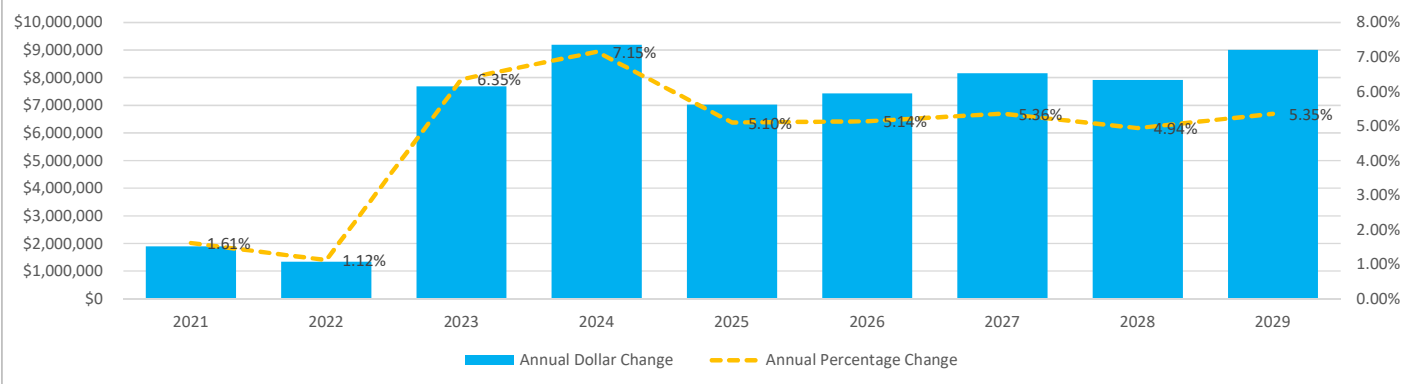
Historically, transfers and advances are the main source of revenues in this line, and are needed from time to time to cover any other funds that may have a cash need. These transfers and advances can vary from year to year and each one is approved by the Board of Education. The increase in FY'22 was 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 was 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

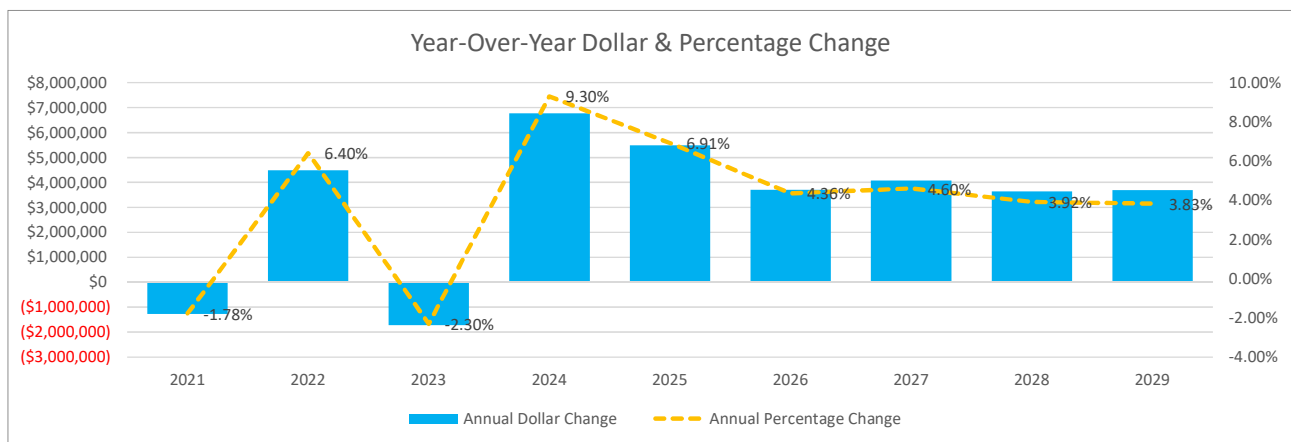
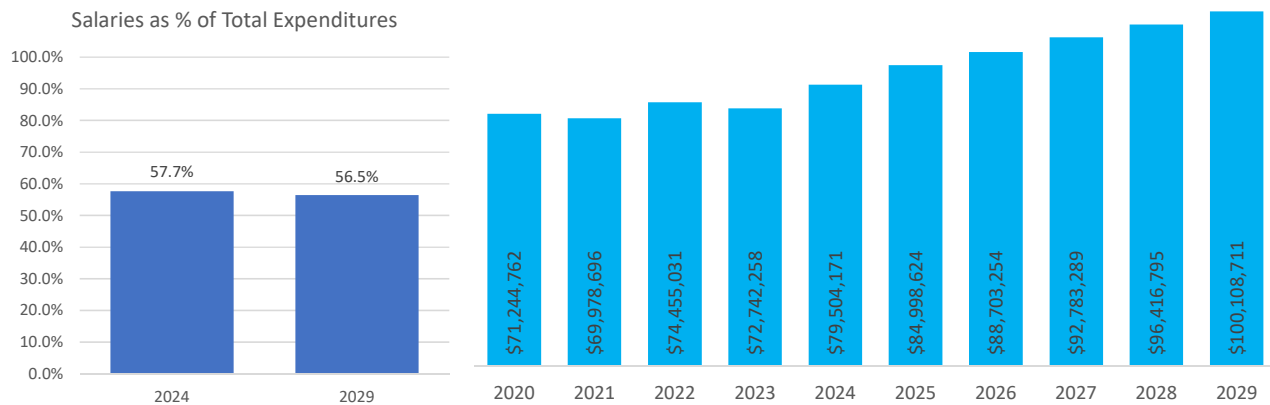


With school districts being in the service industry, the primary expense for any school district is that of personnel costs. Total personnel (salaries and benefits) costs for FY'24 are expected to comprise approx. 84% of the general fund operating expenditures.

This forecast also reflects the compensation agreed upon in the 3 year collective bargaining agreements with the MEA and OAPSE unions for FY'25-FY'27. Those agreements include base salary increases of 3%, 3%, 2.75% in FY'25, FY'26, and FY'27, respectively as well as annual longevity increases. 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'25 – FY'27, the base salary increases that were negotiated with the Mason Education Association (MEA) and the Ohio Association of Public School Employees (OAPSE) were 3%, 3%, and 2.75% per year, respectively. A 2% increase is projected for FY'28-FY'29.

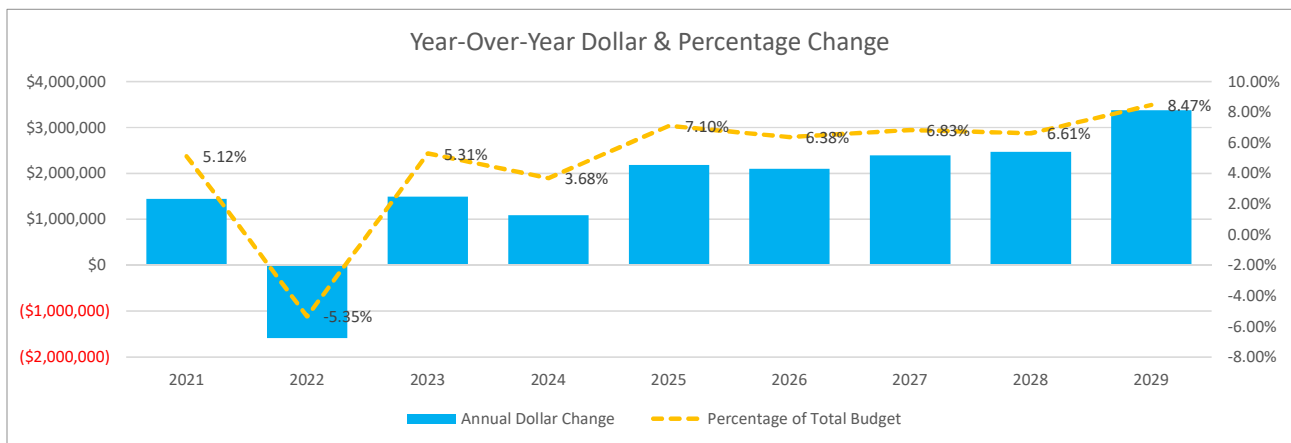
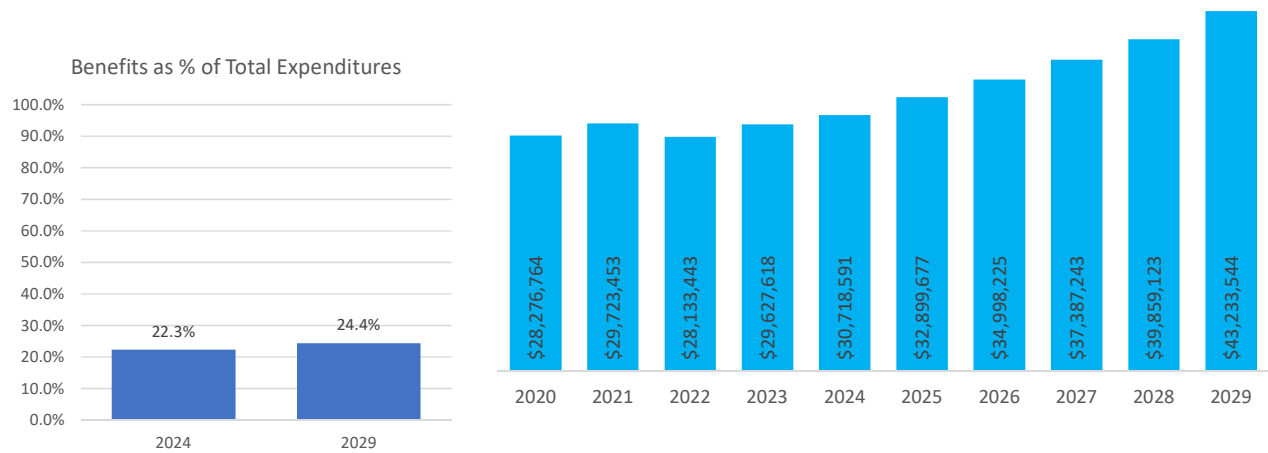
Over the past 15 years, staffing levels have been significantly impacted. Sixty-eight positions were reduced in FY'12, forty-eight positions in FY'13, and twenty-six positions were reduced in FY'15. These reductions are part of what helped flat line salary and benefit costs in recent years and help the 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.

### 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%.

Employees paid 10% of their medical insurance premiums in FY'23. As part of the agreements with MEA and OAPSE, staff members began 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, decreased by 3% in FY'24, and were flat for FY'25. Due to the current inflationary environment, they are projected to increase by 12% per year for FY'26 and beyond.

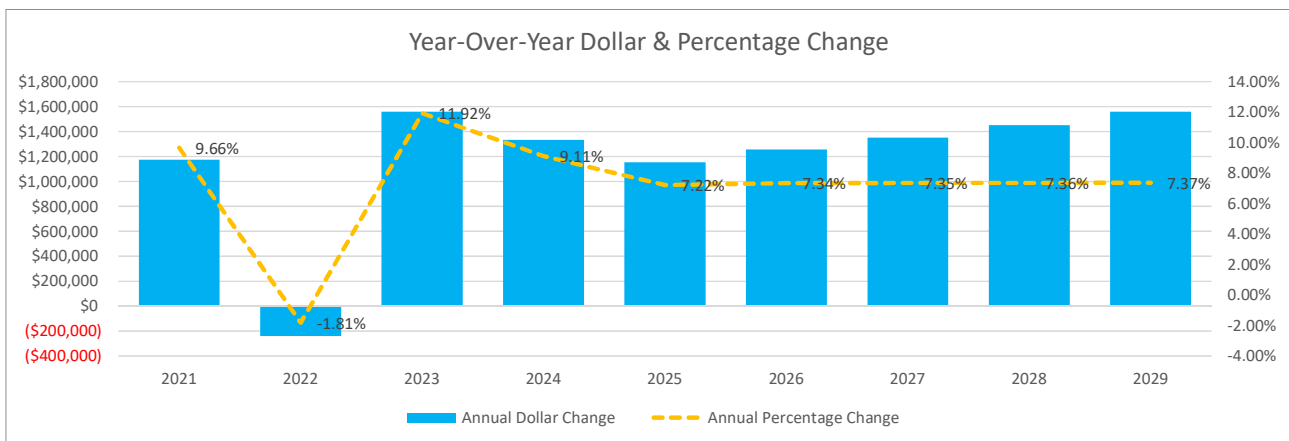
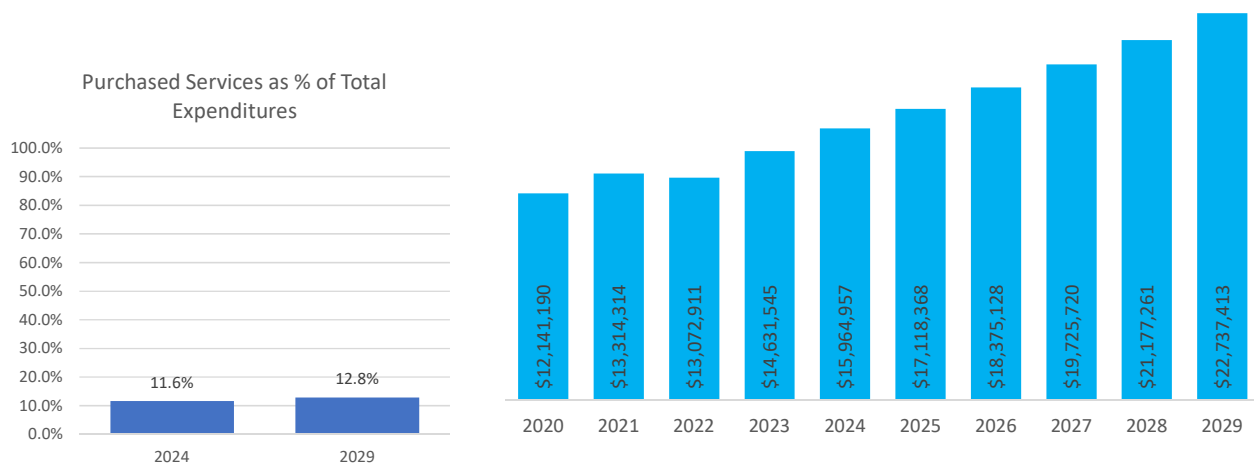
In FY'22, the district decreased the contribution into the medical self-insurance funds in order to offset the cost of the one-time 3% COVID impact payment to staff in FY'22. This is the cause for the decrease in benefits expenses for FY'22.

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 were also being paid for with ESSER/COVID-19 funds, which is what caused 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.



### 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.

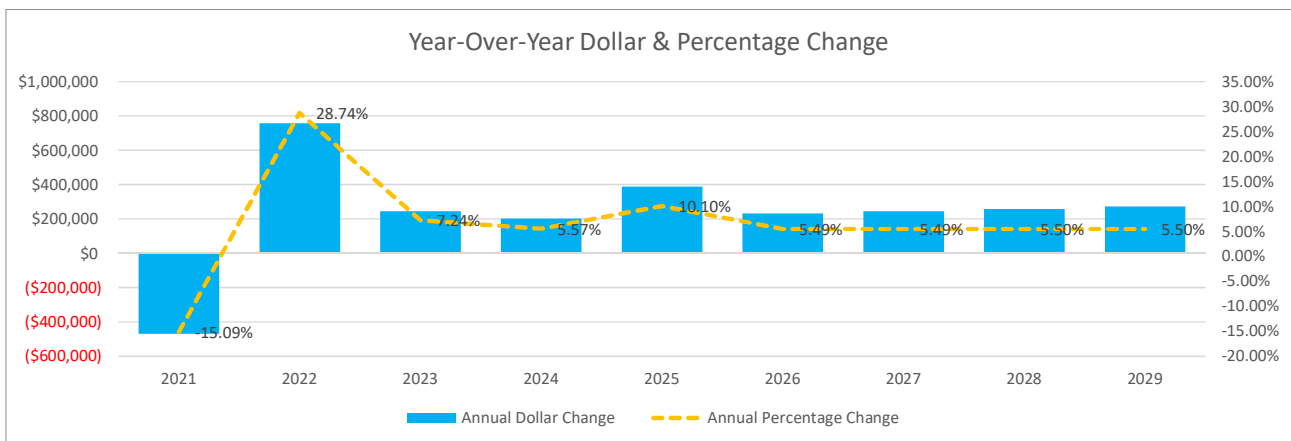
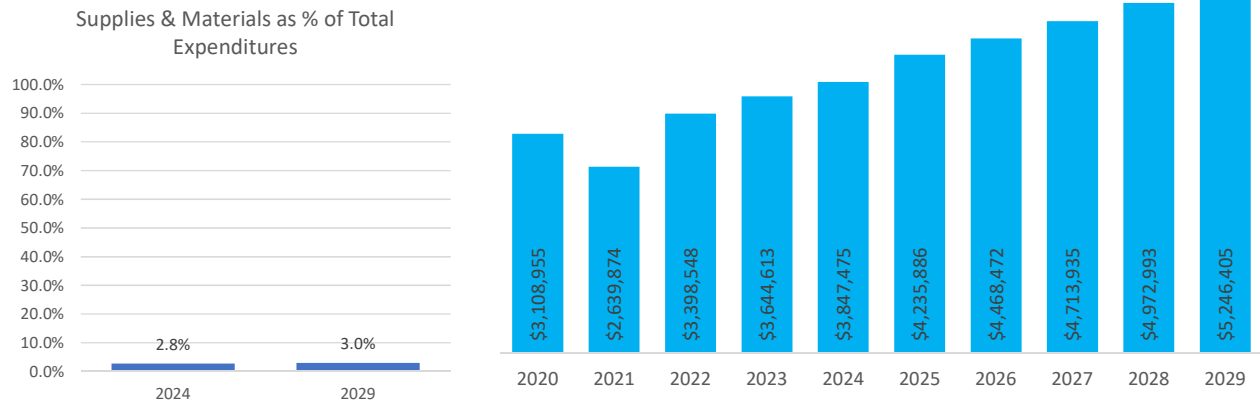
The FSFP model changed some of the expenditure line items in this category for FY'22 and beyond. Expenses for open enrollment out, community schools, and special ed scholarships that were previously charged to the district as expenses in FY'21 and earlier years were no longer charged to MCS beginning 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.

Looking backward, there were some budget impacts in FY'19 through FY'21 that are worth noting. There was a large increase in FY'19 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.

There was a decrease in costs for FY'20 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.

### 3.040 - Supplies & Materials

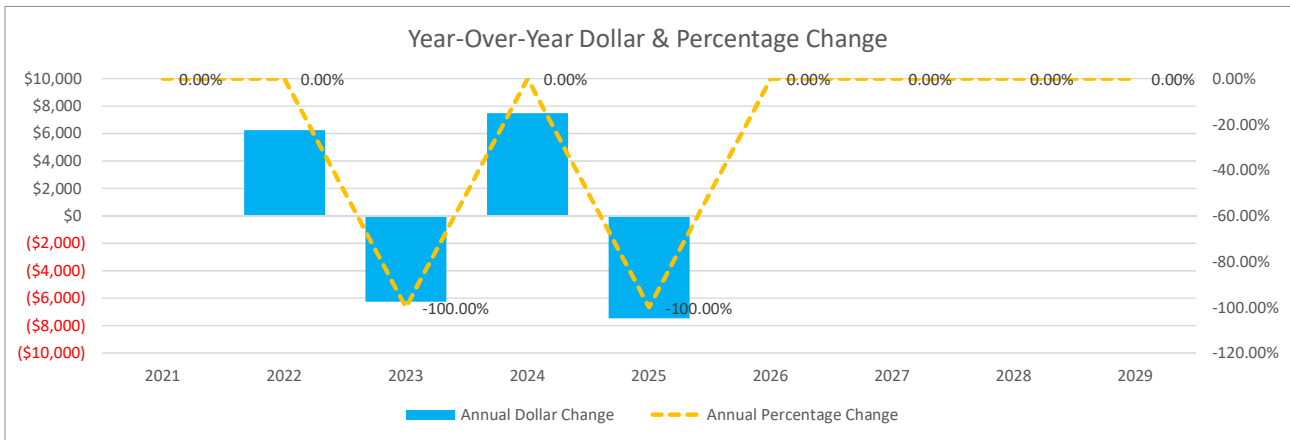
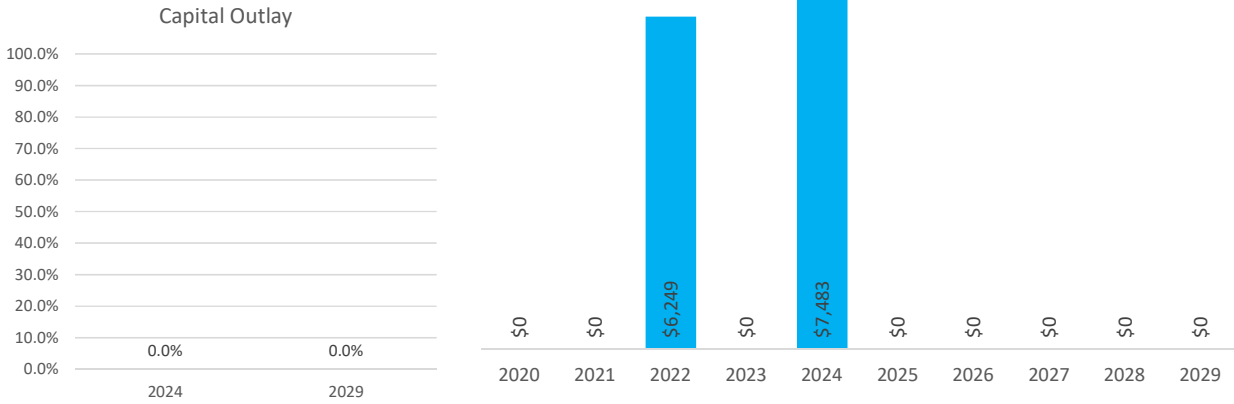
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



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

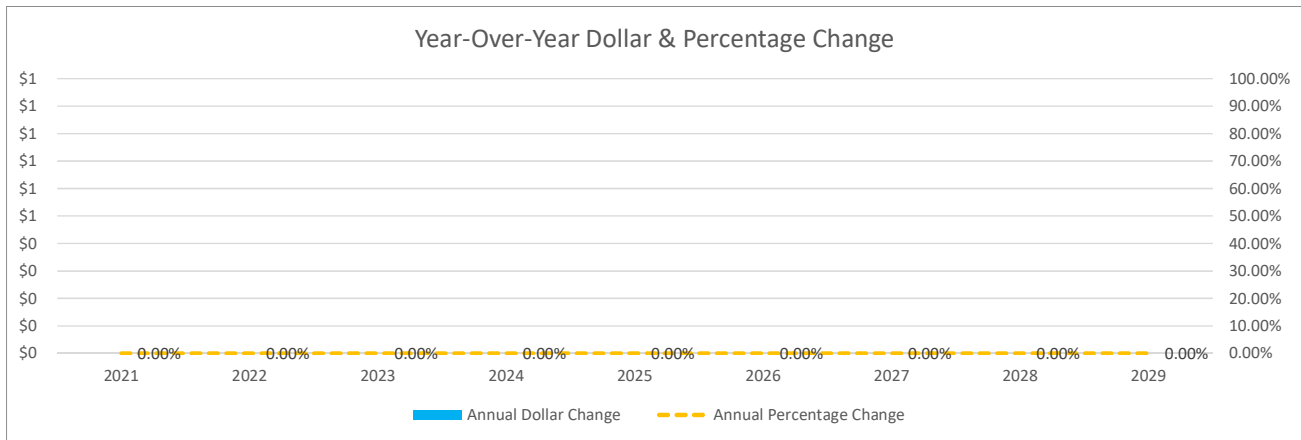
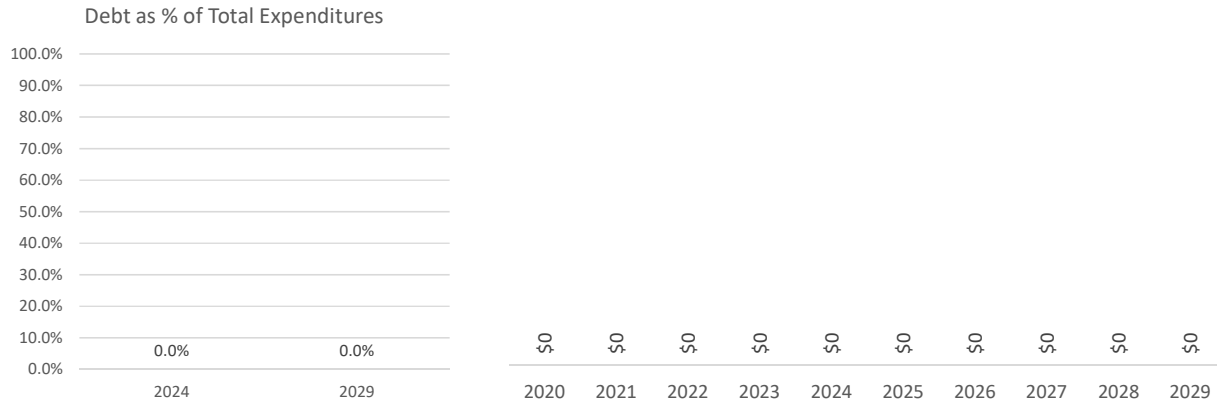
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



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 little to no expenditures forecasted in this line into the future.

### 3.060-4.060 - Intergovernmental & Debt

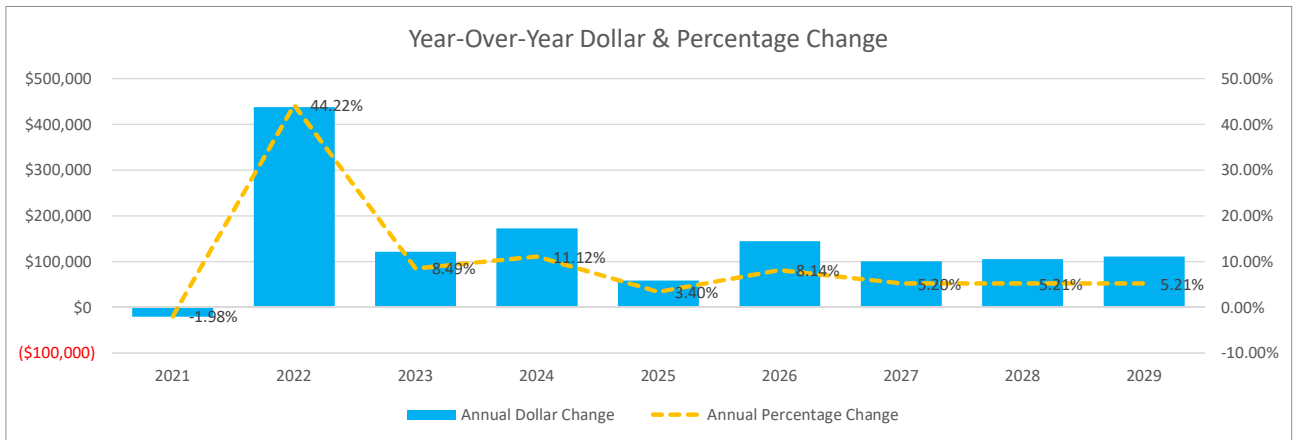
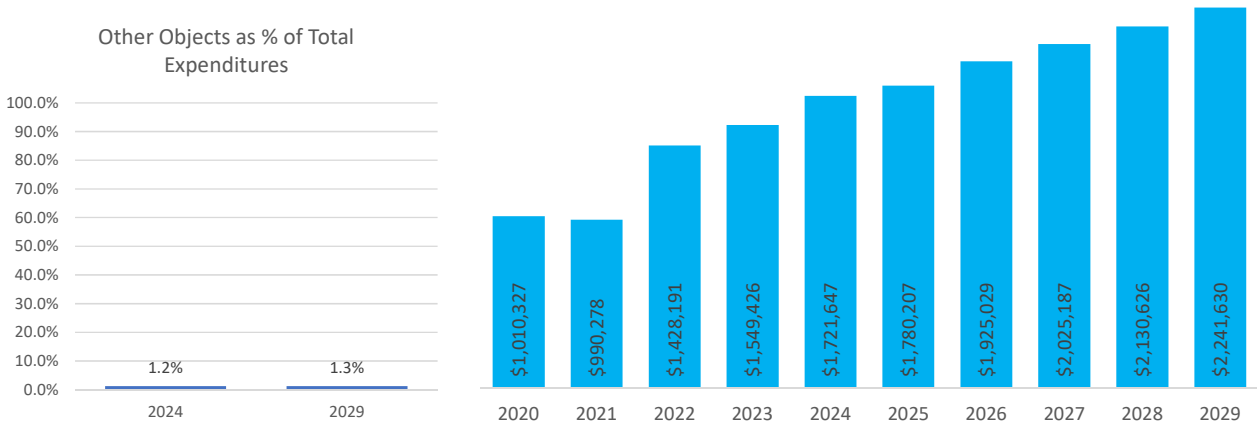
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



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

### 4.300 - Other Objects

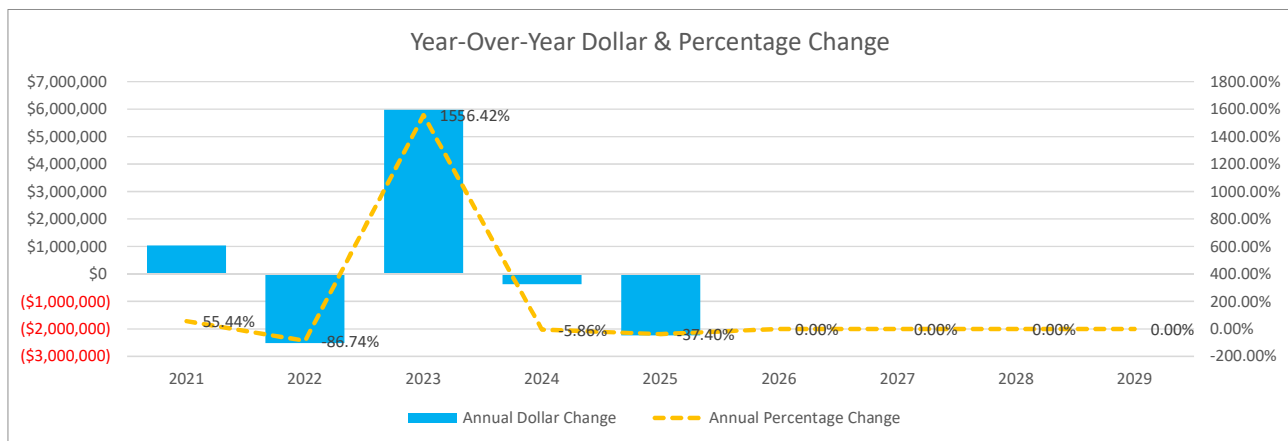
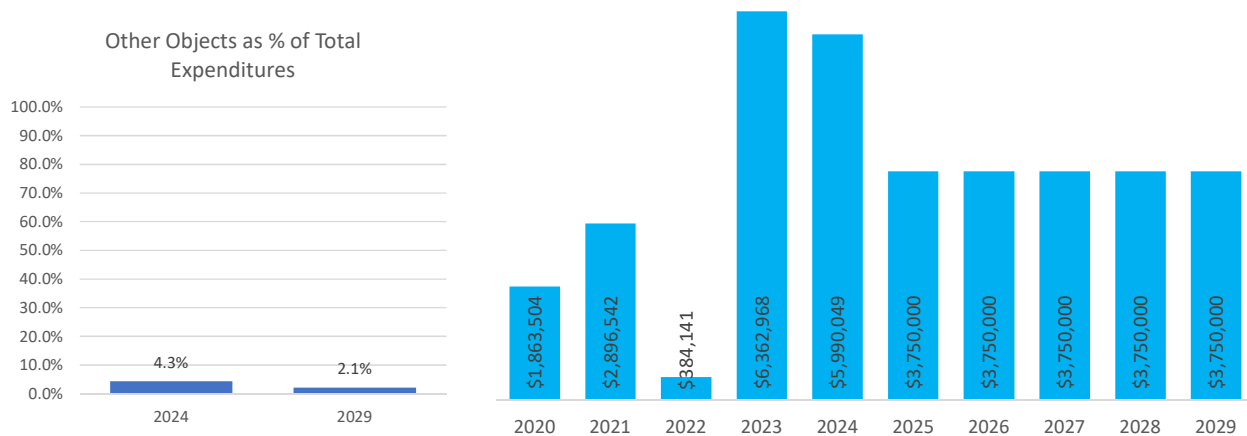
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



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.



	2024	2025	2026	2027	2028	2029
Transfers Out	4,200,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Advances Out	958,463	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 addition to these transfers, there are also advances needed each year due to short term cash needs in funds other than the general operating fund. The most common example is short term cash needs in federal grant funds while we wait for the grant cash to be received. The way those grants work is that the cash must be spent first, and then the district receives reimbursement later.

Looking backward, in FY'21, the district transferred 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 was returned back to the general fund in FY'24. In FY'24, \$3.75 million was transferred to the P/I fund, \$450K was transferred to the property & casualty insurance fund, and the remaining amount is due to short term cash advances to other funds. Those temporary advances were returned back to the general fund in FY'25.

Mason City School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2024	2025	2026	2027	2028	2029
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	92,119,375	93,357,538	93,570,171	93,710,129	93,950,511	94,184,609
1.020 - Public Utility Personal Property	4,851,710	4,980,332	5,078,772	5,156,798	5,234,824	5,312,851
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	34,282,736	34,316,579	34,422,344	34,439,067	34,454,844	34,602,572
1.040 - Restricted Grants-in-Aid	3,174,244	2,372,491	2,154,028	1,936,853	1,951,582	968,459
1.050 - State Share-Local Property Taxes	7,464,823	7,629,466	7,795,214	7,845,486	7,895,227	7,944,809
1.060 - All Other Operating Revenues	6,078,057	4,087,444	3,440,802	2,955,615	2,591,844	2,319,429
<b>1.070 - Total Revenue</b>	<b>147,970,945</b>	<b>146,743,850</b>	<b>146,461,331</b>	<b>146,043,948</b>	<b>146,078,832</b>	<b>145,332,729</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	450,000	-	-	-	-	-
2.050 - Advances-In	2,612,968	750,000	750,000	750,000	750,000	750,000
2.060 - All Other Financing Sources	227,609	9,919	10,019	10,119	10,220	10,322
<b>2.070 - Total Other Financing Sources</b>	<b>3,290,577</b>	<b>759,920</b>	<b>760,019</b>	<b>760,119</b>	<b>760,220</b>	<b>760,323</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>151,261,522</b>	<b>147,503,770</b>	<b>147,221,350</b>	<b>146,804,067</b>	<b>146,839,053</b>	<b>146,093,051</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	79,504,171	84,998,624	88,703,254	92,783,289	96,416,795	100,108,711
3.020 - Employee Benefits	30,718,591	32,899,677	34,998,225	37,387,243	39,859,123	43,233,544
3.030 - Purchased Services	15,964,957	17,118,368	18,375,128	19,725,720	21,177,261	22,737,413
3.040 - Supplies and Materials	3,847,475	4,235,886	4,468,472	4,713,935	4,972,993	5,246,405
3.050 - Capital Outlay	7,483	-	-	-	-	-
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	1,721,647	1,780,207	1,925,029	2,025,187	2,130,626	2,241,630
<b>4.500 - Total Expenditures</b>	<b>131,764,324</b>	<b>141,032,763</b>	<b>148,470,108</b>	<b>156,635,374</b>	<b>164,556,798</b>	<b>173,567,704</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	4,200,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
5.020 - Advances-Out	958,463	750,000	750,000	750,000	750,000	750,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>5,158,463</b>	<b>3,750,000</b>	<b>3,750,000</b>	<b>3,750,000</b>	<b>3,750,000</b>	<b>3,750,000</b>
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>136,922,787</b>	<b>144,782,763</b>	<b>152,220,108</b>	<b>160,385,374</b>	<b>168,306,798</b>	<b>177,317,703</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>14,338,735</b>	<b>2,721,007</b>	<b>(4,998,758)</b>	<b>(13,581,307)</b>	<b>(21,467,745)</b>	<b>(31,224,652)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>45,874,191</b>	<b>60,212,926</b>	<b>62,933,933</b>	<b>57,935,175</b>	<b>44,353,868</b>	<b>22,886,123</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>60,212,926</b>	<b>62,933,933</b>	<b>57,935,175</b>	<b>44,353,868</b>	<b>22,886,123</b>	<b>(8,338,529)</b>
		Reservations				
8.010 - Estimated Encumbrances June 30	878,571	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>59,334,355</b>	<b>61,933,933</b>	<b>56,935,175</b>	<b>43,353,868</b>	<b>21,886,123</b>	<b>(9,338,529)</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>59,334,355</b>	<b>61,933,933</b>	<b>56,935,175</b>	<b>43,353,868</b>	<b>21,886,123</b>	<b>(9,338,529)</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>59,334,355</b>	<b>61,933,933</b>	<b>56,935,175</b>	<b>43,353,868</b>	<b>21,886,123</b>	<b>(9,338,529)</b>