



OHIO AUDITOR OF STATE
KEITH FABER



**MASON CITY SCHOOL DISTRICT
WARREN COUNTY
FOR THE YEAR ENDED JUNE 30, 2025**

TABLE OF CONTENTS

TITLE	PAGE
Prepared by Management:	
Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards.....	2
Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Auditor's Report on Compliance With Requirements Applicable to The Major Federal Program On Internal Control Over Compliance Required by the Uniform Guidance	5
Schedule of Findings.....	9

Attachment: Annual Comprehensive Financial Report

This page intentionally left blank.

**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Assistance Listing	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through Ohio Department of Education and Workforce:</i>			
<u>Child Nutrition Cluster:</u>			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555		\$280,120
Cash Assistance:			
National School Lunch Program	10.555	1,038,883	
Total National School Lunch Program		<u>1,038,883</u>	<u>280,120</u>
National School Breakfast Program	10.553	135,545	
Total National School Breakfast Program		<u>135,545</u>	<u>0</u>
Total Child Nutrition Cluster		<u>1,174,428</u>	<u>280,120</u>
Total U.S. Department of Agriculture		<u>1,174,428</u>	<u>280,120</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed Through Ohio Department of Education and Workforce:</i>			
<u>Special Education Cluster:</u>			
Special Education-Grants to States	84.027	2,292,731	
Total Special Education-Grants to States		<u>2,292,731</u>	<u>0</u>
Special Education-Preschool Grants	84.173	62,903	
Total Special Education-Preschool Grants		<u>62,903</u>	<u>0</u>
Total Special Education Cluster		<u>2,355,634</u>	<u>0</u>
Title I Grants to Local Educational Agencies	84.010	237,665	
Title III - LEP	84.365	214,795	
Improving Teacher Quality State Grants	84.367	191,405	
Title IV-A - Student Support & Academic Enrichment	84.424	51,506	
ARP Elementary and Secondary School Emergency -Homeless Children and Youth	84.425W	1,595	
Total Elementary and Secondary School Emergency (ESSER)		<u>1,595</u>	<u>0</u>
Total U.S. Department of Education		<u>3,052,600</u>	<u>0</u>
Total Federal Assistance		<u>\$4,227,028</u>	<u>\$280,120</u>

The accompanying notes to this schedule are an integral part of this schedule.

**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Mason City School District (the District's) under programs of the federal government for the year ended June 30, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE E – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Mason City School District
Warren County
211 North East Street
Mason, Ohio 45040

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Mason City School District, Warren County, Ohio (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 17, 2025, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 17, 2025

OHIO AUDITOR OF STATE KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mason City School District
Warren County
211 North East Street
Mason, Ohio 45040

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Mason City School District's, Warren County, (District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Mason City School District's major federal program for the year ended June 30, 2025. Mason City School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Mason City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Mason City School District, Warren County, (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 17, 2025. Our opinion also explained that the District adopted Governmental Accounting Standard No. 101 during the year. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 17, 2025

This page intentionally left blank.

**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Program (list):	Child Nutrition Cluster
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

MASON CITY SCHOOLS

MASON, OHIO

“Growing Greatness Together”



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

MASON CITY SCHOOL DISTRICT
MASON, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

PREPARED BY:
OFFICE OF THE TREASURER



Mason City School District
Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2025

TABLE OF CONTENTS

INTRODUCTORY SECTION

Table of Contents	i
Letter of Transmittal	v
Principal Officials	xi
Organization Chart	xii
GFOA Certificate of Achievement	xiv

FINANCIAL SECTION

Independent Auditor’s Report.....	1
Management’s Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities.....	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – General Fund.....	21

TABLE OF CONTENTS
(Continued)

Notes to the Basic Financial Statements	22
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability – SERS – Last Ten Fiscal Years.....	70
Schedule of the School District's Proportionate Share of the Net OPEB Liability – SERS – Last Nine Fiscal Years	72
Schedule of the School District's Proportionate Share of the Net Pension Liability – STRS – Last Ten Fiscal Years.....	74
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset) – STRS – Last Nine Fiscal Years	76
Schedule of the School District's Contributions – SERS – Last Ten Fiscal Years	78
Schedule of the School District's Contributions – STRS – Last Ten Fiscal Years	80
Notes to the Required Supplementary Information	82
Combining and Individual Fund Statements and Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Nonmajor Governmental Fund Descriptions	88
Combining Balance Sheet – Nonmajor Governmental Funds	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	93
Combining Balance Sheet – Nonmajor Special Revenue Funds	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	98
Combining Balance Sheet – Nonmajor Capital Projects Funds	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	103

TABLE OF CONTENTS
(Continued)

Individual Fund Schedules of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Budget Basis):

Nonmajor Funds:

Food Service Fund	105
Scholarships Fund	106
Community Services Fund	107
Classroom Facilities Maintenance Fund	108
Student Managed Activities Fund	109
District Managed Student Activities Fund	110
Auxiliary Services Fund	111
OneNet Network Connectivity Fund	112
Miscellaneous State Grants Fund	113
Elementary and Secondary School Emergency Relief Fund	114
Title VI-B Fund	115
Title III Fund	116
Title I Fund	117
Title IV-A Fund	118
Public School Preschool Fund	119
Title II-A Fund	120
Miscellaneous Federal Grants Fund	121
Debt Service Fund	122
Permanent Improvement Fund	123
Employee Assistance Fund	124
Public School Support Fund	125
Latchkey Fund	126
Termination Benefits Fund	127

STATISTICAL SECTION

Statistical Tables Descriptions	S1
Net Position by Component – Governmental Activities – Last Ten Fiscal Years	S2
Changes in Net Position – Governmental Activities – Last Ten Fiscal Years	S4
Fund Balances – Governmental Funds – Last Ten Fiscal Years	S8
Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years	S10
Assessed Valuation and Estimated Actual Value of Taxable Property – Last Ten Collection (Calendar) Years	S14

TABLE OF CONTENTS
(Continued)

Principal Real and Personal Property Taxpayers Tax Collection.....	S16
(Calendar) Years – 2025 and 2016	
Property Tax Rates (Per \$1,000 of Assessed Valuation) – Direct and Overlapping Governments – Last Ten Collection (Calendar) Years.....	S18
Property Tax Levies and Collections – Last Ten Collection (Calendar) Years.....	S21
Ratio of Debt to Estimated Actual Value, Personal Income, and Debt Per Capita – Last Ten Fiscal Years	S22
Computation of Direct and Overlapping Debt.....	S25
Computation of Legal Debt Margin – Last Ten Fiscal Years.....	S26
Demographic and Economic Statistics – Last Ten Calendar Years	S29
Principal Employers – Fiscal Years 2025 and 2016	S30
Full-Time Equivalent School District Employees by Type – Last Ten Fiscal Years	S32
Operating Statistics – Last Ten Fiscal Years	S34
School Building Information – Last Ten Fiscal Years	S36
Miscellaneous Statistical Data – June 30, 2025	S38
Student Population by Race – for the 2024-2025 School Year	S39
Enrollment History – Last Ten School Years	S40
Directory of School Facilities – as of June 30, 2025	S42

December 17, 2025

To the Citizens and Board of Education of the Mason City School District:

State law requires that school districts publish a complete set of financial statements presented in conformance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States by the Auditor of State or a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of Mason City School District for the fiscal year ended June 30, 2025.

This report consists of management's representations concerning the finances of the Mason City School District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Mason City School District has established a comprehensive internal control framework that is designed both to protect the school district's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Mason City School District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Mason City School District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Mason City School District's financial statements have been audited by the Auditor of State. The goal of the independent audit was to provide assurance that the financial statements of the Mason City School District for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Mason City School District's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Mason City School District was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited school district’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Mason City School District’s separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Mason City School District MD&A can be found immediately following the report of the independent auditors.

Profile of the School District. The School District is located in Warren and Butler Counties in southwest Ohio. The School District contains 25 square miles, with 99 percent of its territory located in Warren County and the remaining 1 percent in Butler County. Political subdivisions included in the School District are the City of Mason, portions of Deerfield, Union and Turtle Creek Townships in Warren County, and a portion of West Chester Township in Butler County. The School District is approximately 25 minutes northeast of downtown Cincinnati and 35 minutes south of downtown Dayton.

The Board of Education of the Mason City School District is a five member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the School District’s tax dollars, and approves the annual appropriation resolution.

The current Board members, their terms and years on the Board as of June 30, 2025, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Ian Orr	Jan. 2022-Dec. 2025	3½
Mrs. Desiree Batsche	Jan. 2024-Dec. 2027	5½
Mr. Charles Galvin	Jan. 2022-Dec. 2025	7½
Mr. Matt Steele	Jan. 2024-Dec. 2027	1½
Mrs. Connie Yingling	Jan. 2022-Dec. 2025	25¾

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations of the School District. Mr. Jonathan Cooper was appointed Superintendent effective July 1, 2018, and his current contract expires July 31, 2031.

The Treasurer and CFO is the chief financial officer of the School District and is directly responsible to the Board for all financial operations, investments, custody of all School District funds and assets, and serves as Secretary to the Board. The Board appointed Mr. Shaun Bevan as Treasurer effective October 9, 2017. Mr. Bevan brought 17 years of educational and financial leadership to the School District, having previously served as the Treasurer for other area school districts in the Cincinnati region. His current contract expires July 31, 2028.

The School District provides a full range of traditional and non-traditional educational programs, services and facilities. These include elementary and secondary curriculum offerings at the general and college preparatory levels; a broad range of co-curricular and extra-curricular activities; special education programs and facilities and community recreation facilities.

In addition to these general activities, the School District acts as the fiscal agent for State funds distributed to non-public chartered schools located within the School District boundaries. The School District serves St. Susanna, Royalmont Academy and Liberty Bible Academy in this category. While these organizations are similar in operations and services provided, they are distinct and separate entities. Due to the School District's administrative involvement with these programs, these State subsidies are therefore presented as special revenue funds within this report.

The School District served 10,344 in grade PK-12 students during the 2025 fiscal year in five buildings. The high school (9-12) was constructed in 2002 with an addition in 2010. The middle school (7-8) was constructed in 1958, with additions in 1967, 1980, 1987, and 1997, and a complete renovation in 2019. The Mason Elementary school building wing (3-4) was constructed in 1961. The Mason Intermediate school building wing (5-6) was constructed in 1998 with a small classroom addition completed in 2025. An addition was constructed in 2007 connecting the two building wings. Mason Early Childhood Center (PreK-2) was constructed in 2006 with additions in 2023.

The School District employed approximately 1,098 employees as of June 30, 2025. The School District's current enrollment is 10,344. It is expected that the School District's enrollment may see relatively small annual increases or decreases. However, the overall projection is that enrollment will decrease over time, stabilizing at approximately 10,000 students within the next 6 to 7 years.

The School District's teachers, instructional coaches, and counselors are represented by the Mason Education Association (MEA). The Board of Education and MEA reached an agreement on a three year contract effective July 1, 2024, which provides base salary increases of 3 percent, 3 percent, and 2.75 percent, respectively for each of the three years the contract covers.

The School District's custodial, grounds, maintenance and HVAC technicians are represented by the Ohio Association of Public School Employees (OAPSE) Local 070. The Board of Education and OAPSE reached agreement on a three year contract effective July 1, 2024, which provides base salary increases of \$1.30/hour, 3 percent, and 2.75 percent, respectively for each of the three years the contract covers.

The School District's other non-certified staff, administrators, directors and supervisors are currently not represented by a union. These classifications typically receive the same benefits extended to the MEA and OAPSE Local 070. Their salary and wages were increased 3 percent for the 2024-25 school year.

The School Board adopts an annual budget by July 1, for all funds, which may be amended any time during the fiscal year as new information becomes available. This annual budget serves as the foundation of the Mason City School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

Factors Affecting Financial Condition. The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Mason City School District operates.

Local Economy. The City of Mason's population was last reported as 35,660 in the 2021 U.S. Census and has been growing steadily through targeted planning and development. Mason is the largest city in Warren County. The City continues to be a top choice for quality companies that are relocating or expanding. In choosing Mason, companies often cite the interstate access, rising property values, the established core of high-tech and bio-tech businesses, and an outstanding level of both city and educational services. The tax base is comprised mostly of residential property, which realized an increase in real estate values of approximately 28.3 percent for the calendar year 2024 reappraisal from the County Auditor's office.

Mason also has a strong commercial tax base. Over 700 businesses operate within the City's 18 square miles and over 90 corporations have headquarters or manufacturing operations in Mason's 24 commerce parks. Four of the 10 largest employers in Warren County are located in Mason. Mason's business community includes Procter & Gamble Healthcare Research Center (Mason's largest employer), Essilor Luxottica, Cintas Corporation, Anthem Blue Cross Blue Shield, and Kings Island.

The Mason City School District community continues to see strong investment in the biohealth sector. Over the past 10 years, 60 percent of new economic development projects, 80 percent of new jobs created and 80 percent of new investment has been in the biohealth sector including Assurex Health. Mason City Schools has benefited from strong partnerships with leaders in the biotech industry through advanced experiential learning opportunities for our students. During

the past few school years, Assurex, ABC Pediatric, CMO Axis, the City of Mason, LEAP, and UC-West Chester hospital have all partnered with the Mason High School experiential learning program.

Mason's housing includes an abundance of large, high-value single family homes that sit on lots between 0.25 and 1.0 acre that were built within the last 20-25 years. The average household includes 2.8 family members and approximately 26 percent of households are reported to have children under 18. Nearly 25 percent of Mason's working residents work in the City of Mason. 2023 Census Data show Mason median home values at \$397,500, which would be 131 percent of the US median. Median household income is reported at \$121,082, 162 percent of the US median.

Financial policies and planning. Effectively planning for and projecting student enrollment has been a priority for the Board and Administration for the last 15 years. Current demographic projections indicate the School District will see its population stabilize at approximately 10,000 over the next several years. The School District closed the Mason Heights Elementary School in the summer of 2012, closed Western Row Elementary in 2019, and consolidated those students into the Mason Early Childhood Center (MECC). The School District completed a project with the Ohio Facilities Construction Commission (OFCC) to expand the MECC and the Mason Middle School in 2019. These projects have provided sufficient capacity for the School District to cover its projected enrollment over the next ten years, and it does not anticipate the need for any additional significant capital bond issues in the next ten years.

The School District continued to be highly ranked in the State of Ohio for academic performance of public schools and spends less per pupil than the average of similar school districts. Spending is aligned with the State average for total expenditure per pupil but the School District is more focused on - and spends more on - classroom instruction. The School District's priorities and goals for the future are focused on high impact learning, superb staff support, and deep parent and community partnerships. All Mason students will graduate prepared to thrive in a global economy. We pledge to support our staff to ensure that every Mason child has great learning experiences. We believe that engaged parents and community members champion Mason students. The administrative team and Board of Education are mindful of these priorities and goals when making all financial decisions. Our plans for achievement of our goals strike a balance between resource reallocation, utilization of cash reserves, and eventually additional local taxes.

Ohio's school funding model continues to pose challenges to our long-term financial stability. We will continue to advocate for the resources our School District needs to be successful. The long-term plan strikes a balance between staff and other cost management strategies, utilization of cash reserves, and additional local taxes.

Awards and Acknowledgements. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Mason City School District for its annual comprehensive financial report for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of Cynthia Stubenvoll, Assistant Treasurer, along with the entire staff of the Treasurer's Office and the Local Government Services (LGS) section of the Ohio Auditor of State's Office. Credit must also be given to the Board of Education for their unfailing support for maintaining the highest standards of professionalism in the management of the Mason City School District's finances.

Respectfully submitted,



Shaun L. Bevan
Treasurer/Chief Financial Officer

**Mason City School District
Principal Officials
As of June 30, 2025**

Elected Officials

President, Board of Education Charles Galvin
Vice President, Board of Education..... Ian Orr
Board MemberConnie Yingling
Board MemberDesiree Batsche
Board Member Matt Steele

Administrative Officials

SuperintendentJonathan Cooper
Deputy Superintendent..... Amy Brennan
Learning Experience Supervisor PK-6 Krissy Hufnagel
Learning Experience Supervisor 7-12Shanna Bumiller
Chief Operations Officer..... Todd Petrey
Chief Talent Officer..... Tonya McCall
Innovative Systems Administrator.....Christine McCormick
Public Information Officer..... Tracey Carson
Treasurer/Chief Financial Officer..... Shaun Bevan
Assistant Treasurer.....Cynthia Stubenvoll
Benefits SupervisorMeghan Livermore
Payroll Supervisor..... Terri Ross
Building and Grounds Supervisor..... Jerry Pennington
Student Nutrition Supervisor Rachel Tilford
Data Center Administrator.....Sheri Ballman
ESL SupervisorMilena Varbanova
Gifted Administrator Nicole Dietrich (HCESC)
Special Services Director..... Jody Bergman
Special Services Supervisor.....Gina Fox
Special Services Supervisor..... Jenny Woods (HCESC)
Special Services Supervisor..... DeeDee Walker (HCESC)
Mental Wellness Supervisor Terrence (TJ) Glassmeyer
Mental Wellness Coordinator Laura Martin
Mental Wellness Designer Carla Himmelwright
Mental Wellness Designer Lauren Wise
Mental Wellness DesignerDawn McCorkle
Mental Wellness DesignerKalia Marcelle
Resource Coordinator Jackie Hunter
Resource CoordinatorAllyson Aubry
Transportation Director & Security Administrator.....Mark Murzynowski



ORGANIZATION CHART

Board of Education Members

Charles Galvin, Board President
Ian Orr, Board Vice-President
Connie Yingling
Desiree Batsche
Matt Steele

Superintendent/CEO, Jonathan Cooper

Treasurer/Chief Financial Officer, Shaun Bevan

Cynthia Stubenvoll, Assistant Treasurer
Terri Ross, Payroll Supervisor
Meghan Livermore, Benefits Supervisor

Deputy Superintendent, Amy Brennan

Learning Experience Supervisor P-6, Krissy Hufnagel
Learning Experience Supervisor 7-12, Shanna Bumiller

Innovative Systems Officer, Christine McCormick

Chief Talent Officer, Tonya McCall

Chief Operations Officer, Todd Petrey

Public Information Officer, Tracey Carson

Principals

Melissa Bly, Mason Early Childhood Center - Grades Pre-K-2
Rob Polca, Mason Elementary – Grades 3-4
Eric Messer, Mason Intermediate - Grades 5-6
Jay Reutter, Mason Middle School - Grades 7-8
Ben Brown, Mason High School - Grades 9-12



ORGANIZATION CHART (Continued)

Data Center Administrator, Sheri Ballman

Special Education Supervisor, Jody Bergman

Gina Fox, Student Support Services Administrator (MHS)

Jenny Woods (HCEC), Student Support Services Administrator (MIMMS)

DeeDee Walker (HCEC), Student Support Services Administrator (MECC/ME)

Learner Well-Being and Support Supervisor, Terrence (TJ) Glassmeyer

Laura Martin, Prevention and Wellness Coordinator (K-12),

Carla Himmelwright, Behavior Prevention and Wellness Designer (K-2)

Lauren Wise, Prevention and Wellness Designer, (3-6)

Dawn McCorkle, Prevention and Wellness Designer (7-8)

Kalia Marcelle, Prevention and Wellness Designer, (9-12)

Jackie Hunter, K-6 Resource Coordinator

Allyson Aubry, 7-12 Resource Coordinator

ESL Administrator, Milena Varbanova

Gifted Administrator, Nicole Dietrich, (HCEC)

Buildings & Grounds Supervisor, Jerry Pennington

Student Nutrition Supervisor, Rachel Tilford

Transportation Director & Security Administrator, Mark Murzynowski



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Mason City School District
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

Executive Director/CEO



OHIO AUDITOR OF STATE KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

Mason City School District
Warren County
211 North East Street
Mason, Ohio 45040

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Mason City School District, Warren County, Ohio (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Mason City School District, Warren County, Ohio as of June 30, 2025, and the respective changes in financial position thereof and the comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2025, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 17, 2025

This page intentionally left blank.

Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2025
Unaudited

The discussion and analysis of the Mason City School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, financial statements, and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- In total, net position decreased compared to the prior fiscal year. The most significant change was the recognition of additional liabilities resulting from the implementation of GASB 101. This decline was partially offset by higher property tax revenues.
- Property tax revenues continue to rise, reflecting increased taxable property values from the sexennial reappraisal and higher advances available. The higher advances resulted from property tax bills being issued earlier than in prior fiscal years, with the accelerated billing schedule causing revenues to be recognized sooner.
- Capital Assets, Net saw an increase due to the completion of projects that were started during previous fiscal years and were completed during the current fiscal year.

Using this Annual Comprehensive Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Mason City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other nonmajor funds presented in total in one column.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2025?" The Statement of Net Position and the Statement of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2025
Unaudited

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District has only one kind of activity:

Governmental Activities – All of the School District's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities, and interest.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major fund begins on page 11. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's General Fund, which is the only major fund.

Governmental Funds – Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using the accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for fiscal year 2025 and fiscal year 2024:

Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2025
Unaudited

Table 1
Net Position

	2025	2024	Change
<u>Assets:</u>			
Current and Other Assets	\$218,353,571	\$209,769,717	\$8,583,854
Net OPEB Asset	9,130,398	9,209,929	(79,531)
Capital Assets, Net	192,081,667	190,174,832	1,906,835
Total Assets	419,565,636	409,154,478	10,411,158
<u>Deferred Outflows of Resources:</u>			
Pension	25,420,226	27,183,554	(1,763,328)
OPEB	4,110,760	4,795,921	(685,161)
Total Deferred Outflows of Resources	29,530,986	31,979,475	(2,448,489)
<u>Liabilities:</u>			
Current Other Liabilities	18,995,831	17,436,020	1,559,811
Long-Term Liabilities:			
Due Within One Year	7,908,982	3,451,594	4,457,388
Due In More Than One Year:			
Net Pension Liability	116,952,735	128,570,695	(11,617,960)
Net OPEB Liability	4,930,044	8,127,209	(3,197,165)
Other Amounts	50,247,279	29,348,433	20,898,846
Total Liabilities	199,034,871	186,933,951	12,100,920
<u>Deferred Inflows of Resources:</u>			
Deferred Charge on Refunding	0	183,570	(183,570)
Property Taxes	94,338,668	98,244,993	(3,906,325)
Payments in Lieu of Taxes	2,765,254	1,927,945	837,309
Pension	16,467,593	12,480,555	3,987,038
OPEB	14,711,319	15,452,762	(741,443)
Leases	2,671,592	2,973,825	(302,233)
Total Deferred Inflows of Resources	130,954,426	131,263,650	(309,224)
<u>Net Position:</u>			
Net Investment in Capital Assets	174,843,730	169,749,887	5,093,843
Restricted	40,875,857	39,751,239	1,124,618
Unrestricted (Deficit)	(96,612,262)	(86,564,774)	(10,047,488)
Total Net Position	\$119,107,325	\$122,936,352	(\$3,829,027)

New Accounting Pronouncements/Restatement

Table 1 provides a summary of the School District's net position for fiscal year 2025 compared to 2024. For 2025, the School District implemented GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 100, *Accounting Changes and Error Corrections*, does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle.

The implementation of GASB 101 resulted in recognizing additional compensated absences liabilities of \$27,886,513 in governmental activities at July 1, 2024. These amounts also impacted beginning net position for the cumulative effect of additional compensated absences expense (See Note 3).

Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2025
Unaudited

Government Activities

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2025. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Total assets increased from the prior fiscal year. Current and Other Assets increased, resulting from a rise in taxable property values from the sexennial reappraisal. Capital assets, net increased due to the completion of projects that were started during previous fiscal years and were completed during the current fiscal year.

Deferred Outflows of Resources had a decrease from the prior year. The decrease in deferred outflows for pension primarily results from the difference between expected and actual experience amounts recognized in 2025 for STRS, offset by the amortization recognized in the current year for both STRS and SERS.

Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2025
Unaudited

Total liabilities of the School District increased due to higher compensated absences resulting from the implementation of GASB 101, as previously discussed. This increase was partially offset by reductions in net pension and OPEB liabilities associated with STRS and SERS. The decreases in these liabilities were primarily driven by improved investment earnings.

Deferred inflows of resources decreased due to a decrease in property taxes. This reduction was driven by an increase in advances available, resulting from property tax bills being issued earlier than in prior years. The accelerated billing schedule caused revenues to be recognized sooner, thereby lowering deferred inflows. The decrease was offset by an increase in pension obligation which resulted from the difference between projected and actual earning on investments recognized in the current year offset by the amortization recognized in the current year.

Total Net Position decreased compared to the prior fiscal year, primarily due to a reduction in unrestricted net position resulting from the implementation of GASB 101, as previously discussed. This decline was partially mitigated by higher property tax revenues generated from the sexennial reappraisal. In addition, the overall decrease in net position was offset by an increase in Net Investment in Capital Assets, driven by the completion of capital projects that were started in previous fiscal years.

In order to further understand what makes up the changes in net position for the current fiscal year, the following table gives readers further details regarding the results of activities for 2025 and 2024.

Table 2
Change in Net Position

	2025	2024	Increase/ (Decrease)
<u>Revenues</u>			
Program Revenues:			
Charges for Services and Sales	\$12,212,999	\$12,323,071	(\$110,072)
Operating Grants, Interest, and Contributions	8,431,604	10,764,059	(2,332,455)
Capital Grants, Interest, and Contributions	115,478	0	115,478
Total Program Revenues	<u>20,760,081</u>	<u>23,087,130</u>	<u>(2,327,049)</u>
General Revenues:			
Property Taxes	108,820,571	88,957,028	19,863,543
Grants and Entitlements not Restricted to Specific Programs	44,044,176	42,999,471	1,044,705
Investment Earnings/Interest	4,870,288	4,624,709	245,579
Payments in Lieu of Taxes	2,037,150	2,429,021	(391,871)
Miscellaneous	1,197,909	615,697	582,212
Total General Revenues	<u>160,970,094</u>	<u>139,625,926</u>	<u>21,344,168</u>
Total Revenues	<u>\$181,730,175</u>	<u>\$162,713,056</u>	<u>\$19,017,119</u>
			<i>(continued)</i>

Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2025
Unaudited

Table 2
Change in Net Position
(Continued)

	2025	2024	Increase/ (Decrease)
<u>Program Expenses:</u>			
Instruction:			
Regular	\$65,082,563	\$63,569,325	\$1,513,238
Special	27,169,935	26,397,629	772,306
Vocational	42,218	22,857	19,361
Student Intervention Services	73,325	147,546	(74,221)
Support Services:			
Pupils	11,213,483	11,013,096	200,387
Instructional Staff	5,836,115	4,650,680	1,185,435
Board of Education	202,797	188,186	14,611
Administration	6,938,397	6,748,338	190,059
Fiscal	2,375,851	2,366,654	9,197
Business	427,200	447,601	(20,401)
Operation and Maintenance of Plant	15,468,957	14,358,393	1,110,564
Pupil Transportation	9,132,344	10,077,782	(945,438)
Central	2,773,307	2,814,082	(40,775)
Operation of Non-Instructional Services	6,350,746	6,249,775	100,971
Extracurricular Activities	4,041,548	4,417,438	(375,890)
Interest	543,903	635,513	(91,610)
<i>Total Expenses</i>	<u>157,672,689</u>	<u>154,104,895</u>	<u>3,567,794</u>
Change in Net Position	<u>24,057,486</u>	<u>8,608,161</u>	<u>15,449,325</u>
<i>Net Position at Beginning of Year</i>			
<i>As Previously Reported</i>	122,936,352	114,328,191	8,608,161
Restatement - Change in Accounting Principle - See Note 3	(27,886,513)	0	(27,886,513)
<i>Restated Net Position at Beginning of Year</i>	<u>95,049,839</u>	<u>114,328,191</u>	<u>(19,278,352)</u>
<i>Net Position at End of Year</i>	<u>\$119,107,325</u>	<u>\$122,936,352</u>	<u>(\$3,829,027)</u>

New Accounting Pronouncements/Restatement

Table 2 provides a summary of the School District's change in net position for fiscal year 2025 compared to 2024. The above table also separately reflects the restatement for changes in accounting principles related to the implementation of GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 100, *Accounting Changes and Error Corrections* does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle. The 2024 information does not reflect activity related to the additional compensated absences expenses required under GASB 101, *Compensated Absences*. (See also explanation of new accounting pronouncements provided related to Net Position - Table 1 and explanation provided in Note 3.)

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and sales and operating grants, interest, and contributions.

Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2025
Unaudited

Program revenues, which are primarily represented by charges for services and sales from tuition and fees, extracurricular activities, rent, leases, and charges for services as well as operating grants, interest, and contributions, were \$20,760,081 for fiscal year 2025. The decline in operating grants and contributions revenue compared to the prior fiscal year, is primarily due to the expiration of federal COVID-19 relief funding.

Property Tax revenue increased \$19,863,543 due to an increase in property values from the sexennial reappraisal. Grants and entitlements not restricted to specific program also increased from the prior year due to an increase in base cost State funding.

Total expenses shows an overall increase from the prior fiscal year. The increase is primarily due to higher payroll-related expenses, as employees received a 3 percent base increase plus longevity steps where applicable that resulted in higher employee wages.

The Statement of Activities shows the cost of program services and the charges for services and sales and grants and contributions, including interest, offsetting those services. That is, it identifies the cost of these services supported by tax revenue and unrestricted grants and entitlements. The dependence upon tax revenues and intergovernmental foundation monies is apparent. The community and the State of Ohio, as a whole, provide the vast majority of resources for Mason City School District students.

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$181,948,758 and expenditures of \$171,250,920.

The General Fund balance increased \$8,381,278. This resulted from a significant increase in property values from the sexennial reappraisal causing property tax revenues to increase compared to the prior fiscal year.

General Fund - Budget Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2025, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

A review of the budgetary comparison statement for the General Fund reflects that actual revenues were \$4,446,409 higher than final budgeted revenues due to an increase in property tax revenue during the fiscal year resulting from the sexennial reappraisal of property values.

The increase in expenditures from the original to final budget was \$6,476,610. This was mainly due to the increase in operation and maintenance of plant expenditures. This increase is due to increases in contracted custodial services, utility costs, furniture purchases, and repairs. The total

Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2025
Unaudited

decrease in expenditures from the final to actual budget was \$3,576,118. The decrease is primarily due to special education expenses didn't increase as much as originally anticipated for the year.

The School District's ending unobligated cash balance was \$24,510,927 above the final budgeted amount. This was primarily due to a couple reasons. First, the need to advance dollars from the General Fund to other funds at the end of the fiscal year was less than anticipated. Additionally, the School District ended up not needing to transfer as much cash from the General Fund to the Permanent Improvement Fund as originally anticipated.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2025, the School District had \$192,081,667 invested in capital assets (net of accumulated depreciation). This is a \$1,906,835 increase from the prior fiscal year due to the completion of projects that were started during fiscal year 2023 and were completed during fiscal year 2025. For further information regarding the School District's capital assets, refer to Note 10 in the Notes to the Basic Financial Statements.

Debt

At June 30, 2025, the School District had \$13,870,000 in outstanding long-term general obligation serial bonds. The School District's long-term liabilities also includes \$2,738,000 in an outstanding financed purchase and \$284,282 in outstanding leases.

At June 30, 2025, the School District's overall legal debt margin was \$289,809,095, with an unvoted debt margin of \$3,374,212.

For further information regarding the School District's debt obligations, refer to Note 15 in the Notes to the Basic Financial Statements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Shaun Bevan, Treasurer at Mason City Schools, 211 North East Street, Mason, Ohio 45040.

Mason City School District
Statement of Net Position
June 30, 2025

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$109,337,618
Materials and Supplies Inventory	15,600
Inventory Held for Resale	18,169
Property Taxes Receivable	102,425,916
Leases Receivable	2,671,592
Intergovernmental Receivable	3,460,340
Accrued Interest Receivable	372,116
Accounts Receivable	52,220
Net OPEB Asset	9,130,398
Capital Assets:	
Nondepreciable Capital Assets	3,849,604
Depreciable Capital Assets, Net	188,232,063
Total Assets	419,565,636
<u>Deferred Outflows of Resources:</u>	
Pension	25,420,226
OPEB	4,110,760
Total Deferred Outflows of Resources	29,530,986
<u>Liabilities:</u>	
Accounts Payable	291,293
Contracts Payable	328,001
Accrued Wages and Benefits Payable	11,664,956
Intergovernmental Payable	2,384,526
Accrued Interest Payable	106,143
Matured Compensated Absences Payable	1,634,748
Accrued Vacation Leave Payable	796,207
Security Deposit Held	140,000
Payroll Withholdings	120,703
Retainage Payable	17,654
Claims Payable	1,388,814
Unearned Revenue	122,786
Long-Term Liabilities:	
Due Within One Year	7,908,982
Due in More Than One Year:	
Net Pension Liability	116,952,735
Net OPEB Liability	4,930,044
Other Amounts	50,247,279
Total Liabilities	199,034,871
<u>Deferred Inflows of Resources:</u>	
Property Taxes	94,338,668
Payments in Lieu of Taxes	2,765,254
Pension	16,467,593
OPEB	14,711,319
Leases	2,671,592
Total Deferred Inflows of Resources	\$130,954,426

(continued)

Mason City School District
Statement of Net Position
June 30, 2025
(Continued)

	<u>Governmental Activities</u>
<u>Net Position:</u>	
Net Investment in Capital Assets	\$174,843,730
Restricted for:	
Debt Service	7,451,615
Capital Improvements	11,464,146
Classroom Facilities	3,818,191
Building Projects	7,671
District and Student Managed Activities	1,243,738
Community Services	3,798,546
Food Service Operations	3,697,314
State and Federal Grants	172,512
Scholarships	91,726
OPEB Plans	9,130,398
Unrestricted (Deficit)	<u>(96,612,262)</u>
 <i>Total Net Position</i>	 <u><u>\$119,107,325</u></u>

See accompanying notes to the basic financial statements

Mason City School District
Statement of Activities
for the Fiscal Year Ended June 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Interest, and Contributions	Capital Grants, Interest, and Contributions	Governmental Activities
<u>Governmental Activities:</u>					
Instruction:					
Regular	\$65,082,563	\$1,647,156	\$83,821	\$0	(\$63,351,586)
Special	27,169,935	1,390,536	3,805,153	0	(21,974,246)
Vocational	42,218	0	16,475	0	(25,743)
Student Intervention Services	73,325	0	0	0	(73,325)
Support Services:					
Pupils	11,213,483	74,385	706,726	0	(10,432,372)
Instructional Staff	5,836,115	0	271,798	0	(5,564,317)
Board of Education	202,797	0	0	0	(202,797)
Administration	6,938,397	146,751	0	0	(6,791,646)
Fiscal	2,375,851	0	0	0	(2,375,851)
Business	427,200	43,219	0	0	(383,981)
Operation and Maintenance of Plant	15,468,957	1,468,801	281,290	0	(13,718,866)
Pupil Transportation	9,132,344	0	574,156	115,478	(8,442,710)
Central	2,773,307	0	10,149	0	(2,763,158)
Operation of Non-Instructional Services	6,350,746	4,439,334	2,513,980	0	602,568
Extracurricular Activities	4,041,548	3,002,817	168,056	0	(870,675)
Interest	543,903	0	0	0	(543,903)
Total Governmental Activities	\$157,672,689	\$12,212,999	\$8,431,604	\$115,478	(136,912,608)
<u>General Revenues:</u>					
Property Taxes Levied for:					
General Purposes					105,039,207
Debt Service					2,524,203
Capital Outlay					1,257,161
Grants and Entitlements not Restricted to					
Specific Programs					44,044,176
Investment Earnings/Interest					4,870,288
Payments in Lieu of Taxes					2,037,150
Miscellaneous					1,197,909
Total General Revenues					160,970,094
Change in Net Position					24,057,486
<i>Net Position at Beginning of Year as Previously Reported</i>					122,936,352
<i>Change in Accounting Principle (See Note 3)</i>					(27,886,513)
<i>Resated Net Position at Beginning of Year</i>					95,049,839
<i>Net Position at End of Year</i>					\$119,107,325

See accompanying notes to the basic financial statements

Mason City School District
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$76,608,503	\$32,503,522	\$109,112,025
Materials and Supplies Inventory	0	15,600	15,600
Inventory Held for Resale	0	18,169	18,169
Receivables:			
Property Taxes	98,960,358	3,465,558	102,425,916
Leases	0	2,671,592	2,671,592
Intergovernmental	7,020	3,453,320	3,460,340
Accrued Interest	372,116	0	372,116
Accounts	44,857	7,363	52,220
Interfund	427,484	0	427,484
Restricted Assets:			
Cash and Cash Equivalents	85,593	140,000	225,593
<i>Total Assets</i>	<u>\$176,505,931</u>	<u>\$42,275,124</u>	<u>\$218,781,055</u>
<u>Liabilities:</u>			
Accounts Payable	\$63,171	\$228,122	\$291,293
Contracts Payable	0	328,001	328,001
Accrued Wages and Benefits Payable	11,343,708	321,248	11,664,956
Intergovernmental Payable	2,308,482	76,044	2,384,526
Matured Compensated Absences Payable	1,634,748	0	1,634,748
Security Deposit Held	0	140,000	140,000
Payroll Withholdings	120,703	0	120,703
Retainage Payable	0	17,654	17,654
Claims Payable	1,388,814	0	1,388,814
Unearned Revenue	0	122,786	122,786
Interfund Payable	0	427,484	427,484
<i>Total Liabilities</i>	<u>16,859,626</u>	<u>1,661,339</u>	<u>18,520,965</u>
<u>Deferred Inflows of Resources:</u>			
Property Taxes	91,184,649	3,154,019	94,338,668
Payments in Lieu of Taxes	0	2,765,254	2,765,254
Unavailable Revenues	512,801	664,891	1,177,692
Leases	0	2,671,592	2,671,592
<i>Total Deferred Inflows of Resources</i>	<u>91,697,450</u>	<u>9,255,756</u>	<u>100,953,206</u>
<u>Fund Balances:</u>			
Nonspendable	0	15,600	15,600
Restricted	0	31,651,261	31,651,261
Committed	5,186,126	0	5,186,126
Assigned	3,834,418	0	3,834,418
Unassigned (Deficit)	58,928,311	(308,832)	58,619,479
<i>Total Fund Balances</i>	<u>67,948,855</u>	<u>31,358,029</u>	<u>99,306,884</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$176,505,931</u>	<u>\$42,275,124</u>	<u>\$218,781,055</u>

See accompanying notes to the basic financial statements

Mason City School District
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2025*

Total Governmental Fund Balances	\$99,306,884
---	---------------------

***Amounts reported for governmental activities in the
Statement of Net Position are different because:***

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	192,081,667
---	-------------

Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable revenue in the funds.

	277,156	
Delinquent Property Taxes	277,156	
Intergovernmental	654,781	
Accrued Interest	245,755	
Total		1,177,692

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(106,143)
--	-----------

The net pension/OPEB liability (asset) is not due and payable in the current period; therefore, the liability (asset) and related deferred inflows/outflows are not reported in governmental funds:

	9,130,398	
Net OPEB Asset	9,130,398	
Deferred Outflows - Pension	25,420,226	
Deferred Outflows - OPEB	4,110,760	
Net Pension Liability	(116,952,735)	
Net OPEB Liability	(4,930,044)	
Deferred Inflows - Pension	(16,467,593)	
Deferred Inflows - OPEB	(14,711,319)	
Total		(114,400,307)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

	(13,870,000)	
General Obligation Bonds	(13,870,000)	
Financed Purchase	(2,738,000)	
Lease Payable	(284,282)	
Compensated Absences Payable	(41,263,979)	
Vacation Leave Payable	(796,207)	
Total		(58,952,468)

<i>Net Position of Governmental Activities</i>	<u><u>\$119,107,325</u></u>
---	------------------------------------

See accompanying notes to the basic financial statements

Mason City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
for the Fiscal Year Ended June 30, 2025

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues:</u>			
Property Taxes	\$105,045,833	\$3,781,919	\$108,827,752
Intergovernmental	46,025,147	6,357,811	52,382,958
Investment Earnings/Interest	4,784,211	92,258	4,876,469
Tuition and Fees	2,951,819	429,273	3,381,092
Extracurricular Activities	531,016	1,867,952	2,398,968
Rent	0	321,328	321,328
Leases	0	302,233	302,233
Charges for Services	1,355,422	4,453,956	5,809,378
Contributions and Donations	69,867	343,654	413,521
Payments in Lieu of Taxes	0	2,037,150	2,037,150
Miscellaneous	925,186	272,723	1,197,909
<i>Total Revenues</i>	<u>161,688,501</u>	<u>20,260,257</u>	<u>181,948,758</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	68,461,099	879,725	69,340,824
Special	26,619,948	1,675,151	28,295,099
Vocational	0	42,218	42,218
Student Intervention Services	17,044	55,116	72,160
Support Services:			
Pupils	11,516,230	664,016	12,180,246
Instructional Staff	3,460,655	2,510,139	5,970,794
Board of Education	202,797	0	202,797
Administration	7,519,933	14,322	7,534,255
Fiscal	2,513,738	39,078	2,552,816
Business	342,643	113,513	456,156
Operation and Maintenance of Plant	11,605,431	2,775,199	14,380,630
Pupil Transportation	8,996,741	1,243,512	10,240,253
Central	3,060,777	4,566	3,065,343
Operation of Non-Instructional Services	902,832	5,736,413	6,639,245
Extracurricular Activities	1,972,917	2,693,098	4,666,015
Capital Outlay	0	2,385,200	2,385,200
Debt Service:			
Principal Retirement	114,438	2,200,312	2,314,750
Interest	0	912,119	912,119
<i>Total Expenditures</i>	<u>147,307,223</u>	<u>23,943,697</u>	<u>171,250,920</u>
Excess of Revenues Over (Under) Expenditures	<u>14,381,278</u>	<u>(3,683,440)</u>	<u>10,697,838</u>
<u>Other Financing Sources (Uses):</u>			
Proceeds from the Sale of Capital Assets	0	17,369	17,369
Transfers In	0	6,000,000	6,000,000
Transfers Out	(6,000,000)	0	(6,000,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(6,000,000)</u>	<u>6,017,369</u>	<u>17,369</u>
Net Change in Fund Balances	8,381,278	2,333,929	10,715,207
<i>Fund Balances at Beginning of Year</i>	<u>59,567,577</u>	<u>29,024,100</u>	<u>88,591,677</u>
<i>Fund Balances at End of Year</i>	<u>\$67,948,855</u>	<u>\$31,358,029</u>	<u>\$99,306,884</u>

See accompanying notes to the basic financial statements

Mason City School District
*Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
for the Fiscal Year Ended June 30, 2025*

Net Change in Fund Balances - Total Governmental Funds \$10,715,207

***Amounts reported for governmental activities in the
Statement of Activities are different because:***

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities the cost of capital assets is allocated over their estimated useful lives as depreciation/amortization expense. In the current period, these amounts are:

Capital Outlay	6,098,955	
Depreciation/Amortization Expense	(4,030,673)	
Excess of capital outlay over depreciation/amortization expense		2,068,282

The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of capital assets is removed from the capital assets account in the Statement of Net Position and offset against the proceeds from the sale of capital assets resulting in a gain or loss on the sale of capital assets in the Statement of Activities.

Proceeds from Sale of Capital Assets	(17,369)	
Loss on Sale of Capital Assets	(144,078)	
Total		(161,447)

Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are therefore recorded as deferred inflows of resources in the governmental funds. Deferred inflows of resources changed by these amounts this fiscal year:

Delinquent Property Taxes	(7,181)	
Intergovernmental	(283,889)	
Interest	72,487	
Total		(218,583)

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.

Pension	12,891,814	
OPEB	372,476	
Total		13,264,290

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability (asset) are reported as pension expense in the Statement of Activities.

Pension	(7,024,220)	
OPEB	2,801,440	
Total		(4,222,780)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current fiscal year, these amounts consist of:

General Obligation Bonds Principal Payments	1,730,000	
Lease Payments	273,750	
Financed Purchase	311,000	
Total		\$2,314,750

(continued)

Mason City School District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
for the Fiscal Year Ended June 30, 2025
(Continued)

Accretion and amortization of bond premiums, the deferred loss/gain on refunding debt, as well as accrued interest payable on the bonds are not reported in the funds, but are allocated as an expense over the life of the debt in the Statement of Activities.

	Decrease in Accrued Interest	\$13,268	
	Amortization of Premium on Bonds	171,378	
	Amortization of Deferred Charge on Refunding	<u>183,570</u>	
Total			368,216

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

	Compensated Absences Payable	(35,805)	
	Vacation Leave Payable	<u>(34,644)</u>	
Total			<u>(70,449)</u>

<i>Change in Net Position of Governmental Activities</i>	<u><u>\$24,057,486</u></u>
--	----------------------------

See accompanying notes to the basic financial statements

Mason City School District
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund
for the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$96,979,068	\$96,979,068	\$99,809,301	\$2,830,233
Intergovernmental	45,435,358	45,435,358	46,017,745	582,387
Interest	2,794,652	2,794,652	3,702,091	907,439
Tuition and Fees	1,559,316	1,559,316	1,727,251	167,935
Extracurricular Activities	2,219	2,219	800	(1,419)
Charges for Services	188,017	188,017	142,504	(45,513)
Miscellaneous	12,316	12,316	17,663	5,347
<i>Total Revenues</i>	<u>146,970,946</u>	<u>146,970,946</u>	<u>151,417,355</u>	<u>4,446,409</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	68,246,729	66,115,395	65,236,526	878,869
Special	24,737,838	27,299,566	26,280,145	1,019,421
Student Intervention Services	17,427	17,427	17,044	383
Support Services:				
Pupils	10,941,330	11,392,611	11,387,412	5,199
Instructional Staff	3,577,109	3,662,700	3,498,720	163,980
Board of Education	195,630	1,022,858	204,924	817,934
Administration	7,229,194	7,443,872	7,382,377	61,495
Fiscal	2,553,453	2,581,703	2,579,760	1,943
Business	336,446	342,591	338,625	3,966
Operation and Maintenance of Plant	9,741,746	13,688,043	13,631,501	56,542
Pupil Transportation	9,178,327	9,512,778	9,101,884	410,894
Central	3,021,654	3,140,410	3,012,623	127,787
Operation of Non-Instructional Services	37,963	67,486	66,146	1,340
Extracurricular Activities	1,803,087	1,807,103	1,780,738	26,365
<i>Total Expenditures</i>	<u>141,617,933</u>	<u>148,094,543</u>	<u>144,518,425</u>	<u>3,576,118</u>
Excess of Revenues Over (Under)				
Expenditures	<u>5,353,013</u>	<u>(1,123,597)</u>	<u>6,898,930</u>	<u>8,022,527</u>
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	227,609	227,609	1,015,760	788,151
Advances In	2,612,968	2,612,968	957,726	(1,655,242)
Advances Out	(2,505,613)	(3,505,613)	(427,484)	3,078,129
Transfers Out	(5,160,000)	(25,277,362)	(11,000,000)	14,277,362
<i>Total Other Financing Sources (Uses)</i>	<u>(4,825,036)</u>	<u>(25,942,398)</u>	<u>(9,453,998)</u>	<u>16,488,400</u>
Net Change in Fund Balance	527,977	(27,065,995)	(2,555,068)	24,510,927
<i>Fund Balance at Beginning of Year</i>	59,082,347	59,082,347	59,082,347	0
<i>Prior Year Encumbrances Appropriated</i>	<u>878,574</u>	<u>878,574</u>	<u>878,574</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$60,488,898</u>	<u>\$32,894,926</u>	<u>\$57,405,853</u>	<u>\$24,510,927</u>

See accompanying notes to the basic financial statements

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Mason City School District (the “School District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a city district as defined by Section 3311.02 of the Ohio Revised Code. The School District operates under a locally elected five member Board of Education and provides educational services as authorized by its charter or further mandated by state/or federal agencies to residents of the School District.

The School District is located in Warren and Butler Counties in southwest Ohio. The School District serves an area of 25 square miles, with 99 percent of its territory located within Warren County and the remaining 1 percent in Butler County. Political subdivisions overlapping the School District are the City of Mason, portions of Deerfield, Union and Turtle Creek Townships in Warren County, and a portion of West Chester Township in Butler County. The School District is approximately 25 minutes northeast of downtown Cincinnati and 35 minutes south of downtown Dayton.

The Board of Education exercises control over the School District’s four instructional facilities: one early childhood center (Pre-K-2), one elementary/intermediate school (3-6), one middle school (7-8), and a high school (9-12). It is staffed by 434 full-time equivalent classified personnel and 664 certified full-time equivalent teaching personnel and administrative employees to provide services to students and other community members. The enrollment for the District during the fiscal year was 10,344.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the School District, this includes: education, pupil transportation, food service, and maintenance of the School District’s facilities.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the School District. The School District has no component units.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

The School District participates in three jointly governed organizations. These organizations are presented in Note 17 to the Basic Financial Statements. These organizations are:

Jointly Governed Organizations:
Southwest Ohio Computer Association
Great Oaks Career Campuses
Jewell Education Foundation

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The government-wide financial statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type; however, the School District has no business-type activities.

The Statement of Net Position presents the financial condition of the governmental activities of the School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities into separate funds in order to aid financial management and to

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The School District only reports governmental funds.

Governmental Funds:

Governmental funds are those through which most governmental functions of the School District are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following is the School District's major governmental fund:

General Fund – This fund is the operating fund of the School District and is used to account for and report all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined, and “available” means that the resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, payments in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes and payments in lieu of taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available for advance, grants, investment earnings, and miscellaneous.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, OPEB plans, leases, and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance fiscal year 2026 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and governmental fund financial statements. The deferred inflow for leases is related to the leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, and accrued interest. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position. (See Notes 12 and 13.)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The School District recognizes unearned revenue for charges for service revenue received before the eligibility requirements are met.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Cash and Cash Equivalents

Cash received by the School District is deposited into one of several bank accounts with individual fund integrity being maintained through the School District's records for cash that is pooled. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. The School District holds money in a reserve fund to be used for the budget stabilization and are holding a security deposit as the lessor on a lease agreement.. These are presented on the financial statements as "Restricted Assets: Cash and Cash Equivalents."

During fiscal year 2025, the School District's investments were limited to STAROhio, Commercial Paper, Money Market Mutual Funds, Negotiable Certificates of Deposit, Municipal Bonds, federal agency securities, and United States Treasury Notes. Investments, except for STAROhio and Commercial Paper, are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price. The School District's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

During fiscal year 2025, the School District invested in STAROhio. STAROhio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAROhio at the net asset value (NAV) per share provided by STAROhio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

STAROhio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAROhio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2025, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Under existing Ohio statutes all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest revenue credited to the General Fund during fiscal year 2025 amounted to \$4,784,211, which includes \$1,416,131 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the General Fund represents cash equivalents legally required by State statute to be set aside by the School District for budget stabilization. See Note 18 for additional information regarding set-asides. Restricted assets in the Community Services Nonmajor Special Revenue Fund represents the security deposit that the School District is holding as lessor on a lease agreement.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivable/Payable". Interfund balances are eliminated in the Statement of Net Position.

Inventory

Materials and supplies inventory is reported at cost, while inventory held for resale is presented at the lower of cost or market value, and donated commodities are presented at their entitlement value. Inventories are presented on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption and donated and purchased food held for resale.

Capital Assets

All capital assets of the School District are general capital assets that are associated with governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

Capital assets (except for intangible right-to-use lease assets which are discussed below) are capitalized at cost (or estimated historical cost), which is determined by indexing the current replacement cost back to the year of acquisition and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	15 - 100 years
Equipment	5 - 20 years

The School District is reporting intangible right to use assets related to lease assets. The lease assets include equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. These intangible right to use assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Compensated Absences

For the School District, compensated absences includes leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The School District does not offer noncash settlements. The School District uses a first-in first-out flow assumption for compensated absences.

Liabilities should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates and is allowed to be carried over to subsequent years, and the leave is more likely than not to be used for time off or otherwise paid in cash. For the School District, this leave includes sick and vacation time. However, the School District also has certain compensated absences that are dependent upon the occurrence of a sporadic events that affects a relatively small proportion of employees. A liability for these types of leave is recognized when the leave commences. For the School District this type of leave includes bereavement leave, professional development leave, leave of absence, sabbatical leave, maternity leave, paternity leave, child rearing leave, adoption leave, practicing faith leave, military leave, personal leave, assault leave, and jury duty leave. Holiday leave taken on a specific date, not at the discretion of the employee is recognized as a liability when used. The liability for compensated absences includes salary-related payments, where applicable.

The School District records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service. Since the School District's policy limits the accrual of vacation time to the amount accrued in one year, the outstanding liability is recorded as "accrued vacation leave payable" on the statement of net position rather than as a long-term liability.

Liabilities for compensated absences are recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees will be paid.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences and claims will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds, leases, and financed purchases are recognized as a liability in the governmental fund financial statements when due.

Leases

The School District serves as both lessee and lessor in various noncancellable leases which are accounted for as follows:

Lessee At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor At the commencement of a lease, the School District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by the highest level of formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education. State statute authorizes the Treasurer to assign fund balance for purchase orders provided such amounts have been lawfully appropriated. The assigned fund balance also includes purchases on order, public support, employee assistance, and property and casualty insurance.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Of the restricted net position, none has resulted from enabling legislation.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted Net Position for Pension and OPEB plans represent the corresponding restricted asset amounts held in trust by the pension and OPEB plans for future benefits.

Internal Activity

Transfers between governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers and are eliminated from the Statement of Activities. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Budgetary Process

All funds, other than the custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund. The budgetary comparisons included within the basic financial statements for the General Fund demonstrates compliance with this legal level of budgetary control.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

The appropriations resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Education during the fiscal year, including all supplemental appropriations.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line (bonds outstanding) method, since the results are not significantly different from the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds payable. The bond premiums were fully retired during fiscal year 2025.

On the governmental fund financial statements, bond premiums are recognized in the period in which the bonds were issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3- CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

Change in Accounting Principles

For fiscal year 2024, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences and GASB Statement No. 102, Certain Risk Disclosures. GASB 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs such an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

For the School District, GASB Statement No. 101 increased the compensated absences liability and the cumulative effects of compensated absence related expense decreased beginning net position as shown on the following table.

GASB 102 will provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. GASB 102 requirements apply only to note disclosure and do not have any effect on beginning net position/fund balance. The School District evaluated their concentrations and constraints but did not have any events that required disclosure.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Restatement of Net Position

	6/30/2024 As Previously Reported	Change in Accounting Principles GASB 101	6/30/2024 Restated
Government-Wide:			
Governmental Activities	\$122,936,352	(\$27,886,513)	\$95,049,839
Governmental Funds			
Major Funds:			
General Fund	\$59,567,577	\$0	\$59,567,577
All Other Governmental Funds	29,024,100	0	29,024,100
Total Governmental Funds	<u>\$88,591,677</u>	<u>\$0</u>	<u>\$88,591,677</u>

NOTE 4 – ACCOUNTABILITY

At June 30, 2025, the following funds had deficit fund balances:

Fund Name	Amount
Nonmajor Governmental Funds:	
Title VI-B	\$225,328
Title III	24,497
Title I	44,048
Public School Preschool	5,376
Title II-A	9,583
Total	<u>\$308,832</u>

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Advances In and Advances Out are operating transactions (budget basis) as opposed to Balance Sheet transactions (GAAP basis).
4. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
5. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).
6. Budgetary revenues and expenditures of the Employee Assistance, Public School Support, Latchkey, and Termination Benefits special revenue funds are classified to the General Fund for GAAP reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund.

Net Change in Fund Balance	
	General
GAAP Basis	\$8,381,278
Adjustments:	
Revenue Accruals	(134,723)
Expenditure Accruals	(2,593,829)
Advances	530,242
Encumbrances	(4,061,327)
Change in Fair Value of Investments - 2024	22,973
Change in Fair Value of Investments - 2025	(1,113,733)
Perspective Difference:	
Employee Assistance Fund	(989)
Public School Support Fund	120,924
Latchkey Fund	(246,341)
Termination Benefits Fund	(3,459,543)
Budget Basis	(\$2,555,068)

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

NOTE 6 – DEPOSITS AND INVESTMENTS

Monies held by the School District are classified by State Statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio); and
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an account not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments: As of June 30, 2025, the School District had the following investments.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Measurement/Investment	Measurement Amount	Maturity	S&P's/ Moody's Rating	Percent of Total Investments
Net Asset Value per Share:				
STAROhio	\$9,959	Less than one year	AAAm	N/A
Amortized Cost:				
Commercial Paper	40,048,555	Less than one year	P-1	42.49%
Fair Value - Level One Inputs:				
Money Market Mutual Funds	3,188,372	Less than one year	AAAm	N/A
Fair Value - Level Two Inputs:				
Negotiable Certificates of Deposit	11,070,014	Less than five years	Unrated	11.74%
Municipal Bonds	3,689,520	Less than nine years	Aa2-Aaa	N/A
Federal Farm Credit Bank Bonds	13,518,536	Less than five years	Aa1	14.34%
Federal Home Loan Bank Notes	7,648,686	Less than five years	Aa1	8.11%
Federal Home Loan Mortgage Corporation Bonds	2,893,773	Less than five years	Aa1	N/A
United States Treasury Notes	12,195,458	Less than five years	Aa1	12.94%
Total Fair Value - Level Two Inputs	51,015,987			
Total	\$94,262,873			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2025. The money market mutual fund is measured at fair value using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District attempts, to the extent possible, to match investments with anticipated cash flow requirements. Unless matched to a specific obligation or debt of the School District, the School District will not directly invest in securities maturing more than three years from the date of investment. The School District does not have a formal policy regarding interest rate risk.

Credit Risk: The Standard and Poor's or Moody's rating of the School District's investments is listed in the table above. STAROhio is permitted by Ohio Revised Code Section 135.45. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized statistical rating organization and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization. The Commercial Paper investments are rated P-1 by Moody's. The School District's Negotiable Certificates of Deposit are covered by FDIC.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Custodial Credit Risk: Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

One of the School District's financial institutions participating in OPCS has been approved for a reduced collateral floor of 50 percent, at June 30, 2025. None of the School District's total bank balance of \$16,647,299 was exposed to custodial credit risk.

Concentration of Credit Risk: The School District's investment policy places no limit on the amount it may invest in any one issuer. The percentage that each investment represents of the total investments is listed in the table preceding.

NOTE 7 – PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2025 represents collections of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2024, on the assessed value listed as of January 1, 2024, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2025 represents collections of calendar year 2024 taxes. Public utility real and tangible personal property taxes received in calendar year 2025 became a lien December 31, 2023, were levied after April 1, 2024, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

The Warren County Treasurer collects property taxes on behalf of all governments in the County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2025, are available to finance fiscal year 2025 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes that are measurable as of June 30, 2025, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit of deferred inflows – property taxes.

The amount available as an advance at June 30, 2025, was \$7,810,092 and is recognized as revenue: \$7,508,663 in the General Fund, \$191,586 in the Debt Service Fund, and \$109,843 in the Permanent Improvement Fund. The amount available as an advance at June 30, 2024, was \$2,365,234 and is recognized as revenue: \$2,272,131 in the General Fund, \$66,234 in the Debt Service Fund, and \$26,869 in the Permanent Improvement Fund.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis, the revenue has been reported as deferred inflows of resources – unavailable revenue.

The assessed values upon which fiscal year 2025 taxes were collected are:

	2024 Second- Half Collections		2025 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$2,631,325,930	97.74%	\$3,308,676,350	98.06%
Public Utility Personal	60,753,300	2.26%	65,535,820	1.94%
Total Assessed Value	<u>\$2,692,079,230</u>	<u>100.00%</u>	<u>\$3,374,212,170</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$85.91		\$85.60	

Payments in Lieu of Taxes

The School District is party to Tax Increment Financing (TIF) agreements. Municipalities, townships, and counties can enter into TIF agreements which lock in real property at its unimproved value for up to 30 years in a defined TIF district. Some TIF agreements also require the TIF government to allocate service payments to school districts and other governments to help offset the property taxes these governments would have received had the improvements to real property not been exempted. The service payments that the School District receives as part of TIF agreements are presented on the financial statements as Payments in Lieu of Taxes.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

NOTE 8 – TAX ABATEMENTS

Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) program with the taxing districts of the School District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Under this agreement the School District’s Property taxes were reduced by approximately \$1,397,323. The School District is receiving \$28,978 from the other governments in association with the forgone property tax revenue.

NOTE 9 – RECEIVABLES

Receivables at June 30, 2025, consisted of property taxes, leases, intergovernmental grants, interest, accounts, and interfund. All receivables, except for delinquent property taxes and leases, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

Leases Receivable

The School District is reporting leases receivable of \$2,671,592 in a nonmajor special revenue fund at June 30, 2025. This amount represents the discounted future lease payments. This discount is being amortized using the interest method. For fiscal year 2025, the School District recognized lease revenue of \$302,233 and interest revenue of \$74,824 in a nonmajor special revenue fund related to lease payments received. These lease revenue amounts exclude short-term leases. A description of the School District’s leasing agreements are as follows:

Beacon Lease – The School District has entered into a lease agreement with Beacon for athletic training facilities which commenced during fiscal year 2023, is for 10 years ending in fiscal year 2033, and is paid monthly.

Royalty Building Lease – The School District has entered into a lease agreement with Royalty Trucking Inc., for a building which commenced during fiscal year 2024 and ending in fiscal year 2026, and is paid monthly.

A summary of future lease amounts receivable is as follows:

Fiscal Year Ending June 30,	Beacon		Royalty Building	
	Principal	Interest	Principal	Interest
2026	\$288,020	\$66,463	\$25,320	\$249
2027	306,470	58,634	0	0
2028	325,738	50,308	0	0
2029	345,844	41,463	0	0
2030	366,812	32,076	0	0
2031-2033	1,013,388	35,350	0	0
Totals	<u>\$2,646,272</u>	<u>\$284,294</u>	<u>\$25,320</u>	<u>\$249</u>

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

NOTE 10 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2025, was as follows:

	Balance at 6/30/2024	Additions	Deductions	Balance at 6/30/2025
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$3,582,158	\$0	\$0	\$3,582,158
Construction in Progress	5,530,816	2,835,047	(8,098,417)	267,446
Total Capital Assets Not Being Depreciated	9,112,974	2,835,047	(8,098,417)	3,849,604
Capital Assets Being Depreciated:				
Tangible Assets:				
Buildings and Improvements	219,026,325	8,123,767	0	227,150,092
Equipment	23,079,574	3,238,558	(2,873,653)	23,444,479
Total Tangible Assets	242,105,899	11,362,325	(2,873,653)	250,594,571
Intangible Right To Use:				
Lease Assets:				
Equipment	1,129,544	0	(33,757)	1,095,787
Total Capital Assets Being Depreciated/Amortized	243,235,443	11,362,325	(2,907,410)	251,690,358
Less Accumulated Depreciation/ Amortization:				
Depreciation:				
Building and Improvements	(45,392,058)	(2,491,847)	0	(47,883,905)
Equipment	(16,237,529)	(1,265,076)	2,739,720	(14,762,885)
Total Depreciation	(61,629,587)	(3,756,923)	2,739,720	(62,646,790)
Amortization				
Intangible Right To Use:				
Lease Assets:				
Equipment	(543,998)	(273,750)	6,243	(811,505)
Total Accumulated Depreciation/ Amortization	(62,173,585)	(4,030,673) *	2,745,963	(63,458,295)
Total Capital Assets Being Depreciated/Amortized, Net	181,061,858	7,331,652	(161,447)	188,232,063
Governmental Activities Capital Assets, Net	<u>\$190,174,832</u>	<u>\$10,166,699</u>	<u>(\$8,259,864)</u>	<u>\$192,081,667</u>

*Depreciation/amortization expense was charged to governmental functions as follows:

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
Instruction:			
Regular	\$121,795	\$0	\$121,795
Support Services:			
Instructional Staff	37,476	159,312	196,788
Administration	886	0	886
Fiscal	1,767	0	1,767
Operation and Maintenance of Plant	2,602,180	114,438	2,716,618
Pupil Transportation	723,860	0	723,860
Central	11,123	0	11,123
Operation of Non-Instructional Services	69,981	0	69,981
Extracurricular Activities	187,855	0	187,855
Total	<u>\$3,756,923</u>	<u>\$273,750</u>	<u>\$4,030,673</u>

NOTE 11 – RISK MANAGEMENT

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2025, the School District contracted with Liberty Mutual for general liability insurance, and an umbrella policy. Property and fleet is also protected by Liberty Mutual. The Travelers Insurance Company maintains the bonds for the Board President, Superintendent, and Treasurer. Liberty Mutual also maintains an employee dishonesty blanket bond for all employees.

Settled claims have not exceeded the coverage in any of the past three fiscal years. There has not been a significant reduction in coverage from the prior fiscal year.

Employee Benefits

The School District is self-insured for employee health care benefits, including prescription drug coverage, for all of its employees. The health care, and prescription drug benefits are currently administered by Anthem, which provides claims review and processing services.

The School District is also self-insured for dental benefits. Third party administrative services are provided by Dental Care Plus Group. Monthly premiums for dental coverage are \$127.52 for family coverage and \$47.99 for individual coverage. The School District is responsible for payment of all claim amounts.

The School District is also self-insured for vision benefits. Third party administrative services are provided by Vision Service Plan (VSP). Monthly premiums for vision are \$9.95 for family coverage and \$4.61 for individual coverage. VSP is responsible for payment of all claim amounts as established in the plan document.

The liability for unpaid claims of \$1,388,814 reported in the General Fund at June 30, 2025, is based on the requirements of GASB Statement No. 10, “*Accounting and Financial Reporting for*

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Risk Financing and Related Insurance Issues,” as amended by GASB Statement No. 30, “*Risk Management Omnibus,*” which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Estimates were calculated based upon an independent actuarial evaluation of claims payable. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claims adjustment expenses.

The amount reported as claims payable in the General Fund in the fund financial statements is \$1,388,814, since this amount is currently due and payable with expendable available financial resources. In the government-wide financial statements, the total amount of the liability for claims of \$1,388,814 has been reported as claims payable.

Changes in claims activity for employee benefits for the past two fiscal years are as follows:

	Balance at Beginning of Fiscal Year	Current Fiscal Year Claims	Claims Payments	Balance at End of Fiscal Year
2024	\$1,040,711	\$20,844,099	\$20,733,845	\$1,150,965
2025	1,150,965	22,918,564	22,680,715	1,388,814

NOTE 12 – DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension/Net OPEB Liability (Asset)

The net pension liability and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represents the School District’s proportionate share of each pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan’s fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the School District’s obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

pensions/OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2024.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2025, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$3,019,208 for fiscal year 2025. Of this amount \$37,273 is reported as an intergovernmental payable.

Plan Description – State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

years of service credit and age 65. Effective on or after August 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a permanent 1 percent COLA of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective August 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after August 1, 2027, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty and after termination of employment.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2025 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2025, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$9,872,606 for fiscal year 2025. Of this amount, \$1,796,290 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.47564580%	0.481355700%	
Prior Measurement Date	0.48125130%	0.473551780%	
Change in Proportionate Share	<u>(0.00560550%)</u>	<u>0.00780392%</u>	
Proportionate Share of the Net Pension Liability	\$24,332,120	\$92,620,615	\$116,952,735
Pension Expense	\$1,458,840	\$5,565,380	\$7,024,220

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

	SERS	STRS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$928,980	\$5,832,676	\$6,761,656
Changes of assumptions	217,669	4,268,467	4,486,136
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	1,280,620	1,280,620
School District contributions subsequent to the measurement date	3,019,208	9,872,606	12,891,814
Total Deferred Outflows of Resources	<u>\$4,165,857</u>	<u>\$21,254,369</u>	<u>\$25,420,226</u>

Deferred Inflows of Resources:			
Differences between expected and actual experience	\$0	\$50,718	\$50,718
Changes of assumptions	0	3,212,928	3,212,928
Net difference between projected and actual earnings on pension plan investments	1,521,961	7,963,489	9,485,450
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	1,099,810	2,618,687	3,718,497
Total Deferred Inflows of Resources	<u>\$2,621,771</u>	<u>\$13,845,822</u>	<u>\$16,467,593</u>

\$12,891,814 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	(\$1,789,380)	(\$5,969,518)	(\$7,758,898)
2027	1,056,736	7,972,009	9,028,745
2028	(294,940)	(2,880,137)	(3,175,077)
2029	(447,538)	(1,586,413)	(2,033,951)
Total	<u>(\$1,475,122)</u>	<u>(\$2,464,059)</u>	<u>(\$3,939,181)</u>

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Actuarial Assumptions – SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2024, are presented below:

	<u>June 30, 2024</u>
Inflation	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. ORC 3309.15 and the SERS Board-adopted Investment Policy govern investment activity. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate/Real Assets	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	<u>100.00 %</u>	

Discount Rate The total pension liability for 2024 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 20-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2024 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2024 was 9.31 percent.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$37,224,775	\$24,332,120	\$13,477,200

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation are presented below:

	<u>June 30, 2024</u>
Inflation	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2024, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.90%
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	<u>100.00%</u>	

* Final target weights reflected at October 1, 2022.

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2024.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$149,413,282	\$92,620,615	\$44,583,774

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Social Security or the School Employees Retirement System. As of June 30, 2025, one member of the Board of Education has elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 13 – DEFINED BENEFIT OPEB PLANS

See Note 12 for a description of the net OPEB liability.

Plan Description – School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the School District's surcharge obligation was \$372,476.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$372,476 for fiscal year 2025, all of which is reported as an intergovernmental payable.

Plan Description – State Teachers Retirement System of Ohio (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2025, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an independent actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.48405190%	0.481355700%	
Prior Measurement Date	0.49332200%	0.473551780%	
Change in Proportionate Share	<u>(0.00927010%)</u>	<u>0.00780392%</u>	
Proportionate Share of the:			
Net OPEB (Asset)	\$0	(\$9,130,398)	(\$9,130,398)
Net OPEB Liability	\$4,930,044	\$0	\$4,930,044
OPEB Expense	(\$909,013)	(\$1,892,427)	(\$2,801,440)

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$0	\$396,917	\$396,917
Changes of assumptions	2,115,973	1,123,826	3,239,799
Net difference between projected and actual earnings on pension plan investments	24,070	0	24,070
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	77,498	77,498
School District contributions subsequent to the measurement date	372,476	0	372,476
Total Deferred Outflows of Resources	<u>\$2,512,519</u>	<u>\$1,598,241</u>	<u>\$4,110,760</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$5,315,870	\$983,944	\$6,299,814
Changes of assumptions	2,264,683	4,117,753	6,382,436
Net difference between projected and actual earnings on pension plan investments	0	392,035	392,035
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	1,585,899	51,135	1,637,034
Total Deferred Inflows of Resources	<u>\$9,166,452</u>	<u>\$5,544,867</u>	<u>\$14,711,319</u>

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

\$372,476 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	(\$1,710,272)	(\$1,386,504)	(\$3,096,776)
2027	(1,221,771)	(606,490)	(1,828,261)
2028	(935,635)	(784,007)	(1,719,642)
2029	(812,970)	(728,406)	(1,541,376)
2030	(805,723)	(589,054)	(1,394,777)
Thereafter	(1,540,038)	147,835	(1,392,203)
Total	<u>(\$7,026,409)</u>	<u>(\$3,946,626)</u>	<u>(\$10,973,035)</u>

Actuarial Assumptions – SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024, are presented below:

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

	<u>June 30, 2024</u>
Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2059
Municipal Bond Index Rate:	
Measurement Date	3.93 percent
Prior Measurement Date	3.86 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.88 percent
Prior Measurement Date	4.27 percent
Health Care Cost Trend Rate	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent
Medical Trend Assumption	
Measurement Date	7.00 to 4.40 percent
Prior Measurement Date	6.75 to 4.40 percent

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2024, was 4.88 percent. The discount rate used to measure total OPEB liability prior to June 30, 2024, was 4.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2059 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2023, and the June 30, 2024, total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.93 percent at June 30, 2024, and 3.86 percent at June 30, 2023.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate.

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1 % Increase (5.88%)
School District's proportionate share of the net OPEB liability	\$6,574,041	\$4,930,044	\$3,623,670
	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$3,332,527	\$4,930,044	\$7,029,856

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation compared to the prior year are presented below:

	June 30, 2024	June 30, 2023
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 3.94 percent ultimate	7.50 percent initial 4.14 percent ultimate
Medicare	-112.22 percent initial 3.94 percent ultimate	-10.94 percent initial 4.14 percent ultimate
Prescription Drug		
Pre-Medicare	8.00 percent initial 3.94 percent ultimate	-11.95 percent initial 4.14 percent ultimate
Medicare	-15.14 percent initial 3.94 percent ultimate	1.33 percent initial 4.14 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

Healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2024, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2024, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1 % Increase (8.00%)
School District's proportionate share of the net OPEB asset	(\$7,423,617)	(\$9,130,398)	(\$10,615,669)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$10,715,998)	(\$9,130,398)	(\$7,223,508)

NOTE 14 – EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation, sick, and compensated time leave benefits are derived from negotiated agreements and State laws. Eligible classified employees and administrators earn 0 to 30 days of vacation per fiscal year, depending upon length of service and days worked. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Certified employees do not earn vacation time.

Certified employees, classified employees, and administrators earn sick leave at the rate of one and one-quarter days per month. Sick leave accumulation for all employees is unlimited. Upon retirement, payment is made for accumulated, unused sick leave up to a maximum number of days, depending upon length of service and the negotiated contract.

Insurance

The School District is self-insured for employee healthcare, prescription drug, dental, vision and worker's compensation benefits. See Note 11 for more information regarding these benefits.

Deferred Compensation

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457 and is considered an other employee benefit plan. School District employees are also permitted to participate in the 403b plans offered by many Board approved vendors. Participation

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

NOTE 15 – LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during the fiscal year 2025 were as follows:

	Restated Amounts Outstanding 7/1/2024	Additions	Deductions	Amounts Outstanding 6/30/2025	Amounts Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds:					
2007 Refunding Early Childhood Center Bonds 4.89%					
Serial Bonds \$15,015,000	\$13,870,000	\$0	\$0	\$13,870,000	\$1,695,000
2016 Tax Exempt Refunding Bonds - 3.0% to 5.0%					
Serial Bonds \$10,170,000.	1,730,000	0	1,730,000	0	0
Unamortized Premium	171,378	0	171,378	0	0
Total General Obligation Debt	15,771,378	0	1,901,378	13,870,000	1,695,000
Net Pension Liability:					
SERS	26,591,614	0	2,259,494	24,332,120	0
STRS	101,979,081	0	9,358,466	92,620,615	0
Total Net Pension Liability	128,570,695	0	11,617,960	116,952,735	0
Net OPEB Liability:					
SERS	8,127,209	0	3,197,165	4,930,044	0
Compensated Absences	41,228,174	35,805	0	41,263,979	5,589,700
Leases	558,032	0	273,750	284,282	284,282
Financed Purchase	3,049,000	0	311,000	2,738,000	340,000
Total Governmental Activities					
Long-Term Obligations	\$197,304,488	\$35,805	\$17,301,253	\$180,039,040	\$7,908,982

Increases and decreases to compensated absences are presented net on the table above.

General Obligation bonds were issued for construction and improvements to various School District facilities. The bonds will be paid from the Debt Service Fund.

Financed Purchase Agreements – In a prior fiscal year, the School District entered into a direct borrowing financed purchase agreement for equipment. The School District is purchasing the equipment from the Ohio Association of School Business Officials (OASBO). This agreement meets the criteria of a financed purchase which transfers ownership to the lessee. Financed purchase payments are reflected as debt service expenditures in the fund financial statements. Principal payments made during fiscal year 2025 totaled \$311,000 from the Community Services Fund.

The agreements provide for minimum annual financed purchase payments as follows:

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Year	Financed Purchase	
	<u>Principal</u>	<u>Interest</u>
2026	\$340,000	\$120,340
2027	370,000	104,520
2028	400,000	87,519
2029	435,000	68,914
2030	465,000	48,924
2031-2032	728,000	33,271
Totals	<u>\$2,738,000</u>	<u>\$463,488</u>

There is no repayment schedule for the net pension/OPEB liabilities. However, employer pension/OPEB contributions are made from the following funds: General, Food Service, Community Services, Latchkey, District Managed Student Activities, Auxiliary Services, Miscellaneous State Grants, Title VI-B, Title III, Title I and Public School Preschool. For additional information related to the net pension/OPEB liabilities see Notes 12 and 13.

Principal and interest requirements to retire the School District's outstanding debt at June 30, 2025, are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds	
	Serial Bonds	
	<u>Principal</u>	<u>Interest</u>
2026	\$1,695,000	\$683,681
2027	1,780,000	592,463
2028	1,870,000	496,650
2029	1,970,000	395,850
2030	2,075,000	289,669
2031-2032	4,480,000	238,087
Totals	<u>\$13,870,000</u>	<u>\$2,696,400</u>

The School District's overall legal debt margin was \$289,809,095 with an unvoted debt margin of \$3,374,212.

Leases – The School District has outstanding agreements to lease copiers and computers. The future lease payments were discounted based on the interest rate implicit in the lease or using the School District's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. Leases will be paid from the General Fund and the Permanent Improvement Fund. A summary of the principal and interest amounts for the remaining leases is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2026	\$284,282	\$8,570

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

NOTE 16 – INTERFUND ACTIVITY

As of June 30, 2025, the Nonmajor Governmental Funds owed the General Fund \$427,484. General Fund advances are made to move unrestricted balances to support programs and projects accounted for in nonmajor governmental funds. Advancing monies to other funds is necessary due to timing differences in the receipt of grant monies. When the monies are finally received, the grant fund will use these restricted monies to reimburse the General Fund for the initial advance. All advances are expected to be repaid within one year.

Transfers made during the fiscal year ended June 30, 2025, were as follows:

		Transfers From
		<u>General Fund</u>
Transfers To		
	Nonmajor Governmental Funds	\$6,000,000

Transfers made from the General Fund to the Nonmajor Permanent Improvement and Community Services Funds were for capital improvements, and to subsidize programs, respectively.

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS

Southwest Ohio Computer Association

The School District is a participant in the Southwest Ohio Computer Association (SWOCA), which is a computer consortium. SWOCA is an association of public school districts within the boundaries of Butler, Hamilton, Preble, and Warren Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SWOCA consists of one representative from each district plus one representative from the fiscal agent. The Board exercises total control over the operations of the consortium including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The School District paid SWOCA \$213,910 for services provided during the fiscal year. Financial information can be obtained from SWOCA at 3607 Hamilton-Middletown Road, Hamilton, Ohio 45011.

Great Oaks Career Campuses

Great Oaks Career Campuses, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the thirty-six participating school district's elected boards. Great Oaks provides coordination of career development services to students in grades K-12 in the affiliated school districts. The Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each School District's

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

degree of control is limited to its representation on the Board. Financial information can be obtained by writing to Great Oaks Career Campuses at 3254 East Kemper Road, Cincinnati, Ohio 45241.

Jewell Education Foundation

The School District is a participant in the Jewell Education Foundation, which is a jointly governed educational foundation established to benefit the school districts in Warren County. The Foundation was created to promote and assist in funding through soliciting grants and charitable contributions for distributions to member educational institutions of participating school districts. The governing board is made up of the Warren County Vocational School District Superintendent, one member of the 1999 Warren County Vocational School District Board of Education, not on the current board, and one member submitted by each participating school district. The Board exercises total control over the operations of the foundation including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The School District made no financial contribution to the Foundation during the fiscal year. Financial information can be obtained by writing to the Director of Planned Giving at P.O. Box 854, Lebanon, Ohio 45036.

NOTE 18 – SET-ASIDES

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

The School District is no longer required to set aside funds in the budget stabilization, with the exception of monies received from the Bureau of Workers' Compensation prior to April 10, 2001, which must be retained for budget stabilization or spent for specified purposes.

The following cash basis information identifies the change in the fiscal year-end set-aside amounts. Disclosure of this information is required by State statute.

	<u>Capital Acquisitions</u>	<u>Budget Stabilization</u>
Set-aside Balance as of June 30, 2024	\$0	\$85,593
Current Fiscal Year Set-aside Requirement	2,409,117	0
Offsets	<u>(2,409,117)</u>	<u>0</u>
Set-aside Balance as of June 30, 2025	<u><u>\$0</u></u>	<u><u>\$85,593</u></u>

Amounts of offsets and qualifying expenditures presented in the table for the capital acquisitions set-asides were limited to those necessary to reduce the year-end balance to zero. Although the School District may have had additional offsets and qualifying expenditures for capital acquisitions, these amounts may not be used to reduce the set-aside requirements of future fiscal years and therefore are not presented as being carried forward to the next fiscal year.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

NOTE 19 – SIGNIFICANT COMMITMENTS

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

<u>Governmental Funds:</u>	
General Fund	\$4,061,327
Nonmajor Governmental Funds	2,440,264
Total	<u><u>\$6,501,591</u></u>

Contractual Commitments

As of June 30, 2025, the School District had the following commitments with respect to capital projects:

<u>Project</u>	<u>Contractual Commitment</u>
Vincent Lighting Systems	\$25,732
CDW Government	37,743
	<u><u>\$63,475</u></u>

The amounts remaining on these contracts were encumbered at fiscal year end. The amounts of \$328,001 and \$17,654 in contracts and retainage payable, respectively, have been capitalized.

NOTE 20 – FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<i>Nonspendable:</i>			
Inventory	<u>\$0</u>	<u>\$15,600</u>	<u>\$15,600</u>
			<i>(continued)</i>

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

Fund Balances	General Fund	Nonmajor Governmental Funds	Total
<i>Restricted for:</i>			
Debt Service	\$0	\$7,551,332	\$7,551,332
Capital Improvements	0	11,231,006	11,231,006
Classroom Facilities	0	3,486,014	3,486,014
Building Projects	0	7,671	7,671
District and Student			
Managed Activities	0	1,243,738	1,243,738
Community Services	0	3,798,546	3,798,546
Food Services Operations	0	4,082,488	4,082,488
State and Federal Grants	0	158,740	158,740
Scholarships	0	91,726	91,726
<i>Total Restricted</i>	<u>0</u>	<u>31,651,261</u>	<u>31,651,261</u>
<i>Committed to:</i>			
Termination Benefits	3,459,543	0	3,459,543
Professional & Technical			
Services	868,245	0	868,245
Property Services	135,897	0	135,897
Tuition	666,895	0	666,895
Supplies and Materials	6,059	0	6,059
Transportation	49,487	0	49,487
<i>Total Committed</i>	<u>5,186,126</u>	<u>0</u>	<u>5,186,126</u>
<i>Assigned to:</i>			
Purchases on Order:			
Professional & Technical			
Services	1,130,647	0	1,130,647
Property and Utility Services	387,012	0	387,012
Tuition	414,433	0	414,433
Supplies and Materials	324,057	0	324,057
Transportation	34,395	0	34,395
Dues and Fees	17,316	0	17,316
Employee Benefits	1,276	0	1,276
Personal Services	4,525	0	4,525
Capital Improvements	1,102	0	1,102
Other	5,711	0	5,711
Public Support	801,871	0	801,871
Employee Assistance	14,716	0	14,716
Property and Casualty			
Insurance	697,357	0	697,357
<i>Total Assigned</i>	<u>3,834,418</u>	<u>0</u>	<u>3,834,418</u>
<i>Unassigned (Deficits)</i>	<u>58,928,311</u>	<u>(308,832)</u>	<u>58,619,479</u>
<i>Total Fund Balances</i>	<u><u>\$67,948,855</u></u>	<u><u>\$31,358,029</u></u>	<u><u>\$99,306,884</u></u>

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2025

NOTE 21 – CONTINGENCIES

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2025, if applicable, cannot be determined at this time.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional DEW adjustments for fiscal year 2025 were provided. As a result, the School District recognized a payable of \$881 and a receivable of \$2,878. The School District has received the final adjustments from DEW.

Litigation

The School District is not party to legal proceedings as of June 30, 2025.

Required Supplementary Information

Mason City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2025	2024	2023	2022
School District's Proportion of the Net Pension Liability	0.47564580%	0.48125130%	0.51670550%	0.52205030%
School District's Proportionate Share of the Net Pension Liability	\$24,332,120	\$26,591,614	\$27,947,453	\$19,262,142
School District's Covered Payroll	\$19,836,586	\$19,189,407	\$19,301,879	\$18,019,836
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	122.66%	138.57%	144.79%	106.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.52%	76.06%	75.82%	82.86%

*Amounts presented for each fiscal year were determined as of the School District's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information

2021	2020	2019	2018	2017	2016
0.52156210%	0.52210830%	0.54214530%	0.51235500%	0.53056090%	0.53311760%
\$34,497,217	\$31,238,656	\$31,049,665	\$30,612,110	\$38,832,162	\$30,420,707
\$18,411,679	\$17,881,207	\$17,519,519	\$17,103,571	\$17,714,229	\$18,873,331
187.37%	174.70%	177.23%	178.98%	219.21%	161.18%
68.55%	70.85%	71.36%	69.50%	62.98%	69.16%

Mason City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
Last Nine Fiscal Years (1)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
School District's Proportion of the Net OPEB Liability	0.48405190%	0.49332200%	0.52742740%	0.52815870%
School District's Proportionate Share of the Net OPEB Liability	\$4,930,044	\$8,127,209	\$7,405,134	\$9,995,837
School District's Covered Payroll	\$19,836,586	\$19,189,407	\$19,301,879	\$18,019,836
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	24.85%	42.35%	38.36%	55.47%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.50%	30.02%	30.34%	24.08%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

*Amounts presented for each fiscal year were determined as of the School District's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information

2021	2020	2019	2018	2017
0.52538240%	0.53410310%	0.54966140%	0.52145630%	0.53825683%
\$11,418,277	\$13,431,570	\$15,249,092	\$13,994,517	\$15,342,311
\$18,411,679	\$17,881,207	\$17,519,519	\$17,103,571	\$17,714,229
62.02%	75.12%	87.04%	81.82%	86.61%
18.17%	15.57%	13.57%	12.46%	11.49%

Mason City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Teachers Retirement System of Ohio
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
School District's Proportion of the Net Pension Liability	0.481355700%	0.473551780%	0.489235830%	0.481847634%
School District's Proportionate Share of the Net Pension Liability	\$92,620,615	\$101,979,081	\$108,757,742	\$61,608,550
School District's Covered Payroll	\$67,970,821	\$63,703,864	\$63,899,150	\$60,383,614
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	136.27%	160.08%	170.20%	102.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.50%	80.00%	78.90%	87.80%

*Amounts presented for each fiscal year were determined as of the School District's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information

2021	2020	2019	2018	2017	2016
0.490055480%	0.465692860%	0.465065100%	0.450216920%	0.450520310%	0.447684400%
\$118,575,987	\$102,985,176	\$102,257,389	\$106,949,994	\$150,802,728	\$123,726,873
\$59,714,264	\$56,480,571	\$52,426,029	\$47,922,093	\$47,531,486	\$49,677,086
198.57%	182.34%	195.05%	223.17%	317.27%	249.06%
75.50%	77.40%	77.30%	75.30%	66.80%	72.10%

Mason City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
School Teachers Retirement System of Ohio
Last Nine Fiscal Years (1)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
School District's Proportion of the Net OPEB Liability (Asset)	0.481355700%	0.473551780%	0.489235830%	0.481847634%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$9,130,398)	(\$9,209,929)	(\$12,667,945)	(\$10,159,363)
School District's Covered Payroll	\$67,970,821	\$63,703,864	\$63,899,150	\$60,383,614
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	(13.43%)	(14.46%)	(19.82%)	(16.82%)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	158.00%	168.50%	230.70%	174.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

*Amounts presented for each fiscal year were determined as of the School District's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information

2021	2020	2019	2018	2017
0.490054800%	0.465692860%	0.465065170%	0.450216920%	0.450520310%
(\$8,612,715)	(\$7,712,992)	(\$7,473,122)	\$17,565,803	\$24,093,943
\$59,714,264	\$56,480,571	\$52,426,029	\$47,922,093	\$47,531,486
(14.42%)	(13.66%)	(14.25%)	36.65%	50.69%
182.10%	174.70%	176.00%	47.10%	37.30%

Mason City School District
Required Supplementary Information
Schedule of the School District's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net Pension Liability				
Contractually Required Contribution	\$3,019,208	\$2,777,122	\$2,686,517	\$2,702,263
Contributions in Relation to the Contractually Required Contribution	<u>(3,019,208)</u>	<u>(2,777,122)</u>	<u>(2,686,517)</u>	<u>(2,702,263)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$21,565,771	\$19,836,586	\$19,189,407	\$19,301,879
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution (2)	\$372,476	\$344,368	\$350,446	\$339,792
Contributions in Relation to the Contractually Required Contribution	<u>(372,476)</u>	<u>(344,368)</u>	<u>(350,446)</u>	<u>(339,792)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.73%</u>	<u>1.74%</u>	<u>1.83%</u>	<u>1.76%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.73%</u>	<u>15.74%</u>	<u>15.83%</u>	<u>15.76%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

(2) Includes Surcharge

See accompanying notes to the required supplementary information

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$2,522,777	\$2,577,635	\$2,413,963	\$2,365,135	\$2,394,500	\$2,479,992
<u>(2,522,777)</u>	<u>(2,577,635)</u>	<u>(2,413,963)</u>	<u>(2,365,135)</u>	<u>(2,394,500)</u>	<u>(2,479,992)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$18,019,836	\$18,411,679	\$17,881,207	\$17,519,519	\$17,103,571	\$17,714,229
<u>14.00%</u>	<u>14.00%</u>	<u>13.50%</u>	<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>
\$292,461	\$262,590	\$410,929	\$383,016	\$291,301	\$274,888
<u>(292,461)</u>	<u>(262,590)</u>	<u>(410,929)</u>	<u>(383,016)</u>	<u>(291,301)</u>	<u>(274,888)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.62%</u>	<u>1.43%</u>	<u>2.30%</u>	<u>2.19%</u>	<u>1.70%</u>	<u>1.55%</u>
<u>15.62%</u>	<u>15.43%</u>	<u>15.80%</u>	<u>15.69%</u>	<u>15.70%</u>	<u>15.55%</u>

Mason City School District
Required Supplementary Information
Schedule of the School District's Contributions
School Teachers Retirement System of Ohio
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net Pension Liability				
Contractually Required Contribution	\$9,872,606	\$9,515,915	\$8,918,541	\$8,945,881
Contributions in Relation to the Contractually Required Contribution	<u>(9,872,606)</u>	<u>(9,515,915)</u>	<u>(8,918,541)</u>	<u>(8,945,881)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$70,518,614	\$67,970,821	\$63,703,864	\$63,899,150
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

Net OPEB Liability (Asset) (1)

(1) Although the covered payroll for the net OPEB liability is the same as the net pension liability, there were no OPEB related required contributions for 2016-2025, STRS did not allocate any employer contributions to postemployment health care; therefore, there is no required supplementary information to present related to the statutorily established employer contribution requirements for the net OPEB liability.

See accompanying notes to the required supplementary information

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$8,453,706	\$8,359,997	\$7,907,280	\$7,339,644	\$6,709,093	\$6,654,408
<u>(8,453,706)</u>	<u>(8,359,997)</u>	<u>(7,907,280)</u>	<u>(7,339,644)</u>	<u>(6,709,093)</u>	<u>(6,654,408)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$60,383,614	\$59,714,264	\$56,480,571	\$52,426,029	\$47,922,093	\$47,531,486
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

Mason City School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

NET PENSION LIABILITY

Changes in Terms/Assumptions – SERS

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used. For 2021, the cost-of living adjustment was reduced from 2.5 percent to 2 percent. For 2023 and 2024, the cost-of-living adjustment was increased from 2 percent to 2.5 percent.

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented below:

	Fiscal Year 2022	Fiscal Years 2021-2017	Fiscal Year 2016 and Prior
Wage Inflation	2.4 percent	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.0 percent net of system expenses	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Amounts report for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented below:

Mason City School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2018</u>	<u>Fiscal Year 2017 and Prior</u>
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	See Below	See Below	See Below
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring after August 1, 2013, or later, COLA commences on fifth anniversary of retirement date.

Investment rate of return:

Beginning with Fiscal Years 2022	7.00 percent, net of investment expenses, including inflation
Fiscal Years 2018 through 2021	7.45 percent, net of investment expenses, including inflation
Fiscal Year 2017 and prior	7.75 percent, net of investment expenses, including inflation

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Mason City School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

Changes in Benefit Term – STRS Pension

For 2024 and 2025, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015, through June 30, 2021.

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

NET OPEB LIABILITY

Changes in Assumptions – SERS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

	<u>2022</u>	<u>2021 and Prior</u>
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2025	3.93 percent
Fiscal year 2024	3.86 percent
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Mason City School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

Single Equivalent Interest Rate, net of plan investment expense,
including price inflation

Fiscal year 2025	4.88 percent
Fiscal year 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

For fiscal year 2023, the projected salary increases were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

Changes in Benefit Terms – STRS OPEB

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019, and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

Mason City School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020, to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020, from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021, to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For fiscal year 2021, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021, premium based on June 30, 2020, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021, from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021, to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2023, healthcare trends were updated to reflect emerging claims and recoveries experience.

For fiscal year 2024, healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

For fiscal year 2025, healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

MASON CITY SCHOOL DISTRICT
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Mason City School District

Nonmajor Governmental Fund Descriptions

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following are descriptions of the School District's nonmajor special revenue funds:

Nonmajor Special Revenue Funds

Food Service Fund

This fund is used to account for and report the proceeds from the sale of breakfasts and lunches and grants restricted to the food service operations of the School District.

Scholarships Fund

This fund is used to account for and report monies restricted for scholarships.

Community Services Fund

This fund is used to account for and report monies restricted for developing, maximizing, coordinating, enhancing and strengthening the process of community interaction and communication with the School District.

Classroom Facilities Maintenance Fund

This fund is used to account for and report revenues restricted to expenditures for the maintenance and upkeep of classroom facilities.

Student Managed Activities Fund

This fund is used to account for and report monies restricted for student activity programs which have student participation in the activity in which the School District has administrative involvement.

District Managed Student Activities Fund

This fund is used to account for and report program fees restricted for student activity programs which have student participation in the activity, but do not have student management in the programs. This fund includes athletic programs, band, cheerleaders, and other similar types of activities.

Auxiliary Services Fund

This fund is used to account for and report restricted State grants to provide services and materials to pupils attending non-public schools within the School District.

OneNet Network Connectivity Fund

This fund is used to account for and report restricted State grants to provide network connections for technology in the School District.

(continued)

Mason City School District

Nonmajor Governmental Fund Descriptions

Nonmajor Special Revenue Funds
(Continued)

Miscellaneous State Grants Fund

This fund is used to account for and report various restricted grants received from State agencies which are not classified elsewhere.

Elementary and Secondary School Emergency Relief Fund

This fund is used to account for and report restricted federal monies received through the American Rescue Plan Act to help the School District sustain safe operation and to aid in the impact of the Coronavirus pandemic.

Title VI-B Fund

This fund is used to account for and report federal grants restricted to providing full educational opportunities to handicapped children at the preschool, elementary, and secondary levels; and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Vocational Education Fund

This fund is used to account for and report restricted State grants used for the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, ancillary services, research, advisory committees, and work-study projects. (This fund did not have cash nor budgetary activity during fiscal year 2025. Therefore, no budgetary statement is presented.)

Title III Fund

This fund is used to account for and report federal grants restricted to meet the educational needs of School District's English as a second language students.

Title I Fund

This fund is used to account for and report federal grants restricted to meet educational needs of educationally deprived children.

Title IV-A Fund

This fund is used to account for and report federal grants restricted to services used to provide students with opportunities to improve academic achievement.

Public School Preschool Fund

This fund is used to account for and report State grants restricted to the improvement and expansion of services for handicapped children between three (3) through five (5) years of age.

(continued)

Mason City School District

Nonmajor Governmental Fund Descriptions

Nonmajor Special Revenue Funds

(Continued)

Title II-A Fund

This fund is used to account for and report restricted federal grants used to hire additional classroom teachers in grades one through three, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund

This fund is used to account for and report various restricted grants received through state agencies from the federal government, or directly from the federal government, which are not classified elsewhere.

Employee Assistance Fund

This fund is used to account for and report revenues assigned to provide financial and medical assistance to School District employees during times of need. This fund is included with the General Fund for GAAP reporting as it does not have a restricted or committed revenue source.

Public School Support Fund

This fund is used to account for and report specific revenues, other than taxes, generated by individual school buildings (i.e. sales of pictures, vending machines sales, etc.) Expenditures include field trips, materials, equipment, and other items to supplement co-curricular and extracurricular programs. The Board of Education grants the principal of each site the authority to spend monies on allowable activities. This fund is included with the General Fund for GAAP reporting as it does not have a restricted or committed revenue source.

Latchkey Fund

This fund is used to account for and report revenues and expenses related to the operation of the latchkey program for students of the School District. This fund is included with the General Fund for GAAP reporting as it does not have a restricted or committed revenue source.

Termination Benefits Fund

This fund is used to account for cash accumulated for the payment of accumulated leave upon termination or retirement. This fund is included with the General Fund for GAAP reporting as it does not have a restricted revenue source.

DEBT SERVICE FUND

The Debt Service Fund is used to account for and report financial resources that are restricted to expenditure for principal and interest.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are established to account for and report financial resources that are restricted or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The following are descriptions of the School District's nonmajor capital projects funds:

Nonmajor Capital Projects Funds

Permanent Improvement Fund

This fund is used to account for and report restricted transactions relating to the acquiring, constructing, or improving facilities within the School District.

Building Fund

This fund is used to account for and report all transactions restricted for constructing improvements, renovations, and additions to the School District's buildings, including equipment. (This fund did not have cash nor budgetary activity during fiscal year 2025. Therefore, no budgetary statement is presented.)

Classroom Facilities Fund

This fund is used to account for and report grants restricted for constructing improvements, renovations, and additions to the School District's buildings, including equipment. (This fund did not have cash nor budgetary activity during fiscal year 2025. Therefore, no budgetary statement is presented.)

Mason City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$13,218,803	\$7,359,746	\$11,924,973	\$32,503,522
Materials and Supplies Inventory	15,600	0	0	15,600
Inventory Held for Resale	18,169	0	0	18,169
Receivables:				
Property Taxes	0	2,201,853	1,263,705	3,465,558
Leases	2,671,592	0	0	2,671,592
Intergovernmental	326,911	0	3,126,409	3,453,320
Accounts	7,363	0	0	7,363
Restricted Assets:				
Cash and Cash Equivalents	140,000	0	0	140,000
Total Assets	\$16,398,438	\$9,561,599	\$16,315,087	\$42,275,124
<u>Liabilities:</u>				
Accounts Payable	\$87,015	\$0	\$141,107	\$228,122
Contracts Payable	116,199	0	211,802	328,001
Accrued Wages and Benefits Payable	321,248	0	0	321,248
Intergovernmental Payable	76,044	0	0	76,044
Security Deposit Held	140,000	0	0	140,000
Retainage Payable	0	0	17,654	17,654
Unearned Revenue	55,336	0	67,450	122,786
Interfund Payable	427,484	0	0	427,484
Total Liabilities	1,223,326	0	438,013	1,661,339
<u>Deferred Inflows of Resources:</u>				
Property Taxes	0	2,003,841	1,150,178	3,154,019
Payment in Lieu of Taxes	0	0	2,765,254	2,765,254
Unavailable Revenues	322,604	6,426	335,861	664,891
Leases	2,671,592	0	0	2,671,592
Total Deferred Inflows of Resources	2,994,196	2,010,267	4,251,293	9,255,756
<u>Fund Balances:</u>				
Nonspendable	15,600	0	0	15,600
Restricted	12,474,148	7,551,332	11,625,781	31,651,261
Unassigned (Deficit)	(308,832)	0	0	(308,832)
Total Fund Balances	12,180,916	7,551,332	11,625,781	31,358,029
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$16,398,438	\$9,561,599	\$16,315,087	\$42,275,124

Mason City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
for the Fiscal Year Ended June 30, 2025

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$0	\$2,525,364	\$1,256,555	\$3,781,919
Intergovernmental	5,816,161	410,342	131,308	6,357,811
Investment Earnings/Interest	78,656	6,407	7,195	92,258
Tuition and Fees	429,273	0	0	429,273
Extracurricular Activities	1,867,952	0	0	1,867,952
Rent	321,328	0	0	321,328
Leases	302,233	0	0	302,233
Charges for Services	4,319,056	0	134,900	4,453,956
Contributions and Donations	343,654	0	0	343,654
Payments in Lieu of Taxes	831,586	0	1,205,564	2,037,150
Miscellaneous	238,598	26,496	7,629	272,723
Total Revenues	14,548,497	2,968,609	2,743,151	20,260,257
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	260,734	0	618,991	879,725
Special	1,675,151	0	0	1,675,151
Vocational	42,218	0	0	42,218
Student Intervention Services	55,116	0	0	55,116
Support Services:				
Pupils	664,016	0	0	664,016
Instructional Staff	316,161	0	2,193,978	2,510,139
Administration	11,078	2,078	1,166	14,322
Fiscal	0	26,706	12,372	39,078
Business	113,513	0	0	113,513
Operation and Maintenance of Plant	1,416,736	0	1,358,463	2,775,199
Pupil Transportation	118,377	0	1,125,135	1,243,512
Central	0	0	4,566	4,566
Operation of Non-Instructional Services	5,736,413	0	0	5,736,413
Extracurricular Activities	2,693,098	0	0	2,693,098
Capital Outlay	0	0	2,385,200	2,385,200
Debt Service:				
Principal Retirement	311,000	1,730,000	159,312	2,200,312
Interest	140,694	771,425	0	912,119
Total Expenditures	13,554,305	2,530,209	7,859,183	23,943,697
Excess of Revenues Over (Under) Expenditures	994,192	438,400	(5,116,032)	(3,683,440)
<u>Other Financing Sources:</u>				
Proceeds from Sale of Capital Assets	0	0	17,369	17,369
Transfers In	1,000,000	0	5,000,000	6,000,000
Total Other Financing Sources	1,000,000	0	5,017,369	6,017,369
Net Change in Fund Balances	1,994,192	438,400	(98,663)	2,333,929
Fund Balances at Beginning of Year	10,186,724	7,112,932	11,724,444	29,024,100
Fund Balances at End of Year	\$12,180,916	\$7,551,332	\$11,625,781	\$31,358,029

Mason City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025

	Food Service Fund	Scholarships Fund	Community Services Fund	Classroom Facilities Maintenance Fund
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$4,381,828	\$91,726	\$3,874,542	\$3,098,910
Materials and Supplies Inventory	15,600	0	0	0
Inventory Held for Resale	18,169	0	0	0
Receivables:				
Leases	0	0	2,671,592	0
Intergovernmental	0	0	0	0
Accounts	0	0	535	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	140,000	0
Total Assets	\$4,415,597	\$91,726	\$6,686,669	\$3,098,910
<u>Liabilities:</u>				
Accounts Payable	\$1,380	\$0	\$10,654	\$0
Contracts Payable	116,199	0	0	0
Accrued Wages and Benefits Payable	176,921	0	2,032	0
Intergovernmental Payable	23,009	0	7,436	0
Security Deposit Held	0	0	140,000	0
Unearned Revenue	0	0	55,336	0
Interfund Payable	0	0	1,073	0
Total Liabilities	317,509	0	216,531	0
<u>Deferred Inflows of Resources:</u>				
Unavailable Revenues	0	0	0	0
Leases	0	0	2,671,592	0
Total Deferred Inflows of Resources	0	0	2,671,592	0
<u>Fund Balances:</u>				
Nonspendable	15,600	0	0	0
Restricted	4,082,488	91,726	3,798,546	3,098,910
Unassigned (Deficit)	0	0	0	0
Total Fund Balances (Deficit)	4,098,088	91,726	3,798,546	3,098,910
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$4,415,597	\$91,726	\$6,686,669	\$3,098,910

Student Managed Activities Fund	District Managed Student Activities Fund	Auxiliary Services Fund	One Net Network Connectivity Fund	Miscellaneous State Grants Fund	Title VI-B Fund
\$1,074,124	\$479,676	\$105,858	\$12,170	\$97,039	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	12,913	225,328
2,771	4,057	0	0	0	0
0	0	0	0	0	0
<u>\$1,076,895</u>	<u>\$483,733</u>	<u>\$105,858</u>	<u>\$12,170</u>	<u>\$109,952</u>	<u>\$225,328</u>
\$32,716	\$20,391	\$20,960	\$0	\$0	\$0
0	0	0	0	0	0
0	0	13,904	0	8,719	65,140
0	1,633	2,156	0	9,817	29,352
0	0	0	0	0	0
0	0	0	0	0	0
114	262,036	0	0	2,842	130,836
<u>32,830</u>	<u>284,060</u>	<u>37,020</u>	<u>0</u>	<u>21,378</u>	<u>225,328</u>
0	0	0	0	12,913	225,328
0	0	0	0	0	0
0	0	0	0	12,913	225,328
0	0	0	0	0	0
1,044,065	199,673	68,838	12,170	75,661	0
0	0	0	0	0	(225,328)
<u>1,044,065</u>	<u>199,673</u>	<u>68,838</u>	<u>12,170</u>	<u>75,661</u>	<u>(225,328)</u>
<u>\$1,076,895</u>	<u>\$483,733</u>	<u>\$105,858</u>	<u>\$12,170</u>	<u>\$109,952</u>	<u>\$225,328</u>

(continued)

Mason City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025
(Continued)

	Vocational Education Fund	Title III Fund	Title I Fund	Public School Preschool Fund
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$2,071	\$0	\$859	\$0
Materials and Supplies Inventory	0	0	0	0
Inventory Held for Resale	0	0	0	0
Receivables:				
Leases	0	0	0	0
Intergovernmental	0	24,497	44,907	5,376
Accounts	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Total Assets	\$2,071	\$24,497	\$45,766	\$5,376
<u>Liabilities:</u>				
Accounts Payable	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0
Accrued Wages and Benefits Payable	0	18,895	33,045	2,592
Intergovernmental Payable	0	274	479	640
Security Deposit Held	0	0	0	0
Unearned Revenue	0	0	0	0
Interfund Payable	0	5,328	11,383	2,144
Total Liabilities	0	24,497	44,907	5,376
<u>Deferred Inflows of Resources:</u>				
Unavailable Revenues	0	24,497	44,907	5,376
Leases	0	0	0	0
Total Deferred Inflows of Resources	0	24,497	44,907	5,376
<u>Fund Balances:</u>				
Nonspendable	0	0	0	0
Restricted	2,071	0	0	0
Unassigned (Deficit)	0	(24,497)	(44,048)	(5,376)
Total Fund Balances (Deficit)	2,071	(24,497)	(44,048)	(5,376)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$2,071	\$24,497	\$45,766	\$5,376

<u>Title II-A Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$13,218,803
0	15,600
0	18,169
0	2,671,592
13,890	326,911
0	7,363
<u>0</u>	<u>140,000</u>
<u>\$13,890</u>	<u>\$16,398,438</u>
\$914	\$87,015
0	116,199
0	321,248
1,248	76,044
0	140,000
0	55,336
<u>11,728</u>	<u>427,484</u>
<u>13,890</u>	<u>1,223,326</u>
9,583	322,604
<u>0</u>	<u>2,671,592</u>
<u>9,583</u>	<u>2,994,196</u>
0	15,600
0	12,474,148
<u>(9,583)</u>	<u>(308,832)</u>
<u>(9,583)</u>	<u>12,180,916</u>
<u>\$13,890</u>	<u>\$16,398,438</u>

Mason City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
for the Fiscal Year Ended June 30, 2025

	Food Service Fund	Scholarships Fund	Community Services Fund	Classroom Facilities Maintenance Fund
<u>Revenues:</u>				
Intergovernmental	\$1,454,550	\$0	\$0	\$0
Investment Earnings/Interest	0	78	74,824	0
Tuition and Fees	0	0	85,873	0
Extracurricular Activities	0	0	28,106	0
Rent	0	0	321,328	0
Leases	0	0	302,233	0
Charges for Services	3,363,335	0	881,336	0
Contributions and Donations	0	3,835	175,405	0
Payments in Lieu of Taxes	0	0	0	831,586
Miscellaneous	625	0	87,433	0
<i>Total Revenues</i>	<u>4,818,510</u>	<u>3,913</u>	<u>1,956,538</u>	<u>831,586</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	146,590	0
Special	0	0	0	0
Vocational	0	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	0	0	1,399	0
Instructional Staff	0	0	0	0
Administration	0	0	11,078	0
Business	0	0	113,513	0
Operation and Maintenance of Plant	1,395	0	810,269	483,324
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	4,596,917	2,000	7,712	0
Extracurricular Activities	0	0	213,983	0
Debt Service:				
Principal Retirement	0	0	311,000	0
Interest	0	0	140,694	0
<i>Total Expenditures</i>	<u>4,598,312</u>	<u>2,000</u>	<u>1,756,238</u>	<u>483,324</u>
Excess of Revenues Over (Under) Expenditures	220,198	1,913	200,300	348,262
<u>Other Financing Sources:</u>				
Transfers In	0	0	1,000,000	0
<i>Net Change in Fund Balances</i>	220,198	1,913	1,200,300	348,262
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>3,877,890</u>	<u>89,813</u>	<u>2,598,246</u>	<u>2,750,648</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$4,098,088</u>	<u>\$91,726</u>	<u>\$3,798,546</u>	<u>\$3,098,910</u>

Student Managed Activities Fund	District Managed Student Activities Fund	Auxiliary Services Fund	OneNet Network Connectivity Fund	Miscellaneous State Grants Fund	Elementary and Secondary School Emergency Relief Fund
\$0	\$0	\$1,049,916	\$7,964	\$188,167	\$66,504
3,642	0	112	0	0	0
0	343,400	0	0	0	0
877,130	962,716	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	74,385	0
37,714	126,700	0	0	0	0
0	0	0	0	0	0
4,553	144,454	1,533	0	0	0
923,039	1,577,270	1,051,561	7,964	262,552	66,504
0	0	0	0	2,498	0
0	0	0	0	0	999
0	0	0	0	42,218	0
0	0	0	0	0	0
0	0	0	0	67,716	596
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	77,626	0
0	0	0	0	115,478	0
0	0	1,054,029	0	0	0
811,815	1,667,300	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
811,815	1,667,300	1,054,029	0	305,536	1,595
111,224	(90,030)	(2,468)	7,964	(42,984)	64,909
0	0	0	0	0	0
111,224	(90,030)	(2,468)	7,964	(42,984)	64,909
932,841	289,703	71,306	4,206	118,645	(64,909)
\$1,044,065	\$199,673	\$68,838	\$12,170	\$75,661	\$0

(continued)

Mason City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
for the Fiscal Year Ended June 30, 2025
(Continued)

	Title VI-B Fund	Vocational Education Fund	Title III Fund	Title I Fund
<u>Revenues:</u>				
Intergovernmental	\$2,250,392	\$0	\$223,579	\$237,175
Investment Earnings/Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Rent	0	0	0	0
Leases	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>2,250,392</u>	<u>0</u>	<u>223,579</u>	<u>237,175</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	94,244	0	0	0
Special	1,228,382	0	159,665	225,948
Vocational	0	0	0	0
Student Intervention Services	55,116	0	0	0
Support Services:				
Pupils	588,908	0	0	0
Instructional Staff	45,027	0	54,090	0
Administration	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	2,899
Operation of Non-Instructional Services	69,562	0	0	2,492
Extracurricular Activities	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
<i>Total Expenditures</i>	<u>2,081,239</u>	<u>0</u>	<u>213,755</u>	<u>231,339</u>
Excess of Revenues Over (Under) Expenditures	169,153	0	9,824	5,836
<u>Other Financing Sources:</u>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	169,153	0	9,824	5,836
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>(394,481)</u>	<u>2,071</u>	<u>(34,321)</u>	<u>(49,884)</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>(\$225,328)</u></u>	<u><u>\$2,071</u></u>	<u><u>(\$24,497)</u></u>	<u><u>(\$44,048)</u></u>

Title IV-A Fund	Public School Preschool Fund	Title II-A Fund	Miscellaneous Federal Grants Fund	Total Nonmajor Special Revenue Funds
\$64,735	\$62,234	\$210,945	\$0	\$5,816,161
0	0	0	0	78,656
0	0	0	0	429,273
0	0	0	0	1,867,952
0	0	0	0	321,328
0	0	0	0	302,233
0	0	0	0	4,319,056
0	0	0	0	343,654
0	0	0	0	831,586
0	0	0	0	238,598
64,735	62,234	210,945	0	14,548,497
17,402	0	0	0	260,734
0	60,157	0	0	1,675,151
0	0	0	0	42,218
0	0	0	0	55,116
5,397	0	0	0	664,016
25,552	0	191,492	0	316,161
0	0	0	0	11,078
0	0	0	0	113,513
0	0	0	44,122	1,416,736
0	0	0	0	118,377
2,997	0	704	0	5,736,413
0	0	0	0	2,693,098
0	0	0	0	311,000
0	0	0	0	140,694
51,348	60,157	192,196	44,122	13,554,305
13,387	2,077	18,749	(44,122)	994,192
0	0	0	0	1,000,000
13,387	2,077	18,749	(44,122)	1,994,192
(13,387)	(7,453)	(28,332)	44,122	10,186,724
\$0	(\$5,376)	(\$9,583)	\$0	\$12,180,916

Mason City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2025

	Permanent Improvement Fund	Building Fund	Classroom Facilities Fund	Total Nonmajor Capital Projects Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$11,530,198	\$7,671	\$387,104	\$11,924,973
Receivables:				
Property Taxes	1,263,705	0	0	1,263,705
Intergovernmental	2,794,232	0	332,177	3,126,409
<i>Total Assets</i>	<u>\$15,588,135</u>	<u>\$7,671</u>	<u>\$719,281</u>	<u>\$16,315,087</u>
<u>Liabilities:</u>				
Accounts Payable	\$141,107	\$0	\$0	\$141,107
Contracts Payable	211,802	0	0	211,802
Retainage Payable	17,654	0	0	17,654
Unearned Revenue	67,450	0	0	67,450
<i>Total Liabilities</i>	<u>438,013</u>	<u>0</u>	<u>0</u>	<u>438,013</u>
<u>Deferred Inflows of Resources:</u>				
Property Taxes	1,150,178	0	0	1,150,178
Payments in Lieu of Taxes	2,765,254	0	0	2,765,254
Unavailable Revenues	3,684	0	332,177	335,861
<i>Total Deferred Inflows of Resources</i>	<u>3,919,116</u>	<u>0</u>	<u>332,177</u>	<u>4,251,293</u>
<u>Fund Balances:</u>				
Restricted	<u>11,231,006</u>	<u>7,671</u>	<u>387,104</u>	<u>11,625,781</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$15,588,135</u>	<u>\$7,671</u>	<u>\$719,281</u>	<u>\$16,315,087</u>

Mason City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
for the Fiscal Year Ended June 30, 2025

	Permanent Improvement Fund	Building Fund	Classroom Facilities Fund	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>				
Property Taxes	\$1,256,555	\$0	\$0	\$1,256,555
Intergovernmental	131,308	0	0	\$131,308
Investment Earnings/Interest	7,195	0	0	7,195
Charges for Services	134,900	0	0	134,900
Payments in Lieu of Taxes	1,205,564	0	0	1,205,564
Miscellaneous	7,629	0	0	7,629
<i>Total Revenues</i>	<u>2,743,151</u>	<u>0</u>	<u>0</u>	<u>2,743,151</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	618,991	0	0	618,991
Support Services:				
Instructional Staff	2,193,978	0	0	2,193,978
Administration	1,166	0	0	1,166
Fiscal	12,372	0	0	12,372
Operation and Maintenance of Plant	1,358,463	0	0	1,358,463
Pupil Transportation	1,125,135	0	0	1,125,135
Central	4,566	0	0	4,566
Capital Outlay	2,385,200	0	0	2,385,200
Debt Service:				
Principal Retirement	159,312	0	0	159,312
<i>Total Expenditures</i>	<u>7,859,183</u>	<u>0</u>	<u>0</u>	<u>7,859,183</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,116,032)</u>	<u>0</u>	<u>0</u>	<u>(5,116,032)</u>
<u>Other Financing Sources:</u>				
Proceeds from Sale of Capital Assets	17,369	0	0	17,369
Transfers In	5,000,000	0	0	5,000,000
<i>Total Other Financing Sources</i>	<u>5,017,369</u>	<u>0</u>	<u>0</u>	<u>5,017,369</u>
Net Change in Fund Balances	<u>(98,663)</u>	<u>0</u>	<u>0</u>	<u>(98,663)</u>
<i>Fund Balances at Beginning of Year</i>	<u>11,329,669</u>	<u>7,671</u>	<u>387,104</u>	<u>11,724,444</u>
Fund Balances at End of Year	<u>\$11,231,006</u>	<u>\$7,671</u>	<u>\$387,104</u>	<u>\$11,625,781</u>

MASON CITY SCHOOL DISTRICT

**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)**

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Food Service Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Intergovernmental	\$1,191,362	\$1,174,429	(\$16,933)
Charges for Services	3,497,147	3,363,335	(133,812)
Miscellaneous	100	625	525
<i>Total Revenues</i>	<u>4,688,609</u>	<u>4,538,389</u>	<u>(150,220)</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Pupils	93,415	0	93,415
Operation and Maintenance of Plant	2,600	2,000	600
Operation of Non-Instructional Services	5,542,104	4,414,334	1,127,770
<i>Total Expenditures</i>	<u>5,638,119</u>	<u>4,416,334</u>	<u>1,221,785</u>
Net Change in Fund Balance	(949,510)	122,055	1,071,565
Fund Balance at Beginning of Year	3,958,391	3,958,391	0
Prior Year Encumbrances Appropriated	<u>61,367</u>	<u>61,367</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,070,248</u></u>	<u><u>\$4,141,813</u></u>	<u><u>\$1,071,565</u></u>

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Scholarships Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Interest	\$230	\$78	(\$152)
Contributions and Donations	6,000	3,835	(\$2,165)
<i>Total Revenues</i>	6,230	3,913	(2,317)
<u>Expenditures:</u>			
Current:			
Operation of Non-Instructional Services	77,584	2,000	75,584
Net Change in Fund Balance	(71,354)	1,913	73,267
Fund Balance at Beginning of Year	89,811	89,811	0
Fund Balance at End of Year	\$18,457	\$91,724	\$73,267

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Community Services Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Tuition and Fees	\$90,000	\$85,873	(\$4,127)
Extracurricular Activities	55,591	28,106	(27,485)
Rent	794,328	698,269	(96,059)
Charges for Services	1,140,672	884,952	(255,720)
Contributions and Donations	188,571	175,405	(13,166)
Miscellaneous	89,027	86,314	(2,713)
<i>Total Revenues</i>	<u>2,358,189</u>	<u>1,958,919</u>	<u>(399,270)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	343,042	148,109	194,933
Support Services:			
Pupils	5,000	1,522	3,478
Administration	11,084	11,065	19
Business	186,197	112,609	73,588
Operation and Maintenance of Plant	1,973,774	1,087,196	886,578
Operation of Non-Instructional Services	36,299	15,057	21,242
Extracurricular Activities	299,464	215,054	84,410
Capital Outlay	540,337	0	540,337
Debt Service:			
Principal Retirement	311,000	311,000	0
Interest	228,069	140,694	87,375
<i>Total Expenditures</i>	<u>3,934,266</u>	<u>2,042,306</u>	<u>1,891,960</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,576,077)</u>	<u>(83,387)</u>	<u>1,492,690</u>
<u>Other Financing Sources (Uses):</u>			
Refund of Prior Year Expenditures	1,144	1,144	0
Transfers In	0	1,000,000	1,000,000
Advances In	233,714	1,073	(232,641)
Advances Out	(993,831)	0	993,831
Refund of Prior Year Receipts	(153,307)	(4,994)	148,313
<i>Total Other Financing Sources (Uses)</i>	<u>(912,280)</u>	<u>997,223</u>	<u>1,909,503</u>
Net Change in Fund Balance	(2,488,357)	913,836	3,402,193
Fund Balance at Beginning of Year	2,731,909	2,731,909	0
Prior Year Encumbrances Appropriated	65,718	65,718	0
Fund Balance at End of Year	<u>\$309,270</u>	<u>\$3,711,463</u>	<u>\$3,402,193</u>

Mason City School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Classroom Facilities Maintenance Fund
for the Fiscal Year Ended June 30, 2025*

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Operation and Maintenance of Plant	1,601,284	483,324	1,117,960
Capital Outlay	<u>1,980,950</u>	<u>0</u>	<u>1,980,950</u>
<i>Total Expenditures</i>	<u>3,582,234</u>	<u>483,324</u>	<u>3,098,910</u>
Excess of Revenues Over (Under) Expenditures	(3,582,234)	(483,324)	3,098,910
<u>Other Financing Sources:</u>			
Transfers In	<u>831,586</u>	<u>831,586</u>	<u>0</u>
Net Change in Fund Balance	(2,750,648)	348,262	3,098,910
Fund Balance at Beginning of Year	<u>2,750,648</u>	<u>2,750,648</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$3,098,910</u></u>	<u><u>\$3,098,910</u></u>

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Student Managed Activities Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Interest	\$3,700	\$3,642	(\$58)
Extracurricular Activities	1,032,334	874,384	(157,950)
Contributions and Donations	54,657	37,689	(16,968)
Miscellaneous	12,483	3,145	(9,338)
<i>Total Revenues</i>	1,103,174	918,860	(184,314)
<u>Expenditures:</u>			
Current:			
Extracurricular Activities	1,494,953	907,313	587,640
Excess of Revenues Over (Under) Expenditures	(391,779)	11,547	403,326
<u>Other Financing Sources (Uses):</u>			
Refund of Prior Year Expenditures	0	1,408	1,408
Transfers In	63,015	0	(63,015)
Transfers Out	(50,000)	0	50,000
Advances In	114	114	0
<i>Total Other Financing Sources (Uses)</i>	13,129	1,522	(11,607)
Net Change in Fund Balance	(378,650)	13,069	391,719
Fund Balance at Beginning of Year	797,508	797,508	0
Prior Year Encumbrances Appropriated	136,534	136,534	0
Fund Balance at End of Year	\$555,392	\$947,111	\$391,719

Mason City School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
District Managed Student Activities Fund
for the Fiscal Year Ended June 30, 2025*

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Tuition and Fees	\$340,000	\$343,400	\$3,400
Extracurricular Activities	908,296	871,691	(36,605)
Contributions and Donations	161,540	126,700	(34,840)
Miscellaneous	207,250	164,425	(42,825)
<i>Total Revenues</i>	1,617,086	1,506,216	(110,870)
<u>Expenditures:</u>			
Current:			
Extracurricular Activities	2,181,050	1,762,343	418,707
Excess of Revenues Over (Under) Expenditures	(563,964)	(256,127)	307,837
<u>Other Financing Sources (Uses):</u>			
Refund of Prior Year Expenditures	29,895	3,400	(26,495)
Advances In	458,126	262,036	(196,090)
Advances Out	(250,410)	(205,001)	45,409
<i>Total Other Financing Sources (Uses)</i>	237,611	60,435	(177,176)
Net Change in Fund Balance	(326,353)	(195,692)	130,661
Fund Balance at Beginning of Year	306,763	306,763	0
Prior Year Encumbrances Appropriated	136,893	136,893	0
Fund Balance at End of Year	\$117,303	\$247,964	\$130,661

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Auxiliary Services Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Intergovernmental	\$1,049,916	\$1,049,916	\$0
Interest	170	112	(58)
<i>Total Revenues</i>	1,050,086	1,050,028	(58)
<u>Expenditures:</u>			
Current:			
Operation of Non-Instructional Services	1,138,851	1,132,470	6,381
Excess of Revenues Over (Under) Expenditures	(88,765)	(82,442)	6,323
<u>Other Financing Sources:</u>			
Refund of Prior Year Expenditures	1,533	1,533	0
Net Change in Fund Balance	(87,232)	(80,909)	6,323
Fund Balance at Beginning of Year	46,479	46,479	0
Prior Year Encumbrances Appropriated	40,770	40,770	0
Fund Balance at End of Year	\$17	\$6,340	\$6,323

Mason City School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
OneNet Network Connectivity Fund
for the Fiscal Year Ended June 30, 2025*

	Final Budgeted Amount	Actual	Variance with Final Budget
	<hr/>	<hr/>	<hr/>
<u>Revenues:</u>			
Intergovernmental	\$7,965	\$7,964	(\$1)
<u>Expenditures:</u>			
Current:			
Support Services:			
Central	12,171	0	12,171
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	(4,206)	7,964	12,170
Fund Balance at Beginning of Year	4,206	4,206	0
	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	\$0	\$12,170	\$12,170
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous State Grants Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Intergovernmental	\$99,844	\$69,713	(\$30,131)
Charges for Services	74,385	74,385	0
<i>Total Revenues</i>	<u>174,229</u>	<u>144,098</u>	<u>(30,131)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	2,516	2,498	18
Vocational	107,335	42,218	65,117
Support Services:			
Pupils	77,425	67,297	10,128
Operation and Maintenance of Plant	91,183	81,224	9,959
Pupil Transportation	115,478	115,478	0
<i>Total Expenditures</i>	<u>393,937</u>	<u>308,715</u>	<u>85,222</u>
Excess of Revenues Over (Under) Expenditures	<u>(219,708)</u>	<u>(164,617)</u>	<u>55,091</u>
<u>Other Financing Sources (Uses):</u>			
Refund of Prior Year Expenditures	115,478	115,478	0
Advances In	0	2,842	2,842
Advances Out	(2,758)	(2,758)	0
<i>Total Other Financing Sources (Uses)</i>	<u>112,720</u>	<u>115,562</u>	<u>2,842</u>
Net Change in Fund Balance	(106,988)	(49,055)	57,933
Fund Balance at Beginning of Year	<u>142,496</u>	<u>142,496</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$35,508</u></u>	<u><u>\$93,441</u></u>	<u><u>\$57,933</u></u>

Mason City School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Elementary and Secondary School Emergency Relief Fund
for the Fiscal Year Ended June 30, 2025*

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Intergovernmental	\$66,504	\$66,504	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	999	999	0
Support Services:			
Pupils	596	596	0
<i>Total Expenditures</i>	1,595	1,595	0
Excess of Revenues Over (Under) Expenditures	64,909	64,909	0
<u>Other Financing Uses:</u>			
Advances Out	(68,666)	(68,666)	0
Net Change in Fund Balance	(3,757)	(3,757)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	3,757	3,757	0
Fund Balance at End of Year	\$0	\$0	\$0

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Title VI-B Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Intergovernmental	\$3,004,758	\$2,648,391	(\$356,367)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	115,909	115,909	0
Special	1,477,793	1,421,916	55,877
Student Intervention Services	59,972	51,170	8,802
Support Services:			
Pupils	683,390	587,549	95,841
Instructional Staff	53,812	45,367	8,445
Operation of Non-Instructional Services	124,920	90,335	34,585
<i>Total Expenditures</i>	2,515,796	2,312,246	203,550
Excess of Revenues Over (Under) Expenditures	488,962	336,145	(152,817)
<u>Other Financing Sources (Uses):</u>			
Advances In	0	130,836	130,836
Advances Out	(495,478)	(493,844)	1,634
<i>Total Other Financing Sources (Uses)</i>	(495,478)	(363,008)	132,470
Net Change in Fund Balance	(6,516)	(26,863)	(20,347)
Fund Balance at Beginning of Year	417	417	0
Prior Year Encumbrances Appropriated	6,931	6,931	0
Fund Balance (Deficit) at End of Year	\$832	(\$19,515)	(\$20,347)

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Title III Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Intergovernmental	\$324,350	\$223,579	(\$100,771)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	215,521	160,557	54,964
Support Services:			
Instructional Staff	92,718	54,239	38,479
Operation of Non-Instructional Services	2,000	0	2,000
<i>Total Expenditures</i>	310,239	214,796	95,443
Excess of Revenues Over (Under) Expenditures	14,111	8,783	(5,328)
<u>Other Financing Sources (Uses):</u>			
Advances In	0	5,328	5,328
Advances Out	(14,260)	(14,260)	0
<i>Total Other Financing Sources (Uses)</i>	(14,260)	(8,932)	5,328
Net Change in Fund Balance	(149)	(149)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	149	149	0
Fund Balance at End of Year	\$0	\$0	\$0

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Title I Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Intergovernmental	\$282,118	\$237,175	(\$44,943)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	259,914	231,273	28,641
Support Services:			
Pupil Transportation	8,818	8,818	0
Operation of Non-Instructional Services	3,351	2,492	859
<i>Total Expenditures</i>	272,083	242,583	29,500
Excess of Revenues Over (Under) Expenditures	10,035	(5,408)	(15,443)
<u>Other Financing Sources (Uses):</u>			
Advances In	0	11,383	11,383
Advances Out	(14,394)	(14,394)	0
<i>Total Other Financing Sources (Uses)</i>	(14,394)	(3,011)	11,383
Net Change in Fund Balance	(4,359)	(8,419)	(4,060)
Fund Balance at Beginning of Year	859	859	0
Prior Year Encumbrances Appropriated	3,500	3,500	0
Fund Balance (Deficit) at End of Year	\$0	(\$4,060)	(\$4,060)

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Title IV-A Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Intergovernmental	\$85,522	\$64,735	(\$20,787)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	19,088	17,402	1,686
Support Services:			
Pupils	16,193	5,397	10,796
Instructional Staff	31,469	25,710	5,759
Operation of Non-Instructional Services	5,543	2,997	2,546
<i>Total Expenditures</i>	72,293	51,506	20,787
Excess of Revenues Over (Under) Expenditures	13,229	13,229	0
<u>Other Financing Uses:</u>			
Advances Out	(13,229)	(13,229)	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Public School Preschool Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Intergovernmental	\$78,896	\$73,507	(\$5,389)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	66,149	62,904	3,245
Excess of Revenues Over (Under) Expenditures	12,747	10,603	(2,144)
<u>Other Financing Sources (Uses):</u>			
Advances In	0	2,144	2,144
Advances Out	(12,747)	(12,747)	0
<i>Total Other Financing Sources (Uses)</i>	(12,747)	(10,603)	2,144
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Title II-A Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Intergovernmental	\$359,811	\$293,191	(\$66,620)
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff	234,151	202,983	31,168
Operation of Non-Instructional Services	12,187	704	11,483
<i>Total Expenditures</i>	246,338	203,687	42,651
Excess of Revenues Over (Under) Expenditures	113,473	89,504	(23,969)
<u>Other Financing Sources (Uses):</u>			
Advances In	0	11,728	11,728
Advances Out	(132,116)	(132,116)	0
<i>Total Other Financing Sources (Uses)</i>	(132,116)	(120,388)	11,728
Net Change in Fund Balance	(18,643)	(30,884)	(12,241)
Fund Balance at Beginning of Year	40	40	0
Prior Year Encumbrances Appropriated	18,603	18,603	0
Fund Balance (Deficit) at End of Year	\$0	(\$12,241)	(\$12,241)

Mason City School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous Federal Grants Fund
for the Fiscal Year Ended June 30, 2025*

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>	\$0	\$0	\$0
<u>Expenditures:</u>			
Current:			
Support Services:			
Operation and Maintenance of Plant	57,411	57,411	0
Net Change in Fund Balance	(57,411)	(57,411)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	57,411	57,411	0
Fund Balance at End of Year	\$0	\$0	\$0

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Debt Service Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Property Taxes	\$2,889,593	\$2,400,012	(\$489,581)
Intergovernmental	470,098	410,342	(59,756)
Interest	10,000	6,407	(3,593)
<i>Total Revenues</i>	<u>3,369,691</u>	<u>2,816,761</u>	<u>(552,930)</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Administration	2,688	2,078	610
Fiscal	75,079	34,206	40,873
Debt Service:			
Principal Retirement	1,753,500	1,730,000	23,500
Interest	899,080	771,425	127,655
<i>Total Expenditures</i>	<u>2,730,347</u>	<u>2,537,709</u>	<u>192,638</u>
Excess of Revenues Over (Under) Expenditures	639,344	279,052	(360,292)
<u>Other Financing Sources:</u>			
Refund of Prior Year Expenditures	<u>0</u>	<u>26,496</u>	<u>26,496</u>
Net Change in Fund Balance	639,344	305,548	(333,796)
Fund Balance at Beginning of Year	7,001,148	7,001,148	0
Prior Year Encumbrances Appropriated	<u>45,550</u>	<u>45,550</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$7,686,042</u></u>	<u><u>\$7,352,246</u></u>	<u><u>(\$333,796)</u></u>

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Property Taxes	\$1,178,929	\$1,173,581	(\$5,348)
Intergovernmental	134,984	131,308	(3,676)
Interest	10,000	7,195	(2,805)
Charges for Services	134,900	134,900	0
Payments in Lieu of Taxes	2,956,243	2,948,383	(7,860)
Miscellaneous	134,900	0	(134,900)
<i>Total Revenues</i>	<u>4,549,956</u>	<u>4,395,367</u>	<u>(154,589)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	776,578	618,991	157,587
Special	158	0	158
Support Services:			
Instructional Staff	3,582,594	2,904,149	678,445
Administration	2,038	1,166	872
Fiscal	16,463	12,372	4,091
Operation and Maintenance of Plant	4,708,142	1,820,923	2,887,219
Pupil Transportation	1,380,548	1,125,135	255,413
Central	26,585	6,251	20,334
Capital Outlay	4,025,427	3,334,409	691,018
<i>Total Expenditures</i>	<u>14,518,533</u>	<u>9,823,396</u>	<u>4,695,137</u>
Excess of Revenues Over (Under) Expenditures	<u>(9,968,577)</u>	<u>(5,428,029)</u>	<u>4,540,548</u>
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Capital Assets	20,902	17,369	(3,533)
Refund of Prior Year Expenditures	0	7,629	7,629
Transfers In	27,000,000	5,000,000	(22,000,000)
Transfers Out	(831,586)	(831,586)	0
<i>Total Other Financing Sources (Uses)</i>	<u>26,189,316</u>	<u>4,193,412</u>	<u>(21,995,904)</u>
Net Change in Fund Balance	16,220,739	(1,234,617)	(17,455,356)
Fund Balance at Beginning of Year	7,220,870	7,220,870	0
Prior Year Encumbrances Appropriated	4,210,875	4,210,875	0
Fund Balance at End of Year	<u>\$27,652,484</u>	<u>\$10,197,128</u>	<u>(\$17,455,356)</u>

Mason City School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Employee Assistance Fund
for the Fiscal Year Ended June 30, 2025*

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Interest	\$20	\$12	(\$8)
Contributions and Donations	<u>1,000</u>	<u>977</u>	<u>(23)</u>
<i>Total Revenues</i>	1,020	989	(31)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Net Change in Fund Balance	(8,980)	989	9,969
Fund Balance at Beginning of Year	<u>13,727</u>	<u>13,727</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$4,747</u></u>	<u><u>\$14,716</u></u>	<u><u>\$9,969</u></u>

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Public School Support Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Tuition and Fees	\$1,500,000	\$1,199,740	(\$300,260)
Extracurricular Activities	585,200	520,836	(64,364)
Contributions and Donations	86,250	66,591	(19,659)
Miscellaneous	17,275	11,965	(5,310)
<i>Total Revenues</i>	<u>2,188,725</u>	<u>1,799,132</u>	<u>(389,593)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	705,467	536,836	168,631
Special	1,714,714	1,381,942	332,772
Support Services:			
Board of Education	2,731	2,059	672
Operation and Maintenance of Plant	48,812	1,443	47,369
Pupil Transportation	1,117	1,117	0
Central	15,014	1,489	13,525
Operation of Non-Instructional Services	12,325	1,818	10,507
Extracurricular Activities	132,537	75,796	56,741
<i>Total Expenditures</i>	<u>2,632,717</u>	<u>2,002,500</u>	<u>630,217</u>
Excess of Revenues Over (Under) Expenditures	<u>(443,992)</u>	<u>(203,368)</u>	<u>240,624</u>
<u>Other Financing Sources (Uses):</u>			
Refund of Prior Year Expenditures	187	187	0
Transfers In	10	0	(10)
Advances In	1,000	0	(1,000)
Advances Out	(711)	(711)	0
<i>Total Other Financing Sources (Uses)</i>	<u>486</u>	<u>(524)</u>	<u>(1,010)</u>
Net Change in Fund Balance	(443,506)	(203,892)	239,614
Fund Balance at Beginning of Year	873,683	873,683	0
Prior Year Encumbrances Appropriated	<u>49,562</u>	<u>49,562</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$479,739</u></u>	<u><u>\$719,353</u></u>	<u><u>\$239,614</u></u>

Mason City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Latchkey Fund
for the Fiscal Year Ended June 30, 2025

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>			
Charges for Services	\$1,250,000	\$1,212,918	(\$37,082)
Contributions and Donations	3,000	2,299	(701)
<i>Total Revenues</i>	<u>1,253,000</u>	<u>1,215,217</u>	<u>(37,783)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Operation of Non-Instructional Services	1,038,223	886,454	151,769
Extracurricular Activities	139,375	121,739	17,636
<i>Total Expenditures</i>	<u>1,177,598</u>	<u>1,008,193</u>	<u>169,405</u>
Net Change in Fund Balance	75,402	207,024	131,622
Fund Balance at Beginning of Year	562,954	562,954	0
Prior Year Encumbrances Appropriated	11,749	11,749	0
Fund Balance at End of Year	<u><u>\$650,105</u></u>	<u><u>\$781,727</u></u>	<u><u>\$131,622</u></u>

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Termination Benefits Fund
for the Fiscal Year Ended June 30, 2025*

	Final Budgeted Amount	Actual	Variance with Final Budget
<u>Revenues:</u>	\$0	\$0	\$0
<u>Expenditures:</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	0	0	0
<u>Other Financing Sources:</u>			
Transfers In	<u>0</u>	<u>5,000,000</u>	<u>5,000,000</u>
Net Change in Fund Balance	0	5,000,000	5,000,000
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$5,000,000</u></u>	<u><u>\$5,000,000</u></u>

This page intentionally left blank



Statistical Tables

This part of the School District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the School District's most significant local revenue source, property taxes.

Debt Capacity

These Schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

Demographic and Economic Information

These Schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

Sources

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Mason City School District
Net Position by Component
Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	2016	2017 (2)	2018	2019
Governmental Activities:				
Net Investment in Capital Assets	\$60,022,603	\$66,402,057	\$86,330,715	\$129,766,300
Restricted	33,340,612	32,778,083	60,611,546	32,435,558
Unrestricted (Deficit)	<u>(120,047,956)</u>	<u>(123,113,369)</u>	<u>(98,679,933)</u>	<u>(103,475,454)</u>
<i>Total Net Position (Deficit)</i>	<u><u>(\$26,684,741)</u></u>	<u><u>(\$23,933,229)</u></u>	<u><u>\$48,262,328</u></u>	<u><u>\$58,726,404</u></u>

(1) The School District reported the impact of GASB Statement No. 68 beginning in fiscal year 2014.

(2) The School District reported the impact of GASB Statement No. 75 beginning in fiscal year 2017.

(3) The School District reported the impact of GASB Statement No. 84 beginning in fiscal year 2020.

(4) The School District reported the impact of GASB Statement No. 101 beginning in fiscal year 2025.

<u>2020 (3)</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025 (4)</u>
\$134,327,167	\$146,114,112	\$155,204,228	\$160,641,434	\$169,749,887	\$174,843,730
36,987,048	41,653,643	38,283,851	38,082,122	39,751,239	40,875,857
<u>(115,470,420)</u>	<u>(119,911,321)</u>	<u>(98,652,875)</u>	<u>(84,395,365)</u>	<u>(86,564,774)</u>	<u>(96,612,262)</u>
<u>\$55,843,795</u>	<u>\$67,856,434</u>	<u>\$94,835,204</u>	<u>\$114,328,191</u>	<u>\$122,936,352</u>	<u>\$119,107,325</u>

Mason City School District
Changes in Net Position
Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	2016	2017	2018 (1)	2019
Expenses:				
Current:				
Instruction	\$66,906,992	\$74,489,440	\$35,941,935	\$69,241,151
Support Services:				
Pupils	7,915,545	7,736,352	3,800,082	7,372,124
Instructional Staff	2,572,243	3,110,272	2,796,433	3,064,046
Board of Education	64,284	136,638	138,899	111,245
Administration	5,459,816	6,131,843	972,419	4,572,650
Fiscal	1,826,523	2,160,384	1,005,830	1,754,587
Business	463,923	531,596	110,619	468,664
Operation and Maintenance of Plant	12,445,936	12,799,417	9,664,573	12,731,323
Pupil Transportation	6,262,821	6,613,893	3,280,142	6,415,481
Central	2,437,029	2,528,808	1,324,691	2,468,899
Operation of Non-Instructional Services	6,400,287	6,671,478	4,860,953	6,082,681
Extracurricular Activities	3,466,056	3,428,746	1,697,858	3,235,015
Interest	4,111,137	3,679,221	2,859,926	2,500,391
<i>Total Expenses</i>	<u>120,332,592</u>	<u>130,018,088</u>	<u>68,454,360</u>	<u>120,018,257</u>
Program Revenues:				
Governmental Activities:				
Charges for Services and Sales:				
Instruction	3,798,624	5,123,863	4,455,855	4,346,747
Support Services:				
Pupils	8,675	1,442	1,800	779
Instructional Staff	13,303	0	0	0
Administration	8,895	9,702	7,069	84,718
Business	176,699	184,040	129,194	27,283
Operation and Maintenance of Plant	1,343,914	1,378,993	824,587	133,945
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	3,397,489	3,267,274	3,152,483	3,040,079
Extracurricular Activities	2,009,068	1,886,329	1,864,828	1,940,650
Operating Grants, Interest, and Contributions	7,126,928	7,844,513	7,625,002	8,706,812
Capital Grants, Interest, and Contributions	0	0	0	0
<i>Total Program Revenues</i>	<u>17,883,595</u>	<u>19,696,156</u>	<u>18,060,818</u>	<u>18,281,013</u>
<i>Net Expense</i>	<u>(\$102,448,997)</u>	<u>(\$110,321,932)</u>	<u>(\$50,393,542)</u>	<u>(\$101,737,244)</u>

2020	2021 (2)	2022	2023	2024	2025 (3)
\$81,055,097	\$90,473,437	\$82,163,149	\$88,763,298	\$90,137,357	\$92,368,041
8,663,578	9,536,132	8,537,737	10,470,298	11,013,096	11,213,483
4,098,974	4,637,492	3,817,609	3,351,372	4,650,680	5,836,115
68,358	123,848	138,784	180,915	188,186	202,797
6,490,891	6,683,458	5,715,858	6,567,809	6,748,338	6,938,397
2,154,423	2,148,527	2,033,196	2,284,087	2,366,654	2,375,851
620,540	435,942	393,136	450,374	447,601	427,200
18,693,214	13,779,266	14,322,233	15,347,280	14,358,393	15,468,957
7,874,708	6,862,980	7,465,640	8,428,913	10,077,782	9,132,344
4,124,590	2,398,899	2,613,870	1,842,576	2,814,082	2,773,307
6,304,875	5,476,583	5,723,319	5,925,184	6,249,775	6,350,746
3,530,012	3,593,351	3,785,192	4,884,450	4,417,438	4,041,548
2,185,420	1,562,182	1,071,623	740,234	635,513	543,903
145,864,680	147,712,097	137,781,346	149,236,790	154,104,895	157,672,689
3,584,036	3,467,024	2,699,192	2,813,519	3,082,442	3,037,692
0	0	0	0	0	74,385
0	0	0	0	0	0
99,442	89,221	105,825	68,910	191,774	146,751
0	0	35,339	47,580	52,570	43,219
2,512,265	490,227	1,290,578	872,630	1,627,346	1,468,801
0	0	0	0	0	0
3,486,795	1,193,322	1,877,569	4,201,483	4,468,912	4,439,334
2,765,008	2,315,634	2,300,942	2,736,032	2,900,027	3,002,817
8,465,078	12,757,833	15,055,962	14,498,705	10,764,059	8,431,604
3,991	0	0	0	0	115,478
20,916,615	20,313,261	23,365,407	25,238,859	23,087,130	20,760,081
(\$124,948,065)	(\$127,398,836)	(\$114,415,939)	(\$123,997,931)	(\$131,017,765)	(\$136,912,608)

(continued)

Mason City School District
Changes in Net Position
Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)
(Continued)

Fiscal Year	2016	2017	2018 (1)	2019
General Revenues and Other				
Changes in Net Position:				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$48,393,144	\$58,117,164	\$57,835,024	\$48,776,828
Debt Service	11,132,818	13,277,230	13,246,320	11,346,575
Capital Outlay	673,718	666,047	692,986	609,889
Grants and Entitlements Restricted for Capital Construction	0	33,794,366	0	0
Grants and Entitlements not Restricted to Specific Programs	45,479,897	44,840,676	43,829,088	42,967,258
Investment Earnings/Interest	149,052	191,392	633,027	1,640,777
Gifts and Donations not Restricted to Specific Programs	39,017	50,000	0	29,542
Payments in Lieu of Taxes	5,635,305	4,630,395	5,046,252	4,801,885
Gain on Sale of Capital Assets	0	0	0	0
Miscellaneous	582,365	642,262	1,306,402	2,028,566
<i>Total General Revenues and Other</i>				
<i>Changes in Net Position</i>	112,085,316	156,209,532	122,589,099	112,201,320
<i>Restatement of Net Position</i>	0	0	0	0
<i>Change in Net Position</i>	<u>\$9,636,319</u>	<u>\$45,887,600</u>	<u>\$72,195,557</u>	<u>\$10,464,076</u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in fiscal year 2018.

(2) Governmental Activities are first impacted by the implementation of GASB Statement No. 84 beginning in fiscal year 2021.

(3) Governmental Activities are first impacted by the implementation of GASB Statement No. 101 beginning in fiscal year 2025.

2020	2021 (2)	2022	2023	2024	2025 (3)
\$59,490,800	\$77,671,566	\$88,815,155	\$92,673,923	\$85,852,585	\$105,039,207
14,175,519	16,380,813	7,214,080	2,695,250	2,208,529	2,524,203
771,579	922,604	959,244	1,077,270	895,914	1,257,161
0	0	0	0	0	0
40,114,123	40,406,516	41,026,024	42,237,959	42,999,471	44,044,176
1,549,317	150,549	(720,566)	1,863,878	4,624,709	4,870,288
2,878	679	160	0	0	0
4,621,838	3,403,177	2,830,288	2,533,007	2,429,021	2,037,150
0	0	166,545	0	0	0
597,314	475,571	1,103,779	409,631	615,697	1,197,909
121,323,368	139,411,475	141,394,709	143,490,918	139,625,926	160,970,094
742,088	0	0	0	0	0
(\$2,882,609)	\$12,012,639	\$26,978,770	\$19,492,987	\$8,608,161	\$24,057,486

Mason City School District
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund:				
Committed	\$0	\$0	\$0	\$0
Assigned	1,069,724	4,255,497	11,982,081	24,574,143
Unassigned	<u>34,427,290</u>	<u>38,177,226</u>	<u>31,304,113</u>	<u>5,337,067</u>
<i>Total General Fund</i>	<u>35,497,014</u>	<u>42,432,723</u>	<u>43,286,194</u>	<u>29,911,210</u>
All Other Governmental Funds:				
Nonspendable	0	0	0	0
Restricted	33,514,871	33,191,172	38,430,592	29,183,267
Assigned	1,069,724	4,255,497	0	0
Unassigned (Deficit)	<u>28,925,499</u>	<u>37,675,537</u>	<u>(549,940)</u>	<u>(640,683)</u>
<i>Total All Other Governmental Funds</i>	<u>63,510,094</u>	<u>75,122,206</u>	<u>37,880,652</u>	<u>28,542,584</u>
<i>Total Governmental Funds</i>	<u><u>\$99,007,108</u></u>	<u><u>\$117,554,929</u></u>	<u><u>\$81,166,846</u></u>	<u><u>\$58,453,794</u></u>

(1) The School District implemented GASB Statement No. 84 in fiscal year 2021.

(2) The School District had a correction of error resulting in 2021's balances

<u>2020 (1)</u>	<u>2021 (2)</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$90,784	\$54,812	\$143,016	\$34,932	\$114,003	\$5,186,126
9,070,246	2,255,814	1,374,768	1,505,207	2,435,617	3,834,418
<u>17,746,804</u>	<u>29,459,027</u>	<u>39,525,648</u>	<u>56,435,057</u>	<u>57,017,957</u>	<u>58,928,311</u>
 26,907,834	 31,769,653	 41,043,432	 57,975,196	 59,567,577	 67,948,855
 0	 0	 0	 0	 0	 15,600
27,003,858	31,143,697	37,102,117	33,312,242	29,616,867	31,651,261
0	0	0	0	0	0
<u>(525,398)</u>	<u>(653,052)</u>	<u>(527,914)</u>	<u>(2,916,674)</u>	<u>(592,767)</u>	<u>(308,832)</u>
 26,478,460	 30,490,645	 36,574,203	 30,395,568	 29,024,100	 31,358,029
<u><u>\$53,386,294</u></u>	<u><u>\$62,260,298</u></u>	<u><u>\$77,617,635</u></u>	<u><u>\$88,370,764</u></u>	<u><u>\$88,591,677</u></u>	<u><u>\$99,306,884</u></u>

Mason City School District
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019
Revenues:				
Property Taxes	\$58,898,232	\$73,379,471	\$71,375,267	\$61,108,412
Intergovernmental	52,630,047	52,538,177	62,720,709	69,829,570
Investment Earnings/Interest	93,934	230,885	636,666	1,568,440
Tuition and Fees	2,731,732	4,064,377	3,506,887	3,577,503
Extracurricular Activities	1,723,057	1,607,507	1,602,987	1,611,856
Rent	0	0	0	0
Leases	0	0	0	0
Charges for Services	6,396,579	6,222,941	5,407,416	4,383,704
Contributions and Donations	0	0	0	0
Payments in Lieu of Taxes	5,635,305	4,630,395	4,848,792	4,756,647
Miscellaneous	526,682	649,084	1,384,109	1,914,935
<i>Total Revenues</i>	<u>128,635,568</u>	<u>143,322,837</u>	<u>151,482,833</u>	<u>148,751,067</u>
Expenditures:				
Current:				
Instruction	67,201,564	70,047,255	72,328,986	77,540,881
Support Services:				
Pupils	7,480,831	7,354,465	7,618,774	8,193,687
Instructional Staff	2,706,886	3,104,463	4,100,505	3,358,703
Board of Education	64,662	135,545	153,385	113,286
Administration	5,515,942	5,591,558	5,948,006	5,655,720
Fiscal	1,835,162	2,066,361	1,892,449	1,952,534
Business	453,876	522,844	443,311	553,665
Operation and Maintenance of Plant	10,809,004	11,712,430	11,555,490	11,615,780
Pupil Transportation	6,418,207	6,284,309	6,136,955	6,772,352
Central	2,249,808	2,344,341	2,488,998	2,676,973
Operation of Non-Instructional Services	6,236,907	6,458,499	6,411,535	6,601,288
Extracurricular Activities	3,413,531	3,187,316	3,360,655	3,469,749
Capital Outlay	448,244	26,206	10,022,711	29,933,462
Debt Service:				
Principal Retirement	8,873,000	20,358,000	9,615,000	9,883,000
Interest	4,503,112	3,890,033	3,500,012	2,522,351
Capital Appreciation Bond Accretion	0	0	0	0
Issuance Costs	0	168,110	0	78,999
<i>Total Expenditures</i>	<u>128,210,736</u>	<u>143,251,735</u>	<u>145,576,772</u>	<u>170,922,430</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>\$424,832</u>	<u>\$71,102</u>	<u>\$5,906,061</u>	<u>(\$22,171,363)</u>

2020 (1)	2021	2022	2023	2024	2025
\$74,484,268	\$94,589,250	\$97,307,857	\$96,486,268	\$88,990,512	\$108,827,752
49,493,486	53,148,393	58,096,173	53,877,553	55,668,593	52,382,958
1,590,696	187,608	(572,046)	1,854,870	4,736,828	4,876,469
3,870,964	3,727,169	2,923,060	3,051,894	3,360,524	3,381,092
1,253,274	1,231,438	2,050,654	2,132,489	2,194,712	2,398,968
2,518,121	499,439	192,679	8,536	338,302	321,328
0	0	273,450	317,937	281,427	302,233
3,669,376	3,233,193	2,869,602	5,519,753	6,197,869	5,809,378
177,403	187,358	268,604	291,810	280,946	413,521
4,621,838	3,403,177	2,830,288	2,533,007	2,429,021	2,037,150
597,314	391,973	1,106,697	490,311	615,697	1,197,909
142,276,740	160,598,998	167,347,018	166,564,428	165,094,431	181,948,758
75,348,612	83,188,912	89,723,727	86,359,473	91,216,819	97,750,301
8,086,006	8,876,041	9,395,858	10,273,775	11,108,418	12,180,246
3,895,368	4,458,014	4,070,922	3,890,063	4,496,915	5,970,794
68,358	123,848	138,784	180,915	188,186	202,797
5,986,145	6,305,306	6,616,164	6,485,389	6,917,226	7,534,255
2,049,372	2,119,226	2,243,374	2,426,723	2,495,842	2,552,816
604,393	410,331	433,905	442,789	460,666	456,156
11,276,047	11,692,515	12,861,236	14,175,046	12,217,990	14,380,630
6,608,553	6,914,117	8,237,079	8,725,223	9,913,361	10,240,253
3,950,746	2,317,587	2,907,126	1,970,847	2,927,617	3,065,343
5,897,375	5,292,412	6,005,814	5,935,899	6,275,043	6,639,245
3,073,329	3,202,984	3,761,282	5,175,426	4,278,111	4,666,015
3,656,483	911,544	1,092,101	6,388,885	9,146,941	2,385,200
21,898,000	14,234,000	6,607,000	2,538,144	2,219,611	2,314,750
2,721,902	1,904,040	1,318,956	1,938,489	1,010,772	912,119
0	0	1,090,000	0	0	0
0	0	0	0	0	0
155,120,689	151,950,877	156,503,328	156,907,086	164,873,518	171,250,920
(\$12,843,949)	\$8,648,121	\$10,843,690	\$9,657,342	\$220,913	\$10,697,838

(continued)

Mason City School District
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Continued)

	2016	2017	2018	2019
Other Financing Sources (Uses):				
Payment to Refunded Bond Escrow Agent	\$0	\$0	\$0	(\$16,019,788)
Refunding Bond Anticipation Notes Issued	0	0	0	15,015,000
Premium on Bond Anticipation Notes Issued	0	0	0	265,485
Proceeds from Sale of Capital Assets	0	0	138,579	197,614
Refunding Bonds Issued	0	10,170,000	0	0
Premium on Refunding Bonds Issued	0	1,371,010	0	0
Inception of Lease	0	0	0	0
Transfers In	14,092,243	17,237,749	10,276,000	5,960,000
Transfers Out	(14,092,243)	(17,237,749)	(10,276,000)	(5,960,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>11,541,010</u>	<u>138,579</u>	<u>(541,689)</u>
<i>Restatement of Fund Balance</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	<u>\$424,832</u>	<u>\$11,612,112</u>	<u>\$6,044,640</u>	<u>(\$22,713,052)</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	10.6%	17.2%	9.8%	8.8%

(1) The implementation of GASB 84 resulted in a fund balance restatement.

2020 (1)	2021	2022	2023	2024	2025
\$0	\$0	\$0	\$0	\$0	\$0
6,965,000	0	0	0	0	0
68,048	0	0	0	0	0
1,313	0	4,513,647	0	0	17,369
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,095,787	0	0
94,288	1,805,298	0	3,750,000	3,750,000	6,000,000
(94,288)	(1,805,298)	0	(3,750,000)	(3,750,000)	(6,000,000)
7,034,361	0	4,513,647	1,095,787	0	17,369
742,088	225,883	0	0	0	0
(\$5,067,500)	\$8,874,004	\$15,357,337	\$10,753,129	\$220,913	\$10,715,207
16.3%	10.8%	5.1%	3.0%	2.1%	2.0%

Mason City School District
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Collection (Calendar) Years

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2015	\$1,629,258,740	\$4,655,024,971	\$33,913,130	\$96,894,658
2016	1,663,905,800	4,754,016,571	34,841,600	99,547,429
2017	1,695,789,200	4,845,112,000	37,827,010	108,077,171
2018	1,912,206,480	5,463,447,086	40,462,230	115,606,371
2019	1,984,746,010	5,670,702,886	42,609,760	121,742,171
2020	2,188,947,370	6,254,135,343	47,569,460	135,912,743
2021	2,463,761,140	7,039,317,543	51,071,130	145,917,514
2022	2,569,855,700	7,342,444,857	53,303,380	152,295,372
2023	2,631,325,930	7,518,074,086	60,753,300	173,580,857
2024	3,308,676,350	9,453,361,000	65,535,820	187,245,200

Source: Ohio Department of Taxation and Warren County Auditor

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.

Total			
Assessed Value	Estimated Actual Value	Total Direct Rate	Weighted Average Property Tax Rate (per \$1,000 of assessed value)
\$1,663,171,870	\$4,751,919,629	\$83.11	\$73.11
1,698,747,400	4,853,564,000	83.11	73.10
1,733,616,210	4,953,189,171	83.11	73.01
1,952,668,710	5,579,053,457	82.79	73.08
2,027,355,770	5,792,445,057	82.79	73.06
2,236,516,830	6,390,048,086	87.10	77.65
2,514,832,270	7,185,235,057	86.35	77.70
2,623,159,080	7,494,740,229	85.91	82.73
2,692,079,230	7,691,654,943	85.91	82.54
3,374,212,170	9,640,606,200	85.60	82.79

Mason City School District
Principal Real and Personal Property Taxpayers
Tax Collection (Calendar) Years 2025 and 2016

Tax Payer	2025		Percentage of Real Property Assessed Valuation
	Assessed Value	Rank	
Procter & Gamble Company	\$81,912,590	1	2.43%
Duke Energy Ohio Inc.	64,993,350	2	1.93
Somerset at Deerfield	30,800,000	3	0.91
Ramco-Gersheson	30,237,900	4	0.90
Galaxy Ohio LP	23,280,680	5	0.69
Vega Americas, Inc.	14,487,500	6	0.43
CVG Partners IV LLC	14,379,280	7	0.43
District Partners I, LLC	14,258,420	8	0.42
Hills Properties LTD	13,184,580	9	0.39
CP Mason, LLC	12,941,770	10	0.38
Deerfield Realty Holding	0	N/A	0.00
GC Net Lease	0	N/A	0.00
Northeast Cincinnati Hotel	0	N/A	0.00
Twin Fountains of Mason	0	N/A	0.00
Kenwood Lincoln Mercury	0	N/A	0.00
Duke Realty Ohio	0	N/A	0.00
Mason Christian Village	0	N/A	0.00
Tennis for Charity	0	N/A	0.00
Total	300,476,070		8.91%
All Others	3,073,736,100		91.09%
Total Assessed Valuation	\$3,374,212,170		100.00%

Source: Warren County Auditor

2016		
Assessed Value	Rank	Percentage of Real Property Assessed Valuation
0	N/A	0.00
\$33,425,380	1	2.01%
0	N/A	0.00
0	N/A	0.00
0	N/A	0.00
0	N/A	0.00
0	N/A	0.00
0	N/A	0.00
10,995,500	4	0.66
0	N/A	0.00
15,887,550	2	0.96
15,882,950	3	0.95
9,064,800	5	0.55
8,044,720	6	0.48
7,478,700	7	0.45
7,460,290	8	0.45
6,506,830	9	0.39
5,948,420	10	0.36
120,695,140		7.26%
1,542,476,730		92.74%
\$1,663,171,870		100.00%

Mason City School District
Property Tax Rates (Per \$1,000 of Assessed Valuation)
Direct and Overlapping Governments
Last Ten Collection (Calendar) Years

Calendar Year	School District Direct Rate					Overlapping Rates		
	General	Bond	Permanent Improvement	Total	Weighted Average	Warren County	City of Mason	Mason Public Library
2015	\$74.46	\$8.22	\$0.43	\$83.11	\$73.11	\$5.78	\$6.72	\$0.75
2016	74.46	8.22	0.43	83.11	73.10	5.78	6.72	0.75
2017	74.46	8.22	0.43	83.11	73.01	5.78	6.72	0.75
2018	74.46	7.90	0.43	82.79	73.08	5.78	6.72	0.50
2019	74.46	7.90	0.43	82.79	73.06	6.28	6.72	0.50
2020	79.17	7.50	0.43	87.10	77.65	6.28	6.72	0.50
2021	79.17	6.75	0.43	86.35	77.70	2.50	6.75	0.50
2022	84.42	1.06	0.43	85.91	82.73	6.28	6.72	0.50
2023	84.42	1.06	0.43	85.91	82.54	7.78	6.72	0.50
2024	84.42	0.75	0.43	85.60	82.79	7.78	6.72	0.50

Source: Warren County Auditor

Overlapping Rates							
Deerfield Township	Great Oaks JVSD	Warren-Clinton Community Mental Health	Turtlecreek Township	Union Township	Warren County Health District	City of Lebanon	Lebanon Library
\$14.10	\$2.70	\$1.00	\$9.12	\$9.20	\$0.50	\$9.32	\$1.00
14.10	2.70	1.00	9.12	9.20	0.50	9.32	1.00
14.10	2.70	1.00	9.12	13.10	0.50	9.32	1.00
14.10	2.70	1.00	9.12	13.10	0.50	9.32	1.00
14.10	2.70	1.00	9.12	13.10	0.50	9.32	1.00
14.10	2.70	1.00	9.12	13.10	0.50	11.32	1.00
14.10	2.70	1.00	8.51	13.10	0.50	11.32	1.00
14.10	2.70	1.00	9.12	13.10	0.50	11.32	1.00
14.10	2.70	1.00	9.12	13.10	0.50	8.32	1.00
14.10	2.70	1.00	9.12	13.10	0.50	8.32	1.00

This Page Intentionally Left Blank

Mason City School District
Property Tax Levies and Collections
Last Ten Collection (Calendar) Years

Collection Year (1)	Total Current Tax Levied (2)	Current Tax Collection	Percent of Current Levy Collected	Delinquent Tax Collection (3)	Total Tax Collections	Percent Of Total Collections To Total Levy
2015	\$73,825,100	\$72,825,654	98.65%	\$999,446	\$73,825,100	100.00%
2016	75,428,947	74,177,960	98.34	1,065,126	75,243,086	99.75
2017	76,823,664	75,781,755	98.64	1,041,978	76,823,733	100.00
2018	80,642,224	79,788,968	98.94	857,255	80,646,223	100.00
2019	83,415,178	81,804,294	98.07	1,610,884	83,415,178	100.00
2020	101,973,531	100,238,677	98.30	1,440,983	101,679,660	99.71
2021	103,175,406	101,635,112	98.51	1,483,906	103,119,018	99.95
2022	107,325,699	105,430,519	98.23	1,654,316	107,084,835	99.78
2023	109,664,917	107,868,494	98.36	1,931,055	109,799,549	100.12
2024	113,821,629	111,199,563	97.70	1,834,156	113,033,719	99.31

Source: Warren County Auditor

- (1) The 2025 information cannot be presented because all collections have not been made by June 30, 2025.
- (2) Taxes levied and collected are presented on a cash basis because that is the manner that information is maintained by the County Auditor.
- (3) Penalties and interest are included since, by Ohio law, they become part of the tax obligation as assessment occurs.

Mason City School District
Ratio of Debt to Estimated Actual Value,
Personal Income, and Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds (1)	General Obligation Notes (1)	Leases (1)	Financed Purchases (1)	Total Outstanding Debt	Estimated Actual Value (2)
2016	\$90,643,770	\$0	\$0	\$4,704,000	\$95,347,770	\$4,751,919,629
2017	79,968,080	0	0	4,566,000	84,534,080	4,853,564,000
2018	69,943,580	0	0	4,411,000	74,354,580	4,953,189,171
2019	44,387,632	15,280,485	0	4,238,000	63,906,117	5,579,053,457
2020	36,903,380	6,976,341	0	4,045,000	47,924,721	5,792,445,057
2021	29,096,832	0	0	3,831,000	32,927,832	6,390,048,086
2022	21,005,281	0	0	3,594,000	24,599,281	7,185,235,057
2023	17,612,754	0	821,643	3,335,000	21,769,397	7,494,740,229
2024	15,771,378	0	558,032	3,049,000	19,378,410	7,691,654,943
2025	13,870,000	0	284,282	2,738,000	16,892,282	9,640,606,200

Source: (1) School District Financial Records; includes outstanding principal on debt issuances, as well as accretion on capital appreciation bonds, and unamortized premiums.

(2) Ohio Department of Taxation.

(3) Ohio Development Services Agency, Warren County

(4) Computation of per capita personal income multiplied by population.

(5) Although the Debt Service Fund is restricted for debt service, it is not specifically restricted to the payment of principal.

Population (3)	Personal Income (4)	Ratio of Debt to Estimated Actual Value	Ratio of Bonded Debt to Estimated Actual Value (5)	Bonded Debt Per Capita	Ratio of Debt to Personal Income	Debt Per Capita
224,469	\$11,572,050,357	2.01%	1.91%	\$403.81	0.82%	\$424.77
227,063	12,475,068,283	1.74%	1.65%	352.18	0.68%	372.29
228,882	13,002,328,656	1.50%	1.41%	305.59	0.57%	324.86
232,173	13,883,713,227	1.15%	0.80%	191.18	0.46%	275.25
234,602	13,883,746,360	0.83%	0.64%	157.30	0.35%	204.28
242,337	14,341,503,660	0.52%	0.46%	120.07	0.23%	135.88
246,553	15,313,653,383	0.34%	0.29%	85.20	0.16%	99.77
249,778	18,381,662,576	0.29%	0.24%	70.51	0.12%	87.15
252,148	18,556,075,616	0.25%	0.21%	62.55	0.10%	76.85
256,059	19,942,130,979	0.18%	0.14%	54.17	0.08%	65.97

This Page Intentionally Left Blank

Mason City School District
Computation of Direct and Overlapping Debt
June 30, 2025

Jurisdiction	Debt Attributable to Governmental Activities	Percentage Applicable to District (1)	Amount Applicable to District
Direct:			
Mason City School District:	<u>\$16,892,282</u>	100.00 %	<u>\$16,892,282</u>
Overlapping:			
Butler County	16,615,470	0.06	9,969
City of Mason	39,350,000	89.83	35,348,105
Union Township	291,456	2.04	5,946
West Chester Township	<u>13,735,000</u>	0.22	<u>30,217</u>
Total Overlapping Debt	<u>69,991,926</u>		<u>35,394,237</u>
Total Direct and Overlapping Debt	<u><u>\$86,884,208</u></u>		<u><u>\$52,286,519</u></u>

Source: Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School District. This process recognizes that, when considering the School District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken in account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government.

Mason City School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540
Total Net Debt Applicable to Limit	<u>90,643,700</u>	<u>79,968,080</u>	<u>69,943,580</u>	<u>59,668,117</u>
Legal Debt Margin	<u><u>\$157,214,840</u></u>	<u><u>\$167,890,460</u></u>	<u><u>\$177,914,960</u></u>	<u><u>\$188,190,423</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	36.57%	32.26%	28.22%	24.07%

(1) Under Section 133.06(E) of the Ohio Revised Code, if a board of election determines that its students are not being adequately serviced by existing facilities, and that sufficient funds to provide such facilities cannot be obtained when needed by the issuance of bonds within the nine percent limitation, it may qualify as a "special needs district", and thereby be permitted to incur net indebtedness in excess of the nine mill limitation.

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed Value	\$3,374,212,170
Overall Debt Limit - 9% of Assessed Value (1)	303,679,095
Amount of Debt Applicable to Debt Limit	<u>13,870,000</u>
Legal Debt Margin	<u><u>289,809,095</u></u>

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$182,462,019	\$201,286,515	\$226,334,904	\$236,084,317	\$242,287,131	\$303,679,095
<u>46,100,000</u>	<u>32,610,000</u>	<u>19,275,000</u>	<u>17,270,000</u>	<u>15,600,000</u>	<u>13,870,000</u>
<u><u>\$136,362,019</u></u>	<u><u>\$168,676,515</u></u>	<u><u>\$207,059,904</u></u>	<u><u>\$218,814,317</u></u>	<u><u>\$226,687,131</u></u>	<u><u>\$289,809,095</u></u>
25.27%	16.20%	8.52%	7.32%	6.44%	4.57%

This Page Intentionally Left Blank

Mason City School District
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population (1)	Per Capita Personal Income (1)	School Enrollment (2)	Unemployment Rate (1)
2015	224,469	\$51,553	10,713	4.10%
2016	227,063	54,941	10,728	4.20
2017	228,882	56,808	10,664	4.10
2018	232,173	59,799	10,420	3.90
2019	234,602	59,180	10,463	3.50
2020	242,337	59,180 *	10,295	6.40
2021	246,553	62,111	10,210	4.00
2022	249,778	73,592	10,380	3.30
2023	252,148	73,592 ^	10,640	3.00
2024	256,059	77,881	10,344	3.80

Source: (1) Ohio Development Services Agency, Warren County

(2) School District Records.

Note: * Per Capita Personal Income information is not available for 2020, therefore the 2019 information was used.

^ Per Capita Personal Income information is not available for 2024, therefore the 2023 information was used.

Mason City School District
Principal Employers
Fiscal Years 2025 and 2016

Employer	2025		
	Total Employees	Rank	Percentage of Total Employees
Proctor and Gamble	3,252	1	2.53%
Anthem Blue Cross and Blue Shield	3,000	2	2.33
Amazon	2,805	3	2.18
Atrium Medical Center	1,600	4	1.24
Cintas Corporation	1,510	5	1.17
Warren County	1,490	6	1.16
Kings Island	1,250	7	0.97
Macy's Credit and Customer Service	1,200	8	0.93
Mason City Schools	1,168	9	0.91
Essilor Luxottica/Luxottica Retail	900	10	0.70
WellPoint	N/A	N/A	0.00
Express Scripts	N/A	N/A	0.00
Mitsubishi Electric	N/A	N/A	0.00
L3 Cincinnati Electronics	N/A	N/A	0.00
Cengage Learning, Inc.	N/A	N/A	0.00
Intelligrated Systems, LLC	N/A	N/A	0.00
Total Employees from Top Ten Employers	18,175		14.12
All Other Employers	110,397		85.88
Total Employees	128,572		100.00%

Source: Warren County Economic Development Department and the School District

2016		
Total Employees	Rank	Percentage of Total Employees
1,943	1	1.76%
N/A	N/A	0.00
N/A	N/A	0.00
N/A	N/A	0.00
1,512	4	1.37
N/A	N/A	0.00
N/A	N/A	0.00
N/A	N/A	0.00
1,081	5	0.98
1,913	3	1.74
1,748	2	1.59
700	6	0.64
628	7	0.57
618	8	0.56
575	9	0.52
468	10	0.43
11,186		10.16
98,914		89.84
110,100		100.00%

Mason City School District
Full-time Equivalent School District Employees by Type
Last Ten Fiscal Years

	2016	2017	2018	2019
Office/Administrative:				
Superintendent/Associate/Assistants	4.00	4.00	4.00	4.00
Principals/Assistant	21.00	21.00	20.50	20.00
Other	19.50	18.00	18.50	17.00
<i>Total Official/Administrative</i>	<u>44.50</u>	<u>43.00</u>	<u>43.00</u>	<u>41.00</u>
Professional - Educational:				
Total General Education	483.91	482.13	486.80	486.93
Special Education	74.15	75.00	79.00	78.00
Curriculum Specialist	6.00	8.00	8.00	8.00
Counseling	19.80	20.00	20.00	21.00
Librarian/Media	2.00	2.00	2.00	2.00
Other Professional	12.50	2.65	2.65	2.56
<i>Total Professional - Educational</i>	<u>598.36</u>	<u>589.78</u>	<u>598.45</u>	<u>598.49</u>
Professional - Other:				
Public Relations	1.00	1.00	1.00	1.00
Psychologists	9.00	9.00	9.00	9.00
Social Work	1.00	1.00	1.00	1.00
Speech, OT, PT	13.34	12.94	12.94	12.94
<i>Total Professional - Other</i>	<u>24.34</u>	<u>23.94</u>	<u>23.94</u>	<u>23.94</u>
Technical:				
Information Technology	8.00	7.00	6.00	5.00
Practical Nursing	10.46	11.58	8.70	8.70
Library Aide	8.63	8.63	7.63	7.20
Other Technical	1.00	1.00	1.00	1.00
<i>Total Technical</i>	<u>28.09</u>	<u>28.21</u>	<u>23.33</u>	<u>21.90</u>
Office/ Clerical	<u>59.46</u>	<u>59.16</u>	<u>56.03</u>	<u>60.13</u>
Crafts & Trades	<u>11.50</u>	<u>9.50</u>	<u>6.50</u>	<u>6.50</u>
Bus Drivers	<u>71.68</u>	<u>81.80</u>	<u>74.49</u>	<u>76.33</u>
Service Work/ Laborer:				
Attendance Officer	0.94	0.94	0.94	0.00
Custodian	30.00	29.00	24.00	24.00
Groundskeeping	2.00	2.00	2.00	2.00
Food Service	47.00	49.90	47.29	40.15
Monitoring (Recess)	19.51	27.85	24.61	18.33
Attendent (Paraprofessionals)	134.87	152.08	149.66	159.41
Other Services Worker/ Laborer	8.81	0.00	0.00	0.00
<i>Total Service Work/Laborer</i>	<u>243.13</u>	<u>261.77</u>	<u>248.50</u>	<u>243.89</u>
<i>Total Employees</i>	<u><u>1,081.06</u></u>	<u><u>1,097.16</u></u>	<u><u>1,074.24</u></u>	<u><u>1,072.18</u></u>

Source: School District Records

2020	2021	2022	2023	2024	2025
4.00	4.00	4.00	4.00	4.00	4.00
20.00	20.00	20.00	19.00	19.00	21.00
18.00	18.00	18.00	20.00	19.00	20.00
42.00	42.00	42.00	43.00	42.00	45.00
489.80	486.80	489.80	473.80	487.70	494.15
79.50	80.00	80.00	95.00	102.00	86.50
8.00	9.00	9.00	11.00	8.00	7.00
21.00	21.00	21.00	23.00	23.00	22.00
2.00	2.00	1.00	1.00	1.00	0.00
4.00	2.00	2.00	1.00	0.00	0.00
604.30	600.80	602.80	604.80	621.70	609.65
1.00	1.00	1.00	1.00	1.00	1.00
9.00	9.00	7.60	9.00	9.60	9.60
2.00	2.00	2.00	2.00	2.00	3.00
11.94	11.94	11.94	10.94	10.94	10.94
23.94	23.94	22.54	22.94	23.54	24.54
5.00	5.00	5.00	5.00	5.00	6.00
8.76	9.89	9.89	9.59	9.59	9.77
8.70	7.70	9.57	8.70	7.39	6.86
1.00	1.00	1.00	1.00	1.00	1.00
23.46	23.59	25.46	24.29	22.98	23.63
60.36	54.91	55.61	57.03	55.28	53.56
6.50	6.00	6.00	5.00	6.00	5.00
76.85	77.50	77.51	73.36	82.27	85.52
0.00	0.00	0.00	0.00	0.00	0.00
24.00	22.00	20.00	16.00	14.00	14.00
2.00	2.00	2.00	2.00	2.00	2.00
43.20	34.84	39.78	41.18	37.78	38.15
19.77	17.71	18.82	17.50	16.91	20.66
163.69	153.49	168.06	175.72	160.89	174.49
0.00	0.00	0.00	0.00	1.67	1.67
252.66	230.04	248.66	252.40	233.25	250.97
1,090.07	1,058.78	1,080.58	1,082.82	1,087.02	1,097.87

Mason City School District
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Expenses (2)	Cost Per Pupil
2016	10,713	\$114,386,380	\$10,677	-0.27%	\$120,332,592	\$11,232
2017	10,728	118,809,386	11,075	3.73%	130,018,088	12,120
2018	10,664	122,439,049	11,482	3.67%	69,454,360	6,513
2019	10,420	128,504,618	12,332	7.40%	119,332,017	11,452
2020	10,463	126,844,304	12,123	-1.69%	145,864,680	13,941
2021	10,295	134,901,293	13,104	8.09%	147,712,097	14,348
2022	10,210	146,395,271	14,338	9.42%	137,781,346	13,495
2023	10,380	146,041,568	14,070	-1.87%	149,236,790	14,377
2024	10,640	152,496,194	14,332	1.86%	154,104,895	14,484
2025	10,344	165,638,851	16,013	11.73%	157,672,689	15,243

Source: School District Records

(1) Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds,
excludes capital outlay and debt service as presented on this statement.

(2) Statement of Activities

Percentage Change	Teaching and Certified Administrative Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
-3.50%	646.50	16.6	8.00%
7.91%	637.60	16.8	8.00%
-46.26%	645.60	16.5	8.00%
75.83%	645.93	16.1	8.00%
21.73%	652.30	16.0	8.00%
2.92%	651.80	15.8	10.80%
-5.95%	652.40	15.6	9.34%
6.54%	654.80	15.9	11.02%
0.74%	674.30	15.8	18.98%
5.24%	664.25	15.6	19.55%

Mason City School District
School Building Information
Last Ten Fiscal Years

	2016	2017	2018	2019
Elementary				
Mason Early Childhood (2006/2023)				
Square feet	172,211	172,211	172,211	201,963
Capacity	2,100	2,100	2,100	2,400
Enrollment	1,833	1,861	1,834	2,085
Western Row (1961)				
Square feet	100,002	100,002	100,002	100,002
Capacity	1,200	1,200	1,200	1,200
Enrollment	974	1,012	1,022	741
Mason Intermediate (1998/1994/2024)				
Square feet	356,700	356,700	356,700	356,700
Capacity	3,000	3,000	3,000	3,000
Enrollment	2,486	2,430	2,412	2,383
Junior High School				
Mason Middle (1958)				
Square feet	276,378	276,378	276,378	276,378
Capacity	1,850	1,850	1,850	1,850
Enrollment	1,799	1,834	1,765	1,713
High School				
William Mason High (2002) (2010)				
Square feet	539,236	539,236	539,236	539,236
Capacity	3,700	3,700	3,700	3,700
Enrollment	3,621	3,591	3,631	3,498

Source: School District Records

2020	2021	2022	2023	2024	2025
201,963	201,963	201,963	201,963	213,005	213,005
2,400	2,400	2,400	2,400	2,575	2,575
2,111	2,027	2,087	2,299	2,213	2,084
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
356,700	356,700	356,700	356,700	365,172	365,172
3,120	3,120	3,120	3,120	3,245	3,245
3,119	3,047	2,997	3,167	3,137	3,155
276,378	276,378	276,378	276,378	276,378	276,378
1,850	1,850	1,850	1,850	1,850	1,850
1,746	1,744	1,676	1,725	1,721	1,642
539,236	539,236	539,236	539,236	539,236	539,236
3,700	3,700	3,700	3,700	3,700	3,700
3,487	3,477	3,450	3,189	3,569	3,463

Mason City School District
Miscellaneous Statistical Data
June 30, 2025

Year of Original Charter	June 10, 1968
Current Charter	September 9, 1991
Form of Government	Public School District
Area of District	25 Square Miles
Number Miles Traveled by Transportation	
Fleet for the 2024-2025 School Year	1,100,773
Number Meals Served by Food Service	
Department for the 2024-2025 School Year	759,032

School Buildings	Grade Levels	Enrollment
Mason Early Childhood Center	PS-2	2,084
Mason Elementary/Intermediate	3-6	3,155
Mason Middle School	7-8	1,642
William Mason High School	9-12	3,463
Total		10,344

Number of Teachers and Certified Administrators, Levels of Degree, and Years of Experience

Degree	Education	
	Number of Certified Staff	Percentage of Total
Bachelor's Degree	39.5	5.95%
Bachelor's + 150	49.7	7.47%
Master's	573.1	86.28%
Doctorate	2.0	0.30%
Total	664.3	100.00%

Years of Experience	Experience	
	Number of Certified Staff	Percentage of Total
0 - 5	95.5	14.38%
6 - 10	40.5	6.10%
11 - 15	55.1	8.30%
16 - 20	139.5	21.00%
21 - 25	149.5	22.50%
26 - 30	126.2	18.99%
31 - 35	52.0	7.83%
36 - 40	6.0	0.90%
Total	664.3	100.00%

Source: School District Records

Mason City School District
Student Population by Race
for the 2024-2025 School Year

Race	Total	Percent
American Indian/Alaskan	34	0.33%
Asian	3,755	36.30%
Black	570	5.51%
Caucasian	4,665	45.11%
Hispanic	687	6.64%
Multi-Racial	557	5.38%
Hawaiian/Pac Island	76	0.73%
	10,344	100.00%

Source: School District Records

Mason City School District
Enrollment History
Last Ten School Years

School Year (1)	Grade							
	Preschool	KDN	1	2	3	4	5	6
2015-16	165	544	676	687	735	777	826	883
2016-17	171	553	675	734	740	768	820	842
2017-18	165	539	677	719	756	763	806	843
2018-19	171	550	648	716	741	760	781	842
2019-20	182	553	659	717	736	767	783	833
2020-21	125	565	659	678	710	758	780	799
2021-22	168	565	700	654	704	721	771	801
2022-23	261	603	718	717	786	783	772	826
2023-24	272	556	667	718	751	792	812	782
2024-25	256	503	643	682	770	759	814	812

Source: School District Records

(1) All figures represent actual enrollment during the first full week of October each school year.

Grade						Total	% Increase or Decrease
7	8	9	10	11	12		
910	889	859	962	888	912	10,713	-0.02%
903	931	864	871	946	910	10,728	0.14%
846	919	882	878	870	1,001	10,664	-0.60%
857	856	892	883	854	869	10,420	-2.29%
868	878	839	888	880	880	10,463	0.41%
839	905	858	843	878	898	10,295	-1.61%
834	842	850	866	828	906	10,210	-0.83%
845	880	819	829	769	772	10,380	1.67%
867	854	892	879	894	904	10,640	2.50%
790	852	819	899	865	880	10,344	-2.78%

Mason City School District
Directory of School Facilities
as of June 30, 2025

Facility	Address	Administrator/Contact	Grades	Phone Numbers
Early Childhood Center	4631 Hickory Woods Dr.	Melissa Bly	PS-2	513-398-3741
Mason Elementary	6307 Mason-Montgomery Rd.	Rob Polca	3-4	513-398-5821
Mason Intermediate	6307 Mason-Montgomery Rd.	Eric Messer	5-6	513-459-2850
Mason Middle School	6370 Mason-Montgomery Rd.	Jay Reutter	7-8	513-398-9035
Mason High School	6100 Mason-Montgomery Rd.	Ben Brown	9-12	513-398-5025
Mason Central Administration	211 North East Street	Jonathan Cooper	N/A	513-398-0474
Transportation Center	5025 Enterprise Drive	Adam Clary	N/A	513-398-6682
Maintenance Garage	5120 Enterprise Drive	Jerry Pennington	N/A	513-398-2784

Source: School District Records

OHIO AUDITOR OF STATE KEITH FABER



MASON CITY SCHOOL DISTRICT

WARREN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 1/6/2026

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov