



**Auditor of State  
Betty Montgomery**



MASON CITY SCHOOL DISTRICT  
WARREN COUNTY

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MASON CITY SCHOOL DISTRICT

WARREN COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2005

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	None	10.550	\$0	\$240,073	\$0	\$240,216
National School Lunch Program	LL-P4-04	10.555	95,203	0	95,203	0
	LL-P4-05		201,264	0	201,264	0
Total U.S. Department of Agriculture - Nutrition Cluster			296,467	240,073	296,467	240,216
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States						
IDEA Part B	6B-SF-05	84.027	1,165,294	0	1,240,469	0
Autism Grant	6B-SA-03		0	0	25,720	0
Raising Expectations	6B-SD-04/05		31,645	0	35,778	0
Preschool Disability Grant	PG-S1-05	84.173	29,999	0	30,152	0
Total Special Education Cluster			1,226,938	0	1,332,119	0
Grants to Local Educational Agencies (ESEA Title I)						
Title II-A, Improving Teacher Quality	C1-S1-04/05	84.010	168,074	0	189,071	0
Title V, Innovative Programs	TR-S1-04/05	84.367	70,513	0	83,176	0
Title IV-SDFSC	C2-S1-04/05	84.298	37,729	0	44,985	0
Title II-D, Technology Fund	DR-S1-05	84.186	14,851	0	20,055	0
Title III, Immigrant	TJ-S1-04/05	84.318	433	0	228	0
Title III, LEP	T3-S1-05	84.365	22,384	0	23,853	0
	T3-S2-05	84.365	30,328	0	34,091	0
<i>Passed through the Great Oaks Institute &amp; Career Development</i>						
Carl Perkins/Vocational Education	None	84.049	9,958	0	7,937	0
Total U.S. Department of Education			1,581,208	0	1,735,515	0
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Refugee and Entrant Assistance Discretionary Grant	R1-S1-05	93.576	2,050	0	1,052	0
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>						
<i>Passed Through Ohio Emergency Management Agency:</i>						
Public Assistance Grant Program	None	97.036	5,867	0	5,867	0
<b>TOTAL FEDERAL ASSISTANCE</b>			<b><u>\$1,885,592</u></b>	<b><u>\$240,073</u></b>	<b><u>\$2,038,901</u></b>	<b><u>\$240,216</u></b>

**MASON CITY SCHOOL DISTRICT  
WARREN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2005**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' 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 the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mason City School District, Warren County, Ohio (the District), as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated December 15, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated December 15, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

December 15, 2005





## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Board of Education:

#### Compliance

We have audited the compliance of Mason City School District, Warren County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to its major federal program for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2005.

#### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

#### **Federal Awards Expenditures Schedule**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2005, and have issued our report thereon dated December 15, 2005. Our audit was performed to form an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

December 15, 2005

**MASON CITY SCHOOL DISTRICT  
WARREN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2005**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster: CFDA# 84.027 and 84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	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.

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MASON CITY SCHOOL DISTRICT  
WARREN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2005

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2004-001	Finding for Recovery- Repaid Under Audit	Yes	Repaid Under Audit



# **MASON CITY SCHOOLS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**For the fiscal year ended  
June 30, 2005**

**“Where Each Student Is Important”**

**MASON, OH**





MASON CITY SCHOOL DISTRICT  
MASON, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the fiscal year ended  
June 30, 2005

Prepared by:  
Treasurer's Office

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# **Introductory Section**

# MASON CITY SCHOOLS

## *Treasurer's Office*

211 North East Street • Mason, Ohio • 45040

Phone: (513) 398-3623 • Fax: (513) 398-4357

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December 15, 2005

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 principals (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 comprehensive annual financial report of Mason City School District for the fiscal year ended June 30, 2005.

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, 2005, 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 unqualified opinion that the Mason City School District's financial statements for the fiscal year ended June 30, 2005, 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 require 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 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 District is located in Warren and Butler Counties in southwest Ohio. The District contains 25 square miles, with 99% of its territory located in Warren County and the remaining 1% in Butler County. Political subdivisions included in the 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 District is approximately 25 minutes northeast from downtown Cincinnati and 35 minutes southeast 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 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, 2005, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Kevin Wise	Jan. 2004 - Dec. 2007	2 ½
Mrs. Marianne Culbertson	Jan. 2002 - Dec. 2005	11 ½
Mrs. Deborah Delp	Jan. 2004 - Dec. 2007	1 ½
Mr. David Lenert	Jan. 2002 - Dec. 2005	11 ½
Mrs. Connie Yingling	Jan. 2002 - Dec. 2005	5 ¾

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Dr. Kevin L. Bright was appointed Superintendent effective August 1, 1998 and his current contract expires July 31, 2009.

The Treasurer and CFO is the chief financial officer of the District and is directly responsible to the Board for all financial operations, investments, custody of all District funds and assets, and serves as Secretary to the Board. Mr. Richard L. Gardner was initially appointed Treasurer effective May 1, 2000, and his current contract will expire on December 31, 2008.

The 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 District acts as the fiscal agent for state funds distributed to non-public chartered schools located within the District boundaries. The District serves St. Susanna, Little Leprechaun Academy, The Child’s Place Montessori, 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 District’s administrative involvement with these programs, these State subsidies are therefore presented as special revenue funds within this report.

The District served 9,246 students during the 2005 fiscal year in eight buildings. The senior high school (9-12) was constructed in 2002. The middle school (7-8) was constructed in 1959, with additions in 1967, 1980, 1987 and 1997. The intermediate school 45 building (4-5) was constructed in 1994. The intermediate school 56 building (5-6) was constructed in 1998. Western Row Elementary School (2-3) was constructed in 1962, with additions in 1987. Mason Heights Elementary School (1-2) was constructed in 1967, with additions in 1978 and 1987. Mason Early Childhood Center (K) was

constructed in 1911, with additions in 1936, 1950, 1953 and 1955 and with renovations in 1977. The Mason Heights Annex (Preschool) was constructed in 1973, with additions in 2001. The central administration is also housed in the same facility as the Mason Early Childhood Center.

The District employed 1,204 full-time and part-time employees as of June 30, 2005. The number of employees has been increasing due to the increase in student population. Since 1986 the District's enrollment has increased from 2,292 to the current enrollment of 9,246. It is expected that the District's enrollment will be approximately 9,900 for fiscal year 2006 and will continue to increase through 2010.

The District teachers, educational specialists, tutors and counselors are represented by the Mason Education Association (MEA). The current two year agreement on language, salary and fringe benefits will expire on June 30, 2006. The agreement provided MEA members with a 2.5% percent base salary increase for the 2004-2005 school year, bringing the base teaching salary to \$33,216, and a 3.0% base salary increase for the 2005-2006 school year, bringing the base teaching salary to \$34,212.

The District's 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.

### **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 22,016 in the 2000 U.S. Census and is growing steadily through planning and development. The District is served by Sprint Telephone and Cincinnati Gas and Electric Company. The Mason Pulse Journal, Community Press and The Western Star newspapers regularly cover District events. The District is also served by newspapers, radio and television stations in both Cincinnati and Dayton. Major universities easily accessible from the District are the University of Cincinnati and Xavier University in Cincinnati, Miami University in Oxford, and Wright State University and the University of Dayton, both in Dayton.

The Mason City School District currently enjoys a favorable economic environment and local indicators point to continued growth. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate, which has averaged significantly less than the United States and State and State of Ohio averages in recent years. The City of Mason and Deerfield Township target high tech companies, corporate headquarters and light industry for the District's business community. The diverse business base is home to national and international blue chip corporations' headquarters and divisions that include a major health care research center, uniforms manufacturer and distributor, insurance, automotive component manufacturers, condiments, electronics, software and technology companies and institutions.

It is estimated that approximately 15% to 20% of the land area within the district remains available for development, and it is projected that these areas will continue to be developed over the next five to ten years with the associated additional investments in plant and equipment and increasing job opportunities.

**Long-term financial planning.** Student enrollment growth will continue to be a priority for the Board and Administration. Demographic projections indicate the District could see its population grow to 13,000 in the next ten years. The District uses a process that solicits community input to help determine how to meet the facility needs of the District. Community input was sought regarding whether to add a second high school, future elementaries and the configuration of grade levels. The results of the community dialogue sessions indicated that it was a desire of the community to have one high school and to maintain as much as practical, grade specific elementary schools.

The District utilizes a continuous improvement process. A committee of parents, students, and community members meets regularly to address issues such as: What do we want for our students? What

makes a high quality education? How do we reach success? It is the goal of the group to create a culture of continuous improvement in the District.

**Cash management policies and practices.** The District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in certificates of deposit, in the Ohio State Treasurer's Investment Pool (Star Ohio), U.S. Treasury and Agency Notes and Bonds, US Treasury Bills, repurchase agreements, commercial paper and mutual funds. The amount of interest income in fiscal year 2005 for all District funds was \$1,268,520. A more detailed description of the District's investment functions is provided in Note 3 to the financial statements.

**Risk Management.** The District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss and boiler and machinery coverage are purchased from insurance companies licensed to do business in the State of Ohio. The maximum deductible amount for these coverages is \$5,000 per loss incurred.

The District pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The District provides health, dental, optical and life insurance to all regular employees who work 20 or more hours per week. Effective September 1, 1994, new employees share the cost of the monthly premium with the Board. The premium varies depending on the terms of the negotiated agreement with teachers and Board Policy.

#### **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 comprehensive annual financial report for the fiscal year ended June 30, 2004. In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized comprehensive annual 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 comprehensive annual 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 the entire staff of the Treasurer's Office and Plattenburg and Associates, Incorporated. 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,



Richard L. Gardner  
Treasurer and CFO

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Mason City School District,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Ziehl*

President

*Jeffrey R. Emmer*

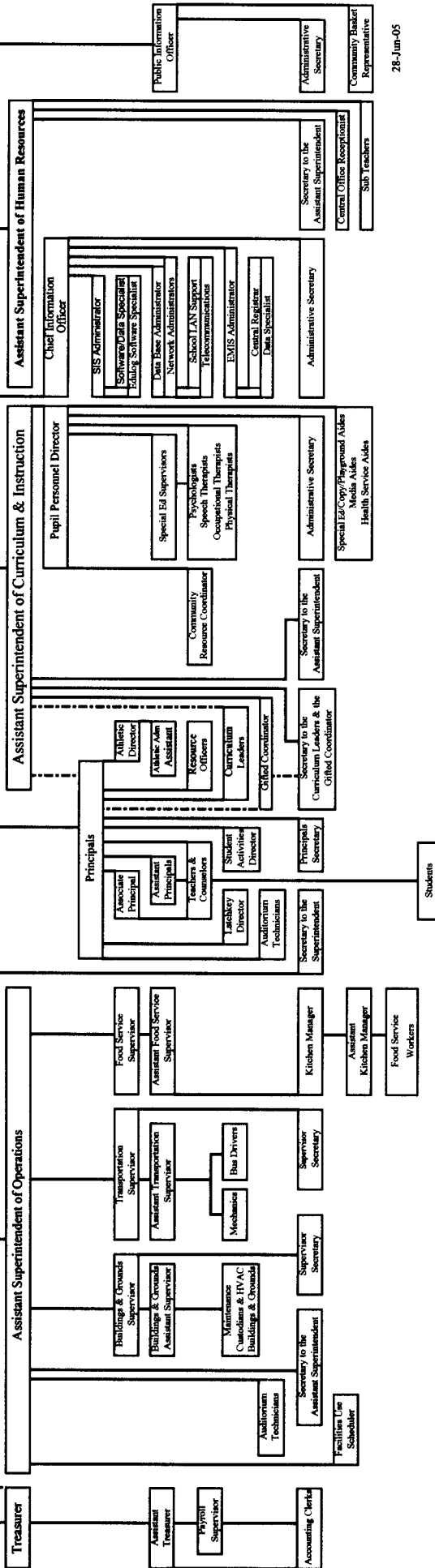
Executive Director

# ORGANIZATIONAL CHART

Citizens of Mason City School District

Board of Education

Superintendent



**MASON CITY SCHOOL DISTRICT  
LIST OF PRINCIPAL OFFICIALS  
AS OF JUNE 30, 2005**

**ELECTED OFFICIALS**

---

President, Board of Education .....	Kevin Wise
Vice President, Board of Education .....	Connie Yingling
Board Member .....	Marianne Culbertson
Board Member .....	Deborah Delp
Board Member .....	David Lenert

**ADMINISTRATIVE OFFICIALS**

---

Superintendent .....	Kevin L. Bright
Assistant Superintendent - Curriculum and Instruction .....	Amy Spicher
Assistant Superintendent - Business .....	Michael Brannon
Assistant Superintendent - Human Resources .....	Craig C. Ullery
Treasurer .....	Richard L. Gardner
Assistant Treasurer.....	Chris Hofer
Pupil Personnel Director .....	Tom Morris
Chief Information Officer .....	Dave Hickey
Payroll Supervisor.....	Terri Ross
Building and Grounds Supervisor .....	George Highfill
Food Service Supervisor .....	Darlene Hicks
Support Education Supervisor .....	Jody Bergman
Support Education Supervisor .....	Susan Klein
Transportation Supervisor .....	Ron McClure
Public Information Officer .....	Shelly Hausman

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# **Financial Section**





**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mason City School District, Warren County, Ohio (the District), as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mason City School District, Warren County, Ohio, as of June 30, 2005, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2005, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Corporate Center of Blue Ash / 11117 Kenwood Rd. / Blue Ash, OH 45242  
Telephone: (513) 361-8550 (800) 368-7419 Fax: (513) 361-8577  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

The Management Discussion and Analysis and the budgetary comparison for the General Fund are not required parts of the basic financial statements but are supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, based on our audit and the report of the other auditors, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



**Betty Montgomery**  
Auditor of State

December 15, 2005

**MASON CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2005  
(Unaudited)**

The discussion and analysis of Mason City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

**Financial Highlights**

Key financial highlights for 2005 are as follows:

- In total, net assets increased \$6,931,813 which represents a 27% increase from 2004.
- General revenues accounted for \$88,064,541 in revenue or 92% of all revenues. Program specific revenues in the form of charges for services and sales; and grants and contributions accounted for \$7,565,314 or 8% of total revenues of \$95,629,855.
- Total assets of governmental activities increased by \$14,214,015 as cash and other receivables increased by \$552,279 while taxes receivable increased by \$9,275,311.
- The District had \$88,698,042 in expenses related to governmental activities; only \$7,565,314 of those expenses were offset by program specific charges for services, grants or contributions. General revenues of \$88,064,541 were adequate to provide for these programs.
- The General Fund had \$71,556,001 in revenues and \$67,583,749 in expenditures. The General Fund's fund balance increased from \$10,398,591 to \$13,736,704. The Debt Service Fund had \$12,005,400 in revenues and \$10,957,517 in expenditures. The Debt Service Fund's fund balance increased from \$5,825,741 to \$5,930,453. The Building Fund had \$507,594 in revenues and \$8,473,419 in expenditures. The Building Fund's fund balance decreased from \$28,753,543 to \$22,190,489.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the 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 Assets* and *Statements of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the 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 District's most significant funds with all other nonmajor funds presented in total in one column. The General Fund, Debt Service Fund and Building Fund are the major funds of the District.

## **Government-wide Financial Statements**

The analysis of the District as a whole begins with the Government-wide Financial Statements. These reports provide information that will help the reader to determine if the Mason City School District is financially better off or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the District presents governmental activities. The District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities and interest and fiscal charges.

## **Fund Financial Statements**

Information about the District's major funds is presented in the Fund Financial Statements (see table of contents). Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

***Governmental Funds*** Most of the 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 year-end available for spending in future periods. These funds are reported using an 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 District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

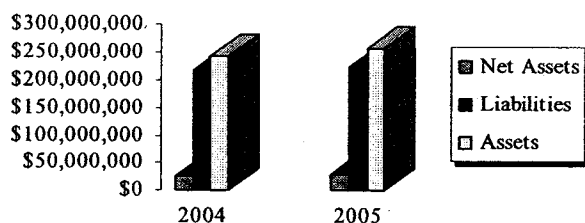
## The District as a Whole

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

Table 1 provides a summary of the District's net assets for 2004 compared to 2005:

Table 1  
Net Assets

	<u>Governmental Activities</u>	
	<u>2004 Restated</u>	<u>2005</u>
<b>Assets</b>		
Current and Other Assets	\$120,528,522	\$130,326,221
Capital Assets	<u>120,742,802</u>	<u>125,159,118</u>
Total Assets	<u>241,271,324</u>	<u>255,485,339</u>
<b>Liabilities</b>		
Long-Term Liabilities	146,629,846	142,984,834
Other Liabilities	<u>69,337,382</u>	<u>80,264,596</u>
Total Liabilities	<u>215,967,228</u>	<u>223,249,430</u>
<b>Net Assets</b>		
Invested in Capital		
Assets Net of Debt	4,640,757	10,271,853
Restricted	8,332,744	8,584,599
Unrestricted	<u>12,330,595</u>	<u>13,379,457</u>
Total Net Assets	<u>\$25,304,096</u>	<u>\$32,235,909</u>



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2005, the District's net assets exceeded liabilities by \$32,235,909.

At year-end, capital assets represented 49% of total assets. Capital assets include land, buildings and improvements, construction in progress, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2005, was \$10,271,853. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

The balance of unrestricted net assets of \$13,379,457 may be used to meet the District's ongoing obligations to the students and creditors.

Table 2 shows the change in net assets for fiscal years 2004 and 2005.

Table 2  
Changes in Net Assets

	Governmental Activities <u>2004 Restated</u>	Governmental Activities <u>2005</u>
Revenues		
Program Revenues:		
Charges for Services	\$3,746,834	\$4,371,545
Operating Grants	2,459,993	3,060,804
Capital Grants	60,920	132,965
General Revenue:		
Property Taxes	42,687,039	51,333,628
Grants and Entitlements	27,842,523	31,184,738
Other	<u>2,878,993</u>	<u>5,546,175</u>
Total Revenues	<u>79,676,302</u>	<u>95,629,855</u>
Program Expenses:		
Instruction	37,987,024	38,037,993
Support Services:		
Pupil and Instructional Staff	9,664,713	10,218,314
School and General Administration,		
Fiscal and Business	6,384,308	6,692,180
Operations and Maintenance	9,241,628	10,758,017
Pupil Transportation	4,665,435	6,689,568
Central	2,512,887	2,861,293
Operation of Non-Instructional Services	3,820,453	4,347,526
Extracurricular Activities	1,821,481	1,919,330
Interest and Fiscal Charges	<u>5,292,728</u>	<u>7,173,821</u>
Total Expenses	<u>81,390,657</u>	<u>88,698,042</u>
Change in Net Assets	(1,714,355)	6,931,813
Beginning Net Assets	27,018,451	25,304,096
Ending Net Assets	<u>\$25,304,096</u>	<u>\$32,235,909</u>

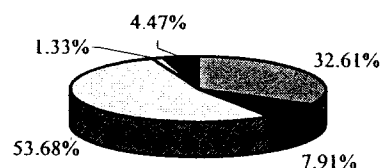
### Governmental Activities

The District revenues are mainly from two sources. Property taxes and grants and entitlements comprised 87% of the District's revenues for governmental activities. The increase in property tax revenue is attributed to new construction within the District.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 whose taxes include a 1.0 mill outside operating levy would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate for the outside operating levy would become .5 mills and the owner would still pay \$35.00.

Thus Ohio school districts do not receive additional tax revenue related to the increase in appraised value and must regularly return to the voters to maintain a constant level of service. Property taxes made up 54% of revenue for governmental activities for the District in fiscal year 2005.

Revenue Sources	2005	Percent of Total
General Grants	\$31,184,738	32.61%
Program Revenues	7,565,314	7.91%
General Tax Revenues	51,333,628	53.68%
Investment Earnings	1,268,520	1.33%
Other Revenues	4,277,655	4.47%
	<u>\$95,629,855</u>	<u>100.00%</u>



Instruction comprises 43% of governmental program expenses. Support services expenses were 42% of governmental program expenses. Expenses for support services increased due to the addition of special education aides. Interest expense was 8%. Interest expense was attributable to the outstanding bond and borrowing for capital projects. Interest expense increased due to the repayment of debt. The increase in tax revenues is the result of less taxes available for advance at the beginning of the year than at the end of the year and new construction within the District. Instruction expense increased from the prior year due to the hiring of teachers, especially for special education.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2004	2005	2004	2005
Instruction	\$37,987,024	\$38,037,993	\$36,298,479	\$35,641,550
Support Services:				
Pupil and Instructional Staff	9,664,713	10,218,314	9,546,311	9,740,359
School and General Administration,				
Fiscal and Business	6,384,308	6,692,180	6,384,308	6,692,157
Operations and Maintenance	9,241,628	10,758,017	8,686,383	10,676,007
Pupil Transportation	4,665,435	6,689,568	4,591,461	6,615,229
Central	2,512,887	2,861,293	2,319,873	2,713,192
Operation of Non-Instructional Services	3,820,453	4,347,526	376,171	576,075
Extracurricular Activities	1,821,481	1,919,330	1,627,196	1,304,338
Interest and Fiscal Charges	<u>5,292,728</u>	<u>7,173,821</u>	<u>5,292,728</u>	<u>7,173,821</u>
Total Expenses	<u>\$81,390,657</u>	<u>\$88,698,042</u>	<u>\$75,122,910</u>	<u>\$81,132,728</u>

## **The District's Funds**

The District has three major governmental funds: the General Fund, Debt Service Fund and Building Fund. Assets of the general fund comprised \$72,245,755 (55%), the debt service fund comprised \$17,898,110 (14%) and the building fund comprised \$30,787,872 (24%) of the total \$130,438,251 governmental funds assets.

**General Fund:** Fund balance at June 30, 2005 was \$13,736,704 including \$11,684,736 of unreserved balance. The primary reasons for the increase in fund balance were increases in taxes revenue and investment earnings due to increasing interest rates.

**Debt Service Fund:** Fund balance at June 30, 2005 was \$5,930,453 including \$5,499,453 of unreserved balance. The fund balance is consistent from 2004 to 2005.

**Building Fund:** Fund balance at June 30, 2005 was \$22,190,489. The primary reasons for the decrease in fund balance is due to increases in expenditures for the building project.

## **General Fund Budgeting Highlights**

The 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 current fiscal year, the District amended its general fund budget numerous times, however none were significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final revenue budget was \$81,536,469. The original revenue budget estimate was \$79,346,867. The \$2,189,602 difference was primarily due to conservative original estimates for taxes and intergovernmental revenue, which were amended during the year as accrual revenue totals were available.

The District's ending unobligated General Fund cash balance was \$5,767,926 above the final budgeted amount.



## Capital Assets and Debt Administration

### Capital Assets

At year end, the District had \$124,881,859 invested in land, buildings and equipment. Table 4 shows fiscal 2005 balances compared to fiscal 2004:

Table 4  
Capital Assets at June 30  
(Net of Depreciation)

	<u>Governmental Activities</u>	
	<u>2004 Restated</u>	<u>2005</u>
Land	\$5,839,438	\$5,839,438
Construction in Progress	195,935	4,288,776
Buildings and Improvements	102,677,725	101,415,083
Equipment	<u>12,029,704</u>	<u>13,615,821</u>
Total Net Assets	<u>\$120,742,802</u>	<u>\$125,159,118</u>

Overall, capital assets increased due to construction in progress related to the building project in the District. See Notes to the Basic Financial Statements for more details on the District's capital assets.

### Debt

At year end, the District had \$140,110,000 in bonds outstanding, \$4,250,000 due within one year. Table 5 summarizes bonds outstanding.

Table 5  
Outstanding Debt, at Year End

	<u>Governmental Activities 2004</u>	<u>Governmental Activities 2005</u>
Total:		
General Obligation Bonds:		
1992 Building Construction & Equipment	\$0	\$0
1995 Building Construction & Equipment	3,900,000	3,350,000
1998 Building Construction & Equipment	21,070,000	20,585,000
2001 High School/Recreation Center Construction & Equipment	68,475,000	67,140,000
2003 Refunding Middle/High School	15,440,000	14,035,000
2004 Early Childhood Center	<u>35,000,000</u>	<u>35,000,000</u>
	<u>\$143,885,000</u>	<u>\$140,110,000</u>

At year end, the District's overall legal debt margin (based on its being granted special needs status) was \$75,331,506 with an unvoted debt margin of \$1,320,762. The District maintains an Aa2 bond rating (from Moody's). Additional information on the District's debt can be found in Note 8 of this report.

## **For the Future**

Externally, in March 1997, the Ohio Supreme Court found the State of Ohio to be operating an unconstitutional educational system, one that was neither “adequate” nor “equitable.” Since 1997, the State has made some improvements, but on December 11, 2002, the Supreme Court again determined that the current school funding system is unconstitutional, and that the State had failed to enact “a complete systematic overhaul” of the school funding system. However, the Supreme Court also determined not to retain jurisdiction of the case. Without that jurisdiction it is questionable whether the State will make any significant changes to the funding system or increase the funding to an adequate level. The State’s projections for revenues over the current biennium budget produce almost no increases in funding after enrollment growth is factored out.

This scenario requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

In 2001, when the last operating levy was passed, the District projected that it would need to return to the voters for another operating levy in 2005 to address a deficit projected for the 2006-07 school year. Despite the decreased revenue projections from the State, the District plans to meet this commitment through significant budgetary controls and spending restrictions that have been in effect during this period of time. This has resulted in the District spending significantly less per pupil than the State average, while producing results that rank it in the top 13 districts in the State. The District passed a levy in May 2005.

It is no surprise that all of the District’s financial management abilities and controls will be needed to meet the challenges of the future. However, with continued careful planning and monitoring of the District’s finances and continued support from the community, the District’s management is confident that the District will continue to provide a high quality education for our students while maintaining a balanced, cost efficient budget.

## **Contacting the District’s Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Richard Gardner, Treasurer at Mason City Schools, 211 North East Street, Mason, Ohio 45040. Or E-mail at [gardnerr@mason.k12.oh.us](mailto:gardnerr@mason.k12.oh.us).

**BASIC  
FINANCIAL  
STATEMENTS**

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Mason City Schools  
Statement of Net Assets  
June 30, 2005

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$67,327,398
Restricted Cash and Investments	85,593
Cash and Cash Equivalents with Fiscal Agent	77,223
Receivables:	
Taxes	62,480,625
Accounts	99,288
Intergovernmental	226,030
Inventory	30,064
Nondepreciable Capital Assets	10,128,214
Depreciable Capital Assets, Net	<u>115,030,904</u>
<b>Total Assets</b>	<u><b>255,485,339</b></u>
Liabilities:	
Accounts Payable	377,779
Accrued Wages and Benefits	10,182,451
Retainage Payable	77,223
Accrued Interest Payable	537,515
Unearned Revenue	60,286,000
Claims Payable	406,947
Contracts Payable	1,996,681
General Obligation Notes Payable	6,400,000
Long-Term Liabilities:	
Due Within One Year	4,488,481
Due In More Than One Year	<u>138,496,353</u>
<b>Total Liabilities</b>	<u><b>223,249,430</b></u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	10,271,853
Restricted for:	
Special Revenue	2,923,411
Debt Service	5,575,595
Set-Aside	85,593
Unrestricted	<u>13,379,457</u>
<b>Total Net Assets</b>	<u><u><b>\$32,235,909</b></u></u>

See accompanying notes to the Basic Financial Statements.

Mason City Schools  
Statement of Activities  
For the Fiscal Year Ended June 30, 2005

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>					
<b>Instruction:</b>					
Regular	\$30,613,860	\$999,737	\$395,675	\$72,135	(\$29,146,313)
Special	7,031,577	318	875,617	0	(6,155,642)
Vocational	9,752	0	19,436	0	9,684
Other	382,804	18,696	14,829	0	(349,279)
<b>Support Services:</b>					
Pupil	4,178,645	506	220,394	0	(3,957,745)
Instructional Staff	6,039,669	498	256,557	0	(5,782,614)
General Administration	98,266	0	0	0	(98,266)
School Administration	4,598,463	23	0	0	(4,598,440)
Fiscal	1,704,142	0	0	0	(1,704,142)
Business	291,309	0	0	0	(291,309)
Operations and Maintenance	10,758,017	71,277	10,733	0	(10,676,007)
Pupil Transportation	6,689,568	3,137	10,372	60,830	(6,615,229)
Central	2,861,293	1,276	146,825	0	(2,713,192)
Operation of Non-Instructional Services	4,347,526	2,661,085	1,110,366	0	(576,075)
Extracurricular Activities	1,919,330	614,992	0	0	(1,304,338)
Interest and Fiscal Charges	7,173,821	0	0	0	(7,173,821)
<b>Totals</b>	<b>\$88,698,042</b>	<b>\$4,371,545</b>	<b>\$3,060,804</b>	<b>\$132,965</b>	<b>(\$81,132,728)</b>

**General Revenues:**

**Property Taxes Levied for:**

General Purposes	40,300,691
Debt Service Purposes	10,703,660
Capital Projects Purposes	329,277
Grants and Entitlements not Restricted to Specific Programs	31,184,738
Payment in Lieu of Taxes	2,742,551
Unrestricted Contributions	60,000
Investment Earnings	1,268,520
Refunds and Reimbursements	151,311
Other Revenues	1,323,793

**Total General Revenues** 88,064,541

**Change in Net Assets** 6,931,813

**Net Assets Beginning of Year (restated)** 25,304,096

**Net Assets End of Year** \$32,235,909

See accompanying notes to the Basic Financial Statements.

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Mason City Schools  
Balance Sheet  
Governmental Funds  
June 30, 2005

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$22,491,131	\$5,499,453	\$30,710,649	\$8,626,165	\$67,327,398
Restricted Cash and Investments	85,593	0	0	0	85,593
Cash and Cash Equivalents with Fiscal Agent	0	0	77,223	0	77,223
<b>Receivables:</b>					
Taxes	49,507,289	12,398,657	0	574,679	62,480,625
Accounts	49,712	0	0	49,576	99,288
Intergovernmental	0	0	0	226,030	226,030
Interfund	112,030	0	0	0	112,030
Inventory	0	0	0	30,064	30,064
<b>Total Assets</b>	<b>72,245,755</b>	<b>17,898,110</b>	<b>30,787,872</b>	<b>9,506,514</b>	<b>130,438,251</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	247,528	0	39,479	90,772	377,779
Accrued Wages and Benefits	9,568,576	0	0	613,875	10,182,451
Compensated Absences	49,807	0	0	0	49,807
Retainage Payable	0	0	77,223	0	77,223
Accrued Interest Payable	0	0	84,000	0	84,000
Interfund Payable	0	0	0	112,030	112,030
Unearned Revenue	48,236,193	11,967,657	0	669,545	60,873,395
Claims Payable	406,947	0	0	0	406,947
Contracts Payable	0	0	1,996,681	0	1,996,681
General Obligation Notes Payable	0	0	6,400,000	0	6,400,000
<b>Total Liabilities</b>	<b>58,509,051</b>	<b>11,967,657</b>	<b>8,597,383</b>	<b>1,486,222</b>	<b>80,560,313</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	646,375	0	26,781,223	469,999	27,897,597
Reserved for Inventory	0	0	0	30,064	30,064
Reserved for Property Tax Advances	1,320,000	431,000	0	20,000	1,771,000
Reserved for Set-Aside	85,593	0	0	0	85,593
<b>Unreserved, Undesignated, Reported in:</b>					
General Fund	11,684,736	0	0	0	11,684,736
Special Revenue Funds	0	0	0	2,621,230	2,621,230
Debt Service Funds	0	5,499,453	0	0	5,499,453
Capital Projects Funds	0	0	(4,590,734)	4,878,999	288,265
<b>Total Fund Balances</b>	<b>13,736,704</b>	<b>5,930,453</b>	<b>22,190,489</b>	<b>8,020,292</b>	<b>49,877,938</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$72,245,755</b>	<b>\$17,898,110</b>	<b>\$30,787,872</b>	<b>\$9,506,514</b>	<b>\$130,438,251</b>

See accompanying notes to the Basic Financial Statements.



Mason City Schools  
Reconciliation of Total Governmental Fund Balance to  
Net Assets of Governmental Activities  
June 30, 2005

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Total Governmental Fund Balance \$49,877,938

Amounts reported for governmental activities in the  
statement of net assets are different because:

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the funds. 125,159,118

Other long-term assets are not available to pay for current-  
period expenditures and therefore are deferred in the funds.

Delinquent Property Taxes	423,625
Intergovernmental	110,395
Other	<u>53,375</u>

587,395

In the statement of net assets interest payable is accrued when  
incurred, whereas in the governmental funds interest is  
reported as a liability only when it will require the use of  
current financial resources. (453,515)

Some liabilities reported in the statement of net assets do not  
require the use of current financial resources and therefore  
are not reported as liabilities in governmental funds.

Compensated Absences	<u>(2,825,027)</u>
----------------------	--------------------

(2,825,027)

Long-term liabilities, are not due and payable in the current  
period and therefore are not reported in the funds. (140,110,000)

Net Assets of Governmental Activities \$32,235,909

See accompanying notes to the Basic Financial Statements.

Mason City Schools  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2005

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$40,175,095	\$10,667,782	\$0	\$327,548	\$51,170,425
Tuition and Fees	602,655	0	0	104,024	706,679
Investment Earnings	586,554	111,133	507,594	63,239	1,268,520
Intergovernmental	29,976,274	1,226,485	0	3,100,527	34,303,286
Extracurricular Activities	0	0	0	1,003,782	1,003,782
Charges for Services	0	0	0	2,661,085	2,661,085
Other Revenues	215,423	0	0	4,049,824	4,265,247
<b>Total Revenues</b>	<b>71,556,001</b>	<b>12,005,400</b>	<b>507,594</b>	<b>11,310,029</b>	<b>95,379,024</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	28,543,201	0	312	1,368,639	29,912,152
Special	5,900,133	0	0	1,133,448	7,033,581
Vocational	0	0	0	9,710	9,710
Other	382,804	0	0	0	382,804
<b>Support Services:</b>					
Pupil	3,676,371	0	0	471,018	4,147,389
Instructional Staff	5,836,023	0	0	158,831	5,994,854
General Administration	96,920	0	0	1,346	98,266
School Administration	4,468,001	11,328	0	2,013	4,481,342
Fiscal	1,521,396	155,874	0	7,636	1,684,906
Business	243,167	0	0	59,601	302,768
Operations and Maintenance	8,166,153	0	169,487	1,228,827	9,564,467
Pupil Transportation	4,882,104	0	663,000	701,339	6,246,443
Central	2,587,809	0	30,084	79,287	2,697,180
Operation of Non-Instructional Services	20,151	0	0	4,181,411	4,201,562
Extracurricular Activities	1,199,431	0	2,850	663,771	1,866,052
Capital Outlay	42,733	0	7,434,515	7,210	7,484,458
<b>Debt Service:</b>					
Principal Retirement	17,045	3,775,000	0	0	3,792,045
Interest and Fiscal Charges	307	7,015,315	173,171	0	7,188,793
<b>Total Expenditures</b>	<b>67,583,749</b>	<b>10,957,517</b>	<b>8,473,419</b>	<b>10,074,087</b>	<b>97,088,772</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,972,252</b>	<b>1,047,883</b>	<b>(7,965,825)</b>	<b>1,235,942</b>	<b>(1,709,748)</b>
<b>Other Financing Sources (Uses):</b>					
Proceeds from Sale of Capital Assets	440	0	459,600	0	460,040
Transfers In	0	6,400,000	7,343,171	634,579	14,377,750
Transfers (Out)	(634,579)	(7,343,171)	(6,400,000)	0	(14,377,750)
<b>Total Other Financing Sources (Uses)</b>	<b>(634,139)</b>	<b>(943,171)</b>	<b>1,402,771</b>	<b>634,579</b>	<b>460,040</b>
<b>Net Change in Fund Balance</b>	<b>3,338,113</b>	<b>104,712</b>	<b>(6,563,054)</b>	<b>1,870,521</b>	<b>(1,249,708)</b>
<b>Fund Balance Beginning of Year (restated)</b>	<b>10,398,591</b>	<b>5,825,741</b>	<b>28,753,543</b>	<b>6,149,771</b>	<b>51,127,646</b>
<b>Fund Balance End of Year</b>	<b>\$13,736,704</b>	<b>\$5,930,453</b>	<b>\$22,190,489</b>	<b>\$8,020,292</b>	<b>\$49,877,938</b>

See accompanying notes to the Basic Financial Statements.

Mason City Schools  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2005

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Net Change in Fund Balance - Total Governmental Funds ( \$1,249,708)

Amounts reported for governmental activities in the  
 statement of activities are different because:

Governmental funds report capital asset additions as expenditures.  
 However, in the statement of activities, the cost of those assets is  
 allocated over their estimated useful lives as depreciation  
 expense. This is the amount of the difference between capital  
 asset additions and depreciation in the current period.

Capital assets used in governmental activities	7,902,242	
Depreciation Expense	<u>(2,984,917)</u>	4,917,325

Governmental funds only report the disposal of assets to the  
 extent proceeds are received from the sale. In the statement  
 of activities, a gain or loss is reported for each disposal. The  
 amount of the proceeds must be removed and the gain or loss  
 on the disposal of capital assets must be recognized. This is the  
 amount of the difference between the proceeds and the gain or loss. (501,009)

Revenues in the statement of activities that do not provide  
 current financial resources are not reported as revenues in  
 the funds.

Delinquent Property Taxes	163,204	
Intergovernmental	75,221	
Other	<u>53,375</u>	291,800

Repayment of bond principal is an expenditure in the  
 governmental funds, but the repayment reduces long-term  
 liabilities in the statement of net assets. 3,792,045

In the statement of activities interest expense is accrued when incurred,  
 whereas in governmental funds an interest expenditure is reported  
 when due. 14,972

Some expenses 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.

Compensated Absences	<u>(333,612)</u>	<u>(333,612)</u>
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Change in Net Assets of Governmental Activities  \$6,931,813

See accompanying notes to the Basic Financial Statements.

Mason City Schools  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2005

	Education Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$113,891	\$176,909
Receivables:		
Accounts	507	0
<b>Total Assets</b>	<b>114,398</b>	<b>\$176,909</b>
Liabilities:		
Accounts Payable	0	2,430
Other Liabilities	0	174,479
<b>Total Liabilities</b>	<b>0</b>	<b>\$176,909</b>
Net Assets:		
Held in Trust	114,398	
<b>Total Net Assets</b>	<b>\$114,398</b>	

See accompanying notes to the Basic Financial Statements.

Mason City Schools  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2005

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	Education Private Purpose Trust
Additions:	
Donations	\$16,609
Investment Earnings	<u>\$1,688</u>
Total Additions	<u>18,297</u>
Deductions:	
Regular	1,200
Operation of Non-Instructional Services	<u>2,126</u>
Total Deductions	<u>3,326</u>
Change in Net Assets	14,971
Net Assets Beginning of Year	<u>99,427</u>
Net Assets End of Year	<u><u>\$114,398</u></u>

See accompanying notes to the basic financial statements.

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**MASON CITY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2005**

**1. DESCRIPTION OF THE DISTRICT**

The Mason City School District (the "District") operates under a locally elected five member Board and provides educational services as authorized by its charter or further mandated by state/or federal agencies. The Board controls the District's six instructional facilities, staffed by 598 classified personnel, 609 certified full-time teaching personnel and administrative employees to provide services to students and other community members.

The District is located in Warren and Butler Counties in southwest Ohio. The District contains 25 square miles, with 99% of its territory located within Warren County and the remaining 1% in Butler County. Political subdivisions included in the 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 District is approximately 25 minutes northeast of downtown Cincinnati and 35 minutes southwest of downtown Dayton. The enrollment for the District during the current fiscal year was 8,793. The District operates one preschool, one early childhood center (K), two elementary schools (1-2) and (2-3), one intermediate school (4-6), one middle school (7-8) and a high school (9-12).

**REPORTING ENTITY**

In accordance with Governmental Accounting Standards Board [GASB] Statement 14, the financial reporting entity consists of a primary government. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

There are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, pupil transportation, food service, and maintenance of District facilities.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the 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 standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

## **FUND ACCOUNTING**

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental and fiduciary.

### **Governmental Funds**

Governmental funds focus 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 is reported as fund balance. The following are the District's major governmental funds:

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

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment.

Building Capital Projects Fund – The building fund is used to account for financial resources used in the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

### **Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodian in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only fiduciary funds are a private purpose trust fund and two agency funds. The private purpose trust fund accounts for scholarship programs for students. The student managed activity fund accounts for those student activity programs. The Section 125 insurance fund accounts for employee insurance contributions.



## **MEASUREMENT FOCUS**

### **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 current liabilities 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 reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Fiduciary Funds, excluding the agency funds, are reported using the economic resources measurement focus.

### **Government-wide Financial Statements**

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net assets. Fiduciary Funds are not included in entity-wide statements.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the 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 District.

## **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. Fiduciary funds use the accrual basis of accounting. Differences in the actual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, 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. Available means that the resources will be collected 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 District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, included property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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 year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange 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 year end: property taxes available for advance, grants and interest.

### Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of fiscal year end, but which were levied to finance subsequent fiscal year operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

### Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

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. However, debt service expenditures as well as expenditures related to compensated absences and claims are recorded only when due and payable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

## **CASH AND INVESTMENTS**

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as "equity in pooled cash and investments" on the financial statements. The District utilizes a financial institution for escrow related to retainage liabilities and to service bonded debt as principal and interest payments come due. These balances are presented on the financial statements as "Cash and Cash Equivalents with fiscal agent".

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements are reported at cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the current fiscal year. STAR 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.

STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2A7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for at year end.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during the current fiscal year amounted to \$586,554, which includes \$0 assigned from other funds.

For presentation on the financial statements, 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 District are considered to be cash equivalents.

## **INVENTORY**

Inventories are presented at cost on a first in, first out basis and are expended/expensed when used. Inventory consists of food held for resale and consumable supplies.

## CAPITAL ASSETS

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five hundred dollars (\$500). The 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. Interest incurred during the construction of capital assets is also capitalized.

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

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

## COMPENSATED ABSENCES

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, compensated absences represent amounts due and payable. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid.

The District's policies regarding compensated absences are determined by the state laws and/or negotiated agreements. In summary, the policies are as follows:

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How Earned	Not Eligible	20-30 days annually	10-20 days per year depending on length of service
Maximum Accumulation	Not Applicable	Amount equal to yearly accrual	Amount equal to yearly accrual
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Paid upon termination	Paid upon termination
<u>Sick Leave</u>			
How Earned	1.25 days per month of employment (15 days per year)	1.25 days per month of employment (15 days per year)	1.25 days per month of employment (15 days per year)
Maximum Accumulation	236 days	236 days	236 days
Vested	15 years of service Eligible for retirement	15 years of service Eligible for retirement	15 years of service Eligible for retirement
Termination Entitlement	Paid upon retirement	Paid upon retirement	Paid upon retirement

## NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

## INTERFUND ACTIVITY

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. 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 and are eliminated on the Statement of Activities.

Interfund activity has been eliminated from the government-wide financial statements.

## **FUND EQUITY**

Reserved fund balances indicate a portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, inventory, set aside, and property tax advances. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The unreserved portion of fund equity, reflected for the Governmental Funds, is available for use within the specific purpose of those funds.

## **INTERFUND BALANCES**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables" and "Interfund Payables." These amounts are eliminated in the governmental activities columns of the statement of net assets.

## **RESTRICTED ASSETS**

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets represent amounts followed by statute to be set-aside to create a reserve for budget stabilization.

## **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 governmental funds. However, compensated absences and contractually required pension contributions that 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 at year end. Long term loans are recognized as a liability on the statement of net assets when due.

## **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.

### 3. CASH AND INVESTMENTS

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the statement of net assets and balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies - Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies - 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. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds, and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.

- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the 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.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

### **Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2005, \$27,370,057 of the District's bank balance of \$27,535,759 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.



## Investments

As of June 30, 2005, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighed Average Maturity (Years)</u>
Treasury Bills	\$177,466	0.14
Federal Agency Bonds	3,105,903	0.38
Federal Agency Notes	36,806,752	0.53
Money Market Accounts	33,606	0.00
STAR Ohio	485,411	0.00
Total Fair Value	<u>\$40,609,138</u>	
Portfolio Weighted Average Maturity		0.51

Interest rate risk - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years.

Credit Risk – It is the District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The District’s investments in Federal Agencies and in the Money Market Funds were rated AAA by Standard & Poor’s and Fitch Ratings and Aaa by Moody’s Investors Service. Investments in STAR Ohio were rated AAA by Standard& Poor’s.

Concentration of credit risk – The District’s investment policy allows investments in Federal Agencies or Instrumentalities. All investments were issued or guaranteed by the federal government.

Custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District’s securities are either insured and registered in the name of the District or at least registered in the name of the District.

## 4. PROPERTY TAXES

Real property taxes collected in 2005 were levied in April on the assessed values as of January 1, 2004, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update every third year.

Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25 percent of true value (as defined). Each business was eligible to receive a \$10,000 exemption in assessed value which was reimbursed by the State.

Real property taxes are payable annually or semi-annually. In 2005, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

The County Auditor remits portions of the taxes collected to all taxing districts with periodic settlements of real and public utility property taxes in February and August and tangible personal property taxes in June and October. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2005. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2005. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2005, was \$1,771,000 and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these available advances for fiscal year 2005 operations. The amount available for advance at June 30, 2004 was \$1,370,125.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2005 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,147,072,040
Public Utility Personal	22,924,120
Tangible Personal Property	<u>150,765,500</u>
Total	<u>\$1,320,761,660</u>

## 5. RECEIVABLES

Receivables at fiscal year end, consisted of taxes, accounts, intergovernmental and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

## 6. CAPITAL ASSETS

Capital asset activity for the current fiscal year end was as follows:

	Restated Beginning Balance	Additions	Deletions	Ending Balance
<b>Government Activities</b>				
Nondepreciable Capital Assets:				
Land	\$5,839,438	\$0	\$0	\$5,839,438
Construction in Progress	195,935	4,092,841	0	4,288,776
Depreciable Capital Assets:				
Buildings and Improvements	114,215,655	73,871	0	114,289,526
Equipment	<u>21,177,165</u>	<u>3,735,530</u>	<u>1,613,047</u>	<u>23,299,648</u>
Totals at Historical Cost	<u>141,428,193</u>	<u>7,902,242</u>	<u>1,613,047</u>	<u>147,717,388</u>
Less Accumulated Depreciation:				
Buildings and Improvements	11,537,930	1,336,513	0	12,874,443
Equipment	<u>9,147,461</u>	<u>1,648,404</u>	<u>1,112,038</u>	<u>9,683,827</u>
Total Accumulated Depreciation	<u>20,685,391</u>	<u>2,984,917</u>	<u>1,112,038</u>	<u>22,558,270</u>
Governmental Activities Capital Assets, Net	<u>\$120,742,802</u>	<u>\$4,917,325</u>	<u>\$501,009</u>	<u>\$125,159,118</u>

\*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$599,287
Special	3,876
Vocational	42
Support Services:	
Pupil	21,462
Instructional Staff	46,055
School Administration	21,429
Fiscal	11,498
Business	1,890
Operations and Maintenance	1,406,278
Pupil Transportation	490,680
Central	136,267
Operation of Noninstructional Services	157,003
Extracurricular Activities	<u>89,150</u>
Total Depreciation Expense	<u>\$2,984,917</u>

## 7. SHORT-TERM NOTES PAYABLE

Short-Term Notes Payable activity of the District for the current year end was as follows:

	<u>Beginning Principal Outstanding</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Principal Outstanding</u>
Mason Intermediate Construction 2004 3.50%	\$0	\$6,400,000	\$0	\$6,400,000
Mason Intermediate Construction 2003 2.00%	<u>7,200,000</u>	<u>0</u>	<u>7,200,000</u>	<u>0</u>
<b>Total</b>	<b><u>\$7,200,000</u></b>	<b><u>\$6,400,000</u></b>	<b><u>\$7,200,000</u></b>	<b><u>\$6,400,000</u></b>

The short-term bond anticipation notes are shown as liabilities of the fund which received the note proceeds. Accordingly, all note debt activity has been reported in the building fund.

The notes were issued to fund building construction in the District.

Principal and interest requirements to retire these short-term notes payable outstanding at year end are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$6,400,000	\$224,000	\$6,624,000

## 8. LONG-TERM LIABILITIES

	<u>Beginning Principal Outstanding</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Principal Outstanding</u>	<u>Due In One Year</u>
<b><u>Governmental Activities:</u></b>					
<b>General Obligation Bonds:</b>					
1995 Building Construction and Equipment 5.65%	\$3,900,000	\$0	\$550,000	\$3,350,000	\$655,000
1998 Building Construction and Equipment 5.24%	21,070,000	0	485,000	20,585,000	580,000
2001 High School / Recreation Center Bonds Construction and Equipment 5.06%	68,475,000	0	1,335,000	67,140,000	1,925,000
2003 Refunding Middle/High School Bonds Construction and Equipment 3.97%	15,440,000	0	1,405,000	14,035,000	955,000
2004 Early Childhood Center Bonds Construction and Equipment 4.76%	<u>35,000,000</u>	<u>0</u>	<u>0</u>	<u>35,000,000</u>	<u>135,000</u>
<b>Total General Obligation Bonds</b>	<b>\$143,885,000</b>	<b>\$0</b>	<b>\$3,775,000</b>	<b>\$140,110,000</b>	<b>\$4,250,000</b>
Capital Leases	<u>17,045</u>	<u>0</u>	<u>17,045</u>	<u>0</u>	<u>0</u>
<b>Total Long Term Debt</b>	<b>\$143,902,045</b>	<b>\$0</b>	<b>\$3,792,045</b>	<b>\$140,110,000</b>	<b>\$4,250,000</b>
Compensated Absences	<u>2,727,801</u>	<u>405,393</u>	<u>258,360</u>	<u>2,874,834</u>	<u>238,481</u>
<b>Total Governmental Activities Long-Term Liabilities</b>	<b><u>\$146,629,846</u></b>	<b><u>\$405,393</u></b>	<b><u>\$4,050,405</u></b>	<b><u>\$142,984,834</u></b>	<b><u>\$4,488,481</u></b>

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the fund from which the person is paid. Capital lease obligations will be paid from the general fund.

In April 2004, the District issued \$35,000,000 in bonds used to construct a new early childhood building. The interest rate is 4.76% with a maturity of December 1, 2031.

In 2001, the District issued \$71,935,000 in bonds used to construct a new high school and recreation center. The interest rate is 5.06% with a maturity of June 1, 2022.

In March 1998, the District issued \$22,000,000 in bonds used to construct a new intermediate school building. The interest rate is 5.24% with a maturity of December 1, 2017.

In 2003, the District partially refunded bonds, the remaining bonds used for the bus garage construction and high school addition amounts to \$4,310,000. The interest rate is 5.65% with a maturity of December 1, 2010.

Principal and interest requirements to retire general obligation debt outstanding at year end are as follows:

Fiscal Year Ending June 30,	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$4,250,000	\$6,720,357	\$10,970,357
2007	4,990,000	6,545,552	11,535,552
2008	5,225,000	6,350,180	11,575,180
2009	5,725,000	6,110,695	11,835,695
2010	6,380,000	5,809,664	12,189,664
2011-2015	39,980,000	23,804,720	63,784,720
2016-2020	40,205,000	13,004,347	53,209,347
2021-2025	18,960,000	5,106,975	24,066,975
2026-2030	9,775,000	2,410,918	12,185,918
2031-2032	<u>4,620,000</u>	<u>233,750</u>	<u>4,853,750</u>
<b>Total</b>	<u><u>\$140,110,000</u></u>	<u><u>\$76,097,158</u></u>	<u><u>\$216,207,158</u></u>

General Obligation bonds were issued to fund building construction in the District.

## 9. CAPITAL LEASES

The District has entered into a capitalized lease for equipment. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Capital assets consisting of equipment have been capitalized in the amount of \$528,309. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded as a part of Long-Term Liabilities.

The lease was paid off during fiscal year 2005.

## **10. PENSION PLANS**

### **SCHOOL EMPLOYEES RETIREMENT SYSTEM**

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling (614) 222-5853.

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current contribution rate is 14% of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57% of annual covered salary was the portion being used to fund pension obligations. For fiscal year 2004, 9.09% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$2,074,500, \$1,890,876, and \$1,113,468 respectively; 55% has been contributed for fiscal year 2005 and 100% for fiscal year 2004 and 2003. \$1,132,008 represents the unpaid contribution for fiscal year 2005.

### **STATE TEACHERS RETIREMENT SYSTEM**

The District participates in State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2005, plan members were required to contribute 10% of their annual covered salaries. The District was required to contribute 14%; 13% was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for members and employer contributions.

The District's required contributions for pension obligations for the fiscal years ended June 30, 2005, 2004, and 2003 were \$4,612,812, \$4,137,276, and \$3,277,440 respectively; 82% has been contributed for fiscal year 2005 and 100% for fiscal year 2004 and 2003. \$841,132 represents the unpaid contribution for fiscal year 2005.

## **11. POST EMPLOYMENT BENEFITS**

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits included hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provision and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

STRS retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$332,858 for fiscal year 2005.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2004, (the latest information available) the balance in the Fund was \$3.1 billion. For the fiscal year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000 and STRS had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, disability, and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay was established at \$27,400. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2005 fiscal year, School District paid \$1,894,842 to fund health care benefits, including the surcharge.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

## **12. CONTINGENT LIABILITIES**

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement 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, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of fiscal year end.

### **13. RISK MANAGEMENT**

The 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 the current fiscal year the District contracted with Indiana Insurance for general liability insurance with a \$2,000,000 aggregate plus excess umbrella of an additional \$1,000,000 limit covering all employees and volunteers of the District.

Property and Fleet Insurance is provided by Indiana Insurance and property holds a \$5,000 deductible and the bus fleet and maintenance vehicles have a \$250 deductible and a \$1,000,000 automobile liability limit per occurrence.

The Travelers Insurance Company maintains a \$20,000 performance bond for the Board President and Superintendent and maintains a \$50,000 public official bond for the Treasurer. Cincinnati Insurance Company maintains a \$50,000 employee dishonesty blanket bond for all employees.

Settlements have not exceeded insurance coverage in any of the last ten fiscal years.

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The District offers medical and dental on a self-insured basis with third party administration services provided by Humana, Inc. Monthly premiums for medical coverage are \$1,177 for family coverage or \$463 for individual coverage. Monthly premiums for dental coverage are \$100 for family coverage or \$37 for individual coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document.

Vision is offered on a fully insured basis by the District with services provided by VSP (Vision Service Plan). Monthly premiums for vision are \$10.13 for family coverage and \$4.69 for individual coverage. VSP is responsible for payment of all claim amounts as established in the plan document.

The liability for unpaid claims cost of \$406,947 reported in the general fund at fiscal year end is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for the current year were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2004	\$542,179	\$8,185,894	\$8,173,585	\$554,488
2005	\$554,488	\$8,074,715	\$8,222,256	\$406,947

#### 14. STATE SCHOOL FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

#### 15. ACCOUNTABILITY

The following individual funds had a deficit in fund balance at year end:

<u>Fund</u>	<u>Deficit</u>
Special Revenue:	
Title VI B	\$110,438
Title I	48,959
Title VI	5,698
Summer Intervention	26,642
Public Preschool	5,434
Title III	4,121
Improving Teacher Quality	16,042

The fund deficits resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

## 16. FUND BALANCE RESERVES FOR SET-ASIDES

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

For the current fiscal year end, the District was no longer required to set aside funds in the budget reserve set-aside, with the exception of refund monies received from the Bureau of Workers' Compensation, which must be spent for specified purposes.

The following cash basis information describes the change in the year end set-aside amounts for textbooks and capital acquisition. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Total</u>
Set-aside Reserve Balance as of June 30, 2004	(\$564,761)	\$ 0	\$85,593	(\$479,168)
Current Year Set-aside Requirement	1,224,222	1,224,222	0	2,448,444
Qualified Disbursements	(1,325,924)	(508,521)	0	(1,834,445)
Current Year Offsets	<u>0</u>	<u>(34,802,048)</u>	<u>0</u>	<u>(34,802,048)</u>
Set-Aside Reserve Balance as of June 30, 2005	<u>(\$666,463)</u>	<u>(\$34,086,347)</u>	<u>\$85,593</u>	<u>(\$34,667,217)</u>
Restricted Cash as of June 30, 2005	<u>\$85,593</u>			
Carried Forward as of June 30, 2005	<u>\$666,463</u>			

## 17. INTERFUND TRANSACTIONS

Interfund transactions at fiscal year end, consisted of the following individual fund receivables and payables:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$112,030	\$0	\$0	\$634,579
Debt Service	0	0	6,400,000	7,343,171
Building	0	0	7,343,171	6,400,000
Other Governmental Funds	<u>0</u>	<u>112,030</u>	<u>634,579</u>	<u>0</u>
Total all funds	<u>\$112,030</u>	<u>\$112,030</u>	<u>\$14,377,750</u>	<u>\$14,377,750</u>

The amounts due in the general fund are the result of the District moving unrestricted balances to support programs and projects accounted for in other funds. The general fund will be reimbursed when funds become available in the other governmental funds. Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds.

## 18. SIGNIFICANT CONTRACTUAL OBLIGATIONS

Listed below are the District's contracts that had outstanding balances in excess of \$100,000 at year end:

Voorhis, Slone, Welsh	\$243,171
Civil & Environmental	159,282
Turner Construction	614,050
Performance Site, Inc	3,247,770
Universal Contracting Corp	360,399
Miter Masonry Contractors, Inc	973,403
Champion Structural Systems	275,775
G/C Contracting Corp	1,158,484
BK Contracting LLC	239,060
OKI Window Systems, Inc	731,758
Breckenridge Kitchen	438,350
Feldkamp Enterprises	368,290
Triton Services, Inc	3,346,573
Beacon Electric Co.	2,438,766
Baker Concrete	1,106,000
Crace Construction Company	3,122,349
RJ Beischel Building Company	2,801,731
Kerkan Roofing, Inc	1,421,512
Cincinnati-Dayton Fire	353,332
Nelson Stark Company	1,020,669
Avenue Fabricating	1,958,256
Total	<u>\$26,378,980</u>

## 19. JOINTLY GOVERNED ORGANIZATIONS

- A. The Southwestern Ohio Computer Association (SWOCA) is a jointly governed organization among a three county consortium of school districts. The jointly governed 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 districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized.

The Governing Board of SWOCA consists of six members elected by majority vote of all charter member schools plus one representative from the fiscal agent. The District has an equity interest that is explicit and measurable in that the jointly governed agreement stipulates that the participants have a future claim to the net resources of SWOCA upon dissolution. The agreement sets forth the method to determine each members' proportionate share. Financial information can be obtained from Michael Crumley, who serves as director, at 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

- B. The Great Oaks Joint Vocational School, 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 board, which possesses its own budgeting and taxing authority. To obtain financial information write to the Great Oaks Vocational School, Mr. John Wahle, Chief Financial Officer, at 3254 East Kemper Road, Cincinnati, Ohio 45241.
- C. The 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 District made no financial contribution to the Foundation. Financial information can be obtained from the director of planned giving, Rick Wood, at P.O. Box 854, Lebanon, Ohio 45036.

## **20. PRIOR YEAR DEFEASANCE OF DEBT**

On August 1, 2003, the School District issued \$15,705,000 in General Obligation bonds with an average interest rate of 3.45% of which \$15,705,000 was used to advance refund \$15,705,000 of outstanding 1992 and 1995 Series bonds with an average interest rate of 5.62%. The net proceeds of \$15,705,000 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1992 and 1995 Series bonds. As a result, \$11,075,000 of the 1992 and 1995 Series bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Assets.

The School District partially advance refunded the 1992 and 1995 Series bonds to reduce its total debt service payments over the next 13 years by \$533,588 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$502,112.

## **21. CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT**

For fiscal year 2005, the District has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures". GASB 40 establishes and modifies disclosure requirements related to investment risk: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modifies disclosure requirements for custodial credit risk on deposits. This statement applies to all state and local governments.

For 2005, the District has implemented GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers." This Bulletin addresses the amount that should be recognized as an expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment (OPEB) plans.

The implementation of GASB Technical Bulletin No. 2004-2 had the following effect on the fund balances of the major and nonmajor funds of the District as they were previously reported as of June 30, 2004:

	<u>General</u>	<u>Nonmajor</u>
Fund Balances, June 30, 2004	\$10,960,849	\$6,215,844
GASB Technical Bulletin No. 2004-2	<u>(562,258)</u>	<u>(66,073)</u>
Restated Fund Balance, June 30, 2004	<u>\$10,398,591</u>	<u>\$6,149,771</u>

A prior period adjustment is required to restate capital assets at June 30, 2004 due to an overstatement of construction in progress in the prior year. This restatement had the following effect on net assets at June 30, 2004:

	<u>Governmental Activities</u>
Net assets as previously reported	\$25,676,284
Restatement for capital assets	<u>(372,188)</u>
Net assets, restated at July 1, 2004	<u>\$25,304,096</u>

## 22. SUBSEQUENT EVENT

On September 27, 2005, the District issued General Obligation Unlimited Tax School Refunding Bonds, series 2005, not to exceed \$87,725,000. Also, the District is involved in several lawsuits. Either no monetary liability is expected from these lawsuits or it is expected that the District will prevail in the lawsuits.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

Mason City School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2005

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Taxes	\$44,167,514	\$45,593,712	\$46,250,270	\$656,558
Tuition and Fees	601,732	728,851	741,742	12,891
Investment Earnings	281,393	676,862	682,579	5,717
Intergovernmental	33,130,661	34,251,322	34,878,537	627,215
Other Revenues	227,366	247,080	74,539	(172,541)
<b>Total Revenues</b>	<b>78,408,666</b>	<b>81,497,827</b>	<b>82,627,666</b>	<b>1,129,839</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular</b>				
Salaries and Wages	25,252,266	27,632,918	27,741,803	(108,885)
Fringe Benefits	7,711,773	7,594,254	7,589,481	4,773
Purchased Services	11,276	16,738	9,806	6,932
Materials and Supplies	1,865,554	1,686,474	1,340,322	346,152
Capital Outlay	29,178	68,348	44,122	24,226
Capital Outlay - Replacement	10,290	10,463	6,527	3,936
Other Expenditures	3,235	3,294	2,278	1,016
<b>Total Regular</b>	<b>34,883,572</b>	<b>37,012,489</b>	<b>36,734,339</b>	<b>278,150</b>
<b>Special</b>				
Salaries and Wages	4,926,541	4,783,073	4,432,466	350,607
Fringe Benefits	1,519,503	1,524,848	1,512,820	12,028
Purchased Services	45,422	88,062	55,962	32,100
Materials and Supplies	50,746	51,878	32,315	19,563
Capital Outlay	1,000	6,329	4,899	1,430
Other Expenditures	211,016	211,506	187,855	23,651
<b>Total Special</b>	<b>6,754,228</b>	<b>6,665,696</b>	<b>6,226,317</b>	<b>439,379</b>
<b>Other</b>				
Purchased Services	397,352	443,868	408,243	35,625
<b>Total Other</b>	<b>397,352</b>	<b>443,868</b>	<b>408,243</b>	<b>35,625</b>
<b>Support Services:</b>				
<b>Pupil</b>				
Salaries and Wages	3,042,091	3,055,267	2,797,581	257,686
Fringe Benefits	949,038	982,038	981,334	704
Purchased Services	398,855	392,166	100,142	292,024
Materials and Supplies	66,352	67,754	49,445	18,309
Capital Outlay	8,792	9,345	5,451	3,894
<b>Total Pupil</b>	<b>4,465,128</b>	<b>4,506,570</b>	<b>3,933,953</b>	<b>572,617</b>

Continued



Mason City School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2005

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Instructional Staff</b>				
Salaries and Wages	4,726,314	4,660,827	4,296,681	364,146
Fringe Benefits	2,049,148	1,895,914	1,895,200	714
Purchased Services	41,823	41,563	32,262	9,301
Materials and Supplies	84,732	101,325	70,685	30,640
Capital Outlay	26,293	36,735	25,751	10,984
Capital Outlay - Replacement	2,125	1,625	830	795
Other Expenditures	6,500	7,194	6,954	240
<b>Total Instructional Staff</b>	<b>6,936,935</b>	<b>6,745,183</b>	<b>6,328,363</b>	<b>416,820</b>
<b>General Administration</b>				
Salaries and Wages	18,900	18,450	13,275	5,175
Fringe Benefits	3,466	3,666	3,084	582
Purchased Services	7,395	7,545	2,285	5,260
Materials and Supplies	105	205	110	95
Other Expenditures	52,173	94,664	86,705	7,959
<b>Total Board of Education</b>	<b>82,039</b>	<b>124,530</b>	<b>105,459</b>	<b>19,071</b>
<b>School Administration</b>				
Salaries and Wages	3,659,100	3,692,149	3,405,599	286,550
Fringe Benefits	1,234,877	1,269,638	1,267,607	2,031
Purchased Services	173,614	168,542	120,720	47,822
Materials and Supplies	23,139	25,325	12,984	12,341
Capital Outlay	8,049	10,706	3,551	7,155
Capital Outlay - Replacement	4,891	4,891	4,591	300
Other Expenditures	111,200	64,248	48,692	15,556
<b>Total Administration</b>	<b>5,214,870</b>	<b>5,235,499</b>	<b>4,863,744</b>	<b>371,755</b>
<b>Fiscal</b>				
Salaries and Wages	606,738	523,413	523,372	41
Fringe Benefits	244,477	235,977	235,952	25
Purchased Services	30,452	30,212	26,799	3,413
Materials and Supplies	19,547	22,399	16,669	5,730
Capital Outlay	10,100	5,400	5,348	52
Capital Outlay - Replacement	0	4,845	4,845	0
Other Expenditures	982,788	986,051	839,079	146,972
<b>Total Fiscal</b>	<b>1,894,102</b>	<b>1,808,297</b>	<b>1,652,064</b>	<b>156,233</b>
<b>Business</b>				
Salaries and Wages	198,833	240,658	180,939	59,719
Fringe Benefits	81,159	96,159	69,561	26,598
Purchased Services	6,175	13,915	9,556	4,359
Materials and Supplies	3,177	7,576	4,603	2,973
Other Expenditures	0	1,000	939	61
<b>Total Business</b>	<b>289,344</b>	<b>359,308</b>	<b>265,598</b>	<b>93,710</b>

Continued

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Operations and Maintenance</b>				
Salaries and Wages	4,134,189	4,221,355	3,675,395	545,960
Fringe Benefits	1,403,493	1,418,371	1,413,716	4,655
Purchased Services	3,485,519	3,455,665	3,186,229	269,436
Materials and Supplies	626,573	598,222	487,368	110,854
Capital Outlay	16,817	80,316	55,806	24,510
Capital Outlay - Replacement	74,731	77,584	77,584	0
<b>Total Operations and Maintenance</b>	<b>9,741,322</b>	<b>9,851,513</b>	<b>8,896,098</b>	<b>955,415</b>
<b>Pupil Transportation</b>				
Salaries and Wages	3,320,178	3,461,180	3,141,015	320,165
Fringe Benefits	1,225,519	1,281,674	1,281,674	0
Purchased Services	246,210	250,201	223,929	26,272
Materials and Supplies	403,776	646,915	538,802	108,113
Capital Outlay	61,000	52,862	6,616	46,246
Other Expenditures	0	20	0	20
<b>Total Pupil Transportation</b>	<b>5,256,683</b>	<b>5,692,852</b>	<b>5,192,036</b>	<b>500,816</b>
<b>Central</b>				
Salaries and Wages	1,598,221	1,665,278	1,458,761	206,517
Fringe Benefits	493,573	534,078	530,618	3,460
Purchased Services	710,536	262,810	150,673	112,137
Materials and Supplies	114,518	468,063	445,600	22,463
Capital Outlay	20,423	201,097	58,341	142,756
Capital Outlay - Replacement	11,404	217,017	169,661	47,356
Other Expenditures	200	780	630	150
<b>Total Central</b>	<b>2,948,875</b>	<b>3,349,123</b>	<b>2,814,284</b>	<b>534,839</b>
<b>Operation of Non-Instructional Services</b>				
Salaries and Wages	11,031	11,031	0	11,031
Fringe Benefits	14,779	14,529	6,855	7,674
Purchased Services	22,934	25,986	13,428	12,558
Materials and Supplies	11,635	11,635	3,642	7,993
Other Expenditures	8,138	8,138	2,796	5,342
<b>Total Non- Instructional Services</b>	<b>68,517</b>	<b>71,319</b>	<b>26,721</b>	<b>44,598</b>
<b>Extracurricular Activities</b>				
Salaries and Wages	1,022,915	1,043,751	949,734	94,017
Fringe Benefits	197,785	206,467	205,980	487
Purchased Services	244,380	214,374	124,635	89,739
Materials and Supplies	24,172	22,491	14,372	8,119
Capital Outlay	2,788	2,788	0	2,788
Other Expenditures	9,248	20,168	12,463	7,705
<b>Total Extracurricular Activities</b>	<b>1,501,288</b>	<b>1,510,039</b>	<b>1,307,184</b>	<b>202,855</b>
<b>Capital Outlay</b>	<b>0</b>	<b>42,620</b>	<b>38,098</b>	<b>4,522</b>
<b>Total Expenditures</b>	<b>80,434,255</b>	<b>83,418,906</b>	<b>78,792,500</b>	<b>4,626,406</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,025,589)</b>	<b>(1,921,079)</b>	<b>3,835,166</b>	<b>5,756,245</b>

Continued

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	0	440	0	(440)
Advances In	938,201	38,201	13,465	(24,736)
Advances (Out)	(143,465)	(148,887)	(112,030)	36,857
Transfers (Out)	(630,000)	(634,579)	(634,579)	0
<b>Total Other Financing Sources (Uses)</b>	<b>164,736</b>	<b>(744,825)</b>	<b>(733,144)</b>	<b>11,681</b>
<b>Net Change in Fund Balance</b>	<b>(1,860,853)</b>	<b>(2,665,904)</b>	<b>3,102,022</b>	<b>5,767,926</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>17,859,728</b>	<b>17,859,728</b>	<b>17,859,728</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$15,998,875</b>	<b>\$15,193,824</b>	<b>\$20,961,750</b>	<b>\$5,767,926</b>

See accompanying notes to the required supplementary information.

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**MASON CITY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Fiscal Year Ended June 30, 2005**

**1. BUDGETARY PROCESS**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources 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 amount 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 the level of control selected by the Board. The legal level of control has been established by the Board at the fund and function level. Any budgetary modifications at this level may only be made by resolution of the Board.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2005.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

While the District is reporting financial position, results of operations and changes in fund balance 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 Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

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. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and expendable trust funds (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$3,338,113
Net Adjustment for Revenue Accruals	11,084,690
Net Adjustment for Expenditure Accruals	(10,448,266)
Encumbrances	<u>(872,515)</u>
Budget Basis	<u>\$3,102,022</u>

**COMBINING STATEMENTS  
AND INDIVIDUAL  
FUND SCHEDULES**

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

**PUBLIC SCHOOL SUPPORT:** To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

**COMMUNITY SERVICES:** To account for monies for developing, maximizing, coordinating, enhancing and strengthening the process of community interaction and communication with the District.

**DISTRICT MANAGED STUDENT ACTIVITIES:** To account for those student activity programs which have student participation in the activity but do not have student management in the programs. This fund includes athletic programs as well as the band, cheerleaders, flag corps and other similar types of activities.

**AUXILIARY SERVICES:** To account for state funds which provide services and materials to students attending non-public schools within the boundaries of the District as provided by state law.

**MANAGEMENT INFORMATION SYSTEM:** To account for state funds which are provided to assist the District in implementing a staff, student and financial system to comply with Senate Bill 140.

**ENTRY YEAR PROGRAMS:** To account for state funds provided for entry year programs.

**ONENET NETWORK CONNECTIVITY:** To account for state funds designed to provide network connections for technology in the District.

**SCHOOLNET PROFESSIONAL DEVELOPMENT:** To account for a limited number of professional development subsidy grants.

**OHIO READS:** To account for state funds, which are designated reading.

**SUMMER INTERVENTION:** To account for funds which are used for summer intervention programs.

**VOCATIONAL EDUCATION ENHANCEMENT:** To account for funds which are used for vocational education.

**SAFE SCHOOL HELP LINE:** To account for state funds received for students and parents to report threats to the safety of students or school personnel.

SCHOOL CONFLICT MANAGEMENT: To account for funds used to provide training for students and staff in conflict management.

TITLE VI B: To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialist in providing educational services to the handicapped.

VOCATIONAL EDUCATION: To account for federal funds for the development of vocational education programs in the following categories: secondary, post secondary, adult, disadvantaged and handicapped persons, cooperative education, advisory committees, and work-study projects.

TITLE III: Federal grant used to account for federal monies provided to support the District's ESL population.

REFUGEE IMPACT: To account for federal funds to provide supplemental services to refugees.

TITLE I: To account for federal funds for services provided to meet special educational needs of educationally deprived children.

TITLE VI: To account for federal funds to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; programs to enhance personal excellence of students and student achievement.

DRUG FREE SCHOOLS: To account for federal funds used for establishment, operation and improvement of programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

PUBLIC SCHOOL PRESCHOOL: This program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

E-RATE: To account for funds to be used for telecommunications.

IMPROVING TEACHER QUALITY: To account for state funds provided for staff development programs.

CONTINUOUS IMPROVEMENT: To account for federal funds received through the state for the development of a continuous improvement plan.

FOOD SERVICE: To account for all revenues and expenses related to the provision of food services, including breakfast and lunch, for the District students and staff.

UNIFORM SCHOOL SUPPLY: To account for the purchase and sale of school supplies as adopted by the Board of Education for use in all schools of the District.

LATCHKEY: To account for all revenues and expenses related to the operation of the Latchkey Program for the District students.

### CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS: To account for all transactions related to improvements to existing District facilities.

SCHOOL NET PLUS: To account for state funds received to implement technology into K-4 classrooms.

### **NONMAJOR FIDUCIARY FUNDS**

EDUCATION PRIVATE PURPOSE TRUST: To account for contributions from various sources to be used for educational purposes.

STUDENT ACTIVITIES: To account for the resources that belong to the various student groups in the District. The funds account for sales and other revenue generating activities by student activity programs, which have students involved in the management of the program.

SECTION 125 INSURANCE: To account for monies voluntarily withheld from employees on a pre-tax basis to reimburse employees for medical and dental expenses not covered by group insurance.

Mason City Schools  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$3,472,434	\$5,153,731	\$8,626,165
<b>Receivables:</b>			
Taxes	0	574,679	574,679
Accounts	49,576	0	49,576
Intergovernmental	226,030	0	226,030
Inventory	30,064	0	30,064
<b>Total Assets</b>	<b>3,778,104</b>	<b>5,728,410</b>	<b>9,506,514</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	89,674	1,098	90,772
Accrued Wages and Benefits	613,875	0	613,875
Interfund Payable	112,030	0	112,030
Unearned Revenue	114,866	554,679	669,545
<b>Total Liabilities</b>	<b>930,445</b>	<b>555,777</b>	<b>1,486,222</b>
<b>Fund Balances:</b>			
Reserved for Encumbrances	196,365	273,634	469,999
Reserved for Inventory	30,064	0	30,064
Reserved for Property Tax Advances	0	20,000	20,000
<b>Unreserved, Undesignated, Reported in:</b>			
Special Revenue Funds	2,621,230	0	2,621,230
Capital Projects Funds	0	4,878,999	4,878,999
<b>Total Fund Balances</b>	<b>2,847,659</b>	<b>5,172,633</b>	<b>8,020,292</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$3,778,104</b>	<b>\$5,728,410</b>	<b>\$9,506,514</b>

Mason City Schools  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Taxes	\$0	\$327,548	\$327,548
Tuition and Fees	104,024	0	104,024
Investment Earnings	45,881	17,358	63,239
Intergovernmental	2,970,754	129,773	3,100,527
Extracurricular Activities	1,003,782	0	1,003,782
Charges for Services	2,661,085	0	2,661,085
Other Revenues	1,247,273	2,802,551	4,049,824
<b>Total Revenues</b>	<b>8,032,799</b>	<b>3,277,230</b>	<b>11,310,029</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	740,697	627,942	1,368,639
Special	1,131,711	1,737	1,133,448
Vocational	9,710	0	9,710
<b>Support Services:</b>			
Pupil	468,082	2,936	471,018
Instructional Staff	158,831	0	158,831
General Administration	1,346	0	1,346
School Administration	1,481	532	2,013
Fiscal	0	7,636	7,636
Business	59,601	0	59,601
Operations and Maintenance	1,180,068	48,759	1,228,827
Pupil Transportation	22,339	679,000	701,339
Central	76,923	2,364	79,287
Operation of Non-Instructional Services	4,181,411	0	4,181,411
Extracurricular Activities	609,836	53,935	663,771
Capital Outlay	0	7,210	7,210
<b>Total Expenditures</b>	<b>8,642,036</b>	<b>1,432,051</b>	<b>10,074,087</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(609,237)</b>	<b>1,845,179</b>	<b>1,235,942</b>
<b>Other Financing Sources (Uses):</b>			
Transfers In	634,579	0	634,579
<b>Total Other Financing Sources (Uses)</b>	<b>634,579</b>	<b>0</b>	<b>634,579</b>
<b>Net Change in Fund Balance</b>	<b>25,342</b>	<b>1,845,179</b>	<b>1,870,521</b>
<b>Fund Balance Beginning of Year (restated)</b>	<b>2,822,317</b>	<b>3,327,454</b>	<b>6,149,771</b>
<b>Fund Balance End of Year</b>	<b>\$2,847,659</b>	<b>\$5,172,633</b>	<b>\$8,020,292</b>

Mason City Schools  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2005

	Public School Support	Community Services	District Managed Student Activity	Auxiliary Services	Management Information System
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$186,061	\$1,876,807	\$164,528	\$92,346	\$42,284
<b>Receivables:</b>					
Accounts	14,062	28,434	4,000	0	0
Intergovernmental	0	0	0	0	0
Inventory	0	0	0	0	0
<b>Total Assets</b>	<b>200,123</b>	<b>1,905,241</b>	<b>168,528</b>	<b>92,346</b>	<b>42,284</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	14,710	3,179	14,515	20,467	0
Accrued Wages and Benefits	0	8,489	0	13,584	0
Interfund Payable	0	0	52,000	0	0
Unearned Revenue	0	4,471	0	0	0
<b>Total Liabilities</b>	<b>14,710</b>	<b>16,139</b>	<b>66,515</b>	<b>34,051</b>	<b>0</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	6,394	8,795	21,582	71,938	0
Reserved for Inventory	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	179,019	1,880,307	80,431	(13,643)	42,284
<b>Total Fund Balances</b>	<b>185,413</b>	<b>1,889,102</b>	<b>102,013</b>	<b>58,295</b>	<b>42,284</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$200,123</b>	<b>\$1,905,241</b>	<b>\$168,528</b>	<b>\$92,346</b>	<b>\$42,284</b>

Entry Year Programs	OneNet Network Connectivity	SchoolNet Professional Development	Ohio Reads	Summer Intervention	Vocational Education Enhancement	Safe School Help Line	School Conflict Management
\$50	\$0	\$132	\$38	\$40,633	\$4,031	\$965	\$854
0	0	0	0	0	0	0	0
0	0	0	0	49,079	0	0	0
0	0	0	0	0	0	0	0
50	0	132	38	89,712	4,031	965	854
50	0	0	0	12,169	174	0	0
0	0	0	0	17,031	0	0	0
0	0	0	0	38,075	0	0	0
0	0	0	0	49,079	0	0	0
50	0	0	0	116,354	174	0	0
0	0	0	0	28,464	3,683	0	0
0	0	0	0	0	0	0	0
0	0	132	38	(55,106)	174	965	854
0	0	132	38	(26,642)	3,857	965	854
\$50	\$0	\$132	\$38	\$89,712	\$4,031	\$965	\$854

Continued

Mason City Schools  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2005

	Title VI-B	Vocational Education	Title III	Refugee Impact	Title I
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$18,966	\$7,771	\$3,647	\$2,095	\$410
<b>Receivables:</b>					
Accounts	0	0	0	0	0
Intergovernmental	73,033	0	5,355	0	0
Inventory	0	0	0	0	0
<b>Total Assets</b>	<b>91,999</b>	<b>7,771</b>	<b>9,002</b>	<b>2,095</b>	<b>410</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	435	77	0	0	0
Accrued Wages and Benefits	202,002	0	9,910	0	49,369
Interfund Payable	0	3,390	827	0	0
Unearned Revenue	0	0	2,386	0	0
<b>Total Liabilities</b>	<b>202,437</b>	<b>3,467</b>	<b>13,123</b>	<b>0</b>	<b>49,369</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	0	3,396	0	0	0
Reserved for Inventory	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	(110,438)	908	(4,121)	2,095	(48,959)
<b>Total Fund Balances</b>	<b>(110,438)</b>	<b>4,304</b>	<b>(4,121)</b>	<b>2,095</b>	<b>(48,959)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$91,999</b>	<b>\$7,771</b>	<b>\$9,002</b>	<b>\$2,095</b>	<b>\$410</b>



Title VI	Drug-Free Schools	Public School Preschool	E-Rate	Improving Teacher Quality	Continuous Improvement	Food Service	Uniform School Supplies
\$4,204	\$1,559	\$6,029	\$61,176	\$21,029	\$1,482	\$833,832	\$0
0	0	0	0	0	0	3,080	0
0	12,997	4,830	0	44,678	3,798	32,260	0
0	0	0	0	0	0	30,064	0
<u>4,204</u>	<u>14,556</u>	<u>10,859</u>	<u>61,176</u>	<u>65,707</u>	<u>5,280</u>	<u>899,236</u>	<u>0</u>
587	1,540	0	0	11,091	0	9,620	0
9,315	0	10,111	0	14,627	0	218,520	0
0	203	6,182	0	11,353	0	0	0
0	10,454	0	0	44,678	3,798	0	0
<u>9,902</u>	<u>12,197</u>	<u>16,293</u>	<u>0</u>	<u>81,749</u>	<u>3,798</u>	<u>228,140</u>	<u>0</u>
1,179	19	0	0	9,938	45	34,528	0
0	0	0	0	0	0	30,064	0
<u>(6,877)</u>	<u>2,340</u>	<u>(5,434)</u>	<u>61,176</u>	<u>(25,980)</u>	<u>1,437</u>	<u>606,504</u>	<u>0</u>
<u>(5,698)</u>	<u>2,359</u>	<u>(5,434)</u>	<u>61,176</u>	<u>(16,042)</u>	<u>1,482</u>	<u>671,096</u>	<u>0</u>
<u>\$4,204</u>	<u>\$14,556</u>	<u>\$10,859</u>	<u>\$61,176</u>	<u>\$65,707</u>	<u>\$5,280</u>	<u>\$899,236</u>	<u>\$0</u>

Continued

Mason City Schools  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2005

	<u>Latchkey</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Assets:</b>		
Equity in Pooled Cash and Investments	\$101,505	\$3,472,434
<b>Receivables:</b>		
Accounts	0	49,576
Intergovernmental	0	226,030
Inventory	0	30,064
<b>Total Assets</b>	<u>101,505</u>	<u>3,778,104</u>
<b>Liabilities and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts Payable	1,060	89,674
Accrued Wages and Benefits	60,917	613,875
Interfund Payable	0	112,030
Unearned Revenue	0	114,866
<b>Total Liabilities</b>	<u>61,977</u>	<u>930,445</u>
<b>Fund Balances:</b>		
Reserved for Encumbrances	6,404	196,365
Reserved for Inventory	0	30,064
Unreserved, Undesignated, Reported in: Special Revenue Funds	<u>33,124</u>	<u>2,621,230</u>
<b>Total Fund Balances</b>	<u>39,528</u>	<u>2,847,659</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$101,505</u>	<u>\$3,778,104</u>

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Mason City Schools  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2005

	Public School Support	Community Services	District Managed Student Activity	Auxiliary Services	Management Information System
<b>Revenues:</b>					
Tuition and Fees	\$108	\$103,916	\$0	\$0	\$0
Investment Earnings	0	28,255	1,545	2,233	0
Intergovernmental	0	0	0	531,240	28,806
Extracurricular Activities	428,009	15,054	560,719	0	0
Charges for Services	0	4,043	0	0	0
Other Revenues	61,756	661,345	22,238	0	0
<b>Total Revenues</b>	<b>489,873</b>	<b>812,613</b>	<b>584,502</b>	<b>533,473</b>	<b>28,806</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	430,421	96,653	0	0	0
Special	35	3,385	0	0	0
Vocational	0	0	0	0	0
<b>Support Services:</b>					
Pupil	0	1,674	0	0	0
Instructional Staff	287	259	0	0	0
General Administration	1,346	0	0	0	0
School Administration	673	808	0	0	0
Business	0	59,601	0	0	0
Operations and Maintenance	1,526	1,165,776	0	0	0
Pupil Transportation	818	9,300	0	0	0
Central	0	0	0	0	156
Operation of Non-Instructional Services	4,272	37,552	0	590,821	0
Extracurricular Activities	30,897	3,854	575,085	0	0
<b>Total Expenditures</b>	<b>470,275</b>	<b>1,378,862</b>	<b>575,085</b>	<b>590,821</b>	<b>156</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>19,598</b>	<b>(566,249)</b>	<b>9,417</b>	<b>(57,348)</b>	<b>28,650</b>
<b>Other Financing Sources (Uses):</b>					
Transfers In	0	630,000	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>630,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>19,598</b>	<b>63,751</b>	<b>9,417</b>	<b>(57,348)</b>	<b>28,650</b>
<b>Fund Balance Beginning of Year (restated)</b>	<b>165,815</b>	<b>1,825,351</b>	<b>92,596</b>	<b>115,643</b>	<b>13,634</b>
<b>Fund Balance End of Year</b>	<b>\$185,413</b>	<b>\$1,889,102</b>	<b>\$102,013</b>	<b>\$58,295</b>	<b>\$42,284</b>

Entry Year Programs	OneNet Network Connectivity	SchoolNet Professional Development	Ohio Reads	Summer Intervention	Vocational Education Enhancement	Safe School Help Line	School Conflict Management
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
41,800	18,000	4,140	6,000	111,916	6,629	6,899	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	50
41,800	18,000	4,140	6,000	111,916	6,629	6,899	50
41,800	0	0	0	81,091	0	0	0
0	0	0	0	74,822	0	0	0
0	0	0	0	0	2,772	0	0
0	0	0	0	0	0	0	0
0	0	4,505	7,962	2,495	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	6,899	0
0	0	0	0	12,221	0	0	0
0	18,000	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
41,800	18,000	4,505	7,962	170,629	2,772	6,899	0
0	0	(365)	(1,962)	(58,713)	3,857	0	50
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	(365)	(1,962)	(58,713)	3,857	0	50
0	0	497	2,000	32,071	0	965	804
\$0	\$0	\$132	\$38	(\$26,642)	\$3,857	\$965	\$854

Continued

Mason City Schools  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 Nonmajor Special Revenue Funds  
 For the Fiscal Year Ended June 30, 2005

	Title VI-B	Vocational Education	Title III	Refugee Impact	Title I
<b>Revenues:</b>					
Tuition and Fees	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0	0
Intergovernmental	1,269,972	9,958	55,681	2,050	168,074
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	0
Other Revenues	467	0	0	0	0
<b>Total Revenues</b>	<b>1,270,439</b>	<b>9,958</b>	<b>55,681</b>	<b>2,050</b>	<b>168,074</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	0	0	0	218	0
Special	855,437	0	292	0	197,740
Vocational	0	6,938	0	0	0
<b>Support Services:</b>					
Pupil	447,041	0	0	0	0
Instructional Staff	3,888	0	61,216	0	0
General Administration	0	0	0	0	0
School Administration	0	0	0	0	0
Business	0	0	0	0	0
Operations and Maintenance	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	61,759	0	0	0	6,148
Extracurricular Activities	0	0	0	0	0
<b>Total Expenditures</b>	<b>1,368,125</b>	<b>6,938</b>	<b>61,508</b>	<b>218</b>	<b>203,888</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(97,686)</b>	<b>3,020</b>	<b>(5,827)</b>	<b>1,832</b>	<b>(35,814)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers In	4,579	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>4,579</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(93,107)</b>	<b>3,020</b>	<b>(5,827)</b>	<b>1,832</b>	<b>(35,814)</b>
<b>Fund Balance Beginning of Year (restated)</b>	<b>(17,331)</b>	<b>1,284</b>	<b>1,706</b>	<b>263</b>	<b>(13,145)</b>
<b>Fund Balance End of Year</b>	<b>(\$110,438)</b>	<b>\$4,304</b>	<b>(\$4,121)</b>	<b>\$2,095</b>	<b>(\$48,959)</b>

Title VI	Drug-Free Schools	Public School Preschool	E-Rate	Improving Teacher Quality	Continuous Improvement	Food Service	Uniform School Supplies
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	12,464	0
48,698	17,394	34,829	14,330	70,513	6,300	517,525	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	2,657,042	0
730	0	0	0	50	0	40,031	0
49,428	17,394	34,829	14,330	70,563	6,300	3,227,062	0
34,252	0	0	0	56,262	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	19,367	0	0	0	0	0	0
0	0	40,263	0	37,956	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	5,867	0	0
0	0	0	0	0	0	0	0
0	0	0	58,767	0	0	0	0
2,008	656	0	0	295	228	3,027,342	110
0	0	0	0	0	0	0	0
36,260	20,023	40,263	58,767	94,513	6,095	3,027,342	110
13,168	(2,629)	(5,434)	(44,437)	(23,950)	205	199,720	(110)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
13,168	(2,629)	(5,434)	(44,437)	(23,950)	205	199,720	(110)
(18,866)	4,988	0	105,613	7,908	1,277	471,376	110
(\$5,698)	\$2,359	(\$5,434)	\$61,176	(\$16,042)	\$1,482	\$671,096	\$0

Continued

Mason City Schools  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2005

	Latchkey	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>		
Tuition and Fees	\$0	\$104,024
Investment Earnings	1,384	45,881
Intergovernmental	0	2,970,754
Extracurricular Activities	0	1,003,782
Charges for Services	0	2,661,085
Other Revenues	460,606	1,247,273
<b>Total Revenues</b>	<b>461,990</b>	<b>8,032,799</b>
<b>Expenditures:</b>		
<b>Current:</b>		
<b>Instruction:</b>		
Regular	0	740,697
Special	0	1,131,711
Vocational	0	9,710
<b>Support Services:</b>		
Pupil	0	468,082
Instructional Staff	0	158,831
General Administration	0	1,346
School Administration	0	1,481
Business	0	59,601
Operations and Maintenance	0	1,180,068
Pupil Transportation	0	22,339
Central	0	76,923
Operation of Non-Instructional Services	450,220	4,181,411
Extracurricular Activities	0	609,836
<b>Total Expenditures</b>	<b>450,220</b>	<b>8,642,036</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>11,770</b>	<b>(609,237)</b>
<b>Other Financing Sources (Uses):</b>		
Transfers In	0	634,579
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>634,579</b>
<b>Net Change in Fund Balance</b>	<b>11,770</b>	<b>25,342</b>
<b>Fund Balance Beginning of Year (restated)</b>	<b>27,758</b>	<b>2,822,317</b>
<b>Fund Balance End of Year</b>	<b>\$39,528</b>	<b>\$2,847,659</b>



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Mason City Schools  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2005

	Capital Projects	SchoolNet Plus	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$5,135,476	\$18,255	\$5,153,731
<b>Receivables:</b>			
Taxes	574,679	0	574,679
<b>Total Assets</b>	<b>5,710,155</b>	<b>18,255</b>	<b>5,728,410</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	1,098	0	1,098
Unearned Revenue	554,679	0	554,679
<b>Total Liabilities</b>	<b>555,777</b>	<b>0</b>	<b>555,777</b>
<b>Fund Balances:</b>			
Reserved for Encumbrances	273,634	0	273,634
Reserved for Property Tax Advances	20,000	0	20,000
Unreserved, Undesignated, Reported in: Capital Projects Funds	4,860,744	18,255	4,878,999
<b>Total Fund Balances</b>	<b>5,154,378</b>	<b>18,255</b>	<b>5,172,633</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$5,710,155</b>	<b>\$18,255</b>	<b>\$5,728,410</b>

Mason City Schools  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2005

	Capital Projects	SchoolNet Plus	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>			
Taxes	\$327,548	\$0	\$327,548
Investment Earnings	17,358	0	17,358
Intergovernmental	57,638	72,135	129,773
Other Revenues	2,802,551	0	2,802,551
<b>Total Revenues</b>	<b>3,205,095</b>	<b>72,135</b>	<b>3,277,230</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	574,062	53,880	627,942
Special	1,737	0	1,737
<b>Support Services:</b>			
Pupil	2,936	0	2,936
School Administration	532	0	532
Fiscal	7,636	0	7,636
Operations and Maintenance	48,759	0	48,759
Pupil Transportation	679,000	0	679,000
Central	2,364	0	2,364
Extracurricular Activities	53,935	0	53,935
Capital Outlay	7,210	0	7,210
<b>Total Expenditures</b>	<b>1,378,171</b>	<b>53,880</b>	<b>1,432,051</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,826,924</b>	<b>18,255</b>	<b>1,845,179</b>
<b>Net Change in Fund Balance</b>	<b>1,826,924</b>	<b>18,255</b>	<b>1,845,179</b>
<b>Fund Balance Beginning of Year (restated)</b>	<b>3,327,454</b>	<b>0</b>	<b>3,327,454</b>
<b>Fund Balance End of Year</b>	<b>\$5,154,378</b>	<b>\$18,255</b>	<b>\$5,172,633</b>

Mason City Schools  
Statement of Changes In Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended June 30, 2005

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$190,452	\$0	\$33,568	\$156,884
<b>Total Assets</b>	<b>190,452</b>	<b>0</b>	<b>33,568</b>	<b>156,884</b>
<b>Liabilities:</b>				
Accounts Payable	14,106	2,430	14,106	2,430
Other Liabilities	176,346	(19,462)	2,430	154,454
<b>Total Liabilities</b>	<b>\$190,452</b>	<b>(\$17,032)</b>	<b>\$16,536</b>	<b>\$156,884</b>

	Section 125 Insurance			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$27,857	(\$7,832)	\$0	\$20,025
<b>Total Assets</b>	<b>27,857</b>	<b>(7,832)</b>	<b>0</b>	<b>20,025</b>
<b>Liabilities:</b>				
Other Liabilities	27,857	(7,832)	0	20,025
<b>Total Liabilities</b>	<b>\$27,857</b>	<b>(\$7,832)</b>	<b>\$0</b>	<b>\$20,025</b>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$218,309	(\$7,832)	\$33,568	\$176,909
<b>Total Assets</b>	<b>218,309</b>	<b>(7,832)</b>	<b>33,568</b>	<b>176,909</b>
<b>Liabilities:</b>				
Accounts Payable	14,106	2,430	14,106	2,430
Other Liabilities	204,203	(27,294)	2,430	174,479
<b>Total Liabilities</b>	<b>\$218,309</b>	<b>(\$24,864)</b>	<b>\$16,536</b>	<b>\$176,909</b>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Public School Support Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Extracurricular Activities	\$410,499	\$427,126	\$414,072	(\$13,054)
Other Revenues	62,651	65,188	63,196	(1,992)
<b>Total Revenues</b>	<b>473,150</b>	<b>492,314</b>	<b>477,268</b>	<b>(15,046)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	490,224	505,295	440,603	64,692
Special	39	40	35	5
<b>Support Services:</b>				
Instructional Staff	319	329	287	42
General Administration	1,316	1,357	1,183	174
School Administration	749	772	673	99
Operations and Maintenance	1,639	1,689	1,473	216
Pupil Transportation	910	938	818	120
Operation of Non-Instructional Services	4,753	4,899	4,272	627
Extracurricular Activities	36,171	37,283	32,510	4,773
<b>Total Expenditures</b>	<b>536,120</b>	<b>552,602</b>	<b>481,854</b>	<b>70,748</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(62,970)</b>	<b>(60,288)</b>	<b>(4,586)</b>	<b>55,702</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>171,531</b>	<b>171,531</b>	<b>171,531</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$108,561</b>	<b>\$111,243</b>	<b>\$166,945</b>	<b>\$55,702</b>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Community Services Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Tuition and Fees	\$77,307	\$100,783	\$103,916	\$3,133
Investment Earnings	21,020	27,403	28,255	852
Extracurricular Activities	11,199	14,600	15,054	454
Other Revenues	491,997	641,403	661,345	19,942
<b>Total Revenues</b>	<b>601,523</b>	<b>784,189</b>	<b>808,570</b>	<b>24,381</b>
Expenditures:				
Current:				
Instruction:				
Regular	111,959	114,499	101,862	12,637
Special	4,410	4,510	4,012	498
Support Services:				
Pupil	1,840	1,882	1,674	208
Instructional Staff	507	518	461	57
School Administration	888	908	808	100
Business	56,179	57,453	51,112	6,341
Operations and Maintenance	1,291,676	1,320,979	1,175,185	145,794
Pupil Transportation	10,222	10,454	9,300	1,154
Operation of Non-Instructional Services	43,378	44,362	39,466	4,896
Extracurricular Activities	4,489	4,591	4,084	507
<b>Total Expenditures</b>	<b>1,525,548</b>	<b>1,560,156</b>	<b>1,387,964</b>	<b>172,192</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(924,025)</b>	<b>(775,967)</b>	<b>(579,394)</b>	<b>196,573</b>
Other financing sources (uses):				
Transfers In	468,678	611,003	630,000	18,997
<b>Total Other Financing Sources (Uses)</b>	<b>468,678</b>	<b>611,003</b>	<b>630,000</b>	<b>18,997</b>
<b>Net Change in Fund Balance</b>	<b>(455,347)</b>	<b>(164,964)</b>	<b>50,606</b>	<b>215,570</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,814,399	1,814,399	1,814,399	0
<b>Fund Balance End of Year</b>	<b>\$1,359,052</b>	<b>\$1,649,435</b>	<b>\$1,865,005</b>	<b>\$215,570</b>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	District Managed Student Activity Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Investment Earnings	\$1,484	\$1,531	\$1,543	\$12
Extracurricular Activities	535,360	552,334	556,718	4,384
Other Revenues	25,527	26,336	26,545	209
<b>Total Revenues</b>	<b>562,371</b>	<b>580,201</b>	<b>584,806</b>	<b>4,605</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Extracurricular Activities	605,892	664,581	608,449	56,132
<b>Total Expenditures</b>	<b>605,892</b>	<b>664,581</b>	<b>608,449</b>	<b>56,132</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(43,521)</b>	<b>(84,380)</b>	<b>(23,643)</b>	<b>60,737</b>
<b>Other financing sources (uses):</b>				
Advances In	50,005	51,590	52,000	410
Advances (Out)	(5,377)	(5,898)	(5,400)	498
<b>Total Other Financing Sources (Uses)</b>	<b>44,628</b>	<b>45,692</b>	<b>46,600</b>	<b>908</b>
<b>Net Change in Fund Balance</b>	<b>1,107</b>	<b>(38,688)</b>	<b>22,957</b>	<b>61,645</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>107,198</b>	<b>107,198</b>	<b>107,198</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$108,305</b>	<b>\$68,510</b>	<b>\$130,155</b>	<b>\$61,645</b>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Auxiliary Services Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$1,986	\$2,234	\$2,234	\$0
Intergovernmental	472,174	531,240	531,240	0
<b>Total Revenues</b>	<b>474,160</b>	<b>533,474</b>	<b>533,474</b>	<b>0</b>
Expenditures:				
Current:				
Operation of Non-Instructional Services	547,163	608,536	719,733	(111,197)
<b>Total Expenditures</b>	<b>547,163</b>	<b>608,536</b>	<b>719,733</b>	<b>(111,197)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(73,003)</b>	<b>(75,062)</b>	<b>(186,259)</b>	<b>(111,197)</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	186,258	186,258	186,258	0
<b>Fund Balance End of Year</b>	<b>\$113,255</b>	<b>\$111,196</b>	<b>(\$1)</b>	<b>(\$111,197)</b>



Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Management Information System Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$30,000	\$28,806	\$28,806	\$0
Total Revenues	30,000	28,806	28,806	0
Expenditures:				
Current:				
Instruction:				
Regular	3	3	0	3
Support Services:				
Central	42,997	42,437	156	42,281
Total Expenditures	43,000	42,440	156	42,284
Excess of Revenues Over (Under) Expenditures	(13,000)	(13,634)	28,650	42,284
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,634	13,634	13,634	0
Fund Balance End of Year	\$634	\$0	\$42,284	\$42,284

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Entry Year Programs Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$41,800	\$41,800	\$0
Total Revenues	0	41,800	41,800	0
Expenditures:				
Current:				
Instruction:				
Regular	0	41,311	41,800	(489)
Support Services:				
Instructional Staff	0	489	495	(6)
Total Expenditures	0	41,800	42,295	(495)
Excess of Revenues Over (Under) Expenditures	0	0	(495)	(495)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	495	495	495	0
Fund Balance End of Year	\$495	\$495	\$0	(\$495)

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	OneNet Network Connectivity Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$18,000	\$18,000	\$18,000	\$0
Total Revenues	18,000	18,000	18,000	0
Expenditures:				
Current:				
Support Services:				
Central	18,000	18,000	18,000	0
Total Expenditures	18,000	18,000	18,000	(0)
Excess of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	SchoolNet Professional Development Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$4,140	\$4,140	\$0
Total Revenues	0	4,140	4,140	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	497	4,637	4,505	132
Total Expenditures	497	4,637	4,505	132
Excess of Revenues Over (Under) Expenditures	(497)	(497)	(365)	132
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	497	497	497	0
Fund Balance End of Year	\$0	\$0	\$132	\$132

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Ohio Reads Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$6,000	\$6,000	\$0
Total Revenues	0	6,000	6,000	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	2,000	8,000	7,962	38
Total Expenditures	2,000	8,000	7,962	38
Excess of Revenues Over (Under) Expenditures	(2,000)	(2,000)	(1,962)	38
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,000	2,000	2,000	0
Fund Balance End of Year	\$0	\$0	\$38	\$38

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Summer Intervention Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$120,127	\$111,916	\$111,916	\$0
Total Revenues	120,127	111,916	111,916	0
Expenditures:				
Current:				
Instruction:				
Regular	97,746	91,073	111,755	(20,682)
Special	50,547	47,096	57,791	(10,695)
Support Services:				
Instructional Staff	2,187	2,037	2,500	(463)
Pupil Transportation	10,689	9,959	12,221	(2,262)
Total Expenditures	161,169	150,165	184,267	(34,102)
Excess of Revenues Over (Under) Expenditures	(41,042)	(38,249)	(72,351)	(34,102)
Other financing sources (uses):				
Advances In	40,868	38,075	38,075	0
Total Other Financing Sources (Uses)	40,868	38,075	38,075	0
Net Change in Fund Balance	(174)	(174)	(34,276)	(34,102)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	34,276	34,276	34,276	0
Fund Balance End of Year	<u>\$34,102</u>	<u>\$34,102</u>	<u>\$0</u>	<u>(\$34,102)</u>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Vocational Education Enhancement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$6,629	\$6,629	\$0
Total Revenues	0	6,629	6,629	0
Expenditures:				
Current:				
Instruction:				
Vocational	0	6,629	6,454	175
Total Expenditures	0	6,629	6,454	175
Excess of Revenues Over (Under) Expenditures	0	0	175	175
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$175</u>	<u>\$175</u>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	School Conflict Management/ Safe School Help Line Funds			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$6,006	\$6,006	\$6,899	\$893
Other Revenues	44	44	50	6
<b>Total Revenues</b>	<b>6,050</b>	<b>6,050</b>	<b>6,949</b>	<b>899</b>
Expenditures:				
Current:				
Support Services:				
Operations and Maintenance	7,803	7,803	6,899	904
<b>Total Expenditures</b>	<b>7,803</b>	<b>7,803</b>	<b>6,899</b>	<b>904</b>
Excess of Revenues Over (Under) Expenditures	(1,753)	(1,753)	50	1,803
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,768	1,768	1,768	0
<b>Fund Balance End of Year</b>	<b>\$15</b>	<b>\$15</b>	<b>\$1,818</b>	<b>\$1,803</b>



Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Title VI-B Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$1,374,972	\$1,196,939	\$1,196,939	\$0
Other Revenues	536	467	467	0
<b>Total Revenues</b>	<b>1,375,508</b>	<b>1,197,406</b>	<b>1,197,406</b>	<b>0</b>
Expenditures:				
Current:				
Instruction:				
Special	863,427	816,653	806,874	9,779
Support Services:				
Pupil	470,257	444,782	439,456	5,326
Instructional Staff	4,182	3,955	3,908	47
Operation of Non-Instructional Services	66,088	62,508	61,759	749
<b>Total Expenditures</b>	<b>1,403,954</b>	<b>1,327,898</b>	<b>1,311,997</b>	<b>15,901</b>
Excess of Revenues Over (Under) Expenditures	(28,446)	(130,492)	(114,591)	15,901
Other financing sources (uses):				
Advances (Out)	(1,449)	(1,370)	(1,354)	16
Transfers In	5,260	4,579	4,579	0
<b>Total Other Financing Sources (Uses)</b>	<b>3,811</b>	<b>3,209</b>	<b>3,225</b>	<b>16</b>
<b>Net Change in Fund Balance</b>	<b>(24,635)</b>	<b>(127,283)</b>	<b>(111,366)</b>	<b>15,917</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	129,913	129,913	129,913	0
<b>Fund Balance End of Year</b>	<b>\$105,278</b>	<b>\$2,630</b>	<b>\$18,547</b>	<b>\$15,917</b>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Vocational Education Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$6,864	\$9,958	\$3,094
Total Revenues	0	6,864	9,958	3,094
Expenditures:				
Current:				
Instruction:				
Vocational	1,259	10,460	11,410	(950)
Total Expenditures	1,259	10,460	11,410	(950)
Excess of Revenues Over (Under) Expenditures	(1,259)	(3,596)	(1,452)	2,144
Other financing sources (uses):				
Advances In	0	2,337	3,390	1,053
Total Other Financing Sources (Uses)	0	2,337	3,390	1,053
Net Change in Fund Balance	(1,259)	(1,259)	1,938	3,197
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,359	2,359	2,359	0
Fund Balance End of Year	<u>\$1,100</u>	<u>\$1,100</u>	<u>\$4,297</u>	<u>\$3,197</u>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Title III Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$57,180	\$51,437	\$52,712	\$1,275
Total Revenues	<u>57,180</u>	<u>51,437</u>	<u>52,712</u>	<u>1,275</u>
Expenditures:				
Current:				
Instruction:				
Special	332	303	292	11
Support Services:				
Instructional Staff	65,594	59,790	57,652	2,138
Total Expenditures	<u>65,926</u>	<u>60,093</u>	<u>57,944</u>	<u>2,149</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,746)</u>	<u>(8,656)</u>	<u>(5,232)</u>	<u>3,424</u>
Other financing sources (uses):				
Advances In	897	807	827	20
Total Other Financing Sources (Uses)	<u>897</u>	<u>807</u>	<u>827</u>	<u>20</u>
Net Change in Fund Balance	(7,849)	(7,849)	(4,405)	3,444
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>8,052</u>	<u>8,052</u>	<u>8,052</u>	<u>0</u>
Fund Balance End of Year	<u>\$203</u>	<u>\$203</u>	<u>\$3,647</u>	<u>\$3,444</u>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Refugee Impact Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$2,050	\$2,050	\$0
Total Revenues	0	2,050	2,050	0
Expenditures:				
Current:				
Instruction:				
Regular	253	253	1,052	(799)
Total Expenditures	253	253	1,052	(799)
Excess of Revenues Over (Under) Expenditures	(253)	1,797	998	(799)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,097	1,097	1,097	0
Fund Balance End of Year	\$844	\$2,894	\$2,095	(\$799)

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Title I Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	172,096	168,074	\$168,074	\$0
Total Revenues	172,096	168,074	168,074	0
Expenditures:				
Current:				
Instruction:				
Special	187,211	183,321	182,923	398
Operation of Non-Instructional Services	6,292	6,161	6,148	13
Total Expenditures	193,503	189,482	189,071	411
Excess of Revenues Over (Under) Expenditures	(21,407)	(21,408)	(20,997)	411
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	21,408	21,408	21,408	0
Fund Balance End of Year	<u>\$1</u>	<u>\$0</u>	<u>\$411</u>	<u>\$411</u>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Title VI Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$39,043	\$48,699	\$48,698	(\$1)
Other Revenues	585	730	730	0
<b>Total Revenues</b>	<b>39,628</b>	<b>49,429</b>	<b>49,428</b>	<b>(1)</b>
Expenditures:				
Current:				
Instruction:				
Regular	29,311	36,329	34,851	1,478
Operation of Non-Instructional Services	2,837	3,516	3,373	143
<b>Total Expenditures</b>	<b>32,148</b>	<b>39,845</b>	<b>38,224</b>	<b>1,621</b>
Excess of Revenues Over (Under) Expenditures	7,480	9,584	11,204	1,620
Other financing sources (uses):				
Advances (Out)	(7,785)	(9,650)	(9,257)	393
<b>Total Other Financing Sources (Uses)</b>	<b>(7,785)</b>	<b>(9,650)</b>	<b>(9,257)</b>	<b>393</b>
<b>Net Change in Fund Balance</b>	<b>(305)</b>	<b>(66)</b>	<b>1,947</b>	<b>2,013</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	492	492	492	0
<b>Fund Balance End of Year</b>	<b>\$187</b>	<b>\$426</b>	<b>\$2,439</b>	<b>\$2,013</b>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Drug-Free Schools Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$27,667	\$14,851	\$14,851	\$0
Total Revenues	27,667	14,851	14,851	0
Expenditures:				
Current:				
Support Services:				
Pupil	29,692	17,531	20,642	(3,111)
Operation of Non-Instructional Services	1,398	825	972	(147)
Total Expenditures	31,090	18,356	21,614	(3,258)
Excess of Revenues Over (Under) Expenditures	(3,423)	(3,505)	(6,763)	(3,258)
Other financing sources (uses):				
Advances In	378	203	203	0
Total Other Financing Sources (Uses)	378	203	203	0
Net Change in Fund Balance	(3,045)	(3,302)	(6,560)	(3,258)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,561	6,561	6,561	0
Fund Balance End of Year	<u>\$3,516</u>	<u>\$3,259</u>	<u>\$1</u>	<u>(\$3,258)</u>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Public School Preschool Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$25,000	\$25,000	\$29,999	\$4,999
Total Revenues	25,000	25,000	29,999	4,999
Expenditures:				
Current:				
Support Services:				
Instructional Staff	30,152	30,152	30,152	0
Total Expenditures	30,152	30,152	30,152	(0)
Excess of Revenues Over (Under) Expenditures	(5,152)	(5,152)	(153)	4,999
Other financing sources (uses):				
Advances In	5,152	5,152	6,182	1,030
Total Other Financing Sources (Uses)	5,152	5,152	6,182	1,030
Net Change in Fund Balance	0	0	6,029	6,029
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$6,029</u>	<u>\$6,029</u>



Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	E-Rate Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$50,000	\$50,000	\$14,330	(\$35,670)
Total Revenues	50,000	50,000	14,330	(35,670)
Expenditures:				
Current:				
Support Services:				
Central	105,612	105,612	58,767	46,845
Total Expenditures	105,612	105,612	58,767	46,845
Excess of Revenues Over (Under) Expenditures	(55,612)	(55,612)	(44,437)	11,175
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	105,612	105,612	105,612	0
Fund Balance End of Year	\$50,000	\$50,000	\$61,175	\$11,175

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Improving Teacher Quality Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Intergovernmental	\$98,983	\$70,513	\$70,513	\$0
Other Revenues	70	50	50	0
<b>Total Revenues</b>	<b>99,053</b>	<b>70,563</b>	<b>70,563</b>	<b>0</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	69,122	51,713	54,847	(3,134)
<b>Support Services:</b>				
Instructional Staff	61,317	45,874	48,654	(2,780)
Operation of Non-Instructional Services	887	664	704	(40)
<b>Total Expenditures</b>	<b>131,326</b>	<b>98,251</b>	<b>104,205</b>	<b>(5,954)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(32,273)</b>	<b>(27,688)</b>	<b>(33,642)</b>	<b>(5,954)</b>
<b>Other financing sources (uses):</b>				
Advances In	15,937	11,353	11,353	0
<b>Total Other Financing Sources (Uses)</b>	<b>15,937</b>	<b>11,353</b>	<b>11,353</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(16,336)</b>	<b>(16,335)</b>	<b>(22,289)</b>	<b>(5,954)</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>22,289</b>	<b>22,289</b>	<b>22,289</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$5,953</b>	<b>\$5,954</b>	<b>\$0</b>	<b>(\$5,954)</b>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Continuous Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$4,332	\$6,300	\$6,300	\$0
Total Revenues	4,332	6,300	6,300	0
Expenditures:				
Current:				
Support Services:				
Operations and Maintenance	5,360	7,047	5,867	1,180
Operation of Non-Instructional Services	249	328	273	55
Total Expenditures	5,609	7,375	6,140	1,235
Excess of Revenues Over (Under) Expenditures	(1,277)	(1,075)	160	1,235
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,277	1,277	1,277	0
Fund Balance End of Year	<u>\$0</u>	<u>\$202</u>	<u>\$1,437</u>	<u>\$1,235</u>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Food Service Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$11,490	\$12,314	\$12,464	\$150
Intergovernmental	276,371	296,186	299,792	3,606
Charges for Services	2,465,203	2,641,950	2,674,113	32,163
Other Revenues	35,936	38,512	38,981	469
<b>Total Revenues</b>	<b>2,789,000</b>	<b>2,988,962</b>	<b>3,025,350</b>	<b>36,388</b>
Expenditures:				
Current:				
Operation of Non-Instructional Services	3,041,918	3,041,918	2,803,607	238,311
<b>Total Expenditures</b>	<b>3,041,918</b>	<b>3,041,918</b>	<b>2,803,607</b>	<b>238,311</b>
Excess of Revenues Over (Under) Expenditures	(252,918)	(52,956)	221,743	274,699
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	570,189	570,189	570,189	0
<b>Fund Balance End of Year</b>	<b>\$317,271</b>	<b>\$517,233</b>	<b>\$791,932</b>	<b>\$274,699</b>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Uniform School Supplies Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
Expenditures:				
Current:				
Operation of Non-Instructional Services	42	42	111	(69)
Total Expenditures	42	42	111	(69)
Excess of Revenues Over (Under) Expenditures	(42)	(42)	(111)	(69)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	111	111	111	0
Fund Balance End of Year	<u>\$69</u>	<u>\$69</u>	<u>\$0</u>	<u>(\$69)</u>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Latchkey Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$1,261	\$1,373	\$1,384	\$11
Other Revenues	419,839	456,929	460,612	3,683
Total Revenues	421,100	458,302	461,996	3,694
Expenditures:				
Current:				
Operation of Non-Instructional Services	432,741	479,741	435,924	43,817
Total Expenditures	432,741	479,741	435,924	43,817
Excess of Revenues Over (Under) Expenditures	(11,641)	(21,439)	26,072	47,511
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	67,972	67,972	67,972	0
Fund Balance End of Year	\$56,331	\$46,533	\$94,044	\$47,511

Mason City School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2005

	Debt Service Fund			Variance from Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$10,028,463	\$10,518,261	\$10,525,239	\$6,978
Investment Earnings	105,887	111,058	111,132	74
Intergovernmental	1,168,597	1,225,672	1,226,485	813
<b>Total Revenues</b>	<b>11,302,947</b>	<b>11,854,991</b>	<b>11,862,856</b>	<b>7,865</b>
Expenditures:				
Current:				
Support Services:				
School Administration	11,330	11,330	11,328	2
Fiscal	155,905	155,905	155,874	31
Debt Service:				
Principal Retirement	11,992,479	11,992,479	11,992,479	0
Interest and Fiscal Charges	6,206,654	6,206,654	6,203,061	3,593
<b>Total Expenditures</b>	<b>18,366,368</b>	<b>18,366,368</b>	<b>18,362,742</b>	<b>3,626</b>
Excess of Revenues Over (Under) Expenditures	(7,063,421)	(6,511,377)	(6,499,886)	11,491
Other financing sources (uses):				
Proceeds of Short-Term Notes	6,157,054	6,457,771	6,462,054	4,283
<b>Total Other Financing Sources (Uses)</b>	<b>6,157,054</b>	<b>6,457,771</b>	<b>6,462,054</b>	<b>4,283</b>
<b>Net Change in Fund Balance</b>	<b>(906,367)</b>	<b>(53,606)</b>	<b>(37,832)</b>	<b>15,774</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,537,283	5,537,283	5,537,283	0
<b>Fund Balance End of Year</b>	<b>\$4,630,916</b>	<b>\$5,483,677</b>	<b>\$5,499,451</b>	<b>\$15,774</b>

Mason City School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2005

	Capital Projects Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Taxes	\$235,274	\$432,745	\$494,629	\$61,884
Investment Earnings	8,256	15,186	17,358	2,172
Intergovernmental	27,416	50,427	57,638	7,211
Other Revenues	1,333,054	2,451,920	2,802,551	350,631
<b>Total Revenues</b>	<b>1,604,000</b>	<b>2,950,278</b>	<b>3,372,176</b>	<b>421,898</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	1,380,215	1,380,215	489,902	890,313
Special	4,894	4,894	1,737	3,157
<b>Support Services:</b>				
Pupil	8,272	8,272	2,936	5,336
School Administration	1,499	1,499	532	967
Fiscal	21,513	21,513	7,636	13,877
Operations and Maintenance	755,672	755,672	268,223	487,449
Pupil Transportation	1,912,967	1,912,967	679,000	1,233,967
Central	6,660	6,660	2,364	4,296
Extracurricular Activities	155,249	155,249	55,105	100,144
Capital Outlay	458,357	458,357	162,692	295,665
<b>Total Expenditures</b>	<b>4,705,298</b>	<b>4,705,298</b>	<b>1,670,127</b>	<b>3,035,171</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,101,298)</b>	<b>(1,755,020)</b>	<b>1,702,049</b>	<b>3,457,069</b>
<b>Other financing sources (uses):</b>				
Advances (Out)	(24,578)	(24,578)	(8,724)	15,854
<b>Total Other Financing Sources (Uses)</b>	<b>(24,578)</b>	<b>(24,578)</b>	<b>(8,724)</b>	<b>15,854</b>
<b>Net Change in Fund Balance</b>	<b>(3,125,876)</b>	<b>(1,779,598)</b>	<b>1,693,325</b>	<b>3,472,923</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>3,167,667</b>	<b>3,167,667</b>	<b>3,167,667</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$41,791</b>	<b>\$1,388,069</b>	<b>\$4,860,992</b>	<b>\$3,472,923</b>



Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	Building Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Investment Earnings	\$258,218	\$463,460	\$467,633	\$4,173
<b>Total Revenues</b>	<b>258,218</b>	<b>463,460</b>	<b>467,633</b>	<b>4,173</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	1,745	1,745	1,765	(20)
<b>Support Services:</b>				
Operations and Maintenance	313,830	313,830	317,469	(3,639)
Pupil Transportation	655,400	655,400	663,000	(7,600)
Central	29,744	29,744	30,089	(345)
Extracurricular Activities	2,817	2,817	2,850	(33)
Capital Outlay	31,749,899	31,749,899	32,118,075	(368,176)
<b>Total Expenditures</b>	<b>32,753,435</b>	<b>32,753,435</b>	<b>33,133,248</b>	<b>(379,813)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(32,495,217)</b>	<b>(32,289,975)</b>	<b>(32,665,615)</b>	<b>(375,640)</b>
<b>Other financing sources (uses):</b>				
Proceeds from Sale of Capital Assets	253,782	419,640	459,600	39,960
<b>Total Other Financing Sources (Uses)</b>	<b>253,782</b>	<b>419,640</b>	<b>459,600</b>	<b>39,960</b>
<b>Net Change in Fund Balance</b>	<b>(32,241,435)</b>	<b>(31,870,335)</b>	<b>(32,206,015)</b>	<b>(335,680)</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>36,056,001</b>	<b>36,056,001</b>	<b>36,056,001</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$3,814,566</b>	<b>\$4,185,666</b>	<b>\$3,849,986</b>	<b>(\$335,680)</b>

Mason City School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2005

	SchoolNet Plus Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$72,135	\$72,135	\$72,135	\$0
Total Revenues	72,135	72,135	72,135	0
Expenditures:				
Current:				
Instruction:				
Regular	72,135	72,135	53,880	18,255
Total Expenditures	72,135	72,135	53,880	18,255
Excess of Revenues Over (Under) Expenditures	0	0	18,255	18,255
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$18,255</u>	<u>\$18,255</u>

# **Statistical Section**



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**MASON CITY SCHOOL DISTRICT, OHIO  
GENERAL FUND  
EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS**

	2005	2004	2003	2002
Current:				
Instruction:				
Regular	\$ 28,543,201	\$ 28,460,627	\$ 24,256,509	\$ 21,375,506
Special	5,900,133	5,007,638	4,436,480	3,291,535
Vocational	-	-	681	-
Other Instruction	382,804	328,374	186,396	120,084
Support Services:				
Pupils	3,676,371	3,710,409	3,487,513	2,824,871
Instructional Staff	5,836,023	5,441,371	4,478,041	3,755,489
Board of Education	96,920	58,484	72,318	58,415
Administration	4,468,001	4,377,386	4,055,742	3,632,567
Fiscal	1,521,396	1,393,104	1,215,312	1,041,477
Business	243,167	223,220	266,655	122,103
Operation and Maintenance of Plant Services	8,166,153	7,562,328	7,456,706	4,872,680
Pupil Transportation	4,882,104	4,172,560	4,185,399	3,660,658
Central	2,587,809	2,174,039	2,181,195	1,903,830
Operation of Non-Instructional Services	20,151	38,067	62,829	48,906
Extracurricular Activities	1,199,431	1,191,450	1,038,035	866,683
Capital Outlay	42,733	19,247	-	109,688
Debt Service	17,352	87,122	-	144,254
<b>Total</b>	<b>\$ 67,583,749</b>	<b>\$ 64,245,426</b>	<b>\$ 57,379,811</b>	<b>\$ 47,828,746</b>

Source: School District Financial Records

TABLE 1

	2001	2000	1999	1998	1997	1996
\$	18,293,160	\$ 15,636,456	\$ 13,210,555	\$ 11,566,931	\$ 9,447,228	\$ 8,363,374
	2,763,760	2,325,817	1,752,373	1,786,033	1,402,853	1,119,742
	-		976	53,908	146,108	128,513
	34,455	26,034	92,084	79,258	68,829	28,432
	2,310,898	1,935,035	1,691,591	1,404,157	1,160,350	735,965
	3,043,773	2,540,641	1,930,057	794,102	603,098	396,937
	46,824	40,083	42,098	37,001	28,380	34,388
	2,674,129	2,425,189	2,289,868	1,807,065	1,375,131	1,329,407
	929,219	769,359	670,861	593,025	499,780	432,019
	177,658	154,879	97,767	87,650	75,078	11,502
	4,372,285	3,876,115	3,499,804	2,552,327	2,004,935	1,936,272
	2,769,998	2,338,707	1,969,889	1,694,702	1,435,736	1,313,261
	986,006	864,088	689,812	389,904	245,385	108,589
	37,969	36,449	37,517	31,725	24,258	-
	537,463	480,008	373,919	342,360	306,259	319,021
	153,080	551,768	4,284	5,000	36,070	-
	146,449	75,273	4,825	8,351	527,122	-
\$	39,277,126	\$ 34,075,901	\$ 28,358,280	\$ 23,233,499	\$ 19,386,600	\$ 16,257,422

**MASON CITY SCHOOL DISTRICT, OHIO  
GENERAL FUND  
REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

	2005		2004		2003		2002
Taxes	\$ 40,175,095	\$	33,401,216	\$	36,422,709	\$	28,088,525
Intergovernmental	29,976,274		26,750,591		23,444,479		21,715,088
Interest	586,554		232,339		313,637		405,659
Tuition and Fees	602,655		417,502		513,190		391,920
Other Revenues	215,423		484,404		344,412		633,696
<b>Total</b>	<b>\$ 71,556,001</b>	<b>\$</b>	<b>61,286,052</b>	<b>\$</b>	<b>61,038,427</b>	<b>\$</b>	<b>51,234,888</b>

Source: School District Financial Records



**TABLE 2**

	2001		2000		1999		1998		1997		1996
\$	21,454,044	\$	21,419,332	\$	18,100,212	\$	15,618,561	\$	12,200,649	\$	9,421,138
	16,808,850		13,956,754		11,514,719		9,593,628		7,553,888		5,836,834
	878,597		607,941		431,026		289,501		152,358		148,533
	372,793		333,160		41,137		34,236		44,294		29,993
	263,647		70,583		88,322		133,820		39,398		74,630
\$	39,777,931	\$	36,387,770	\$	30,175,416	\$	25,669,746	\$	19,990,587	\$	15,511,128

MASON CITY SCHOOL DISTRICT, OHIO  
 PROPERTY TAX LEVIES AND COLLECTIONS  
 REAL AND TANGIBLE PERSONAL PROPERTY  
 LAST TEN CALENDAR YEARS

TABLE 3

Year (1)	Current Levy	Delinquent Levy (2)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy
2004	\$52,725,826	\$2,010,192	\$54,736,018	\$51,570,428	97.81%	\$1,078,359	52,648,787	99.85%
2003	47,752,879	3,168,596	50,921,475	47,142,230	98.72%	2,427,285	49,569,515	103.80%
2002	35,546,237	1,191,674	36,737,911	34,843,236	98.02%	1,044,746	35,887,982	100.96%
2001	34,057,794	1,332,263	35,390,057	33,144,606	97.32%	967,840	34,112,446	100.16%
2000	27,474,665	1,802,906	29,277,571	26,821,127	97.62%	1,526,426	28,347,553	103.18%
1999	25,101,477	1,054,502	26,155,979	24,590,242	97.96%	305,654	24,895,896	99.18%
1998	22,694,987	1,047,925	23,742,912	22,594,774	99.56%	339,122	22,933,896	101.05%
1997	19,249,501	1,028,609	20,278,110	18,885,003	98.11%	363,613	19,248,616	100.00%
1996	11,969,696	0	11,969,696	12,098,720	101.08%	130,539	12,229,259	102.17%
1995	8,417,152	0	8,417,152	8,287,046	98.45%	114,281	8,401,327	99.81%

Source: Warren County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor. Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.

(1) Represents tax collection year.

(2) The delinquent levy was not available before tax year 1997 because of retroactive additions and reductions which are included in one amount. The County Auditor changed reporting procedures to permit this disclosure beginning in tax year 1997.

MASON CITY SCHOOL DISTRICT, OHIO  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN CALENDAR YEARS

TABLE 4

Year (1)	Real Property			Public Utility			Tangible Personal Property			Total		
	Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value	
		Value	Value		Value	Value		Value	Value		Value	Value
2005	\$1,147,072,040	\$3,277,348,686	\$22,924,120	\$33,010,733	\$150,765,500	\$603,062,000	\$1,320,761,660	\$3,913,421,419	33.7%			
2004	1,053,132,200	3,008,949,143	23,694,270	34,119,749	158,872,721	635,490,884	1,235,699,191	3,678,559,776	33.6%			
2003	920,126,080	2,628,931,657	22,811,670	32,848,805	159,181,600	636,726,400	1,102,119,350	3,298,506,862	33.4%			
2002	844,804,830	2,413,728,086	20,324,550	29,267,352	152,292,210	609,168,840	1,017,421,590	3,052,164,278	33.3%			
2001	766,334,940	2,189,528,400	31,930,770	45,980,309	111,364,313	445,457,252	909,630,023	2,680,965,961	33.9%			
2000	584,567,320	1,670,192,343	27,966,800	40,272,192	110,006,159	440,024,636	722,540,279	2,150,489,171	33.6%			
1999	507,879,160	1,451,083,314	28,916,380	41,639,587	99,696,766	398,787,064	636,492,306	1,891,509,965	33.6%			
1998	447,470,900	1,278,488,286	28,019,150	40,347,576	82,819,360	331,277,440	558,309,410	1,650,113,302	33.8%			
1997	345,531,240	987,232,114	26,469,100	38,115,504	74,145,702	296,582,808	446,146,042	1,321,930,426	33.7%			
1996	308,029,880	880,085,371	25,750,470	37,080,677	61,598,063	246,392,252	395,378,413	1,163,558,300	34.0%			

Source: Warren County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

(1) Represents tax collection year

MASON CITY SCHOOL DISTRICT, OHIO  
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
 (PER \$1,000 OF ASSESSED VALUATION)  
 LAST TEN CALENDAR YEARS

TABLE 5

Tax Year	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Mason City School District	74.11	74.11	72.61	71.11	64.57	61.95	61.95	61.95	62.36	53.26
Warren County	6.46	6.53	4.96	4.00	4.00	4.00	4.75	5.00	5.00	7.07
City of Mason	7.32	7.32	7.32	7.32	7.32	7.32	2.32	2.32	1.89	1.89
Deerfield Township	10.60	10.60	10.60	10.60	9.75	9.75	9.75	4.80	4.30	5.80
Warren-Clinton Community Mental Health	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Great Oaks Joint Vocational School	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Turtlecreek Township	5.62	5.62	5.62	5.62	5.62	5.62	5.62	5.62	5.62	5.62
Union Township	9.20	9.20	9.20	6.20	6.20	6.20	6.20	5.20	5.20	5.20
Warren County Health District	0.50	0.50	0.50	1.00	0.50	0.50	0.50	0.50	0.50	0.00

Source: Warren County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

**MASON CITY SCHOOL DISTRICT, OHIO  
RATIO OF GENERAL OBLIGATION BONDED DEBT TO  
ASSESSED VALUE AND BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS**

**TABLE 6**

Year	General Obligation Bonded Debt	Assessed Value	District Population (1)	Less Debt Service Fund	Net Bonded Debt	Ratio of Debt to Assessed Value	Net Debt Per Capita
2005	\$140,110,000	\$1,320,761,660	22,016	\$5,930,453	\$134,179,547	10.16%	\$6,364.01
2004	143,885,000	1,235,699,191	22,016	5,825,741	138,059,259	11.17%	6,535.47
2003	112,010,000	1,102,119,350	22,016	5541992.00	106,468,008	9.66%	5,087.66
2002	114,340,000	1,017,421,590	22,016	4165956.00	110,174,044	10.83%	5,193.50
2001	117,410,000	909,630,023	22,016	77835620.00	39,574,380	4.35%	5,332.94
2000	46,925,000	722,540,279	21,150	1982737.00	44,942,263	6.22%	2,218.68
1999	48,250,000	636,492,306	19,200	901279.00	47,348,721	7.44%	2,513.02
1998	49,135,000	558,309,410	17,500	1,964,055	47,170,945	8.45%	2,807.71
1997	28,610,000	446,146,042	15,863	1,532,457	27,077,543	6.07%	1,803.57
1996	29,536,000	395,378,413	14,366	693,336	28,842,664	7.29%	2,055.97
1995	11,700,000	359,589,075	13,240	480,807	11,219,193	3.12%	883.69

Source: City of Mason and School District Records  
(1) 2000 Census

MASON CITY SCHOOL DISTRICT, OHIO  
 COMPUTATION OF LEGAL DEBT MARGIN  
 AS OF JUNE 30, 2005

TABLE 7

Assessed Valuation	<u>\$1,320,761,660</u>
Voted Debt:	
Debt Limit - 9% of Assessed Value (1)	<u>\$118,868,549</u>
Debt Limit - Special Needs District (2)	<u>\$215,911,053</u>
Amount of Debt Applicable to Debt Limit:	
General Obligation Bond	3,350,000
General Obligation Bond	20,585,000
General Obligation Bond	67,140,000
General Obligation Bond	14,035,000
General Obligation Bond	35,000,000
Bond Anticipation Note	6,400,000
Sub-total	<u>\$146,510,000</u>
Less: Amount Available in Debt Service Fund	<u>(5,930,453)</u>
Total Debt Subject to Limit	<u>\$140,579,547</u>
Voted Debt Margin (Special Needs District)	<u>\$75,331,506</u>
Unvoted Debt:	
Debt Limit - .10% of Assessed Value (1)	<u>\$1,320,762</u>

Source: Warren County Auditor and School District Financial Records

- (1) Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt. All District debt subject to the limitation is voted.
- (2) Under Section 133.06(E) of the Ohio Revised Code, if a board of education 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. The district applied for and received approval of the Ohio Department of Taxation and the Ohio Department of Education to become a special needs district.

**MASON CITY SCHOOL DISTRICT, OHIO  
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT  
 AS OF JUNE 30, 2005**

**TABLE 8**

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Mason CSD	\$146,510,000	100.00%	\$146,510,000
Butler County	80,380,000	0.05%	40,190
Warren County	684,665	27.35%	187,256
Lebanon City	9,702,096	0.00%	-
City of Mason	14,145,000	88.97%	12,584,807
Deerfield Township	6,864,600	50.65%	3,476,920
Turtle Creek Township	2,925,000	0.08%	2,340
West Chester Township	40,605,000	0.24%	97,452
Great Oaks Joint Vocational School	<u>4,340,000</u>	7.55%	<u>327,670</u>
<b>Total</b>	<b><u><u>\$306,156,361</u></u></b>		<b><u><u>\$163,226,635</u></u></b>

Source: Ohio Municipal Advisory Council

**MASON CITY SCHOOL DISTRICT, OHIO  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES  
LAST TEN FISCAL YEARS**

**TABLE 9**

Year (1)	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
2005	\$3,775,000	\$7,077,368	\$10,852,368	\$67,583,749	16.06%
2004	\$18,830,000	\$5,451,003	\$24,281,003	\$64,245,426	37.79%
2003	\$2,330,000	\$5,809,938	\$8,139,938	\$57,379,811	14.19%
2002	3,070,000	5,793,808	8,863,808	47,828,746	18.53%
2001	1,220,000	2,496,207	3,716,207	39,277,126	9.46%
2000	1,105,000	2,554,382	3,659,382	34,075,901	10.74%
1999	1,335,000	2,618,210	3,953,210	28,358,280	13.94%
1998	1,479,200	1,992,231	3,471,431	23,233,499	14.94%
1997	926,000	1,623,493	2,549,493	19,326,196	13.19%
1996	771,993	1,783,629	2,555,622	16,257,422	15.72%

Source: School District Financial Records.



MASON CITY SCHOOL DISTRICT, OHIO  
 DEMOGRAPHIC STATISTICS  
 LAST TEN CALENDAR YEARS

TABLE 10

Year	Warren County Population (1) (4)	Mason City Population (4) (5)	School Enrollment (2)	Unemployment Rate Warren County (3)	Unemployment Rate State of Ohio (3)	Unemployment Rate U.S.A. (3)
2005	158,383	22,016	9,246	4.70%	6.10%	5.00%
2004	158,383	22,016	8,635	4.00%	5.80%	5.60%
2003	158,383	22,016	8,003	4.70%	6.60%	6.50%
2002	158,383	22,016	7,363	4.60%	5.90%	6.00%
2001	158,383	22,016	6,711	3.30%	4.40%	4.70%
2000	113,909	21,150	6,057	3.20%	4.20%	4.20%
1999	113,909	19,200	5,364	3.20%	4.50%	4.50%
1998	113,909	17,500	4,783	3.40%	4.50%	4.70%
1997	113,909	15,863	4,371	2.90%	4.30%	5.20%
1996	113,909	14,366	3,845	3.80%	4.60%	5.40%

Source:

- (1) 1990 Census
- (2) School District Records, Fiscal Year
- (3) Ohio Bureau Employment Services - based upon June data.
- (4) 2000 Census
- (5) Estimated for 1996 - 2000

**MASON CITY SCHOOL DISTRICT, OHIO  
PROPERTY VALUE, FINANCIAL INSTITUTION DEPOSITS  
AND BUILDING PERMITS  
LAST TEN CALENDAR YEARS**

**TABLE 11**

Year	Property Value (Real Estate Only)	County Bank Deposits (1)	Value of Building Permits Issued (2)
2004	\$ 1,147,072,040	\$ 3,011,000,000	\$ 58,446,703
2003	1,053,132,200	3,857,000,000	115,704,796
2002	920,126,080	1,510,000,000	83,056,255
2001	844,804,830	1,388,000,000	172,221,950
2000	766,334,940	1,248,000,000	95,176,832
1999	584,567,320	1,200,862,000	118,161,589
1998	507,879,160	1,150,159,000	111,291,583
1997	447,470,900	1,080,081,000	78,812,560
1996	345,531,240	1,044,777,000	74,115,054
1995	308,029,880	968,832,000	62,415,454

**Source:**

(1) Federal Reserve Bank of Cleveland & Federal Deposit Insurance Corp. ([www2.FDIC.GOV](http://www2.FDIC.GOV))

(2) City of Mason Department of Economic Development and Planning

**MASON CITY SCHOOL DISTRICT, OHIO  
 PRINCIPAL TAXPAYERS  
 REAL ESTATE TAX**

**TABLE 12**

Name of Taxpayer	Type of Business	Assessed Value (1)	Percent of Total Real Estate Assessed Value
Duke Realty Ltd. Partnership	Commercial Property Leasing	\$13,006,020	1.13%
Metropolitan Life Insurance	Insurance Company	6,661,090	0.58%
Mason Christian Village	Retirement Community	6,094,350	0.53%
Cintas Sales Corporation	Professional Uniforms	5,547,930	0.48%
Northeast Cincinnati Hotels	Hotel Chain	5,534,350	0.48%
Twin Fountains of Mason	Apartment Complex	4,549,300	0.40%
Sterling Lakes Apartments	Apartment Complex	4,419,000	0.39%
Cincinnati Gas & Electric	Gas & Electric	4,276,790	0.37%
Kenwood Lincoln Mercury	Automobile Dealership	4,040,090	0.35%
A-Mold Corp.	Manufacture Aluminum Wheels	3,882,860	0.34%
		<u>\$58,011,780</u>	<u>5.05%</u>

Source: Warren County Auditor

(1) Assessed values are for the 2005 collection year.

**MASON CITY SCHOOL DISTRICT, OHIO  
 PRINCIPAL TAXPAYERS  
 TANGIBLE PERSONAL PROPERTY TAX**

**TABLE 13**

Name of Taxpayer	Type of Business	Assessed Value (1)	Percent of Total Tangible Personal Property Assessed Value
Mitsubishi Electric	Manufactures Automobile Parts	\$16,742,140	11.10%
UBE Automotive	Aluminum Wheel Supplier	12,142,590	8.05%
Procter & Gamble	Health Care Research	10,673,270	7.08%
Cintas Corporation No. 2	Professional Uniforms	6,822,880	4.53%
H J Heinz Co.	Manufacture Condiments	4,991,140	3.31%
Blackhawk Automotive Plastics	Automotive Plastics	3,790,740	2.51%
Leggett & Platt Inc.	Innerspring Mattress Components	2,974,390	1.97%
Thomson Learning Inc.	Learning Solutions	2,833,830	1.88%
Hi-Tek Manufacturing	Machining and Component Manufacturing	2,798,390	1.86%
Kings Ford Inc.	Automobile Dealership	2,530,230	1.68%
		<u>\$66,299,600</u>	<u>43.97%</u>

Source: Warren County Auditor

(1) Assessed values are for the 2005 collection year.

**MASON CITY SCHOOL DISTRICT, OHIO  
 PRINCIPAL TAXPAYERS  
 PUBLIC UTILITY PERSONAL PROPERTY TAX**

**TABLE 14**

Name of Taxpayer	Assessed Value (1)	Percentage of Total Public Utility Personal Property Assessed Value
Cincinnati Gas and Electric	\$14,996,170	65.42%
United Telephone	5,275,960	23.01%
Cincinnati Bell Telephone	767,490	3.35%
New Par	400,020	1.74%
Cincinnati Bell Wireless	363,030	1.58%
Sprintcom Inc.	249,540	1.09%
Time Warner Telecom	175,780	0.77%
Cincinnati SMSA Ltd. Ptrn.	101,830	0.44%
Voicestream Columbus Inc.	82,800	0.36%
Dayton Power & Light Co.	71,130	0.31%
	<b>\$22,483,750</b>	<b>98.07%</b>

Source: Warren County Auditor

(1) Assessed values are for the 2005 collection year.

MASON CITY SCHOOL DISTRICT, OHIO  
 COST TO EDUCATE A 2005 GRADUATE  
 MASON CITY SCHOOL DISTRICT VERSUS STATE OF OHIO

TABLE 15

School Year	Grade	----- Cost Per Pupil -----		Comparison
		Mason CSD (1)	State Average (1)	
1992-93	K	4,238	4,822	(584)
1993-94	1	4,461	4,882	(421)
1994-95	2	4,440	5,117	(677)
1995-96	3	4,475	5,299	(824)
1996-97	4	4,458	5,555	(1,097)
1997-98 (2)	5	5,285	5,469	(184)
1998-99 (2)	6	6,271	6,800	(529)
1999-00 (2)	7	6,354	7,108	(754)
2000-01(2)	8	6,857	7,639	(782)
2001-02(2)	9	7,487	8,054	(567)
2002-03(2)	10	7,581	8,015	(434)
2003-04(2)	11	8,369	8,768	(399)
2004-05(2)(3)	12	8,902	9,051	(149)
		<u>\$70,276</u>	<u>\$77,528</u>	<u>(\$7,252)</u>

Source: School District Financial Records.

(1) The Department of Education has no mechanism in place to provide this data on a GAAP basis. As a result, all figures are presented on a cash basis to provide a more meaningful comparison.

(2) The Department of Education adopted a new calculation for per pupil spending. Beginning in 1997-98 per pupil spending is based upon the departments expenditures flow model.

(3) The Department of Education made several additional changes to the calculation for per pupil spending.

MASON CITY SCHOOL DISTRICT, OHIO  
 MISCELLANEOUS STATISTICAL DATA

TABLE 16

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 2004-2005 School Year:	1,103,080
Number Meals Served by Food Service Department for the 2004-2005 School Year:	1,011,538

School Buildings	Grade Levels	Enrollment
Mason Heights Elementary	1-2	1,226
Western Row Elementary	3-4	1,139
Mason Intermediate	5-6	2,211
Mason Middle School	7-8	1,371
William Mason High School	9-12	2,408
Mason Early Childhood Center	PS-K	891
		<u>9,246</u>

Degree	Number of Certified Staff	Percentage of Total
Bachelor's Degree	83.0	13.69%
Bachelor + 150	173.0	28.55%
Master's Degree	348.0	57.43%
Doctorate	2.0	0.33%
Total	<u>606.0</u>	<u>100.00%</u>

Years of Experience	Number of Certified Staff	Percentage of Total
0 - 5	257.5	42.48%
6 - 10	159.0	26.24%
11 - 15	70.5	11.63%
16 - 20	53.0	8.75%
21 - 25	35.0	5.78%
26 - 30	24.0	3.96%
31 - 35	7.0	1.16%
36 - 40	0.0	0.00%
	<u>606.0</u>	<u>100.00%</u>

Source: School District Records

**MASON CITY SCHOOL DISTRICT, OHIO  
LARGEST EMPLOYERS**

**TABLE 17**

Employer	Nature of Activity or Business	Number of Employees
Procter & Gamble	Health Care Research Center	2,400
Cintas	Manufacture Uniforms	1,800
Anthem Blue Cross & Blue Shield	Health Care Benefits	1,300
Mason City School District	Education	1,207
Luxottica Retail	Optical Retail Chain	1,162
Blackhawk Automotive	Manufacture Plastic Moldings	733
Siemens Business Services, Inc.	Computer Repair, Service & Network Solutions	500
H. J. Heinz Company	Manufacture Condiments	483
UBE Automotive North America	Manufacture Aluminum Wheels	458
Mitsubishi Electric Automotive	Manufacture Starters and Alternators	435

Source: City of Mason Economic Development  
Warren County Economic Development



MASON CITY SCHOOL DISTRICT, OHIO  
LEVY HISTORY

TABLE 18

Date of Election	Type of Issue	Millage	For	Against	% For
11/7/1967	General Operating 10 year	4.00	916	754	54.9%
11/5/1968	General Operating (Renewal Continuing)	16.10	1,667	906	64.8%
8/19/1969	Special Operating	6.80	270	513	34.5%
11/4/1969	Special - General Operating	4.90	839	938	47.2%
12/11/1969	Special - General Operating (Cont.)	4.90	821	664	55.3%
11/8/1977	General Operating (Renewal)	4.00	1,970	692	74.0%
11/8/1977	Bond Issue (SAH) *	1.60	1,681	931	64.4%
3/14/1978	General Operating (New Cont.)	6.50	902	505	64.1%
6/5/1979	Bond Issue (SAH) *	1.10	295	77	79.3%
9/8/1981	Bond Issue (SAH) *	1.30	330	86	79.3%
2/5/1985	Bond Issue	6.50	651	1,037	38.6%
11/5/1985	Bond Issue	4.70	1,642	1,518	52.0%
5/3/1988	General Operating (New Cont.)	8.60	1,567	1,407	52.7%
5/7/1991	Special Levy (Land Purchase)	0.70	994	868	53.4%
11/5/1991	Bond Issue	3.78	1,978	2,115	48.3%
2/4/1992	Bond Issue	3.27	1,470	1,524	49.1%
6/2/1992	Bond Issue	3.27	1,909	1,889	50.3%
5/5/1995	Bond Issue	3.98	1,644	1,068	60.6%
3/19/1996	General Operating (New Cont.)	9.80	2,832	2,218	56.1%
2/4/1997	Bond Issue	5.01	1,895	802	70.3%
3/7/2000	Bond Issue	6.78	3,690	3,248	53.2%
5/8/2001	General Operating (New Cont.)**	9.95	3,196	2,301	58.1%
3/2/2004	Bond Issue	1.78	4,213	2,377	63.9%
5/3/2005	General Operating (New Cont.)***	9.94	5,932	5,209	53.2%

Source: School District Records

\* SAH - Stay at Home Issues

\*\* Incremental Levy phased in over three years, collections beginning in 2002: 6.95, 8.45, 9.95

\*\*\* Incremental Levy phased in over three years, collections beginning in 2006: 6.54, 8.24, 9.94

MASON CITY SCHOOL DISTRICT, OHIO  
 STUDENT POPULATION BY SEX AND BY RACE  
 FOR THE 2004-2005 SCHOOL YEAR

TABLE 19

Grade	Male	Female	Total
PS	86	48	134
K	398	359	757
1	422	399	821
2	406	353	759
3	391	394	785
4	406	384	790
5	350	387	737
6	341	343	684
7	340	358	698
8	372	301	673
9	392	335	727
10	300	296	596
11	303	292	595
12	249	233	482
Ungraded	4	4	8
	4,760	4,486	9,246

Race	Total	Percent
American Indian/Alaskan	16	0.17%
Asian	674	7.29%
Black	302	3.27%
Caucasian	7,910	85.55%
Hispanic	184	1.99%
Multi-Racial	160	1.73%
	9,246	100.00%

Source: School District Financial Records.

MASON CITY SCHOOL DISTRICT, OHIO  
 SCHEDULE OF INSURANCE POLICIES  
 AND BONDING INSURANCE

TABLE 20

Agent	Insurance Company	Policy #	Policy Period	Description	Liability Limit	Premium
Dakin Insurance	Indiana Insurance	CBP9461034	2/1/05-2/1/06	Comprehensive Property and Plant Employee Benefit Liability	\$139,236,245 \$1,000,000 each occurrence \$3,000,000 aggregate \$4,000,000 Excess Umbrella	\$159,312
Dakin Insurance	Indiana Insurance	BA9143978	2/1/05-2/1/06	Fleet Insurance	\$4,000,000 Excess Umbrella	131,438
Dakin Insurance	Indiana Insurance	CU9574500	2/1/05-2/1/06	Liability Insurance	\$1,000,000 each occurrence \$2,000,000 aggregate \$4,000,000 Excess Umbrella	64,701
Dakin Insurance	Indiana Insurance	IM8026198	4/26/05-4/26/06	Installation/Bld. Risk	28,500,000	21,780
Dakin Insurance	Cincinnati Insurance	B80-841745	2/1/05-2/1/06	Public Employee Bond	50,000	755
OSBA Bond Program	Nationwide Insurance	91PB 402-236-0001L	1/1/03-1/1/07	Treasurer's Bond	50,000	1,080
OSBA Bond Program	Nationwide Insurance	BR005671	1/1/03-1/1/06	Board President's Bond	20,000	40
OSBA Bond Program	Nationwide Insurance	BR005671	1/1/03-1/1/06	Superintendent's Bond	20,000	40

Source: School District Records.

MASON CITY SCHOOL DISTRICT, OHIO  
 ENROLLMENT HISTORY  
 LAST TEN YEARS

TABLE 21

School Year (1)	Preschool	KDN	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total	% Increase
2004-05	134	757	821	759	785	790	737	684	698	673	727	596	595	490	9,246	7.08%
2003-04	104	750	734	746	749	720	656	676	669	697	581	572	496	485	8,635	7.90%
2002-03	93	698	689	712	685	617	636	630	687	569	556	495	503	433	8,003	8.69%
2001-02	86	648	657	637	581	610	587	657	543	533	495	490	438	401	7,363	9.72%
2000-01	74	627	592	532	562	549	611	487	501	502	480	417	408	369	6,711	10.80%
1999-00	57	565	500	505	513	566	453	473	458	472	403	394	367	331	6,057	12.92%
1998-99	51	437	455	454	511	410	418	404	446	376	392	358	331	321	5,364	12.15%
1997-98	49	402	410	467	370	388	360	399	350	358	336	312	316	266	4,783	9.43%
1996-97	64	388	418	333	341	334	361	323	325	326	309	314	276	259	4,371	13.68%
1995-96	45	386	309	307	296	318	293	298	298	282	299	258	275	181	3,845	12.43%

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

Source: School District Records

**MASON CITY SCHOOLS DISTRICT, OHIO  
 DIRECTORY OF SCHOOL FACILITIES  
 AS OF JUNE 30, 2005**

**TABLE 22**

Facility	Address	Administrator / Contact	Grades	Phone Numbers
Early Childhood Center	211 North East Street	Mike Zimmermann	PS-K	398-3741
Mason Heights School	200 Northcrest Drive	Tom Doerflein	1-2	398-8866
Western Row School	755 Western Row Road	Will Becker	2-3	398-5821
Mason Intermediate 45	6307 Mason-Montgomery Rd.	Catherine Hunter	4-6	459-2850
Mason Intermediate 56	6315 Mason-Montgomery Rd.			
Mason Middle School	6370 Mason-Montgomery Rd.	Tonya McCall	7-8	398-9035
Mason High School	6100 S. Mason-Montgomery Rd.	Dave Allen	9-12	398-5025
Professional Development Center	4836 Tylersville Road	Lori Sideris		336-7367
Bus Garage	5025 Enterprise Drive	Ron McClure		398-6682
Maintenance Garage	5120 Enterprise Drive	George Highfill		398-2784

**TABLE 23**

This Comprehensive Annual Financial Report  
was prepared by:

**The Treasurer's Office**  
**Mason City School District**  
Richard Gardner, Treasurer

The Mason City School District Treasurer's Office:

Chris Hofer	Assistant Treasurer
Terri Ross	Payroll Supervisor
Rosita Dobbins	Accounting Clerk
Amy Elliott	Accounting Clerk
Ericka Hood	Accounting Clerk
Stefanie Howland	Accounting Clerk
Pat Nurre	Accounting Clerk
Missy Wilson	Accounting Clerk

Additional copies of this report may be obtained from:

Richard Gardner, Treasurer  
Mason City School District  
211 North East Street  
Mason, OH 45040  
Phone: (513) 398-3623  
Email: [gardnerr@mason.k12.oh.us](mailto:gardnerr@mason.k12.oh.us)  
Web Page: [www.masonohioschools.com](http://www.masonohioschools.com)



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**MASON CITY SCHOOL DISTRICT**

**WARREN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 30, 2005**