



Mary Taylor, CPA
Auditor of State

MASON CITY SCHOOL DISTRICT
WARREN COUNTY

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**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Food Distribution Program	(A)	10.550		\$339,186		\$334,980
<i>Nutrition Cluster:</i>						
National School Lunch Program		10.555	\$68,436		\$68,436	
		LLP4-2006	235,705		235,705	
		LLP4-2007	304,141	0	304,141	0
Total National School Lunch Program - Nutrition Cluster			304,141	0	304,141	0
Total U.S. Department of Agriculture			304,141	339,186	304,141	334,980
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
<i>Special Education Cluster:</i>						
Special Education_Grants to States		84.027	213,073		234,496	
		6BSF-2006	21,930		16,145	
		6BSF-2007	1,572,922		1,310,585	
Total Special Education_Grants to States			1,807,925	0	1,561,226	0
Special Education_Preschool Grants		84.173	5,819		8,871	
		PGS1-2006	41,257		34,227	
		PGS1-2007	47,076	0	43,098	0
Total Special Education_Preschool Grants			47,076	0	43,098	0
Total Special Education Cluster			1,855,001	0	1,604,324	0
Title I Grants to Local Educational Agencies		84.010			15,323	
		C1S1-2006	163,341		146,513	
		C1S1-2007	163,341	0	161,836	0
Total Title I Grants to Local Educational Agencies			163,341	0	161,836	0
Safe and Drug-Free Schools and Communities_State Grants		84.186	2,283		4,707	
		DRS1-2006	19,370		17,319	
		DRS1-2007	21,653	0	22,026	0
Total Safe and Drug-Free Schools and Communities_State Grants			21,653	0	22,026	0
State Grants for Innovative Programs		84.298	275		409	
		C2S1-2006	15,561		13,759	
		C2S1-2007	15,836	0	14,168	0
Total State Grants for Innovative Programs			15,836	0	14,168	0
Education Technology State Grants		84.318			719	
		TJS1-2006	1,574		960	
		TJS1-2007	1,574	0	1,679	0
Total Education Technology State Grants			1,574	0	1,679	0
English Language Acquisition Grants		84.365	4,124		4,915	
		T3S2-2006	36,000		36,000	
		T3S2-2007	6,253		7,193	
		T3S1-2006	59,863		50,981	
		T3S1-2007	106,240	0	99,089	0
Total English Language Acquisition Grants			106,240	0	99,089	0
Improving Teacher Quality State Grants		84.367	55,526		26,676	
		TRS1-2006	95,817		85,737	
		TRS1-2006	151,343	0	112,413	0
Total Improving Teacher Quality State Grants			151,343	0	112,413	0
Hurricane Education Recovery		84.938	18,250		18,250	
		HR01-2006	18,250		18,250	
Total Passed Through Ohio Department of Education:			2,333,238	0	2,033,785	0
<i>Passed Through Great Oaks Institute of Technology and Career Development</i>						
Vocational Education_Basic Grants to States	(A)	84.048	12,214		16,203	0
Total Passed Through Great Oaks Institute of Technology and Career Development			12,214	0	16,203	0
Total U.S. Department of Education			2,345,452	0	2,049,988	0
Total Federal Assistance			\$2,649,593	\$339,186	\$2,354,129	\$334,980

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

(A) - Project number not known or not applicable

**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2007**

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

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

NOTE C – FOOD DISTRIBUTION PROGRAM

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 estimated fair market value of the commodities used during the fiscal year ended June 30, 2007.



Mary Taylor, CPA

Auditor of State

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, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 17, 2007. 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 as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the District's management in a separate letter dated December 17, 2007.

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*.

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated December 17, 2007.

We intend this report solely for the information and use of the management, the Board of Education, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

December 17, 2007



Mary Taylor, CPA

Auditor of State

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 each of its major federal programs for the year ended June 30, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. 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 Mason City School District, Warren County, Ohio complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

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Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated December 17, 2007.

Federal Awards Expenditures Schedule

We have also 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 as of and for the year ended June 30, 2007, and have issued our report thereon dated December 17, 2007. 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.



Mary Taylor, CPA
Auditor of State

December 17, 2007

**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007**

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 weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control 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 weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control 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):	CFDA #10.550 – Food Distribution Program; CFDA #10.555 – Nutrition Cluster; CFDA #84.027 and #84.173 – Special Education Cluster;
<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**

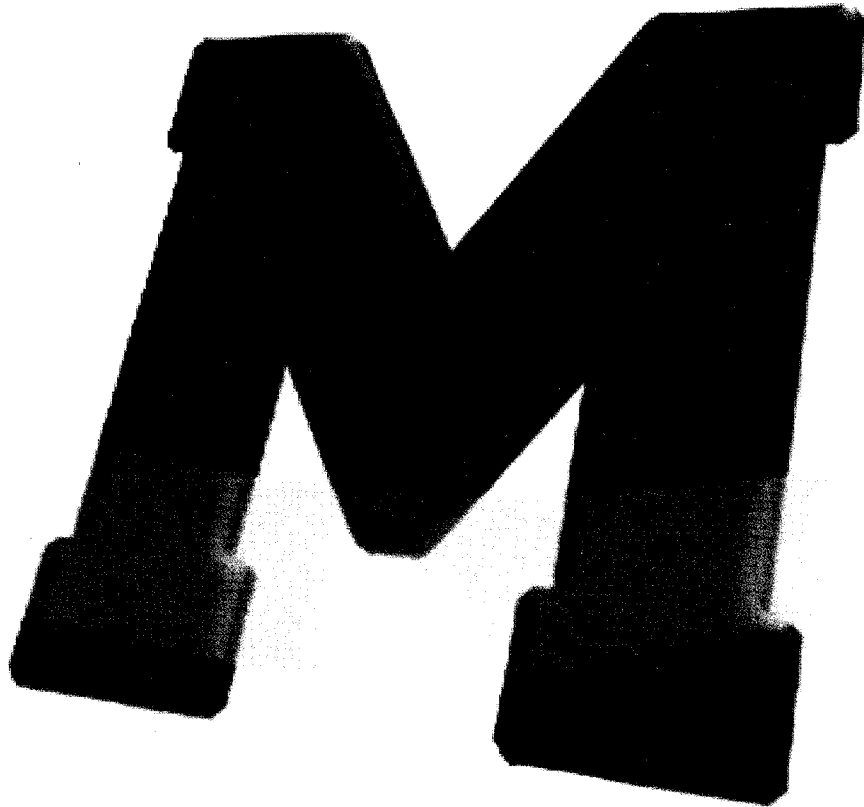
None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

MASON CITY SCHOOLS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For the fiscal year ended
June 30, 2007**

“Where Each Student Is Important”

MASON, OH

MASON CITY SCHOOL DISTRICT
MASON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended
June 30, 2007

Prepared by:
Treasurer's Office

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Mason City School District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2007

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Mason City School District
 Comprehensive Annual Financial Report
 For the Year Ended June 30, 2007

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Introductory Section

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MASON CITY SCHOOLS

Treasurer's Office

211 North East Street • Mason, Ohio • 45040

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December 17, 2007

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

State law requires that school districts publish a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States by the Auditor of State or a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Mason City School District for the fiscal year ended June 30, 2007.

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, 2007, 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, 2007, 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, 2007, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Kevin Wise	Jan. 2004 - Dec. 2007	4 ½
Mrs. Marianne Culbertson	Jan. 2006 - Dec. 2009	13 ½
Mrs. Deborah Delp	Jan. 2004 - Dec. 2007	3 ½
Mrs. Jennifer Miller	Jan. 2006 - Dec. 2009	1 ½
Mrs. Connie Yingling	Jan. 2006 - Dec. 2009	7 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 Montessori Academy of Cincinnati, 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 10,379 students during the 2007 fiscal year in six 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 wing (4-5) was constructed in 1994. The intermediate school 56 building wing (5-6) was constructed in 1998. An addition was constructed in 2007 connecting the two intermediate building wings. Western Row Elementary School (2-3) was

constructed in 1962, with additions in 1987. Mason Heights Elementary School (2-3) was constructed in 1967, with additions in 1978 and 1987. Mason Early Childhood Center (PreK-1) was constructed in 2007.

The District employed 1,230 full-time equivalent employees as of June 30, 2007. The number of employees has been increasing due to the increase in student population. The District's current enrollment is 10,379. It is expected that the District's enrollment will be approximately 10,700 for fiscal year 2008 and will continue to increase through 2015.

The District teachers, educational specialists, tutors and counselors are represented by the Mason Education Association (MEA). The current three year agreement on language, salary and fringe benefits will expire on June 30, 2009. The current agreement provided MEA members with a 2.0% base salary increase for the 2006-2007 school year, bringing the base teaching salary to \$34,896; a 2.25% base salary increase for the 2007-2008 school year, bringing the base teaching salary to \$35,681; and a 2.25% base salary increase for the 2008-2009 school year, bringing the base teaching salary to \$36,484.

The District custodial, grounds, maintenance and HVAC technicians voted on January 24, 2006, which was certified by SERB on February 16, 2006, to have the Ohio Association of Public School Employees (OAPSE) represent them. The establishment of a collective bargaining agreement on language, salary and fringe benefits is currently being negotiated.

The District's other non-certified staff, administrators, directors and supervisors are currently not represented by a union. These classifications typically receive the same benefits extended to the MEA.

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 Duke Energy. 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 exceed 12,000 in the next five years. The District passed a bond issue in May 2007 to add a fourth classroom wing to

the high school. This will be completed in August 2009 and will give the District a student capacity of approximately 13,000, and should be the last major construction project that will be needed.

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 2007 for all District funds was \$2,741,989. 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. 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, 2006. 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, 2006

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.



President

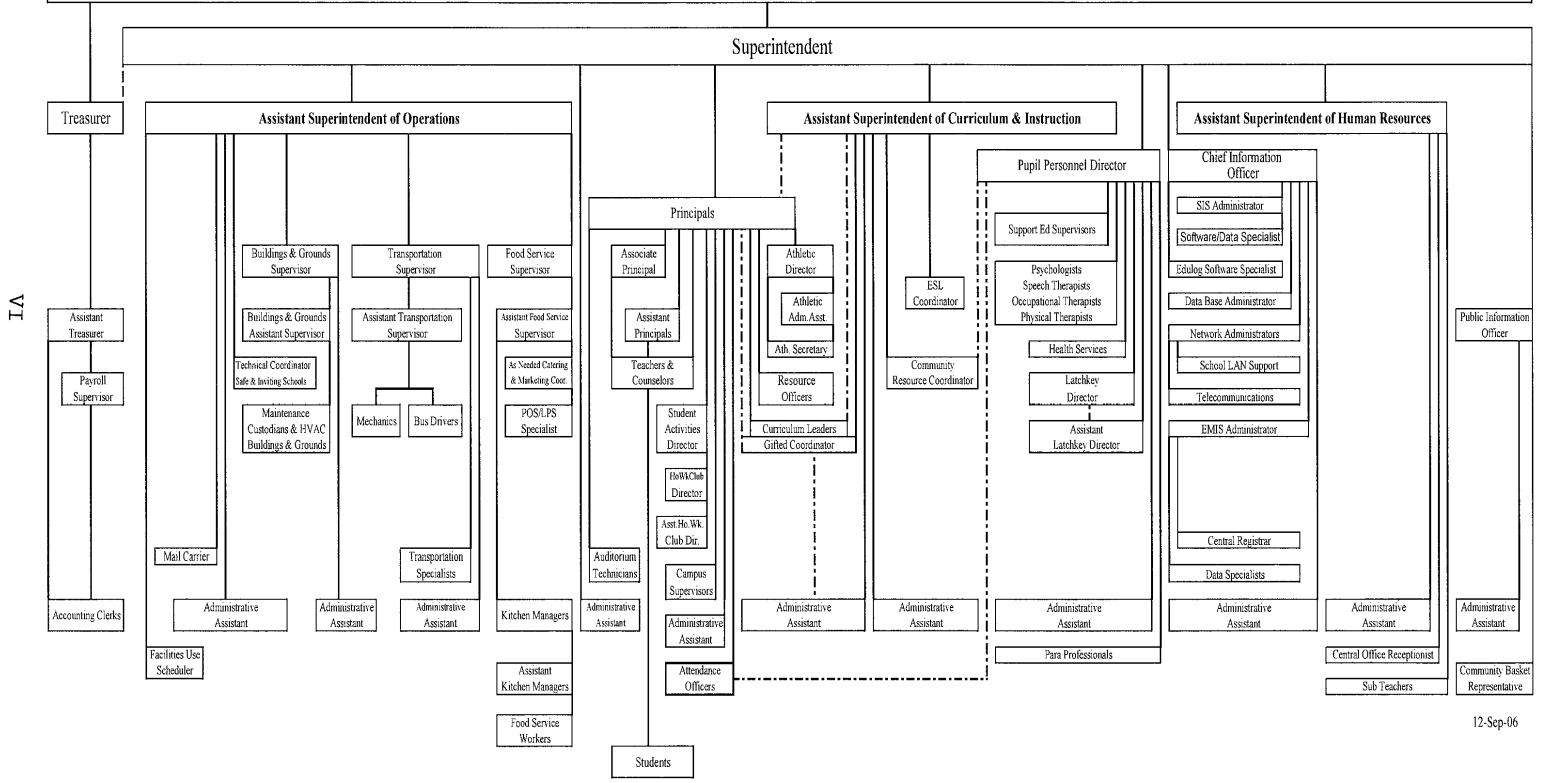
Executive Director

ORGANIZATIONAL CHART

Citizens of Mason City School District

Board of Education

Superintendent



**MASON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2007**

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	Jennifer Miller

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	Carole Abrams
Public Information Officer	Tracey Carson

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Financial Section

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Mary Taylor, CPA Auditor of State

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, 2007, 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, and the respective changes in financial position, thereof and 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 17, 2007, 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 Centre 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

The Management Discussion and Analysis and the budgetary comparison for the General Fund are not a required part 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, 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.



Mary Taylor, CPA
Auditor of State

December 17, 2007

**MASON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2007
(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, 2007. 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 2007 are as follows:

- In total, net assets increased \$17,167,757 which represents a 38.7% increase from 2006.
- General revenues accounted for \$109,842,954 in revenue or 89.6% of all revenues. Program specific revenues in the form of charges for services and sales; and grants and contributions accounted for \$12,754,121 or 10.4% of total revenues of \$122,597,075.
- The District had \$105,429,318 in expenses related to governmental activities; only \$12,754,121 of those expenses were offset by program specific charges for services, grants or contributions. General revenues of \$109,842,954 were adequate to provide for these programs.

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 *Statement 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 and the Debt Service 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 of non-instructional services, 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.

Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

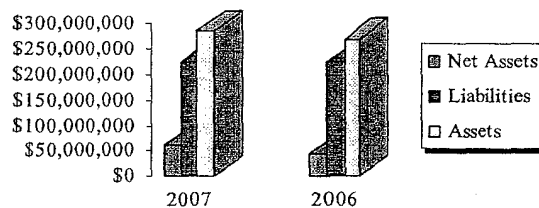
The District as a Whole

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 2007 compared to 2006:

Table 1
Net Assets

	Governmental Activities	
	2007	2006
Assets		
Current Assets	\$135,627,802	\$120,367,299
Capital Assets	150,161,269	148,060,342
Total Assets	285,789,071	268,427,641
Liabilities		
Long-Term Liabilities	138,026,966	142,747,248
Other Liabilities	86,276,602	81,362,647
Total Liabilities	224,303,568	224,109,895
Net Assets		
Invested in Capital		
Assets Net of Debt	12,537,357	8,832,373
Restricted	18,486,365	18,181,961
Unrestricted	30,461,781	17,303,412
Total Net Assets	\$61,485,503	\$44,317,746



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2007, the District's net assets exceeded liabilities by \$61,485,503.

At year-end, capital assets represented 52.5% of total assets. Capital assets include land, construction in progress, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2007, was \$12,537,357. 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.

Regarding significant changes in Table 1 above, current assets increased because of the District's 2007 surplus, which increased the balance of investments in 2007 as compared to 2006. Total liabilities remained relatively consistent in 2007 as compared to 2006.

The balance of unrestricted net assets of \$30,461,781 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 2007 and 2006.

Table 2
Changes in Net Assets

	Governmental Activities	
	2007	2006 Restated
Revenues		
Program Revenues:		
Charges for Services	\$7,179,567	\$6,007,386
Operating Grants	5,416,262	4,694,090
Capital Grants	158,292	51,235
General Revenue:		
Property Taxes	70,347,061	59,568,721
Grants and Entitlements	33,634,902	31,843,282
Other	5,860,991	8,752,186
Total Revenues	<u>122,597,075</u>	<u>110,916,900</u>
Program Expenses:		
Instruction	47,562,678	43,643,552
Support Services:		
Pupil and Instructional Staff	11,491,896	11,695,936
General and School Administrative, Fiscal and Business	7,538,206	7,340,951
Operations and Maintenance	14,141,628	11,819,228
Pupil Transportation	7,209,800	7,083,596
Central	3,759,249	3,518,288
Operation of Non-Instructional Services	5,505,957	4,645,785
Extracurricular Activities	2,170,808	2,107,599
Interest and Fiscal Charges	6,049,096	6,980,128
Total Expenses	<u>105,429,318</u>	<u>98,835,063</u>
Change in Net Assets	17,167,757	12,081,837
Beginning Net Assets	<u>44,317,746</u>	<u>32,235,909</u>
Ending Net Assets	<u>\$61,485,503</u>	<u>\$44,317,746</u>

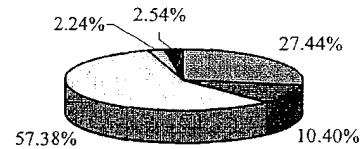
Governmental Activities

The District revenues are mainly from two sources. Property taxes and grants and entitlements comprised 84.8% of the District's revenues for governmental activities.

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 an existing 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 57.4% of revenue for governmental activities for the District in fiscal year 2007.

<u>Revenue Sources</u>	<u>2007</u>	<u>Percent of Total</u>
General Grants	\$33,634,902	27.44%
Program Revenues	12,754,121	10.40%
General Tax Revenues	70,347,061	57.38%
Investment Earnings	2,741,989	2.24%
Other Revenues	3,119,002	2.54%
	<u>\$122,597,075</u>	<u>100.00%</u>



Instruction comprises 45% of governmental program expenses. Support services expenses were 42% of governmental program expenses. All other expenses and interest expense was 13%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Property taxes increased due to an incremental phased-in operating levy passed in May, 2005 with first collections in January, 2006. Operations and maintenance increased due to additional depreciation on new facilities placed in service in 2007. Total expenses increased slightly mainly due to enrollment increases and general inflationary costs.

Revenues were restated for 2006 consistent with classifications adopted in 2007 for program revenue and general revenue. Additional reclassifications of 2006 expenses were made to correct coding among expense line items. Total revenues and total expenses for 2006 were not changed from amounts previously reported.

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	
	2007	2006 Restated	2007	2006 Restated
Instruction	\$47,562,678	\$43,643,552	(\$42,968,326)	(\$39,830,906)
Support Services:				
Pupil and Instructional Staff	11,491,896	11,695,936	(10,861,008)	(11,069,031)
General and School Administrative, Fiscal and Business	7,538,206	7,340,951	(7,498,751)	(7,333,675)
Operations and Maintenance	14,141,628	11,819,228	(12,946,545)	(10,527,838)
Pupil Transportation	7,209,800	7,083,596	(6,936,936)	(6,925,523)
Central	3,759,249	3,518,228	(3,706,074)	(3,451,746)
Operation of Non-Instructional Services	5,505,957	4,645,785	(194,429)	(471,295)
Extracurricular Activities	2,170,808	2,107,599	(1,514,032)	(1,492,210)
Interest and Fiscal Charges	6,049,096	6,980,128	(6,049,096)	(6,980,128)
Total Expenses	<u>\$105,429,318</u>	<u>\$98,835,003</u>	<u>(\$92,675,197)</u>	<u>(\$88,082,352)</u>

The District's Funds

The District has two major governmental funds: the General Fund and the Debt Service Fund. Assets of the General Fund comprised \$100,371,917 (72.8%) and the Debt Service Fund comprised \$20,654,843 (15.0%) of the total \$137,876,995 governmental funds assets.

General Fund: Fund balance at June 30, 2007 was \$31,457,643 including \$28,765,463 of unreserved balance. The primary reason for the increase in fund balance was due to an increase in property taxes revenue and grants revenue.

Debt Service Fund: Fund balance at June 30, 2007 was \$7,134,025 including \$6,628,582 of unreserved balance. The primary reason for the increase in fund balance was due to an increase in property taxes revenue.

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 to address unexpected changes in revenues and expenditures.

The final revenue budget for the General Fund was \$93,136,360. The original revenue budget estimate was \$90,728,925. The \$2,407,435 difference was primarily due to estimates for taxes and intergovernmental revenue.

The District's ending unobligated General Fund cash balance was \$3,702,085 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At year end, the District had \$150,161,269 invested in land, construction in progress, buildings and improvements and equipment. Table 4 shows fiscal 2007 balances compared to fiscal 2006:

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

	Governmental Activities	
	2007	2006
Land	\$4,134,921	\$4,134,921
Construction in Progress	347,890	29,869,241
Buildings and Improvements	131,961,781	101,072,623
Equipment	13,716,677	12,983,557
Total Net Capital Assets	<u>\$150,161,269</u>	<u>\$148,060,342</u>

Overall, capital assets increased due to the completion and continuing progress of the building projects in the District. See Note 6 to the Basic Financial Statements for more details on the District's capital assets.

Debt

At year end, the District had \$134,623,912 in bonds outstanding, \$5,095,000 due within one year. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2007	2006
General Obligation Bonds:		
2005 Refunding High School/Recreation Center and Intermediate	\$59,380,000	\$59,380,000
Premium on 2005 Refunding Bonds	5,409,559	5,782,632
1995 Building Construction and Equipment	2,695,000	2,695,000
1998 Building Construction and Equipment	730,000	1,410,000
2001 High School/Recreation Center Construction and Equipment	19,615,000	22,415,000
2003 Refunding Middle/High School	12,235,000	13,080,000
2004 Early Childhood Center	6,080,000	34,865,000
2007 Refunding Early Childhood Center	27,565,000	0
Premium on 2007 Refunding Bonds	2,542,850	0
Deferred Amount on 2007 Refunding Bonds	(1,628,497)	0
Total Bonds	<u>\$134,623,912</u>	<u>\$139,627,632</u>

See note 8 to the basic financial statements for further details on the District's debt.

For the Future

In June of 2005, the State legislature passed House Bill 66. House Bill 66 phases out the tax on tangible personal property of general business, telephone, and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2006 and will be eliminated by 2009. The tax on telephone and telecommunication property will begin being phased out in 2009 and will be eliminated by 2011. The tax is being phased out by reducing the assessment rate on the property each year. In the first five years, school districts are being reimbursed fully for the lost revenue; in the following seven years, the reimbursements are phased out.

Despite decreased revenue projections from the State, the District plans to meet its commitment through significant budgetary controls and spending restrictions. The District will continue to spend significantly less per pupil than the State average, while producing results that rank it in the top 13 districts in the State.

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.

BASIC FINANCIAL STATEMENTS

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Mason City School District
Statement of Net Assets
June 30, 2007

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$60,611,029
Restricted Cash and Investments	85,593
Cash and Cash Equivalents with Fiscal Agent	50,897
Receivables:	
Taxes	72,042,378
Accounts	1,697,580
Interest	55,100
Intergovernmental	166,674
Deferred Bond Issuance Costs	876,915
Inventory	41,636
Nondepreciable Capital Assets	4,482,811
Depreciable Capital Assets, Net	<u>145,678,458</u>
Total Assets	<u>285,789,071</u>
Liabilities:	
Accounts Payable	674,302
Accrued Wages and Benefits	12,514,699
Retainage Payable	50,897
Accrued Interest Payable	688,199
Unearned Revenue	68,084,378
Claims Payable	1,264,127
General Obligation Notes Payable	3,000,000
Long-Term Liabilities:	
Due Within One Year	5,658,018
Due In More Than One Year	<u>132,368,948</u>
Total Liabilities	<u>224,303,568</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	12,537,357
Restricted for:	
Special Revenue	3,439,579
Debt Service	6,724,587
Capital Projects	8,236,606
Set-Aside	85,593
Unrestricted	<u>30,461,781</u>
Total Net Assets	<u>\$61,485,503</u>

See accompanying notes to the Basic Financial Statements.

Mason City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2007

	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
Governmental Activities:					
Instruction:					
Regular	\$37,129,464	\$1,076,063	\$151,640	\$55,186	(\$35,846,575)
Special	9,715,425	326,546	2,893,162	0	(6,495,717)
Vocational	16,316	0	26,844	0	10,528
Other	701,473	54,417	10,494	0	(636,562)
Support Services:					
Pupil	5,170,132	928	446,904	0	(4,722,300)
Instructional Staff	6,321,764	538	182,518	0	(6,138,708)
General Administration	83,619	75	0	0	(83,544)
School Administration	5,134,189	0	32,699	0	(5,101,490)
Fiscal	2,018,476	0	0	0	(2,018,476)
Business	301,922	6,681	0	0	(295,241)
Operations and Maintenance	14,141,628	1,194,715	368	0	(12,946,545)
Pupil Transportation	7,209,800	2,984	166,774	103,106	(6,936,936)
Central	3,759,249	377	52,798	0	(3,706,074)
Operation of Non-Instructional Services	5,505,957	3,859,467	1,452,061	0	(194,429)
Extracurricular Activities	2,170,808	656,776	0	0	(1,514,032)
Interest and Fiscal Charges	6,049,096	0	0	0	(6,049,096)
Total Governmental Activities	\$105,429,318	\$7,179,567	\$5,416,262	\$158,292	(92,675,197)
General Revenues:					
Property Taxes Levied for:					
					56,849,004
					12,919,464
					578,593
					33,634,902
					2,508,735
					81,274
					2,741,989
					212,123
					316,870
					<u>109,842,954</u>
					17,167,757
					<u>44,317,746</u>
					<u>\$61,485,503</u>

See accompanying notes to the Basic Financial Statements.

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Mason City School District
Balance Sheet
Governmental Funds
June 30, 2007

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$39,666,971	\$6,628,582	\$14,315,476	\$60,611,029
Restricted Cash and Investments	85,593	0	0	85,593
Cash and Cash Equivalents with Fiscal Agent	0	0	50,897	50,897
Receivables:				
Taxes	57,366,117	14,026,261	650,000	72,042,378
Accounts	72,028	0	1,625,552	1,697,580
Interest	55,100	0	0	55,100
Intergovernmental	0	0	166,674	166,674
Interfund	3,126,108	0	0	3,126,108
Inventory	0	0	41,636	41,636
Total Assets	100,371,917	20,654,843	16,850,235	137,876,995
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	237,022	0	437,280	674,302
Accrued Wages and Benefits	11,727,306	0	787,393	12,514,699
Compensated Absences	207,810	0	0	207,810
Retainage Payable	0	0	50,897	50,897
Accrued Interest Payable	0	0	52,500	52,500
Interfund Payable	0	0	3,126,108	3,126,108
Deferred Revenue	55,478,009	13,520,818	1,340,099	70,338,926
Claims Payable	1,264,127	0	0	1,264,127
General Obligation Notes Payable	0	0	3,000,000	3,000,000
Total Liabilities	68,914,274	13,520,818	8,794,277	91,229,369
Fund Balances:				
Reserved for Encumbrances	716,408	0	3,999,028	4,715,436
Reserved for Inventory	0	0	41,636	41,636
Reserved for Property Tax Advances	1,890,179	505,443	0	2,395,622
Reserved for Set-Aside	85,593	0	0	85,593
Unreserved, Undesignated, Reported in:				
General Fund	28,765,463	0	0	28,765,463
Special Revenue Funds	0	0	3,065,602	3,065,602
Debt Service Funds	0	6,628,582	0	6,628,582
Capital Projects Funds	0	0	949,692	949,692
Total Fund Balances	31,457,643	7,134,025	8,055,958	46,647,626
Total Liabilities and Fund Balances	\$100,371,917	\$20,654,843	\$16,850,235	\$137,876,995

See accompanying notes to the Basic Financial Statements.

Mason City School District
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2007

Total Governmental Fund Balance		\$46,647,626
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.		150,161,269
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	1,562,378	
Intergovernmental	106,984	
Other	<u>585,186</u>	
		2,254,548
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.		(635,699)
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>(3,195,244)</u>	
		(3,195,244)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		876,915
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(134,623,912)</u>
Net Assets of Governmental Activities		<u>\$61,485,503</u>

See accompanying notes to the Basic Financial Statements.

Mason City School District
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2007

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$52,463,284	\$12,099,272	\$563,945	\$65,126,501
Revenue in lieu of taxes	0	0	2,150,536	2,150,536
Tuition and Fees	900,013	0	119,496	1,019,509
Investment Earnings	2,045,433	230,251	466,305	2,741,989
Intergovernmental	37,818,061	1,959,088	3,681,595	43,458,744
Extracurricular Activities	0	0	1,118,356	1,118,356
Charges for Services	0	0	4,943,610	4,943,610
Other Revenues	291,443	10,027	628,741	930,211
Total Revenues	93,518,234	14,298,638	13,672,584	121,489,456
Expenditures:				
Current:				
Instruction:				
Regular	35,133,620	0	1,056,851	36,190,471
Special	7,772,323	0	1,921,966	9,694,289
Vocational	0	0	16,316	16,316
Other	701,473	0	0	701,473
Support Services:				
Pupil	4,640,034	0	468,338	5,108,372
Instructional Staff	6,063,694	0	160,536	6,224,230
General Administration	83,420	0	199	83,619
School Administration	5,046,988	19,357	34,148	5,100,493
Fiscal	1,804,785	166,185	28,111	1,999,081
Business	253,152	0	71,398	324,550
Operations and Maintenance	9,966,249	0	1,729,733	11,695,982
Pupil Transportation	5,814,234	0	657,497	6,471,731
Central	2,702,977	0	757,266	3,460,243
Operation of Non-Instructional Services	22,404	0	5,236,473	5,258,877
Extracurricular Activities	1,322,747	0	735,009	2,057,756
Capital Outlay	0	0	7,257,028	7,257,028
Debt Service:				
Principal Retirement	0	4,990,000	0	4,990,000
Interest and Fiscal Charges	0	6,334,959	221,110	6,556,069
Total Expenditures	81,328,100	11,510,501	20,351,979	113,190,580
Excess of Revenues Over (Under) Expenditures	12,190,134	2,788,137	(6,679,395)	8,298,876
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	12,167	0	120,108	132,275
Issuance of Refunding Bonds	0	27,565,000	0	27,565,000
Payments to Refunded Bond Escrow Agent	0	(29,826,979)	0	(29,826,979)
Refunding Bond Premium	0	2,578,301	0	2,578,301
Transfers In	0	3,000,000	5,621,787	8,621,787
Transfers (Out)	(188,437)	(5,433,350)	(3,000,000)	(8,621,787)
Total Other Financing Sources (Uses)	(176,270)	(2,117,028)	2,741,895	448,597
Net Change in Fund Balance	12,013,864	671,109	(3,937,500)	8,747,473
Fund Balance Beginning of Year	19,443,779	6,462,916	11,993,458	37,900,153
Fund Balance End of Year	\$31,457,643	\$7,134,025	\$8,055,958	\$46,647,626

See accompanying notes to the Basic Financial Statements.

Mason City School District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2007

Net Change in Fund Balance - Total Governmental Funds \$8,747,473

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	6,556,104	
Depreciation Expense	<u>(3,905,827)</u>	2,650,277

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. (549,350)

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

Delinquent Property Taxes	934,334	
Intergovernmental	36,938	
Other	<u>553,422</u>	1,524,694

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

Principal payments	4,990,000	
Additional principal defeased through payment to escrow agent	<u>555,000</u>	5,545,000

In the statement of activities interest expense is accrued when incurred,
 whereas in governmental funds an interest expenditure is reported
 when due. (96,080)

In the statement of activities, certain costs and proceeds associated with
 long-term debt obligations issued during the year are accrued and
 amortized over the life of the debt obligation. In governmental funds
 these costs and proceeds are recognized as financing sources and uses.

Bond Issuance Costs	316,322	
Deferred Charge on Refunding	1,706,979	
Premium on Bonds Issued	<u>(2,578,301)</u>	(555,000)

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	(385,988)	
Amortization of Deferred Charge	(78,482)	
Amortization of Bond Issuance Cost	(43,311)	
Amortization of Bond Premium	<u>408,524</u>	
		<u>(99,257)</u>

Change in Net Assets of Governmental Activities \$17,167,757

See accompanying notes to the Basic Financial Statements.

Mason City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007

	Education Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$141,607	\$298,300
Receivables:		
Accounts	0	8,962
Total Assets	<u>141,607</u>	<u>\$307,262</u>
Liabilities:		
Accounts Payable	0	11,728
Other Liabilities	0	295,534
Total Liabilities	<u>0</u>	<u>\$307,262</u>
Net Assets:		
Held in Trust	<u>141,607</u>	
Total Net Assets	<u>\$141,607</u>	

See accompanying notes to the Basic Financial Statements.

Mason City School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2007

	Education Private Purpose Trust
Additions:	
Donations	\$13,035
Investment Earnings	4,369
Total Additions	<u>17,404</u>
Deductions:	
Scholarships	4,100
Total Deductions	<u>4,100</u>
Change in Net Assets	13,304
Net Assets Beginning of Year	<u>128,303</u>
Net Assets End of Year	<u>\$141,607</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, 2007

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 627 classified personnel, 681 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 10,379. The District operates one early childhood center (Pre-K-1), two elementary schools 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.

The District is associated with three organizations, which are defined as jointly governed. These organizations are presented in Note 18 to the basic financial statements.

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.

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 custodial 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

Government-wide Financial Statements

The District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements which provide a more detailed level of financial information.

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.

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.

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.

Unearned Revenue

Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

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 a component of intergovernmental 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.

EQUITY IN POOLED 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 certain 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 during the current fiscal year amounted to \$2,045,433 credited to the General Fund; \$230,251 credited to the Debt Service Fund; and \$466,305 credited to Other Governmental Funds.

For presentation on the financial statements, investments of the cash management pool 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 capital 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 and construction in progress. 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	0-20 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	240 days	240 days	240 days
Vested	5-10 years of service Eligible for retirement	5-10 years of service Eligible for retirement	5-10 years of service Eligible for retirement
Termination Entitlement	Paid upon retirement at 25%-50%	Paid upon retirement at 25%-50%	Paid upon retirement at 25%-50%

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. Of the District's \$18,486,365 in restricted net assets, none were restricted by enabling legislation.

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.

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column on the Statement of Net Assets.

As a general rule the effect of internal activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

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.

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. EQUITY IN POOLED 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, 2007, \$37,406,522 of the District's bank balance of \$37,556,597 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, 2007, the District had the following investments:

Investment Type	Fair Value	Aggregate Credit Risk	Weighted Average Maturity (Years)
US Treasury Notes	\$276,858	1.12%	0.40
Commercial Paper - Discount	172,037	0.70%	0.10
Money Market Funds	8,115	0.03%	0.00
STAR Ohio	532,330	2.15%	0.11
Federal Home Loan Bank	15,898,996	64.26%	2.30
Federal Home Loan Mortgage Corporation	1,982,446	8.01%	4.44
Federal Home Loan Mortgage Corporation - Discount Note	306,751	1.24%	0.50
Federal Farm Credit Bank	124,966	0.51%	1.09
Federal National Mortgage Association	5,158,460	20.85%	2.94
Federal National Mortgage Association - Discount Note	278,796	1.13%	0.13
Total Fair Value	<u>\$24,739,755</u>	100.00%	
Portfolio Weighted Average Maturity			2.47

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 US Treasury Notes, Commercial Paper – Discount, Money Market Funds, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Home Loan Mortgage Corporation – Discount Note, Federal Farm Credit Bank, Federal National Mortgage Association, and Federal National Mortgage Association – Discount Note 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.

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 2007 were levied in April on the assessed values as of January 1, 2006, 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.

The tangible personal property tax will phase out over a four-year period starting with tax year 2006 and ending with no tax due in 2009. This phase-out applies to most businesses and includes furniture and fixtures, machinery and equipment and inventory. New manufacturing and equipment first reportable on the 2006 and subsequent year returns is not subject to the personal property tax.

Real property taxes are payable annually or semi-annually. In 2007, 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, 2007. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2007. 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, 2007, was \$2,395,622 and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these available advances for fiscal year 2007 operations.

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 2007 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,461,205,840
Public Utility Personal	27,382,510
Tangible Personal Property	<u>109,110,197</u>
Total	<u>\$1,597,698,547</u>

5. RECEIVABLES

Receivables at fiscal year end, consisted of taxes, accounts, interest, 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:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$4,134,921	\$0	\$0	\$4,134,921
Construction in Progress	29,869,241	3,267,260	32,788,611	347,890
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	115,289,304	32,872,263	0	148,161,567
Equipment	<u>24,183,145</u>	<u>3,205,192</u>	<u>1,199,508</u>	<u>26,188,829</u>
Totals at Historical Cost	<u>173,476,611</u>	<u>39,344,715</u>	<u>33,988,119</u>	<u>178,833,207</u>
Less Accumulated Depreciation:				
Buildings and Improvements	14,216,681	1,983,105	0	16,199,786
Equipment	<u>11,199,588</u>	<u>1,922,722</u>	<u>650,158</u>	<u>12,472,152</u>
Total Accumulated Depreciation	<u>25,416,269</u>	<u>3,905,827</u>	<u>650,158</u>	<u>28,671,938</u>
Governmental Activities Capital Assets, Net	<u>\$148,060,342</u>	<u>\$35,438,888</u>	<u>\$33,337,961</u>	<u>\$150,161,269</u>

*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$591,566
Special	4,765
Support Services:	
Pupil	21,885
Instructional Staff	46,354
School Administration	22,005
Fiscal	9,569
Business	1,029
Operations and Maintenance	2,066,031
Pupil Transportation	629,491
Central	209,472
Operation of Non-Instructional Services	193,317
Extracurricular Activities	110,343
Total Depreciation Expense	<u>\$3,905,827</u>

7. SHORT-TERM NOTES PAYABLE

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

	Beginning Principal <u>Outstanding</u>	<u>Additions</u>	<u>Deletions</u>	Ending Principal <u>Outstanding</u>
Mason Intermediate Construction 2006 3.32%	\$5,200,000	\$0	\$5,200,000	\$0
Mason Intermediate Construction 2007 4.50%	<u>0</u>	<u>3,000.00</u>	<u>0</u>	<u>3,000,000</u>
Total	<u>\$5,200,000</u>	<u>\$3,000,000</u>	<u>\$5,200,000</u>	<u>\$3,000,000</u>

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:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$3,000,000	\$233,350	\$3,233,350

8. LONG-TERM LIABILITIES

	Interest Rate	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:						
General Obligation Bonds:						
2001 High School/Recreation Center	5.06%	\$22,415,000	\$0	\$2,800,000	\$19,615,000	\$2,910,000
2005 Refunding High School/ Recreation Center	5.16%	59,380,000	0	0	59,380,000	160,000
2005 Refund Bond Premium	0.00%	5,782,632	0	373,073	5,409,559	0
1995 High School Addition/ Bus Garage	5.65%	2,695,000	0	0	2,695,000	0
1998 Intermediate School	5.24%	1,410,000	0	680,000	730,000	230,000
2003 Refunding Middle/High School	3.97%	13,080,000	0	845,000	12,235,000	1,155,000
2004 Early Childhood Center	4.76%	34,865,000	0	28,785,000 a	6,080,000	305,000
2007 Refunding Early Childhood Center	4.98%	0	27,565,000	0	27,565,000	335,000
2007 Refund Bond Premium	0.00%	0	2,578,301 *	35,451	2,542,850	0
Deferred Amount on 2007 Refunding	0.00%	0	(1,706,979)	(78,482)	(1,628,497)	0
Total General Obligation Bonds		139,627,632	28,436,322	33,440,042	134,623,912	5,095,000
Compensated Absences		3,119,616	880,220	596,782	3,403,054	563,018
Total Governmental Activities		\$142,747,248	\$29,316,542	\$34,036,824	\$138,026,966	\$5,658,018

a - This amount consists of a \$665,000 principal payment made on the original 2004 bonds, a \$27,565,000 principal payment from the 2007 refunding bonds, and \$555,000 of additional principal through payment to an escrow agent.

* - This amount consists of a \$555,000 premium used to pay additional principal to an escrow agent. \$2,023,301 is the remaining balance of the premium issued on the 2007 refunding bonds.

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. The General Fund is typically used to liquidate the liability for compensated absences.

During fiscal year 2007, the District issued \$27,565,000 of School Improvement Refunding General Obligation Bonds to partially defease the 2004 Early Childhood Center General Obligation Bonds.

The net proceeds of the Refunding General Obligation Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts, which including interest earned was and will be used to pay the principal and interest on the refunded bonds. The refunded 2004 General Obligation Bonds are not included in the District's outstanding debt since the District has in-substance satisfied its obligation through the current and advance refunding.

The District reduced its aggregate debt service payments over the life of the refunded General Obligation Bonds by \$1,606,462 and obtained an economic gain of \$993,830.

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

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2008	\$5,095,000	\$6,142,582	\$11,237,582
2009	5,125,000	5,928,187	11,053,187
2010	5,625,000	5,667,379	11,292,379
2011	6,425,000	5,370,893	11,795,893
2012	7,315,000	5,064,573	12,379,573
2013-2017	44,405,000	19,600,641	64,005,641
2018-2022	35,810,000	9,012,185	44,822,185
2023-2027	8,105,000	3,798,763	11,903,763
2028-2032	10,395,000	1,420,257	11,815,257
Total	<u>\$128,300,000</u>	<u>\$62,005,460</u>	<u>\$190,305,460</u>

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

9. PRIOR YEAR DEFEASANCE OF DEBT

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements. On June 30, 2007, \$61,395,000 of bonds outstanding are considered defeased.

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 toll free (800) 878-5853, or by visiting the SERS website at www.ohsers.org.

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 2007, 10.68% of annual covered salary was the portion being 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, 2007, 2006, and 2005 were \$2,332,272, \$2,285,304, and \$2,074,500, respectively; 49% has been contributed for fiscal year 2007 and 100% for fiscal year 2006 and 2005.

STATE TEACHERS RETIREMENT SYSTEM OF OHIO

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 43215-3771 or by calling (614) 227-4090, or by visiting the STRS Ohio website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. 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, 2007, 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. For fiscal year 2006, the portion used to fund pension obligations was also 13%. 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, 2007, 2006, and 2005 were \$5,446,008, \$5,214,768, and \$4,612,812, respectively; 83% has been contributed for fiscal year 2007 and 100% for fiscal year 2006 and 2005. \$918,212 represents the unpaid contribution for fiscal year 2007.

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.

All STRS Ohio 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, 2007, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$389,001 for fiscal year 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006, (the latest information available) the balance in the Fund was \$3.5 billion. For the fiscal year ended June 30, 2006, net health care costs paid by STRS were \$282,743,000 and STRS had 119,184 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.

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, 2007, employer contributions to fund health care benefits were 3.32 percent of covered payroll compared to 3.42 percent of covered payroll for fiscal year 2006. 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 2007, the minimum pay was established at \$35,800. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2007 fiscal year, District paid \$553,082 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, 2006 (the latest information available), were \$158,751,207. SERS had net assets available for payment of health care benefits of \$295.6 million. At June 30, 2006, SERS has approximately 59,492 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 \$4,000,000 limit covering all employees and volunteers of the District.

Property and Fleet Insurance is provided by Indiana Insurance and holds a \$5,000 deductible and a \$1,000,000 automobile liability limit per occurrence, plus excess umbrella of an additional \$4,000,000 limit.

The Travelers Insurance Company maintains a \$20,000 performance bond for the Board President and Superintendent and Nationwide 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 on a self-insured basis with third party administration services provided by Custom Design Benefits. Monthly premiums for medical coverage are \$1,043 to \$1,254 for family coverage or \$410 to \$493 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.

The District offers dental on a self-insured basis with third party administrative services provided by Dental Care Plus Group. Monthly premiums for dental coverage are \$93 for family coverage and \$35 for individual coverage. The district is responsible for payment of all claim amounts.

Vision is offered on a self insured basis by the District with services provided by VSP (Vision Service Plan). Monthly premiums for vision are \$9.30 for family coverage and \$4.31 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 \$1,264,127 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:

	Balance at <u>Beginning of Year</u>	Current Year <u>Claims</u>	Claims <u>Payments</u>	Balance at <u>End of Year</u>
2006	\$406,947	\$9,278,379	\$9,114,570	\$570,756
2007	\$570,756	\$10,430,178	\$9,736,807	\$1,264,127

14. ACCOUNTABILITY

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

<u>Fund</u>	<u>Deficit</u>
Special Revenue:	
Public School Support	\$393,505
Title VI B	6,873
Title III	2,853
Title I	29,202
Public Preschool	4,851
Capital Projects:	
Building	2,094,303
Insurance Replacement	66,136

The special revenue fund deficits resulted from adjustments for accrued liabilities. The fund deficits in the capital project funds relate to the money being spent for the completion of the Mason Intermediate School and the Early Childhood Center building improvements projects. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

15. 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.

	Textbooks	Capital Acquisition	Budget Stabilization	Total
Set-aside Reserve Balance as of June 30, 2006	(\$552,752)	\$0	\$85,593	(\$467,159)
Current Year Set-aside Requirement	1,452,941	1,452,941	0	2,905,882
Qualified Disbursements	(1,458,263)	(758,244)	0	(2,216,507)
Current Year Offsets	0	(32,747,827)	0	(32,747,827)
Set-Aside Reserve Balance as of June 30, 2007	<u>(\$558,074)</u>	<u>(\$32,053,130)</u>	<u>\$85,593</u>	<u>(\$32,525,611)</u>
Restricted Cash as of June 30, 2007			<u>\$85,593</u>	
Carried Forward as of June 30, 2007	<u>(\$558,074)</u>			

16. INTERFUND TRANSACTIONS

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

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
General Fund	\$3,126,108	\$0	\$0	\$188,437
Debt Service	0	0	3,000,000	5,433,350
Other Governmental Funds	0	3,126,108	5,621,787	3,000,000
Total all funds	<u>\$3,126,108</u>	<u>\$3,126,108</u>	<u>\$8,621,787</u>	<u>\$8,621,787</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.

17. 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	\$1,808,664
Kramer & Feldman, Inc.	981,161
AC Electrical Systems	318,210
Schumacher Dugan	142,380
Total	<u>\$3,250,415</u>

18. 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 member’s 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. Robert Giuffrè, 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.

19. SUBSEQUENT EVENTS

Prior to June 30, 2007, the voters of the District approved the issuance of bonds in the principal amounts of \$30,000,000 for the purpose of construction, additions, renovations and improvements of school facilities and providing equipment furnishings and site improvements therefore. The District will use these funds to construct an addition to the High School facilities.

On July 12, 2007, the District issued \$7,000,000 in School Improvement Unlimited Tax General Obligation Bond Anticipation Notes (the Notes). The interest rate on the Notes is 4.198% and the Notes mature on February 7, 2008. The Notes were purchased through the Ohio Association of School Business Officials (OASBO) Expanded Asset Pooled Financing Program and as part of a loan agreement, dated July 12, 2007, between the District and the Columbus Regional Airport Authority, Ohio.

On August 21, 2007, the District issued \$23,000,000 in School Improvement Unlimited Tax General Obligation Bonds, Series 2007. The interest rate on the bonds range from 4.00% - 5.00% and final maturity is on December 1, 2035.

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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, 2007

	General Fund			Variance from Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$50,875,358	\$52,349,207	\$52,349,207	\$0
Tuition and Fees	820,827	843,746	844,606	860
Investment Earnings	1,934,297	1,807,053	1,990,333	183,280
Intergovernmental	36,753,324	37,818,060	37,818,061	1
Other Revenues	345,119	318,294	355,117	36,823
Total Revenues	90,728,925	93,136,360	93,357,324	220,964
Expenditures:				
Current:				
Instruction:				
<u>Regular</u>				
Salaries and Wages	25,660,256	25,528,048	25,494,944	33,104
Fringe Benefits	8,653,487	9,082,436	8,597,738	484,698
Purchased Services	49,688	50,115	49,368	747
Materials and Supplies	1,660,318	1,834,838	1,649,622	185,216
Capital Outlay	90,096	91,202	89,516	1,686
Capital Outlay - Replacement	11,682	23,927	11,607	12,320
Other Expenditures	4,589	5,349	4,559	790
Total Regular	36,130,116	36,615,915	35,897,354	718,561
<u>Special</u>				
Salaries and Wages	5,403,072	5,441,875	5,368,264	73,611
Fringe Benefits	1,878,000	2,146,738	1,865,901	280,837
Purchased Services	87,748	99,604	87,183	12,421
Materials and Supplies	79,831	91,845	79,317	12,528
Capital Outlay	0	1,105	0	1,105
Other Expenditures	226,147	245,575	224,690	20,885
Total Special	7,674,798	8,026,742	7,625,355	401,387
<u>Other</u>				
Purchased Services	849,025	866,714	843,555	23,159
Total Other	849,025	866,714	843,555	23,159
Support Services:				
<u>Pupil</u>				
Salaries and Wages	3,204,912	3,199,936	3,184,265	15,671
Fringe Benefits	1,181,841	1,348,879	1,174,227	174,652
Purchased Services	322,558	377,687	320,480	57,207
Materials and Supplies	39,619	52,464	39,364	13,100
Capital Outlay	39,822	39,793	39,565	228
Other Expenditures	216	225	215	10
Total Pupil	4,788,968	5,018,984	4,758,116	260,868

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, 2007

	General Fund			Variance from Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<u>Instructional Staff</u>				
Salaries and Wages	4,019,661	4,143,368	3,993,765	149,603
Fringe Benefits	1,855,608	2,049,750	1,843,654	206,096
Purchased Services	38,719	42,467	38,470	3,997
Materials and Supplies	171,657	185,561	170,551	15,010
Capital Outlay	5,213	5,892	5,179	713
Other Expenditures	14,815	16,339	14,720	1,619
Total Instructional Staff	6,105,673	6,443,377	6,066,339	377,038
<u>General Administration</u>				
Salaries and Wages	14,720	17,650	14,625	3,025
Fringe Benefits	3,232	3,574	3,211	363
Purchased Services	1,872	1,870	1,860	10
Materials and Supplies	111	116	110	6
Other Expenditures	68,246	79,732	67,806	11,926
Total Board of Education	88,181	102,942	87,612	15,330
<u>School Administration</u>				
Salaries and Wages	3,309,046	3,314,591	3,287,728	26,863
Fringe Benefits	1,361,961	1,432,346	1,353,187	79,159
Purchased Services	220,392	308,428	218,972	89,456
Materials and Supplies	22,117	29,602	21,975	7,627
Capital Outlay	1,896	3,471	1,884	1,587
Capital Outlay - Replacement	2,366	2,770	2,351	419
Other Expenditures	131,365	142,664	130,519	12,145
Total Administration	5,049,143	5,233,872	5,016,616	217,256
<u>Fiscal</u>				
Salaries and Wages	568,615	568,936	564,952	3,984
Fringe Benefits	236,079	250,729	234,558	16,171
Purchased Services	30,461	32,522	30,265	2,257
Materials and Supplies	19,488	22,239	19,362	2,877
Capital Outlay - Replacement	272	270	270	0
Other Expenditures	990,012	989,542	983,634	5,908
Total Fiscal	1,844,927	1,864,238	1,833,041	31,197
<u>Business</u>				
Salaries and Wages	172,920	182,244	171,806	10,438
Fringe Benefits	70,770	71,683	70,314	1,369
Purchased Services	9,281	10,548	9,221	1,327
Materials and Supplies	1,412	1,455	1,403	52
Other Expenditures	988	1,025	982	43
Total Business	255,371	266,955	253,726	13,229

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, 2007

	General Fund			Variance from Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<u>Operations and Maintenance</u>				
Salaries and Wages	3,201,344	3,246,637	3,180,720	65,917
Fringe Benefits	1,557,087	1,572,766	1,547,056	25,710
Purchased Services	4,818,596	5,209,928	4,787,553	422,375
Materials and Supplies	721,349	736,295	716,702	19,593
Capital Outlay	31,308	32,418	31,106	1,312
Capital Outlay - Replacement	1,353	2,248	1,344	904
Total Operations and Maintenance	10,331,037	10,800,292	10,264,481	535,811
<u>Pupil Transportation</u>				
Salaries and Wages	3,346,188	3,620,223	3,324,631	295,592
Fringe Benefits	1,435,149	1,551,119	1,425,903	125,216
Purchased Services	243,521	309,644	241,952	67,692
Materials and Supplies	732,789	808,306	728,068	80,238
Capital Outlay	3,389	4,442	3,367	1,075
Capital Outlay - Replacement	78,410	90,000	77,905	12,095
Other Expenditures	101	100	100	0
Total Pupil Transportation	5,839,547	6,383,834	5,801,926	581,908
<u>Central</u>				
Salaries and Wages	1,363,824	1,416,322	1,355,038	61,284
Fringe Benefits	540,165	568,714	536,685	32,029
Purchased Services	295,179	345,828	293,277	52,551
Materials and Supplies	478,392	486,721	475,310	11,411
Capital Outlay	17,348	17,702	17,236	466
Capital Outlay - Replacement	237,190	237,461	235,662	1,799
Other Expenditures	1,127	1,126	1,120	6
Total Central	2,933,225	3,073,874	2,914,328	159,546
<u>Operation of Non-Instructional Services</u>				
Salaries and Wages	3,040	5,056	3,020	2,036
Fringe Benefits	672	986	668	318
Purchased Services	11,479	18,366	11,405	6,961
Materials and Supplies	8,682	9,863	8,626	1,237
Other Expenditures	1,365	3,000	1,356	1,644
Total Non-Instructional Services	25,238	37,271	25,075	12,196
<u>Extracurricular Activities</u>				
Salaries and Wages	938,658	978,494	932,611	45,883
Fringe Benefits	219,339	225,537	217,926	7,611
Purchased Services	203,487	210,811	202,176	8,635
Materials and Supplies	12,347	21,729	12,267	9,462
Capital Outlay	0	1,788	0	1,788
Other Expenditures	8,748	10,500	8,692	1,808
Total Extracurricular Activities	1,382,579	1,448,859	1,373,672	75,187
Total Expenditures	83,297,828	86,183,869	82,761,196	3,422,673
Excess of Revenues Over (Under) Expenditures	7,431,097	6,952,491	10,596,128	3,643,637

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, 2007

	General Fund			Variance from Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	11,824	9,716	12,167	2,451
Advances In	516,319	531,277	531,277	0
Advances (Out)	(3,146,377)	(3,120,541)	(3,126,107)	(5,566)
Transfers (Out)	(189,659)	(250,000)	(188,437)	61,563
Total Other Financing Sources (Uses)	<u>(2,807,893)</u>	<u>(2,829,548)</u>	<u>(2,771,100)</u>	<u>58,448</u>
Net Change in Fund Balance	4,623,204	4,122,943	7,825,028	3,702,085
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	24,289,466	24,289,466	24,289,466	0
Fund Balance End of Year	<u>\$28,912,670</u>	<u>\$28,412,409</u>	<u>\$32,114,494</u>	<u>\$3,702,085</u>

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, 2007

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 level. Any budgetary modifications at this level may only be made by Board action.

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 2007.

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	\$12,013,864
Net Adjustment for Revenue Accruals	370,367
Net Adjustment for Expenditure Accruals	(3,641,125)
Encumbrances	<u>(918,078)</u>
Budget Basis	<u>\$7,825,028</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.

GIFTED SUPPLEMENTAL: To account for funds which are used for gifted supplemental programs.

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.

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.

BUILDING: To account for all transactions related to construction of buildings for the District.

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

INSURANCE REPLACEMENT: To account for all transactions related to equipment replacement of the District.

Mason City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$4,665,348	\$9,650,128	\$14,315,476
Cash and Cash Equivalents with Fiscal Agent	0	50,897	50,897
Receivables:			
Taxes	0	650,000	650,000
Accounts	317,000	1,308,552	1,625,552
Intergovernmental	166,674	0	166,674
Inventory	41,636	0	41,636
Total Assets	5,190,658	11,659,577	16,850,235
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	98,211	339,069	437,280
Accrued Wages and Benefits	787,393	0	787,393
Retainage Payable	0	50,897	50,897
Accrued Interest Payable	0	52,500	52,500
Interfund Payable	795,603	2,330,505	3,126,108
Deferred Revenue	250,626	1,089,473	1,340,099
General Obligation Notes Payable	0	3,000,000	3,000,000
Total Liabilities	1,931,833	6,862,444	8,794,277
Fund Balances:			
Reserved for Encumbrances	151,587	3,847,441	3,999,028
Reserved for Inventory	41,636	0	41,636
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	3,065,602	0	3,065,602
Capital Projects Funds	0	949,692	949,692
Total Fund Balances	3,258,825	4,797,133	8,055,958
Total Liabilities and Fund Balances	\$5,190,658	\$11,659,577	\$16,850,235

Mason City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$0	\$563,945	\$563,945
Revenue in lieu of taxes	0	2,150,536	2,150,536
Tuition and Fees	119,496	0	119,496
Investment Earnings	112,698	353,607	466,305
Intergovernmental	3,543,610	137,985	3,681,595
Extracurricular Activities	1,118,356	0	1,118,356
Charges for Services	4,943,610	0	4,943,610
Other Revenues	470,855	157,886	628,741
Total Revenues	10,308,625	3,363,959	13,672,584
Expenditures:			
Current:			
Instruction:			
Regular	812,704	244,147	1,056,851
Special	1,919,880	2,086	1,921,966
Vocational	16,316	0	16,316
Support Services:			
Pupil	461,000	7,338	468,338
Instructional Staff	160,536	0	160,536
General Administration	199	0	199
School Administration	33,186	962	34,148
Fiscal	0	28,111	28,111
Business	71,398	0	71,398
Operations and Maintenance	1,192,697	537,036	1,729,733
Pupil Transportation	23,042	634,455	657,497
Central	93,508	663,758	757,266
Operation of Non-Instructional Services	5,236,473	0	5,236,473
Extracurricular Activities	694,325	40,684	735,009
Capital Outlay	0	7,257,028	7,257,028
Debt Service:			
Interest and Fiscal Charges	0	221,110	221,110
Total Expenditures	10,715,264	9,636,715	20,351,979
Excess of Revenues Over (Under) Expenditures	(406,639)	(6,272,756)	(6,679,395)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	120,108	120,108
Transfers In	188,437	5,433,350	5,621,787
Transfers (Out)	0	(3,000,000)	(3,000,000)
Total Other Financing Sources (Uses)	188,437	2,553,458	2,741,895
Net Change in Fund Balance	(218,202)	(3,719,298)	(3,937,500)
Fund Balance Beginning of Year	3,477,027	8,516,431	11,993,458
Fund Balance End of Year	\$3,258,825	\$4,797,133	\$8,055,958

Mason City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007

	Public School Support	Community Services	District Managed Student Activity	Auxiliary Services	Management Information System	Entry Year Programs
Assets:						
Equity in Pooled Cash and Investments	\$298,467	\$2,056,040	\$180,363	\$142,073	\$5,135	\$7,070
Receivables:						
Accounts	33,208	182,193	94,911	0	0	0
Intergovernmental	0	0	0	0	0	0
Inventory	0	0	0	0	0	0
Total Assets	331,675	2,238,233	275,274	142,073	5,135	7,070
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable	7,527	4,653	2,943	75,022	0	0
Accrued Wages and Benefits	0	70,537	0	17,802	2,873	0
Interfund Payable	717,653	0	72,383	0	0	0
Deferred Revenue	0	143,642	0	0	0	0
Total Liabilities	725,180	218,832	75,326	92,824	2,873	0
Fund Balances:						
Reserved for Encumbrances	61,624	3,103	6,625	68,191	0	0
Reserved for Inventory	0	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	(455,129)	2,016,298	193,323	(18,942)	2,262	7,070
Total Fund Balances	(393,505)	2,019,401	199,948	49,249	2,262	7,070
Total Liabilities and Fund Balances	\$331,675	\$2,238,233	\$275,274	\$142,073	\$5,135	\$7,070

OneNet Network Connectivity	SchoolNet Professional Development	Ohio Reads	Summer Intervention	Vocational Education Enhancement	Gifted Supplemental	School Conflict Management	Title VI-B
\$0	\$1,602	\$2,000	\$464	\$0	\$25,202	\$0	\$262,481
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	35,094
0	0	0	0	0	0	0	0
0	1,602	2,000	464	0	25,202	0	297,575
0	100	0	0	0	0	0	1,579
0	0	0	0	0	0	0	267,775
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	35,094
0	100	0	0	0	0	0	304,448
0	1,100	0	0	0	0	0	3,409
0	0	0	0	0	0	0	0
0	402	2,000	464	0	25,202	0	(10,282)
0	1,502	2,000	464	0	25,202	0	(6,873)
\$0	\$1,602	\$2,000	\$464	\$0	\$25,202	\$0	\$297,575

Continued

Mason City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007

	Vocational Education	Title III	Refugee Impact	Title I	Title VI	Drug-Free Schools
Assets:						
Equity in Pooled Cash and Investments	\$5,620	\$8,882	\$455	\$16,827	\$1,799	\$1,951
Receivables:						
Accounts	0	0	0	0	0	0
Intergovernmental	8,117	1,305	0	4,035	2,763	6,634
Inventory	0	0	0	0	0	0
Total Assets	13,737	10,187	455	20,862	4,562	8,585
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable	0	186	0	93	0	0
Accrued Wages and Benefits	0	11,549	0	45,936	0	0
Interfund Payable	5,567	0	0	0	0	0
Deferred Revenue	0	1,305	0	4,035	2,763	6,634
Total Liabilities	5,567	13,040	0	50,064	2,763	6,634
Fund Balances:						
Reserved for Encumbrances	245	0	0	0	1,480	110
Reserved for Inventory	0	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	7,925	(2,853)	455	(29,202)	319	1,841
Total Fund Balances	8,170	(2,853)	455	(29,202)	1,799	1,951
Total Liabilities and Fund Balances	\$13,737	\$10,187	\$455	\$20,862	\$4,562	\$8,585

Public School Preschool	E-Rate	Improving Teacher Quality	Continuous Improvement	Food Service	Latchkey	Total Nonmajor Special Revenue Funds
\$7,029	\$88	\$10,080	\$614	\$1,408,925	\$222,181	\$4,665,348
0	0	0	0	3,886	2,802	317,000
1,989	0	49,847	5,317	51,573	0	166,674
0	0	0	0	41,636	0	41,636
<u>9,018</u>	<u>88</u>	<u>59,927</u>	<u>5,931</u>	<u>1,506,020</u>	<u>224,983</u>	<u>5,190,658</u>
0	0	0	0	3,772	2,336	98,211
11,880	0	0	0	277,796	81,245	787,393
0	0	0	0	0	0	795,603
1,989	0	49,847	5,317	0	0	250,626
<u>13,869</u>	<u>0</u>	<u>49,847</u>	<u>5,317</u>	<u>281,568</u>	<u>83,581</u>	<u>1,931,833</u>
0	0	2,560	0	130	3,010	151,587
0	0	0	0	41,636	0	41,636
<u>(4,851)</u>	<u>88</u>	<u>7,520</u>	<u>614</u>	<u>1,182,686</u>	<u>138,392</u>	<u>3,065,602</u>
<u>(4,851)</u>	<u>88</u>	<u>10,080</u>	<u>614</u>	<u>1,224,452</u>	<u>141,402</u>	<u>3,258,825</u>
<u>\$9,018</u>	<u>\$88</u>	<u>\$59,927</u>	<u>\$5,931</u>	<u>\$1,506,020</u>	<u>\$224,983</u>	<u>\$5,190,658</u>

Mason City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007

	Public School Support	Community Services	District Managed Student Activity	Auxiliary Services	Management Information System	Entry Year Programs
Revenues:						
Tuition and Fees	\$0	\$119,496	\$0	\$0	\$0	\$0
Investment Earnings	0	52,729	5,861	7,854	0	0
Intergovernmental	0	0	0	700,748	34,422	42,300
Extracurricular Activities	480,697	24,719	612,940	0	0	0
Charges for Services	0	1,084,143	0	0	0	0
Other Revenues	358,999	0	89,966	0	0	0
Total Revenues	839,696	1,281,087	708,767	708,602	34,422	42,300
Expenditures:						
Current:						
Instruction:						
Regular	499,737	194,047	0	0	0	34,830
Special	661,561	553	0	0	0	0
Vocational	0	0	0	0	0	0
Support Services:						
Pupil	0	9,769	0	0	0	0
Instructional Staff	196	5,026	0	0	0	0
General Administration	199	0	0	0	0	0
School Administration	0	0	0	0	0	1,500
Business	0	71,398	0	0	0	0
Operations and Maintenance	1,190	1,191,154	0	0	0	0
Pupil Transportation	2,783	20,259	0	0	0	0
Central	995	0	0	0	71,519	0
Operation of Non-Instructional Services	72,710	53,806	0	734,533	0	0
Extracurricular Activities	27,666	8,462	658,197	0	0	0
Total Expenditures	1,267,037	1,554,474	658,197	734,533	71,519	36,330
Excess of Revenues Over (Under) Expenditures	(427,341)	(273,387)	50,570	(25,931)	(37,097)	5,970
Other Financing Sources (Uses):						
Transfers In	0	188,437	0	0	0	0
Total Other Financing Sources (Uses)	0	188,437	0	0	0	0
Net Change in Fund Balance	(427,341)	(84,950)	50,570	(25,931)	(37,097)	5,970
Fund Balance Beginning of Year	33,836	2,104,351	149,378	75,180	39,359	1,100
Fund Balance End of Year	(\$393,505)	\$2,019,401	\$199,948	\$49,249	\$2,262	\$7,070

OneNet Network Connectivity	SchoolNet Professional Development	Ohio Reads	Summer Intervention	Vocational Education Enhancement	Gifted Supplemental	School Conflict Management	Title VI-B
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
18,000	5,300	6,000	0	0	25,202	0	1,587,720
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
18,000	5,300	6,000	0	0	25,202	0	1,587,720
0	0	0	0	0	0	1	0
0	0	0	0	0	0	0	1,038,169
0	0	0	0	113	0	0	0
0	0	0	0	0	0	0	434,007
0	4,798	4,000	0	0	0	0	11,009
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	14,510
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
20,994	0	0	0	0	0	0	0
0	0	0	0	0	0	0	74,950
0	0	0	0	0	0	0	0
20,994	4,798	4,000	0	113	0	1	1,572,645
(2,994)	502	2,000	0	(113)	25,202	(1)	15,075
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(2,994)	502	2,000	0	(113)	25,202	(1)	15,075
2,994	1,000	0	464	113	0	1	(21,948)
\$0	\$1,502	\$2,000	\$464	\$0	\$25,202	\$0	(\$6,873)

Continued

Mason City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007

	Vocational Education	Title III	Refugee Impact	Title I	Title VI	Drug-Free Schools
Revenues:						
Tuition and Fees	\$0	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0	0	0
Intergovernmental	16,234	102,117	0	146,985	12,986	21,653
Extracurricular Activities	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Other Revenues	0	0	0	0	0	0
Total Revenues	16,234	102,117	0	146,985	12,986	21,653
Expenditures:						
Current:						
Instruction:						
Regular	0	0	0	0	13,273	0
Special	0	23,500	0	184,154	0	0
Vocational	16,203	0	0	0	0	0
Support Services:						
Pupil	0	0	0	0	0	17,224
Instructional Staff	0	68,314	0	0	0	0
General Administration	0	0	0	0	0	0
School Administration	0	2,360	0	6,000	600	486
Business	0	0	0	0	0	0
Operations and Maintenance	0	0	0	0	0	0
Pupil Transportation	0	0	0	0	0	0
Central	0	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	296	2,109
Extracurricular Activities	0	0	0	0	0	0
Total Expenditures	16,203	94,174	0	190,154	14,169	19,819
Excess of Revenues Over (Under) Expenditures	31	7,943	0	(43,169)	(1,183)	1,834
Other Financing Sources (Uses):						
Transfers In	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0	0
Net Change in Fund Balance	31	7,943	0	(43,169)	(1,183)	1,834
Fund Balance Beginning of Year	8,139	(10,796)	455	13,967	2,982	117
Fund Balance End of Year	\$8,170	(\$2,853)	\$455	(\$29,202)	\$1,799	\$1,951

Public School Preschool	E-Rate	Improving Teacher Quality	Continuous Improvement	Food Service	Latchkey	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$119,496
0	0	0	0	39,967	6,287	112,698
47,076	0	99,055	13,865	663,947	0	3,543,610
0	0	0	0	0	0	1,118,356
0	0	0	0	3,206,332	653,135	4,943,610
0	0	0	0	21,890	0	470,855
<u>47,076</u>	<u>0</u>	<u>99,055</u>	<u>13,865</u>	<u>3,932,136</u>	<u>659,422</u>	<u>10,308,625</u>
0	0	59,912	10,904	0	0	812,704
3,193	0	0	8,750	0	0	1,919,880
0	0	0	0	0	0	16,316
0	0	0	0	0	0	461,000
38,038	0	29,155	0	0	0	160,536
0	0	0	0	0	0	199
1,155	0	6,300	275	0	0	33,186
0	0	0	0	0	0	71,398
0	0	353	0	0	0	1,192,697
0	0	0	0	0	0	23,042
0	0	0	0	0	0	93,508
0	0	0	0	3,670,151	627,918	5,236,473
0	0	0	0	0	0	694,325
<u>42,386</u>	<u>0</u>	<u>95,720</u>	<u>19,929</u>	<u>3,670,151</u>	<u>627,918</u>	<u>10,715,264</u>
<u>4,690</u>	<u>0</u>	<u>3,335</u>	<u>(6,064)</u>	<u>261,985</u>	<u>31,504</u>	<u>(406,639)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>188,437</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>188,437</u>
<u>4,690</u>	<u>0</u>	<u>3,335</u>	<u>(6,064)</u>	<u>261,985</u>	<u>31,504</u>	<u>(218,202)</u>
<u>(9,541)</u>	<u>88</u>	<u>6,745</u>	<u>6,678</u>	<u>962,467</u>	<u>109,898</u>	<u>3,477,027</u>
<u>(\$4,851)</u>	<u>\$88</u>	<u>\$10,080</u>	<u>\$614</u>	<u>\$1,224,452</u>	<u>\$141,402</u>	<u>\$3,258,825</u>

Mason City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2007

	Capital Projects	Building	SchoolNet Plus	Insurance Replacement	Total Nonmajor Capital Projects Funds
Assets:					
Equity in Pooled Cash and Investments	\$6,415,266	\$3,121,134	\$186	\$113,542	\$9,650,128
Cash and Cash Equivalents with Fiscal Agent	0	50,897	0	0	50,897
Receivables:					
Taxes	650,000	0	0	0	650,000
Accounts	1,308,552	0	0	0	1,308,552
Total Assets	8,373,818	3,172,031	186	113,542	11,659,577
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	326,959	12,110	0	0	339,069
Retainage Payable	0	50,897	0	0	50,897
Accrued Interest Payable	0	52,500	0	0	52,500
Interfund Payable	0	2,150,827	0	179,678	2,330,505
Deferred Revenue	1,089,473	0	0	0	1,089,473
General Obligation Notes Payable	0	3,000,000	0	0	3,000,000
Total Liabilities	1,416,432	5,266,334	0	179,678	6,862,444
Fund Balances:					
Reserved for Encumbrances	1,686,038	2,145,851	0	15,552	3,847,441
Unreserved, Undesignated, Reported in: Capital Projects Funds	5,271,348	(4,240,154)	186	(81,688)	949,692
Total Fund Balances	6,957,386	(2,094,303)	186	(66,136)	4,797,133
Total Liabilities and Fund Balances	\$8,373,818	\$3,172,031	\$186	\$113,542	\$11,659,577

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Mason City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2007

	Capital Projects	Building	SchoolNet Plus	Insurance Replacement	Total Nonmajor Capital Projects Funds
Revenues:					
Taxes	\$563,945	\$0	\$0	\$0	\$563,945
Revenue in lieu of taxes	2,150,536	0	0	0	2,150,536
Investment Earnings	198,260	155,347	0	0	353,607
Intergovernmental	82,799	0	55,186	0	137,985
Other Revenues	76,809	81,077	0	0	157,886
Total Revenues	3,072,349	236,424	55,186	0	3,363,959
Expenditures:					
Current:					
Instruction:					
Regular	189,147	0	55,000	0	244,147
Special	2,086	0	0	0	2,086
Support Services:					
Pupil	7,338	0	0	0	7,338
School Administration	962	0	0	0	962
Fiscal	28,111	0	0	0	28,111
Operations and Maintenance	423,906	113,130	0	0	537,036
Pupil Transportation	634,455	0	0	0	634,455
Central	663,758	0	0	0	663,758
Extracurricular Activities	40,684	0	0	0	40,684
Capital Outlay	355,017	6,737,885	0	164,126	7,257,028
Debt Service:					
Interest and Fiscal Charges	0	221,110	0	0	221,110
Total Expenditures	2,345,464	7,072,125	55,000	164,126	9,636,715
Excess of Revenues Over (Under) Expenditures	726,885	(6,835,701)	186	(164,126)	(6,272,756)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	22,118	0	0	97,990	120,108
Transfers In	0	5,433,350	0	0	5,433,350
Transfers (Out)	0	(3,000,000)	0	0	(3,000,000)
Total Other Financing Sources (Uses)	22,118	2,433,350	0	97,990	2,553,458
Net Change in Fund Balance	749,003	(4,402,351)	186	(66,136)	(3,719,298)
Fund Balance Beginning of Year	6,208,383	2,308,048	0	0	8,516,431
Fund Balance End of Year	\$6,957,386	(\$2,094,303)	\$186	(\$66,136)	\$4,797,133

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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, 2007

	Public School Support Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Extracurricular Activities	\$485,327	\$485,662	\$335
Other Revenues	327,593	330,599	3,006
Total Revenues	<u>812,920</u>	<u>816,261</u>	<u>3,341</u>
Expenditures:			
Current:			
Instruction:			
Regular	635,546	573,807	61,739
Special	674,511	674,511	0
Support Services:			
Instructional Staff	1,525	195	1,330
General Administration	348	248	100
School Administration	0	0	0
Operations and Maintenance	1,594	1,190	404
Pupil Transportation	3,662	2,783	879
Central	1,200	995	205
Operation of Non-Instructional Services	86,688	74,343	12,345
Extracurricular Activities	48,507	30,644	17,863
Total Expenditures	<u>1,453,581</u>	<u>1,358,716</u>	<u>94,865</u>
Excess of Revenues Over (Under) Expenditures	<u>(640,661)</u>	<u>(542,455)</u>	<u>98,206</u>
Other financing sources (uses):			
Advances In	717,653	717,653	0
Advances (Out)	<u>(424,693)</u>	<u>(424,693)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>292,960</u>	<u>292,960</u>	<u>0</u>
Net Change in Fund Balance	<u>(347,701)</u>	<u>(249,495)</u>	<u>98,206</u>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>478,812</u>	<u>478,812</u>	<u>0</u>
Fund Balance End of Year	<u>\$131,111</u>	<u>\$229,317</u>	<u>\$98,206</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, 2007

	Community Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$114,996	\$117,246	\$2,250
Investment Earnings	48,087	52,728	4,641
Extracurricular Activities	24,718	24,719	1
Charges for Services	1,074,012	1,078,176	4,164
Total Revenues	1,261,813	1,272,869	11,056
Expenditures:			
Current:			
Instruction:			
Regular	207,994	153,165	54,829
Special	639	553	86
Support Services:			
Pupil	16,596	6,915	9,681
Instructional Staff	40,560	5,221	35,339
Business	91,143	71,371	19,772
Operations and Maintenance	1,380,764	1,183,691	197,073
Pupil Transportation	13,965	13,776	189
Operation of Non-Instructional Services	69,423	55,901	13,522
Extracurricular Activities	14,317	8,454	5,863
Total Expenditures	1,835,401	1,499,047	336,354
Excess of Revenues Over (Under) Expenditures	(573,588)	(226,178)	347,410
Other financing sources (uses):			
Transfers In	188,437	188,437	0
Total Other Financing Sources (Uses)	188,437	188,437	0
Net Change in Fund Balance	(385,151)	(37,741)	347,410
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,086,643	2,086,643	0
Fund Balance End of Year	\$1,701,492	\$2,048,902	\$347,410

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, 2007

	District Managed Student Activity Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Investment Earnings	\$5,417	\$5,861	\$444
Extracurricular Activities	638,035	567,681	(70,354)
Other Revenues	44,087	44,087	0
Total Revenues	687,539	617,629	(69,910)
Expenditures:			
Current			
Extracurricular Activities	820,832	673,192	147,640
Total Expenditures	820,832	673,192	147,640
Excess of Revenues Over (Under) Expenditures	(133,293)	(55,563)	77,730
Other financing sources (uses):			
Advances In	0	72,383	72,383
Advances (Out)	(43,026)	(43,026)	0
Total Other Financing Sources (Uses)	(43,026)	29,357	72,383
Net Change in Fund Balance	(176,319)	(26,206)	150,113
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	198,400	198,400	0
Fund Balance End of Year	\$22,081	\$172,194	\$150,113

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, 2007

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Investment Earnings	\$7,504	\$7,855	\$351
Intergovernmental	700,746	700,746	0
Total Revenues	708,250	708,601	351
Expenditures:			
Current:			
Operation of Non-Instructional Services	839,763	839,620	143
Total Expenditures	839,763	839,620	143
Excess of Revenues Over (Under) Expenditures	(131,513)	(131,019)	494
Other financing sources (uses):			
Advances (Out)	(13,396)	(13,396)	0
Total Other Financing Sources (Uses)	(13,396)	(13,396)	0
Net Change in Fund Balance	(144,909)	(144,415)	494
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	149,496	149,496	0
Fund Balance End of Year	\$4,587	\$5,081	\$494

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, 2007

	Management Information System Fund		Variance from Final Budget Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$34,422	\$34,422	\$0
Total Revenues	34,422	34,422	0
Expenditures:			
Current			
Support Services:			
Central	72,652	71,938	714
Total Expenditures	72,652	71,938	714
Net Change in Fund Balance	(38,230)	(37,516)	714
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	42,652	42,652	0
Fund Balance End of Year	\$4,422	\$5,136	\$714

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, 2007

	Entry Year Programs Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$42,300	\$42,300	\$0
Total Revenues	42,300	42,300	0
Expenditures:			
Current:			
Instruction:			
Regular	43,943	36,873	7,070
Support Services:			
School Administration	1,500	1,500	0
Total Expenditures	45,443	38,373	7,070
Net Change in Fund Balance	(3,143)	3,927	7,070
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,143	3,143	0
Fund Balance End of Year	\$0	\$7,070	\$7,070

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, 2007

	OneNet Network Connectivity Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$18,000	\$18,000	\$0
Total Revenues	18,000	18,000	0
Expenditures:			
Current:			
Support Services:			
Central	20,994	20,994	0
Total Expenditures	20,994	20,994	(0)
Net Change in Fund Balance	(2,994)	(2,994)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,994	2,994	0
Fund Balance End of Year	\$0	\$0	\$0

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, 2007

	SchoolNet Professional Development Fund		Variance from Final Budget Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$5,300	\$5,300	\$0
Total Revenues	5,300	5,300	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	6,300	5,898	402
Total Expenditures	6,300	5,898	402
Net Change in Fund Balance	(1,000)	(598)	402
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,000	1,000	0
Fund Balance End of Year	\$0	\$402	\$402

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, 2007

	Ohio Reads Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$6,000	\$6,000	\$0
Total Revenues	6,000	6,000	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	4,000	4,000	0
Total Expenditures	4,000	4,000	(0)
Net Change in Fund Balance	2,000	2,000	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$2,000	\$2,000	\$0

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, 2007

	Summer Intervention Fund		Variance from Final Budget Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	463	0	463
Total Expenditures	463	0	463
Net Change in Fund Balance	(463)	0	463
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	463	463	0
Fund Balance End of Year	\$0	\$463	\$463

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, 2007

	Vocational Education Enhancement Fund		Variance from Final Budget Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Vocational	113	113	0
Total Expenditures	113	113	(0)
Net Change in Fund Balance	(113)	(113)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	113	113	0
Fund Balance End of Year	\$0	\$0	\$0

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, 2007

	Gifted Supplemental Fund		Variance from Final Budget Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$25,202	\$25,202	\$0
Total Revenues	25,202	25,202	0
Expenditures:			
Current:			
Instruction:			
Special	25,202	0	25,202
Total Expenditures	25,202	0	25,202
Net Change in Fund Balance	0	25,202	25,202
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$25,202	\$25,202

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, 2007

	School Conflict Management Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	1	(1)
Total Expenditures	0	1	(1)
Net Change in Fund Balance	0	(1)	(1)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1	1	0
Fund Balance End of Year	<u>\$1</u>	<u>\$0</u>	<u>(\$1)</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, 2007

	Title VI-B Fund		Variance from Final Budget Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$1,807,924	\$1,807,924	\$0
Total Revenues	1,807,924	1,807,924	0
Expenditures:			
Current:			
Instruction:			
Special	1,126,148	1,026,088	100,060
Support Services:			
Pupil	525,712	440,817	84,895
Instructional Staff	16,750	11,009	5,741
School Administration	15,559	12,386	3,173
Operation of Non-Instructional Services	139,535	75,042	64,493
Total Expenditures	1,823,704	1,565,342	258,362
Excess of Revenues Over (Under) Expenditures	(15,780)	242,582	258,362
Other financing sources (uses):			
Advances (Out)	(5,920)	(5,920)	0
Total Other Financing Sources (Uses)	(5,920)	(5,920)	0
Net Change in Fund Balance	(21,700)	236,662	258,362
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	21,700	21,700	0
Fund Balance End of Year	\$0	\$258,362	\$258,362

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, 2007

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$20,330	\$12,214	(\$8,116)
Total Revenues	20,330	12,214	(8,116)
Expenditures:			
Current:			
Instruction:			
Vocational	24,371	16,448	7,923
Total Expenditures	24,371	16,448	7,923
Excess of Revenues Over (Under) Expenditures	(4,041)	(4,234)	(193)
Other financing sources (uses):			
Advances In	0	5,566	5,566
Total Other Financing Sources (Uses)	0	5,566	5,566
Net Change in Fund Balance	(4,041)	1,332	5,373
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,041	4,041	0
Fund Balance End of Year	\$0	\$5,373	\$5,373

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, 2007

	Title III Fund		Variance from Final Budget Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$109,882	\$106,241	(\$3,641)
Total Revenues	109,882	106,241	(3,641)
Expenditures:			
Current:			
Instruction:			
Special	25,263	23,500	1,763
Support Services:			
Instructional Staff	80,349	73,230	7,119
School Administration	2,360	2,360	0
Total Expenditures	107,972	99,090	8,882
Net Change in Fund Balance	1,910	7,151	5,241
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,731	1,731	0
Fund Balance End of Year	\$3,641	\$8,882	\$5,241

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, 2007

	Refugee Impact Fund		Variance from Final Budget Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	455	0	455
Total Expenditures	455	0	455
Net Change in Fund Balance	(455)	0	455
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	455	455	0
Fund Balance End of Year	\$0	\$455	\$455

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, 2007

	Title I Fund		Variance from Final Budget Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$163,341	\$163,341	\$0
Total Revenues	163,341	163,341	0
Expenditures:			
Current:			
Instruction:			
Special	161,649	155,835	5,814
Support Services:			
Pupil	978	0	978
School Administration	6,000	6,000	0
Operation of Non-Instructional Services	10,037	0	10,037
Total Expenditures	178,664	161,835	16,829
Net Change in Fund Balance	(15,323)	1,506	16,829
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	15,323	15,323	0
Fund Balance End of Year	\$0	\$16,829	\$16,829

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, 2007

	Title VI Fund		Variance from Final Budget Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$18,411	\$15,836	(\$2,575)
Total Revenues	18,411	15,836	(2,575)
Expenditures:			
Current:			
Instruction:			
Regular	13,273	13,273	0
Support Services:			
School Administration	600	600	0
Operation of Non-Instructional Services	2,097	1,776	321
Total Expenditures	15,970	15,649	321
Excess of Revenues Over (Under) Expenditures	2,441	187	(2,254)
Other financing sources (uses):			
Advances (Out)	(401)	(401)	0
Total Other Financing Sources (Uses)	(401)	(401)	0
Net Change in Fund Balance	2,040	(214)	(2,254)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	536	536	0
Fund Balance End of Year	\$2,576	\$322	(\$2,254)

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, 2007

	Drug-Free Schools Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$22,949	\$21,653	(\$1,296)
Total Revenues	22,949	21,653	(1,296)
Expenditures:			
Current:			
Support Services:			
Pupil	21,389	19,589	1,800
School Administration	486	486	0
Operation of Non-Instructional Services	2,203	2,161	42
Total Expenditures	24,078	22,236	1,842
Excess of Revenues Over (Under) Expenditures	(1,129)	(583)	546
Other financing sources (uses):			
Advances (Out)	(1,639)	(1,639)	0
Total Other Financing Sources (Uses)	(1,639)	(1,639)	0
Net Change in Fund Balance	(2,768)	(2,222)	546
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,063	4,063	0
Fund Balance End of Year	\$1,295	\$1,841	\$546

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, 2007

	Public School Preschool Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$47,077	\$47,077	\$0
Total Revenues	47,077	47,077	0
Expenditures:			
Current:			
Instruction:			
Special	3,193	3,193	0
Support Services:			
Instructional Staff	45,779	38,749	7,030
School Administration	1,155	1,155	0
Total Expenditures	50,127	43,097	7,030
Net Change in Fund Balance	(3,050)	3,980	7,030
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,050	3,050	0
Fund Balance End of Year	\$0	\$7,030	\$7,030

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, 2007

	E-Rate Fund		Variance from Final Budget Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Central	88	0	88
Total Expenditures	88	0	88
Net Change in Fund Balance	(88)	0	88
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	88	88	0
Fund Balance End of Year	\$0	\$88	\$88

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, 2007

	Improving Teacher Quality Fund		Variance from Final Budget Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$151,343	\$151,343	\$0
Total Revenues	151,343	151,343	0
Expenditures:			
Current:			
Instruction:			
Regular	76,888	76,605	283
Support Services:			
Pupil	5,229	0	5,229
Instructional Staff	31,960	30,745	1,215
School Administration	6,300	6,300	0
Operation of Non-Instructional Services	1,909	1,323	586
Total Expenditures	122,286	114,973	7,313
Excess of Revenues Over (Under) Expenditures	29,057	36,370	7,313
Other financing sources (uses):			
Advances (Out)	(41,779)	(41,779)	0
Total Other Financing Sources (Uses)	(41,779)	(41,779)	0
Net Change in Fund Balance	(12,722)	(5,409)	7,313
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	12,929	12,929	0
Fund Balance End of Year	\$207	\$7,520	\$7,313

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, 2007

	Continuous Improvement Fund		Variance from Final Budget Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$19,824	\$19,824	\$0
Total Revenues	19,824	19,824	0
Expenditures:			
Current:			
Instruction:			
Regular	11,518	10,904	614
Special	8,750	8,750	0
Support Services:			
School Administration	275	275	0
Total Expenditures	20,543	19,929	614
Excess of Revenues Over (Under) Expenditures	(719)	(105)	614
Other financing sources (uses):			
Advances (Out)	(330)	(330)	0
Total Other Financing Sources (Uses)	(330)	(330)	0
Net Change in Fund Balance	(1,049)	(435)	614
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,049	1,049	0
Fund Balance End of Year	\$0	\$614	\$614

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, 2007

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Investment Earnings	\$39,000	\$39,967	\$967
Intergovernmental	308,869	308,869	0
Charges for Services	3,206,347	3,206,332	(15)
Other Revenues	21,239	21,262	23
Total Revenues	<u>3,575,455</u>	<u>3,576,430</u>	<u>975</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	<u>3,641,417</u>	<u>3,318,429</u>	<u>322,988</u>
Total Expenditures	<u>3,641,417</u>	<u>3,318,429</u>	<u>322,988</u>
Net Change in Fund Balance	(65,962)	258,001	323,963
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,149,271</u>	<u>1,149,271</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,083,309</u>	<u>\$1,407,272</u>	<u>\$323,963</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, 2007

	Latchkey Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$5,697	\$6,287	\$590
Charges for Services	651,240	650,333	(907)
Total Revenues	656,937	656,620	(317)
Expenditures:			
Current:			
Operation of Non-Instructional Services	708,316	616,591	91,725
Total Expenditures	708,316	616,591	91,725
Net Change in Fund Balance	(51,379)	40,029	91,408
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	177,702	177,702	0
Fund Balance End of Year	\$126,323	\$217,731	\$91,408

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, 2007

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Taxes	\$12,066,791	\$12,066,791	\$0
Investment Earnings	220,000	230,251	10,251
Intergovernmental	1,959,088	1,959,088	0
Other Revenues	17,809	17,809	0
Total Revenues	14,263,688	14,273,939	10,251
Expenditures:			
Current:			
Support Services:			
School Administration	20,000	19,357	643
Fiscal	225,961	166,185	59,776
Debt Service:			
Principal Retirement	10,190,000	10,190,000	0
Interest and Fiscal Charges	6,579,143	6,251,987	327,156
Total Expenditures	17,015,104	16,627,529	387,575
Excess of Revenues Over (Under) Expenditures	(2,751,416)	(2,353,590)	397,826
Other financing sources (uses):			
Proceeds of Short-Term Notes	3,000,000	3,000,000	0
Total Other Financing Sources (Uses)	3,000,000	3,000,000	0
Net Change in Fund Balance	248,584	646,410	397,826
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,982,170	5,982,170	0
Fund Balance End of Year	\$6,230,754	\$6,628,580	\$397,826

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, 2007

	Capital Projects Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Taxes	\$586,171	\$586,171	\$0
Investment Earnings	181,985	198,260	16,275
Intergovernmental	82,799	82,799	0
Other Revenues	2,313,707	2,382,573	68,866
Total Revenues	3,164,662	3,249,803	85,141
Expenditures:			
Current:			
Instruction:			
Regular	219,092	190,206	28,886
Special	3,586	2,841	745
Support Services:			
Pupil	8,454	7,801	653
School Administration	1,000	962	38
Fiscal	41,351	28,111	13,240
Operations and Maintenance	798,523	708,841	89,682
Pupil Transportation	634,455	634,455	0
Central	744,136	738,391	5,745
Extracurricular Activities	83,438	46,696	36,742
Capital Outlay	2,809,513	1,657,989	1,151,524
Total Expenditures	5,343,548	4,016,293	1,327,255
Excess of Revenues Over (Under) Expenditures	(2,178,886)	(766,490)	1,412,396
Other financing sources (uses):			
Proceeds from Sale of Capital Assets	22,118	22,118	0
Transfers In	500,000	500,000	0
Transfers (Out)	(1,000,000)	(500,000)	500,000
Total Other Financing Sources (Uses)	(477,882)	22,118	500,000
Net Change in Fund Balance	(2,656,768)	(744,372)	1,912,396
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,183,653	5,183,653	0
Fund Balance End of Year	\$2,526,885	\$4,439,281	\$1,912,396

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, 2007

	Building Fund		Variance from Final Budget Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Investment Earnings	\$152,161	\$155,348	\$3,187
Other Revenues	81,077	81,077	0
Total Revenues	<u>233,238</u>	<u>236,425</u>	<u>3,187</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	7,697	7,697	0
Operations and Maintenance	113,664	113,664	0
Capital Outlay	10,316,724	9,782,048	534,676
Total Expenditures	<u>10,438,085</u>	<u>9,903,409</u>	<u>534,676</u>
Excess of Revenues Over (Under) Expenditures	<u>(10,204,847)</u>	<u>(9,666,984)</u>	<u>537,863</u>
Other financing sources (uses):			
Advances In	2,176,298	2,176,298	0
Advances (Out)	(25,471)	(25,471)	0
Transfers In	106,769	106,769	0
Transfers (Out)	(500,000)	(106,769)	393,231
Total Other Financing Sources (Uses)	<u>1,757,596</u>	<u>2,150,827</u>	<u>393,231</u>
Net Change in Fund Balance	<u>(8,447,251)</u>	<u>(7,516,157)</u>	<u>931,094</u>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>8,481,805</u>	<u>8,481,805</u>	<u>0</u>
Fund Balance End of Year	<u>\$34,554</u>	<u>\$965,648</u>	<u>\$931,094</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, 2007

	SchoolNet Plus Fund		Variance from Final Budget Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$55,186	\$55,186	\$0
Total Revenues	<u>55,186</u>	<u>55,186</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	55,186	55,000	186
Total Expenditures	<u>55,186</u>	<u>55,000</u>	<u>186</u>
Net Change in Fund Balance	0	186	186
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$186</u>	<u>\$186</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, 2007

	Insurance Replacement Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	179,678	179,678	0
Total Expenditures	179,678	179,678	(0)
Excess of Revenues Over (Under) Expenditures	(179,678)	(179,678)	0
Other financing sources (uses):			
Proceeds from Sale of Capital Assets	0	97,990	97,990
Advances In	179,678	179,678	0
Total Other Financing Sources (Uses)	179,678	277,668	97,990
Net Change in Fund Balance	0	97,990	97,990
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$97,990	\$97,990

FIDUCIARY FUNDS

AGENCY FUNDS

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 School District
 Combining Statement of Changes In Assets and Liabilities
 Agency Fund
 For the Fiscal Year Ended June 30, 2007

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$218,817	\$32,489	\$0	\$251,306
Receivables:				
Accounts	4,381	8,962	4,381	8,962
Total Assets	223,198	41,451	4,381	260,268
Liabilities:				
Accounts Payable	11,166	11,728	11,166	11,728
Other Liabilities	212,032	52,617	16,109	248,540
Total Liabilities	\$223,198	\$64,345	\$27,275	\$260,268

	Section 125 Insurance			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$35,184	\$11,810	\$0	\$46,994
Total Assets	35,184	11,810	0	46,994
Liabilities:				
Other Liabilities	35,184	11,810	0	46,994
Total Liabilities	\$35,184	\$11,810	\$0	\$46,994

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$254,001	\$44,299	\$0	\$298,300
Receivables:				
Accounts	4,381	8,962	4,381	8,962
Total Assets	258,382	53,261	4,381	307,262
Liabilities:				
Accounts Payable	11,166	11,728	11,166	11,728
Other Liabilities	247,216	64,427	16,109	295,534
Total Liabilities	\$258,382	\$76,155	\$27,275	\$307,262

Statistical Section

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Statistical Section

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

Contents

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax.

Debt Capacity

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

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

Mason City School District
Net Assets by Component,
Last Five Fiscal Years (1)
 (accrual basis of accounting)
Schedule 1

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$9,522,067	\$5,012,945	\$10,271,853	\$8,832,373	\$12,537,357
Restricted	7,178,617	8,332,744	8,584,599	18,181,961	18,486,365
Unrestricted	8,814,787	11,958,407	13,379,457	17,303,412	30,461,781
Total Net Assets	<u>\$25,515,471</u>	<u>\$25,304,096</u>	<u>\$32,235,909</u>	<u>\$44,317,746</u>	<u>\$61,485,503</u>

Source: District Records

(1) - The district began to report accrual information when it implemented GASB Statement 34 in 2003.

Mason City School District
Expenses, Program Revenues and Net (Expense)/Revenue
Last Five Fiscal Years (1)
 (accrual basis of accounting)
Schedule 2

	2003	2004	2005	2006	2007
Expenses					
Governmental Activities:					
Instruction	\$30,939,158	\$37,987,024	\$38,037,993	\$43,643,552	\$47,562,678
Pupil	3,538,012	3,937,365	4,178,645	5,240,623	5,170,132
Instructional Staff	4,628,795	5,727,348	6,039,669	6,455,313	6,321,764
General Administration	72,318	58,484	98,266	96,342	83,619
School Administration	4,116,169	4,458,914	4,598,463	5,016,431	5,134,189
Fiscal	1,364,522	1,619,621	1,704,142	1,882,749	2,018,476
Business	268,985	247,289	291,309	345,429	301,922
Operation and Maintenance	7,977,214	8,869,440	10,758,017	11,819,228	14,141,628
Pupil Transportation	4,662,523	4,665,435	6,689,568	7,083,596	7,209,800
Central	3,295,061	2,512,887	2,861,293	3,518,288	3,759,249
Operation of Non-instructional Services	582,413	3,820,453	4,347,526	4,645,785	5,505,957
Extracurricular Activities	1,373,452	1,821,481	1,919,330	2,107,599	2,170,808
Interest and Fiscal Charges	5,970,025	5,292,728	7,173,821	6,980,128	6,049,096
Total Governmental Expenses	68,788,647	81,018,469	88,698,042	98,835,063	105,429,318
Program Revenues					
Governmental Activities:					
Charges for Services					
Instruction	721,146	882,932	1,018,751	1,141,570	1,457,026
Pupil	5,115	10,380	506	149	928
Instructional Staff	15,444	31,321	498	292	538
General Administration	0	0	0	1,264	75
School Administration	0	0	23	705	0
Business	0	0	0	5,307	6,681
Operations and Maintenance	293,983	1,186,160	1,032,622	1,281,079	1,194,715
Pupil Transportation	6,341	12,915	3,137	1,597	2,984
Central	0	5,576	1,276	0	377
Operation of Non-Instructional Services	4,097	1,423,327	1,699,740	2,960,034	3,859,467
Extracurricular Activities	88,996	194,223	614,992	615,389	656,776
Operating Grants and Contributions	1,849,047	2,459,993	3,060,804	3,204,017	5,416,262
Capital Grants and Contributions	203,491	60,920	132,965	51,235	158,292
Total Government Revenues	3,187,660	6,267,747	7,565,314	9,262,638	12,754,121
Net (Expense)/Revenue					
Total Government Net Expense	(\$65,600,987)	(\$74,750,722)	(\$81,132,728)	(\$89,572,425)	(\$92,675,197)

Source: District Records

(1) - The district began to report accrual information when it implemented GASB Statement 34 in 2003.

Mason City School District
General Revenues and Total Change in Net Assets,
Last Five Fiscal Years (1)
 (accrual basis of accounting)
Schedule 3

	Fiscal Year				
	2003	2004	2005	2006	2007
Net (Expense)/Revenue					
Total Government Net Expense	(\$65,600,987)	(\$74,750,722)	(\$81,132,728)	(\$89,572,425)	(\$92,675,197)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes					
Property Taxes Levied for General Purposes	36,422,708	33,595,910	40,300,691	47,623,796	56,849,004
Property Taxes Levied for Debt Service Purposes	9,514,354	8,517,335	10,703,660	11,408,572	12,919,464
Property Taxes Levied for Capital Projects	481,285	573,794	329,277	536,353	578,593
Grants and Entitlements not Restricted to Specific Programs	23,915,631	27,842,523	31,184,738	33,333,355	33,634,902
Payment in Lieu of Taxes	1,076,718	1,137,880	2,742,551	2,402,107	2,508,735
Unrestricted Contributions	60,000	60,000	60,000	60,000	81,274
Investment Earnings	524,446	460,050	1,268,520	2,282,902	2,741,989
Gain on Sale of Capital Assets	0	0	0	2,226,474	212,123
Other Revenues	590,932	1,221,063	1,475,104	1,780,703	316,870
Total primary government	<u>72,586,074</u>	<u>73,408,555</u>	<u>88,064,541</u>	<u>101,654,262</u>	<u>109,842,954</u>
Change in Net Assets					
Total primary government	<u>\$6,985,087</u>	<u>(\$1,342,167)</u>	<u>\$6,931,813</u>	<u>\$12,081,837</u>	<u>\$17,167,757</u>

Source: District Records

(1) - The district began to report accrual information when it implemented GASB Statement 34 in 2003.

Mason City School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Schedule 4

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$1,753,820	\$3,275,611	\$4,293,506	\$3,312,777	\$3,624,112	\$5,029,376	\$1,350,525	\$2,051,968	\$2,754,393	\$2,692,180
Unreserved	1,682,889	1,994,518	3,814,470	5,203,832	8,316,487	9,520,847	9,610,324	11,684,736	16,689,386	28,765,463
Total General Fund	<u>3,436,709</u>	<u>5,270,129</u>	<u>8,107,976</u>	<u>8,516,609</u>	<u>11,940,599</u>	<u>14,550,223</u>	<u>10,960,849</u>	<u>13,736,704</u>	<u>19,443,779</u>	<u>31,457,643</u>
All Other Governmental Funds										
Reserved	8,051,238.00	1,983,201	770,376	44,741,035	14,347,567	2,840,486	3,964,348	27,732,286	7,938,306	4,546,107
Unreserved, Reported in:										
Special Revenue Funds	211,384.00	195,313	327,061	314,204	366,227	1,690,293	2,671,887	2,621,230	3,067,590	3,065,602
Debt Service Funds	1,692,015.00	634,378	1,432,982	76,797,395	3,439,015	4,138,379	5,537,284	5,499,453	5,989,954	6,628,582
Capital Project Funds	(5,608,989.00)	(8,850,551)	(9,919,350)	4,729,007	(2,368,985)	(4,641,774)	28,621,609	288,265	1,460,524	949,692
	<u>\$4,345,648</u>	<u>(\$6,037,659)</u>	<u>(\$7,388,931)</u>	<u>\$126,581,641</u>	<u>\$15,783,824</u>	<u>\$4,027,384</u>	<u>\$40,795,128</u>	<u>\$36,141,234</u>	<u>\$18,456,374</u>	<u>\$15,189,983</u>

Source: District Records

Mason City School District
 Governmental Funds Revenues,
 Last Ten Fiscal Years (1)
 (modified accrual basis of accounting)
 Schedule 5

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Taxes	\$19,113,618	\$22,177,817	\$26,396,397	\$28,319,067	\$36,486,582	\$46,418,347	\$42,426,616	\$51,170,425	\$58,668,824	\$65,126,501
Revenue in Lieu of Taxes	0	0	341,718	221,385	705,150	645,754	1,197,880	2,802,551	2,462,107	2,150,536
Tuition and Fees	78,538	90,810	393,868	450,375	440,925	546,664	470,613	706,679	862,322	1,019,509
Investment Earnings	1,362,587	869,349	769,425	2,347,998	1,802,328	524,448	460,050	1,268,520	2,282,903	2,741,989
Intergovernmental	11,443,985	12,613,295	15,319,985	18,588,027	23,988,531	25,187,926	30,572,312	34,303,286	37,324,432	43,458,744
Extra-curricular Activities	428,902	414,582	487,775	533,441	509,670	541,095	809,739	1,003,782	1,009,189	1,118,356
Charges for Services	0	0	82,081	74,779	568,190	1,426,402	3,112,721	3,322,430	4,709,748	4,943,610
Other Revenues	551,520	618,947	240,942	382,841	269,092	442,497	1,064,266	801,351	1,228,441	930,211
Total Revenues	<u>\$32,979,150</u>	<u>\$36,784,800</u>	<u>\$44,032,191</u>	<u>\$50,917,913</u>	<u>\$64,770,468</u>	<u>\$75,733,133</u>	<u>\$80,114,197</u>	<u>\$95,379,024</u>	<u>\$108,547,966</u>	<u>\$121,489,456</u>

Source: District Records

(1) - Prior to 2004 the district reported the food service fund as an enterprise fund. Starting in 2004 the food service fund was reported as a special revenue fund, therefore charges for services shows a significant increase.

Mason City School District
 Governmental Funds Expenditures and Debt Service Ratio,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 6

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Instruction	\$14,384,387	\$16,473,607	\$18,939,102	\$22,269,328	\$25,708,714	\$29,901,082	\$35,752,050	\$37,338,247	\$42,354,099	\$46,602,549
Pupil	\$1,428,726	\$1,718,768	1,966,905	2,343,013	2,850,382	3,704,090	3,886,250	4,147,389	5,210,686	5,108,372
Instructional Staff	\$958,139	\$2,097,866	2,710,144	3,216,773	3,918,314	5,152,696	5,634,872	5,994,854	6,347,333	6,224,230
General Administration	\$37,001	\$42,098	40,083	46,824	58,415	72,318	58,484	98,266	95,124	83,619
School Administration	\$1,810,727	\$2,293,235	2,434,400	2,695,491	3,647,493	4,542,798	4,389,162	4,481,342	4,900,814	5,100,493
Fiscal	\$646,126	\$731,478	839,665	1,022,459	1,166,220	1,349,296	1,542,305	1,684,906	1,841,158	1,999,081
Business	\$87,650	\$97,767	154,879	177,658	122,103	282,150	223,220	302,768	315,862	324,550
Operation and Maintenance	\$2,654,908	\$3,513,031	3,940,808	4,384,078	4,907,212	8,900,007	8,686,778	9,564,467	10,189,943	11,695,982
Pupil Transportation	\$2,458,828	\$2,707,302	2,820,730	3,220,706	4,017,016	4,345,139	4,186,035	6,246,443	6,472,242	6,471,731
Central	\$400,758	\$695,616	881,897	1,750,738	4,759,057	3,249,443	2,353,829	2,697,180	3,343,900	3,460,243
Operation of Non-instructional Services	\$194,764	\$179,139	291,303	335,689	369,775	554,650	3,583,084	4,201,562	4,449,404	5,258,877
Extracurricular Activities	\$694,752	\$629,815	790,968	813,271	1,193,021	1,685,878	1,717,739	1,866,052	1,996,818	2,057,756
Capital Outlay	\$23,682,589	\$10,290,522	3,154,428	13,179,953	37,374,378	12,832,680	1,552,024	7,484,458	25,917,835	7,257,028
Debt Service										
Principal Retirement	\$1,486,509	\$1,339,015	1,166,632	1,563,891	75,363,309	2,330,000	3,212,122	3,792,045	4,250,000	4,990,000
Interest and Fiscal Charges	\$2,558,371	\$2,992,059	2,961,845	4,193,438	6,685,315	5,978,730	5,304,061	7,188,793	6,894,023	6,556,069
Total Expenditures	\$53,484,235	\$45,801,318	\$43,093,789	\$61,213,310	\$172,140,724	\$84,880,957	\$82,082,015	\$97,088,772	\$124,579,241	\$113,190,580
Debt Service as a Percentage of Noncapital Expenditures	16.07%	14.21%	11.79%	13.93%	159.22% (1)	13.34%	12.10%	14.29%	13.03%	12.51%

Source: District Records

(1) - The district refinanced High School/Recreation Center debt in 2002, resulting in an unusually high ratio.

Mason City School District
 Other Financing Sources and Uses and Net Change in Fund Balances,
 Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 7

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Other Financing Sources (Uses)										
Issuance of Capital Leases	\$0	\$0	\$528,309	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Sale of Capital Assets	5,606	0	19,864	0	0	1,008	0	460,040	4,053,490	132,275
Issuance of Bonds	22,000,000	450,000	0	0	0	0	0	0	0	0
Issuance of Long Term Debt	0	0	0	144,674,602	0	0	35,000,000	0	0	0
Issuance of Refunding Bonds	0	0	0	0	0	0	15,705,000	0	59,380,000	27,565,000
Payment to Refunded Bonds Escrow Agent	0	0	0	0	0	0	(15,705,000)	0	(65,349,169)	(29,826,979)
Refunding Bond Premium	0	0	0	0	0	0	0	0	5,969,169	2,578,301
Transfers In	22,000,000	1,400,883	405,686	610,773	2,249,197	17,874,000	15,939,000	14,377,750	13,187,317	8,621,787
Refund of Prior Year Expenditures		21,593								
Transfers Out	(22,000,000)	(1,405,883)	(405,686)	(610,773)	(2,249,197)	(17,874,000)	(15,939,000)	(14,377,750)	(13,187,317)	(8,621,787)
Total Other Financing Sources (Uses)	22,005,606	466,593	548,173	144,674,602	0	1,008	35,000,000	460,040	4,053,490	448,597
Net Change in Fund Balances	\$1,500,521	(\$8,549,925)	\$1,486,575	\$134,379,205	(\$107,370,256)	(\$9,146,816)	\$33,032,182	(\$1,249,708)	(\$11,977,785)	\$8,747,473

Source: District Records

Mason City School District
Assessed Value and Actual Value of Taxable Property
Last Ten Calendar Years
Schedule 8

Calendar Year	Assessed Value			Total Assessed Value	Total Estimated Value	Total Direct Rate
	Real Property	Public Utility Personal	Tangible Personal			
1997	\$447,470,900	\$28,019,150	\$82,819,360	\$558,309,410	\$1,650,113,302	\$61.95
1998	507,879,160	28,916,380	99,696,766	636,492,306	1,891,509,965	61.95
1999	584,567,320	27,966,800	110,006,159	722,540,279	2,150,489,171	61.95
2000	766,334,940	31,930,770	111,364,313	909,630,023	2,680,965,961	64.57
2001	844,804,830	20,324,550	152,292,210	1,017,421,590	3,052,164,278	71.11
2002	920,126,080	22,811,670	159,181,600	1,102,119,350	3,298,506,862	72.61
2003	1,053,132,200	23,694,270	158,872,721	1,235,699,191	3,678,559,776	74.11
2004	1,147,072,040	22,924,120	150,765,500	1,320,761,660	3,913,421,419	74.11
2005	1,224,869,470	23,975,720	128,380,195	1,377,225,385	4,047,672,874	80.65
2006	1,461,205,840	27,382,510	109,110,197	1,597,698,547	4,548,619,680	81.76

Source: County Auditor

Mason City School District
 Direct and Overlapping Property Tax Rates,
 Last Ten Calendar Years
 Schedule 9

Calendar Year	District Direct Rate	Overlapping Rates							
		Warren County	City of Mason	Deerfield Township	Great Oaks JVSD	Warren-Clinton Community Mental Health	Turtlecreek Township	Union Township	Warren County Health District
1997	61.95	5.00	2.32	4.80	2.70	1.00	5.62	5.20	0.50
1998	61.95	4.75	2.32	9.75	2.70	1.00	5.62	6.20	0.50
1999	61.95	4.00	7.32	9.75	2.70	1.00	5.62	6.20	0.50
2000	64.57	4.00	7.32	9.75	2.70	1.00	5.62	6.20	0.50
2001	71.11	4.00	7.32	10.60	2.70	1.00	5.62	6.20	1.00
2002	72.61	4.96	7.32	10.60	2.70	1.00	5.62	9.20	0.50
2003	74.11	6.53	7.32	10.60	2.70	1.00	5.62	9.20	0.50
2004	74.11	6.46	7.32	10.60	2.70	1.00	5.62	9.20	0.50
2005	80.65	6.46	7.32	10.60	2.70	1.00	5.62	9.20	0.50
2006	81.76	6.71	7.32	10.60	2.70	1.00	5.62	9.20	0.50

Mason City School District
 Principal Property Tax Payers -- Warren County
 Current Calendar Year (1)
 Schedule 10

Taxpayer	2006	
	Assessed Value	Percentage of Total Assessed Value
Cincinnati Gas and Electric	\$25,120,134	1.57%
Somerset Deerfield Holdings	14,726,453	0.92%
Mitsubishi Electric	13,487,815	0.84%
Cintas Corporation	11,277,817	0.71%
Duke Realty Ltd. Partnership	9,940,290	0.62%
Twin Fountains of Mason	8,695,050	0.54%
Mason Christian Village	6,966,732	0.44%
Proctor & Gamble	6,841,274	0.43%
Kenwood Lincoln Mercury	6,784,235	0.42%
Sterling Lakes Apartments	6,284,243	0.39%
Total:	<u>\$110,124,043</u>	6.89%

Source: County Auditor

(1) - Information for prior years not available from the County Auditor in the format needed.

**Mason City School District
Property Tax Levies and Collections,
Last Ten Calendar Years
Schedule 11**

Calendar Year	Taxes Levied	Collected within the Calendar Year of the Levy		Delinquent Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$19,248,501	\$18,885,003	98.11%	\$363,613	\$19,248,616	100.00%
1998	22,694,987	22,594,774	99.56%	339,122	22,933,896	101.05%
1999	25,101,477	24,590,242	97.96%	305,654	24,895,896	99.18%
2000	27,474,665	26,821,127	97.62%	1,526,426	28,347,553	103.18%
2001	34,057,794	33,144,606	97.32%	967,840	34,112,446	100.16%
2002	35,546,237	34,843,236	98.02%	1,044,746	35,887,982	100.96%
2003	47,752,879	47,142,230	98.72%	2,427,285	49,569,515	103.80%
2004	52,725,826	52,648,787	99.85%	2,378,777	55,027,564	104.37%
2005	54,223,863	53,944,910	99.49%	1,092,669	55,037,579	101.50%
2006	56,733,533	56,472,883	99.54%	1,171,575	57,644,458	101.61%

Source: County Auditor and district records

(1) - Delinquent Collections by levy year are not available and therefore are presented by collection year

**Mason City School District
 Outstanding Debt by Type,
 Last Ten Fiscal Years
 Schedule 12**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita (1)
	Capital Leases	General Obligation Bonds and Notes			
1998	N/A	N/A	N/A	N/A	N/A
1999	\$16,614	\$48,250,000	\$48,266,614	1.17%	346
2000	483,291	47,145,000	47,628,291	1.06%	328
2001	359,400	189,575,000	189,934,400	3.84%	1,246
2002	231,091	114,340,000	114,571,091	2.17%	723
2003	100,398	112,010,000	112,110,398	2.03%	669
2004	17,045	143,885,000	143,902,045	2.49%	822
2005	0	140,110,000	140,110,000	2.26%	768
2006	0	139,627,632	139,627,632	2.12%	738
2007	0	134,623,912	134,623,912	N/A	685

Source: District Records

N/A - Information not available

(1) - The district refinanced High School/Recreation Center debt in 2002, resulting in an unusually high debt per capita.

Mason City School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2007
Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Butler County	\$72,853,870	0.05%	\$36,426
Warren County	337,400	28.66%	96,699
Lebanon City	14,014,262	0.00%	0
City of Mason	26,040,000	91.54%	23,837,016
Deerfield Township	16,566,000	57.01%	9,444,277
Turtle Creek Township	2,625,000	0.09%	2,363
Union Township	132,000	4.07%	5,372
West Chester Township	51,675,000	0.22%	113,685
Great Oaks Joint Vocational School	12,265,000	8.94%	1,096,491
Subtotal, Overlapping Debt	<u>196,508,532</u>		<u>34,632,329</u>
District direct debt	131,300,000	100.00%	131,300,000
Total direct and overlapping debt	<u>\$327,808,532</u>		<u>\$165,932,329</u>

Source: Ohio Municipal Advisory Council

Mason City School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years (1)
 Schedule 14

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed Value	\$1,597,698,547
Debt Limit (9% of Assessed Value)	143,792,869
Debt Limit - Special Needs District (2)	215,911,053
Debt Applicable to Limit	<u>124,165,975</u>
Legal Debt Margin	<u>\$91,745,078</u>

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	\$50,247,847	\$57,284,308	\$57,248,308	\$215,789,380	\$232,627,457	\$215,911,053	\$215,911,053	\$215,911,053	\$215,911,053	\$215,911,053
Total Net Debt Applicable to Limit	\$59,135,000	\$57,215,000	\$5,910,000	198,460,000	118,874,044	114,416,075	145,259,259	140,579,547	132,582,084	124,165,975
Legal Debt Margin	<u>(\$8,887,153)</u>	<u>\$69,308</u>	<u>\$1,338,308</u>	<u>\$17,329,380</u>	<u>\$113,753,413</u>	<u>\$101,494,978</u>	<u>\$70,651,794</u>	<u>\$75,331,506</u>	<u>\$83,328,969</u>	<u>\$91,745,078</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	117.69%	99.88%	97.66%	91.97%	51.10%	52.99%	67.28%	65.11%	61.41%	57.51%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2006 is calendar year 2005)

(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
Demographic and Economic Statistics
Last Ten Calendar Years
Schedule 15**

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
1997	139,428	\$3,725,625	\$26,721	2.90%
1998	145,427	4,113,058	28,283	3.40%
1999	152,448	4,501,708	29,529	3.20%
2000	158,383	4,946,103	30,660	3.20%
2001	167,507	5,286,564	31,512	3.30%
2002	175,041	5,521,565	31,522	4.60%
2003	182,330	5,786,295	31,699	4.70%
2004	189,276	6,213,055	32,745	4.00%
2005	196,622	6,597,227	33,524	4.70%
2006	N/A	N/A	N/A	4.50%

(1) Population estimates provided by U.S. Census Bureau

(2) Bureau of Economic Analysis Data. Information for Warren County

(3) State of Ohio Bureau of Employment Services Annual averages. Information for Warren County.

(4) Ohio Bureau of Employment Services, rates are for Warren County

N/A - Information not available

**Mason City School District
Principal Employers,
Current Year and Prior Year
Schedule 16**

<u>Employer</u>	<u>2007</u>	
	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>
Anthem	2,243	2.23%
Procter & Gamble	2,100	2.09%
Cintas Corporate	1,800	1.79%
Mason City Schools	1,230	1.23%
Luxotica Retail	1,166	1.16%
Siemens Business Services	525	0.52%
Blackhawk Automotive	512	0.51%
Portion Pac	506	0.50%
Thompson Learning	479	0.48%
Mitsubishi Electric	423	0.42%
CNG Financial	260	0.26%
	<u>11,244</u>	<u>11.20%</u>
Total County Employment	100,400	

<u>Employer</u>	<u>2006</u>	
	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>
Anthem	2,472	2.51%
Procter & Gamble	2,100	2.13%
Cintas Corporate	1,800	1.83%
Luxotica Retail	1,166	1.18%
Mason City Schools	1,162	1.18%
Siemens Business Services	525	0.53%
Blackhawk Automotive	512	0.52%
Portion Pac	506	0.51%
Thompson Learning	479	0.49%
Mitsubishi Electric	423	0.43%
CNG Financial	260	0.26%
	<u>11,405</u>	<u>11.59%</u>
Total County Employment	98,400	

Source: Warren County Economic Development Department

Mason City School District
Full-time-Equivalent District Employees by Type
Last Ten Fiscal Years
Schedule 17

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Supervisory										
Instructional administrators	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Noninstructional administrators	10.00	15.00	10.00	12.00	15.00	16.75	15.75	16.00	17.81	23.55
Consultant/supervisors of instruction	1.00	11.00	11.00	14.00	18.00	17.00	19.00	18.00	18.12	18.00
Principals	5.00	6.00	6.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00
Assistant Principals	8.00	9.00	9.00	10.00	12.00	14.00	16.00	17.00	17.00	18.00
Total Supervisory	26.00	43.00	38.00	43.00	52.00	54.75	58.75	59.00	60.93	67.55
Instruction										
Elementary classroom teachers	135.00	177.00	193.00	233.00	265.00	288.01	300.05	317.45	329.50	363.15
Secondary classroom teachers	148.00	141.00	154.00	172.00	198.00	211.20	235.60	245.69	258.60	273.40
ESE teachers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Other teachers (adult)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other professionals (instructional)	1.00	3.50	4.50	5.50	6.50	7.50	8.06	11.36	12.26	14.80
Aides	26.06	31.87	48.82	59.33	88.35	101.80	123.42	137.00	147.50	151.52
Total Instruction	310.06	353.37	400.32	469.83	557.85	608.51	667.13	712.50	748.86	803.87
Student Services										
Guidance counselors	10.00	11.00	12.00	13.64	12.64	11.80	16.64	16.00	17.00	17.00
Visiting teachers/social workers	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Psychologists	0.00	0.00	1.00	2.00	3.60	5.22	4.79	5.00	5.00	5.00
Librarians	2.00	5.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Other professionals (noninstructional)	5.00	6.00	7.00	7.64	7.50	9.62	8.78	7.60	8.52	8.02
Technicians	9.65	14.32	16.67	18.33	22.67	26.57	25.81	24.77	24.77	26.84
Total student services	26.65	36.32	39.67	45.61	50.41	57.21	60.02	56.37	58.29	59.86
Support and Administration										
Clerical/secretarial	32.08	39.93	40.93	44.14	52.77	54.70	58.40	57.30	58.23	60.73
Service workers	54.87	79.87	81.72	86.69	105.95	129.70	144.04	139.81	138.81	139.84
Skilled crafts	7.00	7.00	9.00	10.00	11.00	14.00	15.00	15.00	17.00	16.00
Vehicle Operator (buses)	29.56	38.68	44.14	51.98	71.05	71.45	73.61	74.63	80.71	82.38
Unskilled laborers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total support and administration	123.51	165.48	175.79	192.81	240.77	269.85	291.05	286.74	294.75	298.95
Total employees	486.22	598.17	653.78	751.25	901.03	990.32	1076.95	1114.61	1162.83	1230.23

Source: State Department of Education

Mason City School District
 Operating Statistics
 Last Ten Fiscal Years (1)
 Schedule 18

Fiscal Year	Enrollment	Operating Expenditure	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
1998	4,783	\$25,756,766	5,385	1.89%	N/A	N/A	N/A	283.00	16.9	NA
1999	5,364	31,179,722	5,813	7.94%	N/A	N/A	N/A	318.00	16.9	NA
2000	6,057	35,810,884	5,912	1.71%	N/A	N/A	N/A	347.00	17.5	NA
2001	6,711	42,276,028	6,300	6.55%	N/A	N/A	N/A	405.00	16.6	NA
2002	7,363	52,717,722	7,160	13.66%	N/A	N/A	N/A	463.00	15.9	3.00%
2003	8,003	63,739,547	7,964	11.24%	\$68,788,647	8,595	N/A	499.21	16.0	3.75%
2004	8,636	72,013,808	8,339	4.70%	81,018,469	9,381	9.15%	535.65	16.1	4.15%
2005	9,246	78,623,476	8,504	1.98%	88,698,042	9,593	2.26%	563.14	16.4	4.37%
2006	9,792	87,517,383	8,938	5.11%	98,835,063	10,093	5.22%	588.10	16.7	4.48%
2007	10,379	94,387,483	9,094	1.75%	105,429,318	10,158	0.64%	681.00	15.2	4.47%

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Source: Nonfinancial information from district records.

N/A - Information not available

(1)- Expenses were not reported prior to the implementation of GASB 34 in 2003.

**Mason City School District
School Building Information,
Last Ten Fiscal Years
Schedule 19**

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
School										
Elementary										
MECC - Annex- Preschool (1973)										
Square feet					9,034	9,034	9,034	9,034	9,034	
Capacity					175	175	175	175	175	
Enrollment					86	93	104	134	161	
Mason Early Childhood (1911)										
Square feet	56,926	56,926	56,926	56,926	56,926	56,926	56,926	56,926	56,926	
Capacity	475	475	475	475	475	475	475	475	475	
Enrollment	451	488	622	701	648	698	751	757	801	
Mason Early Childhood (2006)										
Square feet										172,211
Capacity										2,100
Enrollment										1,850
Mason Heights (1965)										
Square feet	101,863	101,863	101,863	101,863	101,863	101,863	101,863	101,863	101,863	101,863
Capacity	850	850	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	877	909	1,005	1,124	1,294	1,119	1,190	1,226	1,216	844
Western Row (1961)										
Square feet	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002
Capacity	825	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	758	921	1,079	1,111	1,191	967	1,039	1,139	1,208	857
Mason Intermediate (1998)										
Square feet		145,276	145,276	145,276	145,276					
Capacity		1,200	1,200	1,200	1,200					
Enrollment		822	926	1,098	1,244					
Mason Intermediate (1998/1994)										
Square feet						290,552	290,552	290,552	290,552	356,700
Capacity						2,400	2,400	2,400	2,400	3,000
Enrollment						1,883	2,052	2,211	2,387	2,519
Junior High School										
Mason Middle (1994)										
Square feet	150,503	150,503	150,503	150,503	150,503					
Capacity	1,200	1,200	1,200	1,200	1,200					
Enrollment	1,467	822	930	1,003	1,076					
Mason Middle (1958)										
Square feet						276,378	276,378	276,378	276,378	276,378
Capacity						1,850	1,850	1,850	1,850	1,850
Enrollment						1,256	1,366	1,371	1,452	1,542
High School										
William Mason High (1958)										
Square feet	276,378	276,378	276,378	276,378	276,378					
Capacity	1,850	1,850	1,850	1,850	1,850					
Enrollment	1,230	1,402	1,495	1,674	1,824					
William Mason High (2002)										
Square feet						375,010	375,010	375,010	375,010	375,010
Capacity						2,950	2,950	2,950	2,950	2,950
Enrollment						1,987	2,134	2,408	2,567	2,767

MASON CITY SCHOOL DISTRICT, OHIO
MISCELLANEOUS STATISTICAL DATA
Schedule 20

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 2006-2007 School Year:	1,231,160
Number Meals Served by Food Service Department for the 2006-2007 School Year:	1,112,817

School Buildings	Grade Levels	Enrollment
Mason Early Childhood Center	PS-1	1,850
Mason Heights Elementary	2-3	844
Western Row Elementary	2-3	857
Mason Intermediate	5-6	2,519
Mason Middle School	7-8	1,542
William Mason High School	9-12	2,767
		10,379

Degree	Number of Certified Staff	Percentage of Total
Bachelor's Degree	80.0	11.75%
Bachelor + 150	153.5	22.54%
Master's Degree	442.5	64.98%
Doctorate	5.0	0.73%
Total	681.0	100.00%

Years of Experience	Number of Certified Staff	Percentage of Total
0 - 5	277.0	40.68%
6 - 10	179.0	26.29%
11 - 15	97.0	14.24%
16 - 20	59.0	8.66%
21 - 25	38.0	5.58%
26 - 30	23.0	3.38%
31 - 35	8.0	1.17%
36 - 40	0.0	0.00%
	681.0	100.00%

Source: School District Records

MASON CITY SCHOOL DISTRICT, OHIO
STUDENT POPULATION BY SEX AND BY RACE
FOR THE 2006-2007 SCHOOL YEAR
Schedule 21

Grade	Male	Female	Total
PS	98	70	168
K	434	364	798
1	456	430	886
2	433	393	826
3	446	427	873
4	421	413	834
5	411	420	831
6	426	428	854
7	386	412	798
8	358	386	744
9	345	384	729
10	376	317	693
11	402	339	741
12	301	289	590
Ungraded	11	3	14
	5,304	5,075	10,379

Race	Total	Percent
American Indian/Alaskan	14	0.14%
Asian	979	9.43%
Black	362	3.49%
Caucasian	8,519	82.08%
Hispanic	289	2.78%
Multi-Racial	216	2.08%
	10,379	100.00%

Source: School District Financial Records.

MASON CITY SCHOOL DISTRICT, OHIO
ENROLLMENT HISTORY
LAST TEN YEARS
Schedule 22

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
2006-07	168	798	886	826	873	834	831	854	798	744	729	693	741	604	10,379	5.99%
2005-06	161	801	802	840	782	813	812	762	725	727	674	713	593	587	9,792	5.91%
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%

(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, 2007
Schedule 23

Facility	Address	Administrator / Contact	Grades	Phone Numbers
Early Childhood Center	4631 Hickory Woods Dr.	Mike Zimmermann	PS-1	398-3741
Mason Heights School	200 Northcrest Drive	Eric Messer	2-3	398-8866
Western Row School	755 Western Row Road	Joe Norton	2-3	398-5821
Mason Intermediate	6307 Mason-Montgomery Rd.	Catherine Hunter	4-6	459-2850
Mason Middle School	6370 Mason-Montgomery Rd.	Tonya McCall	7-8	398-9035
Mason High School	6100 Mason-Montgomery Rd.	Dave Allen	9-12	398-5025
Mason Central Administration	211 North East Street	Kevin Bright		398-0474
Professional Development Center	4836 Tylersville Road	Lori Sideris		336-7367
Transportation Center	5025 Enterprise Drive	Carole Abrams		398-6682
Maintenance Garage	5120 Enterprise Drive	George Highfill		398-2784



Mary Taylor, CPA
Auditor of State

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
JANUARY 17, 2008**