



Dave Yost • Auditor of State



MASON CITY SCHOOL DISTRICT  
WARREN COUNTY

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MASON CITY SCHOOL DISTRICT  
WARREN COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2014

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Grant Year	CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
<u>Child Nutrition Cluster:</u>						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	2014	10.555	\$0	\$304,644	\$0	\$307,136
Cash Assistance:						
National School Breakfast Program	2014	10.553	28,265	0	28,265	0
National School Lunch Program	2014	10.555	523,723	0	523,723	0
Total Child Nutrition Cluster			551,988	304,644	551,988	307,136
<b>Total U.S. Department of Agriculture</b>			<b>551,988</b>	<b>304,644</b>	<b>551,988</b>	<b>307,136</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
<u>Special Education Cluster:</u>						
Special Education-Grants to States	2014	84.027	1,200,533	0	1,213,313	0
Special Education-Grants to States	2013	84.027	221,989	0	234,423	0
Total Special Education-Grants to States			1,422,522	0	1,447,736	0
Special Education-Preschool Grants	2014	84.173	32,764	0	24,121	0
Total Special Education-Preschool Grants			32,764	0	24,121	0
Total Special Education Cluster			1,455,286	0	1,471,857	0
Title I Grants to Local Educational Agencies	2014	84.010	148,709	0	181,329	0
Title I Grants to Local Educational Agencies	2013	84.010	67,466	0	71,389	0
Total Title I Grants to Local Educational Agencies			216,175	0	252,718	0
Title III - LEP	2014	84.365	78,874	0	78,097	0
Title III - LEP	2013	84.365	9,052	0	9,161	0
Title III - Immigrant	2014	84.365	3,840	0	3,927	0
Title III - Immigrant	2013	84.365	21,237	0	20,523	0
Total Title III			113,003	0	111,708	0
Improving Teacher Quality State Grants	2014	84.367	45,721	0	70,030	0
Improving Teacher Quality State Grants	2013	84.367	24,298	0	23,637	0
Total Improving Teacher Quality State Grants			70,019	0	93,667	0
<i>Passed Through Great Oaks Institute of Technology and Career Development</i>						
Vocational Education Basic Grants to States	2014	84.048	10,000	0	7,149	0
Vocational Education Basic Grants to States	2013	84.048	0	0	443	0
Vocational Education Basic Grants to States	2012	84.048	0	0	486	0
Vocational Education Basic Grants to States	2011	84.048	0	0	277	0
Vocational Education Basic Grants to States	2010	84.048	0	0	1,000	0
Vocational Education Basic Grants to States	2009	84.048	0	0	50	0
Total Vocational Education Basic Grants to States			10,000	0	9,405	0
<b>Total U.S. Department of Education</b>			<b>1,864,483</b>	<b>0</b>	<b>1,939,355</b>	<b>0</b>
<b>Total Federal Assistance</b>			<b>\$2,416,471</b>	<b>\$304,644</b>	<b>\$2,491,343</b>	<b>\$307,136</b>

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

**MASON CITY SCHOOL DISTRICT  
WARREN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Mason City School District's (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

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



# Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mason City School District, Warren County, (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 11, 2014.

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

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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

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

### ***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, opining 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*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

December 11, 2014



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the Board of Education:

### ***Report on Compliance for the Major Federal Program***

We have audited the Mason City School District's, Warren County, (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Mason City School District's major federal program for the year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

### ***Management's Responsibility***

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on the Major Federal Program***

In our opinion, the Mason City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2014.

### ***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

### ***Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133***

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 (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 11, 2014. We conducted our audit to opine on the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Mason City School District  
Warren County  
Independent Auditor's Report on Compliance with Requirements Applicable  
To The Major Federal Program and on Internal Control Over  
Compliance Required by OMB Circular A-133  
Page 3

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**Dave Yost**  
Auditor of State

Columbus, Ohio

December 11, 2014

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**MASON CITY SCHOOL DISTRICT  
WARREN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2014**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<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 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 significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #10.553 and 10.555: Child Nutrition 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

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# **MASON CITY SCHOOLS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**For the fiscal year ended  
June 30, 2014**

**“Welcoming, valuing and engaging each learner”  
MASON, OHIO**

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MASON CITY SCHOOL DISTRICT  
MASON, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the fiscal year ended  
June 30, 2014

Prepared by:  
Treasurer's Office

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**Introductory  
Section**

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December 11, 2014

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, 2014.

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, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Mason City School District's financial statements for the fiscal year ended June 30, 2014, 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.

**TREASURER'S DEPARTMENT**

211 N. East Street • Mason, OH 45040 • 513.398.3623 phone • 513.398.4357 fax • [www.MasonOhioSchools.com](http://www.MasonOhioSchools.com) web

**Ronda Johnson**, Treasurer, JohnsonR@mason.k12.oh.us

**Chris Hofer**, Assistant Treasurer, HoferC@mason.k12.oh.us

**Terri Ross**, Payroll Supervisor, RossT@mason.k12.oh.us

**Tashia Dalton**, Benefits Supervisor, DaltonT@mason.k12.oh.us

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 of 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, 2014, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Randy Andrews	Jan. 2014 - Dec. 2017	½
Mrs. Courtney Allen	Jan. 2012 - Dec. 2015	2 ½
Mr. Mathew Steele	Jan. 2014 - Dec. 2017	2 ½
Mrs. Connie Yingling	Jan. 2014 - Dec. 2017	14 ¾
Mr. Kevin Wise	Jan. 2012 - Dec. 2015	11 ½

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Dr. Gail Kist-Kline was appointed Superintendent effective August 1, 2011 and her contract expires July 31, 2017

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 retired from serving Mason as Treasurer for 14 years on July 31, 2014. The Board appointed Mrs. Ronda Johnson as Treasurer effective August 1, 2014. Mrs. Johnson brings 15 years of educational and financial leadership to the District, having served as Treasurer for another large suburban school district in the Cincinnati region.

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 10,773 students during the 2014 fiscal year in five buildings. The high school (9-12) was constructed in 2002 with an addition in 2009. 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 Early Childhood Center (PreK-2) was constructed in 2007.

The District employed 1,098 full-time equivalent employees as of June 30, 2014. The District's current enrollment is 10,773. It is expected that the District's enrollment will continue to decrease slightly each year for the next several years, plateauing at approximately 10,000 students in the near future.

The District teachers, educational specialists, tutors, counselors and curriculum leaders are represented by the Mason Education Association (MEA). The agreement on language, salary and fringe benefits was extended to June 30, 2015 in June 2011. The extended agreement provided MEA members with a 2.50% base salary increase for the 2011-2012, a freeze in salary and steps for the 2012-13 and 2013-14 school years, and a 2.0% base salary increase for the 2014-15 school year, bringing the base teaching salary to \$39,098.

The District custodial, grounds, maintenance and HVAC technicians are represented by the Ohio Association of Public School Employees (OAPSE) Local 070. The current agreement on language, salary and fringe benefits expires on June 30, 2015 and included a freeze in wages for the 2012-13 and 2013-14 school years with a 2.0% base salary increase for the 2014-15 school year.

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 and OAPSE #070. Their salary and wages were frozen for the 2012-13 and 2013-14 school years and increased by 2.0% for the 14-15 school year.

### **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 30,712 in the 2010 U.S. Census and has been growing steadily through planning and development. The District is served by Sprint Telephone and Duke Energy. The Mason Pulse Journal and The Cincinnati Enquirer 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.

Although the Mason City School District is being impacted by the current economic slowdown, it still currently enjoys a reasonably favorable economic environment. 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 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 be slowly developed over the next five to ten years with the associated additional investments in plant and equipment and increasing job opportunities.

**Financial policies and planning.** Student enrollment growth has been the priority for the Board and Administration for the last 15 years. Current demographic projections indicate the District will see its population stabilize at approximately 10,000 for the next several years. The District closed the Mason Heights Elementary School in the summer of 2012 and consolidated those students into the Mason Early Childhood Center and Western Row Elementary. The District's facilities' student capacity with the five remaining school buildings is sufficient to cover its projected enrollment over the next ten years and it does not anticipate the need for any additional significant capital bond issues in the next ten years.

The District is ranked 9<sup>th</sup> in the State of Ohio for academic performance with a Performance Index of 110.6 and spends less per pupil than most of the other top twenty school districts. Spending is aligned with the state average for total expenditure per pupil but the District is more focused on - and spends more on - classroom instruction. The District has a long-term financially sustainable plan that focuses on three priorities – academic achievement, cost-management and communication. Over the next five years the District is committed to exploring new options for students that ensure college and career success, setting budget expenditure controls, and soliciting valuable input from its families and residents. The plan strikes a balance between staff and other cost reductions, utilization of cash reserves, and additional local taxes.

The state biennium budget for the two years beginning July 1, 2013 resulted in funding increases of 6.25% in the first year and an additional 10.5% in the second year. As Ohio begins the state budget process for the next biennium, the District will continue to carefully monitor K-12 education funding for public schools.

### **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, 2013. 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 Chris Hofer, Assistant Treasurer, along with 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 unflinching

support for maintaining the highest standards of professionalism in the management of the Mason City School District's finances.

Respectfully submitted,

A handwritten signature in black ink, reading "Ronda Johnson". The signature is written in a cursive style and is enclosed within a thin black rectangular border.

Ronda C. Johnson  
Treasurer and CFO



Government Finance Officers Association

**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, 2013**

Executive Director/CEO



**MASON CITY SCHOOL DISTRICT  
LIST OF PRINCIPAL OFFICIALS  
AS OF JUNE 30, 2014**

**ELECTED OFFICIALS**

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President, Board of Education .....	Kevin Wise
Vice President, Board of Education .....	Connie Yingling
Board Member .....	Randy Andrews
Board Member .....	Courtney Allen
Board Member .....	Matthew Steele

**ADMINISTRATIVE OFFICIALS**

---

Superintendent .....	Gail Kist-Kline
Associate Superintendent.....	Amy Spicher
Assistant Superintendent - Business .....	Michael Brannon
Treasurer - Retired July 31, 2014 .....	Richard L. Gardner
Treasurer - Appointed August 1, 2014.....	Ronda C. Johnson
Assistant Treasurer.....	Chris Hofer
Director of Staff and Student Services .....	Mike Zimmermann
Payroll Supervisor.....	Terri Ross
Building and Grounds Supervisor .....	George Highfill
Food Service Supervisor .....	Tamara Earl
Support Education Supervisor .....	Jody Bergman
Support Education Supervisor .....	Susan Klein
Support Education Supervisor .....	Victoria Miller
Transportation Supervisor .....	Carolyn Thornton
Public Information Officer .....	Tracey Carson



**Financial  
Section**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### ***Report on the Financial Statements***

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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mason City School District, Warren County, Ohio, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis, required budgetary comparison schedule* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are 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 section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2014, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

December 11, 2014

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**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
**(Unaudited)**

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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, 2014. 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 2014 are as follows:

- Net position of governmental activities increased \$2,066,158 which represents a 2% increase from 2013.
- General revenues accounted for \$106,340,685 in revenue or 86% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$17,353,722 or 14% of total revenues of \$123,694,407.
- The District had \$121,628,249 in expenses related to governmental activities; \$17,353,722 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$106,340,685 were also used 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 Position* 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, the Debt Service Fund and the Capital Projects 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.

**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
(Unaudited)

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These two statements report the District's *net* position and changes in those assets. This change in net position 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 Position 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.

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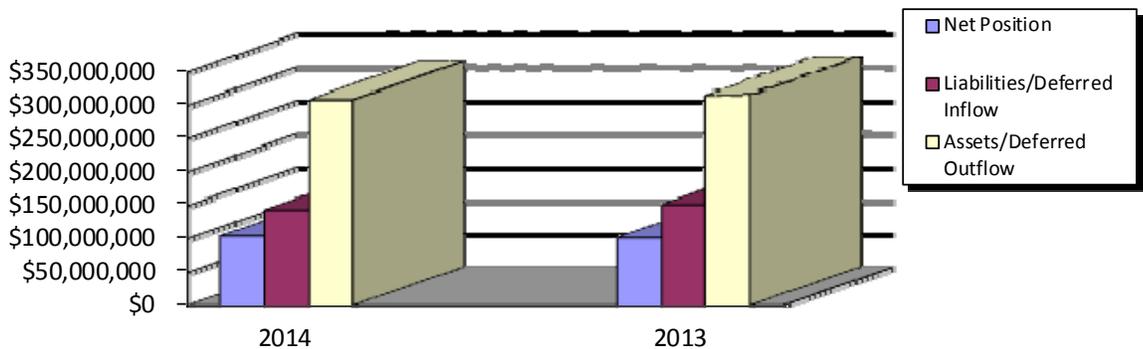
**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
(Unaudited)

**The District as a Whole**

As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2014 compared to 2013:

**Table 1**  
**Net Position**

	Governmental Activities	
	2014	2013 Restated
<b>Assets:</b>		
Current and Other Assets	\$139,208,249	\$142,962,902
Capital Assets	169,142,761	171,880,311
<b>Total Assets</b>	<b>308,351,010</b>	<b>314,843,213</b>
Deferred Outflows of Resources	3,121,644	3,534,262
<b>Liabilities:</b>		
Other Liabilities	23,730,236	25,029,576
Long-Term Liabilities	119,878,454	126,670,272
<b>Total Liabilities</b>	<b>143,608,690</b>	<b>151,699,848</b>
Deferred Inflows of Resources	64,071,850	64,951,671
<b>Net Position:</b>		
Net Investment in Capital Assets	50,767,119	46,466,926
Restricted	27,740,454	27,840,790
Unrestricted	25,284,541	27,418,240
<b>Total Net Position</b>	<b>\$103,792,114</b>	<b>\$101,725,956</b>



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2014, the District's assets exceeded liabilities by \$103,792,114.

**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
**(Unaudited)**

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At year-end, capital assets represented 55% of total assets. Capital assets include land, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2014, was \$50,767,119. 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.

A portion of the District's net position, \$27,740,454 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use. The balance of unrestricted net position of \$25,284,541 may be used to meet the District's ongoing obligations to the students and creditors.

Regarding significant changes in Table 1 above, Capital Assets, net decreased mainly due to current year depreciation expense exceeding current year additions. Current and Other Assets decreased mainly due to a decrease in property taxes receivable, which was mainly due to a decrease in the advances available. Long-Term Liabilities decreased mainly due to the District continuing to make regularly scheduled principal payments to pay off its long term debt obligations.

Table 2 shows the changes in net position for fiscal years 2014 and 2013.

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**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
(Unaudited)

**Table 2**  
**Changes in Net Position**

	Governmental Activities	
	2014	2013 Restated
Revenues:		
Program Revenues		
Charges for Services	\$11,027,378	\$9,818,679
Operating Grants, Contributions	6,326,344	5,360,476
General Revenues:		
Property Taxes	58,108,011	63,035,730
Grants and Entitlements	43,444,518	41,301,384
Investment Earnings	185,110	21,871
Other	4,603,046	6,049,737
Total Revenues	<u>123,694,407</u>	<u>125,587,877</u>
Program Expenses:		
Instruction	65,567,175	65,304,074
Support Services:		
Pupil and Instructional Staff	9,341,530	8,042,879
School Administrative, General		
Administration, Fiscal and Business	7,783,017	7,766,240
Operations and Maintenance	12,976,097	13,096,862
Pupil Transportation	6,619,587	6,497,196
Central	3,279,666	3,542,809
Operation of Non-Instructional Services	5,683,603	6,119,224
Extracurricular Activities	3,351,887	3,241,891
Interest and Fiscal Charges	7,025,687	5,148,229
Total Program Expenses	<u>121,628,249</u>	<u>118,759,404</u>
Increase (Decrease) in Net Position	2,066,158	6,828,473
Net Position - Beginning of Year	<u>101,725,956</u>	<u>94,897,483</u>
Net Position - End of Year	<u>\$103,792,114</u>	<u>\$101,725,956</u>

**Governmental Activities**

The District revenues are mainly from two sources. Property taxes and grants and entitlements comprised 82.1% of the District's revenues for governmental activities.

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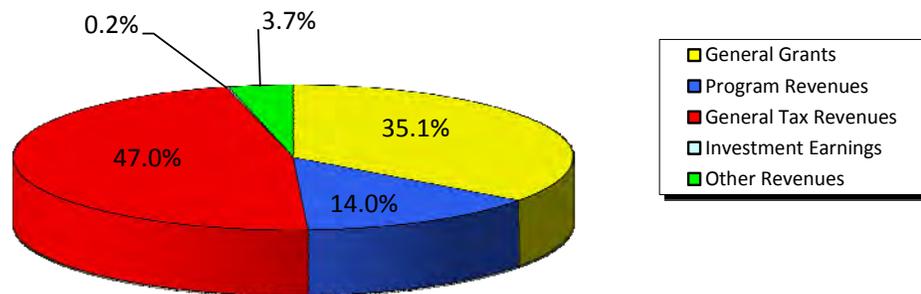
**Mason City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
(Unaudited)

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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 47% of revenue for governmental activities for the District in fiscal year 2014.

Revenue Sources	2014	Percentage
General Grants	\$43,444,518	35.12%
Program Revenues	17,353,722	14.03%
General Tax Revenues	58,108,011	46.98%
Investment Earnings	185,110	0.15%
Other Revenues	4,603,046	3.72%
Revenue Sources	<u>\$123,694,407</u>	<u>100.00%</u>



Instruction comprises 53.91% of governmental program expenses. Support services expenses were 32.89% of governmental program expenses. All other expenses and interest expense was 13.20%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Property taxes decreased mainly due to a decrease in advances available at fiscal year end 2014 as compared to fiscal year end 2013. Total Expenses increased due to the District’s increase in personnel costs and general inflationary factors.

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.

**Mason City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
(Unaudited)

**Table 3**  
**Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2014	2013	2014	2013
Instruction	\$65,567,175	\$65,304,074	\$57,260,828	\$58,830,940
Support Services:				
Pupil and Instructional Staff	9,341,530	8,042,879	8,801,153	7,382,060
School Administrative, General				
Administration, Fiscal and Business	7,783,017	7,766,240	7,608,841	7,669,760
Operations and Maintenance	12,976,097	13,096,862	11,530,420	12,270,410
Pupil Transportation	6,619,587	6,497,196	6,525,294	6,403,325
Central	3,279,666	3,542,809	3,279,649	3,533,808
Operation of Non-Instructional Services	5,683,603	6,119,224	927,841	894,708
Extracurricular Activities	3,351,887	3,241,891	1,314,814	1,447,009
Interest and Fiscal Charges	7,025,687	5,148,229	7,025,687	5,148,229
Total Expenses	<u>\$121,628,249</u>	<u>\$118,759,404</u>	<u>\$104,274,527</u>	<u>\$103,580,249</u>

**The District’s Funds**

The District has three major governmental funds: the General Fund, the Debt Service Fund and the Capital Projects Fund. Assets of the General Fund comprised \$93,438,930 (67%), the Debt Service Fund comprised \$17,326,398 (12%) and the Capital Projects Fund comprised \$21,817,161 (16%) of the total \$139,334,474 governmental funds’ assets.

**General Fund:** Fund balance at June 30, 2014 was \$30,112,345 including \$28,026,632 of unassigned balance. The primary reason for the decrease in fund balance was due to a decrease in taxes revenue.

**Debt Service Fund:** Fund balance at June 30, 2014 was \$5,878,777. The primary reason for the decrease in fund balance was due to an increase in principal debt payments.

**Capital Projects Fund:** Fund balance at June 30, 2014 was \$17,031,771. Total revenues decreased by \$1,889,018 and total expenses increased by \$1,749,210; the net result was an increase in fund balance of \$827,300 mainly due to the fact that TIF monies continue to exceed total expenditures.

**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.

**Mason City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
(Unaudited)

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The final revenue budget for the General Fund was \$95,763,689. The actual revenue was \$97,396,173. The \$1,632,484 difference was primarily due to a conservative estimate for taxes and intergovernmental revenue. The final budget expenditures were \$99,939,818. The actual expenditures were \$98,236,241. The \$1,703,577 difference was primarily due to an overestimate for regular expenditures.

The District’s ending unobligated General Fund cash balance was \$32,614,730.

**Capital Assets and Debt Administration**

**Capital Assets**

At fiscal year end, the District had \$169,142,761 invested in land, buildings and improvements and equipment. Table 4 shows fiscal 2014 balances compared to fiscal 2013:

**Table 4**  
**Capital Assets at Year End**  
**(Net of Depreciation)**

---

	Governmental Activities	
	2014	2013
Land	\$3,678,645	\$4,061,767
Buildings and Improvements	154,764,948	156,390,807
Equipment	10,699,168	11,427,737
Total Net Capital Assets	<u>\$169,142,761</u>	<u>\$171,880,311</u>

Overall, capital assets decreased due to current year depreciation expense exceeding current year additions. See Note 6 to the Basic Financial Statements for more details on the District’s capital assets.

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**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
(Unaudited)

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**Debt**

At year end, the District had \$113,811,030 in bonds and capital leases outstanding, \$8,466,000 due within one year. Table 5 summarizes bonds and capital leases outstanding.

**Table 5**  
**Outstanding Debt at Year End**

---

	Governmental Activities	
	2014	2013 Restated
General Obligation Bonds:		
2005 Refunding High School/Recreation Center and Intermediate	\$46,900,000	\$52,045,000
2005 Refunding Bond Premium on High School/Recreation Center	2,798,048	3,171,121
2003 Refunding Middle/High School	5,095,000	5,495,000
2004 Early Childhood Center	1,050,000	2,060,000
2007 Refunding Early Childhood Center	27,230,000	27,230,000
2007 Refunding Bond Premium on Early Childhood Center	1,790,843	1,898,273
2013 Refunding High School Addition - Current Interest Bonds	16,100,000	16,100,000
2013 Refunding High School Addition - Capital Appreciation Bonds	720,000	720,000
2013 Refunding High School Addition - Accreted Interest on Capital Appreciation Bonds	113,744	0
2013 Refunding High School Addition - Premium	2,983,553	3,149,306
2013 Refunding High School/Recreation Center	3,640,000	3,640,000
2013 Refunding High School/Recreation Center - Premium	456,842	513,947
Capital Leases	4,933,000	5,025,000
Total Bonds and Capital Leases	<u>\$113,811,030</u>	<u>\$121,047,647</u>

Overall, Debt at year end decreased mainly due to the District making timely principal payments throughout the fiscal year. See notes 8, 9 and 10 to the basic financial statements for further details on the District's debt.

**For the Future**

Despite uncertain revenue projections from the State, the District plans to meet its commitment through significant budgetary controls and spending restrictions. The District intends to continue to spend less per pupil than the State average, while producing results that rank it in the top 10 school districts in the State.

All of the District's financial management abilities and controls will be needed to meet the challenges of the future. However, with 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.

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**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
**(Unaudited)**

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**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 Ronda Johnson Treasurer at Mason City Schools, 211 North East Street, Mason, Ohio 45040. Or E-mail at JohnsonR@mason.k12.oh.us.

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Mason City School District, Ohio  
Statement of Net Position  
June 30, 2014

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$71,020,286
Restricted Cash and Investments	85,593
Receivables (Net):	
Taxes	62,754,153
Accounts	453,388
Interest	24,408
Intergovernmental	4,811,716
Inventory	58,705
Nondepreciable Capital Assets	3,678,645
Depreciable Capital Assets, Net	<u>165,464,116</u>
 Total Assets	 <u>308,351,010</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding	<u>3,121,644</u>
 Total Deferred Outflows of Resources	 <u>3,121,644</u>
Liabilities:	
Accounts Payable	409,154
Accrued Wages and Benefits	13,619,779
Accrued Interest Payable	516,579
Claims Payable	1,384,724
General Obligation Notes Payable	7,800,000
Long-Term Liabilities:	
Due Within One Year	9,350,907
Due In More Than One Year	<u>110,527,547</u>
 Total Liabilities	 <u>143,608,690</u>
Deferred Inflows of Resources:	
Property Taxes	59,849,185
Grants and Other Taxes	<u>4,222,665</u>
 Total Deferred Inflows of Resources	 <u>64,071,850</u>
Net Position:	
Net Investment in Capital Assets	50,767,119
Restricted for:	
Debt Service	5,583,621
Capital Projects	17,036,354
Community Services	2,452,119
District Managed Student Activities	473,498
One Network Connectivity	9,000
Auxiliary Services	287,394
Food Service	1,738,992
Federal Grants	159,476
Unrestricted	<u>25,284,541</u>
 Total Net Position	 <u>\$103,792,114</u>

See accompanying notes to the basic financial statements.

Mason City School District, Ohio  
Statement of Activities  
For the Fiscal Year Ended June 30, 2014

	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services and Sales	Operating Grants and Contributions	and Changes in Net Position Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$46,122,768	\$3,221,218	\$0	(\$42,901,550)
Special	15,943,260	820,169	4,218,932	(10,904,159)
Vocational	10,145	0	10,098	(47)
Other	3,491,002	33,556	2,374	(3,455,072)
<b>Support Services:</b>				
Pupil	6,956,891	1,522	340,773	(6,614,596)
Instructional Staff	2,384,639	11,783	186,299	(2,186,557)
General Administration	57,685	0	0	(57,685)
School Administration	5,345,653	0	0	(5,345,653)
Fiscal	1,932,376	0	0	(1,932,376)
Business	447,303	174,176	0	(273,127)
Operations and Maintenance	12,976,097	1,445,552	125	(11,530,420)
Pupil Transportation	6,619,587	422	93,871	(6,525,294)
Central	3,279,666	17	0	(3,279,649)
Operation of Non-Instructional Services	5,683,603	3,281,890	1,473,872	(927,841)
Extracurricular Activities	3,351,887	2,037,073	0	(1,314,814)
Interest and Fiscal Charges	7,025,687	0	0	(7,025,687)
<b>Total Governmental Activities</b>	<b>121,628,249</b>	<b>11,027,378</b>	<b>6,326,344</b>	<b>(104,274,527)</b>
<b>General Revenues:</b>				
<b>Property Taxes Levied for:</b>				
				46,641,011
				10,948,558
				518,442
				43,444,518
				3,771,193
				150,018
				185,110
				681,835
<b>Total General Revenues</b>				<b>106,340,685</b>
<b>Change in Net Position</b>				<b>2,066,158</b>
<b>Net Position - Beginning of Year, Restated</b>				<b>101,725,956</b>
<b>Net Position - End of Year</b>				<b>\$103,792,114</b>

See accompanying notes to the basic financial statements.

Mason City School District, Ohio  
Balance Sheet  
Governmental Funds  
June 30, 2014

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$42,720,598	\$5,417,097	\$17,025,913	\$5,856,678	\$71,020,286
Restricted Cash and Investments	85,593	0	0	0	85,593
<b>Receivables (Net):</b>					
Taxes	50,289,019	11,909,301	555,833	0	62,754,153
Accounts	193,087	0	12,750	247,551	453,388
Interest	24,408	0	0	0	24,408
Intergovernmental	0	0	4,222,665	589,051	4,811,716
Interfund	126,225	0	0	0	126,225
Inventory	0	0	0	58,705	58,705
<b>Total Assets</b>	<b>93,438,930</b>	<b>17,326,398</b>	<b>21,817,161</b>	<b>6,751,985</b>	<b>139,334,474</b>
<b>Liabilities:</b>					
Accounts Payable	253,781	0	28,755	126,618	409,154
Accrued Wages and Benefits	12,991,131	0	0	628,648	13,619,779
Compensated Absences	310,991	0	0	9,802	320,793
Accrued Interest Payable	0	0	0	52,000	52,000
Interfund Payable	0	0	0	126,225	126,225
Claims Payable	1,384,724	0	0	0	1,384,724
General Obligation Notes Payable	0	0	0	7,800,000	7,800,000
<b>Total Liabilities</b>	<b>14,940,627</b>	<b>0</b>	<b>28,755</b>	<b>8,743,293</b>	<b>23,712,675</b>
<b>Deferred Inflows of Resources:</b>					
Property Taxes	48,373,809	11,447,621	533,970	0	60,355,400
Grants and Other Taxes	0	0	4,222,665	577,298	4,799,963
Investment Earnings	12,149	0	0	0	12,149
<b>Total Deferred Inflows of Resources</b>	<b>48,385,958</b>	<b>11,447,621</b>	<b>4,756,635</b>	<b>577,298</b>	<b>65,167,512</b>
<b>Fund Balances:</b>					
Restricted	0	5,878,777	17,031,771	5,084,501	27,995,049
Committed	0	0	0	9,977	9,977
Assigned	2,085,713	0	0	0	2,085,713
Unassigned	28,026,632	0	0	(7,663,084)	20,363,548
<b>Total Fund Balances</b>	<b>30,112,345</b>	<b>5,878,777</b>	<b>17,031,771</b>	<b>(2,568,606)</b>	<b>50,454,287</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$93,438,930</b>	<b>\$17,326,398</b>	<b>\$21,817,161</b>	<b>\$6,751,985</b>	<b>\$139,334,474</b>

See accompanying notes to the basic financial statements.

Mason City School District, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 June 30, 2014

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Total Governmental Fund Balance \$50,454,287

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

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

    Capital assets used in the operation of Governmental Funds 169,142,761

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

Intergovernmental	\$506,215	
Interest	12,149	
Special Assessments	<u>577,298</u>	
		1,095,662

In the statement of net position 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.

(464,579)

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

    Compensated Absences (5,746,631)

Deferred outflows on resources associated with long-term liabilities  
 are not reported in the funds.

3,121,644

Long-term liabilities are not due and payable in the current  
 period and, therefore, are not reported in the funds.

(113,811,030)

Net Position of Governmental Activities

\$103,792,114

See accompanying notes to the basic financial statements.

Mason City School District, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2014

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property and Other Taxes	\$46,663,580	\$10,954,367	\$518,719	\$0	\$58,136,666
Tuition and Fees	2,743,483	0	0	297,331	3,040,814
Investment Earnings	175,160	456	1,596	396	177,608
Intergovernmental	43,976,508	2,212,293	101,809	3,317,979	49,608,589
Extracurricular Activities	547,062	0	0	1,306,710	1,853,772
Charges for Services	1,136,216	0	0	5,091,518	6,227,734
Revenue in Lieu of Taxes	0	0	3,771,193	0	3,771,193
Other Revenues	503,884	21	48,262	219,039	771,206
<b>Total Revenues</b>	<b>95,745,893</b>	<b>13,167,137</b>	<b>4,441,579</b>	<b>10,232,973</b>	<b>123,587,582</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	44,354,593	0	471,538	221,638	45,047,769
Special	14,504,105	0	1,724	1,442,882	15,948,711
Vocational	0	0	0	10,145	10,145
Other	3,491,002	0	0	0	3,491,002
<b>Support Services:</b>					
Pupil	6,549,185	0	1,576	363,387	6,914,148
Instructional Staff	2,248,553	0	0	117,032	2,365,585
General Administration	57,685	0	0	0	57,685
School Administration	5,258,991	10,044	615	0	5,269,650
Fiscal	1,791,823	146,379	19,444	0	1,957,646
Business	313,459	0	0	131,581	445,040
Operations and Maintenance	8,930,814	0	1,324,968	1,282,465	11,538,247
Pupil Transportation	5,662,298	0	894,126	319	6,556,743
Central	2,031,604	0	879,781	13	2,911,398
Operation of Non-Instructional Services	863,213	0	0	4,640,004	5,503,217
Extracurricular Activities	1,633,826	0	0	1,535,085	3,168,911
Capital Outlay	0	0	20,507	0	20,507
<b>Debt Service:</b>					
Principal Retirement	0	6,555,000	0	92,000	6,647,000
Interest and Fiscal Charges	0	6,887,181	0	341,332	7,228,513
<b>Total Expenditures</b>	<b>97,691,151</b>	<b>13,598,604</b>	<b>3,614,279</b>	<b>10,177,883</b>	<b>125,081,917</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,945,258)</b>	<b>(431,467)</b>	<b>827,300</b>	<b>55,090</b>	<b>(1,494,335)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers In	0	7,800,000	0	8,019,900	15,819,900
Transfers (Out)	(1,400)	(8,018,500)	0	(7,800,000)	(15,819,900)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,400)</b>	<b>(218,500)</b>	<b>0</b>	<b>219,900</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(1,946,658)</b>	<b>(649,967)</b>	<b>827,300</b>	<b>274,990</b>	<b>(1,494,335)</b>
<b>Fund Balance - Beginning of Year</b>	<b>32,059,003</b>	<b>6,528,744</b>	<b>16,204,471</b>	<b>(2,843,596)</b>	<b>51,948,622</b>
<b>Fund Balance - End of Year</b>	<b>\$30,112,345</b>	<b>\$5,878,777</b>	<b>\$17,031,771</b>	<b>(\$2,568,606)</b>	<b>\$50,454,287</b>

See accompanying notes to the basic financial statements.

Mason City School District, Ohio  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2014

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Net Change in Fund Balance - Total Governmental Funds (\$1,494,335)

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	\$1,001,759	
Depreciation Expense	(3,739,309)	
		(2,737,550)

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

Delinquent Property Taxes	(\$28,655)	
Interest	(4,998)	
Intergovernmental	167,492	
Other	(27,014)	
		106,825

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 6,647,000

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 25,827

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	(\$659,759)	
Claims Payable	1,151	
Amortization of Bond Premium	703,361	
Amortization of Deferred Charge on Refunding	(412,618)	
Bond Accretion	(113,744)	
		(481,609)

Change in Net Position of Governmental Activities \$2,066,158

See accompanying notes to the basic financial statements.

Mason City School District, Ohio  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2014

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	Education Private Purpose Trust	Agency
	<u>          </u>	<u>          </u>
Assets:		
Equity in Pooled Cash and Investments	\$101,516	\$545,675
Receivables (Net):		
Accounts	<u>          0</u>	<u>          672</u>
Total Assets	<u>          101,516</u>	<u>          546,347</u>
Liabilities:		
Accounts Payable	0	43,555
Other Liabilities	<u>          0</u>	<u>          502,792</u>
Total Liabilities	<u>          0</u>	<u>          \$546,347</u>
Net Position:		
Held in Trust	<u>          101,516</u>	
Total Net Position	<u>          \$101,516</u>	

See accompanying notes to the basic financial statements.

Mason City School District, Ohio  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2014

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	Education Private Purpose Trust
Additions:	
Donations	\$2,984
Investment Earnings	<u>9</u>
Total Additions	<u>2,993</u>
Deductions:	
Scholarships	<u>3,500</u>
Total Deductions	<u>3,500</u>
Change in Net Position	(507)
Net Position - Beginning of Year	<u>102,023</u>
Net Position - End of Year	<u><u>\$101,516</u></u>

See accompanying notes to the basic financial statements.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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**Note 1 – Description of the District**

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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 five instructional facilities, staffed by 540 full-time equivalent classified personnel, 658 certified full-time equivalent 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 10,773. The District operates one early childhood center (Pre-K-2), one elementary school and (2-3), one intermediate school (4-6), one middle school (7-8) and a high school (9-12).

**Note 2 - Summary of Significant Accounting Policies**

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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.

**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.

**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.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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.

Capital Projects Fund – The capital projects fund is used to account for all transactions related to improvements to existing District facilities.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. 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 (agency) fund accounts for those student activity programs. The Section 125 insurance (agency) 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 position 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 position. 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

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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.

The private purpose trust fund is 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.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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 Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, grants and other taxes, which included tax increment financing (TIF's) and investment earnings. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance year 2015 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. TIF's have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements in the grants and other taxes line item.

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.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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 Rule2A7 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 \$175,160 credited to the General Fund; \$456 credited to the Debt Service Fund, \$1,596 credited to the Capital Projects Fund and \$396 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. 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.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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 depending on length of service and days worked	10-20 days per year depending on length of service and days worked
Maximum Accumulation	Not Applicable	Amount equal to three years accrual	Amount equal to three years 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%

**Fund Balance**

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education.

Assigned – resources that are intended to be used for specific purposes as approved through the District’s formal purchasing procedure by the Treasurer, as established by the board approved purchasing policy.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The District considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

**Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on 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 position are available. Of the District’s \$27,740,454 in restricted net position, 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 Position.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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As a general rule the effect of interfund (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.

**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 position 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.

**Note 3 - Equity In Pooled Cash and Investments**

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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 position 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.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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**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, 2014, \$58,486,836 of the District's bank balance of \$61,478,502 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, 2014, the District had the following investments:

Investment Type	Fair Value	Aggregate Credit Risk	Weighted Average Maturity (Years)
Federal National Mortgage Association	\$4,345,243	40.6%	2.89
Freddie Mac	50,456	0.5%	0.16
Federal Farm Credit Bank	4,998,900	46.7%	1.73
Municipal Bonds	738,405	6.9%	0.63
STAROhio	562,834	5.3%	0.14
Total Fair Value	<u>\$10,695,838</u>	<u>100.00%</u>	
Portfolio Weighted Average Maturity			2.03

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

Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The District's investments in Federal National Mortgage Association, Freddie Mac, and Federal Farm Credit Bank were rated AA+ by Standard & Poor's and Fitch Ratings and Aaa by Moody's Investors Service. Investments in STAROhio were rated AAAM by Standard & Poor's. Municipal Bonds are not rated.

Concentration of Credit Risk – The District's investment policy allows investments in Federal Agencies or Instrumentalities. Investments of the District are diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issue or a specific class of securities. Strategies to achieve this are determined and revised periodically.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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.

**Note 4 - Property Taxes**

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Real property taxes collected in 2014 were levied in April on the assessed values as of January 1, 2013, 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.

Real property taxes are payable annually or semi-annually. In 2014, 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 represents delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable at June 30, 2014. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2014 on the fund financial statements. The entire amount of delinquent taxes receivable is recognized as revenue in the government-wide financial statements. 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, 2014, was \$1,915,210 for General Fund, \$461,680 for Debt Service Fund and \$21,863 for Capital Projects Fund, and is recognized as revenue.

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 2014 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,461,234,590
Public Utility	<u>29,850,640</u>
Total	<u><u>\$1,491,085,230</u></u>

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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**Note 5 – Receivables**

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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.

**Note 6 - Capital Assets**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$4,061,767	\$300,000	\$683,122	\$3,678,645
<b>Capital Assets, being depreciated:</b>				
Buildings and Improvements	183,719,328	396,562	0	184,115,890
Equipment	30,158,240	988,319	298,525	30,848,034
Totals at Historical Cost	<u>217,939,335</u>	<u>1,684,881</u>	<u>981,647</u>	<u>218,642,569</u>
Less Accumulated Depreciation:				
Buildings and Improvements	27,328,521	2,022,421	0	29,350,942
Equipment	18,730,503	1,716,888	298,525	20,148,866
Total Accumulated Depreciation	<u>46,059,024</u>	<u>3,739,309</u>	<u>298,525</u>	<u>49,499,808</u>
Governmental Activities Capital Assets, Net	<u>\$171,880,311</u>	<u>(\$2,054,428)</u>	<u>\$683,122</u>	<u>\$169,142,761</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$436,121
Special	5,417
Support Services:	
Pupil	21,364
Instructional Staff	14,048
School Administration	20,140
Fiscal	9,414
Business	1,039
Operations and Maintenance	1,841,389
Pupil Transportation	603,442
Central	393,084
Operation of Non-Instructional Services	199,972
Extracurricular Activities	193,879
Total Depreciation Expense	<u>\$3,739,309</u>

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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**Note 7 - Short-Term Notes Payable**

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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 2011 2.00%	\$7,900,000	\$0	\$7,900,000	\$0
Mason Intermediate Construction 2012 2.00%	<u>0</u>	<u>7,800,000</u>	<u>0</u>	<u>7,800,000</u>
<b>Total</b>	<u><u>\$7,900,000</u></u>	<u><u>\$7,800,000</u></u>	<u><u>\$7,900,000</u></u>	<u><u>\$7,800,000</u></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:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$7,800,000	\$156,000	\$7,956,000

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**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

**Note 8 - Long-Term Liabilities**

	Interest Rate	Restated Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
<b>Governmental Activities:</b>						
General Obligation Bonds:						
2006 Refunding High School/ Recreation Center	5.16%	52,045,000	0	(5,145,000)	46,900,000	4,885,000
2006 Refund Bond Premium		3,171,121	0	(373,073)	2,798,048	0
2003 Refunding Middle/High School	3.97%	5,495,000	0	(400,000)	5,095,000	2,425,000
2004 Early Childhood Center	4.76%	2,060,000	0	(1,010,000)	1,050,000	1,050,000
2007 Refunding Early Childhood Center	4.98%	27,230,000	0	0	27,230,000	0
2007 Refund Bond Premium		1,898,273	0	(107,430)	1,790,843	0
2013 Refunding High School Addition Current Interest Bonds		16,100,000	0	0	16,100,000	0
2013 Refunding High School Addition Capital Appreciation Bonds		720,000	0	0	720,000	0
2013 Refunding High School Accreted Interest on Capital Appreciation Bonds		0	0	113,744	113,744	0
2013 Refunding High School Addition Premium		3,149,306	0	(165,753)	2,983,553	0
2013 Refunding High School/ Recreation Center		3,640,000	0	0	3,640,000	0
2013 Refunding High School/ Recreation Center Premium		513,947	0	(57,105)	456,842	0
Total General Obligation Bonds		116,022,647	0	(7,144,617)	108,878,030	8,360,000
Capital Leases	4.38%	5,025,000	0	(92,000)	4,933,000	106,000
Total Long-Term Debt		121,047,647	0	(7,236,617)	113,811,030	8,466,000
Compensated Absences		5,622,625	1,575,814	(1,131,015)	6,067,424	884,907
Total Governmental Activities Long-Term Liabilities		\$126,670,272	\$1,575,814	(\$8,367,632)	\$119,878,454	\$9,350,907

General obligation bonds will be paid from the debt service fund. The capital lease will be paid from the Community Services 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.

On May 16, 2013 the District issued \$16,100,000 in Current Interest Bonds with an interest rate of 4.00% and \$720,000 in Capital Appreciation Bonds of which \$16,820,000 was used to advance refund \$16,820,000 of outstanding 2007 High School Addition General Obligation Bonds with an average interest rate between 4.00% and 5.00%. The net proceeds of \$19,969,306 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the three bond issues. As a result, \$16,820,000 of the 2007 High School Addition General Obligation Bonds are considered to be defeased and the related liability for those bonds have been removed from the Statement of Net Position.

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**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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

Fiscal Year Ending June 30	General Obligation Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$8,360,000	\$4,661,633	\$13,021,633	\$0	\$0	\$0
2016	8,750,000	4,238,899	12,988,899	0	0	0
2017	9,095,000	3,788,563	12,883,563	0	0	0
2018	9,560,000	3,313,462	12,873,462	0	0	0
2019	7,300,000	2,886,125	10,186,125	0	0	0
2020-2024	27,720,000	9,273,645	36,993,645	720,000	1,920,000	2,640,000
2025-2029	16,710,000	4,951,596	21,661,596	0	0	0
2030-2034	12,520,000	896,857	13,416,857	0	0	0
Total	<u>\$100,015,000</u>	<u>\$34,010,780</u>	<u>\$134,025,780</u>	<u>\$720,000</u>	<u>\$1,920,000</u>	<u>\$2,640,000</u>

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

**Note 9 - Prior Year Defeasance of Debt**

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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, 2014, \$42,924,000 of bonds outstanding are considered defeased.

**Note 10 – Capital Leases – Lessee Disclosure**

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The capital lease proceeds were recorded in the Building Fund relates to the acquisition, construction and installation of a multi-purpose building project and an addition to the existing high school for the District. The District obtained financing from the Columbus Regional Airport Authority. Columbus Regional Airport Authority will retain title to the project during the lease term. Columbus Regional Airport Authority assigned U.S. Bank National Association as trustee. U.S. Bank National Association deposited \$5,249,000 in the District's name for the construction and installation payments. The District made two interest payments to U.S. Bank National Association. The lease is renewable annually and expires in fiscal year 2032. The intention of the District is to renew the lease annually.

The trustee entered into an Interest Rate Exchange Agreement with respect to the loan, locking in the rate at 4.38% plus an annual administrative fee. The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2014.

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**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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Fiscal Year Ending June 30,	Long-Term Debt
2015	\$328,332
2016	340,349
2017	349,619
2018	360,186
2019	370,961
2020-2024	2,038,783
2025-2029	2,372,239
2030-2032	1,274,993
Total Minimum Lease Payments	7,435,462
Less: Amount Representing Interest (4.38%)	(2,419,599)
Less: Additional Program Cost Component	(82,863)
Present Value of Minimum Lease Payments	<u>\$4,933,000</u>

**Note 11 - Pension Plans**

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**School Employees Retirement System of Ohio**

Plan Description

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per 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 can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2014, the allocation to pension and death benefits is 13.10%. The remaining 0.90% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions to SERS for the years ended June 30, 2014, 2013, and 2012 were \$2,562,000, \$2,622,000, and \$2,791,776, respectively; 100% has been contributed for fiscal year 2014, 2013 and 2012.

**State Teachers Retirement System of Ohio**

Plan Description

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution, or other agency controlled, managed and

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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supported, in whole or in part, by the state or any political subdivision thereof. Additional information or copies of STRS Ohio's *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio web site at [www.strsoh.org](http://www.strsoh.org).

Plan Options

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits

Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits

Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. 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.

Combined Plan Benefits

Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

Eligible faculty of Ohio's public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalizations, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Funding Policy

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. 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.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2014, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2014, 2013, and 2012 were \$6,689,496, \$6,789,480, and \$6,854,604, respectively; 84% has been contributed for fiscal year 2014 and 100% for fiscal years 2013 and 2012.

**Note 12- Post Employment Benefits**

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**School Employees Retirement System of Ohio**

Plan Description

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 depending on their income; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2014, the actuarially required allocation was 0.74%. District contributions for the year ended June 30, 2014, 2013 and 2012 were \$135,420, \$138,591, and \$151,554, respectively, which equaled the required contributions each year.

Health Care Plan

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2014, the health care allocation was 0.16%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District contributions assigned to health care for the years ended June 30, 2014, 2013, and 2012 were \$29,280, \$29,966, and \$285,160, respectively; 100% has been contributed for fiscal year 2014, 2013 and 2012.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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**State Teachers Retirement System of Ohio**

Plan Description

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan; a self-directed Defined Contribution Plan and a Combined Plan that is a hybrid of the Defined Benefit and the Defined Contribution Plan.

Ohio law authorized STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2014, 2013 and 2012. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2014, 2013, and 2012 were \$477,821, \$484,963, and \$489,615, respectively; 84% has been contributed for fiscal year 2014 and 100% for fiscal years 2013 and 2012.

**Note 13 - Contingent Liabilities**

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**Litigation**

The District is not currently party to any legal proceedings which would have a material impact on the financial statements.

**Note 14 - Risk Management**

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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 Ohio Casualty 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 Ohio Casualty 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.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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The Travelers Insurance Company maintains a \$20,000 performance bond for the Board President and Superintendent and Travelers Insurance Company maintains a \$50,000 public official bond for the Treasurer. Dakin 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 offers a High Deductible medical plan with a Health Savings Account (HSA) on a self-insured basis with third party administration services provided by Custom Design Benefits. Monthly premiums for the plan are \$1,715 for family coverage (\$4,000 deductible) and \$698 for individual coverage (\$2,000 deductible). For full time employees the District pays the full amount of the premium and makes the following contributions to the employees' HSAs: \$2,000 family and \$1,000 single. The District pays 100% of claims after the deductible is met.

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 \$100 for family coverage and \$37 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 \$9.95 for family coverage and \$4.61 for individual coverage. VSP is responsible for payment of all claim amounts as established in the plan document.

The liability for unpaid claims cost of \$1,384,724 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.

The amount reported as claims payable in the General Fund in the Fund Financial Statements is \$1,384,724 since this amount is currently due and payable with expendable available financial resources. In the Government-wide Financial Statements, the total amount of the liability for claims of \$1,384,724 has been reported as claims payable.

Changes in the fund's claims liability amount for the current year were:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2012	\$2,825,287	\$14,091,403	\$15,108,247	\$1,808,443
2013	1,808,443	11,489,392	12,001,685	1,296,150
2014	1,296,140	12,978,306	12,889,722	1,384,724

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**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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**Note 15 – Accountability**

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

Fund	Deficit
Special Revenue:	
Gifted Supplemental	\$387
Title VI B	324,465
Title III	23,568
Title I	76,281
Improving Teacher Quality	32,445
Capital Projects:	
Building	7,205,938

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

**Note 16 - Required Set-Asides**

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The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by 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.

	Capital Acquisition	Budget Stabilization
Set-Aside Reserve Balance as of June 30, 2013	\$0	\$85,593
Current Year Set-aside Requirement	1,812,692	0
Qualified Disbursements	(1,198,903)	0
Current Year Offsets	(29,674,144)	0
Set-Aside Reserve Balance as of June 30, 2014	<u>(\$29,060,355)</u>	<u>\$85,593</u>
Restricted Cash as of June 30, 2014	<u>\$0</u>	<u>\$85,593</u>

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**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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**Note 17 - Interfund Transactions**

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

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$126,225	\$0	\$0	\$1,400
Debt Service Fund	0	0	7,800,000	8,018,500
Other Governmental Funds	0	126,225	8,019,900	7,800,000
Total All Funds	<u>\$126,225</u>	<u>\$126,225</u>	<u>\$15,819,900</u>	<u>\$15,819,900</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. Transfers In and Out of the Debt Service Fund and the Building Fund were made to pay and set up short term debt obligations in the proper fund.

**Note 18 - Jointly Governed Organizations**

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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.

The Great Oaks Institute of Technology and Career Development, 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 Institute of Technology and Career Development, Mr. Robert Giuffrè, Chief Financial Officer, at 3254 East Kemper Road, Cincinnati, Ohio 45241.

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

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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.

**Note 19 - Fund Balances**

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

Fund Balances	General	Debt Service	Capital Projects	Other Governmental Funds	Total
<b>Restricted for:</b>					
Community Services	0	0	0	2,524,741	2,524,741
District Managed Student Activity	0	0	0	473,498	473,498
Auxiliary Services	0	0	0	287,394	287,394
Vocational Education	0	0	0	2,514	2,514
OneNet Network Connectivity	0	0	0	9,000	9,000
Public School Preschool	0	0	0	8,642	8,642
Food Service Operations	0	0	0	1,778,712	1,778,712
Debt Service Payments	0	5,878,777	0	0	5,878,777
Capital Projects	0	0	17,031,771	0	17,031,771
<b>Total Restricted</b>	0	5,878,777	17,031,771	5,084,501	27,995,049
<b>Committed to:</b>					
Insurance Replacement	0	0	0	9,977	9,977
<b>Total Committed</b>	0	0	0	9,977	9,977
<b>Assigned to:</b>					
Encumbrances	987,439	0	0	0	987,439
Budgetary Variance	1,098,274	0	0	0	1,098,274
<b>Total Assigned</b>	2,085,713	0	0	0	2,085,713
<b>Unassigned (Deficit)</b>	28,026,632	0	0	(7,663,084)	20,363,548
<b>Total Fund Balance</b>	\$30,112,345	\$5,878,777	\$17,031,771	(\$2,568,606)	\$50,454,287

**Note 20 – Change in Accounting Principles**

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The District adopted the provisions of GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement Number 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012 and have been implemented by the District.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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**Note 21 – Prior Period Adjustment**

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In prior periods, the District had reported assets related to bond issuance costs in the Governmental Activities entity-wide financial statements. GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*, has reclassified debt issuance costs as an expense in the period incurred rather than amortizing the costs over the life of the debt. The implementation of GASB Statement Number 65 requires a restatement of prior period's net position as follows:

	<u>Governmental Activities</u>
Net Position - June 30, 2013	\$102,604,837
Prior Period Adjustment:	
Bond Issuance Costs	(878,881)
Restated Net Position - June 30, 2013	<u><u>\$101,725,956</u></u>

# **REQUIRED SUPPLEMENTARY INFORMATION**

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Mason City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$48,983,886	\$50,235,329	\$51,091,690	\$856,361
Tuition and Fees	1,883,865	1,931,994	1,964,929	32,935
Investment Earnings	103,861	106,514	108,330	1,816
Intergovernmental	41,429,908	42,488,361	43,212,660	724,299
Charges for Services	78,564	80,571	81,945	1,374
Other Revenues	897,978	920,920	936,619	15,699
<b>Total Revenues</b>	<b>93,378,062</b>	<b>95,763,689</b>	<b>97,396,173</b>	<b>1,632,484</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<u>Regular</u>				
Salaries and Wages	31,692,633	31,694,145	31,153,886	540,259
Fringe Benefits	13,270,703	13,271,337	13,045,113	226,224
Purchased Services	20,876	20,877	20,521	356
Materials and Supplies	1,094,537	1,094,589	1,075,931	18,658
Capital Outlay	13,684	13,684	13,451	233
Other Expenditures	39,417	39,419	38,747	672
<b>Total Regular</b>	<b>46,131,850</b>	<b>46,134,051</b>	<b>45,347,649</b>	<b>786,402</b>
<u>Special</u>				
Salaries and Wages	8,393,061	8,393,461	8,250,386	143,075
Fringe Benefits	4,803,644	4,803,873	4,721,986	81,887
Purchased Services	823,749	823,788	809,746	14,042
Materials and Supplies	40,814	40,816	40,120	696
Other Expenditures	72,015	72,019	70,791	1,228
<b>Total Special</b>	<b>14,133,283</b>	<b>14,133,957</b>	<b>13,893,029</b>	<b>240,928</b>
<u>Other</u>				
Salaries and Wages	1,461,307	1,461,377	1,436,466	24,911
Fringe Benefits	588,625	588,653	578,619	10,034
Purchased Services	1,617,463	1,617,541	1,589,968	27,573
<b>Total Other</b>	<b>3,667,395</b>	<b>3,667,571</b>	<b>3,605,053</b>	<b>62,518</b>
<b>Support Services:</b>				
<u>Pupil</u>				
Salaries and Wages	4,062,730	4,062,924	3,993,667	69,257
Fringe Benefits	1,825,693	1,825,780	1,794,658	31,122
Purchased Services	622,737	622,767	612,151	10,616
Materials and Supplies	124,063	124,069	121,954	2,115
Other Expenditures	331	331	325	6
<b>Total Pupil</b>	<b>6,635,554</b>	<b>6,635,871</b>	<b>6,522,755</b>	<b>113,116</b>

Continued

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<u>Instructional Staff</u>				
Salaries and Wages	1,632,256	1,632,334	1,604,509	27,825
Fringe Benefits	684,690	684,723	673,051	11,672
Purchased Services	42,251	42,253	41,533	720
Materials and Supplies	57,573	57,575	56,594	981
Capital Outlay	591	591	581	10
Other Expenditures	5,086	5,087	5,000	87
Total Instructional Staff	<u>2,422,447</u>	<u>2,422,563</u>	<u>2,381,268</u>	<u>41,295</u>
<u>General Administration</u>				
Salaries and Wages	16,150	16,150	15,875	275
Fringe Benefits	3,553	3,554	3,493	61
Purchased Services	728	728	716	12
Materials and Supplies	1,090	1,090	1,071	19
Other Expenditures	37,360	37,362	36,725	637
Total General Administration	<u>58,881</u>	<u>58,884</u>	<u>57,880</u>	<u>1,004</u>
<u>School Administration</u>				
Salaries and Wages	3,430,498	3,430,662	3,372,183	58,479
Fringe Benefits	1,680,632	1,680,712	1,652,063	28,649
Purchased Services	312,213	312,228	306,906	5,322
Materials and Supplies	17,228	17,229	16,935	294
Capital Outlay	3,679	3,679	3,616	63
Other Expenditures	58,151	58,153	57,162	991
Total School Administration	<u>5,502,401</u>	<u>5,502,663</u>	<u>5,408,865</u>	<u>93,798</u>
<u>Fiscal</u>				
Salaries and Wages	654,870	654,901	643,738	11,163
Fringe Benefits	336,001	336,017	330,289	5,728
Purchased Services	40,091	40,092	39,409	683
Materials and Supplies	16,643	16,644	16,360	284
Other Expenditures	773,411	773,448	760,264	13,184
Total Fiscal	<u>1,821,016</u>	<u>1,821,102</u>	<u>1,790,060</u>	<u>31,042</u>
<u>Business</u>				
Salaries and Wages	204,788	204,798	201,307	3,491
Fringe Benefits	98,741	98,745	97,062	1,683
Purchased Services	9,292	9,292	9,134	158
Materials and Supplies	5,530	5,530	5,436	94
Other Expenditures	1,224	1,224	1,203	21
Total Business	<u>319,575</u>	<u>319,589</u>	<u>314,142</u>	<u>5,447</u>

Continued

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	General Fund			Variance from Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>Operations and Maintenance</u>				
Salaries and Wages	2,325,061	2,325,172	2,285,537	39,635
Fringe Benefits	1,390,592	1,390,658	1,366,953	23,705
Purchased Services	5,048,068	5,048,309	4,962,255	86,054
Materials and Supplies	750,791	750,827	738,028	12,799
Capital Outlay	40,822	40,824	40,128	696
Total Operations and Maintenance	9,555,334	9,555,790	9,392,901	162,889
<u>Pupil Transportation</u>				
Salaries and Wages	3,142,148	3,142,298	3,088,734	53,564
Fringe Benefits	1,645,492	1,645,570	1,617,520	28,050
Purchased Services	260,558	260,571	256,129	4,442
Materials and Supplies	846,662	846,702	832,269	14,433
Capital Outlay	295	295	290	5
Other Expenditures	55,327	55,329	54,386	943
Total Pupil Transportation	5,950,482	5,950,765	5,849,328	101,437
<u>Central</u>				
Salaries and Wages	1,062,001	1,062,052	1,043,948	18,104
Fringe Benefits	555,944	555,970	546,493	9,477
Purchased Services	334,774	334,790	329,083	5,707
Materials and Supplies	278,368	278,381	273,636	4,745
Capital Outlay	2,935	2,935	2,885	50
Other Expenditures	442	442	434	8
Total Central	2,234,464	2,234,570	2,196,479	38,091
<u>Operation of Non-Instructional Services</u>				
Purchased Services	5,107	5,107	5,020	87
Materials and Supplies	5,890	5,890	5,790	100
Other Expenditures	12,874	12,874	12,655	219
Total Operation of Non- Instructional Services	23,871	23,871	23,465	406
<u>Extracurricular Activities</u>				
Salaries and Wages	1,145,669	1,145,724	1,126,194	19,530
Fringe Benefits	242,698	242,709	238,572	4,137
Purchased Services	83,646	83,650	82,224	1,426
Materials and Supplies	3,440	3,441	3,382	59
Capital Outlay	1,811	1,811	1,780	31
Other Expenditures	1,236	1,236	1,215	21
Total Extracurricular Activities	1,478,500	1,478,571	1,453,367	25,204
Total Expenditures	99,935,053	99,939,818	98,236,241	1,703,577
Excess of Revenues Over (Under) Expenditures	(6,556,991)	(4,176,129)	(840,068)	3,336,061

Continued

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Advances In	959,937	984,462	1,001,244	16,782
Advances (Out)	(1,075,186)	(1,075,186)	(1,056,858)	18,328
Transfers (Out)	(1,424)	(1,424)	(1,400)	24
Total Other Financing Sources (Uses)	<u>(116,673)</u>	<u>(92,148)</u>	<u>(57,014)</u>	<u>35,134</u>
Net Change in Fund Balance	(6,673,664)	(4,268,277)	(897,082)	3,371,195
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>33,511,812</u>	<u>33,511,812</u>	<u>33,511,812</u>	<u>0</u>
Fund Balance - End of Year	<u>\$26,838,148</u>	<u>\$29,243,535</u>	<u>\$32,614,730</u>	<u>\$3,371,195</u>

See accompanying notes to the required supplementary information.

**Mason City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2014**

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**Note 1 - Budgetary Process**

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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 2014.

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 and Actual (Non-GAAP Basis) 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 an assignment of fund balance for governmental fund types and expendable trust funds (GAAP basis).

**Mason City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2014**

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4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis as opposed to the general fund being reported alone (budget basis).

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

	General Fund
GAAP Basis	(\$1,946,658)
Revenue Accruals	1,530,442
Expenditures Accruals	834,359
Advances In	1,001,244
Advances (Out)	(1,056,858)
Encumbrances	(1,170,112)
Funds Budgeted Elsewhere	(89,499)
Budget Basis	(\$897,082)

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# COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



## **MAJOR GOVERNMENTAL FUNDS**

**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. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

**Capital Projects Fund**- To account for all transactions related to improvements to existing District facilities. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Mason City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2014

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Taxes	\$12,001,620	\$12,021,617	\$19,997
Investment Earnings	455	456	1
Intergovernmental	2,208,613	2,212,293	3,680
Other Revenues	21	21	0
<b>Total Revenues</b>	<b>14,210,709</b>	<b>14,234,387</b>	<b>23,678</b>
Expenditures:			
Current:			
Support Services:			
School Administration	10,046	10,044	2
Fiscal	146,408	146,379	29
Principal Retirement	16,378,232	16,375,000	3,232
Interest and Fiscal Charges	5,137,955	5,136,941	1,014
<b>Total Expenditures</b>	<b>21,672,641</b>	<b>21,668,364</b>	<b>4,277</b>
Excess of Revenues Over (Under) Expenditures	(7,461,932)	(7,433,977)	27,955
Other Financing Sources (Uses):			
Issuance of Tax Anticipation Notes	7,838,200	7,851,260	13,060
<b>Total Other Financing Sources (Uses)</b>	<b>7,838,200</b>	<b>7,851,260</b>	<b>13,060</b>
Net Change in Fund Balance	376,268	417,283	41,015
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	4,999,814	4,999,814	0
<b>Fund Balance - End of Year</b>	<b>\$5,376,082</b>	<b>\$5,417,097</b>	<b>\$41,015</b>

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	Capital Projects Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Taxes	\$563,709	\$569,306	\$5,597
Revenue in lieu of taxes	3,734,120	3,771,193	37,073
Investment Earnings	1,580	1,596	16
Intergovernmental	100,808	101,809	1,001
Other Revenues	78,966	79,750	784
<b>Total Revenues</b>	<b>4,479,183</b>	<b>4,523,654</b>	<b>44,471</b>
Expenditures:			
Current:			
Instruction:			
Regular	571,122	510,168	60,954
Special	5,777	5,160	617
Support Services:			
Pupil	1,764	1,576	188
School Administration	2,772	2,476	296
Fiscal	35,089	31,344	3,745
Operations and Maintenance	2,081,503	1,859,350	222,153
Pupil Transportation	1,000,955	894,126	106,829
Central	1,251,479	1,117,912	133,567
Capital Outlay	46,455	41,497	4,958
<b>Total Expenditures</b>	<b>4,996,916</b>	<b>4,463,609</b>	<b>533,307</b>
<b>Net Change in Fund Balance</b>	<b>(517,733)</b>	<b>60,045</b>	<b>577,778</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	16,517,367	16,517,367	0
<b>Fund Balance - End of Year</b>	<b>\$15,999,634</b>	<b>\$16,577,412</b>	<b>\$577,778</b>

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

### **Capital Projects Funds**

The Capital Projects Funds is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Mason City School District, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$5,200,639	\$656,039	\$5,856,678
<b>Receivables (Net):</b>			
Accounts	247,551	0	247,551
Intergovernmental	589,051	0	589,051
Inventory	58,705	0	58,705
<b>Total Assets</b>	<b>6,095,946</b>	<b>656,039</b>	<b>6,751,985</b>
<b>Liabilities:</b>			
Accounts Payable	126,618	0	126,618
Accrued Wages and Benefits	628,648	0	628,648
Compensated Absences	9,802	0	9,802
Accrued Interest Payable	0	52,000	52,000
Interfund Payable	126,225	0	126,225
General Obligation Notes Payable	0	7,800,000	7,800,000
<b>Total Liabilities</b>	<b>891,293</b>	<b>7,852,000</b>	<b>8,743,293</b>
<b>Deferred Inflows of Resources:</b>			
Grants and Other Taxes	577,298	0	577,298
<b>Total Deferred Inflows of Resources</b>	<b>577,298</b>	<b>0</b>	<b>577,298</b>
<b>Fund Balances:</b>			
Restricted	5,084,501	0	5,084,501
Committed	0	9,977	9,977
Unassigned	(457,146)	(7,205,938)	(7,663,084)
<b>Total Fund Balances</b>	<b>4,627,355</b>	<b>(7,195,961)</b>	<b>(2,568,606)</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$6,095,946</b>	<b>\$656,039</b>	<b>\$6,751,985</b>

Mason City School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Tuition and Fees	\$297,331	\$0	\$297,331
Investment Earnings	334	62	396
Intergovernmental	3,317,979	0	3,317,979
Extracurricular Activities	1,306,710	0	1,306,710
Charges for Services	5,091,518	0	5,091,518
Other Revenues	219,039	0	219,039
<b>Total Revenues</b>	<b>10,232,911</b>	<b>62</b>	<b>10,232,973</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	221,638	0	221,638
Special	1,442,882	0	1,442,882
Vocational	10,145	0	10,145
<b>Support Services:</b>			
Pupil	363,387	0	363,387
Instructional Staff	117,032	0	117,032
Business	131,581	0	131,581
Operations and Maintenance	1,094,053	188,412	1,282,465
Pupil Transportation	319	0	319
Central	13	0	13
Operation of Non-Instructional Services	4,451,134	188,870	4,640,004
Extracurricular Activities	1,535,085	0	1,535,085
<b>Debt Service:</b>			
Principal Retirement	92,000	0	92,000
Interest and Fiscal Charges	236,665	104,667	341,332
<b>Total Expenditures</b>	<b>9,695,934</b>	<b>481,949</b>	<b>10,177,883</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>536,977</b>	<b>(481,887)</b>	<b>55,090</b>
<b>Other Financing Sources (Uses):</b>			
Transfers In	1,400	8,018,500	8,019,900
Transfers (Out)	0	(7,800,000)	(7,800,000)
<b>Total Other Financing Sources (Uses)</b>	<b>1,400</b>	<b>218,500</b>	<b>219,900</b>
<b>Net Change in Fund Balance</b>	<b>538,377</b>	<b>(263,387)</b>	<b>274,990</b>
<b>Fund Balance - Beginning of Year</b>	<b>4,088,978</b>	<b>(6,932,574)</b>	<b>(2,843,596)</b>
<b>Fund Balance - End of Year</b>	<b>\$4,627,355</b>	<b>(\$7,195,961)</b>	<b>(\$2,568,606)</b>

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

**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 Activity** - 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.

**OneNet Network Connectivity** - To account for state funds designed to provide network connections for technology in the District.

**Gifted Supplemental:** To account for funds which are used for gifted supplemental programs.

**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.

**Title I** - To account for federal funds for services provided to meet special educational needs of educationally deprived children.

**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.

**Improving Teacher Quality** - To account for state funds provided for staff development programs.

**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.

**Race to the Top** – To account for a competitive grant program designed to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers.

Mason City School District, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2014

	Community Services	District Managed Student Activity	Auxiliary Services	OneNet Network Connectivity
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$2,312,018	\$472,352	\$377,990	\$9,000
<b>Receivables (Net):</b>				
Accounts	225,357	22,194	0	0
Intergovernmental	0	0	0	0
Inventory	0	0	0	0
<b>Total Assets</b>	<b>2,537,375</b>	<b>494,546</b>	<b>377,990</b>	<b>9,000</b>
<b>Liabilities:</b>				
Accounts Payable	8,117	21,048	78,131	0
Accrued Wages and Benefits	4,517	0	12,465	0
Compensated Absences	0	0	0	0
Interfund Payable	0	0	0	0
<b>Total Liabilities</b>	<b>12,634</b>	<b>21,048</b>	<b>90,596</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Grants and Other Taxes	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Restricted	2,524,741	473,498	287,394	9,000
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<b>2,524,741</b>	<b>473,498</b>	<b>287,394</b>	<b>9,000</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$2,537,375</b>	<b>\$494,546</b>	<b>\$377,990</b>	<b>\$9,000</b>

Gifted Supplemental	Title VI-B	Vocational Education	Title III	Title I	Public School Preschool	Improving Teacher Quality
\$0	\$38,707	\$3,253	\$1,042	\$0	\$8,642	\$11,189
0	0	0	0	0	0	0
11,753	401,335	0	6,507	65,561	0	103,895
0	0	0	0	0	0	0
<u>11,753</u>	<u>440,042</u>	<u>3,253</u>	<u>7,549</u>	<u>65,561</u>	<u>8,642</u>	<u>115,084</u>
0	9,582	739	0	0	0	8,135
5,883	302,092	0	24,259	43,661	0	0
0	0	0	0	0	0	0
6,257	51,498	0	351	32,620	0	35,499
<u>12,140</u>	<u>363,172</u>	<u>739</u>	<u>24,610</u>	<u>76,281</u>	<u>0</u>	<u>43,634</u>
0	401,335	0	6,507	65,561	0	103,895
0	401,335	0	6,507	65,561	0	103,895
0	0	2,514	0	0	8,642	0
(387)	(324,465)	0	(23,568)	(76,281)	0	(32,445)
<u>(387)</u>	<u>(324,465)</u>	<u>2,514</u>	<u>(23,568)</u>	<u>(76,281)</u>	<u>8,642</u>	<u>(32,445)</u>
<u>\$11,753</u>	<u>\$440,042</u>	<u>\$3,253</u>	<u>\$7,549</u>	<u>\$65,561</u>	<u>\$8,642</u>	<u>\$115,084</u>

Continued

Mason City School District, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2014

	Food Service	Race to the Top	Total Nonmajor Special Revenue Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$1,966,446	\$0	\$5,200,639
<b>Receivables (Net):</b>			
Accounts	0	0	247,551
Intergovernmental	0	0	589,051
Inventory	58,705	0	58,705
<b>Total Assets</b>	<b>2,025,151</b>	<b>0</b>	<b>6,095,946</b>
<b>Liabilities:</b>			
Accounts Payable	866	0	126,618
Accrued Wages and Benefits	235,771	0	628,648
Compensated Absences	9,802	0	9,802
Interfund Payable	0	0	126,225
<b>Total Liabilities</b>	<b>246,439</b>	<b>0</b>	<b>891,293</b>
<b>Deferred Inflows of Resources:</b>			
Grants and Other Taxes	0	0	577,298
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>577,298</b>
<b>Fund Balances:</b>			
Restricted	1,778,712	0	5,084,501
Unassigned	0	0	(457,146)
<b>Total Fund Balances</b>	<b>1,778,712</b>	<b>0</b>	<b>4,627,355</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$2,025,151</b>	<b>\$0</b>	<b>\$6,095,946</b>

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Mason City School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2014

	Community Services	District Managed Student Activity	Auxiliary Services	OneNet Network Connectivity
<b>Revenues:</b>				
Tuition and Fees	\$118,565	\$178,766	\$0	\$0
Investment Earnings	100	37	16	0
Intergovernmental	0	0	859,215	9,000
Extracurricular Activities	63,905	1,242,805	0	0
Charges for Services	1,819,916	13,696	0	0
Other Revenues	52,510	164,609	0	0
<b>Total Revenues</b>	<b>2,054,996</b>	<b>1,599,913</b>	<b>859,231</b>	<b>9,000</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	221,638	0	0	0
Special	0	0	0	0
Vocational	0	0	0	0
<b>Support Services:</b>				
Pupil	1,555	0	0	0
Instructional Staff	7,622	0	0	0
Business	131,581	0	0	0
Operations and Maintenance	1,093,221	0	0	0
Pupil Transportation	319	0	0	0
Central	13	0	0	0
Operation of Non-Instructional Services	21,206	0	678,060	0
Extracurricular Activities	41,362	1,493,723	0	0
<b>Debt Service:</b>				
Principal Retirement	92,000	0	0	0
Interest and Fiscal Charges	236,665	0	0	0
<b>Total Expenditures</b>	<b>1,847,182</b>	<b>1,493,723</b>	<b>678,060</b>	<b>0</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>207,814</b>	<b>106,190</b>	<b>181,171</b>	<b>9,000</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>207,814</b>	<b>106,190</b>	<b>181,171</b>	<b>9,000</b>
<b>Fund Balance - Beginning of Year</b>	<b>2,316,927</b>	<b>367,308</b>	<b>106,223</b>	<b>0</b>
<b>Fund Balance - End of Year</b>	<b>\$2,524,741</b>	<b>\$473,498</b>	<b>\$287,394</b>	<b>\$9,000</b>

Gifted Supplemental	Title VI-B	Vocational Education	Title III	Title I	Public School Preschool	Improving Teacher Quality
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
25,896	1,422,522	10,000	113,003	216,175	32,764	70,019
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>25,896</u>	<u>1,422,522</u>	<u>10,000</u>	<u>113,003</u>	<u>216,175</u>	<u>32,764</u>	<u>70,019</u>
0	0	0	0	0	0	0
0	1,054,524	0	111,692	252,544	24,122	0
0	0	10,145	0	0	0	0
21,475	340,357	0	0	0	0	0
0	8,505	0	1,777	0	0	99,128
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	42,415	0	0	0	0	1,180
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>21,475</u>	<u>1,445,801</u>	<u>10,145</u>	<u>113,469</u>	<u>252,544</u>	<u>24,122</u>	<u>100,308</u>
<u>4,421</u>	<u>(23,279)</u>	<u>(145)</u>	<u>(466)</u>	<u>(36,369)</u>	<u>8,642</u>	<u>(30,289)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4,421	(23,279)	(145)	(466)	(36,369)	8,642	(30,289)
(4,808)	(301,186)	2,659	(23,102)	(39,912)	0	(2,156)
<u>(\$387)</u>	<u>(\$324,465)</u>	<u>\$2,514</u>	<u>(\$23,568)</u>	<u>(\$76,281)</u>	<u>\$8,642</u>	<u>(\$32,445)</u>

Continued

Mason City School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2014

	Food Service	Race to the Top	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>			
Tuition and Fees	\$0	\$0	\$297,331
Investment Earnings	181	0	334
Intergovernmental	559,385	0	3,317,979
Extracurricular Activities	0	0	1,306,710
Charges for Services	3,257,906	0	5,091,518
Other Revenues	1,920	0	219,039
<b>Total Revenues</b>	<b>3,819,392</b>	<b>0</b>	<b>10,232,911</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	0	0	221,638
Special	0	0	1,442,882
Vocational	0	0	10,145
<b>Support Services:</b>			
Pupil	0	0	363,387
Instructional Staff	0	0	117,032
Business	0	0	131,581
Operations and Maintenance	832	0	1,094,053
Pupil Transportation	0	0	319
Central	0	0	13
Operation of Non-Instructional Services	3,708,273	0	4,451,134
Extracurricular Activities	0	0	1,535,085
<b>Debt Service:</b>			
Principal Retirement	0	0	92,000
Interest and Fiscal Charges	0	0	236,665
<b>Total Expenditures</b>	<b>3,709,105</b>	<b>0</b>	<b>9,695,934</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>110,287</b>	<b>0</b>	<b>536,977</b>
<b>Other Financing Sources (Uses):</b>			
Transfers In	0	1,400	1,400
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>1,400</b>	<b>1,400</b>
<b>Net Change in Fund Balance</b>	<b>110,287</b>	<b>1,400</b>	<b>538,377</b>
<b>Fund Balance - Beginning of Year</b>	<b>1,668,425</b>	<b>(1,400)</b>	<b>4,088,978</b>
<b>Fund Balance - End of Year</b>	<b>\$1,778,712</b>	<b>\$0</b>	<b>\$4,627,355</b>

Mason City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2014

	Community Services Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Tuition and Fees	\$116,050	\$118,565	\$2,515
Investment Earnings	98	100	2
Extracurricular Activities	62,549	63,905	1,356
Charges for Services	1,711,645	1,748,745	37,100
Other Revenues	104,221	106,480	2,259
<b>Total Revenues</b>	<b>1,994,563</b>	<b>2,037,795</b>	<b>43,232</b>
Expenditures:			
Current:			
Instruction:			
Regular	262,076	223,273	38,803
Support Services:			
Pupil	2,775	2,364	411
Instructional Staff	10,450	8,903	1,547
Business	154,470	131,599	22,871
Operations and Maintenance	1,312,731	1,118,369	194,362
Pupil Transportation	374	319	55
Central	15	13	2
Operation of Non-Instructional Services	26,666	22,718	3,948
Extracurricular Activities	48,668	41,462	7,206
Debt Service:			
Principal Retirement	128,544	109,512	19,032
Interest and Fiscal Charges	257,240	219,153	38,087
<b>Total Expenditures</b>	<b>2,204,009</b>	<b>1,877,685</b>	<b>326,324</b>
<b>Net Change in Fund Balance</b>	<b>(209,446)</b>	<b>160,110</b>	<b>369,556</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	2,115,795	2,115,795	0
<b>Fund Balance - End of Year</b>	<b>\$1,906,349</b>	<b>\$2,275,905</b>	<b>\$369,556</b>

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	District Managed Student Activity Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Tuition and Fees	\$175,627	\$178,766	\$3,139
Investment Earnings	36	37	1
Extracurricular Activities	1,214,508	1,236,215	21,707
Charges for Services	13,456	13,696	240
Other Revenues	152,564	155,291	2,727
<b>Total Revenues</b>	<b>1,556,191</b>	<b>1,584,005</b>	<b>27,814</b>
Expenditures:			
Current:			
Extracurricular Activities	1,830,369	1,589,363	241,006
<b>Total Expenditures</b>	<b>1,830,369</b>	<b>1,589,363</b>	<b>241,006</b>
Excess of Revenues Over (Under) Expenditures	(274,178)	(5,358)	268,820
Other Financing Sources (Uses):			
Advances In	2,230	2,270	40
Advances (Out)	(35,443)	(30,776)	4,667
<b>Total Other Financing Sources (Uses)</b>	<b>(33,213)</b>	<b>(28,506)</b>	<b>4,707</b>
<b>Net Change in Fund Balance</b>	<b>(307,391)</b>	<b>(33,864)</b>	<b>273,527</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	451,569	451,569	0
<b>Fund Balance - End of Year</b>	<b>\$144,178</b>	<b>\$417,705</b>	<b>\$273,527</b>

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$16	\$16	\$0
Intergovernmental	859,210	859,215	5
<b>Total Revenues</b>	<b>859,226</b>	<b>859,231</b>	<b>5</b>
Expenditures:			
Current:			
Operation of Non-Instructional Services	1,189,606	941,909	247,697
<b>Total Expenditures</b>	<b>1,189,606</b>	<b>941,909</b>	<b>247,697</b>
<b>Net Change in Fund Balance</b>	<b>(330,380)</b>	<b>(82,678)</b>	<b>247,702</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	330,389	330,389	0
<b>Fund Balance - End of Year</b>	<b>\$9</b>	<b>\$247,711</b>	<b>\$247,702</b>

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	OneNet Network Connectivity Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$4,500	\$9,000	\$4,500
Total Revenues	4,500	9,000	4,500
Expenditures:			
Current:			
Support Services:			
Central	4,500	0	4,500
Total Expenditures	4,500	0	4,500
Net Change in Fund Balance	0	9,000	9,000
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$9,000	\$9,000

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	Gifted Supplemental Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$14,143	\$14,143	\$0
Total Revenues	14,143	14,143	0
Expenditures:			
Current:			
Support Services:			
Pupil	22,378	22,378	0
Total Expenditures	22,378	22,378	0
Excess of Revenues Over (Under) Expenditures	(8,235)	(8,235)	0
Other Financing Sources (Uses):			
Advances In	6,257	6,257	0
Total Other Financing Sources (Uses)	6,257	6,257	0
Net Change in Fund Balance	(1,978)	(1,978)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,978	1,978	0
Fund Balance - End of Year	\$0	\$0	\$0

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$1,422,522	\$1,422,522	\$0
Total Revenues	<u>1,422,522</u>	<u>1,422,522</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special	1,094,728	1,080,025	14,703
Support Services:			
Pupil	339,606	335,045	4,561
Instructional Staff	9,128	9,005	123
Operation of Non-Instructional Services	42,992	42,415	577
Total Expenditures	<u>1,486,454</u>	<u>1,466,490</u>	<u>19,964</u>
Excess of Revenues Over (Under) Expenditures	<u>(63,932)</u>	<u>(43,968)</u>	<u>19,964</u>
Other Financing Sources (Uses):			
Advances In	51,498	51,498	0
Total Other Financing Sources (Uses)	<u>51,498</u>	<u>51,498</u>	<u>0</u>
Net Change in Fund Balance	(12,434)	7,530	19,964
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>12,426</u>	<u>12,426</u>	<u>0</u>
Fund Balance - End of Year	<u><u>(\$8)</u></u>	<u><u>\$19,956</u></u>	<u><u>\$19,964</u></u>

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$9,000	\$10,000	\$1,000
Total Revenues	9,000	10,000	1,000
Expenditures:			
Current:			
Instruction:			
Vocational	11,655	10,716	939
Total Expenditures	11,655	10,716	939
Net Change in Fund Balance	(2,655)	(716)	1,939
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	2,659	2,659	0
Fund Balance - End of Year	\$4	\$1,943	\$1,939

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$113,003	\$113,003	\$0
Total Revenues	<u>113,003</u>	<u>113,003</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special	110,974	110,974	0
Support Services:			
Instructional Staff	<u>1,777</u>	<u>1,777</u>	<u>0</u>
Total Expenditures	<u>112,751</u>	<u>112,751</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>252</u>	<u>252</u>	<u>0</u>
Other Financing Sources (Uses):			
Advances In	351	351	0
Advances (Out)	<u>(12,842)</u>	<u>(12,842)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(12,491)</u>	<u>(12,491)</u>	<u>0</u>
Net Change in Fund Balance	(12,239)	(12,239)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>12,239</u>	<u>12,239</u>	<u>0</u>
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$216,175	\$216,175	\$0
Total Revenues	216,175	216,175	0
Expenditures:			
Current:			
Instruction:			
Special	252,721	252,721	0
Total Expenditures	252,721	252,721	0
Excess of Revenues Over (Under) Expenditures	(36,546)	(36,546)	0
Other Financing Sources (Uses):			
Advances In	32,620	32,620	0
Total Other Financing Sources (Uses)	32,620	32,620	0
Net Change in Fund Balance	(3,926)	(3,926)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	3,926	3,926	0
Fund Balance - End of Year	\$0	\$0	\$0

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	Public School Preschool Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$32,764	\$32,764	\$0
Total Revenues	32,764	32,764	0
Expenditures:			
Current:			
Instruction:			
Special	32,764	24,122	8,642
Total Expenditures	32,764	24,122	8,642
Net Change in Fund Balance	0	8,642	8,642
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$8,642	\$8,642

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$70,018	\$70,019	\$1
Total Revenues	70,018	70,019	1
Expenditures:			
Current:			
Support Services:			
Instructional Staff	103,677	103,677	0
Operation of Non-Instructional Services	1,179	1,179	0
Total Expenditures	104,856	104,856	0
Excess of Revenues Over (Under) Expenditures	(34,838)	(34,837)	1
Other Financing Sources (Uses):			
Advances In	35,499	35,499	0
Advances (Out)	(10,242)	(10,242)	0
Total Other Financing Sources (Uses)	25,257	25,257	0
Net Change in Fund Balance	(9,581)	(9,580)	1
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	9,580	9,580	0
Fund Balance - End of Year	(\$1)	\$0	\$1

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$181	\$181	\$0
Intergovernmental	559,190	559,385	195
Charges for Services	3,256,769	3,257,906	1,137
Other Revenues	3,947	3,948	1
Total Revenues	<u>3,820,087</u>	<u>3,821,420</u>	<u>1,333</u>
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	884	832	52
Operation of Non-Instructional Services	3,946,019	3,713,213	232,806
Total Expenditures	<u>3,946,903</u>	<u>3,714,045</u>	<u>232,858</u>
Net Change in Fund Balance	(126,816)	107,375	234,191
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>1,856,792</u>	<u>1,856,792</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$1,729,976</u></u>	<u><u>\$1,964,167</u></u>	<u><u>\$234,191</u></u>

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	Race to the Top Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Other Financing Sources (Uses):			
Advances (Out)	(1,400)	(1,400)	0
Transfers In	1,400	1,400	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

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## **NONMAJOR CAPITAL PROJECTS FUNDS**

### **Fund Descriptions**

**Building** - To account for receipts and expenditures related to the acquisition and construction of capital facilities including real property.

**Insurance Replacement** - To account for all transactions related to equipment replacement of the District.

Mason City School District, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2014

	Building	Insurance Replacement	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$646,062	\$9,977	\$656,039
<b>Total Assets</b>	<b>646,062</b>	<b>9,977</b>	<b>656,039</b>
Liabilities:			
Accrued Interest Payable	52,000	0	52,000
General Obligation Notes Payable	7,800,000	0	7,800,000
<b>Total Liabilities</b>	<b>7,852,000</b>	<b>0</b>	<b>7,852,000</b>
Fund Balances:			
Committed	0	9,977	9,977
Unassigned	(7,205,938)	0	(7,205,938)
<b>Total Fund Balances</b>	<b>(7,205,938)</b>	<b>9,977</b>	<b>(7,195,961)</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$646,062</b>	<b>\$9,977</b>	<b>\$656,039</b>

Mason City School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2014

	Building	Insurance Replacement	Total Nonmajor Capital Projects Funds
Revenues:			
Investment Earnings	\$62	\$0	\$62
Total Revenues	62	0	62
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	188,412	0	188,412
Operation of Non-Instructional Services	188,870	0	188,870
Debt Service:			
Interest and Fiscal Charges	104,667	0	104,667
Total Expenditures	481,949	0	481,949
Excess of Revenues Over (Under) Expenditures	(481,887)	0	(481,887)
Other Financing Sources (Uses):			
Transfers In	8,018,500	0	8,018,500
Transfers (Out)	(7,800,000)	0	(7,800,000)
Total Other Financing Sources (Uses)	218,500	0	218,500
Net Change in Fund Balance	(263,387)	0	(263,387)
Fund Balance - Beginning of Year	(6,942,551)	9,977	(6,932,574)
Fund Balance - End of Year	(\$7,205,938)	\$9,977	(\$7,195,961)

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	Building Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Investment Earnings	\$62	\$62	\$0
Charges for Services	12,490	12,500	10
<b>Total Revenues</b>	<b>12,552</b>	<b>12,562</b>	<b>10</b>
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	548,634	216,775	331,859
Capital Outlay	478,010	188,870	289,140
<b>Total Expenditures</b>	<b>1,026,644</b>	<b>405,645</b>	<b>620,999</b>
<b>Net Change in Fund Balance</b>	<b>(1,014,092)</b>	<b>(393,083)</b>	<b>621,009</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,039,145	1,039,145	0
<b>Fund Balance - End of Year</b>	<b>\$25,053</b>	<b>\$646,062</b>	<b>\$621,009</b>

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	Insurance Replacement Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	9,979	0	9,979
Total Expenditures	9,979	0	9,979
Net Change in Fund Balance	(9,979)	0	9,979
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	9,979	9,979	0
Fund Balance - End of Year	\$0	\$9,979	\$9,979

## **OTHER GENERAL FUNDS**

With the implementation of GASB Statement No. 54, certain funds that the District prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The District has only presented the budget schedules for these funds.

### **Fund Descriptions**

**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. This fund is only presented for budgetary purposes.

**Latchkey** - To account for all revenues and expenses related to the operation of the Latchkey Program for the District students. This fund is only presented for budgetary purposes.

Mason City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2014

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Tuition and Fees	\$774,075	\$778,644	\$4,569
Extracurricular Activities	543,602	546,811	3,209
Other Revenues	150,912	151,803	891
<b>Total Revenues</b>	<b>1,468,589</b>	<b>1,477,258</b>	<b>8,669</b>
Expenditures:			
Current:			
Instruction:			
Regular	802,972	760,284	42,688
Special	1,044,952	989,400	55,552
Support Services:			
General Administration	62	59	3
Operations and Maintenance	1,505	1,425	80
Pupil Transportation	434	411	23
Central	2,047	1,938	109
Operation of Non-Instructional Services	26,094	24,707	1,387
Extracurricular Activities	50,417	47,737	2,680
<b>Total Expenditures</b>	<b>1,928,483</b>	<b>1,825,961</b>	<b>102,522</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(459,894)</b>	<b>(348,703)</b>	<b>111,191</b>
Other Financing Sources (Uses):			
Advances In	925,174	930,635	5,461
Advances (Out)	(999,974)	(946,813)	53,161
<b>Total Other Financing Sources (Uses)</b>	<b>(74,800)</b>	<b>(16,178)</b>	<b>58,622</b>
<b>Net Change in Fund Balance</b>	<b>(534,694)</b>	<b>(364,881)</b>	<b>169,813</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	631,917	631,917	0
<b>Fund Balance - End of Year</b>	<b>\$97,223</b>	<b>\$267,036</b>	<b>\$169,813</b>

(1) - For GAAP reporting this fund is combined with the General Fund.

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2014

	Latchkey Fund (1)		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$85	\$87	\$2
Extracurricular Activities	245	251	\$6
Charges for Services	1,027,398	1,054,271	26,873
Other Revenues	4,888	5,016	128
<b>Total Revenues</b>	<b>1,032,616</b>	<b>1,059,625</b>	<b>27,009</b>
Expenditures:			
Current:			
Instruction:			
Regular	5,911	5,024	887
Support Services:			
Operations and Maintenance	2,866	2,436	430
Operation of Non-Instructional Services	968,846	823,483	145,363
Extracurricular Activities	160,047	136,034	24,013
<b>Total Expenditures</b>	<b>1,137,670</b>	<b>966,977</b>	<b>170,693</b>
<b>Net Change in Fund Balance</b>	<b>(105,054)</b>	<b>92,648</b>	<b>197,702</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	828,969	828,969	0
<b>Fund Balance - End of Year</b>	<b>\$723,915</b>	<b>\$921,617</b>	<b>\$197,702</b>

(1) - For GAAP reporting this fund is combined with the General Fund.

## **NONMAJOR FUNDS**

### **Fiduciary funds**

Fiduciary fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental unites and/or other funds.

### **Fund Descriptions**

**Education Private Purpose Trust Fund** - To account for scholarship programs for students.

**Agency Fund – Student Activity** - 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.

**Agency Fund - 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, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2014

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$499,468	\$1,238,405	\$1,255,327	\$482,546
Receivables (Net):				
Accounts	1,410	0	1,410	0
<b>Total Assets</b>	<b>500,878</b>	<b>1,238,405</b>	<b>1,256,737</b>	<b>482,546</b>
<b>Liabilities:</b>				
Accounts Payable	40,322	37,796	40,322	37,796
Other Liabilities	460,556	1,200,609	1,216,415	444,750
<b>Total Liabilities</b>	<b>\$500,878</b>	<b>\$1,238,405</b>	<b>\$1,256,737</b>	<b>\$482,546</b>

	Section 125 Insurance			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$44,320	\$101,253	\$91,131	\$54,442
<b>Total Assets</b>	<b>44,320</b>	<b>101,253</b>	<b>91,131</b>	<b>54,442</b>
<b>Liabilities:</b>				
Other Liabilities	44,320	101,253	91,131	54,442
<b>Total Liabilities</b>	<b>\$44,320</b>	<b>\$101,253</b>	<b>\$91,131</b>	<b>\$54,442</b>

	District Agency			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$0	\$128,579	\$119,892	\$8,687
Receivables (Net):				
Accounts	0	672	0	672
<b>Total Assets</b>	<b>0</b>	<b>129,251</b>	<b>119,892</b>	<b>9,359</b>
<b>Liabilities:</b>				
Accounts Payable	0	5,759	0	5,759
Other Liabilities	0	123,492	119,892	3,600
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$129,251</b>	<b>\$119,892</b>	<b>\$9,359</b>

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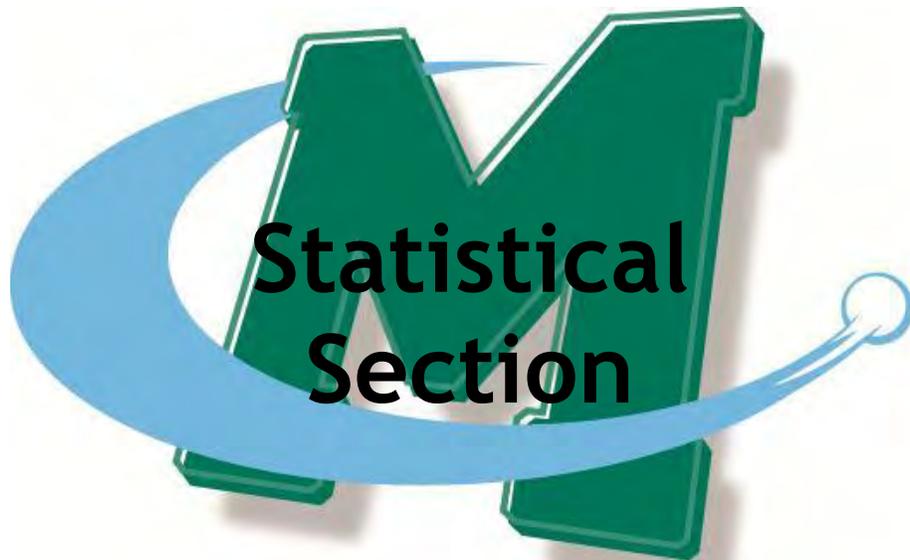
Mason City School District, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2014

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	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$543,788	\$1,468,237	\$1,466,350	\$545,675
Receivables (Net):				
Accounts	1,410	672	1,410	672
Total Assets	<u>545,198</u>	<u>1,468,909</u>	<u>1,467,760</u>	<u>546,347</u>
Liabilities:				
Accounts Payable	40,322	43,555	40,322	43,555
Other Liabilities	504,876	1,425,354	1,427,438	502,792
Total Liabilities	<u>\$545,198</u>	<u>\$1,468,909</u>	<u>\$1,467,760</u>	<u>\$546,347</u>

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**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 Position by Component,  
Last Ten Fiscal Years**  
(accrual basis of accounting)  
**Schedule 1**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net Investment In Capital Assets	\$10,271,853	\$8,832,373	\$12,537,357	\$18,655,396	\$19,761,272	\$28,790,298	\$34,400,901	\$40,667,026	\$46,466,926	\$50,767,119
Restricted	8,584,599	18,181,961	18,486,365	20,469,256	25,165,469	22,124,030	23,791,786	25,059,547	27,840,790	27,740,454
Unrestricted	13,379,457	17,303,412	30,461,781	36,715,473	42,474,167	39,041,011	37,547,433	30,049,791	27,418,240	25,284,541
Total Net Position	<u>\$32,235,909</u>	<u>\$44,317,746</u>	<u>\$61,485,503</u>	<u>\$75,840,125</u>	<u>\$87,400,908</u>	<u>\$89,955,339</u>	<u>\$95,740,120</u>	<u>\$95,776,364</u>	<u>\$101,725,956</u>	<u>\$103,792,114</u>

Source: District Records

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental Activities:										
Instruction	\$38,037,993	\$42,950,729	\$47,562,678	\$53,120,606	\$55,303,869	\$59,693,695	\$62,149,103	\$64,220,741	\$65,304,074	\$65,567,175
Pupil	4,178,645	5,165,312	5,170,132	5,914,562	6,475,271	6,467,313	7,015,312	6,997,992	6,620,329	6,956,891
Instructional Staff	6,039,669	6,363,227	6,321,764	6,692,737	7,131,304	7,349,240	8,118,256	7,965,043	1,422,550	2,384,639
General Administration	98,266	95,124	83,619	85,525	38,910	46,528	60,567	58,014	250,134	57,685
School Administration	4,598,463	4,941,644	5,134,189	5,412,530	5,522,215	5,623,539	5,894,519	5,473,265	5,245,939	5,345,653
Fiscal	1,704,142	1,853,347	2,018,476	2,053,489	2,124,953	1,952,877	1,851,351	1,788,154	1,797,291	1,932,376
Business	291,309	341,031	301,922	438,869	400,907	418,485	422,415	453,915	472,876	447,303
Operation and Maintenance	10,758,017	9,897,131	14,141,628	13,072,818	14,272,035	13,318,720	13,504,242	12,666,272	13,096,862	12,976,097
Pupil Transportation	6,689,568	6,978,574	7,209,800	7,734,614	7,076,294	7,895,529	7,615,345	6,686,897	6,497,196	6,619,587
Central	2,861,293	3,463,529	3,759,249	4,569,098	4,224,174	4,357,847	3,790,359	3,700,107	3,542,809	3,279,666
Operation of Non-instructional Services	4,347,526	4,565,582	5,505,957	5,553,265	6,074,836	5,759,571	6,058,518	6,449,265	6,119,224	5,683,603
Extracurricular Activities	1,919,330	2,075,978	2,170,808	2,312,308	2,881,756	2,408,819	2,848,531	3,052,085	3,241,891	3,351,887
Interest and Fiscal Charges	7,173,821	10,143,855	6,049,096	7,011,371	7,133,219	6,725,808	6,348,747	6,025,236	5,148,229	7,025,687
Total Government Expenses	88,698,042	98,835,063	105,429,318	113,971,792	118,659,743	122,017,971	125,677,265	125,536,986	118,759,404	121,628,249
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services										
Instruction	1,018,751	1,141,570	1,457,026	1,878,034	1,951,159	1,930,782	3,295,198	3,695,339	3,581,819	4,074,943
Pupil	506	149	928	6,245	60,584	58,884	55,023	5,834	1,034	1,522
Instructional Staff	498	292	538	4,183	4,105	6,067	12,302	366	16,647	11,783
General Administration	0	1,264	75	0	0	0	0	0	0	0
School Administration	23	705	0	0	0	0	0	0	0	0
Business	0	5,307	6,681	83,436	93,756	66,345	185,500	131,781	96,480	174,176
Operations and Maintenance	71,277	105,237	1,194,715	1,104,070	1,125,267	1,792,142	1,322,932	1,133,157	826,183	1,445,552
Pupil Transportation	3,137	1,597	2,984	46,014	16,471	6,291	0	0	0	422
Central	1,276	0	377	1,002	761	3,826	0	590	1	17
Operation of Non-Instructional Services	2,661,085	4,135,876	3,859,467	4,186,135	4,268,276	4,230,020	3,525,476	3,645,072	3,501,751	3,281,890
Extracurricular Activities	614,992	615,389	656,776	722,377	934,769	864,221	1,481,703	1,947,812	1,794,764	2,037,073
Operating Grants and Contributions	3,060,804	3,204,017	5,416,262	5,812,292	5,537,453	7,748,872	9,870,113	5,697,717	5,360,476	6,326,344
Capital Grants and Contributions	132,965	51,235	158,292	61,192	124,305	0	0	0	0	0
Total Government Revenues	7,565,314	9,262,638	12,754,121	13,904,980	14,116,906	16,707,450	19,748,247	16,257,668	15,179,155	17,353,722
<b>Net (Expense)/Revenue</b>										
Total Government Net Expense	(\$81,132,728)	(\$89,572,425)	(\$92,675,197)	(\$100,066,812)	(\$104,542,837)	(\$105,310,521)	(\$105,929,018)	(\$109,279,318)	(\$103,580,249)	(\$104,274,527)

Source: District Records

**Mason City School District**  
**General Revenues and Total Change in Net Position,**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)  
**Schedule 3**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Net (Expense)/Revenue</b>										
Total Government Net Expense	(\$81,132,728)	(\$89,572,425)	(\$92,675,197)	(\$100,066,812)	(\$104,542,837)	(\$105,310,521)	(\$105,929,018)	(\$109,279,318)	(\$103,580,249)	(\$104,274,527)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes										
Property Taxes Levied for General Purposes	40,300,691	47,623,796	53,301,379	53,549,026	53,567,568	45,848,200	52,288,070	49,004,611	50,625,797	46,641,011
Property Taxes Levied for Debt Service Purposes	10,703,660	11,408,572	12,919,464	13,348,993	13,272,994	11,152,734	12,121,055	11,350,361	11,837,442	10,948,558
Property Taxes Levied for Capital Projects	329,277	536,353	578,593	706,642	630,681	560,240	608,871	570,167	572,491	518,442
Grants and Entitlements not Restricted to Specific Programs	31,184,738	33,333,355	37,182,527	40,422,362	43,328,411	44,953,615	43,721,854	42,386,226	41,301,384	43,444,518
Payment in Lieu of Taxes	2,742,551	2,402,107	2,508,735	2,328,775	2,945,631	3,246,149	2,239,232	4,778,155	5,555,468	3,771,193
Unrestricted Contributions	60,000	60,000	81,274	0	0	0	0	31,069	101,247	150,018
Investment Earnings	1,268,520	2,282,902	2,741,989	3,718,075	1,955,147	546,300	199,006	486,293	21,871	185,110
Gain on Sale of Capital Assets	0	2,226,474	212,123	72,056	106,833	0	0	0	0	0
Other Revenues	1,475,104	1,780,703	316,870	275,505	296,355	1,557,714	535,711	708,680	393,022	681,835
Total primary government	88,064,541	101,654,262	109,842,954	114,421,434	116,103,620	107,864,952	111,713,799	109,315,562	110,408,722	106,340,685
<b>Change in Net Position</b>										
Total primary government	\$6,931,813	\$12,081,837	\$17,167,757	\$14,354,622	\$11,560,783	\$2,554,431	\$5,784,781	\$36,244	\$6,828,473	\$2,066,158

Source: District Records

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011*	2012*	2013*	2014*
General Fund										
Reserved	\$2,051,968	\$2,754,393	\$2,692,180	\$3,207,706	\$5,474,753	\$2,915,141				
Unreserved	11,684,736	16,689,386	28,765,463	34,459,374	39,626,965	39,064,608				
Nonspendable										
Restricted										
Committed										
Assigned							915,078	453,699	6,458,415	2,085,713
Unassigned							38,344,772	31,456,329	25,600,588	28,026,632
Total General Fund	<u>13,736,704</u>	<u>19,443,779</u>	<u>31,457,643</u>	<u>37,667,080</u>	<u>45,101,718</u>	<u>41,979,749</u>	<u>39,259,850</u>	<u>31,910,028</u>	<u>32,059,003</u>	<u>30,112,345</u>
All Other Governmental Funds										
Reserved	27,732,286	7,938,306	4,546,107	23,982,418	6,544,608	2,036,230				
Unreserved, Reported in:										
Special Revenue Funds	2,621,230	3,067,590	3,065,602	3,377,932	3,322,528	2,865,349				
Debt Service Funds	5,499,453	5,989,954	6,628,582	8,570,237	8,888,165	8,791,501				
Capital Project Funds	288,265	1,460,524	949,692	(1,841,343)	(2,636,690)	(1,096,645)				
Nonspendable							98,674	40,450	60,368	0
Restricted							20,685,463	23,567,432	27,134,389	27,995,049
Committed							10,811	0	9,977	9,977
Assigned							0	0	0	2,085,713
Unassigned							(6,895,100)	(7,257,846)	(7,315,115)	20,363,548
Total All Other Governmental Funds	<u>\$36,141,234</u>	<u>\$18,456,374</u>	<u>\$15,189,983</u>	<u>\$34,089,244</u>	<u>\$16,118,611</u>	<u>\$12,596,435</u>	<u>\$13,899,848</u>	<u>\$16,350,036</u>	<u>\$19,889,619</u>	<u>\$50,454,287</u>

Source: District Records

**Note:**

\* Prior year amounts have not been restated for the implementation of Statement 54.

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes	\$51,170,425	\$58,668,824	\$65,126,501	\$66,161,138	\$68,613,408	\$57,194,629	\$63,731,625	\$60,288,880	\$65,182,145	\$58,136,666
Revenue in Lieu of Taxes	2,802,551	2,462,107	2,150,536	2,688,343	3,025,536	3,246,149	2,239,232	4,778,155	5,555,468	3,771,193
Tuition and Fees	706,679	862,322	1,019,509	1,465,590	1,523,740	1,509,382	2,329,960	2,515,311	2,655,445	3,040,814
Investment Earnings	1,268,520	2,282,903	2,741,989	3,718,075	1,955,148	406,189	199,756	603,465	26,968	177,608
Intergovernmental	34,303,286	37,324,432	43,458,744	46,998,659	49,582,625	52,871,835	52,069,359	49,089,810	46,877,573	49,608,589
Extracurricular Activities	1,003,782	1,009,189	1,118,356	1,209,310	1,358,760	1,329,655	1,439,532	1,884,715	1,681,678	1,853,772
Charges for Services	3,322,430	4,709,748	4,943,610	5,444,011	5,583,324	5,643,348	6,669,397	6,215,452	5,562,734	6,227,734
Other Revenues	801,351	1,228,441	930,211	590,877	405,443	1,589,710	454,073	679,903	395,557	771,206
<b>Total Revenues</b>	<b>\$95,379,024</b>	<b>\$108,547,966</b>	<b>\$121,489,456</b>	<b>\$128,276,003</b>	<b>\$132,047,984</b>	<b>\$123,790,897</b>	<b>\$129,132,934</b>	<b>\$126,055,691</b>	<b>\$127,937,568</b>	<b>\$123,587,582</b>

**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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction	\$37,338,247	\$42,354,099	\$46,602,549	\$52,771,742	\$54,468,808	\$59,143,129	\$61,249,413	\$63,516,740	\$64,031,836	\$64,497,627
Pupil	4,147,389	5,210,686	5,108,372	5,887,042	6,463,212	6,444,095	6,983,336	7,042,546	6,547,920	6,914,148
Instructional Staff	5,994,854	6,347,333	6,224,230	6,611,946	7,120,586	7,355,141	8,077,645	7,896,816	1,518,557	2,365,585
General Administration	98,266	95,124	83,619	85,525	38,910	46,528	60,567	58,014	250,134	57,685
School Administration	4,481,342	4,900,814	5,100,493	5,374,528	5,474,364	5,568,335	5,932,932	5,401,632	5,206,190	5,269,650
Fiscal	1,684,906	1,841,158	1,999,081	2,120,418	2,103,592	1,943,552	1,830,777	1,766,689	1,788,716	1,957,646
Business	302,768	315,862	324,550	438,801	396,948	411,529	423,721	453,580	441,407	445,040
Operation and Maintenance	9,564,467	10,189,943	11,695,982	11,984,656	12,464,888	11,557,719	11,476,277	10,593,149	11,144,409	11,538,247
Pupil Transportation	6,246,443	6,472,242	6,471,731	7,629,347	6,434,424	7,611,602	7,542,715	5,998,494	5,832,777	6,556,743
Central	2,697,180	3,343,900	3,460,243	4,622,781	3,886,588	4,254,192	3,596,498	3,666,498	3,174,086	2,911,398
Operation of Non-instructional Services	4,201,562	4,449,404	5,258,877	5,500,280	5,857,504	5,664,258	5,886,282	6,300,558	5,899,742	5,503,217
Extracurricular Activities	1,866,052	1,996,818	2,057,756	2,362,869	2,750,507	2,660,674	2,732,756	2,868,870	3,034,665	3,168,911
Capital Outlay	7,484,458	25,917,835	7,257,028	8,512,330	26,864,428	4,257,718	605,199	532,743	523,717	20,507
Debt Service										
Principal Retirement	3,792,045	4,250,000	4,990,000	5,095,000	6,415,000	6,949,000	7,595,000	8,612,000	9,538,000	6,647,000
Interest and Fiscal Charges	7,188,793	6,894,023	6,556,069	7,268,569	7,272,726	6,945,574	6,571,523	6,246,996	5,390,008	7,228,513
Bond Issuance Cost	0	0	0	0	0	0	0	0	314,815	0
Total Expenditures	<u>\$97,088,772</u>	<u>\$124,579,241</u>	<u>\$113,190,580</u>	<u>\$126,265,834</u>	<u>\$148,012,485</u>	<u>\$130,813,046</u>	<u>\$130,564,641</u>	<u>\$130,955,325</u>	<u>\$124,636,979</u>	<u>\$125,081,917</u>
Debt Service as a Percentage of Noncapital Expenditures	12.31%	11.52%	10.83%	10.72%	11.29%	11.10%	11.00%	11.46%	12.04%	11.18%

Source: District Records

**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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Other Financing Sources (Uses)</b>										
Issuance of Capital Leases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Sale of Capital Assets	460,040	4,053,490	132,275	98,529	179,406	378,104	15,221	0	73,154	0
Issuance of Bonds	0	0	0	0	0	0	0	0	0	0
Issuance of Long Term Debt	0	0	0	23,000,000	5,249,000	0	0	0	0	0
Issuance of Refunding Bonds	0	59,380,000	27,565,000	0	0	0	0	0	20,460,000	0
Payment to Refunded Bonds Escrow Agent	0	(65,349,169)	(29,826,979)	0	0	0	0	0	(23,808,438)	0
Refunding Bond Premium	0	5,969,169	2,578,301	0	0	0	0	0	0	0
Premium on Bonds and Notes Issued	0	0	0	0	0	0	0	0	3,663,253	0
Transfers In	14,377,750	13,187,317	8,621,787	20,341,705	19,460,344	18,513,505	18,036,569	16,951,461	16,060,000	15,819,000
Transfers Out	(14,377,750)	(13,187,317)	(8,621,787)	(20,341,705)	(19,460,344)	(18,513,505)	(18,036,569)	(16,951,461)	(16,060,000)	(15,819,000)
Total Other Financing Sources (Uses)	460,040	4,053,490	448,597	23,098,529	5,428,406	378,104	15,221	0	387,969	0
<b>Net Change in Fund Balances</b>	<b>(\$1,249,708)</b>	<b>(\$11,977,785)</b>	<b>\$8,747,473</b>	<b>\$25,108,698</b>	<b>(\$10,536,095)</b>	<b>(\$6,644,045)</b>	<b>(\$1,416,486)</b>	<b>(\$4,899,634)</b>	<b>\$3,688,558</b>	<b>(\$1,494,335)</b>

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			
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
2007	1,530,034,250	20,283,610	48,975,855	1,599,293,715	4,786,382,823	83.45
2008	1,571,051,330	21,158,000	5,915,050	1,598,124,380	4,607,402,066	83.45
2009	1,480,572,180	22,788,680	4,489,250	1,507,850,110	4,327,930,455	83.45
2010	1,492,898,890	10,198,936	0	1,503,097,826	4,277,015,100	83.45
2011	1,505,970,130	21,168,660	0	1,527,138,790	6,033,500,162	83.45
2012	1,443,664,060	27,216,000	0	1,470,880,060	4,143,965,650	83.97
2013	1,461,234,590	29,850,640	0	1,491,085,230	4,197,159,004	83.97

**Source:** County Auditor

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

Calendar Year	District Direct Rate			Total District Direct Rate	Overlapping Rates											
					Warren County	City of Mason	Mason Public Library	Deerfield Township	Great Oaks JVSD	Warren-Clinton Community Mental Health	Turtlecreek Township	Union Township	Warren County Health District	City of Lebanon	Lebanon Library	
	General	Bond	Perm. Improvement													
2004	64.53	9.15	0.43	74.11	6.46	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2005	71.07	9.15	0.43	80.65	6.46	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2006	72.77	8.56	0.43	81.76	6.71	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2007	74.46	8.56	0.43	83.45	6.71	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2008	74.46	8.56	0.43	83.45	6.71	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2009	74.46	8.56	0.43	83.45	5.78	6.44	0.00	10.60	2.70	1.00	9.12	9.20	0.50	7.82	1.00	
2010	74.46	8.56	0.43	83.45	5.78	7.32	0.75	12.60	2.70	1.00	9.12	9.20	0.50	8.32	1.00	
2011	74.46	8.56	0.43	83.45	7.78	7.32	0.75	12.60	2.70	1.00	9.12	9.20	0.50	7.82	1.00	
2012	74.46	9.08	0.43	83.97	7.78	7.32	0.75	12.60	2.70	1.00	9.12	9.20	0.50	7.82	1.00	
2013	74.46	9.08	0.43	83.97	7.78	6.72	0.75	14.10	2.70	1.00	9.12	9.20	0.50	8.32	1.00	

Source: County Auditor

**Mason City School District  
Principal Property Tax Payers -- Warren County  
Tax Collection Year 2014 & 2006 (1)  
Schedule 10**

Taxpayer	2014	
	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio Inc.	\$29,177,410	1.96%
Deerfield Realty Holding	15,889,860	1.07%
Hills Properties Ltd	10,995,500	0.74%
Twin Fountains of Mason	8,044,720	0.54%
Community Insurance	7,676,110	0.51%
Northeast Cincinnati Hotel	6,773,000	0.45%
Tennis for Charity Inc.	5,932,840	0.40%
Sterling Lakes Apts.	5,839,230	0.39%
Cintas Sales Corp	4,331,170	0.29%
Mitsubishi Electric Mfg	4,214,370	0.28%
Total:	<u>\$98,874,210</u>	6.63%

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 Automotive	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.  
The amounts presented represent the assessed values upon which 2014 and 2006 collections were based. The earliest data available was 2006.

**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 Levy Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	52,725,826	52,648,787	99.85%	77,039	52,725,826	100.00%
2005	54,223,863	53,944,910	99.49%	278,953	54,223,863	100.00%
2006	56,733,533	56,472,883	99.54%	260,650	56,733,533	100.00%
2007	62,500,926	61,130,056	97.81%	1,182,624	62,312,680	99.70%
2008	67,096,885	65,579,262	97.74%	1,517,623	67,096,885	100.00%
2009	68,754,298	66,782,787	97.13%	1,334,015	68,116,802	99.07%
2010	68,964,253	66,990,013	97.14%	1,297,700	68,287,713	99.02%
2011	70,093,350	68,714,230	98.03%	3,146,917	71,861,147	102.52%
2012	70,237,102	69,277,930	98.63%	2,005,312	71,283,242	101.49%
2013	71,446,609	70,531,504	98.72%	1,114,688	71,646,192	100.28%

**Source:** County Auditor and District records

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

Fiscal Year	Capital Leases	General Bonded Debt Outstanding		Debt Service Fund Balance	Net General Obligation Notes & Bonds	Net Bonded Debt Per Capita	Ratio of Net Bonded Debt to Estimated Value	Primary Government		
		General Obligation Notes	General Obligation Bonds					Total Outstanding Debt	Percentage of Personal Income	Per Capita
2005	0	6,400,000	140,110,000	5,930,453	140,579,547	743	3.59%	146,510,000	2.36%	774
2006	0	5,200,000	139,627,632	6,462,916	138,364,716	704	3.42%	144,827,632	2.20%	737
2007	0	3,000,000	134,623,912	7,134,025	130,489,887	667	2.87%	137,623,912	1.91%	704
2008	0	9,750,000	152,283,855	9,097,233	152,936,622	748	3.20%	162,033,855	2.10%	793
2009	5,249,000	9,250,000	145,623,798	10,012,515	144,861,283	699	3.14%	160,122,798	1.97%	772
2010	5,225,000	9,000,000	138,453,741	9,226,109	138,227,632	656	3.19%	152,678,741	1.86%	725
2011	5,170,000	8,500,000	130,668,684	8,754,032	130,414,652	613	3.05%	144,338,684	1.67%	679
2012	5,103,000	8,000,000	121,878,627	6,936,422	122,942,205	572	2.04%	134,981,627	1.47%	628
2013	5,025,000	7,900,000	112,488,385	6,528,744	113,859,641	524	2.75%	125,413,385	1.27%	577
2014	4,933,000	7,800,000	108,878,030	5,878,777	110,799,253	506	2.64%	121,611,030	NA	555

Source: District Records

N/A - Information not available

**Mason City School District**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2014**  
**Schedule 13**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable (1)</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
<b>Overlapping Debt:</b>			
Butler County	\$50,968,150	0.06%	\$30,581
Warren County	0	26.40%	0
Lebanon City	12,396,603	0.00%	0
City of Mason	53,045,000	91.52%	48,546,784
Deerfield Township	11,220,000	57.72%	6,476,184
Turtle Creek Township	1,575,000	0.03%	473
Union Township	205,291	2.74%	5,625
West Chester Township	51,135,000	0.23%	117,611
Great Oaks Joint Vocational School	14,695,000	8.33%	1,224,094
<b>Subtotal, Overlapping Debt</b>	<b>195,240,044</b>		<b>56,401,350</b>
<b>District direct debt</b>	<b>121,611,030</b>	<b>100.00%</b>	<b>121,611,030</b>
<b>Total direct and overlapping debt</b>	<b>\$316,851,074</b>		<b>\$178,012,380</b>

**Source:** Ohio Municipal Advisory Council

(1)- Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the District by the total assessed valuation of the government.

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

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Value	<b>\$1,491,085,230</b>
Debt Limit (9% of Assessed Value)	<b>134,197,671</b>
Debt Limit - Special Needs District (2)	<b>247,858,540</b>
Debt Applicable to Limit	<b>121,611,030</b>
Legal Debt Margin	<b><u>\$126,247,510</u></b>

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$215,911,053	\$215,911,053	\$215,911,053	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540
Total Net Debt Applicable to Limit	<u>140,579,547</u>	<u>132,582,084</u>	<u>124,165,975</u>	<u>146,857,767</u>	<u>139,027,485</u>	<u>132,638,891</u>	<u>125,070,968</u>	<u>117,843,578</u>	<u>125,413,385</u>	<u>121,611,030</u>
Legal Debt Margin	<u>\$75,331,506</u>	<u>\$83,328,969</u>	<u>\$91,745,078</u>	<u>\$101,000,773</u>	<u>\$108,831,055</u>	<u>\$115,219,649</u>	<u>\$122,787,572</u>	<u>\$130,014,962</u>	<u>\$122,445,155</u>	<u>\$126,247,510</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	65.11%	61.41%	57.51%	59.25%	56.09%	53.51%	50.46%	47.54%	50.60%	49.06%

**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**

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Personal Income (Thousands of Dollars) (2)</b>	<b>Per Capita Personal Income (3)</b>	<b>Unemployment Rate (4)</b>
2004	189,276	6,213,055	32,745	4.00%
2005	196,622	6,597,227	33,524	4.70%
2006	195,575	7,211,608	36,134	4.50%
2007	204,390	7,709,497	37,865	4.90%
2008	207,353	8,121,993	39,156	5.60%
2009	210,712	8,189,840	38,867	9.30%
2010	212,693	8,645,056	40,536	8.10%
2011	214,910	9,202,095	42,818	6.30%
2012	217,241	9,880,531	45,482	6.50%
2013	219,169	NA	NA	6.40%

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

(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 Nine Years Prior  
Schedule 16**

Employer	2014 (1)	
	Number of Employees	Percentage of Total Employment
Procter & Gamble	1,948	1.82%
WellPoint	1,748	1.63%
Luxtottica Retail	1,533	1.23%
Cintas Corporate	1,322	1.03%
Mason City Schools	1,099	1.43%
L3 Cincinnati Electronics	653	0.61%
Cengage Learning, Inc.	575	0.44%
Intelligrated Systems, LLC	468	0.42%
Portion Pac	455	0.54%
Mitsubishi Electric	395	0.37%
	<u>10,196</u>	<u>9.52%</u>

Total County Employment (3) 107,100

Employer	2005 (2)	
	Number of Employees	Percentage of Total Employment
Procter & Gamble	2,400	2.41%
Cintas	1,800	1.81%
Anthem Blue Cross & Blue Shield	1,300	1.31%
Mason City Schools	1,207	1.21%
Luxtottica Retail	1,162	1.17%
Blackhawk Automotive	733	0.74%
Siemens Business Services, Inc.	500	0.50%
Portion Pac	483	0.49%
UBE Automotive Inc.	458	0.46%
Mitsubishi Electric Automotive	435	0.44%
	<u>10,478</u>	<u>10.53%</u>

Total County Employment (3) 99,500

Source: (1) Warren County Economic Development Department & City of Mason Economic Development - most recent information available

Source: (2) City of Mason Income Tax Department

Source: (3) Historical Civilian Labor Force Estimates

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Office/Administrative</b>										
Superintendent/Associate/Assistants	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00
Principals/Assistant	23.00	23.00	24.00	24.00	25.00	26.00	26.00	23.00	21.00	20.33
Other	18.00	19.93	20.56	22.75	20.75	21.75	21.00	20.00	17.90	17.00
<b>Official/Administrative</b>	<u>45.00</u>	<u>46.93</u>	<u>48.56</u>	<u>50.75</u>	<u>49.75</u>	<u>51.75</u>	<u>51.00</u>	<u>46.00</u>	<u>41.90</u>	<u>40.33</u>
<b>Professional- Educational</b>										
Total General Education	452.76	466.62	503.01	528.82	558.55	547.53	544.00	527.26	511.05	513.00
Special Education	75.50	82.00	90.84	94.27	86.58	96.51	94.91	93.12	88.67	87.72
Curriculum Specialist	12.00	12.00	12.00	12.50	13.00	12.00	12.00	10.50	12.50	10.00
Counseling	16.00	17.00	17.00	20.50	22.10	22.10	21.00	21.00	20.00	20.00
Librarian/Media	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Other Professional	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00
<b>Professional-Educational</b>	<u>559.26</u>	<u>580.62</u>	<u>625.85</u>	<u>659.09</u>	<u>683.23</u>	<u>681.14</u>	<u>674.91</u>	<u>654.88</u>	<u>634.22</u>	<u>632.72</u>
<b>Professional - Other</b>										
Public Relations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Psychologists	5.00	5.00	5.00	5.00	5.00	8.00	9.00	9.00	9.00	9.00
Social Work	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Speech, OT, PT	11.36	14.65	19.74	14.13	13.87	13.87	14.15	13.95	14.12	14.88
<b>Professional - Other</b>	<u>18.36</u>	<u>21.65</u>	<u>26.74</u>	<u>21.13</u>	<u>20.87</u>	<u>23.87</u>	<u>25.15</u>	<u>24.95</u>	<u>25.12</u>	<u>25.88</u>
<b>Technical</b>										
Information Technology	12.00	12.00	13.00	13.00	13.00	13.00	12.00	11.00	11.00	9.00
Practical Nursing	7.60	8.52	8.02	8.02	8.96	9.46	9.93	8.99	8.52	8.46
Library Aide	10.77	10.77	11.84	11.97	11.70	9.70	10.20	10.20	7.20	7.20
Other Technical	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
<b>Technical</b>	<u>32.37</u>	<u>33.29</u>	<u>34.86</u>	<u>34.99</u>	<u>35.66</u>	<u>34.16</u>	<u>34.13</u>	<u>32.19</u>	<u>28.72</u>	<u>25.66</u>
<b>Office/ Clerical</b>	<u>57.30</u>	<u>58.23</u>	<u>60.73</u>	<u>67.73</u>	<u>70.19</u>	<u>69.99</u>	<u>67.89</u>	<u>62.50</u>	<u>56.77</u>	<u>55.52</u>
<b>Crafts &amp; Trades</b>	<u>15.00</u>	<u>17.00</u>	<u>16.00</u>	<u>14.00</u>	<u>14.00</u>	<u>13.00</u>	<u>13.00</u>	<u>12.00</u>	<u>11.00</u>	<u>9.00</u>
<b>Bus Drivers</b>	<u>74.63</u>	<u>80.71</u>	<u>82.38</u>	<u>89.04</u>	<u>91.35</u>	<u>90.81</u>	<u>80.28</u>	<u>68.80</u>	<u>69.75</u>	<u>66.37</u>
<b>Extra- Curricular</b>	<u>0.00</u>									
<b>Service Work/ Laborer</b>										
Attendance Officer	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94
Custodian	71.00	71.00	67.00	65.00	60.00	59.00	56.00	44.00	41.00	37.00
Groundskeeping	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Food Service	42.19	40.92	46.35	46.33	51.65	54.64	51.48	48.43	46.77	45.18
Guard/ Watchman	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	1.00	1.00
Monitoring (Recess)	19.41	17.68	19.96	23.47	24.70	21.50	24.57	28.24	22.08	21.86
Attendant (Paraprofessionals)	137.00	147.50	151.52	155.31	160.91	163.55	171.04	158.94	141.71	134.11
Other Services Worker/ Laborer	0.27	0.27	0.27	0.27	0.27	1.14	0.27	0.27	0.00	0.00
Total support and administration	<u>276.81</u>	<u>284.31</u>	<u>291.04</u>	<u>296.32</u>	<u>303.47</u>	<u>306.77</u>	<u>310.30</u>	<u>286.82</u>	<u>256.50</u>	<u>243.09</u>
<b>Total employees</b>	<u>1078.73</u>	<u>1122.74</u>	<u>1186.16</u>	<u>1233.05</u>	<u>1268.52</u>	<u>1271.49</u>	<u>1256.66</u>	<u>1188.14</u>	<u>1123.98</u>	<u>1098.57</u>

Source: State Department of Education

**Mason City School District  
Operating Statistics  
Last Ten Fiscal Years  
Schedule 18**

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditure</b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Students Receiving Free or Reduced-Price Meals</b>
2005	9,246	78,623,476	8,504	4.70%	88,698,042	9,593	9.15%	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%
2008	10,710	105,389,935	9,840	8.21%	113,971,792	10,642	4.76%	711.00	15.1	3.83%
2009	10,803	107,460,331	9,947	1.09%	118,659,743	10,984	3.22%	744.00	14.5	4.55%
2010	10,974	112,660,754	10,266	3.21%	122,017,971	11,119	1.23%	761.00	14.4	5.37%
2011	11,013	115,792,919	10,514	2.42%	125,677,265	11,412	2.63%	755.00	14.6	6.44%
2012	10,991	115,563,586	10,514	0.00%	125,536,986	11,422	0.09%	708.50	15.5	6.94%
2013	10,911	108,870,439	9,978	-5.10%	118,759,404	10,884	-4.71%	691.50	15.8	7.68%
2014	10,773	111,185,897	10,321	3.44%	\$121,628,249	11,290	3.73%	672.50	16.0	8.00%

**Source:** Nonfinancial information from district records.

N/A - Information not available

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>School</b>										
<b>Elementary</b>										
MECC - Annex- Preschool (1973)										
Square feet	9,034	9,034								
Capacity	175	175								
Enrollment	134	161								
Mason Early Childhood (1911)										
Square feet	56,926	56,926								
Capacity	475	475								
Enrollment	757	801								
Mason Early Childhood (2006)										
Square feet			172,211	172,211	172,211	172,211	172,211	172,211	172,211	172,211
Capacity			2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Enrollment			1,850	1,797	1,754	1,747	1,706	1,549	1,905	1,854
Mason Heights (1965)										
Square feet	101,863	101,863	101,863	101,863	101,863	101,863	101,863	101,863		
Capacity	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200		
Enrollment	1,226	1,216	844	890	874	833	821	838		
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	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,139	1,208	857	888	907	866	855	840	1,164	1,050
Mason Intermediate (1998/1994)										
Square feet	290,552	290,552	356,700	356,700	356,700	356,700	356,700	356,700	356,700	356,700
Capacity	2,400	2,400	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Enrollment	2,211	2,387	2,519	2,592	2,608	2,715	2,700	2,678	2,617	2,606
<b>Junior High School</b>										
Mason Middle (1958)										
Square feet	276,378	276,378	276,378	276,378	276,378	276,378	276,378	276,378	276,378	276,378
Capacity	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	1,371	1,452	1,542	1,663	1,713	1,724	1,773	1,800	1,845	1,853
<b>High School</b>										
William Mason High (2002) (2010)										
Square feet	375,010	375,010	375,010	375,010	375,010	539,236	539,236	539,236	539,236	539,236
Capacity	2,950	2,950	2,950	2,950	2,950	3,513	3,513	3,700	3,700	3,700
Enrollment	2,408	2,567	2,767	2,880	2,947	3,089	3,158	3,286	3,380	3,410

Source: School District Records

**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 2013-2014 School Year:	<b>973,625</b>
Number Meals Served by Food Service Department for the 2013-2014 School Year:	<b>1,171,800</b>

School Buildings	Grade Levels	Enrollment
Mason Early Childhood Center	PS-2	<b>1,854</b>
Western Row Elementary	2-3	<b>1,050</b>
Mason Intermediate	4-6	<b>2,606</b>
Mason Middle School	7-8	<b>1,853</b>
William Mason High School	9-12	<b>3,410</b>
		<b>10,773</b>

Degree	Number of Certified Staff	Percentage of Total
<b>Bachelor's Degree</b>	<b>30.0</b>	<b>4.46%</b>
<b>Bachelor + 150</b>	<b>70.5</b>	<b>10.48%</b>
<b>Master's Degree</b>	<b>569.0</b>	<b>84.61%</b>
<b>Doctorate</b>	<b>3.0</b>	<b>0.45%</b>
<b>Total</b>	<b>672.5</b>	<b>100.00%</b>

Years of Experience	Number of Certified Staff	Percentage of Total
<b>0 - 5</b>	<b>80.5</b>	<b>11.97%</b>
<b>6 - 10</b>	<b>223.0</b>	<b>33.16%</b>
<b>11 - 15</b>	<b>159.5</b>	<b>23.72%</b>
<b>16 - 20</b>	<b>107.5</b>	<b>15.99%</b>
<b>21 - 25</b>	<b>59.0</b>	<b>8.77%</b>
<b>26 - 30</b>	<b>28.0</b>	<b>4.16%</b>
<b>31 - 35</b>	<b>15.0</b>	<b>2.23%</b>
<b>36 - 40</b>	<b>0.0</b>	<b>0.00%</b>
	<b>672.5</b>	<b>100.00%</b>

Source: School District Records

**MASON CITY SCHOOL DISTRICT, OHIO  
STUDENT POPULATION BY SEX AND BY RACE  
FOR THE 2013-2014 SCHOOL YEAR  
Schedule 21**

Grade	Male	Female	Total
PS	99	72	171
K	310	265	575
1	368	311	679
2	349	364	713
3	410	356	766
4	432	435	867
5	455	421	876
6	456	407	863
7	480	398	878
8	517	460	977
9	438	419	857
10	443	435	878
11	416	416	832
12	425	416	841
Ungraded			0
	5,598	5,175	10,773

Race	Total	Percent
American Indian/Alaskan	18	0.17%
Asian	1,869	17.35%
Black	414	3.84%
Caucasian	7,591	70.46%
Hispanic	415	3.85%
Multi-Racial	456	4.23%
Hawaiian/Pac Island	10	0.09%
	10,773	99.99%

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
2013-14	171	575	679	713	766	867	876	863	878	977	857	878	832	841	10,773
2012-13	191	601	687	743	847	872	866	879	969	877	867	828	812	872	-1.26%
2011-12	193	623	733	826	852	845	872	961	880	917	850	809	851	779	-0.73%
2010-11	201	689	816	828	848	862	959	879	899	874	814	849	755	740	10,991
2009-10	211	727	809	827	872	931	885	899	867	857	852	768	719	750	-0.20%
2008-09	196	751	807	855	926	861	890	857	853	860	767	727	746	707	11,013
2007-08	180	765	852	923	855	885	843	864	863	800	721	736	683	740	0.36%
2006-07	168	798	886	826	873	834	831	854	798	744	729	693	741	604	10,974
2005-06	161	801	802	840	782	813	812	762	725	727	674	713	593	587	1.58%
2004-05	134	757	821	759	785	790	737	684	698	673	727	596	595	490	10,803
															0.87%
															10,710
															3.19%
															10,379
															5.99%
															9,792
															5.91%
															9,246
															7.08%

(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, 2014**  
**Schedule 23**

Facility	Address	Administrator / Contact	Grades	Phone Numbers
Early Childhood Center	4631 Hickory Woods Dr.	Melissa Bly	PS-2	398-3741
Western Row School	755 Western Row Road	Eric Messer	2-3	398-5821
Mason Intermediate	6307 Mason-Montgomery Rd.	Greg Sears	4-6	459-2850
Mason Middle School	6370 Mason-Montgomery Rd.	Tonya McCall	7-8	398-9035
Mason High School	6100 Mason-Montgomery Rd.	Mindy McCarty-Stewart	9-12	398-5025
Mason Central Administration	211 North East Street	Gail Kist-Kline		398-0474
Transportation Center	5025 Enterprise Drive	Carolyn Thornton		398-6682
Maintenance Garage	5120 Enterprise Drive	George Highfill		398-2784



# Dave Yost • 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  
DECEMBER 30, 2014**