

MASON CITY SCHOOLS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For the fiscal year ended
June 30, 2013**

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

MASON CITY SCHOOL DISTRICT
MASON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended
June 30, 2013

Prepared by:
Treasurer's Office

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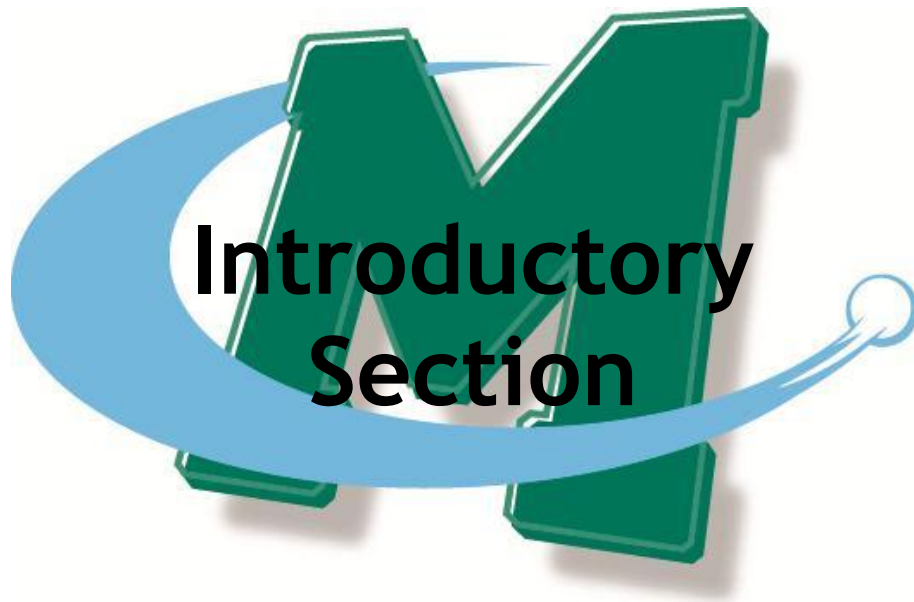
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**Introductory
Section**

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MASON CITY SCHOOLS

Treasurer's Office

211 North East Street • Mason, Ohio • 45040

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

December 17, 2013

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, 2013.

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, 2013, 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, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the School District

The District is located in Warren and Butler Counties in southwest Ohio. The District contains 25 square miles, with 99% of its territory located in Warren County and the remaining 1% in Butler County. Political subdivisions included in the District are the City of Mason, portions of Deerfield, Union and Turtle Creek Townships in Warren County, and a portion of West Chester Township in Butler County. The District is approximately 25 minutes northeast 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, 2013, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mrs. Marianne Culbertson	Jan. 2012 - Dec. 2013	18 ¾
Mrs. Courtney Allen	Jan. 2012 - Dec. 2015	1 ½
Mr. Mathew Steele	Jan. 2012 - Dec. 2013	1 ½
Mrs. Connie Yingling	Jan. 2010 - Dec. 2013	13 ¾
Mr. Kevin Wise	Jan. 2012 - Dec. 2015	10 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 was initially appointed Treasurer effective May 1, 2000, and his current contract will expire July 31, 2016.

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 10,911 students during the 2013 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 1,124 full-time equivalent employees as of June 30, 2013. The number of employees decreased in 2013 due to reductions for financial purposes. The District's current enrollment is 10,911. It is expected that the District's enrollment will be approximately 10,775 for fiscal year 2014 and will continue to decrease slightly each year for the next several years.

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 school year, bringing the base teaching salary to \$38,331; a freeze in salary and steps for the 2012-13 and 2013-14 school years, and a reopener for salary and benefits only for the 2014-15 school year.

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, 2013 and includes a freeze in wages for the 2012-13 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.

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 11,000 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 7th in the State of Ohio for academic results and spends less per pupil than most of the other top ten school districts and also less per pupil than the State's average for all school districts in the State. 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 increases of 6.25% in the first year and an additional 10.5% in the second year.

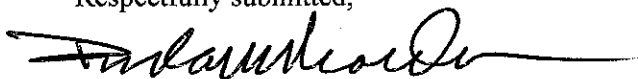
Awards and Acknowledgements

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, 2012. In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Treasurer's Office and Plattenburg and Associates, Incorporated. Credit must also be given to the Board of Education for their unfailing support for maintaining the highest standards of professionalism in the management of the Mason City School District's finances.

Respectfully submitted,



Richard L. Gardner
Treasurer and CFO



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, 2012

Executive Director/CEO

**MASON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2013**

ELECTED OFFICIALS

President, Board of Education	Kevin Wise
Vice President, Board of Education	Marianne Culbertson
Board Member	Connie Yingling
Board Member	Courtney Allen
Board Member	Matthew Steele

ADMINISTRATIVE OFFICIALS

Superintendent	Gail Kist-Kline
Associate Superintendent	Amy Spicher
Assistant Superintendent - Business	Michael Brannon
Treasurer	Richard L. Gardner
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

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**Financial
Section**



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, 2013, 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, 2013, 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* and *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 17, 2013, 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 17, 2013

Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

The discussion and analysis of Mason City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2013. 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 2013 are as follows:

- Net position of governmental activities increased \$6,828,473 which represents a 7% increase from 2012.
- General revenues accounted for \$110,408,722 in revenue or 88% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$15,179,155 or 12% of total revenues of \$125,587,877 .
- The District had \$118,759,404 in expenses related to governmental activities; \$15,179,155 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$110,408,722 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, 2013
(Unaudited)

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.

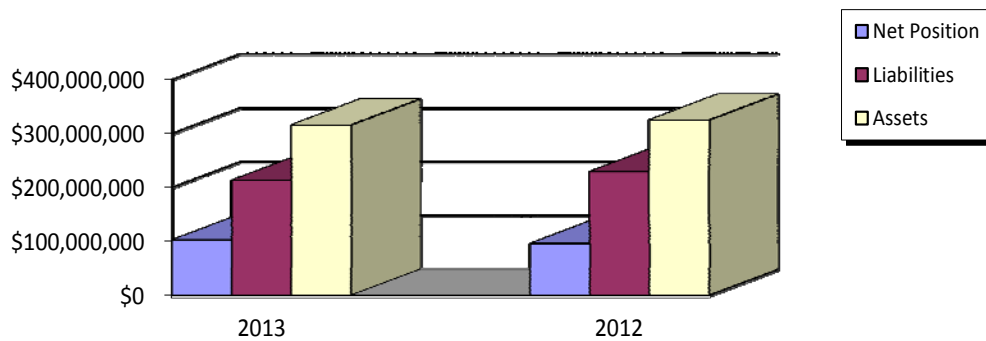
Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

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 2013 compared to 2012:

Table 1
Net Position

	Governmental Activities	
	2013	2012
Assets:		
Current and Other Assets	\$143,841,783	\$149,281,324
Capital Assets	171,880,311	175,648,653
Total Assets	315,722,094	324,929,977
Liabilities:		
Other Liabilities	89,981,247	97,377,971
Long-Term Liabilities	123,136,010	131,775,642
Total Liabilities	213,117,257	229,153,613
Net Position:		
Net Investment in Capital Assets	46,466,926	40,667,026
Restricted	27,840,790	25,059,547
Unrestricted	28,297,121	30,049,791
Total Net Position	\$102,604,837	\$95,776,364



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2013, the District's assets exceeded liabilities by \$102,604,837.

Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

At year-end, capital assets represented 54% 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, 2013, was \$46,466,926. 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, \$27,840,790 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 \$28,297,121 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 delinquents unpaid. Other Liabilities also decreased mainly due to a decrease in unearned revenue, which was due to the corresponding decrease in property taxes receivable. 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 2013 and 2012.

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Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities	
	2013	2012
Revenues:		
Program Revenues		
Charges for Services	\$9,818,679	\$10,559,951
Operating Grants, Contributions	5,360,476	5,697,717
General Revenues:		
Property Taxes	63,035,730	60,925,139
Grants and Entitlements	41,301,384	42,386,226
Other	6,071,608	6,004,197
Total Revenues	<u>125,587,877</u>	<u>125,573,230</u>
Program Expenses:		
Instruction	65,304,074	64,220,741
Support Services:		
Pupil and Instructional Staff	8,042,879	14,963,035
School Administrative, General		
Administration, Fiscal and Business	7,766,240	7,773,348
Operations and Maintenance	13,096,862	12,666,272
Pupil Transportation	6,497,196	6,686,897
Central	3,542,809	3,700,107
Operation of Non-Instructional Services	6,119,224	6,449,265
Extracurricular Activities	3,241,891	3,052,085
Interest and Fiscal Charges	5,148,229	6,025,236
Total Program Expenses	<u>118,759,404</u>	<u>125,536,986</u>
Increase (Decrease) in Net Position	6,828,473	36,244
Net Position - Beginning of Year	<u>95,776,364</u>	<u>95,740,120</u>
Net Position - End of Year	<u><u>\$102,604,837</u></u>	<u><u>\$95,776,364</u></u>

Governmental Activities

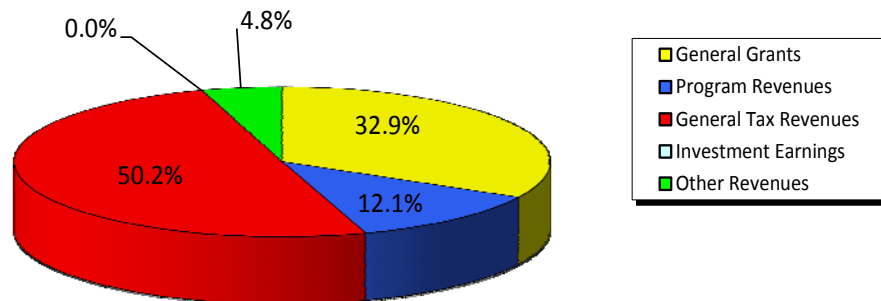
The District revenues are mainly from two sources. Property taxes and grants and entitlements comprised 83.1% of the District's revenues for governmental activities.

Mason City School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

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 50.18% of revenue for governmental activities for the District in fiscal year 2013.

Revenue Sources	2013	Percentage
General Grants	\$41,301,384	32.89%
Program Revenues	15,179,155	12.09%
General Tax Revenues	63,035,730	50.18%
Investment Earnings	21,871	0.02%
Other Revenues	6,049,737	4.82%
Revenue Sources	<u>\$125,587,877</u>	<u>100.00%</u>



Instruction comprises 54.99% of governmental program expenses. Support services expenses were 32.79% of governmental program expenses. All other expenses and interest expense was 12.22%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Property taxes increased mainly due to an increase in property tax receipts and advances available at fiscal year end 2013 as compared to fiscal year end 2012. Total Expenses decreased due to the District’s ongoing efforts to cut costs throughout the District.

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, 2013
(Unaudited)

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
Instruction	\$65,304,074	\$64,220,741	\$58,830,940	\$57,637,454
Support Services:				
Pupil and Instructional Staff	8,042,879	14,963,035	7,382,060	13,866,159
School Administrative, General				
Administration, Fiscal and Business	7,766,240	7,773,348	7,669,760	7,641,567
Operations and Maintenance	13,096,862	12,666,272	12,270,410	11,532,982
Pupil Transportation	6,497,196	6,686,897	6,403,325	6,596,803
Central	3,542,809	3,700,107	3,533,808	3,688,717
Operation of Non-Instructional Services	6,119,224	6,449,265	894,708	1,186,127
Extracurricular Activities	3,241,891	3,052,085	1,447,009	1,104,273
Interest and Fiscal Charges	5,148,229	6,025,236	5,148,229	6,025,236
Total Expenses	<u>\$118,759,404</u>	<u>\$125,536,986</u>	<u>\$103,580,249</u>	<u>\$109,279,318</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 \$96,683,247 (68%), the Debt Service Fund comprised \$18,402,424 (13%) and the Capital Projects Fund comprised \$21,381,502 (15%) of the total \$143,015,892 governmental funds' assets.

General Fund: Fund balance at June 30, 2013 was \$32,059,003 including \$25,600,588 of unassigned balance. The primary reason for the increase in fund balance was due to an increase in taxes revenue.

Debt Service Fund: Fund balance at June 30, 2013 was \$6,528,744. 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, 2013 was \$16,204,471. The primary reason for the increase in fund balance was due to an increase in TIF monies received in fiscal year 2013 as compared to fiscal year 2012.

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, 2013
(Unaudited)

The final revenue budget for the General Fund was \$92,198,629. The actual revenue was \$92,203,308. The \$4,679 difference was primarily due to a conservative estimate for taxes and intergovernmental revenue. The final budget expenditures were \$101,739,764. The actual expenditures were \$99,452,100. The \$2,287,664 difference was primarily due to an overestimate for regular expenditures.

The District’s ending unobligated General Fund cash balance was \$32,712,454.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$171,880,311 invested in land, buildings and improvements and equipment. Table 4 shows fiscal 2013 balances compared to fiscal 2012:

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

	Governmental Activities	
	2013	2012
Land	\$4,061,767	\$4,134,921
Buildings and Improvements	156,390,807	158,408,687
Equipment	<u>11,427,737</u>	<u>13,105,045</u>
Total Net Capital Assets	<u>\$171,880,311</u>	<u>\$175,648,653</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, 2013
(Unaudited)

Debt

At year end, the District had \$117,513,385 in bonds and capital leases outstanding, \$6,647,000 due within one year. Table 5 summarizes bonds and capital leases outstanding.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2013	2012
General Obligation Bonds:		
2005 Refunding High School/Recreation Center and Intermediate	\$52,045,000	\$57,255,000
2005 Refunding Bond Premium on High School/Recreation Center	3,171,121	3,544,194
2001 High School/Recreation Center	0	3,655,000
2003 Refunding Middle/High School	5,495,000	7,540,000
2004 Early Childhood Center	2,060,000	3,035,000
2007 Refunding Early Childhood Center	27,230,000	27,230,000
2007 Refunding Bond Premium on Early Childhood Center	1,898,273	2,005,703
Deferred Amount on 2007 Refunding Bonds	(215,824)	(451,270)
2008 High School Addition	0	18,065,000
2013 Refunding High School Addition - Current Interest Bonds	16,100,000	0
2013 Refunding High School Addition - Capital Appreciation Bonds	720,000	0
2013 Refunding High School Addition - Premium	3,149,306	0
2013 Deferred Charge on Refunding High School Addition	(2,939,870)	0
2013 Refunding High School/Recreation Center	3,640,000	0
2013 Refunding High School/Recreation Center - Premium	513,947	0
2013 Deferred Charge on Refunding High School/Recreation Center	(378,568)	0
Capital Leases	5,025,000	5,103,000
Total Bonds and Capital Leases	<u>\$117,513,385</u>	<u>\$126,981,627</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.

Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

Contacting the District's Financial Management

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

Mason City School District, Ohio
Statement of Net Position
June 30, 2013

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$68,632,484
Restricted Cash and Investments	85,593
Receivables:	
Taxes	69,249,870
Accounts	308,856
Interest	22,864
Intergovernmental	4,602,867
Deferred Bond Issuance Costs	878,881
Inventory	60,368
Nondepreciable Capital Assets	4,061,767
Depreciable Capital Assets, Net	<u>167,818,544</u>
 Total Assets	 <u>315,722,094</u>
Liabilities:	
Accounts Payable	1,240,038
Accrued Wages and Benefits	14,036,008
Accrued Interest Payable	556,239
Unearned Revenue	64,951,671
Claims Payable	1,297,291
General Obligation Notes Payable	7,900,000
Long-Term Liabilities:	
Due Within One Year	7,778,015
Due In More Than One Year	<u>115,357,995</u>
 Total Liabilities	 <u>213,117,257</u>
Net Position:	
Net Investment in Capital Assets	46,466,926
Restricted for:	
Federal Grants	105,724
Community Services	2,246,050
Food Service	1,612,455
Auxiliary Services	106,223
District Managed Student Activities	367,308
Debt Service	6,214,925
Capital Projects	17,185,446
Other Purposes	2,659
Unrestricted	<u>28,297,121</u>
 Total Net Position	 <u>\$102,604,837</u>

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2013

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$44,875,314	\$3,065,761	\$147,898	(\$41,661,655)
Special	16,736,773	486,149	2,657,815	(13,592,809)
Vocational	13,480	0	16,141	2,661
Other	3,678,507	29,909	69,461	(3,579,137)
Support Services:				
Pupil	6,620,329	1,034	574,825	(6,044,470)
Instructional Staff	1,422,550	16,647	68,313	(1,337,590)
General Administration	250,134	0	0	(250,134)
School Administration	5,245,939	0	0	(5,245,939)
Fiscal	1,797,291	0	0	(1,797,291)
Business	472,876	96,480	0	(376,396)
Operations and Maintenance	13,096,862	826,183	269	(12,270,410)
Pupil Transportation	6,497,196	0	93,871	(6,403,325)
Central	3,542,809	1	9,000	(3,533,808)
Operation of Non-Instructional Services	6,119,224	3,501,751	1,722,765	(894,708)
Extracurricular Activities	3,241,891	1,794,764	118	(1,447,009)
Interest and Fiscal Charges	5,148,229	0	0	(5,148,229)
Total Governmental Activities	\$118,759,404	\$9,818,679	\$5,360,476	(103,580,249)
General Revenues:				
Property Taxes Levied for:				
				50,625,797
				11,837,442
				572,491
				41,301,384
				5,555,468
				101,247
				21,871
				393,022
				110,408,722
				6,828,473
				95,776,364
				\$102,604,837

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2013

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$41,268,828	\$4,999,814	\$16,517,367	\$5,846,475	\$68,632,484
Restricted Cash and Investments	85,593	0	0	0	85,593
Receivables:					
Taxes	55,227,400	13,402,610	619,860	0	69,249,870
Accounts	13,882	0	62,904	232,070	308,856
Interest	22,864	0	0	0	22,864
Intergovernmental	11,690	0	4,181,371	409,806	4,602,867
Interfund	52,990	0	0	0	52,990
Inventory	0	0	0	60,368	60,368
Total Assets	96,683,247	18,402,424	21,381,502	6,548,719	143,015,892
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	489,399	0	429,584	321,055	1,240,038
Accrued Wages and Benefits	13,403,751	0	0	632,257	14,036,008
Compensated Absences	528,479	0	0	7,274	535,753
Accrued Interest Payable	0	0	0	65,833	65,833
Interfund Payable	0	0	0	52,990	52,990
Deferred Revenue	48,906,475	11,873,680	4,747,447	412,906	65,940,508
Claims Payable	1,296,140	0	0	0	1,296,140
General Obligation Notes Payable	0	0	0	7,900,000	7,900,000
Total Liabilities	64,624,244	11,873,680	5,177,031	9,392,315	91,067,270
Fund Balances:					
Nonspendable	0	0	0	60,368	60,368
Restricted	0	6,528,744	16,204,471	4,401,174	27,134,389
Committed	0	0	0	9,977	9,977
Assigned	6,458,415	0	0	0	6,458,415
Unassigned	25,600,588	0	0	(7,315,115)	18,285,473
Total Fund Balances	32,059,003	6,528,744	16,204,471	(2,843,596)	51,948,622
Total Liabilities and Fund Balances	\$96,683,247	\$18,402,424	\$21,381,502	\$6,548,719	\$143,015,892

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio
 Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2013

Total Governmental Fund Balance		\$51,948,622
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.		171,880,311
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	\$534,870	
Interest	17,147	
Intergovernmental	409,806	
Other	<u>27,014</u>	
		988,837
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.		(490,406)
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	(\$5,086,872)	
Claims Liability	<u>(1,151)</u>	
		(5,088,023)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		878,881
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(117,513,385)</u>
Net Position of Governmental Activities		<u>\$102,604,837</u>

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$52,342,026	\$12,246,771	\$593,348	\$0	\$65,182,145
Revenue in Lieu of Taxes	0	0	5,555,468	0	5,555,468
Tuition and Fees	2,433,008	0	0	222,437	2,655,445
Investment Earnings	20,090	1,059	4,313	1,506	26,968
Intergovernmental	40,654,613	2,174,648	102,080	3,946,232	46,877,573
Extracurricular Activities	530,760	0	0	1,150,918	1,681,678
Charges for Services	1,071,132	0	0	4,491,602	5,562,734
Other Revenues	139,990	0	75,388	180,179	395,557
Total Revenues	97,191,619	14,422,478	6,330,597	9,992,874	127,937,568
Expenditures:					
Current:					
Instruction:					
Regular	43,252,910	0	140,235	238,441	43,631,586
Special	15,450,438	0	1,328	1,256,497	16,708,263
Vocational	0	0	0	13,480	13,480
Other	3,678,507	0	0	0	3,678,507
Support Services:					
Pupil	6,084,333	0	1,846	461,741	6,547,920
Instructional Staff	1,341,439	0	0	177,118	1,518,557
General Administration	250,134	0	0	0	250,134
School Administration	5,191,283	13,704	1,203	0	5,206,190
Fiscal	1,677,312	106,131	5,273	0	1,788,716
Business	310,907	0	0	130,500	441,407
Operations and Maintenance	8,826,681	0	1,201,327	1,116,401	11,144,409
Pupil Transportation	5,832,777	0	0	0	5,832,777
Central	2,671,289	0	493,796	9,001	3,174,086
Operation of Non-Instructional Services	808,253	0	0	5,091,489	5,899,742
Extracurricular Activities	1,666,381	0	0	1,368,284	3,034,665
Capital Outlay	0	0	20,061	503,656	523,717
Debt Service:					
Principal Retirement	0	9,460,000	0	78,000	9,538,000
Interest and Fiscal Charges	0	4,990,321	0	399,687	5,390,008
Bond Issuance Cost	0	314,815	0	0	314,815
Total Expenditures	97,042,644	14,884,971	1,865,069	10,844,295	124,636,979
Excess of Revenues Over (Under) Expenditures	148,975	(462,493)	4,465,528	(851,421)	3,300,589
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	0	0	0	73,154	73,154
Issuance of Refunding Bonds	0	20,460,000	0	0	20,460,000
Payments to Refunded Bond Escrow Agent	0	(23,808,438)	0	0	(23,808,438)
Premium on Bonds and Notes Issued	0	3,663,253	0	0	3,663,253
Transfers In	0	7,900,000	0	8,160,000	16,060,000
Transfers (Out)	0	(8,160,000)	0	(7,900,000)	(16,060,000)
Total Other Financing Sources (Uses)	0	54,815	0	333,154	387,969
Net Change in Fund Balance	148,975	(407,678)	4,465,528	(518,267)	3,688,558
Fund Balance - Beginning of Year	31,910,028	6,936,422	11,738,943	(2,325,329)	48,260,064
Fund Balance - End of Year	\$32,059,003	\$6,528,744	\$16,204,471	(\$2,843,596)	\$51,948,622

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2013

Net Change in Fund Balance - Total Governmental Funds \$3,688,558

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	\$639,891	
Depreciation Expense	<u>(3,996,182)</u>	
		(3,356,291)

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

(412,051)

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

Delinquent Property Taxes	(\$2,146,415)	
Interest	(5,097)	
Intergovernmental	(166,486)	
Other	<u>(31,693)</u>	
		(2,349,691)

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

Principal payments	\$9,538,000	
Additional principal defeased through payment to escrow agent	<u>30,000</u>	
Principal payments		9,568,000

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

48,863

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

Bond Issuance Costs	\$314,815	
Deferred Charge on Refunding	3,318,438	
Premium on Bonds Issued	<u>(3,663,253)</u>	
		(30,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(\$535,813)	
Claims Liability	13,982	
Amortization of Deferred Charge	(235,446)	
Amortization of Bond Issuance Cost	(52,141)	
Amortization of Bond Premium	<u>480,503</u>	
		<u>(328,915)</u>

Change in Net Position of Governmental Activities \$6,828,473

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Education Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$102,023	\$543,788
Receivables:		
Accounts	0	1,410
Total Assets	<u>102,023</u>	<u>545,198</u>
Liabilities:		
Accounts Payable	0	40,322
Other Liabilities	0	504,876
Total Liabilities	<u>0</u>	<u>\$545,198</u>
Net Position:		
Held in Trust	<u>102,023</u>	
Total Net Position	<u>\$102,023</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, 2013

	Education Private Purpose Trust
Additions:	
Donations	\$6,167
Investment Earnings	32
Total Additions	<u>6,199</u>
Deductions:	
Scholarships	<u>900</u>
Total Deductions	<u>900</u>
Change in Net Position	5,299
Net Position - Beginning of Year	<u>96,724</u>
Net Position - End of Year	<u><u>\$102,023</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, 2013

Note 1 – Description of the District

The Mason City School District (the “District”) operates under a locally elected five member Board and provides educational services as authorized by its charter or further mandated by state/or federal agencies. The Board controls the District’s five instructional facilities, staffed by 432 full-time equivalent classified personnel, 692 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 10,911. 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

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, 2013

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, 2013

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, 2013

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

Deferred Revenue

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

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

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

Unearned Revenue

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

Expenses/Expenditures

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures as well as expenditures related to compensated absences and claims are recorded only when due and payable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Equity in Pooled Cash and Investments

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

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

Mason City School District, Ohio
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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 \$20,090 credited to the General Fund; \$1,059 credited to the Debt Service Fund, \$4,313 credited to the Capital Projects Fund and \$1,506 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>	Governmental Activities <u>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
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For The Fiscal Year Ended June 30, 2013

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%

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

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:

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 represent 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 \$27,840,790 in restricted net position, none were restricted by enabling legislation.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

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.

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

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."

Mason City School District, Ohio
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For The Fiscal Year Ended June 30, 2013

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

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

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

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Ohio law permits interim monies to be invested or deposited in the following securities:

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

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

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.

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, 2013, \$53,806,840 of the District's bank balance of \$58,526,840 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, 2013, the District had the following investments:

Investment Type	Fair Value	Aggregate Credit Risk	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$800,406	6.7%	0.48
Freddie Mac	743,755	6.2%	0.63
Federal Farm Credit Bank	5,021,205	42.0%	2.72
Fannie Mae	3,974,153	33.3%	2.15
Fannie Mae - Discount Note	104,997	0.9%	0.09
Municipal Bonds	741,333	6.2%	1.63
STAROhio	562,707	4.7%	0.00
Total Fair Value	\$11,948,556	100.00%	
Portfolio Weighted Average Maturity			2.02

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

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 Home Loan Bank, Freddie Mac, Federal Farm Credit Bank, Fannie Mae, and Fannie Mae – Discount Note 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.

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

Real property taxes collected in 2013 were levied in April on the assessed values as of January 1, 2012, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update every third year.

Tangible personal property tax revenue received during calendar year 2013 (other than public utility property tax) represents the collection of 2013 taxes levied against local and interexchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2013 were levied after April 1, 2012, on the value as of December 31, 2012. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

Real property taxes are payable annually or semi-annually. In 2013, 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.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

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, 2013. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2013 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, 2013, was \$6,343,320 for General Fund, \$1,528,930 for Debt Service Fund and \$72,450 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 2013 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,443,664,060
Public Utility	<u>27,216,000</u>
Total	<u><u>\$1,470,880,060</u></u>

Note 5 – Receivables

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

Note 6 - Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$4,134,921	\$0	\$73,154	\$4,061,767
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	183,719,328	0	0	183,719,328
Equipment	31,041,531	639,891	1,523,182	30,158,240
Totals at Historical Cost	<u>218,895,780</u>	<u>639,891</u>	<u>1,596,336</u>	<u>217,939,335</u>
Less Accumulated Depreciation:				
Buildings and Improvements	25,310,641	2,017,880	0	27,328,521
Equipment	17,936,486	1,978,302	1,184,285	18,730,503
Total Accumulated Depreciation	<u>43,247,127</u>	<u>3,996,182</u>	<u>1,184,285</u>	<u>46,059,024</u>
Governmental Activities Capital Assets, Net	<u>\$175,648,653</u>	<u>(\$3,356,291)</u>	<u>\$412,051</u>	<u>\$171,880,311</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$466,081
Special	5,789
Support Services:	
Pupil	22,832
Instructional Staff	15,013
School Administration	21,524
Fiscal	10,061
Business	1,110
Operations and Maintenance	1,967,884
Pupil Transportation	644,896
Central	420,087
Operation of Non-Instructional Services	213,707
Extracurricular Activities	207,198
Total Depreciation Expense	<u>\$3,996,182</u>

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

Note 7 - Short-Term Notes Payable

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

	Beginning Principal <u>Outstanding</u>	<u>Additions</u>	<u>Deletions</u>	Ending Principal <u>Outstanding</u>
Mason Intermediate Construction 2011 2.00%	\$8,000,000	\$0	\$8,000,000	\$0
Mason Intermediate Construction 2012 2.00%	<u>0</u>	<u>7,900,000</u>	<u>0</u>	<u>7,900,000</u>
Total	<u><u>\$8,000,000</u></u>	<u><u>\$7,900,000</u></u>	<u><u>\$8,000,000</u></u>	<u><u>\$7,900,000</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:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$7,900,000	\$158,000	\$8,058,000

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

Note 8 - Long-Term Liabilities

	Interest Rate	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:						
General Obligation Bonds:						
2001 High School/Recreation Center	5.06%	\$3,655,000	\$0	(\$3,655,000)	\$0	\$0
2005 Refunding High School/ Recreation Center	5.16%	57,255,000	0	(5,210,000) **	52,045,000	5,145,000
2005 Refund Bond Premium		3,544,194	0	(373,073)	3,171,121	0
2003 Refunding Middle/High School	3.97%	7,540,000	0	(2,045,000)	5,495,000	400,000
2004 Early Childhood Center	4.76%	3,035,000	0	(975,000)	2,060,000	1,010,000
2007 Refunding Early Childhood Center	4.98%	27,230,000	0	0	27,230,000	0
2007 Refund Bond Premium		2,005,703	0	(107,430)	1,898,273	0
Deferred Amount on 2007 Refunding		(451,270)	0	235,446	(215,824)	0
2008 High School Addition	4.00%	18,065,000		(18,065,000) *	0	0
2013 Refunding High School Addition Current Interest Bonds		0	16,100,000	0	16,100,000	0
2013 Refunding High School Addition Capital Appreciation Bonds		0	720,000	0	720,000	0
2013 Refunding High School Addition Premium		0	3,149,306	0	3,149,306	0
2013 Deferred Charge on Refunding High School Addition		0	(2,939,870)	0	(2,939,870)	0
2013 Refunding High School/ Recreation Center	4.25%	0	3,640,000	0	3,640,000	0
2013 Refunding High School/ Recreation Center Premium		0	513,947	0	513,947	0
2013 Deferred Charge on Refunding High School/ Recreation Center		0	(378,568)	0	(378,568)	0
Total General Obligation Bonds		121,878,627	20,804,815	(30,195,057)	112,488,385	6,555,000
Capital Leases		5,103,000	0	(78,000)	5,025,000	92,000
Total Long-Term Debt		126,981,627	20,804,815	(30,273,057)	117,513,385	6,647,000
Compensated Absences		4,794,015	1,667,816	(839,206)	5,622,625	1,131,015
Total Governmental Activities Long-Term Liabilities		\$131,775,642	\$22,472,631	(\$31,112,263)	\$123,136,010	\$7,778,015

* - A principal payment of \$1,245,000 was made on the old debt and the remaining \$16,820,000 was refunded.

** - A principal payment of \$1,540,000 was made on the old debt and \$3,670,000 was refunded.

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.

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

Mason City School District, Ohio
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For The Fiscal Year Ended June 30, 2013

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

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.

On May 16, 2013 the District issued \$3,640,000 Current Interest Bonds with an average interest rate of 4.25% and 4.375% of which \$3,640,000 was used to partially advance refund \$3,670,000 of outstanding 2005 High School/Recreation Center Refunding Bonds with an average interest rate of 5.16%. The net proceeds of \$4,153,947 (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, \$3,670,000 of the 2005 High School/Recreation Center Refunding Bonds are considered to be defeased and the related liability for those bonds have been removed from the Statement of Net Position.

The City advance refunded 2007 High School Addition General Obligation Bonds and the 2005 High School/Recreation Center Bonds to reduce its total debt service payments and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$5,084,572.

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
2014	\$6,555,000	\$5,018,442	\$11,573,442	\$0	\$0	\$0
2015	8,360,000	4,661,663	13,021,663	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
2019-2023	32,210,000	10,740,994	42,950,994	720,000	1,920,000	2,640,000
2024-2028	15,750,000	5,699,922	21,449,922	0	0	0
2029-2033	16,290,000	1,567,307	17,857,307	0	0	0
Total	<u>\$106,570,000</u>	<u>\$39,029,252</u>	<u>\$145,599,252</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.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

Note 9 - Prior Year Defeasance of Debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements. On June 30, 2013, \$25,515,000 of bonds outstanding are considered defeased.

Note 10 – Capital Leases – Lessee Disclosure

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.

At fiscal year-end, the District drew down \$5,101,613 to finance the project. The District began making principal payments in fiscal year 2011. The principal amount owed on the lease at year end is \$5,025,000. The capital lease will be paid from the Community Services fund. The gross amount of assets that will be acquired under capital leases is \$5,249,000 in buildings and improvements.

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, 2013.

Fiscal Year Ending June 30,	Long-Term Debt
2014	\$318,659
2015	328,332
2016	340,349
2017	349,619
2018	360,186
2019-2023	1,975,771
2024-2028	2,302,198
2029-2032	1,779,007
Total Minimum Lease Payments	7,754,121
Less: Amount Representing Interest (4.38%)	(2,638,753)
Less: Additional Program Cost Component	(90,368)
Present Value of Minimum Lease Payments	<u>\$5,025,000</u>

Note 11 - Pension Plans

School Employees Retirement System of Ohio

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

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 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, 2012, 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, 2013, 2012, and 2011 were \$2,622,000, \$2,791,776, and \$2,808,360, respectively; 100% has been contributed for fiscal year 2013, 2012 and 2011.

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 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.

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.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

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 31st 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 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.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

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, 2013, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2013, 2012, and 2011 were \$6,789,480, \$6,854,604, and \$6,779,952, respectively; 83% has been contributed for fiscal year 2013 and 100% for fiscal years 2012 and 2011.

Note 12- Post Employment Benefits

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.

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 2013, the actuarially required allocation was 0.74%. District contributions for the year ended June 30, 2013, 2012 and 2011 were \$138,591, \$151,554, and \$152,454, respectively, which equaled the required contributions each year.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

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, 2013, 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 2013, 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, 2013, 2012, and 2011 were \$29,966, \$285,160, and \$286,854, respectively; 100% has been contributed for fiscal year 2013, 2012 and 2011.

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 under *Employers/Audit Resources*.

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.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

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 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, 2013, 2012 and 2011. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2013, 2012, and 2011 were \$484,963, \$489,615, and \$484,282, respectively; 83% has been contributed for fiscal year 2013 and 100% for fiscal years 2012 and 2011.

Note 13 - Contingent Liabilities

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

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.

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.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

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 \$1,297,291 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 \$1,296,140 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 \$1,297,291 has been reported as claims payable. The \$1,151 additional amount of claims payable reported in the Government-wide Financial Statements is due within one year.

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
2011	\$1,841,614	\$12,839,842	\$11,856,169	\$2,825,287
2012	2,825,287	14,091,403	15,108,247	1,808,443
2013	1,808,443	11,489,382	12,001,685	1,296,140

Note 15 – Accountability

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

Fund	Deficit
Special Revenue:	
Gifted Supplemental	\$4,808
Title VI B	301,186
Title III	23,102
Title I	39,912
Improving Teacher Quality	2,156
Race to the Top	1,400
Capital Projects:	
Building	6,942,551

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.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

Note 16 - Required Set-Asides

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the 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, 2012	\$0	\$85,593
Current Year Set-aside Requirement	1,828,931	0
Qualified Disbursements	(2,249,988)	0
Current Year Offsets	(29,674,144)	0
Set-Aside Reserve Balance as of June 30, 2013	<u>(\$30,095,201)</u>	<u>\$85,593</u>
Restricted Cash as of June 30, 2013	<u>\$0</u>	<u>\$85,593</u>

Note 17 - Interfund Transactions

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

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$52,990	\$0	\$0	\$0
Debt Service Fund	0	0	7,900,000	8,160,000
Other Governmental Funds	0	52,990	8,160,000	7,900,000
Total All Funds	<u>\$52,990</u>	<u>\$52,990</u>	<u>\$16,060,000</u>	<u>\$16,060,000</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.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

Note 18 - Jointly Governed Organizations

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 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.

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Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

Note 19 - Fund Balances

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

Fund Balances	General	Debt Service	Capital Projects	Other Governmental Funds	Total
Nonspendable:					
Inventory	\$0	\$0	\$0	\$60,368	\$60,368
Total Nonspendable	0	0	0	60,368	60,368
Restricted for:					
Community Services	0	0	0	2,316,927	2,316,927
District Managed Student Activity	0	0	0	367,308	367,308
Auxiliary Services	0	0	0	106,223	106,223
Vocational Education	0	0	0	2,659	2,659
Food Service Operations	0	0	0	1,608,057	1,608,057
Debt Service Payments	0	6,528,744	0	0	6,528,744
Capital Projects	0	0	16,204,471	0	16,204,471
Total Restricted	0	6,528,744	16,204,471	4,401,174	27,134,389
Committed to:					
Insurance Replacement	0	0	0	9,977	9,977
Total Committed	0	0	0	9,977	9,977
Assigned to:					
Budgetary Variance	5,874,276	0	0	0	5,874,276
Encumbrances	584,139	0	0	0	584,139
Total Assigned	6,458,415	0	0	0	6,458,415
Unassigned (Deficit)	25,600,588	0	0	(7,315,115)	18,285,473
Total Fund Balance	<u>\$32,059,003</u>	<u>\$6,528,744</u>	<u>\$16,204,471</u>	<u>(\$2,843,596)</u>	<u>\$51,948,622</u>

Note 20 – Change in Accounting Principles

The District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements and GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASB Statement No. 62 incorporates Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants' (AICPA) accounting and financial reporting guidance issued on or before November 30, 1989 into GASB authoritative literature. GASB Statement No. 63 provides financial reporting guidance for deferred outflows and inflows of resources and net position.

REQUIRED SUPPLEMENTARY INFORMATION

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, 2013

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:				
Taxes	\$49,393,651	\$49,191,020	\$49,193,516	\$2,496
Tuition and Fees	1,992,936	1,984,760	1,984,861	101
Investment Earnings	54,154	53,932	53,935	3
Intergovernmental	40,865,168	40,697,524	40,699,589	2,065
Charges for Services	82,006	81,670	81,674	4
Other Revenues	190,505	189,723	189,733	10
Total Revenues	92,578,420	92,198,629	92,203,308	4,679
Expenditures:				
Current:				
Instruction:				
<u>Regular</u>				
Salaries and Wages	32,294,867	32,294,867	31,568,703	726,164
Fringe Benefits	13,331,033	13,331,033	13,031,279	299,754
Purchased Services	11,902	11,902	11,634	268
Materials and Supplies	1,138,525	1,138,525	1,112,925	25,600
Capital Outlay	23,907	23,907	23,369	538
Other Expenditures	49,911	49,911	48,789	1,122
Total Regular	46,850,145	46,850,145	45,796,699	1,053,446
<u>Special</u>				
Salaries and Wages	9,170,623	9,170,623	8,964,418	206,205
Fringe Benefits	5,041,518	5,041,518	4,928,157	113,361
Purchased Services	649,039	649,039	634,445	14,594
Materials and Supplies	49,333	49,333	48,224	1,109
Other Expenditures	248,945	248,945	243,347	5,598
Total Special	15,159,458	15,159,458	14,818,591	340,867
<u>Other</u>				
Salaries and Wages	1,474,157	1,474,157	1,441,010	33,147
Fringe Benefits	651,206	651,206	636,563	14,643
Purchased Services	1,263,403	1,263,403	1,234,995	28,408
Total Other	3,388,766	3,388,766	3,312,568	76,198
Support Services:				
<u>Pupil</u>				
Salaries and Wages	4,133,351	4,133,351	4,040,411	92,940
Fringe Benefits	1,813,490	1,813,490	1,772,713	40,777
Purchased Services	461,271	461,271	450,899	10,372
Materials and Supplies	61,985	61,985	60,591	1,394
Other Expenditures	432	432	422	10
Total Pupil	6,470,529	6,470,529	6,325,036	145,493

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, 2013

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<u>Instructional Staff</u>				
Salaries and Wages	1,591,436	1,591,436	1,555,652	35,784
Fringe Benefits	581,049	581,049	567,984	13,065
Purchased Services	32,592	32,592	31,859	733
Materials and Supplies	63,334	63,334	61,910	1,424
Capital Outlay	554	554	542	12
Other Expenditures	10,204	10,204	9,975	229
Total Instructional Staff	<u>2,279,169</u>	<u>2,279,169</u>	<u>2,227,922</u>	<u>51,247</u>
<u>General Administration</u>				
Salaries and Wages	15,601	15,601	15,250	351
Fringe Benefits	3,474	3,474	3,396	78
Purchased Services	1,065	1,065	1,041	24
Materials and Supplies	512	512	500	12
Other Expenditures	37,550	37,550	36,706	844
Total General Administration	<u>58,202</u>	<u>58,202</u>	<u>56,893</u>	<u>1,309</u>
<u>School Administration</u>				
Salaries and Wages	3,470,079	3,470,079	3,392,053	78,026
Fringe Benefits	1,747,915	1,747,915	1,708,612	39,303
Purchased Services	255,777	255,777	250,026	5,751
Materials and Supplies	13,077	13,077	12,783	294
Capital Outlay	74	74	72	2
Other Expenditures	72,947	72,947	71,307	1,640
Total School Administration	<u>5,559,869</u>	<u>5,559,869</u>	<u>5,434,853</u>	<u>125,016</u>
<u>Fiscal</u>				
Salaries and Wages	659,454	659,454	644,626	14,828
Fringe Benefits	333,225	333,225	325,732	7,493
Purchased Services	32,042	32,042	31,322	720
Materials and Supplies	16,018	16,018	15,658	360
Other Expenditures	687,183	687,183	671,731	15,452
Total Fiscal	<u>1,727,922</u>	<u>1,727,922</u>	<u>1,689,069</u>	<u>38,853</u>
<u>Business</u>				
Salaries and Wages	208,029	208,029	203,351	4,678
Fringe Benefits	98,391	98,391	96,179	2,212
Purchased Services	8,663	8,663	8,468	195
Materials and Supplies	5,372	5,372	5,251	121
Other Expenditures	1,231	1,231	1,203	28
Total Business	<u>321,686</u>	<u>321,686</u>	<u>314,452</u>	<u>7,234</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, 2013

	General Fund			Variance from Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>Operations and Maintenance</u>				
Salaries and Wages	2,648,516	2,648,516	2,588,963	59,553
Fringe Benefits	1,533,334	1,533,334	1,498,856	34,478
Purchased Services	4,501,705	4,501,705	4,400,482	101,223
Materials and Supplies	617,452	617,452	603,568	13,884
Capital Outlay	12,629	12,629	12,345	284
Total Operations and Maintenance	9,313,636	9,313,636	9,104,214	209,422
<u>Pupil Transportation</u>				
Salaries and Wages	3,318,827	3,318,827	3,244,202	74,625
Fringe Benefits	1,716,953	1,716,953	1,678,347	38,606
Purchased Services	243,699	243,699	238,219	5,480
Materials and Supplies	885,905	885,905	865,985	19,920
Capital Outlay	3,840	3,840	3,754	86
Other Expenditures	184	184	180	4
Total Pupil Transportation	6,169,408	6,169,408	6,030,687	138,721
<u>Central</u>				
Salaries and Wages	1,407,052	1,407,052	1,375,414	31,638
Fringe Benefits	705,151	705,151	689,295	15,856
Purchased Services	358,044	358,044	349,993	8,051
Materials and Supplies	308,976	308,976	302,029	6,947
Capital Outlay	3,682	3,682	3,599	83
Other Expenditures	1,018	1,018	995	23
Total Central	2,783,923	2,783,923	2,721,325	62,598
<u>Operation of Non-Instructional Services</u>				
Purchased Services	5,052	5,052	4,938	114
Materials and Supplies	4,450	4,450	4,350	100
Other Expenditures	3,387	3,387	3,311	76
Total Operation of Non- Instructional Services	12,889	12,889	12,599	290
<u>Extracurricular Activities</u>				
Salaries and Wages	1,269,316	1,269,316	1,240,775	28,541
Fringe Benefits	296,768	296,768	290,095	6,673
Purchased Services	71,097	71,097	69,498	1,599
Materials and Supplies	6,116	6,116	5,978	138
Other Expenditures	865	865	846	19
Total Extracurricular Activities	1,644,162	1,644,162	1,607,192	36,970
Total Expenditures	101,739,764	101,739,764	99,452,100	2,287,664
Excess of Revenues Over (Under) Expenditures	(9,161,344)	(9,541,135)	(7,248,792)	2,292,343

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, 2013

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Advances In	776,220	773,036	773,075	39
Advances (Out)	(1,024,275)	(1,024,275)	(1,001,244)	23,031
Total Other Financing Sources (Uses)	(248,055)	(251,239)	(228,169)	23,070
Net Change in Fund Balance	(9,409,399)	(9,792,374)	(7,476,961)	2,315,413
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	40,189,415	40,189,415	40,189,415	0
Fund Balance - End of Year	<u>\$30,780,016</u>	<u>\$30,397,041</u>	<u>\$32,712,454</u>	<u>\$2,315,413</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, 2013

Note 1 - Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level. Any budgetary modifications at this level may only be made by Board action.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2013.

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, 2013

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	\$148,975
Revenue Accruals	(4,892,905)
Expenditures Accruals	(1,623,387)
Advances In	1,719,888
Advances (Out)	(1,698,850)
Encumbrances	(799,332)
Funds Budgeted Elsewhere	(331,350)
Budget Basis	(\$7,476,961)

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, 2013

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Taxes	\$11,504,454	\$11,466,391	(\$38,063)
Investment Earnings	2,181,867	2,174,648	(7,219)
Intergovernmental	1,063	1,059	(4)
Total Revenues	<u>13,687,384</u>	<u>13,642,098</u>	<u>(45,286)</u>
Expenditures:			
Current:			
Support Services:			
School Administration	14,045	13,704	341
Fiscal	108,768	106,131	2,637
Principal Retirement	9,695,050	9,460,000	235,050
Interest and Fiscal Charges	5,114,314	4,990,321	123,993
Total Expenditures	<u>14,932,177</u>	<u>14,570,156</u>	<u>362,021</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,244,793)</u>	<u>(928,058)</u>	<u>316,735</u>
Other Financing Sources (Uses):			
Transfers In	7,926,224	7,900,000	(26,224)
Transfers (Out)	(8,362,750)	(8,160,000)	202,750
Total Other Financing Sources (Uses)	<u>(436,526)</u>	<u>(260,000)</u>	<u>176,526</u>
Net Change in Fund Balance	(1,681,319)	(1,188,058)	493,261
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>6,187,871</u>	<u>6,187,871</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$4,506,552</u></u>	<u><u>\$4,999,813</u></u>	<u><u>\$493,261</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, 2013

	Capital Projects Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Taxes	\$558,359	\$558,498	\$139
Investment Earnings	4,312	4,313	1
Intergovernmental	102,055	102,080	25
Other Revenues	5,610,957	5,612,358	1,401
Total Revenues	6,275,683	6,277,249	1,566
Expenditures:			
Current:			
Instruction:			
Regular	435,825	233,216	202,609
Special	2,482	1,328	1,154
Support Services:			
Pupil	3,450	1,846	1,604
School Administration	2,248	1,203	1,045
Fiscal	9,854	5,273	4,581
Operations and Maintenance	2,619,673	1,401,824	1,217,849
Central	971,161	519,682	451,479
Capital Outlay	53,265	28,503	24,762
Total Expenditures	4,097,958	2,192,875	1,905,083
Net Change in Fund Balance	2,177,725	4,084,374	1,906,649
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	11,691,073	11,691,073	0
Fund Balance - End of Year	\$13,868,798	\$15,775,447	\$1,906,649

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, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$4,797,353	\$1,049,122	\$5,846,475
Receivables:			
Accounts	219,570	12,500	232,070
Intergovernmental	409,806	0	409,806
Inventory	60,368	0	60,368
Total Assets	5,487,097	1,061,622	6,548,719
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	292,692	28,363	321,055
Accrued Wages and Benefits	632,257	0	632,257
Compensated Absences	7,274	0	7,274
Accrued Interest Payable	0	65,833	65,833
Interfund Payable	52,990	0	52,990
Deferred Revenue	412,906	0	412,906
General Obligation Notes Payable	0	7,900,000	7,900,000
Total Liabilities	1,398,119	7,994,196	9,392,315
Fund Balances:			
Nonspendable	60,368	0	60,368
Restricted	4,401,174	0	4,401,174
Committed	0	9,977	9,977
Unassigned	(372,564)	(6,942,551)	(7,315,115)
Total Fund Balances	4,088,978	(6,932,574)	(2,843,596)
Total Liabilities and Fund Balances	\$5,487,097	\$1,061,622	\$6,548,719

Mason City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Tuition and Fees	\$222,437	\$0	\$222,437
Investment Earnings	1,211	295	1,506
Intergovernmental	3,946,232	0	3,946,232
Extracurricular Activities	1,150,918	0	1,150,918
Charges for Services	4,479,102	12,500	4,491,602
Other Revenues	155,120	25,059	180,179
Total Revenues	9,955,020	37,854	9,992,874
Expenditures:			
Current:			
Instruction:			
Regular	216,457	21,984	238,441
Special	1,256,497	0	1,256,497
Vocational	13,480	0	13,480
Support Services:			
Pupil	461,741	0	461,741
Instructional Staff	177,118	0	177,118
Business	130,500	0	130,500
Operations and Maintenance	1,103,953	12,448	1,116,401
Central	9,001	0	9,001
Operation of Non-Instructional Services	5,091,489	0	5,091,489
Extracurricular Activities	1,368,284	0	1,368,284
Capital Outlay	0	503,656	503,656
Debt Service:			
Principal Retirement	78,000	0	78,000
Interest and Fiscal Charges	187,398	212,289	399,687
Total Expenditures	10,093,918	750,377	10,844,295
Excess of Revenues Over (Under) Expenditures	(138,898)	(712,523)	(851,421)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	73,154	73,154
Transfers In	0	8,160,000	8,160,000
Transfers (Out)	0	(7,900,000)	(7,900,000)
Total Other Financing Sources (Uses)	0	333,154	333,154
Net Change in Fund Balance	(138,898)	(379,369)	(518,267)
Fund Balance - Beginning of Year	4,227,876	(6,553,205)	(2,325,329)
Fund Balance - End of Year	\$4,088,978	(\$6,932,574)	(\$2,843,596)

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.

Education Jobs - To account for grant monies received from the Federal Government which focuses on saving or creating education jobs for the 2010-2011 school year.

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, 2013

	Community Services	District Managed Student Activity	Auxiliary Services	OneNet Network Connectivity
Assets:				
Equity in Pooled Cash and Investments	\$2,115,795	\$451,569	\$330,389	\$0
Receivables:				
Accounts	211,256	6,286	0	0
Intergovernmental	0	0	0	0
Inventory	0	0	0	0
Total Assets	<u>2,327,051</u>	<u>457,855</u>	<u>330,389</u>	<u>0</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	2,489	62,041	211,650	0
Accrued Wages and Benefits	4,535	0	12,516	0
Compensated Absences	0	0	0	0
Interfund Payable	0	28,506	0	0
Deferred Revenue	3,100	0	0	0
Total Liabilities	<u>10,124</u>	<u>90,547</u>	<u>224,166</u>	<u>0</u>
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	2,316,927	367,308	106,223	0
Unassigned	0	0	0	0
Total Fund Balances	<u>2,316,927</u>	<u>367,308</u>	<u>106,223</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$2,327,051</u>	<u>\$457,855</u>	<u>\$330,389</u>	<u>\$0</u>

Gifted Supplemental	Title VI-B	Vocational Education	Title III	Title I	Public School Preschool	Improving Teacher Quality
\$1,978	\$12,426	\$2,659	\$12,239	\$3,926	\$0	\$9,580
0	0	0	0	0	0	0
0	237,512	0	27,537	64,255	0	79,102
0	0	0	0	0	0	0
<u>1,978</u>	<u>249,938</u>	<u>2,659</u>	<u>39,776</u>	<u>68,181</u>	<u>0</u>	<u>88,682</u>
0	184	0	8,971	0	0	1,494
6,786	313,428	0	13,528	43,838	0	0
0	0	0	0	0	0	0
0	0	0	12,842	0	0	10,242
0	237,512	0	27,537	64,255	0	79,102
<u>6,786</u>	<u>551,124</u>	<u>0</u>	<u>62,878</u>	<u>108,093</u>	<u>0</u>	<u>90,838</u>
0	0	0	0	0	0	0
0	0	2,659	0	0	0	0
<u>(4,808)</u>	<u>(301,186)</u>	<u>0</u>	<u>(23,102)</u>	<u>(39,912)</u>	<u>0</u>	<u>(2,156)</u>
<u>(4,808)</u>	<u>(301,186)</u>	<u>2,659</u>	<u>(23,102)</u>	<u>(39,912)</u>	<u>0</u>	<u>(2,156)</u>
<u>\$1,978</u>	<u>\$249,938</u>	<u>\$2,659</u>	<u>\$39,776</u>	<u>\$68,181</u>	<u>\$0</u>	<u>\$88,682</u>

Continued

Mason City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013

	Food Service	Education Jobs	Race to the Top	Total Nonmajor Special Revenue Funds
Assets:				
Equity in Pooled Cash and Investments	\$1,856,792	\$0	\$0	\$4,797,353
Receivables:				
Accounts	2,028	0	0	219,570
Intergovernmental	0	0	1,400	409,806
Inventory	60,368	0	0	60,368
Total Assets	1,919,188	0	1,400	5,487,097
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	5,863	0	0	292,692
Accrued Wages and Benefits	237,626	0	0	632,257
Compensated Absences	7,274	0	0	7,274
Interfund Payable	0	0	1,400	52,990
Deferred Revenue	0	0	1,400	412,906
Total Liabilities	250,763	0	2,800	1,398,119
Fund Balances:				
Nonspendable	60,368	0	0	60,368
Restricted	1,608,057	0	0	4,401,174
Unassigned	0	0	(1,400)	(372,564)
Total Fund Balances	1,668,425	0	(1,400)	4,088,978
Total Liabilities and Fund Balances	\$1,919,188	\$0	\$1,400	\$5,487,097

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Mason City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2013

	Community Services	District Managed Student Activity	Auxiliary Services	OneNet Network Connectivity
Revenues:				
Tuition and Fees	\$80,599	\$141,838	\$0	\$0
Investment Earnings	558	0	89	0
Intergovernmental	0	118	806,276	9,000
Extracurricular Activities	65,060	1,085,858	0	0
Charges for Services	1,005,331	7,476	0	0
Other Revenues	15,302	135,645	0	0
Total Revenues	1,166,850	1,370,935	806,365	9,000
Expenditures:				
Current:				
Instruction:				
Regular	215,057	0	0	0
Special	0	0	0	0
Vocational	0	0	0	0
Support Services:				
Pupil	1,404	0	0	0
Instructional Staff	22,415	0	0	0
Business	130,500	0	0	0
Operations and Maintenance	1,102,772	0	0	0
Central	1	0	0	9,000
Operation of Non-Instructional Services	49,625	0	834,320	0
Extracurricular Activities	39,191	1,329,093	0	0
Debt Service:				
Principal Retirement	78,000	0	0	0
Interest and Fiscal Charges	187,398	0	0	0
Total Expenditures	1,826,363	1,329,093	834,320	9,000
Net Change in Fund Balance	(659,513)	41,842	(27,955)	0
Fund Balance - Beginning of Year	2,976,440	325,466	134,178	0
Fund Balance - End of Year	\$2,316,927	\$367,308	\$106,223	\$0

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
24,672	1,560,186	9,550	83,452	176,383	42,081	54,979
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>24,672</u>	<u>1,560,186</u>	<u>9,550</u>	<u>83,452</u>	<u>176,383</u>	<u>42,081</u>	<u>54,979</u>
0	0	0	0	0	0	0
0	1,066,091	0	20,396	170,010	0	0
0	0	13,480	0	0	0	0
22,975	437,362	0	0	0	0	0
0	2,133	0	63,356	0	33,615	55,599
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	33,824	0	0	0	0	547
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>22,975</u>	<u>1,539,410</u>	<u>13,480</u>	<u>83,752</u>	<u>170,010</u>	<u>33,615</u>	<u>56,146</u>
1,697	20,776	(3,930)	(300)	6,373	8,466	(1,167)
(6,505)	(321,962)	6,589	(22,802)	(46,285)	(8,466)	(989)
<u>(\$4,808)</u>	<u>(\$301,186)</u>	<u>\$2,659</u>	<u>(\$23,102)</u>	<u>(\$39,912)</u>	<u>\$0</u>	<u>(\$2,156)</u>

Continued

Mason City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2013

	Food Service	Education Jobs	Race to the Top	Total Nonmajor Special Revenue Funds
Revenues:				
Tuition and Fees	\$0	\$0	\$0	\$222,437
Investment Earnings	564	0	0	1,211
Intergovernmental	881,903	295,532	2,100	3,946,232
Extracurricular Activities	0	0	0	1,150,918
Charges for Services	3,466,295	0	0	4,479,102
Other Revenues	4,173	0	0	155,120
Total Revenues	4,352,935	295,532	2,100	9,955,020
Expenditures:				
Current:				
Instruction:				
Regular	0	0	1,400	216,457
Special	0	0	0	1,256,497
Vocational	0	0	0	13,480
Support Services:				
Pupil	0	0	0	461,741
Instructional Staff	0	0	0	177,118
Business	0	0	0	130,500
Operations and Maintenance	1,181	0	0	1,103,953
Central	0	0	0	9,001
Operation of Non-Instructional Services	4,173,173	0	0	5,091,489
Extracurricular Activities	0	0	0	1,368,284
Debt Service:				
Principal Retirement	0	0	0	78,000
Interest and Fiscal Charges	0	0	0	187,398
Total Expenditures	4,174,354	0	1,400	10,093,918
Net Change in Fund Balance	178,581	295,532	700	(138,898)
Fund Balance - Beginning of Year	1,489,844	(295,532)	(2,100)	4,227,876
Fund Balance - End of Year	\$1,668,425	\$0	(\$1,400)	\$4,088,978

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, 2013

	Community Services Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Tuition and Fees	\$77,030	\$80,599	\$3,569
Investment Earnings	533	558	25
Extracurricular Activities	62,179	65,060	2,881
Charges for Services	813,480	851,170	37,690
Other Revenues	129,867	135,884	6,017
Total Revenues	1,083,089	1,133,271	50,182
Expenditures:			
Current:			
Instruction:			
Regular	267,717	223,613	44,104
Support Services:			
Pupil	1,681	1,404	277
Instructional Staff	27,063	22,605	4,458
Business	156,847	131,008	25,839
Operations and Maintenance	1,325,297	1,106,965	218,332
Central	1	1	0
Operation of Non-Instructional Services	61,999	51,785	10,214
Extracurricular Activities	47,063	39,310	7,753
Debt Service:			
Principal Retirement	93,384	78,000	15,384
Interest and Fiscal Charges	224,359	187,398	36,961
Total Expenditures	2,205,411	1,842,089	363,322
Excess of Revenues Over (Under) Expenditures	(1,122,322)	(708,818)	413,504
Other Financing Sources (Uses):			
Advances (Out)	(8,057)	(6,730)	1,327
Total Other Financing Sources (Uses)	(8,057)	(6,730)	1,327
Net Change in Fund Balance	(1,130,379)	(715,548)	414,831
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	2,817,556	2,817,556	0
Fund Balance - End of Year	\$1,687,177	\$2,102,008	\$414,831

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, 2013

	District Managed Student Activity Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Tuition and Fees	\$141,449	\$141,838	\$389
Investment Earnings	118	118	0
Extracurricular Activities	1,147,603	1,150,761	3,158
Charges for Services	7,455	7,476	21
Other Revenues	129,773	130,130	357
Total Revenues	<u>1,426,398</u>	<u>1,430,323</u>	<u>3,925</u>
Expenditures:			
Current:			
Extracurricular Activities	1,628,069	1,397,115	230,954
Total Expenditures	<u>1,628,069</u>	<u>1,397,115</u>	<u>230,954</u>
Excess of Revenues Over (Under) Expenditures	<u>(201,671)</u>	<u>33,208</u>	<u>234,879</u>
Other Financing Sources (Uses):			
Advances In	28,428	28,506	78
Advances (Out)	(19,280)	(16,545)	2,735
Total Other Financing Sources (Uses)	<u>9,148</u>	<u>11,961</u>	<u>2,813</u>
Net Change in Fund Balance	(192,523)	45,169	237,692
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>338,376</u>	<u>338,376</u>	<u>0</u>
Fund Balance - End of Year	<u>\$145,853</u>	<u>\$383,545</u>	<u>\$237,692</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, 2013

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$89	\$89	\$0
Intergovernmental	806,276	806,276	0
Total Revenues	806,365	806,365	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	971,641	951,876	19,765
Total Expenditures	971,641	951,876	19,765
Net Change in Fund Balance	(165,276)	(145,511)	19,765
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	165,363	165,363	0
Fund Balance - End of Year	\$87	\$19,852	\$19,765

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, 2013

	OneNet Network Connectivity Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$9,000	\$9,000	\$0
Total Revenues	9,000	9,000	0
Expenditures:			
Current:			
Support Services:			
Central	9,000	9,000	0
Total Expenditures	9,000	9,000	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

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, 2013

	Gifted Supplemental Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$24,672	\$24,672	\$0
Total Revenues	24,672	24,672	0
Expenditures:			
Current:			
Support Services:			
Pupil	24,736	22,759	1,977
Total Expenditures	24,736	22,759	1,977
Net Change in Fund Balance	(64)	1,913	1,977
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	64	64	0
Fund Balance - End of Year	\$0	\$1,977	\$1,977

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, 2013

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$1,560,186	\$1,560,186	\$0
Total Revenues	1,560,186	1,560,186	0
Expenditures:			
Current:			
Instruction:			
Special	1,072,359	1,066,900	5,459
Support Services:			
Pupil	439,454	437,217	2,237
Instructional Staff	4,596	4,573	23
Operation of Non-Instructional Services	33,997	33,824	173
Total Expenditures	1,550,406	1,542,514	7,892
Excess of Revenues Over (Under) Expenditures	9,780	17,672	7,892
Other Financing Sources (Uses):			
Advances (Out)	(11,914)	(11,853)	61
Total Other Financing Sources (Uses)	(11,914)	(11,853)	61
Net Change in Fund Balance	(2,134)	5,819	7,953
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	2,134	2,134	0
Fund Balance - End of Year	\$0	\$7,953	\$7,953

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, 2013

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$9,550	\$9,550	\$0
Total Revenues	9,550	9,550	0
Expenditures:			
Current:			
Instruction:			
Vocational	24,503	22,146	2,357
Total Expenditures	24,503	22,146	2,357
Net Change in Fund Balance	(14,953)	(12,596)	2,357
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	14,953	14,953	0
Fund Balance - End of Year	\$0	\$2,357	\$2,357

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, 2013

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$96,215	\$77,113	(\$19,102)
Total Revenues	96,215	77,113	(19,102)
Expenditures:			
Current:			
Instruction:			
Special	6,178	4,951	1,227
Support Services:			
Instructional Staff	87,236	69,916	17,320
Total Expenditures	93,414	74,867	0
Excess of Revenues Over (Under) Expenditures	2,801	2,246	(19,102)
Other Financing Sources (Uses):			
Advances In	80	64	(16)
Advances (Out)	(2,881)	(2,309)	572
Total Other Financing Sources (Uses)	(2,801)	(2,245)	556
Net Change in Fund Balance	0	1	(18,546)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$1	(\$18,546)

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, 2013

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$176,383	\$176,383	\$0
Total Revenues	176,383	176,383	0
Expenditures:			
Current:			
Instruction:			
Special	176,382	172,459	3,923
Total Expenditures	176,382	172,459	3,923
Net Change in Fund Balance	1	3,924	3,923
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$1	\$3,924	\$3,923

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, 2013

	Public School Preschool Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$42,081	\$42,081	\$0
Total Revenues	42,081	42,081	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	33,615	33,615	0
Total Expenditures	33,615	33,615	(0)
Excess of Revenues Over (Under) Expenditures	8,466	8,466	(0)
Other Financing Sources (Uses):			
Advances (Out)	(8,466)	(8,466)	0
Total Other Financing Sources (Uses)	(8,466)	(8,466)	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)

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, 2013

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$54,978	\$54,979	\$1
Total Revenues	54,978	54,979	1
Expenditures:			
Current:			
Support Services:			
Instructional Staff	63,555	62,947	608
Operation of Non-Instructional Services	1,218	1,206	12
Total Expenditures	64,773	64,153	620
Excess of Revenues Over (Under) Expenditures	(9,795)	(9,174)	621
Other Financing Sources (Uses):			
Advances In	10,242	10,242	0
Advances (Out)	(10,968)	(10,863)	105
Total Other Financing Sources (Uses)	(726)	(621)	105
Net Change in Fund Balance	(10,521)	(9,795)	726
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	10,520	10,520	0
Fund Balance - End of Year	(\$1)	\$725	\$726

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, 2013

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$564	\$564	\$0
Intergovernmental	600,675	601,022	347
Charges for Services	3,464,296	3,466,295	1,999
Other Revenues	2,144	2,145	1
Total Revenues	4,067,679	4,070,026	2,347
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	1,242	1,181	61
Operation of Non-Instructional Services	4,086,606	3,885,169	201,437
Total Expenditures	4,087,848	3,886,350	201,498
Net Change in Fund Balance	(20,169)	183,676	203,845
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,661,214	1,661,214	0
Fund Balance - End of Year	\$1,641,045	\$1,844,890	\$203,845

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, 2013

	Education Jobs Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$207,800	\$207,800	\$0
Total Revenues	207,800	207,800	0
Expenditures:			
Current:			
Instruction:			
Regular	317,918	317,918	0
Total Expenditures	317,918	317,918	0
Net Change in Fund Balance	(110,118)	(110,118)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	110,118	110,118	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, 2013

	Race to the Top Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$2,100	\$2,100	\$0
Total Revenues	2,100	2,100	0
Expenditures:			
Current:			
Instruction:			
Regular	1,400	1,400	0
Total Expenditures	1,400	1,400	0
Excess of Revenues Over (Under) Expenditures	700	700	0
Other Financing Sources (Uses):			
Advances In	1,400	1,400	0
Advances (Out)	(2,100)	(2,100)	0
Total Other Financing Sources (Uses)	(700)	(700)	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

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, 2013

	Building	Insurance Replacement	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$1,039,145	\$9,977	\$1,049,122
Receivables:			
Accounts	12,500	0	12,500
Total Assets	1,051,645	9,977	1,061,622
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	28,363	0	28,363
Accrued Interest Payable	65,833	0	65,833
General Obligation Notes Payable	7,900,000	0	7,900,000
Total Liabilities	7,994,196	0	7,994,196
Fund Balances:			
Committed	0	9,977	9,977
Unassigned	(6,942,551)	0	(6,942,551)
Total Fund Balances	(6,942,551)	9,977	(6,932,574)
Total Liabilities and Fund Balances	\$1,051,645	\$9,977	\$1,061,622

Mason City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2013

	Building	Insurance Replacement	Total Nonmajor Capital Projects Funds
Revenues:			
Investment Earnings	\$295	\$0	\$295
Charges for Services	12,500	0	12,500
Other Revenues	12,500	12,559	25,059
Total Revenues	25,295	12,559	37,854
Expenditures:			
Current:			
Instruction:			
Regular	21,150	834	21,984
Support Services:			
Operations and Maintenance	12,448	0	12,448
Capital Outlay	503,656	0	503,656
Debt Service:			
Interest and Fiscal Charges	212,289	0	212,289
Total Expenditures	749,543	834	750,377
Excess of Revenues Over (Under) Expenditures	(724,248)	11,725	(712,523)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	73,154	0	73,154
Transfers In	8,160,000	0	8,160,000
Transfers (Out)	(7,900,000)	0	(7,900,000)
Total Other Financing Sources (Uses)	333,154	0	333,154
Net Change in Fund Balance	(391,094)	11,725	(379,369)
Fund Balance Beginning of Year	(6,551,457)	(1,748)	(6,553,205)
Fund Balance - End of Year	(\$6,942,551)	\$9,977	(\$6,932,574)

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, 2013

	Building Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$295	\$295	\$0
Charges for Services	12,499	12,500	1
Total Revenues	12,794	12,795	1
Expenditures:			
Current:			
Instruction:			
Regular	22,730	21,150	1,580
Support Services:			
Operations and Maintenance	252,798	235,223	17,575
Capital Outlay	787,909	733,132	54,777
Debt Service:			
Interest and Fiscal Charges	57,092	53,123	3,969
Total Expenditures	1,120,529	1,042,628	77,901
Excess of Revenues Over (Under) Expenditures	(1,107,735)	(1,029,833)	77,902
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	73,145	73,154	9
Total Other Financing Sources (Uses)	73,145	73,154	9
Net Change in Fund Balance	(1,034,590)	(956,679)	77,911
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,563,839	1,563,839	0
Fund Balance - End of Year	\$529,249	\$607,160	\$77,911

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, 2013

	Insurance Replacement Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Other Revenues	\$12,559	\$11,725	(\$834)
Total Revenues	12,559	11,725	(834)
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	0	0	0
Total Expenditures	0	0	(0)
Excess of Revenues Over (Under) Expenditures	12,559	11,725	(834)
Other Financing Sources (Uses):			
Advances (Out)	(23,372)	(12,559)	10,813
Total Other Financing Sources (Uses)	(23,372)	(12,559)	10,813
Net Change in Fund Balance	(10,813)	(834)	9,979
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	10,813	10,813	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, 2013

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Tuition and Fees	\$447,923	\$448,057	\$134
Extracurricular Activities	530,642	530,800	158
Other Revenues	100,078	100,108	30
Total Revenues	1,078,643	1,078,965	322
Expenditures:			
Current:			
Instruction:			
Regular	567,966	519,235	48,731
Special	960,425	878,021	82,404
Support Services:			
Operations and Maintenance	40	37	3
Pupil Transportation	800	731	69
Central	463	423	40
Operation of Non-Instructional Services	28,081	25,672	2,409
Extracurricular Activities	70,312	64,279	6,033
Total Expenditures	1,628,087	1,488,398	139,689
Excess of Revenues Over (Under) Expenditures	(549,444)	(409,433)	140,011
Other Financing Sources (Uses):			
Advances In	946,531	946,813	282
Advances (Out)	(763,078)	(697,606)	65,472
Total Other Financing Sources (Uses)	183,453	249,207	65,754
Net Change in Fund Balance	(365,991)	(160,226)	205,765
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	549,059	549,059	0
Fund Balance - End of Year	\$183,068	\$388,833	\$205,765

(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, 2013

	Latchkey Fund (1)		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$232	\$234	\$2
Extracurricular Activities	30	\$30	\$0
Charges for Services	981,928	989,458	7,530
Other Revenues	6,007	6,053	46
Total Revenues	988,197	995,775	7,578
Expenditures:			
Current:			
Instruction:			
Regular	13,551	10,405	3,146
Support Services:			
Operations and Maintenance	3,769	2,894	875
Operation of Non-Instructional Services	1,073,520	824,301	249,219
Total Expenditures	1,090,840	837,600	253,240
Net Change in Fund Balance	(102,643)	158,175	260,818
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	663,590	663,590	0
Fund Balance - End of Year	<u>\$560,947</u>	<u>\$821,765</u>	<u>\$260,818</u>

(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
 Combining Statement of Changes In Assets and Liabilities
 Agency Funds
 For the Fiscal Year Ended June 30, 2013

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$462,323	\$1,176,045	\$1,138,900	\$499,468
Receivables:				
Accounts	5,431	1,410	5,431	1,410
Total Assets	467,754	1,177,455	1,144,331	500,878
Liabilities:				
Accounts Payable	20,406	23,960	4,044	40,322
Other Liabilities	447,348	1,153,495	1,140,287	460,556
Total Liabilities	\$467,754	\$1,177,455	\$1,144,331	\$500,878
Section 125 Insurance				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$53,030	\$121,668	\$130,378	\$44,320
Total Assets	53,030	121,668	130,378	44,320
Liabilities:				
Other Liabilities	53,030	121,668	130,378	44,320
Total Liabilities	\$53,030	\$121,668	\$130,378	\$44,320
Total All Agency Funds				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$515,353	\$1,297,713	\$1,269,278	\$543,788
Receivables:				
Accounts	5,431	1,410	5,431	1,410
Total Assets	520,784	1,299,123	1,274,709	545,198
Liabilities:				
Accounts Payable	20,406	23,960	4,044	40,322
Other Liabilities	500,378	1,275,163	1,270,665	504,876
Total Liabilities	\$520,784	\$1,299,123	\$1,274,709	\$545,198



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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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Net Investment In Capital Assets	\$5,012,945	\$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
Restricted	8,332,744	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
Unrestricted	12,330,595	13,379,457	17,303,412	30,461,781	36,715,473	42,474,167	39,041,011	37,547,433	30,049,791	28,297,121
Total Net Position	\$25,676,284	\$32,235,909	\$44,317,746	\$61,485,503	\$75,840,125	\$87,400,908	\$89,955,339	\$95,740,120	\$95,776,364	\$102,604,837

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities:										
Instruction	\$37,987,024	\$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
Pupil	3,937,365	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
Instructional Staff	5,727,348	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
General Administration	58,484	98,266	95,124	83,619	85,525	38,910	46,528	60,567	58,014	250,134
School Administration	4,458,914	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
Fiscal	1,619,621	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
Business	247,289	291,309	341,031	301,922	438,869	400,907	418,485	422,415	453,915	472,876
Operation and Maintenance	8,869,440	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
Pupil Transportation	4,665,435	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
Central	2,512,887	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
Operation of Non-instructional Services	3,820,453	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
Extracurricular Activities	1,821,481	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
Interest and Fiscal Charges	5,292,728	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
Total Government Expenses	81,018,469	88,698,042	98,835,063	105,429,318	113,971,371	118,659,743	122,017,971	125,677,265	125,536,986	118,759,404
Program Revenues										
Governmental Activities:										
Charges for Services										
Instruction	882,932	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
Pupil	10,380	506	149	928	6,245	60,584	58,884	55,023	5,834	1,034
Instructional Staff	31,321	498	292	538	4,183	4,105	6,067	12,302	366	16,647
General Administration	0	0	1,264	75	0	0	0	0	0	0
School Administration	0	23	705	0	0	0	0	0	0	0
Business	0	0	5,307	6,681	83,436	93,756	66,345	185,500	131,781	96,480
Operations and Maintenance	538,782	71,277	105,237	1,194,715	1,104,070	1,125,267	1,792,142	1,322,932	1,133,157	826,183
Pupil Transportation	12,915	3,137	1,597	2,984	46,014	16,471	6,291	0	0	0
Central	5,576	1,276	0	377	1,002	761	3,826	0	590	1
Operation of Non-Instructional Services	2,070,705	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
Extracurricular Activities	194,223	614,992	615,389	656,776	723,377	934,769	864,221	1,481,703	1,947,812	1,794,764
Operating Grants and Contributions	2,459,993	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
Capital Grants and Contributions	60,920	132,965	51,235	158,292	61,192	124,305	0	0	0	0
Total Government Revenues	6,267,747	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
Net (Expense)/Revenue										
Total Government Net Expense	(\$74,750,722)	(\$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)

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue										
Total Government Net Expense	(\$74,750,722)	(\$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)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes Levied for General Purposes	33,595,910	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
Property Taxes Levied for Debt Service Purposes	8,517,335	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
Property Taxes Levied for Capital Projects	573,794	329,277	536,353	578,593	706,642	630,681	560,240	608,871	570,167	572,491
Grants and Entitlements not Restricted to Specific Programs	27,842,523	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
Payment in Lieu of Taxes	1,137,880	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
Unrestricted Contributions	60,000	60,000	60,000	81,274	0	0	0	0	31,069	101,247
Investment Earnings	460,050	1,268,520	2,282,902	2,741,989	3,718,075	1,955,147	546,300	199,006	486,293	21,871
Gain on Sale of Capital Assets	0	0	2,226,474	212,123	72,056	106,833	0	0	0	0
Other Revenues	1,221,063	1,475,104	1,780,703	316,870	275,505	296,355	1,557,714	535,711	708,680	393,022
Total primary government	73,408,555	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
Change in Net Position										
Total primary government	(\$1,342,167)	\$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

Source: District Records

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011*	2012*	2013*
General Fund										
Reserved	\$1,350,525	\$2,051,968	\$2,754,393	\$2,692,180	\$3,207,706	\$5,474,753	\$2,915,141			
Unreserved	9,610,324	11,684,736	16,689,386	28,765,463	34,459,374	39,626,965	39,064,608			
Nonspendable										
Restricted								915,078	453,699	6,458,415
Committed								38,344,772	31,456,329	25,600,588
Assigned										
Unassigned								39,259,850	31,910,028	32,059,003
Total General Fund	10,960,849	13,736,704	19,443,779	31,457,643	37,667,080	45,101,718	41,979,749	79,879,700	64,820,056	76,177,016
All Other Governmental Funds										
Reserved	3,964,348	27,732,286	7,938,306	4,546,107	23,982,418	6,544,608	2,036,230			
Unreserved, Reported in:										
Special Revenue Funds	2,671,887	2,621,230	3,067,590	3,065,602	3,377,932	3,322,528	2,865,349			
Debt Service Funds	5,537,284	5,499,453	5,989,954	6,628,582	8,570,237	8,888,165	8,791,501			
Capital Project Funds	28,621,609	288,265	1,460,524	949,692	(1,841,343)	(2,636,690)	(1,096,645)			
Nonspendable								98,674	40,450	60,368
Restricted								20,685,463	23,567,432	27,134,389
Committed								10,811	0	9,977
Assigned								0	0	0
Unassigned								(6,895,100)	(7,257,846)	(7,315,115)
Total All Other Governmental Funds	\$40,795,128	\$36,141,234	\$18,456,374	\$15,189,983	\$34,089,244	\$16,118,611	\$12,596,435	\$13,899,848	\$16,350,036	\$19,889,619

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Taxes	\$42,426,616	\$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
Revenue in Lieu of Taxes	1,197,880	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
Tuition and Fees	470,613	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
Investment Earnings	460,050	1,268,520	2,282,903	2,741,989	3,718,075	1,955,148	406,189	199,756	603,465	26,968
Intergovernmental	30,572,312	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
Extracurricular Activities	809,739	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
Charges for Services	3,112,721	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
Other Revenues	1,064,266	801,351	1,228,441	930,211	590,877	405,443	1,589,710	454,073	679,903	395,557
Total Revenues	\$80,114,197	\$95,379,024	\$108,547,966	\$121,489,456	\$128,276,003	\$132,047,984	\$123,790,897	\$129,132,934	\$126,055,691	\$127,937,568

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction	\$35,752,050	\$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
Pupil	3,886,250	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
Instructional Staff	5,634,872	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
General Administration	58,484	98,266	95,124	83,619	85,525	38,910	46,528	60,567	58,014	250,134
School Administration	4,389,162	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
Fiscal	1,542,305	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
Business	223,220	302,768	315,862	324,550	438,801	396,948	411,529	423,721	453,580	441,407
Operation and Maintenance	8,686,778	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
Pupil Transportation	4,186,035	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
Central	2,353,829	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
Operation of Non-instructional Services	3,583,084	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
Extracurricular Activities	1,717,739	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
Capital Outlay	1,552,024	7,484,458	25,917,835	7,257,028	8,512,330	26,864,428	4,257,718	605,199	532,743	523,717
Debt Service										
Principal Retirement	3,212,122	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
Interest and Fiscal Charges	5,304,061	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
Bond Issuance Cost	0	0	0	0	0	0	0	0	0	314,815
Total Expenditures	\$82,082,015	\$97,088,772	\$124,579,241	\$113,190,580	\$126,265,834	\$148,012,485	\$130,813,046	\$130,564,641	\$130,955,325	\$124,636,979

Debt Service as a Percentage of Noncapital Expenditures 10.57% 12.31% 11.52% 10.83% 10.72% 11.29% 11.10% 11.00% 11.46% 12.29%

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other Financing Sources (Uses)										
Issuance of Capital Leases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Sale of Capital Assets	0	460,040	4,053,490	132,275	98,529	179,406	378,104	15,221	0	73,154
Issuance of Bonds	0	0	0	0	0	0	0	0	0	0
Issuance of Long Term Debt	35,000,000	0	0	0	23,000,000	5,249,000	0	0	0	0
Issuance of Refunding Bonds	15,705,000	0	59,380,000	27,565,000	0	0	0	0	0	20,460,000
Payment to Refunded Bonds Escrow Agent	(15,705,000)	0	(65,349,169)	(29,826,979)	0	0	0	0	0	(23,808,438)
Refunding Bond Premium	0	0	5,969,169	2,578,301	0	0	0	0	0	0
Premium on Bonds and Notes Issued	0	0	0	0	0	0	0	0	0	3,663,253
Transfers In	15,939,000	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
Transfers Out	(15,939,000)	(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)
Total Other Financing Sources (Uses)	35,000,000	460,040	4,053,490	448,597	23,098,529	5,428,406	378,104	15,221	0	387,969
Net Change in Fund Balances	\$33,032,182	(\$1,249,708)	(\$11,977,785)	\$8,747,473	\$25,108,698	(\$10,536,095)	(\$6,644,045)	(\$1,416,486)	(\$4,899,634)	\$3,688,558

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			
2003	1,053,132,200	23,694,270	158,872,721	1,235,699,191	3,678,559,776	74.11
2004	1,147,072,040	22,924,120	150,765,500	1,320,761,660	3,913,421,419	74.11
2005	1,224,869,470	23,975,720	128,380,195	1,377,225,385	4,047,672,874	80.65
2006	1,461,205,840	27,382,510	109,110,197	1,597,698,547	4,548,619,680	81.76
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

Source: County Auditor

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

Calendar Year	Overlapping Rates													
	General	Bond	District Direct Rate	Warren County	City of Mason	Mason Public Library	Deerfield Township	Great Oaks JVSD	Warren-Clinton Community Mental Health	Turtletcreek Township	Union Township	Warren County Health District	City of Lebanon	Lebanon Library
2003	64.53	9.15	0.43	6.53	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00
2004	64.53	9.15	0.43	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	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	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	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	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	5.78	6.44	0.00	12.60	2.70	1.00	9.12	9.20	0.50	7.82	1.00
2010	74.46	8.56	0.43	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	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	7.78	7.32	0.75	12.60	2.70	1.00	9.12	9.20	0.50	7.82	1.00

Source: County Auditor

Mason City School District
Principal Property Tax Payers – Warren County
Tax Collection Year 2013 & 2006 (1)
Schedule 10

Taxpayer	2013	
	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio Inc.	\$26,462,200	1.80%
Deerfield Realty Holding	15,889,860	1.08%
Twin Fountains of Mason	8,695,050	0.59%
Community Insurance	7,676,110	0.52%
Duke Realty Ohio	7,584,840	0.52%
Sterling Lakes Apartments	6,284,240	0.43%
Northeast Cincinnati Hotel	6,018,640	0.41%
Tennis for Charity	5,342,700	0.36%
Mitsubish Electric Mfg	4,732,050	0.32%
Cintas Sales Corp	4,331,180	0.29%
Total:	<u>\$93,016,870</u>	6.32%

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 Lincon 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 2013 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 Years (1)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	47,752,879	47,142,230	98.72%	610,649	47,752,879	100.00%
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%

Source: County Auditor and district records

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

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

Fiscal Year	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	Debt					Total Outstanding Debt	Percentage of Personal Income
2004	17,045	7,200,000	143,885,000	5,825,741	145,259,259	797	3.95%	151,102,045	2.61%	829
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	NA	577

Source: District Records

N/A - Information not available

**Mason City School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2013
Schedule 13**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Butler County	\$55,455,120	0.06%	\$33,273
Warren County	0	26.40%	0
Lebanon City	18,551,603	0.00%	0
City of Mason	50,950,000	91.54%	46,639,630
Deerfield Township	11,690,000	57.29%	6,697,201
Turtle Creek Township	1,725,000	0.03%	518
Union Township	52,800	2.64%	1,394
West Chester Township	55,925,000	0.23%	128,628
Great Oaks Joint Vocational School	16,170,000	8.26%	1,335,642
Subtotal, Overlapping Debt	<u>210,519,523</u>		<u>54,836,285</u>
District direct debt	125,413,385	100.00%	125,413,385
Total direct and overlapping debt	<u>\$335,932,908</u>		<u>\$180,249,670</u>

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 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$215,911,053	\$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
Total Net Debt Applicable to Limit	145,259,259	140,579,547	132,582,084	124,165,975	146,857,767	139,027,485	132,638,891	125,070,968	117,843,578	125,413,385
Legal Debt Margin	\$70,651,794	\$75,331,506	\$83,328,969	\$91,745,078	\$101,000,773	\$108,831,055	\$115,219,649	\$122,787,572	\$130,014,962	\$122,445,155
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	67.28%	65.11%	61.41%	57.51%	59.25%	56.09%	53.51%	50.46%	47.54%	50.60%

Source: District Records

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

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

**Mason City School District
Demographic and Economic Statistics
Last Ten Calendar Years
Schedule 15**

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2003	182,330	5,786,295	31,699	4.70%
2004	189,276	6,213,055	32,745	4.00%
2005	196,622	6,597,227	33,524	4.70%
2006	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	NA	NA	6.50%

(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	2013 (1)	
	Number of Employees	Percentage of Total Employment
WellPoint	1,945	1.87%
Procter & Gamble	1,943	1.87%
Luxottica Retail	1,533	1.27%
Cintas Corporate	1,322	1.08%
Mason City Schools	1,124	1.48%
L3 Cincinnati Electronics	615	0.59%
Cengage Learning, Inc.	578	0.44%
Portion Pac	455	0.38%
Mitsubishi Electric	395	0.56%
Lindner Center of Hope	300	0.29%
	<u>8,265</u>	<u>7.95%</u>
Total County Employment (3)	103,900	

Employer	2004 (2)	
	Number of Employees	Percentage of Total Employment
Procter & Gamble	2,400	2.52%
Cintas	1,800	1.89%
Anthem Blue Cross & Blue Shield	1,300	1.36%
Mason City Schools	1,180	1.24%
Luxottica Retail	1,162	1.22%
Blackhawk Automotive	733	0.77%
Siemens Business Services, Inc.	500	0.52%
Portion Pac	483	0.51%
UBE Automotive Inc.	458	0.48%
Mitsubishi Electric Automotive	435	0.46%
	<u>10,451</u>	<u>10.95%</u>
Total County Employment (3)	95,400	

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**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Office/Administrative										
Superintendent/Associate/Assistants	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Principals/Assistant	22.00	23.00	23.00	24.00	24.00	25.00	26.00	26.00	23.00	21.00
Other	18.75	18.00	19.93	20.56	22.75	20.75	21.75	21.00	20.00	17.90
Official/Administrative	<u>44.75</u>	<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>
Professional- Educational										
Total General Education	430.46	452.76	466.62	503.01	528.82	558.55	547.53	544.00	527.26	511.05
Special Education	69.50	75.50	82.00	90.84	94.27	86.58	96.51	94.91	93.12	88.67
Curriculum Specialist	12.00	12.00	12.00	12.00	12.50	13.00	12.00	12.00	10.50	12.50
Counseling	16.64	16.00	17.00	17.00	20.50	22.10	22.10	21.00	21.00	20.00
Librarian/Media	3.00	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	1.00	0.00
Professional-Educational	<u>532.60</u>	<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>
Professional - Other										
Public Relations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Psychologists	4.79	5.00	5.00	5.00	5.00	5.00	8.00	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	8.06	11.36	14.65	19.74	14.13	13.87	13.87	14.15	13.95	14.12
Professional - Other	<u>14.85</u>	<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>
Technical										
Information Technology	10.00	12.00	12.00	13.00	13.00	13.00	13.00	12.00	11.00	11.00
Practical Nursing	8.78	7.60	8.52	8.02	8.02	8.96	9.46	9.93	8.99	8.52
Library Aide	13.81	10.77	10.77	11.84	11.97	11.70	9.70	10.20	10.20	7.20
Other Technical	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Technical	<u>34.59</u>	<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>
Office/ Clerical	<u>58.40</u>	<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>
Crafts & Trades	<u>15.00</u>	<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>
Bus Drivers	<u>73.61</u>	<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>
Extra- Curricular	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Service Work/ Laborer										
Attendance Officer	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94
Custodian	75.00	71.00	71.00	67.00	65.00	60.00	59.00	56.00	44.00	41.00
Groundskeeping	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Food Service	37.05	42.19	40.92	46.35	46.33	51.65	54.64	51.48	48.43	46.77
Guard/ Watchman	5.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	1.00
Monitoring (Recess)	22.78	19.41	17.68	19.96	23.47	24.70	21.50	24.57	28.24	22.08
Attendent (Paraprofessionals)	123.42	137.00	147.50	151.52	155.31	160.91	163.55	171.04	158.94	141.71
Other Services Worker/ Laborer	0.27	0.27	0.27	0.27	0.27	0.27	1.14	0.27	0.27	0.00
Total support and administration	<u>267.46</u>	<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>
Total employees	<u>1041.26</u>	<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>

Source: State Department of Education

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

Fiscal Year	Enrollment	Operating Expenditure	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2004	8,636	72,013,808	8,339	4.70%	81,018,469	9,381	9.15%	535.65	16.1	4.15%
2005	9,246	78,623,476	8,504	1.98%	88,698,042	9,593	2.26%	563.14	16.4	4.37%
2006	9,792	87,517,383	8,938	5.11%	98,835,063	10,093	5.22%	588.10	16.7	4.48%
2007	10,379	94,387,483	9,094	1.75%	105,429,318	10,158	0.64%	681.00	15.2	4.47%
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%

Source: Nonfinancial information from district records.

N/A - Information not available

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
School										
Elementary										
MECC - Annex- Preschool (1973)										
Square feet	9,034	9,034	9,034							
Capacity	175	175	175							
Enrollment	104	134	161							
Mason Early Childhood (1911)										
Square feet	56,926	56,926	56,926							
Capacity	475	475	475							
Enrollment	751	757	801							
Mason Early Childhood (2006)										
Square feet				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
Enrollment				1,850	1,797	1,754	1,747	1,706	1,549	1,905
Mason Heights (1965)										
Square feet	101,863	101,863	101,863	101,863	101,863	101,863	101,863	101,863	101,863	101,863
Capacity	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,190	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	1,039	1,139	1,208	857	888	907	866	855	840	1,164
Mason Intermediate (1998/1994)										
Square feet	290,552	290,552	290,552	356,700	356,700	356,700	356,700	356,700	356,700	356,700
Capacity	2,400	2,400	2,400	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Enrollment	2,052	2,211	2,387	2,519	2,592	2,608	2,715	2,700	2,678	2,617
Junior High School										
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	1,366	1,371	1,452	1,542	1,663	1,713	1,724	1,773	1,800	1,845
High School										
William Mason High (2002) (2010)										
Square feet	375,010	375,010	375,010	375,010	375,010	375,010	539,236	539,236	539,236	539,236
Capacity	2,950	2,950	2,950	2,950	2,950	2,950	3,513	3,513	3,700	3,700
Enrollment	2,134	2,408	2,567	2,767	2,880	2,947	3,089	3,158	3,286	3,380

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 2012-2013 School Year:	1,057,474
Number Meals Served by Food Service Department for the 2012-2013 School Year:	1,265,501

School Buildings	Grade Levels	Enrollment
Mason Early Childhood Center	PS-2	1,905
Western Row Elementary	2-3	1,164
Mason Intermediate	4-6	2,617
Mason Middle School	7-8	1,845
William Mason High School	9-12	3,380
		<u>10,911</u>

Degree	Number of Certified Staff	Percentage of Total
Bachelor's Degree	31.0	4.48%
Bachelor + 150	79.0	11.42%
Master's Degree	579.5	83.80%
Doctorate	2.0	0.29%
Total	<u>691.5</u>	<u>100.00%</u>

Years of Experience	Number of Certified Staff	Percentage of Total
0 - 5	135.5	19.60%
6 - 10	199.0	28.78%
11 - 15	162.0	23.43%
16 - 20	96.0	13.88%
21 - 25	58.0	8.39%
26 - 30	26.0	3.76%
31 - 35	15.0	2.17%
36 - 40	0.0	0.00%
	<u>691.5</u>	<u>100.00%</u>

Source: School District Records

**MASON CITY SCHOOL DISTRICT, OHIO
 STUDENT POPULATION BY SEX AND BY RACE
 FOR THE 2012-2013 SCHOOL YEAR
 Schedule 21**

Grade	Male	Female	Total
PS	107	84	191
K	330	271	601
1	324	363	687
2	394	349	743
3	413	434	847
4	450	422	872
5	449	417	866
6	480	399	879
7	503	466	969
8	458	419	877
9	441	426	867
10	410	418	828
11	406	406	812
12	419	425	844
Ungraded	16	12	28
	5,600	5,311	10,911

Race	Total	Percent
American Indian/Alaskan	16	0.15%
Asian	1,740	15.95%
Black	428	3.92%
Caucasian	7,870	72.13%
Hispanic	404	3.70%
Multi-Racial	438	4.01%
Hawaiian/Pac Island	15	0.14%
	10,911	100.00%

Source: School District Financial Records.

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

School Year (1)	Preschool	KDN	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total	% Increase
2012-13	191	601	687	743	847	872	866	879	969	877	867	828	812	872	10,911	-0.73%
2011-12	193	623	733	826	852	845	872	961	880	917	850	809	851	779	10,991	-0.20%
2010-11	201	689	816	828	848	862	959	879	899	874	814	849	755	740	11,013	0.36%
2009-10	211	727	809	827	872	931	885	899	867	857	852	768	719	750	10,974	1.58%
2008-09	196	751	807	855	926	861	890	857	853	860	767	727	746	707	10,803	0.87%
2007-08	180	765	852	923	855	885	843	864	863	800	721	736	683	740	10,710	3.19%
2006-07	168	798	886	826	873	834	831	854	798	744	729	693	741	604	10,379	5.99%
2005-06	161	801	802	840	782	813	812	762	725	727	674	713	593	587	9,792	5.91%
2004-05	134	757	821	759	785	790	737	684	698	673	727	596	595	490	9,246	7.08%
2003-04	104	750	734	746	749	720	656	676	669	697	581	572	496	485	8,635	7.90%

(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, 2013
 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



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MASON CITY SCHOOL DISTRICT
WARREN COUNTY

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MASON CITY SCHOOL DISTRICT
WARREN COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor, Pass-Through Grantor, Program Title/Name	Grant Year	CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
<u>Child Nutrition Cluster:</u>						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	2013	10.555	\$0	\$344,567	\$0	\$324,850
Cash Assistance:						
National School Breakfast Program	2013	10.553	15,909		15,909	
National School Lunch Program	2013	10.555	578,037	0	578,037	0
Total Child Nutrition Cluster			593,946	344,567	593,946	324,850
Total U.S. Department of Agriculture			593,946	344,567	593,946	324,850
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
<u>Special Education Cluster:</u>						
Special Education-Grants to States	2013	84.027	1,333,393	0	1,320,958	0
Special Education-Grants to States	2012	84.027	226,793	0	217,074	0
Total Special Education-Grants to States			1,560,186	0	1,538,032	0
Special Education-Preschool Grants	2013	84.173	33,615	0	33,615	0
Special Education-Preschool Grants	2012	84.173	8,466		8,466	
Total Special Education-Preschool Grants			42,081	0	42,081	0
Total Special Education Cluster			1,602,267	0	1,580,113	0
Title I Grants to Local Educational Agencies	2013	84.010	154,472	0	150,548	0
Title I Grants to Local Educational Agencies	2012	84.010	21,911	0	21,911	0
Total Title I Grants to Local Educational Agencies			176,383	0	172,459	0
Title III - LEP	2013	84.365	70,890	0	70,781	0
Title III - LEP	2012	84.365	3,026	0	2,669	0
Title III - Immigrant	2013	84.365	6,339	0	7,053	0
Title III - Immigrant	2012	84.365	3,197	0	1,244	0
Total Title III			83,452	0	81,747	0
Improving Teacher Quality State Grants	2013	84.367	43,839	0	44,500	0
Improving Teacher Quality State Grants	2012	84.367	11,140	0	10,797	0
Total Improving Teacher Quality State Grants			54,979	0	55,297	0
ARRA-Resident Educator Program	2013	84.395	0	0	1,400	0
ARRA-Resident Educator Program	2012	84.395	2,100	0	0	0
			2,100	0	1,400	0
Education Jobs	2012	84.410	207,799	0	317,918	0
<i>Passed Through Great Oaks Institute of Technology and Career Development</i>						
Vocational Education Basic Grants to States	2013	84.048	9,550	0	9,107	0
Vocational Education Basic Grants to States	2012	84.048	0	0	3,298	0
Vocational Education Basic Grants to States	2011	84.048	0	0	2,803	0
Vocational Education Basic Grants to States	2010	84.048	0	0	3,158	0
Vocational Education Basic Grants to States	2009	84.048	0	0	3,349	0
Vocational Education Basic Grants to States	2008	84.048	0	0	73	0
Vocational Education Basic Grants to States	2007	84.048	0	0	60	0
Total Vocational Education Basic Grants to States			9,550	0	21,848	0
Total U.S. Department of Education			2,136,530	0	2,230,782	0
Total Federal Assistance			\$2,730,476	\$344,567	\$2,824,728	\$324,850

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

**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (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.



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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 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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 17, 2013.

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 Government'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 17, 2013



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH 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 Each Major Federal Program

We have audited the Mason City School District's, Warren County, Ohio (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, 2013. The *Summary of Audit 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 each of the District's major federal programs 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 Each 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, 2013.

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 Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Mason City School District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 17, 2013. Our opinion also explained that the Government adopted *Governmental Accounting Standard No. 54* during the year. We conducted our audit to opine on the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule 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 Each 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 17, 2013

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**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2013**

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 #84.027, 84.173: Special Education Cluster
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Mason City School District (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy at its meeting on January 22, 2013 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

Columbus, Ohio

December 17, 2013

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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
JANUARY 2, 2014**