



Dave Yost • Auditor of State



MASON CITY SCHOOL DISTRICT  
WARREN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	Under separate cover
Comprehensive Annual Financial Report .....	Under separate cover
Federal Awards Receipts and Expenditures Schedule.....	1
Notes to the Federal Awards Receipts and Expenditures Schedule .....	2
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing</i> Standards.....	3
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.....	5
Schedule of Findings.....	7
Independent Accountants' Report on Applying Agreed-Upon Procedure .....	9

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MASON CITY SCHOOL DISTRICT  
WARREN COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor, Pass-Through Grantor, Program Title/Name	Grant Year	CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
Passed Through Ohio Department of Education:						
<u>Child Nutrition Cluster:</u>						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	2011	10.555	0	\$447,320	0	\$402,942
Cash Assistance:						
National School Lunch Program	2011	10.555	\$464,177	0	\$464,177	0
Total CFDA Number 10.555 - Child Nutrition Cluster			<u>464,177</u>	<u>447,320</u>	<u>464,177</u>	<u>402,942</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>464,177</u></b>	<b><u>447,320</u></b>	<b><u>464,177</u></b>	<b><u>402,942</u></b>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
Passed Through Ohio Department of Education:						
<u>Special Education Cluster:</u>						
Special Education_Grants to States	2011	84.027	1,318,313	0	1,358,975	0
Special Education_Grants to States	2010	84.027	192,426	0	172,334	0
Special Education_Grants to States	2009	84.027	0	0	7	0
Total CFDA Number 84.027			<u>1,510,739</u>	<u>0</u>	<u>1,531,316</u>	<u>0</u>
Special Education_Preschool Grants	2011	84.173	33,916	0	34,588	0
ARRA - Special Education_Grants to States	2011	84.391	415,958	0	413,797	0
ARRA - Special Education_Grants to States	2010	84.391	195,378	0	203,171	0
Total CFDA Number 84.391			<u>611,336</u>	<u>0</u>	<u>616,968</u>	<u>0</u>
ARRA - Special Education_Preschool Grants	2011	84.392	29,243	0	41,675	0
ARRA - Special Education_Preschool Grants	2010	84.392	6,719	0	14,291	0
Total CFDA Number 84.392			<u>35,962</u>	<u>0</u>	<u>55,966</u>	<u>0</u>
Total Special Education Cluster			<u>2,191,953</u>	<u>0</u>	<u>2,238,838</u>	<u>0</u>
Title I Grants to Local Educational Agencies	2011	84.010	123,917	0	123,917	0
Title I Grants to Local Educational Agencies	2010	84.010	20,293	0	20,293	0
Total CFDA Number 84.010			<u>144,210</u>	<u>0</u>	<u>144,210</u>	<u>0</u>
Safe and Drug-Free Schools and Communities_State Grants	2011	84.186	0	0	239	0
Safe and Drug-Free Schools and Communities_State Grants	2010	84.186	0	0	1,106	0
Total CFDA Number 84.186			<u>0</u>	<u>0</u>	<u>1,345</u>	<u>0</u>
Education Technology State Grants	2011	84.318	798	0	1,017	0
Education Technology State Grants	2010	84.318	0	0	229	0
Total CFDA Number 84.318			<u>798</u>	<u>0</u>	<u>1,246</u>	<u>0</u>
Title III - LEP	2011	84.365	67,053	0	64,417	0
Title III - LEP	2010	84.365	6,952	0	7,453	0
Title III - Immigrant	2011	84.365	4,602	0	10,059	0
Total CFDA Number 84.365			<u>78,607</u>	<u>0</u>	<u>81,929</u>	<u>0</u>
Improving Teacher Quality State Grants	2011	84.367	69,736	0	106,917	0
Improving Teacher Quality State Grants	2010	84.367	42,498	0	74,128	0
Improving Teacher Quality State Grants	2009	84.367	0	0	180	0
Total CFDA Number 84.367			<u>112,234</u>	<u>0</u>	<u>181,225</u>	<u>0</u>
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	2011	84.394	2,242,880	0	2,242,880	0
Passed Through Great Oaks Institute of Technology and Career Development						
Vocational Education_Basic Grants to States	2010	84.048	14,933	0	12,731	0
<b>Total U.S. Department of Education</b>			<b><u>4,785,615</u></b>	<b><u>0</u></b>	<b><u>4,904,404</u></b>	<b><u>0</u></b>
<b>Total Federal Assistance</b>			<b><u>\$5,249,792</u></b>	<b><u>\$447,320</u></b>	<b><u>\$5,368,581</u></b>	<b><u>\$402,942</u></b>

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, 2011**

**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.



# Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mason City School District, Warren County, Ohio (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *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 more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

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

### Compliance and Other Matters

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

Mason City School District  
Warren County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

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

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

**Dave Yost**  
Auditor of State

December 8, 2011





# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' 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:

### Compliance

We have audited the compliance of Mason City School District, Warren County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Mason City School District's major federal programs for the year ended June 30, 2011. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Mason City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011.

### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining 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 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### **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, 2011, and have issued our report thereon dated December 8, 2011. Our audit was performed to form an opinion on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information 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 used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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 information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Dave Yost**  
Auditor of State

December 8, 2011

**MASON CITY SCHOOL DISTRICT  
WARREN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2011**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510(a)?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	CFDA #84.010-Title I CFDA #84.394-State Fiscal Stabilization Fund CFDA #84.027, 84.173, 84.391, 84.392-Special Education Cluster
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	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 ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

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 the 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 July 8, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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 black ink that reads "Dave Yost".

**Dave Yost**  
Auditor of State

December 8, 2011

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# **MASON CITY SCHOOLS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**For the fiscal year ended  
June 30, 2011**

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

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MASON CITY SCHOOL DISTRICT  
MASON, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the fiscal year ended  
June 30, 2011

Prepared by:  
Treasurer's Office

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**TABLE OF CONTENTS**

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	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	I
Certificate of Achievement for Excellence in Financial Reporting	V
Organizational Chart	VI
List of Principal Officials	VII
 <b>FINANCIAL SECTION</b>	
Independent Accountants' Report	1
Management's Discussion and Analysis	3
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Fiduciary Net Assets - Fiduciary Funds	20
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund	21
Notes to Basic Financial Statements	23
 Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	54
Notes to Required Supplementary Information	58
 Combining Statements and Individual Fund Schedules:	
Major Governmental Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual (Non-GAAP Budgetary Basis) - Debt Service Fund	63
Combining Balance Sheet:	
Nonmajor Governmental, Special Revenue and Capital Projects Funds	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental, Special Revenue and Capital Projects Funds	67

Mason City School District  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2011

**TABLE OF CONTENTS**

---

	<u>Page</u>
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual (Non-GAAP Budgetary Basis):	
Public School Support	78
Community Services	79
District Managed Student Activity	80
Auxiliary Services	81
Management Information System	82
Entry Year Programs	83
OneNet Network Connectivity	84
Ohio Reads	85
Summer Intervention	86
Gifted Supplemental	87
Title VI-B	88
Vocational Education	89
Title III	90
Refugee Impact	91
Title I	92
Drug-Free Schools	93
Public School Preschool	94
Improving Teacher Quality	95
Food Service	96
Latchkey	97
Education Stabilization	98
Title II-D	99
Education Jobs	100
Capital Projects	104
Building	105
Insurance Replacement	106
Agency Fund:	
Combining Statement of Changes in Assets and Liabilities	108

Mason City School District  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2011

---

**TABLE OF CONTENTS**

---

	<u>Schedule</u>	<u>Page</u>
<b>STATISTICAL SECTION</b>		
Net Assets by Component	1	110
Expenses Program Revenue & Net (Expenses) Revenue	2	111
General Revenues and Total Change in Net Assets	3	112
Fund Balances, Governmental Funds	4	113
Governmental Funds Revenues	5	114
Governmental Funds Expenditures and Debt Service Ratio	6	115
Other Financing Sources and Uses and Net Change in Fund Balances, Governmental Funds	7	116
Assessed Value and Actual Value of Taxable Property	8	117
Direct and Overlapping Property Tax Rates	9	118
Principal Property Tax Payers -- Warren County	10	119
Property Tax levies and Collections	11	120
Outstanding Debt by Type	12	121
Direct and Overlapping Governmental Activities Debt	13	122
Legal Debt Margin Information	14	123
Demographic and Economic Statistics	15	124
Principal Employers	16	125
Full-time-Equivalent District Employees by Type	17	126
Operating Statistics	18	127
School Building Information	19	128
Miscellaneous Statistical Data	20	129
Student Population by Sex and Race	21	130
Enrollment History	22	131
Directory of Facilities	23	132

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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

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December 8, 2011

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, 2011.

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, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Mason City School District's financial statements for the fiscal year ended June 30, 2011, 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, 2011, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mrs. Marianne Culbertson	Oct. 2010 - Dec. 2011	16 ¾
Mrs. Deborah Delp	Jan. 2008 - Dec. 2011	7 ½
Mr. John Odell	Jan. 2010 - Dec. 2013	1 ½
Mrs. Connie Yingling	Jan. 2010 - Dec. 2013	11 ¾
Mr. Kevin Wise	Jan. 2008 - Dec. 2011	8 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. Kevin L. Bright was appointed Superintendent effective August 1, 1998 and his contract expires July 31, 2012. Subsequent to June 30, 2011 Dr. Bright resigned effective July 31, 2011 and was replaced by Dr. Gail Kist-Kline effective August 1, 2011.

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 11,013 students during the 2011 fiscal year in six 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 Heights Elementary School (2-3) was constructed in 1967, with additions in 1978 and 1987. Mason Early Childhood Center (PreK-1) was constructed in 2007.

The District employed 1,315.50 full-time equivalent employees as of June 30, 2011. The number of employees changed little in 2011 due to a leveling of student growth. The District's current enrollment is 11,013. It is expected that the District's enrollment will be approximately 11,000 for fiscal year 2012 and will remain stable at that level for the next several years.

The District teachers, educational specialists, tutors, counselors and curriculum leaders are represented by the Mason Education Association (MEA). The current three year agreement on language, salary and fringe benefits was extended to June 30, 2015 in June 2011. The extended agreement provides 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 expired on June 30, 2011. The District and OAPSE are currently in negotiations.

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.

### **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. Demographic projections indicate the District will see its population stabilize at approximately 11,000 for the next five years. The District's facilities' student capacity is currently enough 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 6<sup>th</sup> in the State of Ohio for academic results and spends less per pupil than any 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 ten 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.

On June 30, 2011, the Ohio's Governor signed HB 153, the state biennium budget bill. The impact of this bill was a slight increase in state funding for both fiscal years 2011-12 and 2012-13. The Governor has indicated that he will prepare a new school funding model for Ohio school districts for fiscal year 2012-13. At this time, we do not know the details of the changes or the impact that these changes may have on future state funding.


#### **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, 2010. In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

  
Richard L. Gardner  
Treasurer and CFO

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Mason City School District  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

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



*Linda C. Davison*

President

*Jeffrey R. Emery*

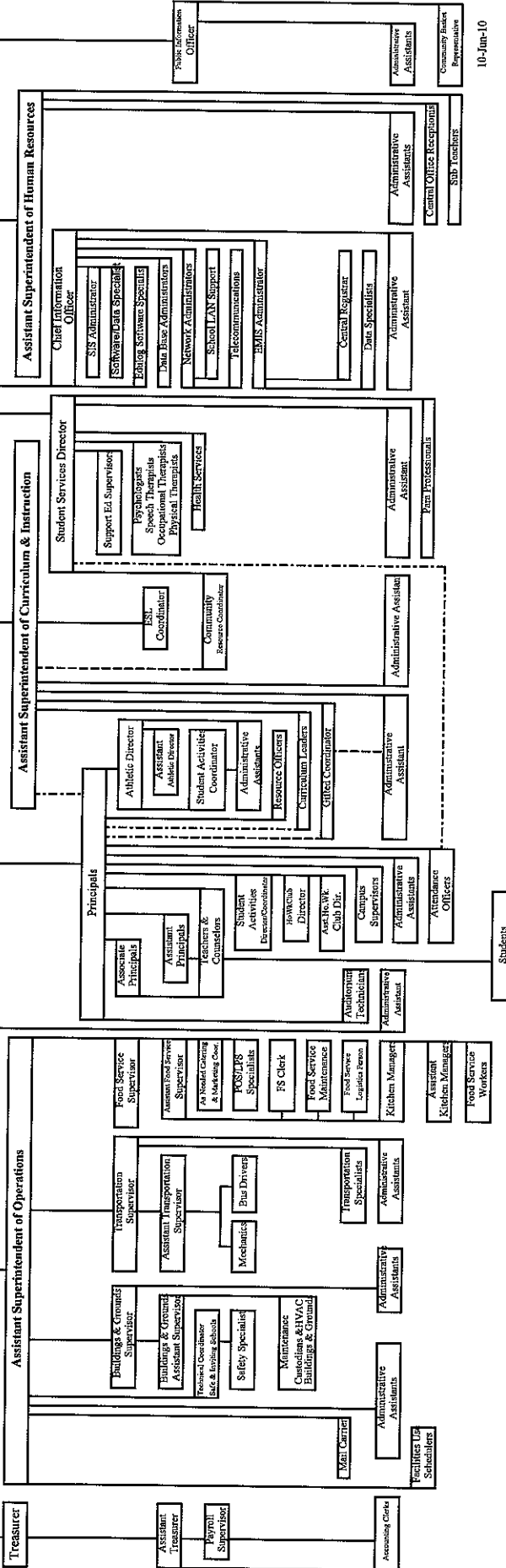
Executive Director

**ORGANIZATIONAL CHART**

Citizens of Mason City School District

Board of Education

Superintendent



**MASON CITY SCHOOL DISTRICT  
LIST OF PRINCIPAL OFFICIALS  
AS OF JUNE 30, 2011**

**ELECTED OFFICIALS**

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President, Board of Education .....	Deborah Delp
Vice President, Board of Education .....	Kevin Wise
Board Member .....	Connie Yingling
Board Member .....	John O'Dell
Board Member .....	Marianne Culbertson

**ADMINISTRATIVE OFFICIALS**

---

Superintendent .....	Kevin L. Bright
Assistant Superintendent - Curriculum and Instruction .....	Amy Spicher
Assistant Superintendent - Business .....	Michael Brannon
Treasurer .....	Richard L. Gardner
Assistant Treasurer.....	Chris Hofer
Pupil Personnel Director .....	Tom Morris
Chief Information Officer .....	Dave Hickey
Payroll Supervisor.....	Terri Ross
Building and Grounds Supervisor .....	George Highfill
Food Service Supervisor .....	Darlene Hicks
Support Education Supervisor .....	Jody Bergman
Support Education Supervisor .....	Susan Klein
Support Education Supervisor .....	Victoria Miller
Transportation Supervisor .....	Carolyn Thornton
Public Information Officer .....	Tracey Carson

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A large, stylized, 3D-effect letter 'M' in a dark grey color, centered on the page. The letter has a slight shadow and a textured appearance. The words 'Financial' and 'Section' are printed in a bold, black, serif font across the middle of the 'M'.

**Financial  
Section**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mason City School District, Warren County, Ohio (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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


In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mason City School District, Warren County, Ohio, as of June 30, 2011 for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 20, during the year ended June 30, 2011, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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* as 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise 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 provides additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical 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.



**Dave Yost**  
Auditor of State

December 8, 2011

**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**(Unaudited)**

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The discussion and analysis of Mason City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. 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 2011 are as follows:

- Net assets of governmental activities increased \$5,784,781 which represents a 6% increase from 2010.
- General revenues accounted for \$111,713,799 in revenue or 85% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$19,748,247 or 15% of total revenues of \$131,462,046 .
- The District had \$125,677,265 in expenses related to governmental activities; \$19,748,247 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$111,713,799 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 Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The General Fund and the Debt Service Fund are the major funds of the District.

**Government-wide Financial Statements**

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

**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**(Unaudited)**

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

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

**Fund Financial Statements**

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

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

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

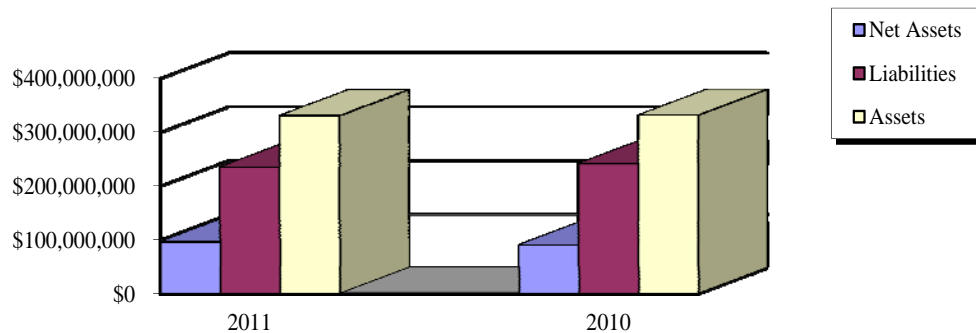
**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
(Unaudited)

**The District as a Whole**

As stated previously, the Statement of Net Assets looks at the District as a whole. Table 1 provides a summary of the District's net assets for 2011 compared to 2010:

**Table 1**  
**Net Assets**

	Governmental Activities	
	2011	2010
<b>Assets:</b>		
Current and Other Assets	\$151,186,431	\$149,286,742
Capital Assets	178,739,585	181,469,039
<b>Total Assets</b>	<b>329,926,016</b>	<b>330,755,781</b>
<b>Liabilities:</b>		
Other Liabilities	93,059,446	92,996,149
Long-Term Liabilities	141,126,450	147,804,293
<b>Total Liabilities</b>	<b>234,185,896</b>	<b>240,800,442</b>
Invested in Capital Assets, Net of Related Debt	34,400,901	28,790,298
Restricted	23,791,786	22,124,030
Unrestricted	37,547,433	39,041,011
<b>Total Net Assets</b>	<b>\$95,740,120</b>	<b>\$89,955,339</b>



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2011, the District's assets exceeded liabilities by \$95,740,120 .

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, 2011, was \$34,400,901 . 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.

**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**(Unaudited)**

A portion of the District's net assets, \$23,791,786 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 assets of \$37,547,433 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. 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 assets for fiscal years 2011 and 2010.

**Table 2**  
**Changes in Net Assets**

	Governmental Activities	
	2011	2010
Revenues:		
Program Revenues		
Charges for Services	\$9,878,134	\$8,958,578
Operating Grants, Contributions	9,870,113	7,748,872
General Revenues:		
Property Taxes	65,017,996	57,561,174
Grants and Entitlements	43,721,854	44,953,615
Other	2,973,949	5,350,163
Total Revenues	<u>131,462,046</u>	<u>124,572,402</u>
Program Expenses:		
Instruction	62,149,103	59,693,695
Support Services:		
Pupil and Instructional Staff	15,133,568	13,816,553
School Administrative, General		
Administration, Fiscal and Business	8,228,852	8,041,429
Operations and Maintenance	13,504,242	13,318,720
Pupil Transportation	7,615,345	7,895,529
Central	3,790,359	4,357,847
Operation of Non-Instructional Services	6,058,518	5,759,571
Extracurricular Activities	2,848,531	2,408,819
Interest and Fiscal Charges	6,348,747	6,725,808
Total Program Expenses	<u>125,677,265</u>	<u>122,017,971</u>
Increase (Decrease) in Net Assets	5,784,781	2,554,431
Net Assets Beginning of Year	<u>89,955,339</u>	<u>87,400,908</u>
Net Assets End of Year	<u><u>\$95,740,120</u></u>	<u><u>\$89,955,339</u></u>



**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
(Unaudited)

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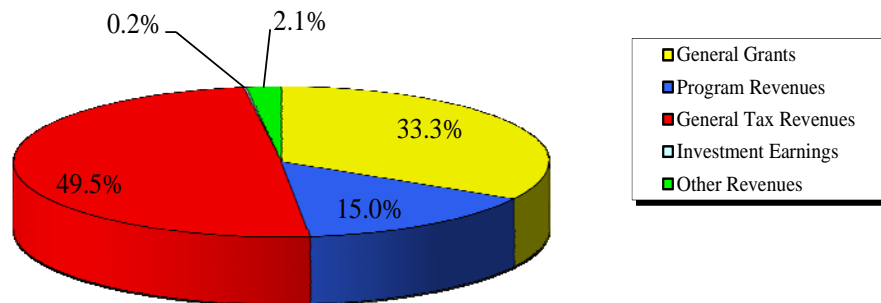
**Governmental Activities**

The District revenues are mainly from two sources. Property taxes and grants and entitlements comprised 82.8% of the District's revenues for governmental activities.

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

Thus Ohio school districts do not receive additional tax revenue related to the increase in appraised value and must regularly return to the voters to maintain a constant level of service. Property taxes made up 49.5% of revenue for governmental activities for the District in fiscal year 2011.

Revenue Sources	2011	Percentage
General Grants	\$43,721,854	33.26%
Program Revenues	19,748,247	15.02%
General Tax Revenues	65,017,996	49.46%
Investment Earnings	199,006	0.15%
Other Revenues	2,774,943	2.11%
Revenue Sources	<u>\$131,462,046</u>	<u>100.00%</u>



Instruction comprises 49.45% of governmental program expenses. Support services expenses were 38.41% of governmental program expenses. All other expenses and interest expense was 12.14%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Property taxes increased mainly due to a sharp increase in property tax advances available and delinquents unpaid at fiscal year end 2011 as compared to fiscal year end 2010. Instructional expenses increased mainly due to increases in personnel costs and general inflationary costs.

**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
(Unaudited)

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

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

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
Instruction	\$62,149,103	\$59,693,695	\$54,183,731	\$54,392,209
Support Services:				
Pupil and Instructional Staff	15,133,568	13,816,553	11,856,221	11,301,246
School Administrative, General				
Administration, Fiscal and Business	8,228,852	8,041,429	7,777,349	7,708,036
Operations and Maintenance	13,504,242	13,318,720	12,181,310	11,526,578
Pupil Transportation	7,615,345	7,895,529	7,494,649	7,718,596
Central	3,790,359	4,357,847	3,771,709	4,354,021
Operation of Non-Instructional Services	6,058,518	5,759,571	948,474	39,429
Extracurricular Activities	2,848,531	2,408,819	1,366,828	1,544,598
Interest and Fiscal Charges	6,348,747	6,725,808	6,348,747	6,725,808
Total Expenses	<u>\$125,677,265</u>	<u>\$122,017,971</u>	<u>\$105,929,018</u>	<u>\$105,310,521</u>

**The District's Funds**

The District has two major governmental funds: the General Fund and the Debt Service Fund. Assets of the General Fund comprised \$108,720,871 (72%) and the Debt Service Fund comprised \$21,037,131 (14%) of the total \$150,864,434 governmental funds assets.

**General Fund:** Fund balance at June 30, 2011 was \$39,259,850 including \$38,444,772 of unassigned balance. The primary reason for the decrease in fund balance was due to an increase in regular instruction expenditures.

**Debt Service Fund:** Fund balance at June 30, 2011 was \$8,754,032. The primary reason for the decrease in fund balance was due to an increase in principal debt payments.

**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, 2011**  
**(Unaudited)**

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The final revenue budget for the General Fund was \$94,373,957. The actual revenue was \$94,856,353. The \$482,396 difference was primarily due to a conservative estimate for taxes and intergovernmental revenue. The final budget expenditures were \$98,968,927. The actual expenditures were \$94,775,561. The \$4,193,366 difference was primarily due to an overestimate for regular expenditures.

The District's ending unobligated General Fund cash balance was \$46,099,120.

**Capital Assets and Debt Administration**

*Capital Assets*

At fiscal year end, the District had \$178,739,585 invested in land, buildings and improvements and equipment. Table 4 shows fiscal 2011 balances compared to fiscal 2010:

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

---

	Governmental Activities	
	2011	2010
Land	\$4,134,921	\$4,134,921
Buildings and Improvements	160,426,522	162,342,494
Equipment	14,178,142	14,991,624
Total Net Capital Assets	<u>\$178,739,585</u>	<u>\$181,469,039</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.

**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
(Unaudited)

***Debt***

At year end, the District had \$135,838,684 in bonds and capital leases outstanding, \$8,612,000 due within one year. Table 5 summarizes bonds and capital leases outstanding.

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

	Governmental Activities	
	2011	2010
General Obligation Bonds:		
2005 Refunding High School/Recreation Center and Intermediate	\$58,255,000	\$58,985,000
2005 Refunding Bond Premium on High School/Recreation Center	3,917,267	4,290,340
1995 High School Addition / Bus Garage	0	1,470,000
2001 High School/Recreation Center	7,160,000	10,500,000
2003 Refunding Middle/High School	9,410,000	9,610,000
2004 Early Childhood Center	3,975,000	4,660,000
2007 Refunding Early Childhood Center	27,230,000	27,230,000
2007 Refunding Bond Premium on Early Childhood Center	2,113,133	2,220,563
Deferred Amount on 2007 Refunding Bonds	(686,716)	(922,162)
2008 High School Addition	19,295,000	20,410,000
Capital Leases	5,170,000	5,225,000
Total Bonds and Capital Leases	<u>\$135,838,684</u>	<u>\$143,678,741</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**

On June 30, 2011, Ohio's Governor signed HB 153, the state biennium budget bill. The impact of this bill was a slight increase in state funding for the District for both fiscal years 2011-12 and 2012-13. The Governor has indicated that he will prepare a new school funding model for Ohio school districts for fiscal year 2012-13. At this time, we do not know the details of the changes or the impact that these changes may have on our future state funding. This uncertainty could have an impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be closely monitored.

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, 2011**  
**(Unaudited)**

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**Contacting the District's Financial Management**

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

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Mason City School District, Ohio  
Statement of Net Assets  
June 30, 2011

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$73,825,782
Restricted Cash and Investments	85,593
Cash and Cash Equivalents with Fiscal Agent	147,387
Receivables:	
Taxes	70,484,026
Accounts	88,827
Interest	150,145
Intergovernmental	5,637,649
Deferred Bond Issuance Costs	668,348
Inventory	98,674
Nondepreciable Capital Assets	4,134,921
Depreciable Capital Assets, Net	174,604,664
<b>Total Assets</b>	<b>329,926,016</b>
Liabilities:	
Accounts Payable	156,030
Accrued Wages and Benefits	13,799,834
Accrued Interest Payable	636,585
Unearned Revenue	67,038,259
Claims Payable	2,928,738
General Obligation Notes Payable	8,500,000
Long-Term Liabilities:	
Due Within One Year	10,330,661
Due In More Than One Year	130,795,789
<b>Total Liabilities</b>	<b>234,185,896</b>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	34,400,901
Restricted for:	
State Grants	1,764
Federal Grants	1,120,132
Community Services	2,720,712
Food Service	1,468,031
Auxiliary Services	150,626
District Managed Student Activities	88,811
Debt Service	8,637,234
Capital Projects	7,500,154
Building	2,104,322
Unrestricted	37,547,433
<b>Total Net Assets</b>	<b>\$95,740,120</b>

See accompanying notes to the Basic Financial Statements.

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Mason City School District, Ohio  
Statement of Activities  
For the Fiscal Year Ended June 30, 2011

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$48,371,728	\$2,733,454	\$1,612,341	(\$44,025,933)
Special	12,826,440	500,483	2,962,980	(9,362,977)
Vocational	12,731	0	21,525	8,794
Other	938,204	61,261	73,328	(803,615)
<b>Support Services:</b>				
Pupil	7,015,312	55,023	1,153,877	(5,806,412)
Instructional Staff	8,118,256	12,302	2,056,145	(6,049,809)
General Administration	60,567	0	0	(60,567)
School Administration	5,894,519	0	266,003	(5,628,516)
Fiscal	1,851,351	0	0	(1,851,351)
Business	422,415	185,500	0	(236,915)
Operations and Maintenance	13,504,242	1,322,932	0	(12,181,310)
Pupil Transportation	7,615,345	0	120,696	(7,494,649)
Central	3,790,359	0	18,650	(3,771,709)
Operation of Non-Instructional Services	6,058,518	3,525,476	1,584,568	(948,474)
Extracurricular Activities	2,848,531	1,481,703	0	(1,366,828)
Interest and Fiscal Charges	6,348,747	0	0	(6,348,747)
<b>Total Governmental Activities</b>	<b>\$125,677,265</b>	<b>\$9,878,134</b>	<b>\$9,870,113</b>	<b>(105,929,018)</b>
<b>General Revenues:</b>				
<b>Property Taxes Levied for:</b>				
				52,288,070
				12,121,055
				608,871
				43,721,854
				2,239,232
				199,006
				535,711
				<u>111,713,799</u>
				5,784,781
				<u>89,955,339</u>
				<u>\$95,740,120</u>

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio  
Balance Sheet  
Governmental Funds  
June 30, 2011

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$51,507,363	\$7,791,927	\$14,526,492	\$73,825,782
Restricted Cash and Investments	85,593	0	0	85,593
Cash and Cash Equivalents with Fiscal Agent	0	0	147,387	147,387
<b>Receivables:</b>				
Taxes	56,573,973	13,245,204	664,849	70,484,026
Accounts	57,446	0	31,381	88,827
Interest	150,145	0	0	150,145
Intergovernmental	0	0	5,637,649	5,637,649
Interfund	346,351	0	0	346,351
Inventory	0	0	98,674	98,674
<b>Total Assets</b>	<b>108,720,871</b>	<b>21,037,131</b>	<b>21,106,432</b>	<b>150,864,434</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	116,227	0	39,803	156,030
Accrued Wages and Benefits	12,792,084	0	1,007,750	13,799,834
Compensated Absences	1,116,431	0	33,083	1,149,514
Accrued Interest Payable	0	0	68,472	68,472
Interfund Payable	0	0	346,351	346,351
Deferred Revenue	52,610,992	12,283,099	5,965,157	70,859,248
Claims Payable	2,825,287	0	0	2,825,287
General Obligation Notes Payable	0	0	8,500,000	8,500,000
<b>Total Liabilities</b>	<b>69,461,021</b>	<b>12,283,099</b>	<b>15,960,616</b>	<b>97,704,736</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	98,674	98,674
Restricted	0	8,754,032	11,931,431	20,685,463
Committed	0	0	10,811	10,811
Assigned	915,078	0	0	915,078
Unassigned	38,344,772	0	(6,895,100)	31,449,672
<b>Total Fund Balances</b>	<b>39,259,850</b>	<b>8,754,032</b>	<b>5,145,816</b>	<b>53,159,698</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$108,720,871</b>	<b>\$21,037,131</b>	<b>\$21,106,432</b>	<b>\$150,864,434</b>

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio  
 Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2011

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Total Governmental Fund Balance		\$53,159,698
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		178,739,585
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	2,045,026	
Interest	139,361	
Intergovernmental	<u>1,636,602</u>	
		3,820,989
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(568,113)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences	(4,138,252)	
Claims Liability	<u>(103,451)</u>	
		(4,241,703)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		668,348
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(135,838,684)</u>
Net Assets of Governmental Activities		<u>\$95,740,120</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, 2011

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$51,241,889	\$11,892,354	\$597,382	\$63,731,625
Revenue in Lieu of Taxes	0	0	2,239,232	2,239,232
Tuition and Fees	2,236,180	0	93,780	2,329,960
Investment Earnings	181,577	4,629	13,550	199,756
Intergovernmental	43,490,573	2,120,259	6,458,527	52,069,359
Extracurricular Activities	541,827	0	897,705	1,439,532
Charges for Services	924,657	0	5,744,740	6,669,397
Other Revenues	261,286	2,653	190,134	454,073
<b>Total Revenues</b>	<b>98,877,989</b>	<b>14,019,895</b>	<b>16,235,050</b>	<b>129,132,934</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	47,134,895	0	265,976	47,400,871
Special	11,323,873	0	1,573,734	12,897,607
Vocational	0	0	12,731	12,731
Other	895,062	0	43,142	938,204
<b>Support Services:</b>				
Pupil	5,720,549	0	1,262,787	6,983,336
Instructional Staff	6,380,345	0	1,697,300	8,077,645
General Administration	60,567	0	0	60,567
School Administration	5,632,711	11,282	288,939	5,932,932
Fiscal	1,700,678	119,390	10,709	1,830,777
Business	306,446	0	117,275	423,721
Operations and Maintenance	9,959,194	0	1,517,083	11,476,277
Pupil Transportation	6,694,779	0	847,936	7,542,715
Central	2,875,359	0	721,139	3,596,498
Operation of Non-Instructional Services	781,225	0	5,105,057	5,886,282
Extracurricular Activities	1,711,517	0	1,021,239	2,732,756
Capital Outlay	0	0	605,199	605,199
<b>Debt Service:</b>				
Principal Retirement	0	7,540,000	55,000	7,595,000
Interest and Fiscal Charges	0	6,186,675	384,848	6,571,523
<b>Total Expenditures</b>	<b>101,177,200</b>	<b>13,857,347</b>	<b>15,530,094</b>	<b>130,564,641</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,299,211)</b>	<b>162,548</b>	<b>704,956</b>	<b>(1,431,707)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	0	0	15,221	15,221
Transfers In	0	8,500,000	9,536,569	18,036,569
Transfers (Out)	(401,944)	(9,134,625)	(8,500,000)	(18,036,569)
<b>Total Other Financing Sources (Uses)</b>	<b>(401,944)</b>	<b>(634,625)</b>	<b>1,051,790</b>	<b>15,221</b>
<b>Net Change in Fund Balance</b>	<b>(2,701,155)</b>	<b>(472,077)</b>	<b>1,756,746</b>	<b>(1,416,486)</b>
<b>Fund Balance Beginning of Year, Restated</b>	<b>41,961,005</b>	<b>9,226,109</b>	<b>3,389,070</b>	<b>54,576,184</b>
<b>Fund Balance End of Year</b>	<b>\$39,259,850</b>	<b>\$8,754,032</b>	<b>\$5,145,816</b>	<b>\$53,159,698</b>

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balances of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2011

Net Change in Fund Balance - Total Governmental Funds (\$1,416,486)

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

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

Capital assets used in governmental activities	1,745,663	
Depreciation Expense	<u>(4,225,956)</u>	(2,480,293)

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.

(249,161)

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

Delinquent Property Taxes	1,286,371	
Interest	(750)	
Intergovernmental	1,522,609	
Other	<u>(479,118)</u>	2,329,112

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

Principal payments		7,595,000
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In the statement of activities interest expense is accrued when incurred, whereas in governmental funds an interest expenditure is reported when due.

29,860

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	(158,282)	
Claims Liability	(57,885)	
Amortization of Deferred Charge	(235,446)	
Amortization of Bond Issuance Cost	(52,141)	
Amortization of Bond Premium	<u>480,503</u>	(23,251)

Change in Net Assets of Governmental Activities \$5,784,781

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2011

	Education Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$89,766	\$454,531
Total Assets	89,766	454,531
Liabilities:		
Accounts Payable	0	16,880
Other Liabilities	0	437,651
Total Liabilities	0	\$454,531
Net Assets:		
Held in Trust	89,766	
Total Net Assets	\$89,766	

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2011

	Education Private Purpose Trust
Additions:	
Donations	\$5,497
Investment Earnings	44
Total Additions	<u>5,541</u>
Deductions:	
Scholarships	<u>3,715</u>
Total Deductions	<u>3,715</u>
Change in Net Assets	1,826
Net Assets Beginning of Year	<u>87,940</u>
Net Assets End of Year	<u><u>\$89,766</u></u>

See accompanying notes to the Basic Financial Statements.

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**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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**Note 1 – Description of the District**

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The Mason City School District (the “District”) operates under a locally elected five member Board and provides educational services as authorized by its charter or further mandated by state/or federal agencies. The Board controls the District’s six instructional facilities, staffed by 528 full-time equivalent classified personnel, 761 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 11,013. The District operates one early childhood center (Pre-K-1), two elementary schools and (2-3), one intermediate school (4-6), one middle school (7-8) and a high school (9-12).

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

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The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District’s accounting policies are described below.

**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.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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**Fund Accounting**

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

Governmental Funds

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

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

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

Fiduciary Funds

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

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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**Measurement Focus**

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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Revenues – Exchange and Non-exchange Transactions

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

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

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

Deferred Revenue

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

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

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

Unearned Revenue

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

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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Expenses/Expenditures

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

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

**Equity in Pooled Cash and Investments**

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

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

The District has invested certain funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the current fiscal year. STAR Ohio is an investment pool managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes.

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

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during the current fiscal year amounted to \$181,577 credited to the General Fund; \$4,629 credited to the Debt Service Fund and \$13,550 credited to Other Governmental Funds.

For presentation on the financial statements, investments of the cash management pool are considered to be cash equivalents.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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**Inventory**

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

**Capital Assets**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five hundred dollars (\$500). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

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

**Compensated Absences**

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

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.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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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 yearly accrual	Amount equal to yearly accrual
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Paid upon termination	Paid upon termination
<u>Sick Leave</u>			
How Earned	1.25 days per month of employment (15 days per year)	1.25 days per month of employment (15 days per year)	1.25 days per month of employment (15 days per year)
Maximum Accumulation	240 days	240 days	240 days
Vested	5-10 years of service Eligible for retirement	5-10 years of service Eligible for retirement	5-10 years of service Eligible for retirement
Termination Entitlement	Paid upon retirement at 25%-50%	Paid upon retirement at 25%-50%	Paid upon retirement at 25%-50%

**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.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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

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

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the District’s \$23,791,786 in restricted net assets, none were restricted by enabling legislation.

**Interfund Activity**

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

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

As a general rule the effect of 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.



**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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**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.

**Cash and Cash Equivalents with Fiscal Agent**

Cash and Cash Equivalents with Fiscal Agent in the Building fund represent equity in pooled cash and investments set aside for OASBO capital lease.

**Accrued Liabilities and Long Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment at year end. Long term loans are recognized as a liability on the statement of net assets when due.

**Estimates**

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

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

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

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

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

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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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, 2011**

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

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

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

**Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2011, \$53,855,235 of the District's bank balance of \$54,105,235 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.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

**Investments**

As of June 30, 2011, the District had the following investments:

Investment Type	Fair Value	Aggregate Credit Risk	Weighted Average Maturity (Years)
US Treasury Notes	\$180,475	0.8%	0.29
Commercial Paper	147,273	0.7%	0.00
First American General Obligation Bond	114	0.0%	0.00
Federal Home Loan Bank	19,048,086	87.8%	0.23
Freddie Mac	785,557	3.6%	0.86
Fannie Mae	524,338	2.4%	0.65
Fannie Mae - Discount Note	109,998	0.5%	0.11
Federal Farm Credit Bank	332,755	1.5%	0.34
Money Market Funds	14,888	0.1%	0.00
STAROhio	562,044	2.6%	0.16
Total Fair Value	\$21,705,528	100.00%	
Portfolio Weighted Average Maturity			0.26

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

Credit Risk – It is the District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The District’s investments in US Treasury Notes, First American General Obligation Bond, Federal Home Loan Bank, Freddie Mac, Fannie Mae, Fannie Mae - Discount Note, Federal Farm Credit Bank, and Money Market Funds were rated AAA by Standard & Poor’s and Fitch Ratings and Aaa by Moody’s Investors Service. Investments in Commercial Paper were rated A-1+ / P-1 / F-1+ by Standard & Poor’s and Fitch Ratings and Moody’s Investors Service. Investments in STAROhio were rated AAAM by Standard & Poor’s.

Concentration of Credit Risk – The District’s investment policy allows investments in Federal Agencies or Instrumentalities.

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

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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**Note 4 - Property Taxes**

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Real property taxes collected in 2011 were levied in April on the assessed values as of January 1, 2010, 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 2011 (other than public utility property tax) represents the collection of 2011 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 2011 were levied after April 1, 2010, on the value as of December 31, 2010. 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 2011, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2011. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2011 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, 2011, was \$4,102,342 for General Fund, \$962,105 for Debt Service Fund and \$48,329 for Other Governmental Funds, 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.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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The assessed values upon which the fiscal year 2011 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,492,898,890
Public Utility	<u>10,198,936</u>
Total	<u><u>\$1,503,097,826</u></u>

**Note 5 – Receivables**

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

**Note 6 - Capital Assets**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$4,134,921	\$0	\$0	\$4,134,921
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	183,596,187	123,141	0	183,719,328
Equipment	<u>30,298,603</u>	<u>1,622,522</u>	<u>1,419,158</u>	<u>30,501,967</u>
Totals at Historical Cost	<u>218,029,711</u>	<u>1,745,663</u>	<u>1,419,158</u>	<u>218,356,216</u>
Less Accumulated Depreciation:				
Buildings and Improvements	21,253,693	2,039,113	0	23,292,806
Equipment	<u>15,306,979</u>	<u>2,186,843</u>	<u>1,169,997</u>	<u>16,323,825</u>
Total Accumulated Depreciation	<u>36,560,672</u>	<u>4,225,956</u>	<u>1,169,997</u>	<u>39,616,631</u>
Governmental Activities Capital Assets, Net	<u><u>\$181,469,039</u></u>	<u><u>(\$2,480,293)</u></u>	<u><u>\$249,161</u></u>	<u><u>\$178,739,585</u></u>

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$519,258
Special	5,863
Support Services:	
Pupil	26,062
Instructional Staff	16,899
School Administration	23,541
Fiscal	10,945
Business	1,230
Operations and Maintenance	2,060,849
Pupil Transportation	706,848
Central	412,422
Operation of Non-Instructional Services	222,903
Extracurricular Activities	219,136
Total Depreciation Expense	<u>\$4,225,956</u>

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

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

	Beginning Principal Outstanding	Additions	Deletions	Ending Principal Outstanding
Mason Intermediate Construction 2010 1.50%	\$9,000,000	\$0	\$9,000,000	\$0
Mason Intermediate Construction 2011 2.00%	<u>0</u>	<u>8,500,000</u>	<u>0</u>	<u>8,500,000</u>
Total	<u>\$9,000,000</u>	<u>\$8,500,000</u>	<u>\$9,000,000</u>	<u>\$8,500,000</u>

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

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

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$8,500,000	\$170,000	\$8,670,000

**Note 8 - Long-Term Liabilities**

	<u>Interest</u> <u>Rate</u>	<u>Beginning</u> <u>Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending</u> <u>Balance</u>	<u>Due In</u> <u>One Year</u>
<b>Governmental Activities:</b>						
General Obligation Bonds:						
2001 High School/Recreation Center	5.06%	\$10,500,000	\$0	(\$3,340,000)	\$7,160,000	\$3,505,000
2005 Refunding High School/ Recreation Center	5.16%	58,985,000	0	(730,000)	58,255,000	1,000,000
2005 Refund Bond Premium	0.00%	4,290,340	0	(373,073)	3,917,267	0
1995 High School Addition/ Bus Garage	5.65%	1,470,000	0	(1,470,000)	0	0
2003 Refunding Middle/High School	3.97%	9,610,000	0	(200,000)	9,410,000	1,870,000
2004 Early Childhood Center	4.76%	4,660,000	0	(685,000)	3,975,000	940,000
2007 Refunding Early Childhood Center	4.98%	27,230,000	0	0	27,230,000	0
2007 Refund Bond Premium	0.00%	2,220,563	0	(107,430)	2,113,133	0
Deferred Amount on 2007 Refunding	0.00%	(922,162)	0	235,446	(686,716)	0
2008 High School Addition	4.00%	20,410,000	0	(1,115,000)	19,295,000	1,230,000
Total General Obligation Bonds		138,453,741	0	(7,785,057)	130,668,684	8,545,000
Capital Leases		5,225,000	0	(55,000)	5,170,000	67,000
Total Long-Term Debt		143,678,741	0	(7,840,057)	135,838,684	8,612,000
Compensated Absences		4,125,552	1,926,123	(763,909)	5,287,766	1,718,661
Total Governmental Activities Long-Term Liabilities		<u>\$147,804,293</u>	<u>\$1,926,123</u>	<u>(\$8,603,966)</u>	<u>\$141,126,450</u>	<u>\$10,330,661</u>

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.

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.



**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2012	\$8,545,000	\$5,934,698	\$14,479,698
2013	9,460,000	5,551,929	15,011,929
2014	8,340,000	5,155,197	13,495,197
2015	10,000,000	4,725,439	14,725,439
2016	10,740,000	4,216,301	14,956,301
2017-2021	40,535,000	14,191,523	54,726,523
2022-2026	16,460,000	6,952,301	23,412,301
2027-2031	13,875,000	3,730,595	17,605,595
2032-2036	7,370,000	719,119	8,089,119
Total	<u>\$125,325,000</u>	<u>\$51,177,102</u>	<u>\$176,502,102</u>

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

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

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In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements. On June 30, 2011, \$29,170,000 of bonds outstanding are considered defeased.

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

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

At fiscal year-end, the District drew down \$5,101,613 to finance the project. The District began making principal payments in fiscal year 2010. The principal amount owed on the lease at year end is \$5,170,000. The capital lease will be paid from the Community Services fund.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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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, 2011.

Fiscal Year Ending June 30,	Long-Term Debt
2012	\$300,522
2013	308,350
2014	318,659
2015	328,332
2016	340,349
2017-2021	1,858,591
2022-2026	2,167,043
2027-2031	2,491,620
2032	249,527
Total Minimum Lease Payments	8,362,993
Less: Amount Representing Interest (4.38%)	(3,087,265)
Less: Additional Program Cost Component	(105,728)
Present Value of Minimum Lease Payments	<u>\$5,170,000</u>

**Note 11 - Pension Plans**

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**School Employees Retirement System of Ohio**

Plan Description

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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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, 2011, the allocation to pension and death benefits is 11.81%. The remaining 2.19% 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, 2011, 2010, and 2009 were \$2,808,360, \$2,738,604, and \$2,579,844, respectively; 100% has been contributed for fiscal year 2011, 2010 and 2009.

**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](http://www.strsoh.org).

Plan Options

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

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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DB Plan Benefits

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

DC Plan Benefits

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

Combined Plan Benefits

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

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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

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

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

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

Funding Policy

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2010, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2011, 2010, and 2009 were \$6,779,952, \$6,793,128, and \$6,668,916, respectively; 83% has been contributed for fiscal year 2011 and 100% for fiscal years 2010 and 2009.

**Note 12- Post Employment Benefits**

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**School Employees Retirement System of Ohio**

Plan Description

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

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2011 was \$96.40 for most participants, but could be as high as \$369.10 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 2011, the actuarially required allocation was .76%. District contributions for the year ended June 30, 2011, 2010 and 2009 were \$152,454, \$148,667 and \$138,206, respectively, which equaled the required contributions each year.

Health Care Plan

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

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

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2011, the health care allocation was 1.43%. 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 2011, 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, 2011, 2010, and 2009 were \$92,274, \$89,983, and \$766,582, respectively; 100% has been contributed for fiscal year 2011, 2010 and 2009.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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

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

**State Teachers Retirement System of Ohio**

Plan Description

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

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

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

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

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2011, 2010 and 2009. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2011, 2010, and 2009 were \$484,282, \$485,223, and \$476,351, respectively; 83% has been contributed for fiscal year 2011 and 100% for fiscal years 2010 and 2009.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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**Note 13 - Contingent Liabilities**

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The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of fiscal year end.

In June, 2010 Duke Energy notified school district customers in southwest Ohio that it had appealed its personal property valuation with the Ohio Department of Taxation and was going to reduce its tax payments while the appeal was in process. The impact on Mason City School District is estimated at \$711,472 per year if Duke wins the appeal. Duke began deducting half that amount from its tax payments beginning in FY2011. The school district believes that the valuation method used by the Ohio Department of Taxation is correct and will be upheld. However, the District has adjusted its forecasted tax revenues to reflect this change and has sufficient cash reserves to cover the repayment of taxes that would be necessary if Duke wins the appeal.

**Note 14 - Risk Management**

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The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the current fiscal year the District contracted with Indiana Insurance for general liability insurance with a \$2,000,000 aggregate plus excess umbrella of an additional \$4,000,000 limit covering all employees and volunteers of the District.

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

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

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



**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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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 \$1,360 for family coverage (\$4,000 deductible) and \$573 for individual coverage (\$2,000 deductible). For full time employees the District pays the full amount of the premium and makes the following contributions to the employees' HSAs: \$2,000 family and \$1,000 single. The District pays 100% of claims after the deductible is met.

The District offers dental on a self-insured basis with third party administrative services provided by Dental Care Plus Group. Monthly premiums for dental coverage are \$100 for family coverage and \$37 for individual coverage. The district is responsible for payment of all claim amounts.

Vision is offered on a self insured basis by the District with services provided by VSP (Vision Service Plan). Monthly premiums for vision are \$9.95 for family coverage and \$4.61 for individual coverage. VSP is responsible for payment of all claim amounts as established in the plan document.

The liability for unpaid claims cost of \$2,825,287 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 \$2,825,287 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 \$2,928,738 has been reported as claims payable. The amount due within one year for claims payable is \$103,451.

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

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claims</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2009	\$1,240,978	\$14,259,422	\$14,074,162	\$1,426,238
2010	1,426,238	11,672,071	11,256,695	1,841,614
2011	1,841,614	12,839,842	11,856,169	2,825,287

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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**Note 15 – Accountability**

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

Fund	Deficit
Special Revenue:	
Gifted Supplemental	\$13,120
Title VI B	178,948
Title III	8,263
Title I	17,158
Education Stabilization Foundation	281,933
Capital Projects:	
Building	6,395,678

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

**Note 16 - Fund Balance Reserves For Set-Asides**

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

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

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

	Textbooks	Capital Acquisition	Budget Stabilization
Set-aside Reserve Balance as of June 30, 2010	(\$191,241)	\$0	\$85,593
Current Year Set-aside Requirement	1,695,072	1,695,072	0
Qualified Disbursements	(1,758,405)	(1,297,380)	0
Current Year Offsets	0	(30,496,214)	0
Set-Aside Reserve Balance as of June 30, 2011	<u>(\$254,574)</u>	<u>(\$30,098,522)</u>	<u>\$85,593</u>
Restricted Cash as of June 30, 2011			<u>\$85,593</u>
Carried Forward as of June 30, 2011	<u>(\$254,574)</u>		

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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**Note 17 - Interfund Transactions**

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

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$346,351	\$0	\$0	\$446,609
Debt Service Fund	0	0	8,500,000	9,134,625
Other Governmental Funds	0	346,351	9,581,234	8,500,000
Total All Funds	<u>\$346,351</u>	<u>\$346,351</u>	<u>\$18,081,234</u>	<u>\$18,081,234</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.

**Note 18 - Jointly Governed Organizations**

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The Southwestern Ohio Computer Association (SWOCA) is a jointly governed organization among a three county consortium of school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized.

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

The Great Oaks Institute of Technology and Career Development, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the thirty-six participating school district's elected board, which possesses its own budgeting and taxing authority. To obtain financial information write to the Great Oaks Institute of Technology and Career Development, Mr. Robert Giuffrè, Chief Financial Officer, at 3254 East Kemper Road, Cincinnati, Ohio 45241.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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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, 2011**

**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 government 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	Other Governmental Funds	Total
<b>Nonspendable:</b>				
Inventory	\$0	\$0	\$98,674	\$98,674
<b>Total Nonspendable</b>	<b>0</b>	<b>0</b>	<b>98,674</b>	<b>98,674</b>
<b>Restricted for:</b>				
Community Services	0	0	2,807,447	2,807,447
District Managed Student Activity	0	0	88,811	88,811
Auxiliary Services	0	0	150,626	150,626
Entry Year Programs	0	0	22	22
Ohio Reads	0	0	2,000	2,000
Summer Intervention	0	0	464	464
Vocational Education	0	0	22,611	22,611
Refugee Impact	0	0	455	455
Drug-Free Schools	0	0	868	868
Public School Preschool	0	0	1,976	1,976
Improving Teacher Quality	0	0	1,163	1,163
Food Service Operations	0	0	1,384,494	1,384,494
Debt Service Payments	0	8,754,032	0	8,754,032
Capital Improvements	0	0	7,470,494	7,470,494
<b>Total Restricted</b>	<b>0</b>	<b>8,754,032</b>	<b>11,931,431</b>	<b>20,685,463</b>
<b>Committed to:</b>				
Insurance Replacement	0	0	10,811	10,811
<b>Total Committed</b>	<b>0</b>	<b>0</b>	<b>10,811</b>	<b>10,811</b>
<b>Assigned to:</b>				
Encumbrances	915,078	0	0	915,078
<b>Total Assigned</b>	<b>915,078</b>	<b>0</b>	<b>0</b>	<b>915,078</b>
<b>Unassigned (Deficit)</b>	<b>38,344,772</b>	<b>0</b>	<b>(6,895,100)</b>	<b>31,449,672</b>
<b>Total Fund Balance</b>	<b>\$39,259,850</b>	<b>\$8,754,032</b>	<b>\$5,145,816</b>	<b>\$53,159,698</b>

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

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**Note 20 – Change in Accounting Principles and Restatement of Fund Balance**

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**Change in Accounting Principles**

For fiscal year 2011, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” GASB 54 shifts the focus of fund balance reporting from the availability of fund resources for budgeting to the extent to which the District is bound to honor constraints on the specific purposes for which amounts in funds can be spent.

**Restatement of Fund Balance**

The implementation of GASB 54 had the following effects on fund balance of the following major and non-major (other governmental) funds of the District as they were previously reported.

	General Fund	Other Governmental Funds
	<u>                    </u>	<u>                    </u>
Fund Balance, June 30, 2010	\$41,979,749	\$3,370,326
Fund Reclassification	(18,744)	18,744
Fund Balance, June 30, 2010 - Restated	<u>\$41,961,005</u>	<u>\$3,389,070</u>

# **REQUIRED SUPPLEMENTARY INFORMATION**

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Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	General Fund			Variance from Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$49,021,518	\$48,743,529	\$48,992,683	\$249,154
Tuition and Fees	1,777,244	1,767,166	1,776,199	9,033
Investment Earnings	491,250	488,464	490,961	2,497
Intergovernmental	43,516,170	43,269,400	43,490,573	221,173
Charges for Services	87,959	87,460	87,907	447
Other Revenues	18,041	17,938	18,030	92
<b>Total Revenues</b>	<b>94,912,182</b>	<b>94,373,957</b>	<b>94,856,353</b>	<b>482,396</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular</b>				
Salaries and Wages	32,604,868	32,604,865	31,223,381	1,381,484
Fringe Benefits	11,687,184	11,687,183	11,191,991	495,192
Purchased Services	82,184	82,184	78,702	3,482
Materials and Supplies	1,150,900	1,150,900	1,102,136	48,764
Capital Outlay	10,762	10,762	10,306	456
Capital Outlay - Replacement	5,611	5,611	5,373	238
Other Expenditures	5,116	5,116	4,899	217
<b>Total Regular</b>	<b>45,546,625</b>	<b>45,546,621</b>	<b>43,616,788</b>	<b>1,929,833</b>
<b>Special</b>				
Salaries and Wages	7,117,002	7,117,002	6,815,451	301,551
Fringe Benefits	2,882,140	2,882,140	2,760,022	122,118
Purchased Services	246,989	246,989	236,524	10,465
Materials and Supplies	66,885	66,885	64,051	2,834
Capital Outlay	562	562	538	24
Other Expenditures	241,985	241,985	231,732	10,253
<b>Total Special</b>	<b>10,555,563</b>	<b>10,555,563</b>	<b>10,108,318</b>	<b>447,245</b>
<b>Other</b>				
Purchased Services	1,036,570	1,036,570	992,650	43,920
<b>Total Other</b>	<b>1,036,570</b>	<b>1,036,570</b>	<b>992,650</b>	<b>43,920</b>
<b>Support Services:</b>				
<b>Pupil</b>				
Salaries and Wages	3,628,954	3,628,954	3,475,193	153,761
Fringe Benefits	1,414,002	1,414,002	1,354,090	59,912
Purchased Services	506,249	506,249	484,799	21,450
Materials and Supplies	112,853	112,853	108,071	4,782
Capital Outlay	320	320	306	14
Other Expenditures	603	603	577	26
<b>Total Pupil</b>	<b>5,662,981</b>	<b>5,662,981</b>	<b>5,423,036</b>	<b>239,945</b>

Continued



Mason City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2011

	General Fund			Variance from Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Instructional Staff</b>				
Salaries and Wages	3,904,334	3,904,334	3,738,905	165,429
Fringe Benefits	2,327,937	2,327,937	2,229,301	98,636
Purchased Services	25,128	25,128	24,063	1,065
Materials and Supplies	85,532	85,532	81,908	3,624
Capital Outlay	590	590	565	25
Capital Outlay - Replacement	213	213	204	9
Other Expenditures	10,714	10,714	10,260	454
<b>Total Instructional Staff</b>	<b>6,354,448</b>	<b>6,354,448</b>	<b>6,085,206</b>	<b>269,242</b>
<b>General Administration</b>				
Salaries and Wages	32,111	32,111	30,750	1,361
Fringe Benefits	7,074	7,074	6,774	300
Purchased Services	1,671	1,671	1,600	71
Materials and Supplies	32	32	31	1
Other Expenditures	29,815	29,815	28,552	1,263
<b>Total General Administration</b>	<b>70,703</b>	<b>70,703</b>	<b>67,707</b>	<b>2,996</b>
<b>School Administration</b>				
Salaries and Wages	3,641,378	3,641,378	3,487,091	154,287
Fringe Benefits	1,648,558	1,648,558	1,578,708	69,850
Purchased Services	192,687	192,687	184,523	8,164
Materials and Supplies	16,830	16,830	16,117	713
Capital Outlay	2,691	2,691	2,577	114
Capital Outlay - Replacement	0	0	0	0
Other Expenditures	59,714	59,714	57,184	2,530
<b>Total School Administration</b>	<b>5,561,858</b>	<b>5,561,858</b>	<b>5,326,200</b>	<b>235,658</b>
<b>Fiscal</b>				
Salaries and Wages	633,060	633,060	606,237	26,823
Fringe Benefits	287,696	287,696	275,506	12,190
Purchased Services	44,636	44,636	42,745	1,891
Materials and Supplies	13,023	13,023	12,471	552
Other Expenditures	764,395	764,395	732,007	32,388
<b>Total Fiscal</b>	<b>1,742,810</b>	<b>1,742,810</b>	<b>1,668,966</b>	<b>73,844</b>
<b>Business</b>				
Salaries and Wages	200,928	200,928	192,415	8,513
Fringe Benefits	85,768	85,768	82,134	3,634
Purchased Services	22,356	22,356	21,409	947
Materials and Supplies	6,581	6,581	6,302	279
Other Expenditures	1,225	1,225	1,173	52
<b>Total Business</b>	<b>316,858</b>	<b>316,858</b>	<b>303,433</b>	<b>13,425</b>

Continued

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<u>Operations and Maintenance</u>				
Salaries and Wages	3,313,844	3,313,844	3,173,435	140,409
Fringe Benefits	1,632,110	1,632,110	1,562,957	69,153
Purchased Services	4,993,132	4,993,131	4,781,570	211,561
Materials and Supplies	727,534	727,534	696,708	30,826
Capital Outlay	12,490	12,490	11,961	529
Capital Outlay - Replacement	186	186	178	8
Total Operations and Maintenance	<u>10,679,296</u>	<u>10,679,295</u>	<u>10,226,809</u>	<u>452,486</u>
<u>Pupil Transportation</u>				
Salaries and Wages	3,707,341	3,707,341	3,550,259	157,082
Fringe Benefits	1,760,451	1,760,451	1,685,860	74,591
Purchased Services	292,842	292,842	280,434	12,408
Materials and Supplies	849,073	849,073	813,097	35,976
Capital Outlay	7,039	7,039	6,741	298
Other Expenditures	414	414	396	18
Total Pupil Transportation	<u>6,617,160</u>	<u>6,617,160</u>	<u>6,336,787</u>	<u>280,373</u>
<u>Central</u>				
Salaries and Wages	1,583,912	1,583,912	1,516,801	67,111
Fringe Benefits	707,156	707,156	677,193	29,963
Purchased Services	350,990	350,990	336,118	14,872
Materials and Supplies	314,160	314,160	300,849	13,311
Capital Outlay	85,320	85,320	81,705	3,615
Capital Outlay - Replacement	20,476	20,476	19,608	868
Other Expenditures	1,984	1,984	1,900	84
Total Central	<u>3,063,998</u>	<u>3,063,998</u>	<u>2,934,174</u>	<u>129,824</u>
<u>Operation of Non-Instructional Services</u>				
Salaries and Wages	5,316	5,316	5,091	225
Fringe Benefits	1,656	1,656	1,586	70
Purchased Services	996	996	954	42
Materials and Supplies	6,503	6,503	6,227	276
Other Expenditures	15,698	15,698	15,033	665
Total Operation of Non- Instructional Services	<u>30,169</u>	<u>30,169</u>	<u>28,891</u>	<u>1,278</u>
<u>Extracurricular Activities</u>				
Salaries and Wages	1,246,243	1,246,243	1,193,439	52,804
Fringe Benefits	263,121	263,121	251,972	11,149
Purchased Services	208,452	208,452	199,620	8,832
Materials and Supplies	9,103	9,103	8,717	386
Other Expenditures	2,974	2,974	2,848	126
Total Extracurricular Activities	<u>1,729,893</u>	<u>1,729,893</u>	<u>1,656,596</u>	<u>73,297</u>
Total Expenditures	<u>98,968,932</u>	<u>98,968,927</u>	<u>94,775,561</u>	<u>4,193,366</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,056,750)</u>	<u>(4,594,970)</u>	<u>80,792</u>	<u>4,675,762</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, 2011

	General Fund			Variance from Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Other Financing Sources (Uses):				
Advances In	814,379	809,761	813,900	4,139
Advances (Out)	(997,936)	(1,003,230)	(955,653)	47,577
Transfers (Out)	(466,369)	(468,844)	(446,609)	22,235
Total Other Financing Sources (Uses)	(649,926)	(662,313)	(588,362)	73,951
Net Change in Fund Balance	(4,706,676)	(5,257,283)	(507,570)	4,749,713
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	46,606,690	46,606,690	46,606,690	0
Fund Balance End of Year	\$41,900,014	\$41,349,407	\$46,099,120	\$4,749,713

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, 2011**

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**Note 1 - Budgetary Process**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2011.

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

**Mason City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2011**

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

Net Change in Fund Balance

	<u>General Fund</u>
GAAP Basis	(\$2,701,155)
Revenue Accruals	(4,021,636)
Expenditures Accruals	7,338,370
Transfers (Out)	(44,665)
Advances In	813,900
Advances (Out)	(955,653)
Encumbrances	<u>(936,731)</u>
 Budget Basis	 <u><u>(\$507,570)</u></u>

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# COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



## **MAJOR GOVERNMENTAL FUND**

**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.



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, 2011

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Taxes	\$11,362,386	\$11,364,857	\$2,471
Investment Earnings	4,628	4,629	1
Intergovernmental	2,119,798	2,120,259	461
Other Revenues	2,652	2,653	1
Total Revenues	<u>13,489,464</u>	<u>13,492,398</u>	<u>2,934</u>
Expenditures:			
Current:			
Support Services:			
School Administration	11,372	11,282	90
Fiscal	120,340	119,390	950
Debt Service:			
Principal Retirement	16,671,606	16,540,000	131,606
Interest and Fiscal Charges	6,371,597	6,321,300	50,297
Total Expenditures	<u>23,174,915</u>	<u>22,991,972</u>	<u>182,943</u>
Excess of Revenues Over (Under) Expenditures	<u>(9,685,451)</u>	<u>(9,499,574)</u>	<u>185,877</u>
Other Financing Sources (Uses):			
Issuance of Tax Anticipation Notes	8,498,152	8,500,000	1,848
Total Other Financing Sources (Uses)	<u>8,498,152</u>	<u>8,500,000</u>	<u>1,848</u>
Net Change in Fund Balance	(1,187,299)	(999,574)	187,725
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>8,791,501</u>	<u>8,791,501</u>	<u>0</u>
Fund Balance End of Year	<u>\$7,604,202</u>	<u>\$7,791,927</u>	<u>\$187,725</u>

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

### **Capital Projects Funds**

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Mason City School District, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$5,066,977	\$9,459,515	\$14,526,492
Cash and Cash Equivalents with Fiscal Agent	0	147,387	147,387
<b>Receivables:</b>			
Taxes	0	664,849	664,849
Accounts	31,381	0	31,381
Intergovernmental	1,925,614	3,712,035	5,637,649
Inventory	98,674	0	98,674
<b>Total Assets</b>	<b>7,122,646</b>	<b>13,983,786</b>	<b>21,106,432</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	38,671	1,132	39,803
Accrued Wages and Benefits	1,007,750	0	1,007,750
Compensated Absences	33,083	0	33,083
Accrued Interest Payable	0	68,472	68,472
Interfund Payable	346,351	0	346,351
Deferred Revenue	1,636,602	4,328,555	5,965,157
General Obligation Notes Payable	0	8,500,000	8,500,000
<b>Total Liabilities</b>	<b>3,062,457</b>	<b>12,898,159</b>	<b>15,960,616</b>
<b>Fund Balances:</b>			
Nonspendable	98,674	0	98,674
Restricted	4,460,937	7,470,494	11,931,431
Committed	0	10,811	10,811
Unassigned	(499,422)	(6,395,678)	(6,895,100)
<b>Total Fund Balances</b>	<b>4,060,189</b>	<b>1,085,627</b>	<b>5,145,816</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$7,122,646</b>	<b>\$13,983,786</b>	<b>\$21,106,432</b>

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, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$0	\$597,382	\$597,382
Revenue in Lieu of Taxes	0	2,239,232	2,239,232
Tuition and Fees	93,780	0	93,780
Investment Earnings	1,948	11,602	13,550
Intergovernmental	6,326,273	132,254	6,458,527
Extracurricular Activities	897,705	0	897,705
Charges for Services	5,744,740	0	5,744,740
Other Revenues	87,111	103,023	190,134
<b>Total Revenues</b>	<b>13,151,557</b>	<b>3,083,493</b>	<b>16,235,050</b>
Expenditures:			
Current:			
Instruction:			
Regular	187,793	78,183	265,976
Special	1,557,823	15,911	1,573,734
Vocational	12,731	0	12,731
Other	43,142	0	43,142
Support Services:			
Pupil	1,259,201	3,586	1,262,787
Instructional Staff	1,697,300	0	1,697,300
School Administration	288,372	567	288,939
Fiscal	0	10,709	10,709
Business	117,275	0	117,275
Operations and Maintenance	1,096,392	420,691	1,517,083
Pupil Transportation	0	847,936	847,936
Central	56,711	664,428	721,139
Operation of Non-Instructional Services	5,105,057	0	5,105,057
Extracurricular Activities	1,019,962	1,277	1,021,239
Capital Outlay	0	605,199	605,199
Debt Service:			
Principal Retirement	55,000	0	55,000
Interest and Fiscal Charges	236,126	148,722	384,848
<b>Total Expenditures</b>	<b>12,732,885</b>	<b>2,797,209</b>	<b>15,530,094</b>
Excess of Revenues Over (Under) Expenditures	418,672	286,284	704,956
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	15,221	15,221
Transfers In	401,944	9,134,625	9,536,569
Transfers (Out)	0	(8,500,000)	(8,500,000)
<b>Total Other Financing Sources (Uses)</b>	<b>401,944</b>	<b>649,846</b>	<b>1,051,790</b>
Net Change in Fund Balance	820,616	936,130	1,756,746
Fund Balance Beginning of Year, Restated	3,239,573	149,497	3,389,070
<b>Fund Balance End of Year</b>	<b>\$4,060,189</b>	<b>\$1,085,627</b>	<b>\$5,145,816</b>

## **NONMAJOR SPECIAL REVENUE 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.

**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.

**Management Information System** - To account for state funds which are provided to assist the District in implementing a staff, student and financial system to comply with Senate Bill 140.

**Entry Year Programs** - To account for state funds provided for entry year programs.

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

**Ohio Reads** - To account for state funds, which are designated reading.

**Summer Intervention:** To account for funds which are used for summer intervention.

**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.

**Refugee Impact** - To account for federal funds to provide supplemental services to refugees.

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

**Drug Free Schools** - To account for federal funds used for establishment, operation and improvement of programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

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

**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.

**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.

**Education Stabilization Foundation** - To account for monies that was part of the American Recovery and Reinvestment Act of 2009. This was intended to provide money to school districts to prevent layoffs and cutbacks, with flexibility to use the funds for school modernization and repairs.

**Title II-D** - To account for competitive grant monies received from the Federal Government which focuses on professional development and student learning needed for the 21st century.

**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.

Mason City School District, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2011

	Community Services	District Managed Student Activity	Auxiliary Services	Management Information System
Assets:				
Equity in Pooled Cash and Investments	\$2,859,851	\$296,078	\$170,172	\$0
Receivables:				
Accounts	29,381	2,000	0	0
Intergovernmental	0	0	0	0
Inventory	0	0	0	0
<b>Total Assets</b>	<b>2,889,232</b>	<b>298,078</b>	<b>170,172</b>	<b>0</b>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	10,136	12,896	8,513	0
Accrued Wages and Benefits	61,919	0	11,033	0
Compensated Absences	0	0	0	0
Interfund Payable	9,730	196,371	0	0
Deferred Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>81,785</b>	<b>209,267</b>	<b>19,546</b>	<b>0</b>
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	2,807,447	88,811	150,626	0
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<b>2,807,447</b>	<b>88,811</b>	<b>150,626</b>	<b>0</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$2,889,232</b>	<b>\$298,078</b>	<b>\$170,172</b>	<b>\$0</b>



Entry Year Programs	OneNet Network Connectivity	Ohio Reads	Summer Intervention	Gifted Supplemental	Title VI-B	Vocational Education
\$22	\$0	\$2,000	\$464	\$5,149	\$19,168	\$22,721
0	0	0	0	0	0	0
0	0	0	0	12,398	217,637	0
0	0	0	0	0	0	0
22	0	2,000	464	17,547	236,805	22,721
0	0	0	0	0	828	110
0	0	0	0	5,871	347,183	0
0	0	0	0	0	0	0
0	0	0	0	12,398	56,616	0
0	0	0	0	12,398	11,126	0
0	0	0	0	30,667	415,753	110
0	0	0	0	0	0	0
22	0	2,000	464	0	0	22,611
0	0	0	0	(13,120)	(178,948)	0
22	0	2,000	464	(13,120)	(178,948)	22,611
\$22	\$0	\$2,000	\$464	\$17,547	\$236,805	\$22,721

Continued

Mason City School District, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2011

	Title III	Refugee Impact	Title I	Drug-Free Schools
Assets:				
Equity in Pooled Cash and Investments	\$3,403	\$455	\$1,300	\$1,094
Receivables:				
Accounts	0	0	0	0
Intergovernmental	17,988	0	21,251	0
Inventory	0	0	0	0
<b>Total Assets</b>	<b>21,391</b>	<b>455</b>	<b>22,551</b>	<b>1,094</b>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	0	0	0
Accrued Wages and Benefits	16,485	0	37,320	0
Compensated Absences	0	0	0	0
Interfund Payable	5,724	0	1,299	226
Deferred Revenue	7,445	0	1,090	0
<b>Total Liabilities</b>	<b>29,654</b>	<b>0</b>	<b>39,709</b>	<b>226</b>
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	0	455	0	868
Unassigned	(8,263)	0	(17,158)	0
<b>Total Fund Balances</b>	<b>(8,263)</b>	<b>455</b>	<b>(17,158)</b>	<b>868</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$21,391</b>	<b>\$455</b>	<b>\$22,551</b>	<b>\$1,094</b>

Public School Preschool	Improving Teacher Quality	Food Service	Education Stabilization Foundation	Title II-D	Education Jobs	Total Nonmajor Special Revenue Funds
\$2,855	\$21,553	\$1,660,692	\$0	\$0	\$0	\$5,066,977
0	0	0	0	0	0	31,381
15,959	53,460	0	0	23	1,586,898	1,925,614
0	0	98,674	0	0	0	98,674
<u>18,814</u>	<u>75,013</u>	<u>1,759,366</u>	<u>0</u>	<u>23</u>	<u>1,586,898</u>	<u>7,122,646</u>
879	0	5,309	0	0	0	38,671
0	8,200	237,806	281,933	0	0	1,007,750
0	0	33,083	0	0	0	33,083
15,959	48,028	0	0	0	0	346,351
0	17,622	0	0	23	1,586,898	1,636,602
<u>16,838</u>	<u>73,850</u>	<u>276,198</u>	<u>281,933</u>	<u>23</u>	<u>1,586,898</u>	<u>3,062,457</u>
0	0	98,674	0	0	0	98,674
1,976	1,163	1,384,494	0	0	0	4,460,937
0	0	0	(281,933)	0	0	(499,422)
<u>1,976</u>	<u>1,163</u>	<u>1,483,168</u>	<u>(281,933)</u>	<u>0</u>	<u>0</u>	<u>4,060,189</u>
<u>\$18,814</u>	<u>\$75,013</u>	<u>\$1,759,366</u>	<u>\$0</u>	<u>\$23</u>	<u>\$1,586,898</u>	<u>\$7,122,646</u>

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, 2011

	Community Services	District Managed Student Activity	Auxiliary Services	Management Information System
Revenues:				
Tuition and Fees	\$74,717	\$19,063	\$0	\$0
Investment Earnings	863	144	118	0
Intergovernmental	0	0	632,723	5,000
Extracurricular Activities	24,529	873,176	0	0
Charges for Services	2,216,562	0	0	0
Other Revenues	9,700	77,311	0	0
<b>Total Revenues</b>	<b>2,326,371</b>	<b>969,694</b>	<b>632,841</b>	<b>5,000</b>
Expenditures:				
Current:				
Instruction:				
Regular	154,016	0	0	0
Special	704	0	0	0
Vocational	0	0	0	0
Other	0	0	0	0
Support Services:				
Pupil	1,084	0	0	0
Instructional Staff	7,270	0	0	0
School Administration	0	0	0	0
Business	117,275	0	0	0
Operations and Maintenance	1,096,392	0	0	0
Central	0	0	0	24,824
Operation of Non-Instructional Services	32,888	0	670,549	0
Extracurricular Activities	28,248	991,714	0	0
Debt Service:				
Principal Retirement	55,000	0	0	0
Interest and Fiscal Charges	236,126	0	0	0
<b>Total Expenditures</b>	<b>1,729,003</b>	<b>991,714</b>	<b>670,549</b>	<b>24,824</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>597,368</b>	<b>(22,020)</b>	<b>(37,708)</b>	<b>(19,824)</b>
Other Financing Sources (Uses):				
Transfers In	401,944	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>401,944</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>999,312</b>	<b>(22,020)</b>	<b>(37,708)</b>	<b>(19,824)</b>
<b>Fund Balance Beginning of Year, Restated</b>	<b>1,808,135</b>	<b>110,831</b>	<b>188,334</b>	<b>19,824</b>
<b>Fund Balance End of Year</b>	<b>\$2,807,447</b>	<b>\$88,811</b>	<b>\$150,626</b>	<b>\$0</b>

Entry Year Programs	OneNet Network Connectivity	Ohio Reads	Summer Intervention	Gifted Supplemental	Title VI-B	Vocational Education
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	13,650	0	0	14,316	2,136,160	14,934
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	13,650	0	0	14,316	2,136,160	14,934
0	0	0	0	22	0	0
0	0	0	0	0	1,396,506	0
0	0	0	0	0	0	12,731
0	0	0	0	0	0	110
0	0	0	0	27,437	441,379	0
0	0	0	0	0	157,785	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	31,887	0	0	0	0	0
0	0	0	0	0	60,956	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	31,887	0	0	27,459	2,056,626	12,841
0	(18,237)	0	0	(13,143)	79,534	2,093
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	(18,237)	0	0	(13,143)	79,534	2,093
22	18,237	2,000	464	23	(258,482)	20,518
\$22	\$0	\$2,000	\$464	(\$13,120)	(\$178,948)	\$22,611

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, 2011

	Title III	Refugee Impact	Title I	Drug-Free Schools
Revenues:				
Tuition and Fees	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0
Intergovernmental	82,699	0	147,801	1,106
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Other Revenues	0	0	0	0
<b>Total Revenues</b>	<b>82,699</b>	<b>0</b>	<b>147,801</b>	<b>1,106</b>
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	1,345
Special	0	0	151,500	0
Vocational	0	0	0	0
Other	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	77,330	0	0	0
School Administration	0	0	0	0
Business	0	0	0	0
Operations and Maintenance	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>77,330</b>	<b>0</b>	<b>151,500</b>	<b>1,345</b>
Excess of Revenues Over (Under) Expenditures	5,369	0	(3,699)	(239)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	5,369	0	(3,699)	(239)
Fund Balance Beginning of Year, Restated	(13,632)	455	(13,459)	1,107
<b>Fund Balance End of Year</b>	<b>(\$8,263)</b>	<b>\$455</b>	<b>(\$17,158)</b>	<b>\$868</b>

Public School Preschool	Improving Teacher Quality	Food Service	Education Stabilization Foundation	Title II-D	Education Jobs	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$93,780
0	0	823	0	0	0	1,948
85,837	116,283	905,248	2,169,499	1,017	0	6,326,273
0	0	0	0	0	0	897,705
0	0	3,528,178	0	0	0	5,744,740
0	0	100	0	0	0	87,111
<u>85,837</u>	<u>116,283</u>	<u>4,434,349</u>	<u>2,169,499</u>	<u>1,017</u>	<u>0</u>	<u>13,151,557</u>
0	32,410	0	0	0	0	187,793
9,113	0	0	0	0	0	1,557,823
0	0	0	0	0	0	12,731
0	0	0	43,032	0	0	43,142
33,441	0	60,284	695,576	0	0	1,259,201
34,588	115,620	0	1,303,470	1,237	0	1,697,300
0	0	0	288,372	0	0	288,372
0	0	0	0	0	0	117,275
0	0	0	0	0	0	1,096,392
0	0	0	0	0	0	56,711
0	0	4,340,664	0	0	0	5,105,057
0	0	0	0	0	0	1,019,962
0	0	0	0	0	0	55,000
0	0	0	0	0	0	236,126
<u>77,142</u>	<u>148,030</u>	<u>4,400,948</u>	<u>2,330,450</u>	<u>1,237</u>	<u>0</u>	<u>12,732,885</u>
<u>8,695</u>	<u>(31,747)</u>	<u>33,401</u>	<u>(160,951)</u>	<u>(220)</u>	<u>0</u>	<u>418,672</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>401,944</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>401,944</u>
8,695	(31,747)	33,401	(160,951)	(220)	0	820,616
(6,719)	32,910	1,449,767	(120,982)	220	0	3,239,573
<u>\$1,976</u>	<u>\$1,163</u>	<u>\$1,483,168</u>	<u>(\$281,933)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,060,189</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, 2011

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>Revenues:</b>			
Tuition and Fees	\$458,179	\$460,526	\$2,347
Extracurricular Activities	539,211	541,973	2,762
Other Revenues	220,911	222,042	1,131
<b>Total Revenues</b>	<b>1,218,301</b>	<b>1,224,541</b>	<b>6,240</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	601,960	545,687	56,273
Special	673,903	610,904	62,999
<b>Support Services:</b>			
Instructional Staff	301	273	28
Operations and Maintenance	164,508	149,129	15,379
Pupil Transportation	794	720	74
Central	3,506	3,178	328
Operation of Non-Instructional Services	35,307	32,006	3,301
Extracurricular Activities	38,124	34,560	3,564
<b>Total Expenditures</b>	<b>1,518,403</b>	<b>1,376,457</b>	<b>141,946</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(300,102)</b>	<b>(151,916)</b>	<b>148,186</b>
<b>Other Financing Sources (Uses):</b>			
Advances In	606,197	609,302	3,105
Advances (Out)	(589,391)	(534,293)	55,098
<b>Total Other Financing Sources (Uses)</b>	<b>16,806</b>	<b>75,009</b>	<b>58,203</b>
<b>Net Change in Fund Balance</b>	<b>(283,296)</b>	<b>(76,907)</b>	<b>206,389</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>389,211</b>	<b>389,211</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$105,915</b>	<b>\$312,304</b>	<b>\$206,389</b>

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



Mason City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2011

	Community Services Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Tuition and Fees	\$72,416	\$74,717	\$2,301
Investment Earnings	836	863	27
Extracurricular Activities	23,773	24,529	756
Charges for Services	2,148,291	2,216,562	68,271
Other Revenues	86,851	89,611	2,760
Total Revenues	<u>2,332,167</u>	<u>2,406,282</u>	<u>74,115</u>
Expenditures:			
Current:			
Instruction:			
Regular	168,167	140,621	27,546
Special	842	704	138
Support Services:			
Pupil	947	792	155
Instructional Staff	8,958	7,491	1,467
Business	135,174	113,032	22,142
Operations and Maintenance	1,387,345	1,160,093	227,252
Operation of Non-Instructional Services	48,458	40,520	7,938
Extracurricular Activities	36,515	30,534	5,981
Debt Service:			
Principal Retirement	65,774	55,000	10,774
Interest and Fiscal Charges	282,381	236,126	46,255
Total Expenditures	<u>2,134,561</u>	<u>1,784,913</u>	<u>349,648</u>
Excess of Revenues Over (Under) Expenditures	<u>197,606</u>	<u>621,369</u>	<u>423,763</u>
Other Financing Sources (Uses):			
Advances In	9,430	9,730	300
Transfers In	389,564	401,944	12,380
Total Other Financing Sources (Uses)	<u>398,994</u>	<u>411,674</u>	<u>12,680</u>
Net Change in Fund Balance	596,600	1,033,043	436,443
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,743,207</u>	<u>1,743,207</u>	<u>0</u>
Fund Balance End of Year	<u>\$2,339,807</u>	<u>\$2,776,250</u>	<u>\$436,443</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, 2011

	District Managed Student Activity Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>Revenues:</b>			
Tuition and Fees	\$18,674	\$19,063	\$389
Investment Earnings	141	144	3
Extracurricular Activities	856,981	874,826	17,845
Other Revenues	74,028	75,570	1,542
<b>Total Revenues</b>	<b>949,824</b>	<b>969,603</b>	<b>19,779</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Extracurricular Activities	1,161,985	1,027,927	134,058
<b>Total Expenditures</b>	<b>1,161,985</b>	<b>1,027,927</b>	<b>134,058</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(212,161)</b>	<b>(58,324)</b>	<b>153,837</b>
<b>Other Financing Sources (Uses):</b>			
Advances In	192,365	196,371	4,006
Advances (Out)	(173,623)	(153,592)	20,031
<b>Total Other Financing Sources (Uses)</b>	<b>18,742</b>	<b>42,779</b>	<b>24,037</b>
<b>Net Change in Fund Balance</b>	<b>(193,419)</b>	<b>(15,545)</b>	<b>177,874</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>280,031</b>	<b>280,031</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$86,612</b>	<b>\$264,486</b>	<b>\$177,874</b>

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Auxiliary Services Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Investment Earnings	\$118	\$118	\$0
Intergovernmental	690,746	690,716	(30)
Total Revenues	690,864	690,834	(30)
Expenditures:			
Current:			
Operation of Non-Instructional Services	840,805	839,209	1,596
Total Expenditures	840,805	839,209	1,596
Net Change in Fund Balance	(149,941)	(148,375)	1,566
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	149,971	149,971	0
Fund Balance End of Year	\$30	\$1,596	\$1,566

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, 2011

	Management Information System Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$5,000	\$5,000	\$0
Total Revenues	5,000	5,000	0
Expenditures:			
Current:			
Support Services:			
Central	24,824	24,824	0
Total Expenditures	24,824	24,824	0
Net Change in Fund Balance	(19,824)	(19,824)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	19,824	19,824	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, 2011

	Entry Year Programs Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	24	0	24
Total Expenditures	24	0	24
Net Change in Fund Balance	(24)	0	24
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	22	22	0
Fund Balance End of Year	(\$2)	\$22	\$24

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, 2011

	OneNet Network Connectivity Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$13,650	\$13,650	\$0
Total Revenues	13,650	13,650	0
Expenditures:			
Current:			
Support Services:			
Central	31,887	31,887	0
Total Expenditures	31,887	31,887	0
Net Change in Fund Balance	(18,237)	(18,237)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	18,237	18,237	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, 2011

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

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Summer Intervention Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	463	0	463
Total Expenditures	463	0	463
Net Change in Fund Balance	(463)	0	463
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	464	464	0
Fund Balance End of Year	\$1	\$464	\$463



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, 2011

	Gifted Supplemental Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$14,316	\$14,316	\$0
Total Revenues	14,316	14,316	0
Expenditures:			
Current:			
Instruction:			
Special	27	22	5
Support Services:			
Pupil	26,709	21,566	5,143
Total Expenditures	26,736	21,588	5,148
Excess of Revenues Over (Under) Expenditures	(12,420)	(7,272)	5,148
Other Financing Sources (Uses):			
Advances In	12,398	12,398	0
Total Other Financing Sources (Uses)	12,398	12,398	0
Net Change in Fund Balance	(22)	5,126	5,148
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	23	23	0
Fund Balance End of Year	\$1	\$5,149	\$5,148

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, 2011

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$2,221,375	\$2,122,075	(\$99,300)
Total Revenues	<u>2,221,375</u>	<u>2,122,075</u>	<u>(99,300)</u>
Expenditures:			
Current:			
Instruction:			
Special	1,506,403	1,502,951	3,452
Support Services:			
Pupil	426,719	425,741	978
Instructional Staff	162,001	161,630	371
Operation of Non-Instructional Services	70,413	70,252	161
Total Expenditures	<u>2,165,536</u>	<u>2,160,574</u>	<u>4,962</u>
Excess of Revenues Over (Under) Expenditures	<u>55,839</u>	<u>(38,499)</u>	<u>(94,338)</u>
Other Financing Sources (Uses):			
Advances In	59,265	56,616	(2,649)
Advances (Out)	(37,530)	(37,444)	86
Total Other Financing Sources (Uses)	<u>21,735</u>	<u>19,172</u>	<u>(2,563)</u>
Net Change in Fund Balance	77,574	(19,327)	(96,901)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>25,291</u>	<u>25,291</u>	<u>0</u>
Fund Balance End of Year	<u>\$102,865</u>	<u>\$5,964</u>	<u>(\$96,901)</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, 2011

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$14,934	\$14,934	\$0
Total Revenues	14,934	14,934	0
Expenditures:			
Current:			
Instruction:			
Vocational	35,450	15,159	20,291
Total Expenditures	35,450	15,159	20,291
Net Change in Fund Balance	(20,516)	(225)	20,291
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	20,518	20,518	0
Fund Balance End of Year	\$2	\$20,293	\$20,291

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, 2011

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$79,108	\$79,108	\$0
Total Revenues	<u>79,108</u>	<u>79,108</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special	7,653	7,372	281
Support Services:			
Instructional Staff	77,525	74,674	2,851
Pupil Transportation	156	150	6
Total Expenditures	<u>85,334</u>	<u>82,196</u>	<u>3,138</u>
Excess of Revenues Over (Under) Expenditures	<u>(6,226)</u>	<u>(3,088)</u>	<u>3,138</u>
Other Financing Sources (Uses):			
Advances In	5,724	5,724	0
Total Other Financing Sources (Uses)	<u>5,724</u>	<u>5,724</u>	<u>0</u>
Net Change in Fund Balance	(502)	2,636	3,138
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>500</u>	<u>500</u>	<u>0</u>
Fund Balance End of Year	<u>(\$2)</u>	<u>\$3,136</u>	<u>\$3,138</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, 2011

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

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Title I Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$144,210	\$144,210	\$0
Total Revenues	144,210	144,210	0
Expenditures:			
Current:			
Instruction:			
Special	143,307	143,306	1
Support Services:			
School Administration	1,299	1,299	0
Total Expenditures	144,606	144,605	1
Excess of Revenues Over (Under) Expenditures	(396)	(395)	1
Other Financing Sources (Uses):			
Advances In	1,299	1,299	0
Advances (Out)	(903)	(903)	0
Total Other Financing Sources (Uses)	396	396	0
Net Change in Fund Balance	0	1	1
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$1	\$1

Mason City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Drug-Free Schools Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$1,106	\$1,106	\$0
Total Revenues	1,106	1,106	0
Expenditures:			
Current:			
Instruction:			
Regular	2,138	2,138	0
Operation of Non-Instructional Services	300	300	0
Total Expenditures	2,438	2,438	0
Excess of Revenues Over (Under) Expenditures	(1,332)	(1,332)	0
Other Financing Sources (Uses):			
Advances In	226	226	0
Total Other Financing Sources (Uses)	226	226	0
Net Change in Fund Balance	(1,106)	(1,106)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,107	1,107	0
Fund Balance End of Year	\$1	\$1	\$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, 2011

	Public School Preschool Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$76,043	\$69,878	(\$6,165)
Total Revenues	<u>76,043</u>	<u>69,878</u>	<u>(6,165)</u>
Expenditures:			
Current:			
Instruction:			
Special	11,060	11,060	0
Support Services:			
Pupil	33,470	33,470	0
Instructional Staff	<u>34,588</u>	<u>34,588</u>	<u>0</u>
Total Expenditures	<u>79,118</u>	<u>79,118</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,075)</u>	<u>(9,240)</u>	<u>(6,165)</u>
Other Financing Sources (Uses):			
Advances In	17,367	15,959	(1,408)
Advances (Out)	<u>(14,291)</u>	<u>(14,291)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>3,076</u>	<u>1,668</u>	<u>(1,408)</u>
Net Change in Fund Balance	1	(7,572)	(7,573)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>7,572</u>	<u>7,572</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$7,573</u></u>	<u><u>\$0</u></u>	<u><u>(\$7,573)</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, 2011

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$146,234	\$122,943	(\$23,291)
Total Revenues	<u>146,234</u>	<u>122,943</u>	<u>(23,291)</u>
Expenditures:			
Current:			
Instruction:			
Regular	31,016	30,897	119
Support Services:			
Instructional Staff	136,364	135,839	525
Operation of Non-Instructional Services	1,761	1,754	7
Total Expenditures	<u>169,141</u>	<u>168,490</u>	<u>651</u>
Excess of Revenues Over (Under) Expenditures	<u>(22,907)</u>	<u>(45,547)</u>	<u>(22,640)</u>
Other Financing Sources (Uses):			
Advances In	57,127	48,028	(9,099)
Advances (Out)	(33,639)	(33,510)	129
Total Other Financing Sources (Uses)	<u>23,488</u>	<u>14,518</u>	<u>(8,970)</u>
Net Change in Fund Balance	581	(31,029)	(31,610)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>31,807</u>	<u>31,807</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$32,388</u></u>	<u><u>\$778</u></u>	<u><u>(\$31,610)</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, 2011

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$811	\$823	\$12
Intergovernmental	463,207	470,062	6,855
Charges for Services	3,476,725	3,528,178	51,453
Other Revenues	99	100	1
Total Revenues	<u>3,940,842</u>	<u>3,999,163</u>	<u>58,321</u>
Expenditures:			
Current:			
Support Services:			
Pupil	69,541	60,284	9,257
Operation of Non-Instructional Services	4,557,183	3,950,563	606,620
Total Expenditures	<u>4,626,724</u>	<u>4,010,847</u>	<u>615,877</u>
Net Change in Fund Balance	(685,882)	(11,684)	674,198
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,572,822</u>	<u>1,572,822</u>	<u>0</u>
Fund Balance End of Year	<u>\$886,940</u>	<u>\$1,561,138</u>	<u>\$674,198</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, 2011

	Latchkey Fund (1)		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Investment Earnings	\$166	\$168	\$2
Charges for Services	829,273	836,750	7,477
Other Revenues	3,295	3,325	30
Total Revenues	<u>832,734</u>	<u>840,243</u>	<u>7,509</u>
Expenditures:			
Current:			
Instruction:			
Regular	10,450	8,893	1,557
Operation of Non-Instructional Services	849,946	723,316	126,630
Total Expenditures	<u>860,396</u>	<u>732,209</u>	<u>128,187</u>
Excess of Revenues Over (Under) Expenditures	<u>(27,662)</u>	<u>108,034</u>	<u>135,696</u>
Other Financing Sources (Uses):			
Transfers In	44,266	44,665	399
Total Other Financing Sources (Uses)	<u>44,266</u>	<u>44,665</u>	<u>399</u>
Net Change in Fund Balance	16,604	152,699	136,095
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>245,835</u>	<u>245,835</u>	<u>0</u>
Fund Balance End of Year	<u>\$262,439</u>	<u>\$398,534</u>	<u>\$136,095</u>

(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, 2011

	Education Stabilization Foundation Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$2,242,880	\$2,242,880	\$0
Total Revenues	2,242,880	2,242,880	0
Expenditures:			
Current:			
Instruction:			
Other	43,033	43,033	0
Support Services:			
Pupil	675,241	675,242	(1)
Instructional Staff	1,249,606	1,249,607	(1)
School Administration	275,000	275,000	0
Total Expenditures	2,242,880	2,242,882	(2)
Net Change in Fund Balance	0	(2)	(2)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2	2	0
Fund Balance End of Year	\$2	\$0	(\$2)

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, 2011

	Title II-D Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$1,017	\$1,017	\$0
Total Revenues	1,017	1,017	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	1,237	1,237	0
Operation of Non-Instructional Services	10	10	0
Total Expenditures	1,247	1,247	0
Net Change in Fund Balance	(230)	(230)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	230	230	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, 2011

	Education Jobs Fund		
	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
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 Description**

**Capital Projects** - To account for all transactions related to improvements to existing District facilities.

**Building** - The building fund is used 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, 2011

	Capital Projects	Building	Insurance Replacement	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$7,423,297	\$2,025,407	\$10,811	\$9,459,515
Cash and Cash Equivalents with Fiscal Agent	0	147,387	0	147,387
Receivables:				
Taxes	664,849	0	0	664,849
Intergovernmental	3,712,035	0	0	3,712,035
<b>Total Assets</b>	<b>11,800,181</b>	<b>2,172,794</b>	<b>10,811</b>	<b>13,983,786</b>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	1,132	0	0	1,132
Accrued Interest Payable	0	68,472	0	68,472
Deferred Revenue	4,328,555	0	0	4,328,555
General Obligation Notes Payable	0	8,500,000	0	8,500,000
<b>Total Liabilities</b>	<b>4,329,687</b>	<b>8,568,472</b>	<b>0</b>	<b>12,898,159</b>
Fund Balances:				
Restricted	7,470,494	0	0	7,470,494
Committed	0	0	10,811	10,811
Unassigned	0	(6,395,678)	0	(6,395,678)
<b>Total Fund Balances</b>	<b>7,470,494</b>	<b>(6,395,678)</b>	<b>10,811</b>	<b>1,085,627</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$11,800,181</b>	<b>\$2,172,794</b>	<b>\$10,811</b>	<b>\$13,983,786</b>



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, 2011

	Capital Projects	Building	Insurance Replacement	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>				
Taxes	\$597,382	\$0	\$0	\$597,382
Revenue in Lieu of Taxes	2,239,232	0	0	2,239,232
Investment Earnings	6,897	4,705	0	11,602
Intergovernmental	132,254	0	0	132,254
Other Revenues	103,023	0	0	103,023
<b>Total Revenues</b>	<b>3,078,788</b>	<b>4,705</b>	<b>0</b>	<b>3,083,493</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	78,183	0	0	78,183
Special	15,911	0	0	15,911
<b>Support Services:</b>				
Pupil	3,586	0	0	3,586
School Administration	567	0	0	567
Fiscal	10,709	0	0	10,709
Operations and Maintenance	420,691	0	0	420,691
Pupil Transportation	0	847,936	0	847,936
Central	664,428	0	0	664,428
Extracurricular Activities	1,277	0	0	1,277
Capital Outlay	470,516	106,131	28,552	605,199
<b>Debt Service:</b>				
Interest and Fiscal Charges	0	148,722	0	148,722
<b>Total Expenditures</b>	<b>1,665,868</b>	<b>1,102,789</b>	<b>28,552</b>	<b>2,797,209</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,412,920</b>	<b>(1,098,084)</b>	<b>(28,552)</b>	<b>286,284</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	0	0	15,221	15,221
Transfers In	0	9,134,625	0	9,134,625
Transfers (Out)	0	(8,500,000)	0	(8,500,000)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>634,625</b>	<b>15,221</b>	<b>649,846</b>
<b>Net Change in Fund Balance</b>	<b>1,412,920</b>	<b>(463,459)</b>	<b>(13,331)</b>	<b>936,130</b>
<b>Fund Balance Beginning of Year, Restated</b>	<b>6,057,574</b>	<b>(5,932,219)</b>	<b>24,142</b>	<b>149,497</b>
<b>Fund Balance End of Year</b>	<b>\$7,470,494</b>	<b>(\$6,395,678)</b>	<b>\$10,811</b>	<b>\$1,085,627</b>

Mason City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2011

	Capital Projects Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Taxes	\$615,147	\$570,884	(\$44,263)
Revenue in lieu of taxes	2,428,692	2,253,936	(174,756)
Investment Earnings	7,432	6,897	(535)
Intergovernmental	142,508	132,254	(10,254)
Other Revenues	111,011	103,023	(7,988)
Total Revenues	<u>3,304,790</u>	<u>3,066,994</u>	<u>(237,796)</u>
Expenditures:			
Current:			
Instruction:			
Regular	97,668	78,183	19,485
Special	19,876	15,911	3,965
Support Services:			
Pupil	4,480	3,586	894
School Administration	708	567	141
Fiscal	13,378	10,709	2,669
Operations and Maintenance	659,771	528,146	131,625
Central	1,213,629	971,508	242,121
Extracurricular Activities	1,595	1,277	318
Capital Outlay	608,716	487,276	121,440
Total Expenditures	<u>2,619,821</u>	<u>2,097,163</u>	<u>522,658</u>
Excess of Revenues Over (Under) Expenditures	<u>684,969</u>	<u>969,831</u>	<u>284,862</u>
Other Financing Sources (Uses):			
Transfers In	6,592,300	6,117,952	(474,348)
Transfers (Out)	(7,642,678)	(6,117,952)	1,524,726
Total Other Financing Sources (Uses)	<u>(1,050,378)</u>	<u>0</u>	<u>1,050,378</u>
Net Change in Fund Balance	(365,409)	969,831	1,335,240
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>6,041,282</u>	<u>6,041,282</u>	<u>0</u>
Fund Balance End of Year	<u>\$5,675,873</u>	<u>\$7,011,113</u>	<u>\$1,335,240</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, 2011

	Building Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$5,711	\$6,455	\$744
<b>Total Revenues</b>	<b>5,711</b>	<b>6,455</b>	<b>744</b>
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	1,502,424	847,936	654,488
Capital Outlay	562,029	317,197	244,832
<b>Total Expenditures</b>	<b>2,064,453</b>	<b>1,165,133</b>	<b>899,320</b>
<b>Net Change in Fund Balance</b>	<b>(2,058,742)</b>	<b>(1,158,678)</b>	<b>900,064</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,120,406	3,120,406	0
<b>Fund Balance End of Year</b>	<b>\$1,061,664</b>	<b>\$1,961,728</b>	<b>\$900,064</b>

Mason City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2011

	Insurance Replacement Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	57,873	44,969	12,904
Total Expenditures	57,873	44,969	12,904
Excess of Revenues Over (Under) Expenditures	(57,873)	(44,969)	12,904
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	56,221	41,556	(14,665)
Advances (Out)	(51,307)	(39,867)	11,440
Total Other Financing Sources (Uses)	4,914	1,689	(3,225)
Net Change in Fund Balance	(52,959)	(43,280)	9,679
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	54,091	54,091	0
Fund Balance End of Year	\$1,132	\$10,811	\$9,679

## **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**

**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, 2011

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$363,032	\$784,439	\$734,008	\$413,463
Total Assets	<u>363,032</u>	<u>784,439</u>	<u>734,008</u>	<u>413,463</u>

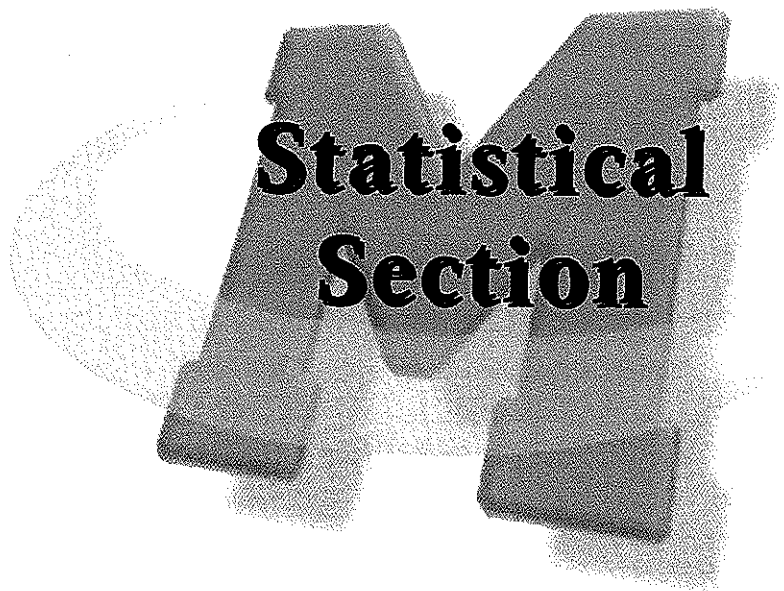
Liabilities:				
Accounts Payable	8,516	16,880	8,516	16,880
Other Liabilities	<u>354,516</u>	<u>767,559</u>	<u>725,492</u>	<u>396,583</u>
Total Liabilities	<u>\$363,032</u>	<u>\$784,439</u>	<u>\$734,008</u>	<u>\$413,463</u>

	Section 125 Insurance			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$46,623	\$88,597	\$94,152	\$41,068
Total Assets	<u>46,623</u>	<u>88,597</u>	<u>94,152</u>	<u>41,068</u>

Liabilities:				
Other Liabilities	<u>46,623</u>	<u>88,597</u>	<u>94,152</u>	<u>41,068</u>
Total Liabilities	<u>\$46,623</u>	<u>\$88,597</u>	<u>\$94,152</u>	<u>\$41,068</u>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$409,655	\$873,036	\$828,160	\$454,531
Total Assets	<u>409,655</u>	<u>873,036</u>	<u>828,160</u>	<u>454,531</u>

Liabilities:				
Accounts Payable	8,516	16,880	8,516	16,880
Other Liabilities	<u>401,139</u>	<u>856,156</u>	<u>819,644</u>	<u>437,651</u>
Total Liabilities	<u>\$409,655</u>	<u>\$873,036</u>	<u>\$828,160</u>	<u>\$454,531</u>



**Statistical  
Section**

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## **Statistical Section**

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

### **Contents**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Economic and Demographic Information**

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

#### **Operating Information**

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

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

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	\$9,522,067	\$5,012,945	\$10,271,853	\$8,832,373	\$12,537,357	\$18,655,396	\$19,761,272	\$28,790,298	\$34,400,901
Restricted	7,178,617	8,332,744	8,584,599	18,181,961	18,486,365	20,469,256	25,165,469	22,124,030	23,791,786
Unrestricted	8,814,787	12,330,595	13,379,457	17,303,412	30,461,781	36,715,473	42,474,167	39,041,011	37,547,433
Total Net Assets	\$25,515,471	\$25,676,284	\$32,235,909	\$44,317,746	\$61,485,503	\$75,840,125	\$87,400,908	\$89,955,339	\$95,740,120

Source: District Records .

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

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
Governmental Activities:									
Instruction	\$30,939,158	\$37,987,024	\$38,037,993	\$42,950,729	\$47,562,678	\$53,120,606	\$55,303,869	\$59,693,695	\$62,149,103
Pupil	3,538,012	3,937,365	4,178,645	5,165,312	5,170,132	5,914,562	6,475,271	6,467,313	7,015,312
Instructional Staff	4,628,795	5,727,348	6,039,669	6,363,227	6,321,764	6,692,737	7,131,304	7,349,240	8,118,256
General Administration	72,318	58,484	98,266	95,124	83,619	85,525	38,910	46,528	60,567
School Administration	4,116,169	4,458,914	4,598,463	4,941,644	5,134,189	5,412,530	5,522,215	5,623,539	5,894,519
Fiscal	1,364,522	1,619,621	1,704,142	1,853,347	2,018,476	2,053,489	2,124,953	1,952,877	1,851,351
Business	268,985	247,289	291,309	341,031	301,922	438,869	400,907	418,485	422,415
Operation and Maintenance	7,977,214	8,869,440	10,758,017	9,897,131	14,141,628	13,072,818	14,272,035	13,318,720	13,504,242
Pupil Transportation	4,662,523	4,665,435	6,689,568	6,978,574	7,209,800	7,734,614	7,076,294	7,895,529	7,615,345
Central	3,295,061	2,512,887	2,861,293	3,463,529	3,759,249	4,569,098	4,224,174	4,357,847	3,790,359
Operation of Non-instructional Services	582,413	3,820,453	4,347,526	4,565,582	5,505,957	5,553,265	6,074,836	5,759,571	6,058,518
Extracurricular Activities	1,373,452	1,821,481	1,919,330	2,075,978	2,170,808	2,312,308	2,881,756	2,408,819	2,848,531
Interest and Fiscal Charges	5,970,025	5,292,728	7,173,821	10,143,855	6,049,096	7,011,371	7,133,219	6,725,808	6,348,747
Total Government Expenses	68,788,647	81,018,469	88,698,042	98,835,063	105,429,318	113,971,792	118,659,743	122,017,971	125,677,265
<b>Program Revenues</b>									
Governmental Activities:									
Charges for Services									
Instruction	721,146	882,932	1,018,751	1,141,570	1,457,026	1,878,034	1,951,159	1,930,782	3,295,198
Pupil	5,115	10,380	506	149	928	6,245	60,584	58,884	55,023
Instructional Staff	15,444	31,321	498	292	538	4,183	4,105	6,067	12,302
General Administration	0	0	0	1,264	75	0	0	0	0
School Administration	0	0	23	705	0	0	0	0	0
Business	0	0	0	5,307	6,681	83,436	93,756	66,345	185,500
Operations and Maintenance	293,983	538,782	71,277	105,237	1,194,715	1,104,070	1,125,267	1,792,142	1,322,932
Pupil Transportation	6,341	12,915	3,137	1,597	2,984	46,014	16,471	6,291	0
Central	0	5,576	1,276	0	377	1,002	761	3,826	0
Operation of Non-Instructional Services	4,097	2,070,705	2,661,085	4,135,876	3,859,467	4,186,135	4,268,276	4,230,020	3,525,476
Extracurricular Activities	88,996	194,223	614,992	615,389	656,776	722,377	934,769	864,221	1,481,703
Operating Grants and Contributions	1,849,047	2,459,993	3,060,804	3,204,017	5,416,262	5,812,292	5,537,453	7,748,872	9,870,113
Capital Grants and Contributions	203,491	60,920	132,965	51,235	158,292	61,192	124,305	0	0
Total Government Revenues	3,187,660	6,267,747	7,565,314	9,262,638	12,754,121	13,904,980	14,116,906	16,707,450	19,748,247
<b>Net (Expense)/Revenue</b>									
Total Government Net Expense	(\$65,600,987)	(\$74,750,722)	(\$81,132,728)	(\$89,572,425)	(\$92,675,197)	(\$100,066,812)	(\$104,542,837)	(\$105,310,521)	(\$105,929,018)

Source: District Records

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

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Net (Expense)/Revenue</b>									
Total Government Net Expense	(\$65,600,987)	(\$74,750,722)	(\$81,132,728)	(\$89,572,425)	(\$92,675,197)	(\$100,066,812)	(\$104,542,837)	(\$105,310,521)	(\$105,929,018)
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental Activities:									
Taxes									
Property Taxes Levied for General Purposes	36,422,708	33,595,910	40,300,691	47,623,796	53,301,379	53,549,026	53,567,568	45,848,200	52,288,070
Property Taxes Levied for Debt Service Purposes	9,514,354	8,517,335	10,703,660	11,408,572	12,919,464	13,348,993	13,272,994	11,152,734	12,121,055
Property Taxes Levied for Capital Projects	481,285	573,794	329,277	536,353	578,593	706,642	630,681	560,240	608,871
Grants and Entitlements not Restricted to Specific Programs	23,915,631	27,842,523	31,184,738	33,333,355	37,182,527	40,422,362	43,328,411	44,953,615	43,721,854
Payment in Lieu of Taxes	1,076,718	1,137,880	2,742,551	2,402,107	2,508,735	2,328,775	2,945,631	3,246,149	2,239,232
Unrestricted Contributions	60,000	60,000	60,000	60,000	81,274	0	0	0	0
Investment Earnings	524,446	460,050	1,268,520	2,282,902	2,741,989	3,718,075	1,955,147	546,300	199,006
Gain on Sale of Capital Assets	0	0	0	2,226,474	212,123	72,056	106,833	0	0
Other Revenues	590,932	1,221,063	1,475,104	1,780,703	316,870	275,505	296,555	1,557,714	535,711
Total primary government	72,586,074	73,408,555	88,064,541	101,654,262	109,842,954	114,421,434	116,103,620	107,864,952	111,713,799
<b>Change in Net Assets</b>									
Total primary government	\$6,985,087	(\$1,342,167)	\$6,931,813	\$12,081,837	\$17,167,757	\$14,354,622	\$11,560,783	\$2,554,431	\$5,784,781

Source: District Records

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*
<b>General Fund</b>										
Reserved	\$3,624,112	\$5,029,376	\$1,350,525	\$2,051,968	\$2,754,393	\$2,692,180	\$3,207,706	\$5,474,753	\$2,915,141	
Unreserved	8,316,487	9,520,847	9,610,324	11,684,736	16,689,386	28,765,463	34,459,374	39,626,965	39,064,608	
Nonspendable										
Restricted										
Committed										
Assigned										915,078
Unassigned										38,344,772
<b>Total General Fund</b>	<b>11,940,599</b>	<b>14,550,223</b>	<b>10,960,849</b>	<b>13,736,704</b>	<b>19,443,779</b>	<b>31,457,643</b>	<b>37,667,080</b>	<b>45,101,718</b>	<b>41,979,749</b>	<b>39,259,850</b>
<b>All Other Governmental Funds</b>										
Reserved	14,347,567	2,840,486	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	366,227	1,690,293	2,671,887	2,621,230	3,067,590	3,065,602	3,377,932	3,322,528	2,865,349	
Debt Service Funds	3,439,015	4,138,379	5,537,284	5,499,453	5,989,954	6,628,582	8,570,237	8,888,165	8,791,501	
Capital Project Funds	(2,368,985)	(4,641,774)	28,621,609	288,265	1,460,524	949,692	(1,841,343)	(2,636,690)	(1,096,645)	
Nonspendable										98,674
Restricted										20,685,463
Committed										10,811
Assigned										0
Unassigned										(6,895,100)
<b>Total All Other Governmental Funds</b>	<b>15,783,824</b>	<b>4,027,384</b>	<b>40,795,128</b>	<b>36,141,234</b>	<b>18,456,374</b>	<b>15,189,983</b>	<b>34,089,244</b>	<b>16,118,611</b>	<b>12,596,435</b>	<b>13,899,848</b>

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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues:</b>										
Taxes	\$36,486,582	\$46,418,347	\$42,426,616	\$51,170,425	\$58,668,824	\$65,126,501	\$66,161,138	\$68,613,408	\$57,194,629	\$63,731,625
Revenue in Lieu of Taxes	705,150	645,754	1,197,880	2,802,551	2,462,107	2,150,536	2,688,343	3,025,536	3,246,149	2,239,232
Tuition and Fees	440,925	546,664	470,613	706,679	862,322	1,019,509	1,465,590	1,523,740	1,509,382	2,329,960
Investment Earnings	1,802,328	524,448	460,050	1,268,520	2,282,903	2,741,989	3,718,075	1,955,148	406,189	199,756
Intergovernmental	23,988,531	25,187,926	30,572,312	34,303,286	37,324,432	43,458,744	46,998,659	49,582,625	52,871,835	52,069,359
Extracurricular Activities	509,670	541,095	809,739	1,003,782	1,009,189	1,118,356	1,209,310	1,338,760	1,329,655	1,439,532
Charges for Services	568,190	1,426,402	3,112,721	3,322,430	4,709,748	4,943,610	5,444,011	5,583,324	5,643,348	6,669,397
Other Revenues	269,092	442,497	1,064,266	801,351	1,228,441	930,211	590,877	405,443	1,589,710	454,073
<b>Total Revenues</b>	<b>\$64,770,468</b>	<b>\$75,733,133</b>	<b>\$80,114,197</b>	<b>\$93,379,024</b>	<b>\$108,547,966</b>	<b>\$121,489,456</b>	<b>\$128,276,003</b>	<b>\$132,047,984</b>	<b>\$123,790,897</b>	<b>\$129,132,934</b>

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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction	\$25,708,714	\$29,901,082	\$35,752,050	\$37,338,247	\$42,354,099	\$46,602,549	\$52,771,742	\$54,468,808	\$59,143,129	\$61,249,413
Pupil	2,850,382	3,704,090	3,886,250	4,147,389	5,210,686	5,108,372	5,887,042	6,463,212	6,444,095	6,983,336
Instructional Staff	3,918,314	5,152,696	5,634,872	5,994,854	6,347,333	6,224,230	6,611,946	7,120,586	7,355,141	8,077,645
General Administration	58,415	72,318	58,484	98,266	95,124	83,619	85,525	38,910	46,528	60,567
School Administration	3,647,493	4,542,798	4,389,162	4,481,342	4,900,814	5,100,493	5,374,528	5,474,364	5,568,335	5,932,932
Fiscal	1,166,220	1,349,296	1,542,305	1,684,906	1,841,158	1,999,081	2,120,418	2,103,592	1,943,552	1,830,777
Business	122,103	282,150	223,220	302,768	315,862	324,550	438,801	396,948	411,529	423,721
Operation and Maintenance	4,907,212	8,900,007	8,686,778	9,564,467	10,189,943	11,695,982	11,984,656	12,464,888	11,557,719	11,476,277
Pupil Transportation	4,017,016	4,345,139	4,186,035	6,246,443	6,472,242	6,471,731	7,629,347	6,434,424	7,611,602	7,542,715
Central	4,759,057	3,249,443	2,353,829	2,697,180	3,343,900	3,460,243	4,622,781	3,886,588	4,254,192	3,596,498
Operation of Non-Instructional Services	369,775	554,650	3,383,084	4,201,562	4,449,404	5,258,877	5,500,280	5,857,504	5,664,258	5,886,282
Extracurricular Activities	1,193,021	1,685,878	1,717,739	1,866,052	1,996,818	2,057,756	2,362,869	2,750,507	2,660,674	2,732,756
Capital Outlay	37,374,378	12,832,680	1,552,024	7,484,458	25,917,835	7,257,028	8,512,330	26,864,428	4,257,718	605,199
Debt Service										
Principal Retirement	75,363,309	2,330,000	3,212,122	3,792,045	4,250,000	4,990,000	5,095,000	6,415,000	6,949,000	7,595,000
Interest and Fiscal Charges	6,685,315	5,978,730	5,304,061	7,188,793	6,894,023	6,556,069	7,268,569	7,272,726	6,945,574	6,571,523
Total Expenditures	\$172,140,724	\$84,880,957	\$82,082,015	\$97,088,772	\$124,579,241	\$113,190,580	\$126,265,834	\$148,012,485	\$130,813,046	\$130,564,641
Debt Service as a Percentage of Noncapital Expenditures	60.88% (1)	12.18%	10.57%	12.31%	11.52%	10.83%	10.72%	11.29%	11.10%	11.00%

Source: District Records

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Other Financing Sources (Uses)</b>										
Issuance of Capital Leases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Sale of Capital Assets	0	1,008	0	460,040	4,053,490	132,275	98,529	179,406	378,104	15,221
Issuance of Bonds	0	0	0	0	0	0	0	0	0	0
Issuance of Long Term Debt	0	0	35,000,000	0	0	0	23,000,000	5,249,000	0	0
Issuance of Refunding Bonds	0	0	15,705,000	0	59,380,000	27,565,000	0	0	0	0
Payment to Refunded Bonds Escrow Agent	0	0	(15,705,000)	0	(65,349,169)	(29,826,979)	0	0	0	0
Refunding Bond Premium	0	0	0	0	5,969,169	2,578,301	0	0	0	0
Transfers In	2,249,197	17,874,000	15,939,000	14,377,750	13,187,317	8,621,787	20,341,705	19,460,344	18,513,505	18,036,569
Transfers Out	(2,249,197)	(17,874,000)	(15,939,000)	(14,377,750)	(13,187,317)	(8,621,787)	(20,341,705)	(19,460,344)	(18,513,505)	(18,036,569)
<b>Total Other Financing Sources (Uses)</b>	0	1,008	35,000,000	460,040	4,053,490	448,597	23,098,529	5,428,406	378,104	15,221
<b>Net Change in Fund Balances</b>	<b>(\$107,370,256)</b>	<b>(\$9,146,816)</b>	<b>\$33,032,182</b>	<b>(\$1,249,708)</b>	<b>(\$11,977,785)</b>	<b>\$8,747,473</b>	<b>\$25,108,698</b>	<b>(\$10,536,095)</b>	<b>(\$6,644,045)</b>	<b>(\$1,416,486)</b>

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			
2001	844,804,830	20,324,550	152,292,210	1,017,421,590	3,052,164,278	71.11
2002	920,126,080	22,811,670	159,181,600	1,102,119,350	3,298,506,862	72.61
2003	1,053,132,200	23,694,270	158,872,721	1,235,699,191	3,678,559,776	74.11
2004	1,147,072,040	22,924,120	150,765,500	1,320,761,660	3,913,421,419	74.11
2005	1,224,869,470	23,975,720	128,380,195	1,377,225,385	4,047,672,874	80.65
2006	1,461,205,840	27,382,510	109,110,197	1,597,698,547	4,548,619,680	81.76
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

Source: County Auditor

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

Calendar Year	District Direct Rate	Warren County	City of Mason	Mason Public Library	Deerfield Township	Great Oaks JVSD	Overlapping Rates					City of Lebanon	Lebanon Library
							Warren-Clinton Community Mental Health	Turtlecreek Township	Union Township	Warren County Health District			
2001	71.11	4.00	7.32	0.00	10.60	2.70	1.00	5.62	6.20	1.00	0.00	0.00	
2002	72.61	4.96	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2003	74.11	6.53	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2004	74.11	6.46	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2005	80.65	6.46	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2006	81.76	6.71	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2007	83.45	6.71	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2008	83.45	6.71	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2009	83.45	5.78	6.44	0.00	10.60	2.70	1.00	9.12	9.20	0.50	7.82	1.00	
2010	83.45	5.78	7.32	0.75	12.60	2.70	1.00	9.12	9.20	0.50	8.32	1.00	

Source: County Auditor

**Mason City School District  
Principal Property Tax Payers -- Warren County  
Tax Collection Year 2011 & 2007 (1)  
Schedule 10**

Taxpayer	2011	
	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio Inc.	\$23,603,410	1.48%
Deerfield Realty Holding	15,889,860	0.99%
Craig & Frances Lindner Center of Hope	12,686,429	0.79%
Duke Realty Ohio	9,737,459	0.61%
Twin Fountains of Mason	8,695,050	0.54%
Kenwood Lincoln Mercury	8,237,586	0.52%
Community Insurance	7,676,112	0.48%
Cintas Sales Corp.	7,489,412	0.47%
Mason Christian Village	6,969,967	0.44%
Sterling Lakes Apartments	6,284,243	0.39%
Total:	<u>\$107,269,528</u>	6.71%

Taxpayer	2007	
	Assessed Value	Percentage of Total Assessed Value
Cincinnati Gas and Electric	\$25,120,134	1.57%
Somerset Deerfield Holdings	14,726,453	0.92%
Mitsubishi Electric Automotive	13,487,815	0.84%
Cintas Corporation	11,277,817	0.71%
Duke Realty Ltd. Partnership	9,940,290	0.62%
Twin Fountains of Mason	8,695,050	0.54%
Mason Christian Village	6,966,732	0.44%
Proctor & Gamble	6,841,274	0.43%
Kenwood Lincoln Mercury	6,784,235	0.42%
Sterling Lakes Apartments	6,284,243	0.39%
Total:	<u>\$110,124,043</u>	6.89%

Source: County Auditor

(1) - Information for prior years not available from the County Auditor in the format needed. The amounts presented represent the assessed values upon which 2011 and 2007 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
2001	34,057,794	33,144,606	97.32%	913,188	34,057,794	100.00%
2002	35,546,237	34,843,236	98.02%	703,001	35,546,237	100.00%
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%

Source: County Auditor and district records

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

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

Fiscal Year	Governmental Activities		Total Primary Government	Ratio of General Bonded Debt to Estimated Actual Value (1)	Percentage of Personal Income	Per Capita (1)
	Capital Leases	General Obligation Bonds and Notes				
2001	359,400	189,575,000	189,934,400	7.08%	3.84%	1,246
2002	231,091	114,340,000	114,571,091	3.75%	2.17%	723
2003	100,398	112,010,000	112,110,398	3.40%	2.03%	669
2004	17,045	143,885,000	143,902,045	3.91%	2.49%	822
2005	0	140,110,000	140,110,000	3.58%	2.26%	768
2006	0	139,627,632	139,627,632	3.45%	2.12%	738
2007	0	134,623,912	134,623,912	2.96%	1.87%	685
2008	0	152,283,855	152,283,855	3.18%	1.98%	745
2009	5,249,000	145,623,798	150,872,798	3.27%	1.86%	728
2010	5,225,000	138,453,741	143,678,741	3.32%	1.75%	682
2011	5,170,000	130,668,684	135,838,684	3.18%	NA	645

Source: District Records

N/A - Information not available

(1) - The district refinanced High School/Recreation Center debt in 2001, resulting in an unusually high debt per capita.

**Mason City School District  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2011  
 Schedule 13**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Overlapping Debt:</b>			
Butler County	\$62,095,237	0.05%	\$31,048
Warren County	51,510	25.93%	13,357
Lebanon City	6,854,130	0.00%	0
City of Mason	36,105,000	91.46%	33,021,633
Deerfield Township	17,690,000	56.75%	10,039,075
Turtle Creek Township	2,025,000	0.02%	405
Union Township	79,200	2.41%	1,909
West Chester Township	64,495,000	0.22%	141,889
Great Oaks Joint Vocational School	18,450,000	7.89%	1,455,705
<b>Subtotal, Overlapping Debt</b>	<u>207,845,077</u>		<u>44,705,020</u>
<b>District direct debt</b>	133,825,000	100.00%	133,825,000
<b>Total direct and overlapping debt</b>	<u>\$341,670,077</u>		<u>\$178,530,020</u>

Source: Ohio Municipal Advisory Council

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

Legal Debt Margin Calculation for Fiscal Year 2011

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	
Assessed Value										
Debt Limit (9% of Assessed Value)										
Debt Limit - Special Needs District (2)										
Debt Applicable to Limit										
Legal Debt Margin										
Debt Limit	\$232,627,457	\$215,911,053	\$215,911,053	\$215,911,053	\$215,911,053	\$215,911,053	\$247,858,540	\$247,858,540	\$247,858,540	
Total Net Debt Applicable to Limit	118,874,044	114,416,075	145,259,259	140,579,547	132,582,084	124,165,975	146,857,767	139,027,485	132,638,891	
Legal Debt Margin	\$113,753,413	\$101,494,978	\$70,651,794	\$75,331,506	\$83,328,969	\$91,745,078	\$101,000,773	\$108,831,055	\$115,219,649	
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	51.10%	52.99%	67.28%	65.11%	61.41%	57.51%	59.25%	56.09%	53.51%	

Source: District Records

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

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

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

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Personal Income (Thousands of Dollars) (2)</b>	<b>Per Capita Personal Income (3)</b>	<b>Unemployment Rate (4)</b>
2001	167,507	5,286,564	31,512	3.30%
2002	175,041	5,521,565	31,522	4.60%
2003	182,330	5,786,295	31,699	4.70%
2004	189,276	6,213,055	32,745	4.00%
2005	196,622	6,597,227	33,524	4.70%
2006	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	210,712	NA	NA	9.00%

(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 Ten Years Ago  
Schedule 16

Employer	2011 (1)	
	Number of Employees	Percentage of Total Employment
Procter & Gamble	1,943	1.94%
WellPoint	1,743	1.74%
Luxotica Retail	1,533	1.32%
Mason City Schools	1,413	1.53%
Cintas Corporate	1,322	1.41%
L3 Cincinnati Electronics	609	0.61%
Cengage Learning, Inc.	575	0.44%
Portion Pac	444	0.39%
Mitsubishi Electric	395	0.57%
Lindner Center of Hope	300	0.30%
	<u>10,277</u>	<u>10.27%</u>
<b>Total County Employment (3)</b>	<b>100,100</b>	

Employer	2001 (2)	
	Number of Employees	Percentage of Total Employment
Procter & Gamble	2,400	2.40%
Cintas	1,400	1.40%
Entex Information Services	1,000	1.00%
Anthem Insurance	920	0.92%
Mason City Schools	797	0.80%
Blackhawk Automotive	624	0.62%
Portion Pac	483	0.48%
A-Mold Corp.	457	0.46%
Mitsubishi Electric Manufacturing	450	0.45%
Makino Inc.	400	0.40%
	<u>8,931</u>	<u>8.92%</u>
<b>Total County Employment (3)</b>	<b>84,000</b>	

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

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Supervisory</b>										
Instructional administrators	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Noninstructional administrators	15.00	16.75	15.75	16.00	17.81	23.55	19.75	14.00	16.75	16.00
Consultant/supervisors of instruction	18.00	17.00	19.00	18.00	18.12	18.00	19.50	20.00	20.00	19.00
Principals	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Assistant Principals	12.00	14.00	16.00	17.00	17.00	18.00	18.00	19.00	20.00	17.50
Total Supervisory	<u>52.00</u>	<u>54.75</u>	<u>58.75</u>	<u>59.00</u>	<u>60.93</u>	<u>67.55</u>	<u>65.25</u>	<u>61.00</u>	<u>64.75</u>	<u>60.50</u>
<b>Instruction</b>										
Elementary classroom teachers	265.00	288.01	300.05	317.45	329.50	363.15	348.00	358.00	365.56	359.63
Secondary classroom teachers	198.00	211.20	235.60	245.69	258.60	273.40	278.75	286.00	296.00	293.50
ESE teachers	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Other teachers (adult)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other professionals (instructional)	6.50	7.50	8.06	11.36	12.26	14.80	14.13	13.87	13.87	14.15
Aides	88.35	101.80	123.42	137.00	147.50	151.52	155.31	160.91	163.55	171.04
Total Instruction	<u>557.85</u>	<u>608.51</u>	<u>667.13</u>	<u>712.50</u>	<u>748.86</u>	<u>803.87</u>	<u>797.19</u>	<u>819.78</u>	<u>839.98</u>	<u>839.32</u>
<b>Student Services</b>										
Guidance counselors	12.64	11.80	16.64	16.00	17.00	17.00	20.50	22.10	22.10	21.00
Visiting teachers/social workers	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Psychologists	3.60	5.22	4.79	5.00	5.00	5.00	5.00	5.00	8.00	9.00
Librarians	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Other professionals (noninstructional)	7.50	9.62	8.78	7.60	8.52	8.02	8.02	8.96	9.46	9.93
Technicians	22.67	26.57	25.81	24.77	24.77	26.84	26.97	26.70	24.70	24.20
Total student services	<u>50.41</u>	<u>57.21</u>	<u>60.02</u>	<u>56.37</u>	<u>58.29</u>	<u>59.86</u>	<u>63.49</u>	<u>65.76</u>	<u>67.26</u>	<u>67.13</u>
<b>Support and Administration</b>										
Clerical/secretarial	52.77	54.70	58.40	57.30	58.23	60.73	68.73	70.19	69.99	67.89
Service workers	105.95	129.70	144.04	139.81	138.81	139.84	141.01	142.56	143.22	139.26
Skilled crafts	11.00	14.00	15.00	15.00	17.00	16.00	14.00	14.00	13.00	13.00
Vehicle Operator (buses)	71.05	71.45	73.61	74.63	80.71	82.38	89.04	91.35	90.81	80.28
Unskilled laborers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total support and administration	<u>240.77</u>	<u>269.85</u>	<u>291.05</u>	<u>286.74</u>	<u>294.75</u>	<u>298.95</u>	<u>312.78</u>	<u>318.10</u>	<u>317.02</u>	<u>300.43</u>
Total employees	<u>901.03</u>	<u>990.32</u>	<u>1076.95</u>	<u>1114.61</u>	<u>1162.83</u>	<u>1230.23</u>	<u>1238.71</u>	<u>1264.64</u>	<u>1289.01</u>	<u>1267.38</u>

Source: State Department of Education

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

Fiscal Year	Enrollment	Operating Expenditure	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2002	7,363	52,717,722	7,160	13.66%	N/A	N/A	N/A	463.00	15.9	3.00%
2003	8,003	63,739,547	7,964	11.24%	\$68,788,647	8,595	N/A	499.21	16.0	3.75%
2004	8,636	72,013,808	8,339	4.70%	81,018,469	9,381	9.15%	535.65	16.1	4.15%
2005	9,246	78,623,476	8,504	1.98%	88,698,042	9,593	2.26%	563.14	16.4	4.37%
2006	9,792	87,517,383	8,938	5.11%	98,835,063	10,093	5.22%	588.10	16.7	4.48%
2007	10,379	94,387,483	9,094	1.75%	105,429,318	10,158	0.64%	681.00	15.2	4.47%
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%

Source: Nonfinancial information from district records.

N/A - Information not available

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>School</b>										
<b>Elementary</b>										
MECC - Annex- Preschool (1973)										
Square feet	9,034	9,034	9,034	9,034	9,034					
Capacity	175	175	175	175	175					
Enrollment	86	93	104	134	161					
Mason Early Childhood (1911)										
Square feet	56,926	56,926	56,926	56,926	56,926					
Capacity	475	475	475	475	475					
Enrollment	648	698	751	757	801					
Mason Early Childhood (2006)										
Square feet						172,211	172,211	172,211	172,211	172,211
Capacity						2,100	2,100	2,100	2,100	2,100
Enrollment						1,850	1,797	1,754	1,747	1,706
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	1,294	1,119	1,190	1,226	1,216	844	890	874	833	821
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	1,191	967	1,039	1,139	1,208	857	888	907	866	855
Mason Intermediate (1998)										
Square feet	145,276									
Capacity	1,200									
Enrollment	1,244									
Mason Intermediate (1998/1994)										
Square feet		290,552	290,552	290,552	290,552	356,700	356,700	356,700	356,700	356,700
Capacity		2,400	2,400	2,400	2,400	3,000	3,000	3,000	3,000	3,000
Enrollment		1,883	2,052	2,211	2,387	2,519	2,592	2,608	2,715	2,700
<b>Junior High School</b>										
Mason Middle (1994)										
Square feet	150,503									
Capacity	1,200									
Enrollment	1,076									
Mason Middle (1958)										
Square feet		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
Enrollment		1,256	1,366	1,371	1,452	1,542	1,663	1,713	1,724	1,773
<b>High School</b>										
William Mason High (1958)										
Square feet	276,378									
Capacity	1,850									
Enrollment	1,824									
William Mason High (2002) (2010)										
Square feet		375,010	375,010	375,010	375,010	375,010	375,010	375,010	539,236	539,236
Capacity		2,950	2,950	2,950	2,950	2,950	2,950	2,950	3,513	3,513
Enrollment		1,987	2,134	2,408	2,567	2,767	2,880	2,947	3,089	3,158

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 2010-2011 School Year:	1,060,203
Number Meals Served by Food Service Department for the 2010-2011 School Year:	1,375,818

School Buildings	Grade Levels	Enrollment
Mason Early Childhood Center	PS-1	1,706
Mason Heights Elementary	2-3	821
Western Row Elementary	2-3	855
Mason Intermediate	4-6	2,700
Mason Middle School	7-8	1,773
William Mason High School	9-12	3,158
		<u>11,013</u>

Degree	Number of Certified Staff	Percentage of Total
Bachelor's Degree	54.0	7.15%
Bachelor + 150	121.0	16.03%
Master's Degree	577.0	76.42%
Doctorate	3.0	0.40%
Total	<u>755.0</u>	<u>100.00%</u>

Years of Experience	Number of Certified Staff	Percentage of Total
0 - 5	251.0	33.25%
6 - 10	182.0	24.11%
11 - 15	157.0	20.79%
16 - 20	76.0	10.07%
21 - 25	45.0	5.96%
26 - 30	30.0	3.97%
31 - 35	12.0	1.59%
36 - 40	2.0	0.26%
	<u>755.0</u>	<u>100.00%</u>

Source: School District Records

**MASON CITY SCHOOL DISTRICT, OHIO  
 STUDENT POPULATION BY SEX AND BY RACE  
 FOR THE 2010-2011 SCHOOL YEAR  
 Schedule 21**

Grade	Male	Female	Total
PS	123	78	201
K	373	316	689
1	392	424	816
2	430	398	828
3	446	402	848
4	467	395	862
5	494	465	959
6	455	424	879
7	463	436	899
8	429	445	874
9	398	416	814
10	414	435	849
11	352	403	755
12	352	364	716
Ungraded	19	5	24
	5,607	5,406	11,013

Race	Total	Percent
American Indian/Alaskan	13	0.12%
Asian	1,561	11.54%
Black	385	3.50%
Caucasian	8,288	75.26%
Hispanic	369	3.35%
Multi-Racial	392	3.56%
Hawaiian/Pac Island	5	0.05%
	11,013	97.38%

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
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%
2002-03	93	698	689	712	685	617	636	630	687	569	556	495	503	433	8,003	8.69%
2001-02	86	648	657	637	581	610	587	657	543	533	495	490	438	401	7,363	9.72%

(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, 2011  
 Schedule 23**

Facility	Address	Administrator / Contact	Grades	Phone Numbers
Early Childhood Center	4631 Hickory Woods Dr.	Mike Zimmermann	PS-1	398-3741
Mason Heights School	200 Northcrest Drive	Eric Messer	2-3	398-8866
Western Row School	755 Western Row Road	Joe Norton	2-3	398-5821
Mason Intermediate	6307 Mason-Montgomery Rd.	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	Kevin Bright		398-0474
Professional Development Center	4836 Tylersville Road	Lori Sideris		336-7367
Transportation Center	5025 Enterprise Drive	Carolyn Thornton		398-6682
Maintenance Garage	5120 Enterprise Drive	George Highfill		398-2784





# Dave Yost • Auditor of State

**MASON CITY SCHOOL DISTRICT**

**WARREN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 3, 2012**