



Dave Yost • Auditor of State



MASON CITY SCHOOL DISTRICT  
WARREN COUNTY

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**MASON CITY SCHOOL DISTRICT  
WARREN COUNTY**

**SCHEDULE OF FEDERAL AWARD EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2016**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Grant Year</b>	<b>CFDA Number</b>	<b>Disbursements</b>	<b>Non-Cash Disbursements</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
<i>Passed Through Ohio Department of Education:</i>				
<i>Child Nutrition Cluster:</i>				
<i>Non-Cash Assistance (Food Distribution):</i>				
National School Lunch Program	2016	10.555	0	\$539,627
<i>Cash Assistance:</i>				
National School Breakfast Program	2016	10.553	52,576	0
National School Lunch Program	2016	10.555	557,141	0
Total Child Nutrition Cluster			<u>609,717</u>	<u>539,627</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>609,717</u></b>	<b><u>539,627</u></b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
<i>Passed Through Ohio Department of Education:</i>				
<i>Special Education Cluster:</i>				
Special Education-Grants to States	2016	84.027	1,281,834	0
Special Education-Grants to States	2015	84.027	85,695	0
Total Special Education-Grants to States			<u>1,367,529</u>	<u>0</u>
Special Education-Preschool Grants	2016	84.173	21,845	0
Special Education-Preschool Grants	2015	84.173	36	0
Total Special Education-Preschool Grants			<u>21,880</u>	<u>0</u>
Total Special Education Cluster			<u>1,389,409</u>	<u>0</u>
Title I Grants to Local Educational Agencies	2016	84.010	202,472	0
Title I Grants to Local Educational Agencies	2015	84.010	36,560	0
Total Title I Grants to Local Educational Agencies			<u>239,032</u>	<u>0</u>
Title III - LEP	2016	84.365	81,494	0
Title III - LEP	2015	84.365	1,050	0
Title III - Immigrant	2016	84.365	1,181	0
Title III - Immigrant	2015	84.365	2,797	0
Total Title III			<u>86,524</u>	<u>0</u>
Improving Teacher Quality State Grants	2016	84.367	95,093	0
Improving Teacher Quality State Grants	2015	84.367	13,558	0
Total Improving Teacher Quality State Grants			<u>108,652</u>	<u>0</u>
<i>Passed Through Great Oaks Institute of Technology and Career Development</i>				
Vocational Education Basic Grants to States	2016	84.048	8,762	0
Vocational Education Basic Grants to States	2015	84.048	1,495	0
Vocational Education Basic Grants to States	2014	84.048	367	0
Total Vocational Education Basic Grants to States			<u>10,624</u>	<u>0</u>
<b>Total U.S. Department of Education</b>			<b><u>1,834,240</u></b>	<b><u>0</u></b>
<b>Total Federal Assistance</b>			<b><u>\$2,443,957</u></b>	<b><u>\$539,627</u></b>

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

**MASON CITY SCHOOL DISTRICT  
WARREN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Mason City School District (the District's) under programs of the federal government for the year ended June 30, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - 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 D – FOOD DONATION PROGRAM**

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



# Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mason City School District, Warren County, (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 21, 2016.

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

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

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

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

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

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

***Purpose of this Report***

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

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

December 21, 2016





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Education:

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

We have audited the Mason City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Mason City School District's major federal program for the year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

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

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

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

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the Mason City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2016.

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

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

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 21, 2016. We conducted our audit to opine on the District's' basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Mason City School District  
Warren County  
Independent Auditor's Report on Compliance with Requirements Applicable  
To The Major Federal Program and on Internal Control Over  
Compliance Required by the Uniform Guidance  
Page 3

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**Dave Yost**  
Auditor of State

Columbus, Ohio

December 21, 2016

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**MASON CITY SCHOOL DISTRICT  
WARREN COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2016**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #10.553 and 10.555 Student Nutrition Cluster
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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# **MASON CITY SCHOOLS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**For the fiscal year ended  
June 30, 2016**

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

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**MASON CITY SCHOOL DISTRICT**  
**MASON, OHIO**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**PREPARED BY:**  
**OFFICE OF THE TREASURER**

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**Introductory  
Section**

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December 21, 2016

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, 2016.

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, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Mason City School District's financial statements for the fiscal year ended June 30, 2016, 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, 2016, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Randy Andrews	Jan. 2014 - Dec. 2017	2 ½
Mrs. Courtney Allen	Jan. 2016 - Dec. 2019	4 ½
Mr. Mathew Steele	Jan. 2014 - Dec. 2017	4 ½
Mrs. Connie Yingling	Jan. 2014 - Dec. 2017	16 ¾
Mr. Kevin Wise	Jan. 2016 - Dec. 2019	13 ½

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Dr. Gail Kist-Kline was appointed Superintendent effective August 1, 2011 and her current contract expires July 31, 2020.

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. The Board appointed Mrs. Ronda Johnson as Treasurer effective August 1, 2014. Mrs. Johnson brought 15 years of educational and financial leadership to the District, having served as Treasurer for another large suburban school district in the Cincinnati region. Her current contract expires July 31, 2020.

The District provides a full range of traditional and non-traditional educational programs, services and facilities. These include elementary and secondary curriculum offerings at the general and college preparatory levels; a broad range of co-curricular and extra curricular activities; special education programs and facilities and community recreation facilities.

In addition to these general activities, the District acts as the fiscal agent for state funds distributed to non-public chartered schools located within the District boundaries. The District serves St. Susanna, Little Leprechaun Academy, The Montessori Academy of Cincinnati, Royalmont Academy and Liberty Bible Academy in this category. While these organizations are



similar in operations and services provided, they are distinct and separate entities. Due to the District's administrative involvement with these programs, these State subsidies are therefore presented as special revenue funds within this report.

The District served 10,713 students during the 2016 fiscal year in five buildings. The high school (9-12) was constructed in 2002 with an addition in 2009. The middle school (7-8) was constructed in 1959, with additions in 1967, 1980, 1987 and 1997. The intermediate school 45 building wing (4-5) was constructed in 1994. The intermediate school 56 building wing (5-6) was constructed in 1998. An addition was constructed in 2007 connecting the two intermediate building wings. Western Row Elementary School (2-3) was constructed in 1962, with additions in 1987. Mason Early Childhood Center (PreK-2) was constructed in 2007.

The District employed approximately 1,081 employees as of June 30, 2016. The District's current enrollment is 10,713. It is expected that the District's enrollment will continue to decrease slightly each year for the next several years, plateauing at approximately 10,000 students within the next 7 to 8 years.

The District's teachers, instructional coaches, and counselors are represented by the Mason Education Association (MEA). The Board of Education and MEA reached agreement on a three year contract effective July 1, 2016 which provides 2.5% base salary increases each year for three years.

The District custodial, grounds, maintenance and HVAC technicians are represented by the Ohio Association of Public School Employees (OAPSE) Local 070. The Board of Education and OAPSE reached agreement on a three year contract effective July 1, 2016 which provides 2.5% base salary increases each year for three years.

The District's other non-certified staff, administrators, directors and supervisors are currently not represented by a union. These classifications typically receive the same benefits extended to the MEA and OAPSE #070. Their salary and wages were increased 2.5% for the 16-17 school year.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Mason City School District operates.

**Local Economy.** The City of Mason's population was last reported as 30,712 in the 2010 U.S. Census and has been growing steadily through targeted planning and development. Mason is the largest city in Warren County. The City continues to be a top choice for quality companies that are relocating or expanding. In choosing Mason, companies often cite the interstate access, rising property values, the established core of high-tech and bio-tech businesses, and an outstanding level of both city and educational services. The tax base is comprised mostly of

residential property which realized an 11.58% increase in real estate values for calendar year 2016.

Mason also has a strong commercial tax base. Over 700 businesses operate within the City's 18 square miles and over 90 corporations have headquarters or manufacturing operations in Mason's 24 commerce parks. Three of the 10 largest employers in Warren County are located in Mason. Mason's business community includes Procter & Gamble Healthcare Research Center (Mason's largest employer), Luxottica Retail, Cintas Corporation, Intelligrated Systems, Mitsubishi Electric, and Lindner Center of Hope.

The Mason City School District community continues to see strong investment in the biohealth sector. In the past 18 months, 60% of new economic development projects, 80% of new jobs created and 80% of new investment has been in the biohealth sector including Assurex Health. Mason City Schools has benefited from strong partnerships with leaders in the biotech industry through advanced experiential learning opportunities for our students. During the 15-16 school year, Assurex, ABC Pediatric, CMO Axis, the City of Mason, LEAP, and UC-West Chester hospital all partnered with the Mason High School experiential learning program.

Mason's housing includes an abundance of large, high-value single family homes that sit on lots between .25 and one acre that are built within the last 10-20 years. The average household includes 2.8 family members. 43% of households are reported to have children under 18. Nearly 25% of Mason's working residents work in the City of Mason. 2014 US Census Data reports the median home value for the District at \$231,800, which is 132% of the US median. Median household income is reported at \$87,547, 164% of the US median. Median family income is \$105,108, 161% of the US median. Home values range from \$70,000 to \$2 million

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

The District continued to be highly ranked in the State of Ohio for academic performance of public schools with a Performance Index of 102.10 and spends less per pupil than the average of similar school districts. Spending is aligned with the state average for total expenditure per pupil but the District is more focused on - and spends more on - classroom instruction. The District's priorities and goals for the future are focused on high impact learning, superb staff support, and deep parent and community partnerships. All Mason students will graduate prepared to thrive in a global economy. We pledge to support our staff to ensure that every Mason child has great learning experiences. We believe that engaged parents and community

members champion Mason students. The administrative team and Board of Education are mindful of these priorities and goals when making all financial decisions. Our plans for achievement of our goals strike a balance between resource reallocation, utilization of cash reserves, and eventually additional local taxes.

Ohio's school funding model continues to pose challenges to our long-term financial stability. On June 30, 2015, Ohio's Governor vetoed a portion of the State's biennium budget bill that would have provided significant additional revenue to our District. We will continue to advocate for the resources our District needs to be successful. The plan strikes a balance between staff and other cost reductions, utilization of cash reserves, and additional local taxes.

### **Awards and Acknowledgements**

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Ronda Johnson". The signature is written in a dark ink and is positioned above the printed name and title.

Ronda C. Johnson  
Treasurer and CFO

**MASON CITY SCHOOL DISTRICT  
LIST OF PRINCIPAL OFFICIALS  
AS OF JUNE 30, 2016**

**ELECTED OFFICIALS**

---

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

**ADMINISTRATIVE OFFICIALS**

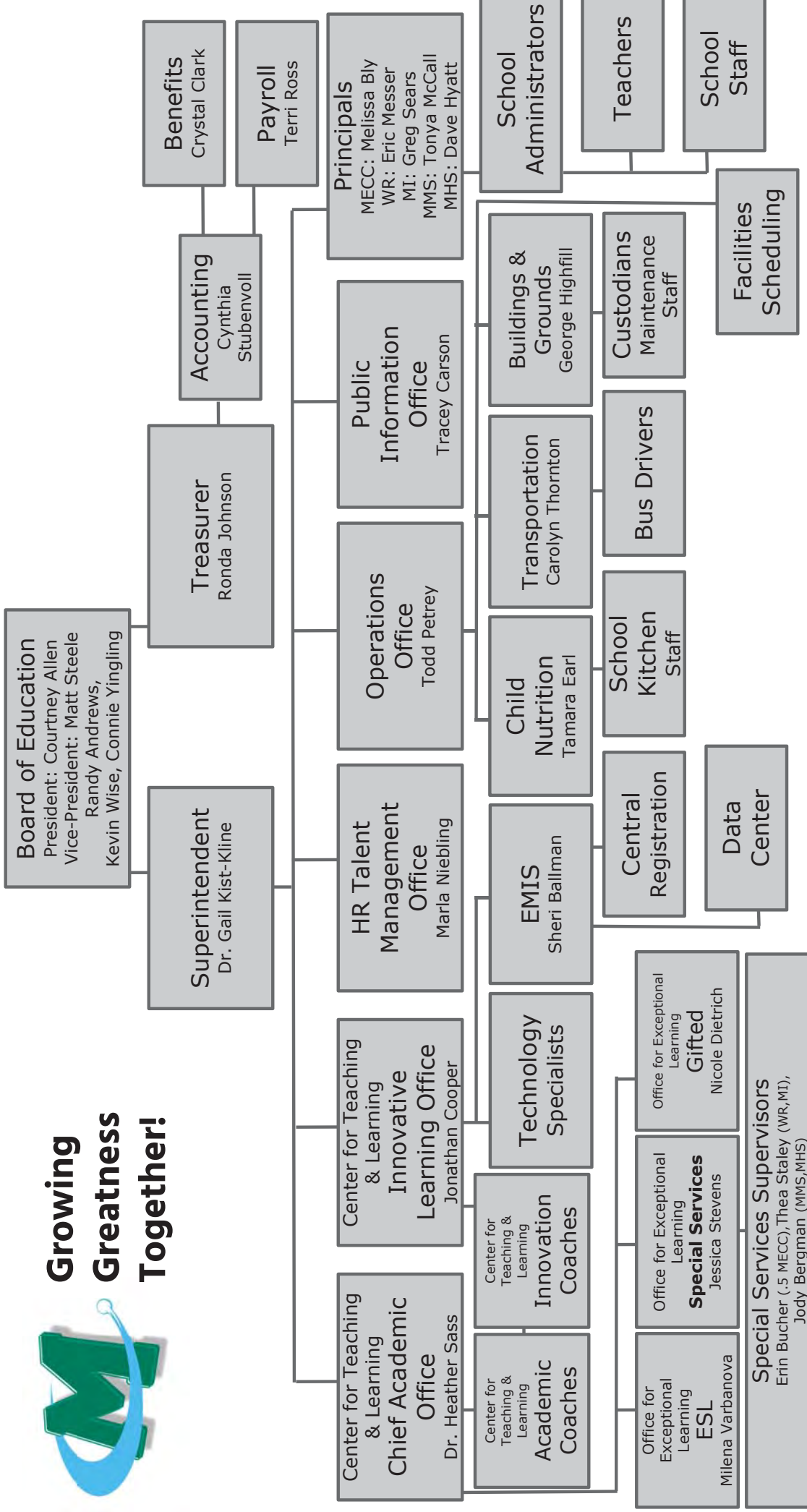
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Superintendent.....	Gail Kist-Kline
Chief Academic Officer.....	Heather Sass
Assistant Superintendent of Operations.....	Michael Brannon
Innovative Learning Officer.....	Jonathan Cooper
HR Talent Management Officer.....	Marla Niebling
Treasurer.....	Ronda C. Johnson
Assistant Treasurer.....	Cynthia Stubenvoll
Payroll Supervisor.....	Terri Ross
Building and Grounds Supervisor.....	George Highfill
Food Service Supervisor.....	Tamara Earl
Special Services Administrator.....	Katherine Marshall
Special Services Supervisor.....	Jody Bergman
Special Services Supervisor.....	Jessica Stevens
Transportation Supervisor.....	Carolyn Thornton
Public Information Officer.....	Tracey Carson



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Presented to

**Mason City School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO



**Financial  
Section**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mason City School District, Warren County, Ohio (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mason City School District, Warren County, Ohio, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Corporate Centre of Blue Ash, 11117 Kenwood Road, Blue Ash, Ohio 45242

Phone: 513-361-8550 or 800-368-7419 Fax: 513-361-8577

[www.ohioauditor.gov](http://www.ohioauditor.gov)

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

December 21, 2016

**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**  
**(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, 2016. 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 2016 are as follows:

- Net position of governmental activities increased \$9,636,319 which represents a 27% increase from 2015.
- General revenues accounted for \$112,085,316 in revenue or 86% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$17,883,595 or 14% of total revenues of \$129,968,911.
- The District had \$120,332,592 in expenses related to governmental activities; \$17,883,595 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$112,085,316 were also used to provide for these programs.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The General Fund, the Debt Service Fund and the Capital Projects Fund are the major funds of the District.

**Government-wide Financial Statements**

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

**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**  
**(Unaudited)**

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

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

**Fund Financial Statements**

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

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

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

**The District as a Whole**

As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2016 compared to 2015:

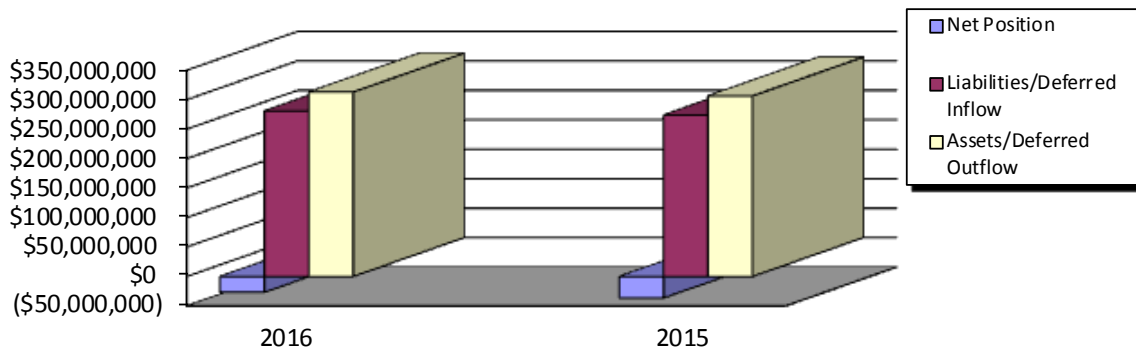
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**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**  
(Unaudited)

Table 1

**Net Position**

	Governmental Activities	
	2016	2015
<b>Assets:</b>		
Current and Other Assets	\$154,046,701	\$145,489,624
Capital Assets	158,846,109	160,837,639
<b>Total Assets</b>	<b>312,892,810</b>	<b>306,327,263</b>
<b>Deferred Outflows of Resources:</b>		
Deferred Charge on Refunding Pension	2,728,058	2,924,851
	15,541,505	10,380,065
<b>Total Deferred Outflows of Resources</b>	<b>18,269,563</b>	<b>13,304,916</b>
<b>Liabilities:</b>		
Other Liabilities	23,987,236	24,215,950
Long-Term Liabilities	256,970,900	249,879,226
<b>Total Liabilities</b>	<b>280,958,136</b>	<b>274,095,176</b>
<b>Deferred Inflows of Resources:</b>		
Property Taxes	59,891,049	52,591,190
Grants and Other Taxes	4,754,084	4,362,340
Pension	12,243,845	24,904,533
<b>Total Deferred Inflows of Resources</b>	<b>76,888,978</b>	<b>81,858,063</b>
<b>Net Position:</b>		
Net Investment in Capital Assets	60,022,603	51,834,565
Restricted	33,340,612	31,879,104
Unrestricted	(120,047,956)	(120,034,729)
<b>Total Net Position</b>	<b>(\$26,684,741)</b>	<b>(\$36,321,060)</b>



**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**  
**(Unaudited)**

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Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2016, the District's liabilities exceeded assets by \$26,684,741.

At year-end, capital assets represented 51% 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, 2016, were \$60,022,603. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$33,340,612 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 District's balance of unrestricted net position is (\$120,047,956) as of June 30, 2016. The negative unrestricted net position, and total net position, are a result of recording pension liabilities required by governmental auditing standards, and these liabilities do not represent an immediate obligations of the District.

Regarding significant changes in Table 1 above, Capital Assets, net decreased mainly due to current year depreciation expense exceeding current year additions. Current and Other Assets increased mainly due to an increase in bank balance. Long-Term Liabilities increased mainly due to an increase in Net Pension Liability.

Table 2 shows the changes in net position for fiscal years 2016 and 2015.

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**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**  
(Unaudited)

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

	Governmental Activities	
	2016	2015
Revenues:		
Program Revenues		
Charges for Services	\$10,756,667	\$11,315,347
Operating Grants, Contributions	7,126,928	7,040,629
General Revenues:		
Property Taxes	60,199,680	70,403,671
Grants and Entitlements	45,479,897	45,646,771
Investment Earnings	149,052	85,326
Other	6,256,687	4,985,880
Total Revenues	<u>129,968,911</u>	<u>139,477,624</u>
Program Expenses:		
Instruction	66,906,992	71,759,192
Support Services:		
Pupil and Instructional Staff	10,487,788	9,305,116
School Administrative, General		
Administration, Fiscal and Business	7,814,546	7,611,354
Operations and Maintenance	12,445,936	12,433,209
Pupil Transportation	6,262,821	6,221,325
Central	2,437,029	3,105,493
Operation of Non-Instructional Services	6,400,287	6,484,771
Extracurricular Activities	3,466,056	3,290,127
Interest and Fiscal Charges	4,111,137	4,503,141
Total Program Expenses	<u>120,332,592</u>	<u>124,713,728</u>
Increase (Decrease) in Net Position	9,636,319	14,763,896
Net Position - Beginning of Year	<u>(36,321,060)</u>	<u>(51,084,956)</u>
Net Position - End of Year	<u><u>(\$26,684,741)</u></u>	<u><u>(\$36,321,060)</u></u>

**Governmental Activities**

The District revenues are mainly from two sources. Property taxes and grants and entitlements comprised 81% 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



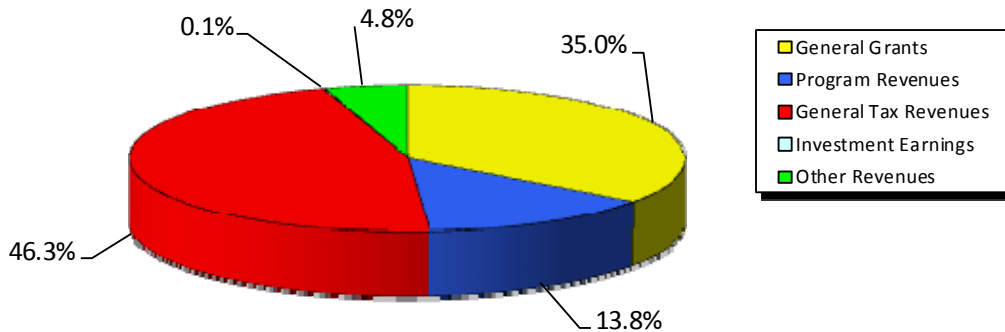
**Mason City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**  
(Unaudited)

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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 46% of revenue for governmental activities for the District in fiscal year 2016.

<u>Revenue Sources</u>	<u>2016</u>	<u>Percentage</u>
General Grants	\$45,479,897	35.00%
Program Revenues	17,883,595	13.76%
General Tax Revenues	60,199,680	46.32%
Investment Earnings	149,052	0.11%
Other Revenues	6,256,687	4.81%
Revenue Sources	<u>\$129,968,911</u>	<u>100.00%</u>



Instruction comprises 56% of governmental program expenses. Support services expenses were 33% of governmental program expenses. All other expenses and interest expense was 12%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Property taxes decreased mainly due to a decrease in advances available at fiscal year end 2016 as compared to fiscal year end 2015. Total Expenses decreased due to the District’s decrease in instruction costs.

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.

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**Mason City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**  
(Unaudited)

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

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Instruction	\$66,906,992	\$71,759,192	\$58,720,319	\$62,947,307
Support Services:				
Pupil and Instructional Staff	10,487,788	9,305,116	10,006,957	8,739,720
School Administrative, General				
Administration, Fiscal and Business	7,814,546	7,611,354	7,628,952	7,444,975
Operations and Maintenance	12,445,936	12,433,209	11,101,749	11,174,260
Pupil Transportation	6,262,821	6,221,325	6,130,150	6,095,742
Central	2,437,029	3,105,493	2,428,029	3,096,493
Operation of Non-Instructional Services	6,400,287	6,484,771	864,716	1,006,082
Extracurricular Activities	3,466,056	3,290,127	1,456,988	1,350,032
Interest and Fiscal Charges	4,111,137	4,503,141	4,111,137	4,503,141
Total Expenses	<u>\$120,332,592</u>	<u>\$124,713,728</u>	<u>\$102,448,997</u>	<u>\$106,357,752</u>

**The District's Funds**

The District has three major governmental funds: the General Fund, the Debt Service Fund and the Capital Projects Fund. Assets of the General Fund comprised \$102,233,178 (66%), the Debt Service Fund comprised \$18,396,033 (12%) and the Capital Projects Fund comprised \$27,105,920 (17%) of the total \$155,095,289 governmental funds' assets.

**General Fund:** Fund balance at June 30, 2016 was \$35,497,014 including \$34,427,290 of unassigned balance. The fund balance decreased by \$1,788,427. The primary reason for the decrease in fund balance was due to a decrease in taxes revenue.

**Debt Service Fund:** Fund balance at June 30, 2016 was \$7,047,669. The fund balance decreased by \$754,481. The primary reason for the decrease in fund balance was due to a decrease in tax revenue.

**Capital Projects Fund:** Fund balance at June 30, 2016 was \$21,497,581. The fund balance increased by \$2,137,536. The primary reason for the increase in fund balance was mainly due to increase in TIF monies received.

**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, 2016**  
(Unaudited)

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The final revenue budget for the General Fund was \$100,703,422. The actual revenue was \$101,745,385. The \$1,041,963 difference was primarily due to a conservative estimate for taxes and intergovernmental revenue. The final budget expenditures were \$100,556,878. The actual expenditures were \$99,132,649. The \$1,424,229 difference was primarily due to an overestimate for regular expenditures.

The District’s ending unobligated General Fund cash balance was \$38,114,220.

**Capital Assets and Debt Administration**

***Capital Assets***

At fiscal year end, the District had \$158,846,109 invested in land, buildings and improvements and equipment. Table 4 shows fiscal 2016 balances compared to fiscal 2015:

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

---

	Governmental Activities	
	2016	2015
Land	\$3,655,645	\$3,655,645
Buildings and Improvements	146,205,437	147,973,903
Equipment	8,985,027	9,208,091
Total Net Capital Assets	<u>\$158,846,109</u>	<u>\$160,837,639</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.

***Debt***

At year end, the District had \$95,347,720 in bonds and capital leases outstanding, \$9,233,000 due within one year. Table 5 summarizes bonds and capital leases outstanding.

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**Mason City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**  
(Unaudited)

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

	Governmental Activities	
	2016	2015
General Obligation Bonds:		
2005 Refunding High School/Recreation Center and Intermediate	\$37,025,000	\$42,015,000
2005 Refunding Bond Premium on High School/Recreation Center	2,051,902	2,424,975
2003 Refunding Middle/High School	0	2,670,000
2007 Refunding Early Childhood Center	26,140,000	27,230,000
2007 Refunding Bond Premium on Early Childhood Center	1,575,983	1,683,413
2013 Refunding High School Addition - Current Interest Bonds	16,100,000	16,100,000
2013 Refunding High School Addition - Capital Appreciation Bonds	720,000	720,000
2013 Refunding High School Addition - Accreted Interest on Capital Appreciation Bonds	396,156	244,670
2013 Refunding High School Addition - Premium	2,652,047	2,817,800
2013 Refunding High School/Recreation Center	3,640,000	3,640,000
2013 Refunding High School/Recreation Center - Premium	342,632	399,737
Capital Leases	4,704,000	4,827,000
Total Bonds and Capital Leases	<u>\$95,347,720</u>	<u>\$104,772,595</u>

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

**For the Future**

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

All of the District’s financial management abilities and controls will be needed to meet the challenges of the future. However, with careful planning and monitoring of the District’s finances and continued support from the community, the District’s management is confident that the District will continue to provide a high quality education for our students while maintaining a balanced, cost efficient budget.

**Contacting the District’s Financial Management**

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

Mason City School District, Ohio  
Statement of Net Position  
June 30, 2016

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$83,832,380
Restricted Cash and Investments	85,593
Receivables (Net):	
Taxes	64,720,248
Accounts	104,971
Interest	59,898
Intergovernmental	5,174,830
Inventory	68,781
Nondepreciable Capital Assets	3,655,645
Depreciable Capital Assets, Net	<u>155,190,464</u>
 Total Assets	 <u>312,892,810</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding Pension	2,728,058
	<u>15,541,505</u>
 Total Deferred Outflows of Resources	 <u>18,269,563</u>
Liabilities:	
Accounts Payable	627,654
Accrued Wages and Benefits	14,082,767
Accrued Interest Payable	434,346
Claims Payable	2,242,469
General Obligation Notes Payable	6,600,000
Long-Term Liabilities:	
Due Within One Year	10,003,777
Due In More Than One Year	
Net Pension Liability	154,147,080
Other Amounts	<u>92,820,043</u>
 Total Liabilities	 <u>280,958,136</u>
Deferred Inflows of Resources:	
Property Taxes	59,891,049
Grants and Other Taxes	4,754,084
Pension	<u>12,243,845</u>
 Total Deferred Inflows of Resources	 <u>76,888,978</u>
Net Position:	
Net Investment in Capital Assets	60,022,603
Restricted for:	
Debt Service	7,036,325
Capital Projects	21,512,380
Community Services	2,133,864
District Managed Student Activities	496,093
Auxiliary Services	181,171
Food Service	1,926,400
Federal Grants	54,379
Unrestricted	<u>(120,047,956)</u>
 Total Net Position	 <u><u>(\$26,684,741)</u></u>

See accompanying notes to the basic financial statements.

Mason City School District, Ohio  
Statement of Activities  
For the Fiscal Year Ended June 30, 2016

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$45,311,349	\$3,360,449	\$0	(\$41,950,900)
Special	18,250,648	391,094	4,362,414	(13,497,140)
Vocational	9,814	0	16,209	6,395
Other	3,335,181	47,081	9,426	(3,278,674)
<b>Support Services:</b>				
Pupil	7,915,545	8,675	458,853	(7,448,017)
Instructional Staff	2,572,243	13,303	0	(2,558,940)
General Administration	64,284	0	0	(64,284)
School Administration	5,459,816	8,895	0	(5,450,921)
Fiscal	1,826,523	0	0	(1,826,523)
Business	463,923	176,699	0	(287,224)
Operations and Maintenance	12,445,936	1,343,914	273	(11,101,749)
Pupil Transportation	6,262,821	0	132,671	(6,130,150)
Central	2,437,029	0	9,000	(2,428,029)
Operation of Non-Instructional Services	6,400,287	3,397,489	2,138,082	(864,716)
Extracurricular Activities	3,466,056	2,009,068	0	(1,456,988)
Interest and Fiscal Charges	4,111,137	0	0	(4,111,137)
<b>Total Governmental Activities</b>	<b>\$120,332,592</b>	<b>\$10,756,667</b>	<b>\$7,126,928</b>	<b>(\$102,448,997)</b>
<b>General Revenues:</b>				
<b>Property Taxes Levied for:</b>				
				48,393,144
				11,132,818
				673,718
				45,479,897
				5,635,305
				39,017
				149,052
				582,365
<b>Total General Revenues</b>				<b>112,085,316</b>
<b>Change in Net Position</b>				<b>9,636,319</b>
<b>Net Position - Beginning of Year</b>				<b>(36,321,060)</b>
<b>Net Position - End of Year</b>				<b>(\$26,684,741)</b>

See accompanying notes to the basic financial statements.

Mason City School District, Ohio  
Balance Sheet  
Governmental Funds  
June 30, 2016

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$48,894,956	\$6,446,032	\$21,645,934	\$6,845,458	\$83,832,380
Restricted Cash and Investments	85,593	0	0	0	85,593
<b>Receivables (Net):</b>					
Taxes	52,142,948	11,950,001	627,299	0	64,720,248
Accounts	1,195	0	78,603	25,173	104,971
Interest	59,898	0	0	0	59,898
Intergovernmental	0	0	4,754,084	420,746	5,174,830
Interfund	1,048,588	0	0	0	1,048,588
Inventory	0	0	0	68,781	68,781
<b>Total Assets</b>	<b>102,233,178</b>	<b>18,396,033</b>	<b>27,105,920</b>	<b>7,360,158</b>	<b>155,095,289</b>
<b>Liabilities:</b>					
Accounts Payable	254,289	0	288,428	84,937	627,654
Accrued Wages and Benefits	13,374,552	0	0	708,215	14,082,767
Compensated Absences	179,125	0	0	4,890	184,015
Accrued Interest Payable	0	0	0	41,250	41,250
Interfund Payable	1,016,298	0	0	32,290	1,048,588
Claims Payable	2,242,469	0	0	0	2,242,469
General Obligation Notes Payable	0	0	0	6,600,000	6,600,000
<b>Total Liabilities</b>	<b>17,066,733</b>	<b>0</b>	<b>288,428</b>	<b>7,471,582</b>	<b>24,826,743</b>
<b>Deferred Inflows of Resources:</b>					
Property Taxes	49,609,606	11,348,364	565,827	0	61,523,797
Grants and Other Taxes	0	0	4,754,084	420,746	5,174,830
Investment Revenue	59,825	0	0	0	59,825
<b>Total Deferred Inflows of Resources</b>	<b>49,669,431</b>	<b>11,348,364</b>	<b>5,319,911</b>	<b>420,746</b>	<b>66,758,452</b>
<b>Fund Balances:</b>					
Restricted	0	7,047,669	21,497,581	4,969,621	33,514,871
Assigned	1,069,724	0	0	0	1,069,724
Unassigned	34,427,290	0	0	(5,501,791)	28,925,499
<b>Total Fund Balances</b>	<b>35,497,014</b>	<b>7,047,669</b>	<b>21,497,581</b>	<b>(532,170)</b>	<b>63,510,094</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$102,233,178</b>	<b>\$18,396,033</b>	<b>\$27,105,920</b>	<b>\$7,360,158</b>	<b>\$155,095,289</b>

See accompanying notes to the basic financial statements.

Mason City School District, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 June 30, 2016

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Total Governmental Fund Balance \$63,510,094

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

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

Capital assets used in the operation of Governmental Funds 158,846,109

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

Intergovernmental	\$1,632,748	
Interest	59,825	
Special Assessments	420,746	
		2,113,319

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

(393,096)

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

Compensated Absences (7,292,085)

Deferred charge on refunding associated with long-term liabilities  
 that are not reported in the funds.

2,728,058

Deferred outflows and inflows or resources related to pensions  
 are applicable to future periods and, therefore, are not  
 reported in the funds.

Deferred outflows of resources related to pensions	\$15,541,505	
Deferred inflows of resources related to pensions	(12,243,845)	
		3,297,660

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

Net Pension Liability	(\$154,147,080)	
Other Amounts	(95,347,720)	
		(249,494,800)

Net Position of Governmental Activities (\$26,684,741)

See accompanying notes to the basic financial statements.



Mason City School District, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2016

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property and Other Taxes	\$47,352,596	\$10,883,717	\$661,919	\$0	\$58,898,232
Tuition and Fees	2,358,425	0	0	373,307	2,731,732
Investment Earnings	87,381	1,154	4,188	1,211	93,934
Intergovernmental	46,267,688	2,191,474	90,936	4,079,949	52,630,047
Extracurricular Activities	572,111	0	0	1,150,946	1,723,057
Charges for Services	1,279,201	0	0	5,117,378	6,396,579
Revenue in Lieu of Taxes	772,393	183,681	4,679,231	0	5,635,305
Other Revenues	60,252	0	63,514	402,916	526,682
<b>Total Revenues</b>	<b>98,750,047</b>	<b>13,260,026</b>	<b>5,499,788</b>	<b>11,125,707</b>	<b>128,635,568</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	45,365,204	0	561,103	208,101	46,134,408
Special	16,455,230	0	179	1,448,138	17,903,547
Vocational	0	0	0	9,875	9,875
Other	3,149,736	0	0	3,998	3,153,734
<b>Support Services:</b>					
Pupil	7,058,492	0	1,345	420,994	7,480,831
Instructional Staff	2,156,786	0	540,658	9,442	2,706,886
General Administration	64,662	0	0	0	64,662
School Administration	5,494,376	13,714	823	7,029	5,515,942
Fiscal	1,650,409	177,334	7,419	0	1,835,162
Business	314,011	0	0	139,865	453,876
Operations and Maintenance	8,587,992	0	1,149,884	1,071,128	10,809,004
Pupil Transportation	5,458,237	0	959,970	0	6,418,207
Central	2,155,819	0	75,989	18,000	2,249,808
Operation of Non-Instructional Services	930,477	0	0	5,306,430	6,236,907
Extracurricular Activities	1,697,043	0	15,915	1,700,573	3,413,531
Capital Outlay	0	0	48,967	399,277	448,244
<b>Debt Service:</b>					
Principal Retirement	0	8,750,000	0	123,000	8,873,000
Interest and Fiscal Charges	0	4,181,216	0	321,896	4,503,112
<b>Total Expenditures</b>	<b>100,538,474</b>	<b>13,122,264</b>	<b>3,362,252</b>	<b>11,187,746</b>	<b>128,210,736</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,788,427)</b>	<b>137,762</b>	<b>2,137,536</b>	<b>(62,039)</b>	<b>424,832</b>
<b>Other Financing Sources (Uses):</b>					
Transfers In	0	6,600,000	0	7,492,243	14,092,243
Transfers (Out)	0	(7,492,243)	0	(6,600,000)	(14,092,243)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(892,243)</b>	<b>0</b>	<b>892,243</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(1,788,427)</b>	<b>(754,481)</b>	<b>2,137,536</b>	<b>830,204</b>	<b>424,832</b>
<b>Fund Balance - Beginning of Year</b>	<b>37,285,441</b>	<b>7,802,150</b>	<b>19,360,045</b>	<b>(1,362,374)</b>	<b>63,085,262</b>
<b>Fund Balance - End of Year</b>	<b>\$35,497,014</b>	<b>\$7,047,669</b>	<b>\$21,497,581</b>	<b>(\$532,170)</b>	<b>\$63,510,094</b>

See accompanying notes to the basic financial statements.

Mason City School District, Ohio  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2016

Net Change in Fund Balance - Total Governmental Funds		\$424,832
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Capital assets used in governmental activities	\$1,955,701	
Depreciation Expense	<u>(3,783,813)</u>	(1,828,112)
<p>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.</p>		
		(163,418)
<p>Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
District pension contributions	\$9,134,400	
Cost of benefits earned net of employee contributions	<u>(7,467,012)</u>	1,667,388
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Delinquent Property Taxes	\$1,301,448	
Interest	55,117	
Intergovernmental	<u>(23,222)</u>	1,333,343
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
		8,873,000
<p>In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.</p>		
		36,893
<p>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.</p>		
Compensated Absences	(\$1,062,689)	
Amortization of Bond Premium	703,361	
Amortization of Deferred Charge on Refunding	(196,793)	
Bond Accretion	<u>(151,486)</u>	(707,607)
Change in Net Position of Governmental Activities		<u><u>\$9,636,319</u></u>

See accompanying notes to the basic financial statements.

Mason City School District, Ohio  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2016

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	Education Private Purpose Trust	Agency
	<u>          </u>	<u>          </u>
Assets:		
Equity in Pooled Cash and Investments	\$98,779	\$671,986
Total Assets	<u>98,779</u>	<u>671,986</u>
Liabilities:		
Accounts Payable	0	10,777
Other Liabilities	<u>0</u>	<u>661,209</u>
Total Liabilities	<u>0</u>	<u>\$671,986</u>
Net Position:		
Held in Trust	<u>98,779</u>	
Total Net Position	<u>\$98,779</u>	

See accompanying notes to the basic financial statements.

Mason City School District, Ohio  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2016

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	Education Private Purpose Trust
Additions:	
Donations	\$2,616
Investment Earnings	21
Total Additions	<u>2,637</u>
Deductions:	
Scholarships	<u>2,500</u>
Total Deductions	<u>2,500</u>
Change in Net Position	137
Net Position - Beginning of Year	<u>98,642</u>
Net Position - End of Year	<u><u>\$98,779</u></u>

See accompanying notes to the basic financial statements.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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**Note 1 – Description of the District**

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The Mason City School District (the “District”) operates under a locally elected five member Board and provides educational services as authorized by its charter or further mandated by state/or federal agencies. The Board controls the District’s five instructional facilities, staffed by 540 full-time equivalent classified personnel, 658 certified full-time equivalent teaching personnel and administrative employees to provide services to students and other community members.

The District is located in Warren and Butler Counties in southwest Ohio. The District contains 25 square miles, with 99% of its territory located within Warren County and the remaining 1% in Butler County. Political subdivisions included in the District are the City of Mason, portions of Deerfield, Union and Turtle Creek Townships in Warren County, and a portion of West Chester Township in Butler County. The District is approximately 25 minutes northeast of downtown Cincinnati and 35 minutes southwest of downtown Dayton. The enrollment for the District during the current fiscal year was 10,713. The District operates one early childhood center (Pre-K-2), one elementary school and (2-3), one intermediate school (4-6), one middle school (7-8) and a high school (9-12).

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

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The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Reporting Entity**

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

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

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

**Fund Accounting**

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

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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Governmental Funds

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

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

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

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

Fiduciary Funds

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

**Measurement Focus**

Government-wide Financial Statements

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

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

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

The private purpose trust fund is reported using the economic resources measurement focus.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting. Differences in the actual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

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

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

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources related to pension are explained in Note 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, grants and other taxes, which included tax increment financing (TIF's), pension and investment earnings. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance year 2017 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. TIF's have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements in the grants and other taxes line item. Deferred inflows of resources related to pension are reported on the government-wide statement of net pension. (See Note 11)

Expenses/Expenditures

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

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

**Equity in Pooled Cash and Investments**

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

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



**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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

During fiscal year 2016, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

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 \$87,381 credited to the General Fund; \$1,154 credited to the Debt Service Fund, \$4,188 credited to the Capital Projects Fund and \$1,211 credited to Other Governmental Funds.

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

**Inventory**

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

**Capital Assets**

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

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

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

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined

**Mason City School District, Ohio**  
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on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**Compensated Absences**

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

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

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

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

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How Earned	Not Eligible	0-20 days annually depending on length of service and days worked	10-20 days per year depending on length of service and days worked
Maximum Accumulation	Not Applicable	Amount equal to three years accrual	Amount equal to three years accrual
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Paid upon termination	Paid upon termination
<u>Sick Leave</u>			
How Earned	1.25 days per month of employment (15 days per year)	1.25 days per month of employment (15 days per year)	1.25 days per month of employment (15 days per year)
Maximum Accumulation	240 days	240 days	240 days
Vested	5-10 years of service Eligible for retirement	5-10 years of service Eligible for retirement	5-10 years of service Eligible for retirement
Termination Entitlement	Paid upon retirement at 25%-50%	Paid upon retirement at 25%-50%	Paid upon retirement at 25%-50%

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
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**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. The formal action that is required to establish a fund balance commitment is a Board Resolution.

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

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

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

**Net Position**

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District’s \$33,340,612 in restricted net position, none were restricted by enabling legislation.

**Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are

**Mason City School District, Ohio**  
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reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

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

**Restricted Assets**

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

**Accrued Liabilities and Long Term Obligations**

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

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

**Estimates**

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

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

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

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

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

**Mason City School District, Ohio**  
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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.

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

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
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be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2016, \$53,686,371 of the District's bank balance of \$53,936,371 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

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

**Investments**

As of June 30, 2016, the District had the following investments:

Investment Type	Value	Fair Value Hierachy	Aggregate Credit Risk
Federal National Mortgage Association	\$5,015,662	Level 2	16.11%
Federal Home Loan Bank	\$3,008,394	Level 2	9.66%
Negotiable CDs	\$497,153	Level 2	1.60%
Federal Home Loan Mortgage	10,306,905	Level 2	33.11%
Federal Farm Credit Bank	1,777,489	Level 2	5.71%
Commercial Paper	9,950,801	Level 2	31.96%
STAR Ohio	564,812	N/A	1.85%
Money Market Fund	9,073	N/A	0.00%
Total Fair Value	\$31,130,289		100.00%
Portfolio Weighted Average Maturity			

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Investments classified in Level 2 of the fair value hierarchy are valued using pricing sources, as provided by the investment managers. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2016. STAR Ohio is reported at its share price (Net Asset Value per share).

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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

Credit Risk – It is the District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The District’s investments in Federal National Mortgage Association, Federal Home Loan Bank, Commercial Paper, Federal Home Loan Mortgage, and Federal Farm Credit Bank were rated AA+ by Standard & Poor’s and Fitch Ratings and Aaa by Moody’s Investors Service. Investments in STAR Ohio were rated AAAm by Standard & Poor’s. Investments in Negotiable CDs and Money Market Funds were not negotiable.

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

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

**Note 4 - Property Taxes**

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Real property taxes collected in 2016 were levied in April on the assessed values as of January 1, 2015, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update every third year.

Real property taxes are payable annually or semi-annually. In 2016, 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, 2016. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2016 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, 2016, was \$2,533,342 for General Fund, \$601,637 for Debt Service Fund and \$61,472 for Capital Projects Fund, and is recognized as revenue.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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

The assessed values upon which the fiscal year 2016 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,629,258,740
Public Utility	<u>33,913,130</u>
Total	<u><u>\$1,663,171,870</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>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$3,655,645	\$0	\$0	\$3,655,645
<b>Capital Assets, being depreciated:</b>				
Buildings and Improvements	176,507,460	147,402	0	176,654,862
Equipment	<u>30,204,222</u>	<u>1,808,299</u>	<u>1,191,039</u>	<u>30,821,482</u>
Totals at Historical Cost	<u>210,367,327</u>	<u>1,955,701</u>	<u>1,191,039</u>	<u>211,131,989</u>
Less Accumulated Depreciation:				
Buildings and Improvements	28,533,557	1,915,868	0	30,449,425
Equipment	<u>20,996,131</u>	<u>1,867,945</u>	<u>1,027,621</u>	<u>21,836,455</u>
Total Accumulated Depreciation	<u>49,529,688</u>	<u>3,783,813</u>	<u>1,027,621</u>	<u>52,285,880</u>
Governmental Activities Capital Assets, Net	<u>\$160,837,639</u>	<u>(\$1,828,112)</u>	<u>\$163,418</u>	<u>\$158,846,109</u>

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**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$376,560
Special	3,994
Support Services:	
Pupil	180,335
Instructional Staff	13,792
School Administration	10,434
Fiscal	6,870
Business	1,145
Operations and Maintenance	1,755,898
Pupil Transportation	663,394
Central	406,937
Operation of Non-Instructional Services	182,238
Extracurricular Activities	182,216
Total Depreciation Expense	<u><u>\$3,783,813</u></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 2015 2.00%	\$7,400,000	\$0	\$7,400,000	\$0
Mason Intermediate Construction 2016 2.00%	<u>0</u>	<u>6,600,000</u>	<u>0</u>	<u>6,600,000</u>
Total	<u><u>\$7,400,000</u></u>	<u><u>\$6,600,000</u></u>	<u><u>\$7,400,000</u></u>	<u><u>\$6,600,000</u></u>

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

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

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

Fiscal Year Ending June 30	Principal	Interest	Total
2016	\$6,600,000	\$99,000	\$6,699,000

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
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**Note 8 - Long-Term Liabilities**

	Interest Rate	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
<b>Governmental Activities:</b>						
General Obligation Bonds:						
2006 Refunding High School/ Recreation Center	5.16%	42,015,000	0	(4,990,000)	37,025,000	7,950,000
2006 Refund Bond Premium		2,424,975	0	(373,073)	2,051,902	0
2003 Refunding Middle/High School	3.97%	2,670,000	0	(2,670,000)	0	0
2007 Refunding Early Childhood Center	4.98%	27,230,000	0	(1,090,000)	26,140,000	1,145,000
2007 Refund Bond Premium		1,683,413	0	(107,430)	1,575,983	0
2013 Refunding High School Addition Current Interest Bonds		16,100,000	0	0	16,100,000	0
2013 Refunding High School Addition Capital Appreciation Bonds		720,000	0	0	720,000	0
2013 Refunding High School Accreted Interest on Capital Appreciation Bonds		244,670	151,486	0	396,156	0
2013 Refunding High School Addition Premium		2,817,800	0	(165,753)	2,652,047	0
2013 Refunding High School/ Recreation Center		3,640,000	0	0	3,640,000	0
2013 Refunding High School/ Recreation Center Premium		399,737	0	(57,105)	342,632	0
Total General Obligation Bonds		99,945,595	151,486	(9,453,361)	90,643,720	9,095,000
Net Pension Liability:						
STRS		110,479,282	21,465,490	(8,217,899)	123,726,873	0
SERS		27,513,058	5,549,530	(2,642,381)	30,420,207	0
Total Net Pension Liability		137,992,340	27,015,020	(10,860,280)	154,147,080	0
Capital Leases	4.38%	4,827,000	0	(123,000)	4,704,000	138,000
Total Long-Term Debt		242,764,935	27,166,506	(20,436,641)	249,494,800	9,233,000
Compensated Absences		7,114,291	1,809,903	(1,448,094)	7,476,100	770,777
Total Governmental Activities		\$249,879,226	\$28,976,409	(\$21,884,735)	\$256,970,900	\$10,003,777

General obligation bonds will be paid from the debt service fund. The capital lease will be paid from the Community Services fund. Compensated absences will be paid from the fund from which the person is paid. The General Fund is typically used to liquidate the liability for compensated absences.

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

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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

Fiscal Year Ending June 30	General Obligation Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$9,095,000	\$3,788,563	\$12,883,563	\$0	\$0	\$0
2018	9,560,000	3,313,462	12,873,462	0	0	0
2019	7,300,000	2,886,125	10,186,125	0	0	0
2020	7,935,000	2,508,384	10,443,384	0	0	0
2021	8,315,000	2,110,475	10,425,475	0	0	0
2022-2026	17,590,000	7,097,619	24,687,619	720,000	1,920,000	2,640,000
2027-2031	18,665,000	3,302,376	21,967,376	0	0	0
2032	4,445,000	103,244	4,548,244	0	0	0
Total	<u>\$82,905,000</u>	<u>\$25,110,248</u>	<u>\$108,015,248</u>	<u>\$720,000</u>	<u>\$1,920,000</u>	<u>\$2,640,000</u>

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

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

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In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements. On June 30, 2016, \$41,898,000 of bonds outstanding are considered defeased.

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

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

The trustee entered into an Interest Rate Exchange Agreement with respect to the loan, locking in the rate at 4.38% plus an annual administrative fee. The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2016.

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**Mason City School District, Ohio**  
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**For The Fiscal Year Ended June 30, 2016**

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Fiscal Year Ending June 30,	Long-Term Debt
2017	\$349,619
2018	360,186
2019	370,961
2020	382,897
2021	394,928
2022-2026	2,167,043
2027-2031	2,491,620
2032	249,527
Total Minimum Lease Payments	6,766,781
Less: Amount Representing Interest (4.38%)	(1,994,477)
Less: Additional Program Cost Component	(68,304)
Present Value of Minimum Lease Payments	<u>\$4,704,000</u>

**Note 11 - Defined Benefit Pension Plans**

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**Net Pension Liability**

Pensions are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability represents the District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the District’s obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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**Plan Description - School Employees Retirement System (SERS)**

Plan Description – District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. 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 Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit Age 65 with 5 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service, 2.5 percent for years of service credit over 30 or \$86.00 multiplied by the years of service credit. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. None of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District’s contractually required contribution to SERS was \$2,479,992 for fiscal year 2016. Of this amount \$221,635 is reported as accrued wages and benefits.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
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**Plan Description - State Teachers Retirement System (STRS)**

Plan Description – District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement increased effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. 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.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among 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. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The District’s contractually required contribution to STRS was \$6,654,408 for fiscal year 2016. Of this amount \$1,105,090 is reported as accrued wages and benefits.

**Net Pension Liability**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$30,420,207	\$123,726,873	\$154,147,080
Proportion of the Net Pension Liability	0.53311760%	0.44768440%	
Pension Expense	1,918,208	5,626,236	7,544,444

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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**Mason City School District, Ohio**  
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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$494,351	\$5,655,662	\$6,150,013
Changes in employer proportion and differences between contributions and proportionate share of contributions	286,023	(28,931)	257,092
District contributions subsequent to the measurement date	<u>2,479,992</u>	<u>6,654,408</u>	<u>9,134,400</u>
Total Deferred Outflows of Resources	<u>\$3,260,366</u>	<u>\$12,281,139</u>	<u>\$15,541,505</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$1,094,311	\$9,191,891	\$10,286,202
Changes in employer proportion and differences between contributions and proportionate share of contributions	(86,390)	(293,590)	(379,980)
Changes in employer proportionate share of net pension liability	<u>551,829</u>	<u>1,785,794</u>	<u>2,337,623</u>
Total Deferred Inflows of Resources	<u>\$1,559,750</u>	<u>\$10,684,095</u>	<u>\$12,243,845</u>

\$9,134,400 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2017	(\$446,663)	(\$2,483,517)	(\$2,930,180)
2018	(446,663)	(2,483,518)	(2,930,181)
2019	(449,027)	(2,483,518)	(2,932,545)
2020	<u>562,977</u>	<u>2,393,189</u>	<u>2,956,166</u>
Total	<u>(\$779,376)</u>	<u>(\$5,057,364)</u>	<u>(\$5,836,740)</u>



**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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**Actuarial Assumptions – SERS**

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

**Mason City School District, Ohio**  
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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	100.00 %	

**Discount Rate** The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$42,181,895	\$30,420,207	\$20,515,897

**Actuarial Assumptions – STRS**

The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses, including inflation
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS’ investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

**Discount Rate** The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

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**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$171,865,960	\$123,726,873	\$83,018,096

**Note 12 - Post Employment Benefits**

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***School Employees Retirement System***

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, 0.00 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge.

The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$145,697, and \$29,280, respectively. The full amount has been contributed for fiscal years 2016, 2015, and 2014.

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
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***State Teachers Retirement System***

Plan Description – The District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2016, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$477,821 respectively. The full amount has been contributed for fiscal years 2016, 2015, and 2014.

**Note 13 - Contingent Liabilities**

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**Foundation Funding**

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school district, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 or June 30, 2016 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

**Litigation**

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

**Note 14 - Risk Management**

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The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the current fiscal year the District contracted with Insurance Associates for general liability insurance with a \$2,000,000 aggregate plus excess umbrella of an additional \$10,000,000 limit covering all employees and volunteers of the District.

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

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
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The Travelers Insurance Company maintains a \$20,000 performance bond for the Board President and Superintendent and Travelers Insurance Company maintains a \$50,000 public official bond for the Treasurer. Dakin Company maintains a \$50,000 employee dishonesty blanket bond for all employees.

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

The District offers a High Deductible medical plan with a Health Savings Account (HSA) on a self-insured basis with third party administration services provided by Custom Design Benefits. Monthly premiums for the plan are \$1,715 for family coverage (\$4,000 deductible) and \$698 for individual coverage (\$2,000 deductible). For full time employees the District pays the premium and makes the following contributions to the employees' HSAs: \$1,627 family and \$648 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 \$99.51 for family coverage and \$37.45 for individual coverage. The district is responsible for payment of all claim amounts.

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

The liability for unpaid claims cost of \$1,933,317 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 \$2,242,469 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 \$2,242,469 has been reported as claims payable.

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

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2014	\$1,296,140	\$12,978,306	\$12,889,722	\$1,384,724
2015	1,384,724	14,018,913	13,470,320	1,933,317
2016	1,933,317	13,497,412	13,188,560	2,242,469

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**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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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	\$12,187
Title VI B	382,228
Title III	20,553
Title I	45,661
Public School Preschool	6,761
Improving Teacher Quality	1,853
Capital Projects:	
Building	5,032,548

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

**Note 16 - Required Set-Asides**

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

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

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

	Capital Acquisition	Budget Stabilization
Set-Aside Reserve Balance as of June 30, 2015	\$0	\$85,593
Current Year Set-aside Requirement	1,774,983	0
Qualified Disbursements	(1,719,765)	0
Current Year Offsets	(55,218)	0
Set-Aside Reserve Balance as of June 30, 2016	<u>\$0</u>	<u>\$85,593</u>
Restricted Cash as of June 30, 2016	<u>\$0</u>	<u>\$85,593</u>

**Note 17 - Interfund Transactions**

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

**Mason City School District, Ohio**  
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	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$1,048,588	\$1,016,298	\$0	\$0
Debt Service Fund	0	0	6,600,000	7,492,243
Other Governmental Funds	0	32,290	7,492,243	6,600,000
Total All Funds	<u>\$1,048,588</u>	<u>\$1,048,588</u>	<u>\$14,092,243</u>	<u>\$14,092,243</u>

The amounts due in the general fund are the result of the District moving unrestricted balances to support programs and projects accounted for in other funds. The general fund will be reimbursed when funds become available in the other governmental funds. Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds. Transfers In and Out of the Debt Service Fund and the Building Fund were made to pay and set up short term debt obligations in the proper fund.

**Note 18 - Jointly Governed Organizations**

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

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

Great Oaks Career Campuses, 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 Great Oaks Career Campuses, Mr. Robert Giuffrè, Chief Financial Officer, at 3254 East Kemper Road, Cincinnati, Ohio 45241.

The District is a participant in the Jewell Education Foundation, which is a jointly governed educational foundation established to benefit the school districts in Warren County. The Foundation was created to promote and assist in funding through soliciting grants and charitable contributions for distributions to member educational institutions of participating school districts. The governing board is made up of the Warren County Vocational School District Superintendent, one member of the 1999 Warren County Vocational School District Board of Education, not on the current board, and one member submitted by each participating school district. The District made no financial contribution to the Foundation. Financial information can be obtained from the director of planned giving, Rick Wood, at P.O. Box 854, Lebanon, Ohio 45036.



**Mason City School District, Ohio**  
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**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	Capital Projects	Other Governmental Funds	Total
<b>Restricted for:</b>					
Community Services	0	0	0	2,234,563	2,234,563
District Managed Student Activity	0	0	0	496,093	496,093
Auxiliary Services	0	0	0	181,171	181,171
Vocational Education	0	0	0	3,120	3,120
Food Service Operations	0	0	0	2,054,674	2,054,674
Debt Service Payments	0	7,047,669	0	0	7,047,669
Capital Projects	0	0	21,497,581	0	21,497,581
<b>Total Restricted</b>	<b>0</b>	<b>7,047,669</b>	<b>21,497,581</b>	<b>4,969,621</b>	<b>33,514,871</b>
<b>Assigned to:</b>					
Public Support	270,647	0	0	0	270,647
Encumbrances	536,777	0	0	0	536,777
Budgetary Variance	262,300	0	0	0	262,300
<b>Total Assigned</b>	<b>1,069,724</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,069,724</b>
<b>Unassigned (Deficit)</b>	<b>34,427,290</b>	<b>0</b>	<b>0</b>	<b>(5,501,791)</b>	<b>28,925,499</b>
<b>Total Fund Balance</b>	<b><u>\$35,497,014</u></b>	<b><u>\$7,047,669</u></b>	<b><u>\$21,497,581</u></b>	<b><u>(\$532,170)</u></b>	<b><u>\$63,510,094</u></b>

Assigned encumbrances of \$536,777, see above, will be used for \$225,863 for maintenance supplies and services, \$66,466 for transportation supplies and services, \$90,047 for office supplies and services, \$72,340 for school supplies, \$82,061 for other purposes.

**Note 20 – Construction and Other Commitments**

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the District’s commitments for encumbrances in the governmental funds were as follows:

<u>Description</u>	<u>Remaining Commitment</u>
General	\$752,487
Capital Construction Projects	1,889,719
Other Governmental	290,604

**Note 21 – Implementation of New Accounting Principles**

For the fiscal year ended June 30, 2016, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the*

**Mason City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2016**

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*Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments and GASB Statement No. 79, Certain External Investment Pools and Pool Participants.*

GASB Statement No. 72 clarifies the definition of fair value for financial reporting purposes, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements. These changes were incorporated in the District's fiscal year 2016 note disclosures; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the District.

GASB Statement No. 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the District.

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the District.

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# **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, 2016

	General Fund			Variance from Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$51,580,558	\$51,580,558	\$52,114,254	\$533,696
Tuition and Fees	2,282,831	2,282,831	2,306,451	23,620
Investment Earnings	18,435	18,435	18,626	191
Intergovernmental	45,793,866	45,793,866	46,267,688	473,822
Charges for Services	93,731	93,731	94,701	970
Other Revenues	934,001	934,001	943,665	9,664
<b>Total Revenues</b>	<b>100,703,422</b>	<b>100,703,422</b>	<b>101,745,385</b>	<b>1,041,963</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<u>Regular</u>				
Salaries and Wages	32,188,434	32,188,434	31,732,536	455,898
Fringe Benefits	12,923,332	12,923,332	12,740,294	183,038
Purchased Services	51,393	51,393	50,665	728
Materials and Supplies	1,158,391	1,158,391	1,141,984	16,407
Capital Outlay	16,654	16,654	16,418	236
Other Expenditures	63,702	63,702	62,800	902
<b>Total Regular</b>	<b>46,401,906</b>	<b>46,401,906</b>	<b>45,744,697</b>	<b>657,209</b>
<u>Special</u>				
Salaries and Wages	8,987,253	8,987,253	8,859,963	127,290
Fringe Benefits	4,952,873	4,952,873	4,882,723	70,150
Purchased Services	1,346,675	1,346,675	1,327,601	19,074
Materials and Supplies	56,145	56,145	55,350	795
Other Expenditures	67,912	67,912	66,950	962
<b>Total Special</b>	<b>15,410,858</b>	<b>15,410,858</b>	<b>15,192,587</b>	<b>218,271</b>
<u>Adult/Continuing</u>				
Salaries and Wages	5,160	5,160	5,087	73
Fringe Benefits	1,456	1,456	1,435	21
<b>Total Adult/Continuing</b>	<b>6,616</b>	<b>6,616</b>	<b>6,522</b>	<b>94</b>
<u>Other</u>				
Salaries and Wages	1,560,595	1,560,595	1,538,492	22,103
Fringe Benefits	626,911	626,911	618,032	8,879
Purchased Services	1,003,148	1,003,148	988,940	14,208
			0	
<b>Total Other</b>	<b>3,190,654</b>	<b>3,190,654</b>	<b>3,145,464</b>	<b>45,190</b>
<b>Support Services:</b>				
<u>Pupil</u>				
Salaries and Wages	4,306,457	4,306,457	4,245,463	60,994
Fringe Benefits	1,782,990	1,782,990	1,757,737	25,253
Purchased Services	831,631	831,631	819,852	11,779
Materials and Supplies	113,204	113,204	111,601	1,603
Capital Outlay	63	63	62	1
Other Expenditures	793	793	782	11
<b>Total Pupil</b>	<b>7,035,138</b>	<b>7,035,138</b>	<b>6,935,497</b>	<b>99,641</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, 2016

	General Fund			Variance from Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b><u>Instructional Staff</u></b>				
Salaries and Wages	1,500,214	1,500,214	1,478,966	21,248
Fringe Benefits	538,608	538,608	530,979	7,629
Purchased Services	91,363	91,363	90,069	1,294
Materials and Supplies	109,197	109,197	107,650	1,547
Capital Outlay	342	342	337	5
Other Expenditures	10,347	10,347	10,200	147
<b>Total Instructional Staff</b>	<b>2,250,071</b>	<b>2,250,071</b>	<b>2,218,201</b>	<b>31,870</b>
<b><u>General Administration</u></b>				
Salaries and Wages	13,567	13,567	13,375	192
Fringe Benefits	2,666	2,666	2,628	38
Purchased Services	2,607	2,607	2,570	37
Materials and Supplies	1,060	1,060	1,045	15
Other Expenditures	47,119	47,119	46,452	667
<b>Total General Administration</b>	<b>67,019</b>	<b>67,019</b>	<b>66,070</b>	<b>949</b>
<b><u>School Administration</u></b>				
Salaries and Wages	3,454,272	3,454,272	3,405,348	48,924
Fringe Benefits	1,709,648	1,709,648	1,685,434	24,214
Purchased Services	408,859	408,859	403,068	5,791
Materials and Supplies	19,054	19,054	18,784	270
Other Expenditures	97,056	97,056	95,681	1,375
<b>Total School Administration</b>	<b>5,688,889</b>	<b>5,688,889</b>	<b>5,608,315</b>	<b>80,574</b>
<b><u>Fiscal</u></b>				
Salaries and Wages	666,594	666,594	657,153	9,441
Fringe Benefits	295,712	295,712	291,524	4,188
Purchased Services	44,264	44,264	43,637	627
Materials and Supplies	7,126	7,126	7,025	101
Other Expenditures	715,274	715,274	705,143	10,131
<b>Total Fiscal</b>	<b>1,728,970</b>	<b>1,728,970</b>	<b>1,704,482</b>	<b>24,488</b>
<b><u>Business</u></b>				
Salaries and Wages	204,582	204,582	201,684	2,898
Fringe Benefits	96,933	96,933	95,560	1,373
Purchased Services	8,900	8,900	8,774	126
Materials and Supplies	4,567	4,567	4,502	65
Other Expenditures	1,269	1,269	1,251	18
<b>Total Business</b>	<b>316,251</b>	<b>316,251</b>	<b>311,771</b>	<b>4,480</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, 2016

	General Fund			Variance from Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>Operations and Maintenance</u>				
Salaries and Wages	1,863,540	1,863,540	1,837,146	26,394
Fringe Benefits	1,134,576	1,134,576	1,118,507	16,069
Purchased Services	5,317,841	5,317,841	5,242,522	75,319
Materials and Supplies	719,454	719,454	709,264	10,190
Capital Outlay	470	470	463	7
Total Operations and Maintenance	<u>9,035,881</u>	<u>9,035,881</u>	<u>8,907,902</u>	<u>127,979</u>
<u>Pupil Transportation</u>				
Salaries and Wages	3,268,762	3,268,762	3,222,465	46,297
Fringe Benefits	1,612,060	1,612,060	1,589,228	22,832
Purchased Services	234,753	234,753	231,428	3,325
Materials and Supplies	401,792	401,792	396,101	5,691
Capital Outlay	54,740	54,740	53,965	775
Other Expenditures	96	96	95	1
Total Pupil Transportation	<u>5,572,203</u>	<u>5,572,203</u>	<u>5,493,282</u>	<u>78,921</u>
<u>Central</u>				
Salaries and Wages	994,468	994,468	980,383	14,085
Fringe Benefits	533,563	533,563	526,006	7,557
Purchased Services	465,395	465,395	458,803	6,592
Materials and Supplies	310,763	310,763	306,362	4,401
Capital Outlay	1,351	1,351	1,332	19
Other Expenditures	638	638	629	9
Total Central	<u>2,306,178</u>	<u>2,306,178</u>	<u>2,273,515</u>	<u>32,663</u>
<u>Operation of Non-Instructional Services</u>				
Purchased Services	10,711	10,711	10,559	152
Materials and Supplies	8,426	8,426	8,307	119
Other Expenditures	19,066	19,066	18,796	270
Total Operation of Non- Instructional Services	<u>38,203</u>	<u>38,203</u>	<u>37,662</u>	<u>541</u>
<u>Extracurricular Activities</u>				
Salaries and Wages	1,186,004	1,186,004	1,169,206	16,798
Fringe Benefits	244,671	244,671	241,206	3,465
Purchased Services	77,066	77,066	75,974	1,092
Materials and Supplies	203	203	200	3
Other Expenditures	97	97	96	1
Total Extracurricular Activities	<u>1,508,041</u>	<u>1,508,041</u>	<u>1,486,682</u>	<u>21,359</u>
Total Expenditures	<u>100,556,878</u>	<u>100,556,878</u>	<u>99,132,649</u>	<u>1,424,229</u>
Excess of Revenues Over (Under) Expenditures	<u>146,544</u>	<u>146,544</u>	<u>2,612,736</u>	<u>2,466,192</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, 2016

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Advances In	1,303,952	1,303,952	1,317,444	13,492
Advances (Out)	(2,308,603)	(2,308,603)	(2,275,905)	32,698
Total Other Financing Sources (Uses)	<u>(1,004,651)</u>	<u>(1,004,651)</u>	<u>(958,461)</u>	<u>46,190</u>
Net Change in Fund Balance	(858,107)	(858,107)	1,654,275	2,512,382
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>36,459,945</u>	<u>36,459,945</u>	<u>36,459,945</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$35,601,838</u></u>	<u><u>\$35,601,838</u></u>	<u><u>\$38,114,220</u></u>	<u><u>\$2,512,382</u></u>

See accompanying notes to the required supplementary information.

**Mason City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2016**

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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 2016.

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

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as an assignment of fund balance for governmental fund types and expendable trust funds (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis as opposed to the general fund being reported alone (budget basis).



**Mason City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2016**

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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	(\$1,788,427)
Revenue Accruals	3,112,517
Expenditures Accruals	1,978,136
Advances In	1,317,444
Advances (Out)	(2,275,905)
Encumbrances	(752,487)
Funds Budgeted Elsewhere	<u>62,997</u>
Budget Basis	<u><u>\$1,654,275</u></u>

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Mason City School District, Ohio  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share  
 of the Net Pension Liability  
 State Teachers Retirement System of Ohio  
 Last Three Fiscal Years (1)

	2015	2014	2013
District's Proportion of the Net Pension Liability	0.44768440%	0.45420873%	0.45420873%
District's Proportionate Share of the Net Pension Liability	\$123,726,873	\$110,479,282	\$131,247,785
District's Covered-Employee Payroll	\$47,105,657	\$49,977,400	\$48,150,963
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	252.40%	226.80%	272.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.10%	74.70%	69.30%

(1) - Information prior to 2013 is not available

Mason City School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share  
 of the Net Pension Liability  
 School Employees Retirement System of Ohio  
 Last Three Fiscal Years (1)

	2015	2014	2013
District's Proportion of the Net Pension Liability	0.53311760%	0.54363500%	0.54363500%
District's Proportionate Share of the Net Pension Liability	\$30,420,207	\$27,513,058	\$32,337,923
District's Covered-Employee Payroll	\$18,873,331	\$15,956,537	\$15,323,775
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	200.53%	173.18%	211.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.16%	71.70%	65.52%

(1) - Information prior to 2013 is not available

Mason City School District  
 Required Supplementary Information  
 Schedule of District Contributions  
 State Teachers Retirement System of Ohio  
 Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$6,654,408	\$6,594,792	\$6,497,062
Contributions in Relation to the Contractually Required Contribution	<u>(6,654,408)</u>	<u>(6,594,792)</u>	<u>(6,497,062)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$47,531,486	\$47,105,657	\$49,977,400
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.00%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$6,789,480	\$6,854,604	\$6,779,952	\$6,793,128	\$6,668,916	\$5,911,404	\$5,446,008
<u>(6,789,480)</u>	<u>(6,854,604)</u>	<u>(6,779,952)</u>	<u>(6,793,128)</u>	<u>(6,668,916)</u>	<u>(5,911,404)</u>	<u>(5,446,008)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$48,150,963	\$49,829,224	\$49,036,458	\$47,079,797	\$46,478,769	\$43,052,330	\$39,500,785
14.10%	13.76%	13.83%	14.43%	14.35%	13.73%	13.79%

Mason City School District  
 Required Supplementary Information  
 Schedule of District Contributions  
 School Employees Retirement System of Ohio  
 Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$2,479,992	\$2,487,504	\$2,211,576
Contributions in Relation to the Contractually Required Contribution	<u>(2,479,992)</u>	<u>(2,487,504)</u>	<u>(2,211,576)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$17,714,229	\$18,873,331	\$15,956,537
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.18%	13.86%

2013	2012	2011	2010	2009	2008	2007
\$2,622,000	\$2,791,776	\$2,808,360	\$2,738,604	\$2,579,844	\$2,429,772	\$2,332,272
(2,622,000)	(2,791,776)	(2,808,360)	(2,738,604)	(2,579,844)	(2,429,772)	(2,332,272)
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$15,323,775	\$16,217,762	\$16,382,282	\$17,074,491	\$17,317,711	\$15,598,297	\$14,690,416
17.11%	17.21%	17.14%	16.04%	14.90%	15.58%	15.88%

# COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES





## **MAJOR GOVERNMENTAL FUNDS**

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

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

Mason City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2016

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Taxes	\$12,211,122	\$12,043,710	(\$167,412)
Investment Earnings	1,170	1,154	(16)
Intergovernmental	2,221,936	2,191,474	(30,462)
Other Revenues	186,234	183,681	(2,553)
<b>Total Revenues</b>	<b>14,620,462</b>	<b>14,420,019</b>	<b>(200,443)</b>
Expenditures:			
Current:			
Support Services:			
School Administration	13,778	13,714	64
Fiscal	178,168	177,334	834
Principal Retirement	16,225,945	16,150,000	75,945
Interest and Fiscal Charges	4,351,510	4,331,143	20,367
<b>Total Expenditures</b>	<b>20,769,401</b>	<b>20,672,191</b>	<b>97,210</b>
Excess of Revenues Over (Under) Expenditures	(6,148,939)	(6,252,172)	(103,233)
Other Financing Sources (Uses):			
Issuance of Tax Anticipation Notes	6,691,742	6,600,000	(91,742)
Premium and Accrued Interest on Notes	58,486	57,684	(802)
<b>Total Other Financing Sources (Uses)</b>	<b>6,750,228</b>	<b>6,657,684</b>	<b>(92,544)</b>
<b>Net Change in Fund Balance</b>	<b>601,289</b>	<b>405,512</b>	<b>(195,777)</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	6,040,520	6,040,520	0
<b>Fund Balance - End of Year</b>	<b>\$6,641,809</b>	<b>\$6,446,032</b>	<b>(\$195,777)</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, 2016

	Capital Projects Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Taxes	\$554,143	\$600,447	\$46,304
Investment Earnings	3,865	4,188	323
Intergovernmental	83,923	90,936	7,013
Other Revenues	4,392,994	4,760,072	367,078
<b>Total Revenues</b>	<b>5,034,925</b>	<b>5,455,643</b>	<b>420,718</b>
Expenditures:			
Current:			
Instruction:			
Regular	784,797	600,346	184,451
Special	234	179	55
Support Services:			
Pupil	1,758	1,345	413
Instructional Staff	734,701	562,024	172,677
School Administration	1,076	823	253
Fiscal	9,698	7,419	2,279
Operations and Maintenance	2,898,972	2,217,626	681,346
Pupil Transportation	1,913,748	1,463,960	449,788
Central	205,850	157,469	48,381
Extracurricular Activities	20,805	15,915	4,890
Capital Outlay	71,306	54,547	16,759
<b>Total Expenditures</b>	<b>6,642,945</b>	<b>5,081,653</b>	<b>1,561,292</b>
<b>Net Change in Fund Balance</b>	<b>(1,608,020)</b>	<b>373,990</b>	<b>1,982,010</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	19,382,219	19,382,219	0
<b>Fund Balance - End of Year</b>	<b>\$17,774,199</b>	<b>\$19,756,209</b>	<b>\$1,982,010</b>

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

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

### **Capital Projects Funds**

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

Mason City School District, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$5,236,756	\$1,608,702	\$6,845,458
<b>Receivables (Net):</b>			
Accounts	25,173	0	25,173
Intergovernmental	420,746	0	420,746
Inventory	68,781	0	68,781
<b>Total Assets</b>	<u>5,751,456</u>	<u>1,608,702</u>	<u>7,360,158</u>
<b>Liabilities:</b>			
Accounts Payable	84,937	0	84,937
Accrued Wages and Benefits	708,215	0	708,215
Compensated Absences	4,890	0	4,890
Accrued Interest Payable	0	41,250	41,250
Interfund Payable	32,290	0	32,290
General Obligation Notes Payable	0	6,600,000	6,600,000
<b>Total Liabilities</b>	<u>830,332</u>	<u>6,641,250</u>	<u>7,471,582</u>
<b>Deferred Inflows of Resources:</b>			
Grants and Other Taxes	420,746	0	420,746
<b>Total Deferred Inflows of Resources</b>	<u>420,746</u>	<u>0</u>	<u>420,746</u>
<b>Fund Balances:</b>			
Restricted	4,969,621	0	4,969,621
Unassigned	(469,243)	(5,032,548)	(5,501,791)
<b>Total Fund Balances</b>	<u>4,500,378</u>	<u>(5,032,548)</u>	<u>(532,170)</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<u>\$5,751,456</u>	<u>\$1,608,702</u>	<u>\$7,360,158</u>

Mason City School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Tuition and Fees	\$373,307	\$0	\$373,307
Investment Earnings	860	351	1,211
Intergovernmental	4,079,949	0	4,079,949
Extracurricular Activities	1,150,946	0	1,150,946
Charges for Services	5,117,378	0	5,117,378
Other Revenues	402,916	0	402,916
<b>Total Revenues</b>	<b>11,125,356</b>	<b>351</b>	<b>11,125,707</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	208,101	0	208,101
Special	1,448,138	0	1,448,138
Vocational	9,875	0	9,875
Other	3,998	0	3,998
<b>Support Services:</b>			
Pupil	420,994	0	420,994
Instructional Staff	9,442	0	9,442
School Administration	7,029	0	7,029
Business	139,865	0	139,865
Operations and Maintenance	1,071,128	0	1,071,128
Central	18,000	0	18,000
Operation of Non-Instructional Services	5,306,430	0	5,306,430
Extracurricular Activities	1,700,573	0	1,700,573
Capital Outlay	399,277	0	399,277
<b>Debt Service:</b>			
Principal Retirement	123,000	0	123,000
Interest and Fiscal Charges	226,945	94,951	321,896
<b>Total Expenditures</b>	<b>11,092,795</b>	<b>94,951</b>	<b>11,187,746</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>32,561</b>	<b>(94,600)</b>	<b>(62,039)</b>
<b>Other Financing Sources (Uses):</b>			
Transfers In	0	7,492,243	7,492,243
Transfers (Out)	0	(6,600,000)	(6,600,000)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>892,243</b>	<b>892,243</b>
<b>Net Change in Fund Balance</b>	<b>32,561</b>	<b>797,643</b>	<b>830,204</b>
<b>Fund Balance - Beginning of Year</b>	<b>4,467,817</b>	<b>(5,830,191)</b>	<b>(1,362,374)</b>
<b>Fund Balance - End of Year</b>	<b>\$4,500,378</b>	<b>(\$5,032,548)</b>	<b>(\$532,170)</b>

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

**Community Services** - To account for monies for developing, maximizing, coordinating, enhancing and strengthening the process of community interaction and communication with the District.

**District Managed Student Activity** - To account for those student activity programs which have student participation in the activity but do not have student management in the programs. This fund includes athletic programs, band, cheerleaders, and other similar types of activities.

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

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

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

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

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

**Title III** - Federal grant used to account for federal monies provided to support the District's ESL population.

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

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

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

**Food Service** - To account for all revenues and expenses related to the provision of food services, including breakfast and lunch, for the District students and staff.



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Mason City School District, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2016

	Community Services	District Managed Student Activity	Auxiliary Services	Gifted Supplemental	Title VI-B
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$2,242,706	\$519,006	\$223,614	\$0	\$4,564
<b>Receivables (Net):</b>					
Accounts	25,173	0	0	0	0
Intergovernmental	0	0	0	0	272,451
Inventory	0	0	0	0	0
<b>Total Assets</b>	<b>2,267,879</b>	<b>519,006</b>	<b>223,614</b>	<b>0</b>	<b>277,015</b>
<b>Liabilities:</b>					
Accounts Payable	28,399	22,913	28,303	0	360
Accrued Wages and Benefits	4,917	0	14,140	12,187	363,279
Compensated Absences	0	0	0	0	0
Interfund Payable	0	0	0	0	23,153
<b>Total Liabilities</b>	<b>33,316</b>	<b>22,913</b>	<b>42,443</b>	<b>12,187</b>	<b>386,792</b>
<b>Deferred Inflows of Resources:</b>					
Grants and Other Taxes	0	0	0	0	272,451
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>272,451</b>
<b>Fund Balances:</b>					
Restricted	2,234,563	496,093	181,171	0	0
Unassigned	0	0	0	(12,187)	(382,228)
<b>Total Fund Balances</b>	<b>2,234,563</b>	<b>496,093</b>	<b>181,171</b>	<b>(12,187)</b>	<b>(382,228)</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$2,267,879</b>	<b>\$519,006</b>	<b>\$223,614</b>	<b>\$0</b>	<b>\$277,015</b>

Vocational Education	Title III	Title I	Public School Preschool	Improving Teacher Quality	Food Service	Total Nonmajor Special Revenue Funds
\$3,236	\$6,095	\$4	\$0	\$2,683	\$2,234,848	\$5,236,756
0	0	0	0	0	0	25,173
0	18,461	67,985	8,737	53,112	0	420,746
0	0	0	0	0	68,781	68,781
<u>3,236</u>	<u>24,556</u>	<u>67,989</u>	<u>8,737</u>	<u>55,795</u>	<u>2,303,629</u>	<u>5,751,456</u>
116	0	0	0	1,409	3,437	84,937
0	20,638	45,665	6,761	0	240,628	708,215
0	0	0	0	0	4,890	4,890
0	6,010	0	0	3,127	0	32,290
<u>116</u>	<u>26,648</u>	<u>45,665</u>	<u>6,761</u>	<u>4,536</u>	<u>248,955</u>	<u>830,332</u>
0	18,461	67,985	8,737	53,112	0	420,746
0	18,461	67,985	8,737	53,112	0	420,746
3,120	0	0	0	0	2,054,674	4,969,621
0	(20,553)	(45,661)	(6,761)	(1,853)	0	(469,243)
<u>3,120</u>	<u>(20,553)</u>	<u>(45,661)</u>	<u>(6,761)</u>	<u>(1,853)</u>	<u>2,054,674</u>	<u>4,500,378</u>
<u>\$3,236</u>	<u>\$24,556</u>	<u>\$67,989</u>	<u>\$8,737</u>	<u>\$55,795</u>	<u>\$2,303,629</u>	<u>\$5,751,456</u>

Mason City School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2016

	Community Services	Managed Student Activity	Auxiliary Services	OneNet Network Connectivity	Gifted Supplemental
<b>Revenues:</b>					
Tuition and Fees	\$122,680	\$250,627	\$0	\$0	\$0
Investment Earnings	216	112	57	0	0
Intergovernmental	0	0	974,290	9,000	53,949
Extracurricular Activities	29,192	1,121,754	0	0	0
Charges for Services	1,805,160	0	0	0	0
Other Revenues	143,157	238,223	0	0	0
<b>Total Revenues</b>	<b>2,100,405</b>	<b>1,610,716</b>	<b>974,347</b>	<b>9,000</b>	<b>53,949</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	208,101	0	0	0	0
Special	0	0	0	0	0
Vocational	0	0	0	0	0
Other	694	0	3,304	0	0
<b>Support Services:</b>					
Pupil	6,703	232	0	0	54,157
Instructional Staff	10,512	0	0	0	0
School Administration	7,029	0	0	0	0
Business	139,865	0	0	0	0
Operations and Maintenance	1,070,225	0	0	0	0
Central	0	0	0	18,000	0
Operation of Non-Instructional Services	16,540	0	884,815	0	0
Extracurricular Activities	47,735	1,652,838	0	0	0
Capital Outlay	399,277	0	0	0	0
<b>Debt Service:</b>					
Principal Retirement	123,000	0	0	0	0
Interest and Fiscal Charges	226,945	0	0	0	0
<b>Total Expenditures</b>	<b>2,256,626</b>	<b>1,653,070</b>	<b>888,119</b>	<b>18,000</b>	<b>54,157</b>
<b>Net Change in Fund Balance</b>	<b>(156,221)</b>	<b>(42,354)</b>	<b>86,228</b>	<b>(9,000)</b>	<b>(208)</b>
<b>Fund Balance - Beginning of Year</b>	<b>2,390,784</b>	<b>538,447</b>	<b>94,943</b>	<b>9,000</b>	<b>(11,979)</b>
<b>Fund Balance - End of Year</b>	<b>\$2,234,563</b>	<b>\$496,093</b>	<b>\$181,171</b>	<b>\$0</b>	<b>(\$12,187)</b>

Title VI-B	Vocational Education	Title III	Title I	Public School Preschool	Improving Teacher Quality	Food Service	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$373,307
0	0	0	0	0	0	475	860
1,404,788	10,000	89,411	238,598	31,104	115,297	1,153,512	4,079,949
0	0	0	0	0	0	0	1,150,946
0	0	0	0	0	0	3,312,218	5,117,378
0	0	0	0	0	0	21,536	402,916
<u>1,404,788</u>	<u>10,000</u>	<u>89,411</u>	<u>238,598</u>	<u>31,104</u>	<u>115,297</u>	<u>4,487,741</u>	<u>11,125,356</u>
0	0	0	0	0	0	0	208,101
1,105,834	0	80,191	239,033	23,080	0	0	1,448,138
0	9,875	0	0	0	0	0	9,875
0	0	0	0	0	0	0	3,998
255,292	0	0	0	0	104,610	0	420,994
6,195	0	1,029	0	0	(8,294)	0	9,442
0	0	0	0	0	0	0	7,029
0	0	0	0	0	0	0	139,865
0	0	0	0	0	0	903	1,071,128
0	0	0	0	0	0	0	18,000
17,619	0	0	1,593	0	4,723	4,381,140	5,306,430
0	0	0	0	0	0	0	1,700,573
0	0	0	0	0	0	0	399,277
0	0	0	0	0	0	0	123,000
0	0	0	0	0	0	0	226,945
<u>1,384,940</u>	<u>9,875</u>	<u>81,220</u>	<u>240,626</u>	<u>23,080</u>	<u>101,039</u>	<u>4,382,043</u>	<u>11,092,795</u>
19,848	125	8,191	(2,028)	8,024	14,258	105,698	32,561
(402,076)	2,995	(28,744)	(43,633)	(14,785)	(16,111)	1,948,976	4,467,817
<u>(\$382,228)</u>	<u>\$3,120</u>	<u>(\$20,553)</u>	<u>(\$45,661)</u>	<u>(\$6,761)</u>	<u>(\$1,853)</u>	<u>\$2,054,674</u>	<u>\$4,500,378</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, 2016

	Community Services Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Tuition and Fees	\$111,784	\$122,680	\$10,896
Investment Earnings	197	216	19
Extracurricular Activities	26,599	29,192	2,593
Charges for Services	936,653	1,027,951	91,298
Other Revenues	841,208	923,203	81,995
Total Revenues	1,916,441	2,103,242	186,801
Expenditures:			
Current:			
Instruction:			
Regular	237,490	205,576	31,914
Other	802	694	108
Support Services:			
Pupil	7,744	6,703	1,041
Instructional Staff	12,144	10,512	1,632
School Administration	8,120	7,029	1,091
Business	161,306	139,630	21,676
Operations and Maintenance	1,280,971	1,108,835	172,136
Operation of Non-Instructional Services	84,045	72,751	11,294
Extracurricular Activities	59,692	51,671	8,021
Capital Outlay	461,730	399,683	62,047
Debt Service:			
Principal Retirement	161,495	139,793	21,702
Interest and Fiscal Charges	242,776	210,152	32,624
Total Expenditures	2,718,315	2,353,029	365,286
Excess of Revenues Over (Under) Expenditures	(801,874)	(249,787)	552,087
Other Financing Sources (Uses):			
Proceeds of Capital Leases	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balance	(801,874)	(249,787)	552,087
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	2,427,250	2,427,250	0
Fund Balance - End of Year	\$1,625,376	\$2,177,463	\$552,087

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, 2016

	District Managed Student Activity Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Tuition and Fees	\$270,411	\$250,627	(\$19,784)
Investment Earnings	121	112	(9)
Extracurricular Activities	1,210,582	1,122,013	(88,569)
Other Revenues	270,630	250,830	(19,800)
Total Revenues	<u>1,751,744</u>	<u>1,623,582</u>	<u>(128,162)</u>
Expenditures:			
Current:			
Instruction:			
Pupil	250	232	18
Extracurricular Activities	1,825,464	1,691,563	133,901
Total Expenditures	<u>1,825,714</u>	<u>1,691,795</u>	<u>133,919</u>
Excess of Revenues Over (Under) Expenditures	<u>(73,970)</u>	<u>(68,213)</u>	<u>5,757</u>
Net Change in Fund Balance	(73,970)	(68,213)	5,757
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>546,381</u>	<u>546,381</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$472,411</u></u>	<u><u>\$478,168</u></u>	<u><u>\$5,757</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, 2016

	Auxiliary Services Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Investment Earnings	\$57	\$57	\$0
Intergovernmental	969,334	974,290	4,956
<b>Total Revenues</b>	<b>969,391</b>	<b>974,347</b>	<b>4,956</b>
Expenditures:			
Current:			
Instruction:			
Other	3,689	3,304	385
Support Services:			
Operation of Non-Instructional Services	1,220,606	1,093,189	127,417
<b>Total Expenditures</b>	<b>1,224,295</b>	<b>1,096,493</b>	<b>127,802</b>
<b>Net Change in Fund Balance</b>	<b>(254,904)</b>	<b>(122,146)</b>	<b>132,758</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	249,949	249,949	0
<b>Fund Balance - End of Year</b>	<b>(\$4,955)</b>	<b>\$127,803</b>	<b>\$132,758</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, 2016

	OneNet Network Connectivity Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$9,000	\$9,000	\$0
Total Revenues	9,000	9,000	0
Expenditures:			
Current:			
Support Services:			
Central	18,000	18,000	0
Total Expenditures	18,000	18,000	0
Net Change in Fund Balance	(9,000)	(9,000)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	(\$9,000)	(\$9,000)	\$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, 2016

	Gifted Supplemental Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$64,222	\$53,949	(\$10,273)
Total Revenues	64,222	53,949	(10,273)
Expenditures:			
Current:			
Support Services:			
Pupil	64,017	53,923	10,094
Total Expenditures	64,017	53,923	10,094
Excess of Revenues Over (Under) Expenditures	205	26	(179)
Other Financing Sources (Uses):			
Advances (Out)	(32)	(27)	5
Total Other Financing Sources (Uses)	(32)	(27)	5
Net Change in Fund Balance	173	(1)	(174)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$173	(\$1)	(\$174)

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, 2016

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$1,892,561	\$1,404,788	(\$487,773)
Total Revenues	<u>1,892,561</u>	<u>1,404,788</u>	<u>(487,773)</u>
Expenditures:			
Current:			
Instruction:			
Special	1,394,281	1,097,596	296,685
Support Services:			
Pupil	318,219	250,506	67,713
Instructional Staff	8,098	6,375	1,723
Operation of Non-Instructional Services	<u>22,381</u>	<u>17,619</u>	<u>4,762</u>
Total Expenditures	<u>1,742,979</u>	<u>1,372,096</u>	<u>370,883</u>
Excess of Revenues Over (Under) Expenditures	<u>149,582</u>	<u>32,692</u>	<u>(116,890)</u>
Other Financing Sources (Uses):			
Advances In	31,192	23,153	(8,039)
Advances (Out)	<u>(73,774)</u>	<u>(58,076)</u>	<u>15,698</u>
Total Other Financing Sources (Uses)	<u>(42,582)</u>	<u>(34,923)</u>	<u>7,659</u>
Net Change in Fund Balance	107,000	(2,231)	(109,231)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>2,229</u>	<u>2,229</u>	<u>0</u>
Fund Balance - End of Year	<u>\$109,229</u>	<u>(\$2)</u>	<u>(\$109,231)</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, 2016

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$10,000	\$10,000	\$0
Total Revenues	10,000	10,000	0
Expenditures:			
Current:			
Instruction:			
Vocational	13,860	11,206	2,654
Total Expenditures	13,860	11,206	2,654
Net Change in Fund Balance	(3,860)	(1,206)	2,654
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	3,859	3,859	0
Fund Balance - End of Year	(\$1)	\$2,653	\$2,654

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, 2016

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$104,268	\$89,411	(\$14,857)
Total Revenues	104,268	89,411	(14,857)
Expenditures:			
Current:			
Instruction:			
Special	111,071	91,588	19,483
Support Services:			
Instructional Staff	1,248	1,029	219
Total Expenditures	112,319	92,617	19,702
Excess of Revenues Over (Under) Expenditures	(8,051)	(3,206)	4,845
Other Financing Sources (Uses):			
Advances In	7,009	6,010	(999)
Advances (Out)	(4,645)	(3,830)	815
Total Other Financing Sources (Uses)	2,364	2,180	(184)
Net Change in Fund Balance	(5,687)	(1,026)	4,661
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,026	1,026	0
Fund Balance - End of Year	(\$4,661)	\$0	\$4,661

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, 2016

	Title I Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$372,414	\$238,598	(\$133,816)
Total Revenues	<u>372,414</u>	<u>238,598</u>	<u>(133,816)</u>
Expenditures:			
Current:			
Instruction:			
Special	323,247	237,439	85,808
Operation of Non-Instructional Services	<u>2,169</u>	<u>1,593</u>	<u>576</u>
Total Expenditures	<u>325,416</u>	<u>239,032</u>	<u>86,384</u>
Excess of Revenues Over (Under) Expenditures	<u>46,998</u>	<u>(434)</u>	<u>(47,432)</u>
Other Financing Sources (Uses):			
Advances (Out)	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	46,998	(434)	(47,432)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>438</u>	<u>438</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$47,436</u></u>	<u><u>\$4</u></u>	<u><u>(\$47,432)</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, 2016

	Public School Preschool Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$42,066	\$31,104	(\$10,962)
Total Revenues	42,066	31,104	(10,962)
Expenditures:			
Current:			
Instruction:			
Special	29,583	21,881	7,702
Total Expenditures	29,583	21,881	7,702
Excess of Revenues Over (Under) Expenditures	12,483	9,223	(3,260)
Other Financing Sources (Uses):			
Advances (Out)	(12,518)	(9,259)	3,259
Total Other Financing Sources (Uses)	(12,518)	(9,259)	3,259
Net Change in Fund Balance	(35)	(36)	(1)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	36	36	0
Fund Balance - End of Year	\$1	\$0	(\$1)

Mason City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2016

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$226,914	\$115,297	(\$111,617)
Total Revenues	226,914	115,297	(111,617)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	147,542	105,389	42,153
Operation of Non-Instructional Services	8,333	5,952	2,381
Total Expenditures	155,875	111,341	44,534
Excess of Revenues Over (Under) Expenditures	71,039	3,956	(67,083)
Other Financing Sources (Uses):			
Advances In	6,154	3,127	(3,027)
Advances (Out)	(26,507)	(18,934)	7,573
Total Other Financing Sources (Uses)	(20,353)	(15,807)	4,546
Net Change in Fund Balance	50,686	(11,851)	(62,537)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	11,849	11,849	0
Fund Balance - End of Year	\$62,535	(\$2)	(\$62,537)



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, 2016

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$476	\$475	(\$1)
Intergovernmental	618,717	617,688	(1,029)
Charges for Services	3,317,734	3,312,218	(5,516)
Other Revenues	21,572	21,536	(36)
Total Revenues	<u>3,958,499</u>	<u>3,951,917</u>	<u>(6,582)</u>
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	935	903	32
Operation of Non-Instructional Services	3,975,465	3,840,437	135,028
Total Expenditures	<u>3,976,400</u>	<u>3,841,340</u>	<u>135,060</u>
Net Change in Fund Balance	(17,901)	110,577	128,478
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>2,103,925</u>	<u>2,103,925</u>	<u>0</u>
Fund Balance - End of Year	<u>\$2,086,024</u>	<u>\$2,214,502</u>	<u>\$128,478</u>

## **NONMAJOR CAPITAL PROJECTS FUNDS**

### **Fund Descriptions**

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

Mason City School District, Ohio  
 Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 June 30, 2016

	Building	Total Nonmajor Capital Projects Funds
Assets:		
Equity in Pooled Cash and Investments	\$1,608,702	\$1,608,702
Total Assets	<u>1,608,702</u>	<u>1,608,702</u>
Liabilities:		
Accrued Interest Payable	41,250	41,250
General Obligation Notes Payable	6,600,000	6,600,000
Total Liabilities	<u>6,641,250</u>	<u>6,641,250</u>
Fund Balances:		
Unassigned	(5,032,548)	(5,032,548)
Total Fund Balances	<u>(5,032,548)</u>	<u>(5,032,548)</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$1,608,702</u>	<u>\$1,608,702</u>

Mason City School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2016

	Building	Total Nonmajor Capital Projects Funds
Revenues:		
Investment Earnings	\$351	\$351
Total Revenues	351	351
Expenditures:		
Debt Service:		
Interest and Fiscal Charges	94,951	94,951
Total Expenditures	94,951	94,951
Excess of Revenues Over (Under) Expenditures	(94,600)	(94,600)
Other Financing Sources (Uses):		
Transfers In	7,492,243	7,492,243
Transfers (Out)	(6,600,000)	(6,600,000)
Total Other Financing Sources (Uses)	892,243	892,243
Net Change in Fund Balance	797,643	797,643
Fund Balance - Beginning of Year	(5,830,191)	(5,830,191)
Fund Balance - End of Year	(\$5,032,548)	(\$5,032,548)

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, 2016

	Building Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$0	\$351	\$351
Total Revenues	0	351	351
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	7,654	0	7,654
Total Expenditures	7,654	0	7,654
Excess of Revenues Over (Under) Expenditures	(7,654)	351	8,005
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balance	(7,654)	351	8,005
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,608,350	1,608,350	0
Fund Balance - End of Year	<u>\$1,600,696</u>	<u>\$1,608,701</u>	<u>\$8,005</u>

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## **OTHER GENERAL FUNDS**

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

### **Fund Descriptions**

**Public School Support** - To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs. This fund is only presented for budgetary purposes.

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

Mason City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2016

	Public School Support Fund (1)		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Tuition and Fees	\$60,696	\$52,097	(\$8,599)
Extracurricular Activities	666,804	572,337	(94,467)
Other Revenues	51,841	44,497	(7,344)
<b>Total Revenues</b>	<b>779,341</b>	<b>668,931</b>	<b>(110,410)</b>
Expenditures:			
Current:			
Instruction:			
Regular	579,313	560,583	18,730
Special	1,104,091	1,068,395	35,696
Support Services:			
Operations and Maintenance	505	489	16
Pupil Transportation	925	895	30
Central	110	106	4
Operation of Non-Instructional Services	22,808	22,071	737
Extracurricular Activities	61,623	59,631	1,992
<b>Total Expenditures</b>	<b>1,769,375</b>	<b>1,712,170</b>	<b>57,205</b>
Excess of Revenues Over (Under) Expenditures	(990,034)	(1,043,239)	(53,205)
Other Financing Sources (Uses):			
Advances In	2,613,934	2,243,616	(370,318)
Advances (Out)	(1,268,324)	(1,227,318)	41,006
<b>Total Other Financing Sources (Uses)</b>	<b>1,345,610</b>	<b>1,016,298</b>	<b>(329,312)</b>
Net Change in Fund Balance	355,576	(26,941)	(382,517)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	289,598	289,598	0
Fund Balance - End of Year	<u>\$645,174</u>	<u>\$262,657</u>	<u>(\$382,517)</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, 2016

	Latchkey Fund (1)		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Investment Earnings	\$223	\$243	\$20
Extracurricular Activities	6	6	0
Charges for Services	1,088,500	1,184,500	96,000
Other Revenues	3,971	4,321	350
		0	
Total Revenues	<u>1,092,700</u>	<u>1,189,070</u>	<u>96,370</u>
Expenditures:			
Current:			
Instruction:			
Regular	14,451	13,769	682
Support Services:		0	
Operations and Maintenance	8,189	7,803	386
Operation of Non-Instructional Services	920,810	877,369	43,441
Extracurricular Activities	152,745	145,539	7,206
Total Expenditures	<u>1,096,195</u>	<u>1,044,480</u>	<u>51,715</u>
Net Change in Fund Balance	(3,495)	144,590	148,085
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>1,017,748</u>	<u>1,017,748</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$1,014,253</u></u>	<u><u>\$1,162,338</u></u>	<u><u>\$148,085</u></u>

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

## **NONMAJOR FUNDS**

### **Fiduciary funds**

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

### **Fund Descriptions**

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

**Agency Fund - Student Activity** - To account for the resources that belong to the various student groups in the District. The funds account for sales and other revenue generating activities by student activity programs, which have students involved in the management of the program.

**Agency Fund - Section 125 Insurance** - To account for monies voluntarily withheld from employees on a pre-tax basis to reimburse employees for medical and dental expenses not covered by group insurance.

**Agency Fund - District Agency** - To account for assets held by the District as an agent for individuals, private organizations, other governmental units, and/or other funds.

Mason City School District, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2016

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$588,746	\$1,650,542	\$1,624,640	\$614,648
Receivables (Net):				
Accounts	4,264	0	4,264	0
Total Assets	<u>593,010</u>	<u>1,650,542</u>	<u>1,628,904</u>	<u>614,648</u>
Liabilities:				
Accounts Payable	15,014	9,687	15,014	9,687
Other Liabilities	577,996	1,640,855	1,613,890	604,961
Total Liabilities	<u>\$593,010</u>	<u>\$1,650,542</u>	<u>\$1,628,904</u>	<u>\$614,648</u>

	Section 125 Insurance			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$48,901	\$79,030	\$84,491	\$43,440
Total Assets	<u>48,901</u>	<u>79,030</u>	<u>84,491</u>	<u>43,440</u>
Liabilities:				
Other Liabilities	48,901	79,030	84,491	43,440
Total Liabilities	<u>\$48,901</u>	<u>\$79,030</u>	<u>\$84,491</u>	<u>\$43,440</u>

	District Agency			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$12,333	\$219,122	\$217,557	\$13,898
Receivables (Net):				
Accounts	705	0	705	0
Total Assets	<u>13,038</u>	<u>219,122</u>	<u>218,262</u>	<u>13,898</u>
Liabilities:				
Accounts Payable	111	1,090	111	1,090
Other Liabilities	12,927	218,032	218,151	12,808
Total Liabilities	<u>\$13,038</u>	<u>\$219,122</u>	<u>\$218,262</u>	<u>\$13,898</u>

Continued

Mason City School District, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2016

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$649,980	\$1,948,694	\$1,926,688	\$671,986
Receivables (Net):				
Accounts	4,969	0	4,969	0
Total Assets	<u>654,949</u>	<u>1,948,694</u>	<u>1,931,657</u>	<u>671,986</u>
Liabilities:				
Accounts Payable	15,125	10,777	15,125	10,777
Other Liabilities	639,824	1,937,917	1,916,532	661,209
Total Liabilities	<u>\$654,949</u>	<u>\$1,948,694</u>	<u>\$1,931,657</u>	<u>\$671,986</u>



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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 District's most significant local revenue source, the property tax.

**Debt Capacity** - These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the 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 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 District's financial report relates to the services the 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.

Mason City School District, Ohio  
 Net Position by Component,  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Schedule 1

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014 Restated	2015	2016
Governmental Activities										
Net Investment In Capital Assets										
Restricted	\$12,537,357	\$18,655,396	\$19,761,272	\$28,790,298	\$34,400,901	\$40,667,026	\$46,466,926	\$50,767,119	\$51,834,565	\$60,022,603
Unrestricted	18,486,365	20,469,256	25,165,469	22,124,030	23,791,786	25,059,547	27,840,790	27,740,454	31,879,104	33,340,612
Total Net Position	30,461,781	36,715,473	42,474,167	39,041,011	37,547,433	30,049,791	27,418,240	(129,592,529)	(120,034,729)	(120,047,956)
	\$61,485,503	\$75,840,125	\$87,400,908	\$89,955,339	\$95,740,120	\$95,776,364	\$101,725,956	(\$51,084,956)	(\$36,321,060)	(\$26,684,741)

Source: District Records



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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014 Reclassified	2015	2016
<b>Expenses</b>										
Governmental Activities:										
Instruction	\$47,562,678	\$53,120,606	\$55,303,869	\$59,693,695	\$62,149,103	\$64,220,741	\$65,304,074	\$65,567,175	\$71,759,192	\$66,906,992
Pupil	5,170,132	5,914,562	6,475,271	6,467,313	7,015,312	6,997,992	6,620,329	6,956,891	6,915,158	7,915,545
Instructional Staff	6,321,764	6,692,737	7,131,304	7,349,240	8,118,256	7,965,043	1,422,550	2,384,639	2,389,958	2,572,243
General Administration	83,619	85,525	38,910	46,528	60,567	58,014	250,134	57,685	60,845	64,284
School Administration	5,134,189	5,412,530	5,522,215	5,623,539	5,894,519	5,473,265	5,245,939	5,345,653	5,269,714	5,459,816
Fiscal	2,018,476	2,053,489	2,124,953	1,952,877	1,851,351	1,788,154	1,797,291	1,932,376	1,859,141	1,826,523
Business	301,922	438,869	400,907	418,485	422,415	453,915	472,876	447,303	421,654	463,923
Operation and Maintenance	14,141,628	13,072,818	14,272,035	13,318,720	13,504,242	12,666,272	13,096,862	12,976,097	12,433,209	12,445,936
Pupil Transportation	7,209,800	7,734,614	7,076,294	7,895,529	7,615,345	6,686,897	6,497,196	6,619,587	6,221,325	6,262,821
Central	3,759,249	4,569,098	4,224,174	4,357,847	3,790,359	3,700,107	3,542,809	3,279,666	3,105,493	2,437,029
Operation of Non-instructional Services	5,505,957	5,553,265	6,074,836	5,759,571	6,058,518	6,449,265	6,119,224	5,988,246	6,484,771	6,400,287
Extracurricular Activities	2,170,808	2,312,308	2,881,756	2,408,819	2,848,531	3,052,085	3,241,891	3,351,887	3,290,127	3,466,056
Interest and Fiscal Charges	6,049,096	7,011,371	7,133,219	6,725,808	6,348,747	6,025,236	5,148,229	7,025,687	4,503,141	4,111,137
Total Government Expenses	105,429,318	113,971,792	118,659,743	122,017,971	125,677,265	125,536,986	118,759,404	121,932,892	124,713,728	120,332,592
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services										
Instruction	1,457,026	1,878,034	1,951,159	1,930,782	3,295,198	3,695,339	3,581,819	4,074,943	4,517,089	3,798,624
Pupil	928	6,245	60,584	58,884	55,023	5,834	1,034	1,522	4,222	8,675
Instructional Staff	538	4,183	4,105	6,067	12,302	366	16,647	11,783	6,661	13,303
General Administration	75	0	0	0	0	0	0	0	0	0
School Administration	0	0	0	0	0	0	0	0	0	0
Business	6,681	83,436	93,756	66,345	185,500	131,781	96,480	174,176	160,911	176,699
Operations and Maintenance	1,194,715	1,104,070	1,125,267	1,792,142	1,322,932	1,133,157	826,183	1,445,552	1,258,416	1,343,914
Pupil Transportation	2,984	46,014	16,471	6,291	0	0	0	422	3,588	0
Central	377	1,002	761	3,826	0	590	1	17	0	0
Operation of Non-Instructional Services	3,859,467	4,186,135	4,268,276	4,230,020	3,525,476	3,645,072	3,501,751	3,281,890	3,418,897	3,397,489
Extracurricular Activities	656,776	722,377	934,769	864,221	1,481,703	1,947,812	1,794,764	2,037,073	1,940,095	2,009,068
Operating Grants and Contributions	5,416,262	5,812,292	5,537,453	7,748,872	9,870,113	5,697,717	5,360,476	6,630,987	7,040,629	7,126,928
Capital Grants and Contributions	158,292	61,192	124,305	0	0	0	0	0	0	0
Total Government Revenues	12,754,121	13,904,980	14,116,906	16,707,450	19,748,247	16,257,668	15,179,155	17,658,365	18,355,976	17,883,595
<b>Net (Expense)/Revenue</b>										
Total Government Net Expense	(\$92,675,197)	(\$100,066,812)	(\$104,542,837)	(\$105,310,521)	(\$105,929,018)	(\$109,279,318)	(\$103,580,249)	(\$104,274,527)	(\$106,357,752)	(\$102,448,997)

Source: District Records

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Net (Expense)/Revenue</b>										
Total Government Net Expense	(\$92,675,197)	(\$100,066,812)	(\$104,542,837)	(\$105,310,521)	(\$105,929,018)	(\$109,279,318)	(\$103,580,249)	(\$104,274,527)	(\$106,357,752)	(\$102,448,997)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes										
Property Taxes Levied for General Purposes	53,301,379	53,549,026	53,567,568	45,848,200	52,288,070	49,004,611	50,625,797	46,641,011	56,481,261	48,393,144
Property Taxes Levied for Debt Service Purposes	12,919,464	13,348,993	13,272,994	11,152,734	12,121,055	11,350,361	11,837,442	10,948,558	13,292,896	11,132,818
Property Taxes Levied for Capital Projects	578,593	706,642	630,681	560,240	608,871	570,167	572,491	518,442	629,514	673,718
Grants and Entitlements not Restricted to Specific Programs	37,182,527	40,422,362	43,328,411	44,953,615	43,721,854	42,386,226	41,301,384	43,444,518	45,646,771	45,479,897
Payment in Lieu of Taxes	2,508,735	2,328,775	2,945,631	3,246,149	2,239,232	4,778,155	5,555,468	3,771,193	4,318,908	5,635,305
Unrestricted Contributions	81,274	0	0	0	0	31,069	101,247	150,018	108,151	39,017
Investment Earnings	2,741,989	3,718,075	1,955,147	546,300	199,006	486,293	21,871	185,110	85,326	149,052
Gain on Sale of Capital Assets	212,123	72,056	106,833	0	0	0	0	0	0	0
Other Revenues	316,870	275,505	296,355	1,557,714	535,711	708,680	393,022	681,835	558,821	582,365
Total primary government	109,842,954	114,421,434	116,103,620	107,864,952	111,713,799	109,315,562	110,408,722	106,340,685	121,121,648	112,085,316
<b>Change in Net Position</b>										
Total primary government	\$17,167,757	\$14,354,622	\$11,560,783	\$2,554,431	\$5,784,781	\$36,244	\$6,828,473	\$2,066,158	\$14,763,896	\$9,636,319

Source: District Records

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

	Fiscal Year									
	2007	2008	2009	2010	2011*	2012*	2013*	2014*	2015*	2016*
General Fund										
Reserved	\$2,692,180	\$3,207,706	\$5,474,753	\$2,915,141						
Unreserved	28,765,463	34,459,374	39,626,965	39,064,608						
Nonspendable										
Restricted					\$915,078	\$453,699	\$6,458,415	\$2,085,713	\$1,090,919	\$1,069,724
Committed					38,344,772	31,456,329	25,600,588	28,026,632	36,194,522	34,427,290
Assigned					39,259,850	31,910,028	32,059,003	30,112,345	37,285,441	35,497,014
Unassigned										
Total General Fund	31,457,643	37,667,080	45,101,718	41,979,749	79,579,750	98,774,778	130,516,501	116,337,025	114,661,381	116,500,038
All Other Governmental Funds										
Reserved	4,546,107	23,982,418	6,544,608	2,036,230						
Unreserved, Reported in:										
Special Revenue Funds	3,065,602	3,377,932	3,322,528	2,865,349						
Debt Service Funds	6,628,582	8,570,237	8,888,165	8,791,501						
Capital Project Funds	949,692	(1,841,343)	(2,636,690)	(1,096,645)						
Nonspendable					98,674	40,450	60,368	0	0	0
Restricted					20,685,463	23,567,432	27,134,389	27,995,049	32,147,340	33,514,871
Committed					10,811	0	9,977	9,977	0	0
Assigned					0	0	0	2,085,713	1,090,919	1,069,724
Unassigned					(6,895,100)	(7,257,846)	(7,315,115)	20,363,548	29,847,003	28,925,499
Total All Other Governmental Funds	\$15,189,983	\$34,089,244	\$16,118,611	\$12,596,435	\$13,899,848	\$16,350,036	\$19,889,619	\$50,454,287	\$63,085,262	\$63,510,094

Source: District Records

Note:

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

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	\$65,126,501	\$66,161,138	\$68,613,408	\$57,194,629	\$63,731,625	\$60,288,880	\$65,182,145	\$58,136,666	\$70,578,586	\$58,898,232
Revenue in Lieu of Taxes	2,150,536	2,688,343	3,025,536	3,246,149	2,239,232	4,778,155	5,555,468	3,771,193	4,318,908	5,635,305
Tuition and Fees	1,019,509	1,465,590	1,523,740	1,509,382	2,329,960	2,515,311	2,655,445	3,040,814	3,437,268	2,731,732
Investment Earnings	2,741,989	3,718,075	1,955,148	406,189	199,756	603,465	26,968	177,608	92,767	93,934
Intergovernmental	43,458,744	46,998,659	49,582,625	52,871,835	52,069,359	49,089,810	46,877,573	49,608,589	52,820,730	52,630,047
Extracurricular Activities	1,118,356	1,209,310	1,358,760	1,329,655	1,439,532	1,884,715	1,681,678	1,853,772	1,680,111	1,723,057
Charges for Services	4,943,610	5,444,011	5,583,324	5,643,348	6,669,397	6,215,452	5,562,734	6,227,734	6,315,917	6,396,579
Other Revenues	930,211	590,877	405,443	1,589,710	454,073	679,903	395,557	771,206	549,023	526,682
<b>Total Revenues</b>	<b>\$121,489,456</b>	<b>\$128,276,003</b>	<b>\$132,047,984</b>	<b>\$123,790,897</b>	<b>\$129,132,934</b>	<b>\$126,055,691</b>	<b>\$127,937,568</b>	<b>\$123,587,582</b>	<b>\$139,793,310</b>	<b>\$128,635,568</b>

Source: District Records

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction	\$46,602,549	\$52,771,742	\$54,468,808	\$59,143,129	\$61,249,413	\$63,516,740	\$64,031,836	\$64,497,627	\$68,181,928	\$67,201,564
Pupil	5,108,372	5,887,042	6,463,212	6,444,095	6,983,336	7,042,546	6,547,920	6,914,148	7,054,999	7,480,831
Instructional Staff	6,224,230	6,611,946	7,120,586	7,355,141	8,077,645	7,896,816	1,518,557	2,365,585	2,404,644	2,706,886
General Administration	83,619	85,525	38,910	46,528	60,567	58,014	250,134	57,685	61,315	64,662
School Administration	5,100,493	5,374,528	5,474,364	5,568,335	5,932,932	5,401,632	5,206,190	5,269,650	5,481,341	5,515,942
Fiscal	1,999,081	2,120,418	2,103,592	1,943,552	1,830,777	1,766,689	1,788,716	1,957,646	1,931,843	1,835,162
Business	324,550	438,801	396,948	411,529	423,721	453,580	441,407	445,040	434,372	453,876
Operation and Maintenance	11,695,982	11,984,656	12,464,888	11,557,719	11,476,277	10,593,149	11,144,409	11,538,247	10,807,624	10,809,004
Pupil Transportation	6,471,731	7,629,347	6,434,424	7,611,602	7,542,715	5,998,494	5,832,777	6,556,743	5,730,801	6,418,207
Central	3,460,243	4,622,781	3,886,588	4,254,192	3,596,498	3,666,498	3,174,086	2,911,398	2,920,588	2,249,808
Operation of Non-instructional Services	5,258,877	5,500,280	5,857,504	5,664,258	5,886,282	6,300,558	5,899,742	5,503,217	6,460,795	6,236,907
Extracurricular Activities	2,057,756	2,362,869	2,750,507	2,660,674	2,732,756	2,868,870	3,034,665	3,168,911	3,244,502	3,413,531
Capital Outlay	7,257,028	8,512,330	26,864,428	4,257,718	605,199	532,743	523,717	20,507	92,741	448,244
Debt Service										
Principal Retirement	4,990,000	5,095,000	6,415,000	6,949,000	7,595,000	8,612,000	9,538,000	6,647,000	8,466,000	8,873,000
Interest and Fiscal Charges	6,556,069	7,268,569	7,272,726	6,945,574	6,571,523	6,246,996	5,390,008	7,228,513	4,913,373	4,503,112
Bond Issuance Cost	0	0	0	0	0	0	314,815	0	0	0
Total Expenditures	\$113,190,580	\$126,265,834	\$148,012,485	\$130,813,046	\$130,564,641	\$130,955,325	\$124,636,979	\$125,081,917	\$128,186,866	\$128,210,736
Debt Service as a Percentage of Noncapital Expenditures	10.83%	10.72%	11.29%	11.10%	11.00%	11.46%	12.04%	11.18%	10.49%	10.59%

Source: District Records

Mason City School District, Ohio  
**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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<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	132,275	98,529	179,406	378,104	15,221	0	73,154	0	0	0
Issuance of Long Term Debt	0	23,000,000	5,249,000	0	0	0	0	0	0	0
Issuance of Refunding Bonds	27,565,000	0	0	0	0	0	20,460,000	0	0	0
Payment to Refunded Bonds Escrow Agent	(29,826,979)	0	0	0	0	0	(23,808,438)	0	0	0
Refunding Bond Premium	2,578,301	0	0	0	0	0	0	0	0	0
Premium on Bonds and Notes Issued	0	0	0	0	0	0	3,663,253	0	0	0
Transfers In	8,621,787	20,341,705	19,460,344	18,513,505	18,036,569	16,951,461	16,060,000	15,819,000	15,297,229	14,092,243
Transfers Out	(8,621,787)	(20,341,705)	(19,460,344)	(18,513,505)	(18,036,569)	(16,951,461)	(16,060,000)	(15,819,000)	(15,297,229)	(14,092,243)
Total Other Financing Sources (Uses)	448,597	23,098,529	5,428,406	378,104	15,221	0	387,969	0	0	0
<b>Net Change in Fund Balances</b>	<b>\$8,747,473</b>	<b>\$25,108,698</b>	<b>(\$10,536,095)</b>	<b>(\$6,644,045)</b>	<b>(\$1,416,486)</b>	<b>(\$4,899,634)</b>	<b>\$3,688,558</b>	<b>(\$1,494,335)</b>	<b>\$11,606,444</b>	<b>\$424,832</b>

**Source:** District Records

**Mason City School District, Ohio**  
**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			
2006	1,461,205,840	27,382,510	109,110,197	1,597,698,547	4,548,619,680	81.76
2007	1,530,034,250	20,283,610	48,975,855	1,599,293,715	4,786,382,823	83.45
2008	1,571,051,330	21,158,000	5,915,050	1,598,124,380	4,607,402,066	83.45
2009	1,480,572,180	22,788,680	4,489,250	1,507,850,110	4,327,930,455	83.45
2010	1,492,898,890	10,198,936	0	1,503,097,826	4,277,015,100	83.45
2011	1,505,970,130	21,168,660	0	1,527,138,790	6,033,500,162	83.45
2012	1,443,664,060	27,216,000	0	1,470,880,060	4,143,965,650	83.97
2013	1,461,234,590	29,850,640	0	1,491,085,230	4,197,159,004	83.97
2014	1,482,387,830	32,320,460	0	1,514,708,290	4,272,121,594	83.97
2015	1,629,258,740	33,913,130	0	1,663,171,870	4,751,919,628	83.11

Source: County Auditor

Mason City School District, Ohio  
 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	Warren-Clinton Community Mental Health		Turtlecreek Township	Union Township	Warren County Health District	City of Lebanon	Lebanon Library
	General	Bond Improvement			Perm.	Warren-Clinton Community Mental Health			Union Township						
2006	72.77	8.56	0.43	81.76	6.71	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00
2007	74.46	8.56	0.43	83.45	6.71	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00
2008	74.46	8.56	0.43	83.45	6.71	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00
2009	74.46	8.56	0.43	83.45	5.78	6.44	0.00	10.60	2.70	1.00	9.12	9.20	0.50	7.82	1.00
2010	74.46	8.56	0.43	83.45	5.78	7.32	0.75	12.60	2.70	1.00	9.12	9.20	0.50	8.32	1.00
2011	74.46	8.56	0.43	83.45	7.78	7.32	0.75	12.60	2.70	1.00	9.12	9.20	0.50	7.82	1.00
2012	74.46	9.08	0.43	83.97	7.78	7.32	0.75	12.60	2.70	1.00	9.12	9.20	0.50	7.82	1.00
2013	74.46	9.08	0.43	83.97	7.78	6.72	0.75	14.10	2.70	1.00	9.12	9.20	0.50	8.32	1.00
2014	74.46	9.08	0.43	83.97	7.78	6.72	0.75	14.10	2.70	1.00	9.12	9.20	0.50	9.32	1.00
2015	74.46	8.22	0.43	83.11	7.78	6.72	0.75	14.10	2.70	1.00	9.12	9.20	0.50	9.32	1.00



**Mason City School District, Ohio**  
**Principal Property Tax Payers -- Warren County**  
**Tax Collection Year 2016 & 2007**  
**Schedule 10**

Taxpayer	2016	
	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio Inc.	\$33,425,380	2.01%
Deerfield Realty Holding	15,887,550	0.96%
GC Net Lease	15,882,950	0.95%
Hills Properties LTD	10,995,500	0.66%
Northeast Cincinnati Hotel	9,064,800	0.55%
Twin Fountains of Mason	8,044,720	0.48%
Kenwood Lincoln-Mercury	7,478,700	0.45%
Duke Realty Ohio	7,460,290	0.45%
Mason Christian Village	6,506,830	0.39%
Tennis for Charity, Inc.	5,948,420	0.36%
<b>Total:</b>	<b>\$120,695,140</b>	<b>7.26%</b>

Taxpayer	2007	
	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio Inc.	\$26,587,540	1.66%
Deerfield Realty Holding	14,726,450	0.92%
Duke Realty Ohio	9,940,290	0.62%
Mitsubishi Electric Automotive	9,268,235	0.58%
Community Insurance	8,913,750	0.56%
Twin Fountains of Mason	8,695,050	0.54%
Kenwood Lincoln Mercury	7,108,200	0.44%
Mason Christian Village	6,966,730	0.44%
Sterling Lakes Apartments	6,284,240	0.39%
Cintas Sales Corp.	6,091,480	0.38%
<b>Total:</b>	<b>\$104,581,965</b>	<b>6.55%</b>

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 2016 and 2007 collections were based.

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

Calendar Year	Taxes Levied	Collected within the Calendar Year of the Levy		Delinquent Collections in Subsequent Levy Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	56,733,533	56,472,883	99.54%	260,650	56,733,533	100.00%
2007	62,500,926	61,130,056	97.81%	1,182,624	62,312,680	99.70%
2008	67,096,885	65,579,262	97.74%	1,517,623	67,096,885	100.00%
2009	68,754,298	66,782,787	97.13%	1,334,015	68,116,802	99.07%
2010	68,964,253	66,990,013	97.14%	1,297,700	68,287,713	99.02%
2011	70,093,350	68,714,230	98.03%	1,379,120	70,093,350	100.00%
2012	70,237,102	69,277,930	98.63%	959,172	70,237,102	100.00%
2013	71,446,609	70,531,504	98.72%	915,105	71,446,609	100.00%
2014	71,144,660	69,751,930	98.04%	1,038,720	70,790,650	99.50%
2015	73,825,100	72,825,654	98.65%	999,446	73,825,100	100.00%

Source: County Auditor and District records

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

Fiscal Year	Capital Leases	General		Debt Service Fund Balance	Net General Obligation Notes & Bonds	Net Bonded Debt Per Capita	Ratio of Net Bonded Debt to Estimated Value	Primary Government		
		Obligation Bonds	Obligation Bonds					Total Outstanding Debt	Percentage of Personal Income	Per Capita
2007	0	134,623,912	127,489,887	7,134,025	127,489,887	652	2.80%	134,623,912	1.87%	688
2008	0	152,283,855	143,186,622	9,097,233	143,186,622	701	2.99%	152,283,855	1.98%	745
2009	5,249,000	145,623,798	135,611,283	10,012,515	135,611,283	654	2.94%	145,623,798	1.79%	702
2010	5,225,000	138,453,741	129,227,632	9,226,109	129,227,632	613	2.99%	138,453,741	1.69%	657
2011	5,170,000	130,668,684	121,914,652	8,754,032	121,914,652	573	2.85%	130,668,684	1.51%	614
2012	5,103,000	121,878,627	114,942,205	6,936,422	114,942,205	535	1.91%	121,878,627	1.32%	567
2013	5,025,000	112,488,385	105,959,641	6,528,744	105,959,641	488	2.56%	112,488,385	1.14%	518
2014	4,933,000	108,878,030	102,999,253	5,878,777	102,999,253	470	2.45%	108,878,030	1.07%	497
2015	4,827,000	99,945,595	92,143,445	7,802,150	92,143,445	416	2.16%	99,945,595	0.91%	451
2016	4,704,000	90,643,770	83,596,101	7,047,669	83,596,101	372	1.76%	90,643,770	NA	404

Source: District Records

N/A - Information not available

**Mason City School District, Ohio**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2016**  
**Schedule 13**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable (1)</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
<b>Overlapping Debt:</b>			
Butler County	\$45,045,900	0.06%	\$27,028
Warren County	1,300,000	26.80%	348,400
Lebanon City	12,556,603	0.00%	0
City of Mason	31,950,000	91.38%	29,195,910
Deerfield Township	6,800,000	58.78%	3,997,040
Turtle Creek Township	720,000	0.03%	216
Union Township	144,357	3.02%	4,360
West Chester Township	44,160,000	0.23%	101,568
Great Oaks Joint Vocational School	<u>10,905,000</u>	8.93%	<u>973,817</u>
<b>Subtotal, Overlapping Debt</b>	<u>153,581,860</u>		<u>34,648,338</u>
<b>District direct debt</b>	90,643,700	100.00%	90,643,700
<b>Total direct and overlapping debt</b>	<u>\$244,225,560</u>		<u>\$125,292,038</u>

**Source:** Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for Fiscal Year 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed Value										\$1,663,171,870
Debt Limit (9% of Assessed Value)										149,685,468
Debt Limit - Special Needs District (2)										247,858,540
Debt Applicable to Limit										90,643,700
Legal Debt Margin										\$157,214,840
Debt Limit	\$215,911,053	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540
Total Net Debt Applicable to Limit	124,165,975	146,857,767	139,027,485	132,638,891	125,070,968	117,843,578	125,413,385	121,611,030	112,172,595	90,643,700
Legal Debt Margin	\$91,745,078	\$101,000,773	\$108,831,055	\$115,219,649	\$122,787,572	\$130,014,962	\$122,445,155	\$126,247,510	\$135,685,945	\$157,214,840
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	57.51%	59.25%	56.09%	53.51%	50.46%	47.54%	50.60%	49.06%	45.26%	36.57%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2016 is calendar year 2015)

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

**Mason City School District, Ohio**  
**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>
2006	195,575	7,211,608	36,134	4.50%
2007	204,390	7,709,497	37,865	4.90%
2008	207,353	8,121,993	39,156	5.60%
2009	210,712	8,189,840	38,867	9.30%
2010	212,693	8,645,056	40,536	8.10%
2011	214,910	9,202,095	42,818	6.30%
2012	217,241	9,880,531	45,482	6.50%
2013	219,169	10,131,284	46,226	6.40%
2014	221,659	10,990,640	49,584	5.20%
2015	224,469	NA	NA	4.10%

(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, Ohio  
Principal Employers,  
Current Year and Nine Years Prior  
Schedule 16**

Employer	2016 (1)	
	Number of Employees	Percentage of Total Employment
Procter & Gamble	1,943	1.76%
WellPoint	1,748	1.59%
Luxottica Retail	1,913	1.74%
Cintas Corporate	1,512	1.37%
Mason City Schools	1,081	0.98%
Express Scripts	700	0.64%
Mitsubishi Electric	628	0.57%
L3 Cincinnati Electronics	618	0.56%
Cengage Learning, Inc.	575	0.52%
Intelligrated Systems, LLC	468	0.43%
	<u>11,186</u>	<u>10.16%</u>
Total County Employment (3)	110,100	

Employer	2007 (2)	
	Number of Employees	Percentage of Total Employment
Anthem	2,243	2.23%
Procter & Gamble	2,100	2.09%
Cintas Corporate	1,800	1.79%
Mason City Schools	1,230	1.23%
Luxottica Retail	1,166	1.16%
Siemens Business Services	525	0.52%
Blackhawk Automotive	512	0.51%
Portion Pac	506	0.50%
Thompson Learning	479	0.48%
Mitsubishi Electric Automotive	423	0.42%
CNG Financial	260	0.26%
	<u>11,244</u>	<u>11.20%</u>
Total County Employment (3)	100,400	

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

Source: (2) City of Mason Income Tax Department

Source: (3) Historical Civilian Labor Force Estimates

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Office/Administrative</b>										
Superintendent/Associate/Assistants	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	4.00
Principals/Assistant	24.00	24.00	25.00	26.00	26.00	23.00	21.00	20.33	21.00	21.00
Other	20.56	22.75	20.75	21.75	21.00	20.00	17.90	17.00	19.00	19.50
<b>Official/Administrative</b>	<b>48.56</b>	<b>50.75</b>	<b>49.75</b>	<b>51.75</b>	<b>51.00</b>	<b>46.00</b>	<b>41.90</b>	<b>40.33</b>	<b>43.00</b>	<b>44.50</b>
<b>Professional- Educational</b>										
Total General Education	503.01	528.82	558.55	547.53	544.00	527.26	511.05	513.00	482.33	483.91
Special Education	90.84	94.27	86.58	96.51	94.91	93.12	88.67	87.72	78.63	74.15
Curriculum Specialist	12.00	12.50	13.00	12.00	12.00	10.50	12.50	10.00	8.00	6.00
Counseling	17.00	20.50	22.10	22.10	21.00	21.00	20.00	20.00	19.80	19.80
Librarian/Media	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Other Professional	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	14.00	12.50
<b>Professional-Educational</b>	<b>625.85</b>	<b>659.09</b>	<b>683.23</b>	<b>681.14</b>	<b>674.91</b>	<b>654.88</b>	<b>634.22</b>	<b>632.72</b>	<b>604.76</b>	<b>598.36</b>
<b>Professional - Other</b>										
Public Relations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Psychologists	5.00	5.00	5.00	8.00	9.00	9.00	9.00	9.00	10.00	9.00
Social Work	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Speech, OT, PT	19.74	14.13	13.87	13.87	14.15	13.95	14.12	14.88	13.34	13.34
<b>Professional - Other</b>	<b>26.74</b>	<b>21.13</b>	<b>20.87</b>	<b>23.87</b>	<b>25.15</b>	<b>24.95</b>	<b>25.12</b>	<b>25.88</b>	<b>25.34</b>	<b>24.34</b>
<b>Technical</b>										
Information Technology	13.00	13.00	13.00	13.00	12.00	11.00	11.00	9.00	8.00	8.00
Practical Nursing	8.02	8.02	8.96	9.46	9.93	8.99	8.52	8.46	8.46	10.46
Library Aide	11.84	11.97	11.70	9.70	10.20	10.20	7.20	7.20	8.63	8.63
Other Technical	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
<b>Technical</b>	<b>34.86</b>	<b>34.99</b>	<b>35.66</b>	<b>34.16</b>	<b>34.13</b>	<b>32.19</b>	<b>28.72</b>	<b>25.66</b>	<b>26.09</b>	<b>28.09</b>
<b>Office/ Clerical</b>	<b>60.73</b>	<b>67.73</b>	<b>70.19</b>	<b>69.99</b>	<b>67.89</b>	<b>62.50</b>	<b>56.77</b>	<b>55.52</b>	<b>58.03</b>	<b>59.46</b>
<b>Crafts &amp; Trades</b>	<b>16.00</b>	<b>14.00</b>	<b>14.00</b>	<b>13.00</b>	<b>13.00</b>	<b>12.00</b>	<b>11.00</b>	<b>9.00</b>	<b>10.00</b>	<b>11.50</b>
<b>Bus Drivers</b>	<b>82.38</b>	<b>89.04</b>	<b>91.35</b>	<b>90.81</b>	<b>80.28</b>	<b>68.80</b>	<b>69.75</b>	<b>66.37</b>	<b>70.56</b>	<b>71.68</b>
<b>Extra- Curricular</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Service Work/ Laborer</b>										
Attendance Officer	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94
Custodian	67.00	65.00	60.00	59.00	56.00	44.00	41.00	37.00	34.00	30.00
Groundskeeping	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	2.00
Food Service	46.35	46.33	51.65	54.64	51.48	48.43	46.77	45.18	47.76	47.00
Guard/ Watchman	3.00	3.00	3.00	4.00	4.00	4.00	1.00	1.00	0.00	0.00
Monitoring (Recess)	19.96	23.47	24.70	21.50	24.57	28.24	22.08	21.86	24.95	19.51
Attendent (Paraprofessionals)	151.52	155.31	160.91	163.55	171.04	158.94	141.71	134.11	130.32	134.87
Other Services Worker/ Laborer	0.27	0.27	0.27	1.14	0.27	0.27	0.00	0.00	9.43	8.81
Total support and administration	<b>291.04</b>	<b>296.32</b>	<b>303.47</b>	<b>306.77</b>	<b>310.30</b>	<b>286.82</b>	<b>256.50</b>	<b>243.09</b>	<b>250.40</b>	<b>243.13</b>
<b>Total employees</b>	<b>1186.16</b>	<b>1233.05</b>	<b>1268.52</b>	<b>1271.49</b>	<b>1256.66</b>	<b>1188.14</b>	<b>1123.98</b>	<b>1098.57</b>	<b>1088.18</b>	<b>1081.06</b>

Source: State Department of Education



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

Fiscal Year	Enrollment	Operating Expenditure	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2007	10,379	94,387,483	9,094	1.75%	105,429,318	10,158	0.64%	681.00	15.2	4.47%
2008	10,710	105,389,935	9,840	8.21%	113,971,792	10,642	4.76%	711.00	15.1	3.83%
2009	10,803	107,460,331	9,947	1.09%	118,659,743	10,984	3.22%	744.00	14.5	4.55%
2010	10,974	112,660,754	10,266	3.21%	122,017,971	11,119	1.23%	761.00	14.4	5.37%
2011	11,013	115,792,919	10,514	2.42%	125,677,265	11,412	2.63%	755.00	14.6	6.44%
2012	10,991	115,563,586	10,514	0.00%	125,536,986	11,422	0.09%	708.50	15.5	6.94%
2013	10,911	108,870,439	9,978	-5.10%	118,759,404	10,884	-4.71%	691.50	15.8	7.68%
2014	10,773	111,185,897	10,321	3.44%	\$121,932,892	11,318	3.99%	672.50	16.0	8.00%
2015	10,715	114,714,752	10,706	3.73%	\$124,713,728	11,639	2.83%	656.00	16.3	8.00%
2016	10,713	114,386,380	10,677	-0.27%	\$120,332,592	11,232	-3.49%	646.50	16.6	8.00%

Source: Nonfinancial information from district records.

N/A - Information not available

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>School</b>										
<b>Elementary</b>										
Mason Early Childhood (2006)										
Square feet	172,211	172,211	172,211	172,211	172,211	172,211	172,211	172,211	172,211	172,211
Capacity	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Enrollment	1,850	1,797	1,754	1,747	1,706	1,549	1,905	1,854	1,825	1,833
Mason Heights (1965)										
Square feet	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				
Enrollment	844	890	874	833	821	838				
Western Row (1961)										
Square feet	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002
Capacity	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	857	888	907	866	855	840	1,164	1,050	1,025	974
Mason Intermediate (1998/1994)										
Square feet	356,700	356,700	356,700	356,700	356,700	356,700	356,700	356,700	356,700	356,700
Capacity	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Enrollment	2,519	2,592	2,608	2,715	2,700	2,678	2,617	2,606	2,554	2,486
<b>Junior High School</b>										
Mason Middle (1958)										
Square feet	276,378	276,378	276,378	276,378	276,378	276,378	276,378	276,378	276,378	276,378
Capacity	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	1,542	1,663	1,713	1,724	1,773	1,800	1,845	1,853	1,749	1,799
<b>High School</b>										
William Mason High (2002) (2010)										
Square feet	375,010	375,010	375,010	539,236	539,236	539,236	539,236	539,236	539,236	539,236
Capacity	2,950	2,950	2,950	3,513	3,513	3,700	3,700	3,700	3,700	3,700
Enrollment	2,767	2,880	2,947	3,089	3,158	3,286	3,380	3,410	3,562	3,621

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 2015-2016 School Year:	968,760
Number Meals Served by Food Service Department for the 2015-2016 School Year:	1,178,588

School Buildings	Grade Levels	Enrollment
Mason Early Childhood Center	PS-2	1,833
Western Row Elementary	2-3	974
Mason Intermediate	4-6	2,486
Mason Middle School	7-8	1,799
William Mason High School	9-12	3,621
		<u>10,713</u>

Degree	Number of Certified Staff	Percentage of Total
Bachelor's Degree	30.6	4.74%
Bachelor + 150	70.8	10.95%
Master's Degree	542.1	83.85%
Doctorate	3.0	0.46%
Total	<u>646.5</u>	<u>100.00%</u>

Years of Experience	Number of Certified Staff	Percentage of Total
0 - 5	85.0	13.15%
6 - 10	202.1	31.26%
11 - 15	150.5	23.28%
16 - 20	123.1	19.04%
21 - 25	53.8	8.32%
26 - 30	24.0	3.71%
31 - 35	8.0	1.24%
36 - 40	0.0	0.00%
	<u>646.5</u>	<u>100.00%</u>

Source: School District Records

Mason City School District, Ohio  
**STUDENT POPULATION BY SEX AND BY RACE**  
**FOR THE 2015-2016 SCHOOL YEAR**  
**Schedule 21**

Grade	Male	Female	Total
PS	101	64	165
K	283	261	544
1	354	322	676
2	352	335	687
3	377	358	735
4	374	403	777
5	450	376	826
6	433	450	883
7	464	446	910
8	448	441	889
9	455	404	859
10	494	468	962
11	457	431	888
12	446	443	889
Ungraded	13	10	23
	5,501	5,212	10,713

Race	Total	Percent
American Indian/Alaskan	15	0.14%
Asian	2,205	20.58%
Black	433	4.04%
Caucasian	7,128	66.54%
Hispanic	440	4.10%
Multi-Racial	471	4.40%
Hawaiian/Pac Island	21	0.20%
	10,713	100.00%

Source: School District Financial Records.

Mason City School District, Ohio  
**ENROLLMENT HISTORY**  
**LAST TEN YEARS**  
**Schedule 22**

School Year (1)	Preschool	KDN	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total	% Increase
2015-16	165	544	676	687	735	777	826	883	910	889	859	962	888	912	10,713	-0.02%
2014-15	164	580	662	702	742	806	862	886	872	877	941	873	883	865	10,715	-0.54%
2013-14	171	575	679	713	766	867	876	863	878	977	857	878	832	841	10,773	-1.26%
2012-13	191	601	687	743	847	872	866	879	969	877	867	828	812	872	10,911	-0.73%
2011-12	193	623	733	826	852	845	872	961	880	917	850	809	851	779	10,991	-0.20%
2010-11	201	689	816	828	848	862	959	879	899	874	814	849	755	740	11,013	0.36%
2009-10	211	727	809	827	872	931	885	899	867	857	852	768	719	750	10,974	1.58%
2008-09	196	751	807	855	926	861	890	857	853	860	767	727	746	707	10,803	0.87%
2007-08	180	765	852	923	855	885	843	864	863	800	721	736	683	740	10,710	3.19%
2006-07	168	798	886	826	873	834	831	854	798	744	729	693	741	604	10,379	5.99%

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

Source: School District Records

**Mason City School District, Ohio**  
**DIRECTORY OF SCHOOL FACILITIES**  
**AS OF JUNE 30, 2016**  
**Schedule 23**

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



# Dave Yost • Auditor of State

MASON CITY SCHOOL DISTRICT

WARREN COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JANUARY 5, 2017