



Mary Taylor, CPA
Auditor of State

MASON CITY SCHOOL DISTRICT
WARREN COUNTY

TABLE OF CONTENTS

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

This page intentionally left blank.

MASON CITY SCHOOL DISTRICT
WARREN COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010

<u>Federal Grantor, Pass-Through Grantor, Program Title/Name</u>	<u>Grant Year & Pass Through Entity Number</u>	<u>CFDA Number</u>	<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed Through Ohio Department of Education:						
<u>Child Nutrition Cluster:</u>						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	n/a	10.555	\$0	\$403,441	\$0	\$377,755
Cash Assistance:						
National School Lunch Program	3L60	10.555	\$407,469	0	\$407,469	0
Total CFDA Number 10.555 - Child Nutrition Cluster			407,469	403,441	407,469	377,755
Total U.S. Department of Agriculture			407,469	403,441	407,469	377,755
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed Through Ohio Department of Education:						
<u>Special Education Cluster:</u>						
Special Education_Grants to States	3M20	84.027	189,196	0	163,755	0
Special Education_Grants to States	3M20	84.027	1,256,705	0	1,276,798	0
Total CFDA Number 84.027			1,445,901	0	1,440,553	0
Special Education_Preschool Grants	3C50	84.173	33,914	0	33,914	0
ARRA - Special Education_Grants to States	3DJ0	84.391	1,172,097	0	1,164,304	0
ARRA - Special Education_Preschool Grants	3DL0	84.392	16,900	0	23,619	0
Total Special Education Cluster			2,668,812	0	2,662,390	0
Title I Grants to Local Educational Agencies	3M00	84.010	134,714		135,618	
Safe and Drug-Free Schools and Communities_State Grants	3D10	84.186	0		1,001	
Safe and Drug-Free Schools and Communities_State Grants	3D10	84.186	19,924		18,818	
Total CFDA Number 84.186			19,924	0	19,819	0
State Grants for Innovative Programs	n/a	84.298	0		499	
Education Technology State Grants	3S20	84.318	0		851	
Education Technology State Grants	3S20	84.318	2,574		2,345	
Total CFDA Number 84.318			2,574	0	3,196	0
Title III - LEP	3Y70	84.365	4,127		4,220	
Title III - LEP	3Y70	84.365	66,446		65,945	
Total CFDA Number 84.365			70,573	0	70,165	0
Improving Teacher Quality State Grants	3Y60	84.367	1,443		22,602	
Improving Teacher Quality State Grants	3Y60	84.367	79,992		81,873	
Total CFDA Number 84.367			81,435	0	104,475	0
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	GRF	84.394	1,849,591	0	1,849,591	0
Passed Through Great Oaks Institute of Technology and Career Development						
Vocational Education_Basic Grants to States	2010	84.048	14,933	0	8,085	0
Total U.S. Department of Education			4,842,556	0	4,853,838	0
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>						
Passed Through Ohio Environmental Protection Agency						
ARRA - State Clean Diesel Grant Program	B2010 F-009	66.040	8,349	0	8,349	0
Total U.S. Environmental Protection Agency			8,349	0	8,349	0
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>						
Passed Through Ohio Department of Public Safety:						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	FEMA-1805-DR-165-034C6	97.036	1,125	0	1,125	0
Total U.S. Department of Homeland Security			1,125	0	1,125	0
Total Federal Assistance			\$5,259,499	\$403,441	\$5,270,781	\$377,755

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

**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mason City School District, Warren County, Ohio (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 6, 2010.

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

December 6, 2010



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Board of Education:

Compliance

We have audited the compliance of Mason City School District, Warren County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Mason City School District's major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of finding identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Mason City School District, Warren County, Ohio complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

Corporate Centre of Blue Ash / 11117 Kenwood Rd. / Blue Ash, OH 45242
Telephone: (513) 361-8550 (800) 368-7419 Fax: (513) 361-8577
www.auditor.state.oh.us

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

We noted a matter involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated December 6, 2010.

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Mason City School District, Warren County, Ohio as of and for the year ended June 30, 2010, and have issued our report thereon dated December 6, 2010. Our audit was performed to form an opinion on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. This information is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA
Auditor of State

December 6, 2010

**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

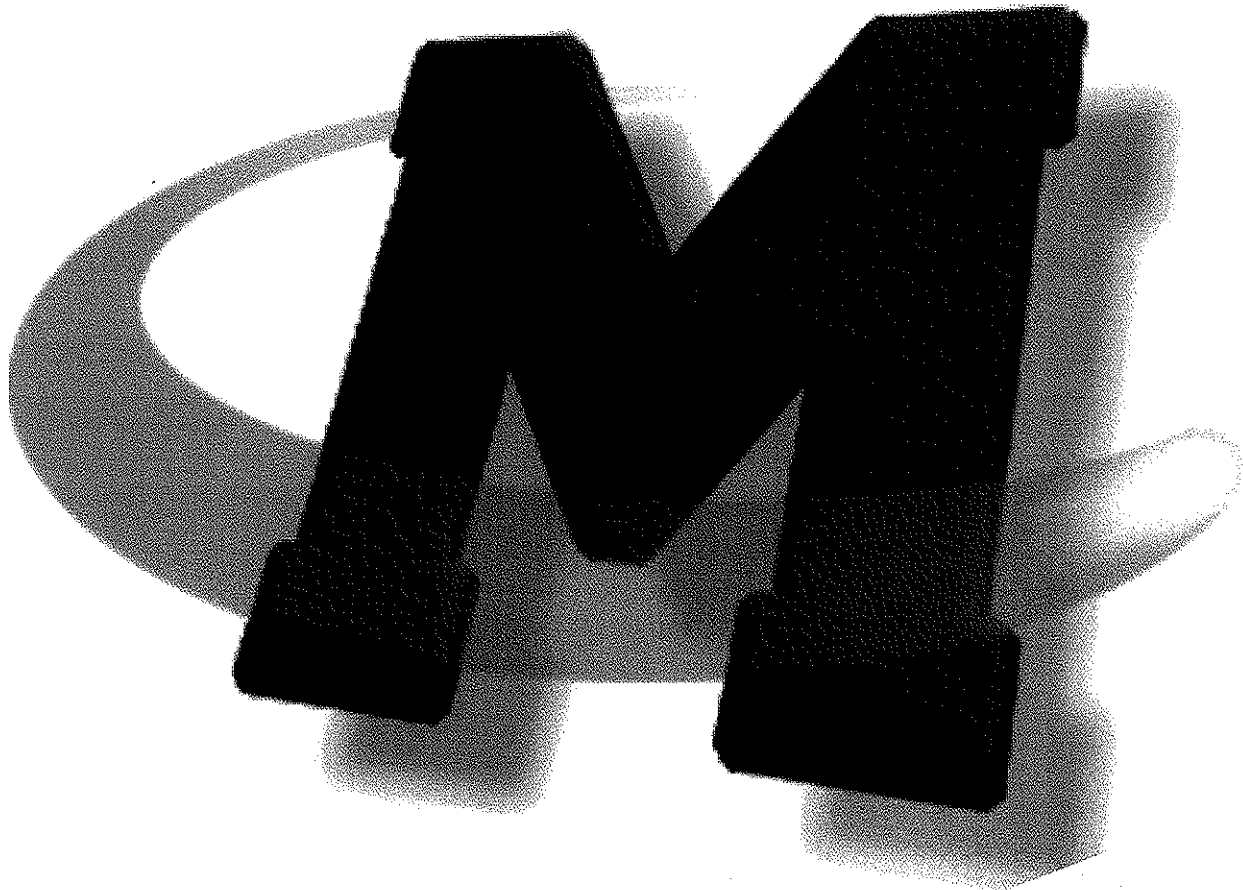
None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

MASON CITY SCHOOLS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For the fiscal year ended
June 30, 2010**

“Welcoming, valuing and engaging each learner”

MASON, OHIO

This page intentionally left blank.

MASON CITY SCHOOL DISTRICT
MASON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended
June 30, 2010

Prepared by:
Treasurer's Office

This page intentionally left blank.

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	I
Certificate of Achievement for Excellence in Financial Reporting	VI
Organizational Chart	VII
List of Principal Officials	VIII
 FINANCIAL SECTION	
Independent Accountants' Report	1
Management's Discussion and Analysis	3
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Fiduciary Net Assets - Fiduciary Funds	20
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund	21
Notes to Basic Financial Statements	23
 Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	50
Notes to Required Supplementary Information	54
 Combining Statements and Individual Fund Schedules:	
Combining Balance Sheet:	
Nonmajor Governmental Funds	61
Nonmajor Special Revenue Funds	62
Nonmajor Capital Projects Funds	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental Funds	69
Nonmajor Special Revenue Funds	70
Nonmajor Capital Projects Funds	75

Mason City School District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2010

TABLE OF CONTENTS

	<u>Page</u>
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual (Non-GAAP Budgetary Basis):	
Public School Support	76
Community Services	77
District Managed Student Activity	78
Auxiliary Services	79
Management Information System	80
Entry Year Programs	81
OneNet Network Connectivity	82
Ohio Reads	83
Summer Intervention	84
Gifted Supplemental	85
Title VI-B	86
Vocational Education	87
Title III	88
Refugee Impact	89
Title I	90
Title VI	91
Drug-Free Schools	92
Public School Preschool	93
Improving Teacher Quality	94
Continuous Improvement	95
Food Service	96
Latchkey	97
Education Stabilization	98
Title II-D	99
Debt Service	100
Capital Projects	101
Building	102
Insurance Replacement	103
Agency Fund:	
Combining Statement of Changes in Assets and Liabilities	106

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
STATISTICAL SECTION		
Net Assets by Component	1	108
Expenses Program Revenue & Net (Expenses) Revenue	2	109
General Revenues and Total Change in Net Assets	3	110
Fund Balances, Governmental Funds	4	111
Governmental Funds Revenues	5	112
Governmental Funds Expenditures and Debt Service Ratio	6	113
Other Financing Sources and Uses and Net Change in Fund Balances, Governmental Funds	7	114
Assessed Value and Actual Value of Taxable Property	8	115
Direct and Overlapping Property Tax Rates	9	116
Principal Property Tax Payers -- Warren County	10	117
Property Tax levies and Collections	11	118
Outstanding Debt by Type	12	119
Direct and Overlapping Governmental Activities Debt	13	120
Legal Debt Margin Information	14	121
Demographic and Economic Statistics	15	122
Principal Employers	16	123
Full-time-Equivalent District Employees by Type	17	124
Operating Statistics	18	125
School Building Information	19	126
Miscellaneous Statistical Data	20	127
Student Population by Sex and Race	21	128
Enrollment History	22	129
Directory of Facilities	23	130

(THIS PAGE INTENTIONALLY LEFT BLANK)

A large, stylized, grey, textured letter 'M' is centered on the page. The text 'Introductory Section' is overlaid on the middle of the 'M'.

Introductory Section

This page intentionally left blank.

MASON CITY SCHOOLS

Treasurer's Office

211 North East Street • Mason, Ohio • 45040

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

December 6, 2010

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, 2010.

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, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Mason City School District's financial statements for the fiscal year ended June 30, 2010, 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, 2010, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mrs. Beth DeGroft	Jan. 2010 - Dec. 2013	½
Mrs. Deborah Delp	Jan. 2008 - Dec. 2011	6 ½
Mr. John Odell	Jan. 2010 - Dec. 2013	½
Mrs. Connie Yingling	Jan. 2010 - Dec. 2013	10 ¾
Mr. Kevin Wise	Jan. 2008 - Dec. 2011	7 ½

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Dr. Kevin L. Bright was appointed Superintendent effective August 1, 1998 and his current contract expires July 31, 2012.

The Treasurer and CFO is the chief financial officer of the District and is directly responsible to the Board for all financial operations, investments, custody of all District funds and assets, and serves as Secretary to the Board. Mr. Richard L. Gardner was initially appointed Treasurer effective May 1, 2000, and his current contract will expire July 31, 2011 with an option to extend for two more years.

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 10,974 students during the 2010 fiscal year in six buildings. The high school (9-12) was constructed in 2002 with an addition in 2009. The middle school (7-8) was constructed in 1959, with additions in 1967, 1980, 1987 and 1997. The intermediate school 45 building wing (4-5) was constructed in 1994. The intermediate school 56 building wing (5-6) was constructed in 1998. An addition was constructed in 2007 connecting the two intermediate building wings. Western Row Elementary School (2-3) was constructed in 1962, with additions in 1987. Mason Heights Elementary School (2-3) was

constructed in 1967, with additions in 1978 and 1987. Mason Early Childhood Center (PreK-1) was constructed in 2007.

The District employed 1,289 full-time equivalent employees as of June 30, 2010. The number of employees has been increasing due to the increase in student population. The District's current enrollment is 10,974. It is expected that the District's enrollment will be approximately 11,025 for fiscal year 2011 and will continue to increase moderately for the next several years.

The District teachers, educational specialists, tutors, counselors and curriculum leaders are represented by the Mason Education Association (MEA). The current three year agreement on language, salary and fringe benefits will expire on June 30, 2012. The current agreement provided MEA members with a 0.0% base salary increase for the 2009-2010 school year, leaving the base teaching salary at \$36,484; a 2.50% base salary increase for the 2010-2011 school year, bringing the base teaching salary to \$37,396; and a 2.50% base salary increase for the 2011-2012 school year, bringing the base teaching salary to \$38,331.

The District custodial, grounds, maintenance and HVAC technicians are represented by the Ohio Association of Public School Employees (OAPSE) Local 070. The current agreement on language, salary and fringe benefits will expire on June 30, 2011. The current agreement provided OAPSE #070 members with a 2.25% increase for the 2009-2010 school year, and a 2.50% increase for the 2010-2011 school year.

The District's other non-certified staff, administrators, directors and supervisors are currently not represented by a union. These classifications typically receive the same benefits extended to the MEA and OAPSE #070.

Factors Affecting Financial Condition

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

Local Economy. The City of Mason's population was last reported as 22,016 in the 2000 U.S. Census and has been growing steadily through planning and development. The District is served by Sprint Telephone and Duke Energy. The Mason Pulse Journal and The Cincinnati Enquirer newspapers regularly cover District events. The District is also served by newspapers, radio and television stations in both Cincinnati and Dayton. Major universities easily accessible from the District are the University of Cincinnati and Xavier University in Cincinnati, Miami University in Oxford, and Wright State University and the University of Dayton, both in Dayton.

Although the Mason City School District is being impacted by the current economic slowdown, it still currently enjoys a reasonably favorable economic environment. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate, which has averaged significantly less than the United States and State of Ohio averages in recent years. The City of Mason and Deerfield Township target high tech companies, corporate headquarters and light industry for the District's business community. The diverse business base is home to national and international blue chip corporations' headquarters and divisions that include a major health care research center, uniforms manufacturer and distributor, insurance, automotive component manufacturers, condiments, electronics, software and technology companies and institutions.

It is estimated that approximately 15% to 20% of the land area within the district remains available for development, and it is projected that these areas will be slowly developed over the next five to ten years with the associated additional investments in plant and equipment and increasing job opportunities.

Long-term financial planning. Student enrollment growth has been the priority for the Board and Administration for the last 15 years. Demographic projections indicate the District will see its population

exceed 11,000 in FY2011. The District's facilities' student capacity is currently approximately 13,000, which is enough to cover its projected enrollment over the next ten years.

The District utilizes a continuous improvement process. A committee of parents, students, and community members meets regularly to address issues such as: What do we want for our students? What makes a high quality education? How do we reach success? It is the goal of the group to create a culture of continuous improvement in the District.

The District is ranked 5th in the State of Ohio for academic results and spends less per pupil than any of the other top ten school districts and also less per pupil than the State's average for all school districts in the State. In June 2010 the District distributed a 10 Year Plan to its residents. This long-term sustainable plan focuses on three priorities – academic achievement, cost-management and communication. Over the next ten years the District is committed to exploring new options for students that ensure college and career success, setting budget expenditure controls, and soliciting valuable input from its families and residents. The plan strikes a balance between staff and other cost reductions, utilization of cash reserves, and additional local taxes.

The District placed an incremental levy request on the November 2, 2010 ballot for additional tax revenues which was turned down by the voters. The Board is currently holding a number of community meetings to listen to its residents to understand the reasons for the rejection and what expectations the community has for its schools.

Cash management policies and practices. The District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in certificates of deposit, in the Ohio State Treasurer's Investment Pool (Star Ohio), U.S. Treasury and Agency Notes and Bonds, US Treasury Bills, repurchase agreements, commercial paper and mutual funds. The amount of interest income in fiscal year 2010 for all District funds was \$546,300. A more detailed description of the District's investment functions is provided in Note 3 to the financial statements.

Risk Management. The District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss and boiler and machinery coverage are purchased from insurance companies licensed to do business in the State of Ohio. The maximum deductible amount for these coverages is \$5,000 per loss incurred.

Through September 30, 2008 the District paid the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate was calculated based on accident history and administrative costs. Effective October 1, 2008 the district's Workers' Compensation was changed to a self-funded program.

The District provides health, dental, optical and life insurance to all regular employees who work 20 or more hours per week. Employees share the cost with the Board. The cost varies depending on the terms of the negotiated agreements and Board Policy. The health, dental and optical programs are all on a self-insured basis.

Relevant Financial Policies. In July, 2009, the Ohio's Governor signed HB 1, the state biennium budget bill. Included in this bill was a complete overhaul of the school funding model for all school districts in Ohio. The new Ohio Evidence-Based Model (OEBM) replaces the long-standing foundation formula that was declared unconstitutional by the Ohio Supreme Court. If ever fully-funded, the new model has the potential to drive funding based on student needs and could result in additional revenue. However, the current economic crisis has reduced revenue at the state level prompting budget reduction measures across the State. As such, the OEBM model is being phased in with FY 10 and FY 11 funding being allocated based on 99% of FY 09 funding and 98% of FY 10 funding, respectively. Federal stimulus funds are being used in Ohio to balance the education budget and as such, funding for public education at the current level is not secure beyond FY 11. This uncertainty could have a major impact on our

instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be monitored closely.

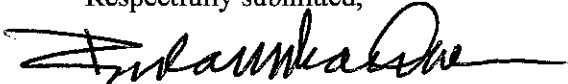
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Mason City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2009. In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Richard L. Gardner
Treasurer and CFO

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Mason City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



President

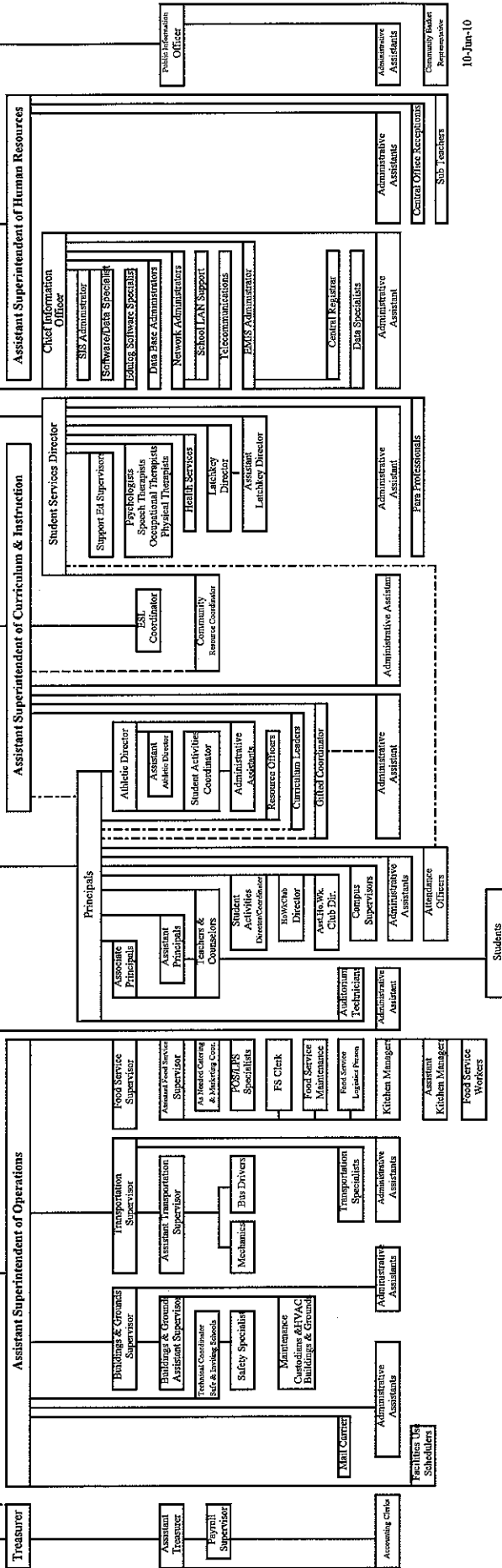
Executive Director

ORGANIZATIONAL CHART

Citizens of Mason City School District

Board of Education

Superintendent



10-Jun-10

**MASON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2010**

ELECTED OFFICIALS

President, Board of Education	Deborah Delp
Vice President, Board of Education	Kevin Wise
Board Member	Connie Yingling
Board Member	John O'Dell
Board Member	Beth DeGroft

ADMINISTRATIVE OFFICIALS

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



**Financial
Section**

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mason City School District, Warren County, Ohio (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mason City School District, Warren County, Ohio, as of June 30, 2010 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Mary Taylor, CPA
Auditor of State

December 6, 2010

Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

The discussion and analysis of Mason City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2010. 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 2010 are as follows:

- Net assets of governmental activities increased \$2,554,431 which represents a 3% increase from 2009.
- General revenues accounted for \$107,864,952 in revenue or 87% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$16,707,450 or 13% of total revenues of \$124,572,402 .
- The District had \$122,017,971 in expenses related to governmental activities; \$16,707,450 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$107,864,952 were also used to provide for these programs.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-wide Financial Statements

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

Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

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

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

Fund Financial Statements

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

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

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

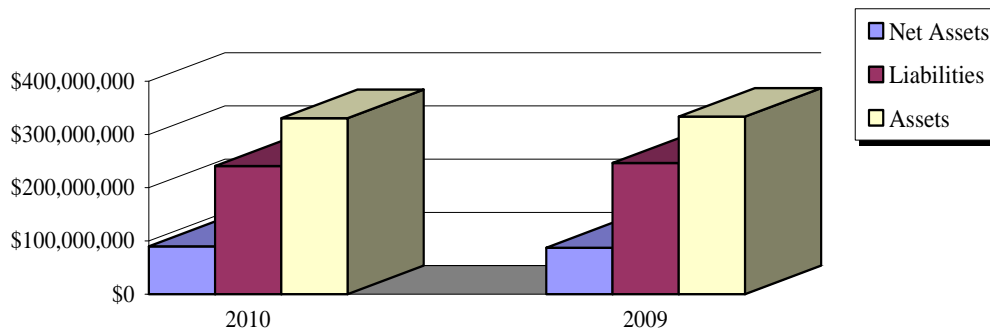
Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

The District as a Whole

As stated previously, the Statement of Net Assets looks at the District as a whole. Table 1 provides a summary of the District's net assets for 2010 compared to 2009:

Table 1
Net Assets

	Governmental Activities	
	2010	2009
Assets:		
Current and Other Assets	\$149,286,742	\$153,808,244
Capital Assets	181,469,039	179,884,070
Total Assets	<u>330,755,781</u>	<u>333,692,314</u>
Liabilities:		
Other Liabilities	92,950,583	91,562,856
Long-Term Liabilities	147,849,859	154,728,550
Total Liabilities	<u>240,800,442</u>	<u>246,291,406</u>
Invested in Capital Assets, Net of Related Debt	28,790,298	19,761,272
Restricted	22,124,030	25,165,469
Unrestricted	<u>39,041,011</u>	<u>42,474,167</u>
Total Net Assets	<u><u>\$89,955,339</u></u>	<u><u>\$87,400,908</u></u>



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2010, the District's assets exceeded liabilities by \$89,955,339 .

At year-end, capital assets represented 55% of total assets. Capital assets include land, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2010, was \$28,790,298 . These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

A portion of the District's net assets, \$22,124,030 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use. The balance of unrestricted net assets of \$39,041,011 may be used to meet the District's ongoing obligations to the students and creditors.

Regarding significant changes in Table 1 above, current assets decreased mainly due to a decrease in the balance of investments in 2010 as compared to 2009. Long-Term Liabilities decreased mainly due to the District continuing to make regularly scheduled principal payments to pay off its long term debt obligations.

Table 2 shows the changes in net assets for fiscal years 2010 and 2009.

Table 2
Changes in Net Assets

	Governmental Activities	
	2010	2009
Revenues:		
Program Revenues		
Charges for Services	\$8,958,578	\$8,455,148
Operating Grants, Contributions	7,748,872	5,537,453
Capital Grants and Contributions	0	124,305
General Revenues:		
Property Taxes	57,561,174	67,471,243
Grants and Entitlements	44,953,615	43,328,411
Other	5,350,163	5,303,966
Total Revenues	124,572,402	130,220,526
Program Expenses:		
Instruction	59,693,695	55,303,869
Support Services:		
Pupil and Instructional Staff	13,816,553	13,606,575
School Administrative, General		
Administration, Fiscal and Business	8,041,429	8,086,985
Operations and Maintenance	13,318,720	14,272,035
Pupil Transportation	7,895,529	7,076,294
Central	4,357,847	4,224,174
Operation of Non-Instructional Services	5,759,571	6,074,836
Extracurricular Activities	2,408,819	2,881,756
Interest and Fiscal Charges	6,725,808	7,133,219
Total Program Expenses	122,017,971	118,659,743
Increase (Decrease) in Net Assets	2,554,431	11,560,783
Net Assets Beginning of Year	87,400,908	75,840,125
Net Assets End of Year	\$89,955,339	\$87,400,908

Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

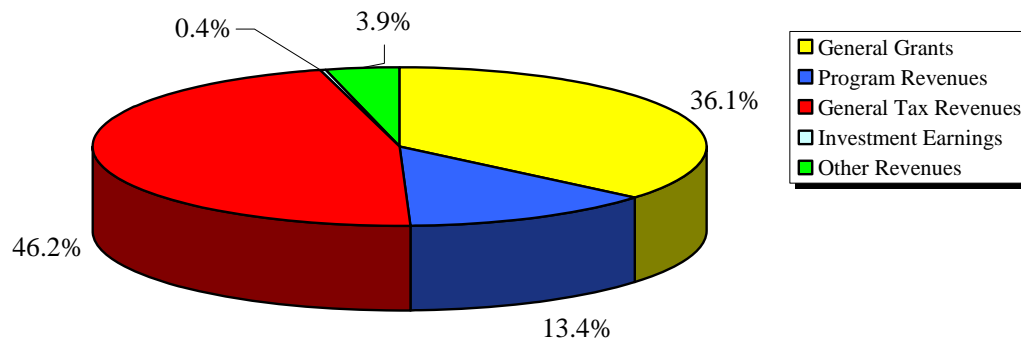
Governmental Activities

The District revenues are mainly from two sources. Property taxes and grants and entitlements comprised 82.3% of the District's revenues for governmental activities.

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

Thus Ohio school districts do not receive additional tax revenue related to the increase in appraised value and must regularly return to the voters to maintain a constant level of service. Property taxes made up 46.2% of revenue for governmental activities for the District in fiscal year 2010.

<u>Revenue Sources</u>	<u>2010</u>	<u>Percentage</u>
General Grants	44,953,615	36.1%
Program Revenues	16,707,450	13.4%
General Tax Revenues	57,561,174	46.2%
Investment Earnings	546,300	0.4%
Other Revenues	4,803,863	3.9%
Revenue Sources	124,572,402	100.0%



Instruction comprises 48.92% of governmental program expenses. Support services expenses were 38.87% of governmental program expenses. All other expenses and interest expense was 12.21%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Property taxes decreased mainly due to a decrease in property tax advances available at fiscal year end 2010 as compared to fiscal year end 2009. Instructional expenses increased mainly due to increases in personnel costs and general inflationary costs.

Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2010	2009	2010	2009
Instruction	\$59,693,695	\$55,303,869	\$54,392,209	\$50,181,997
Support Services:				
Pupil and Instructional Staff	13,816,553	13,606,575	11,301,246	12,923,051
School Administrative, General				
Administration, Fiscal and Business	8,041,429	8,086,985	7,708,036	7,975,784
Operations and Maintenance	13,318,720	14,272,035	11,526,578	13,132,971
Pupil Transportation	7,895,529	7,076,294	7,718,596	6,751,879
Central	4,357,847	4,224,174	4,354,021	4,174,169
Operation of Non-Instructional Services	5,759,571	6,074,836	39,429	322,780
Extracurricular Activities	2,408,819	2,881,756	1,544,598	1,946,987
Interest and Fiscal Charges	6,725,808	7,133,219	6,725,808	7,133,219
Total Expenses	<u>\$122,017,971</u>	<u>\$118,659,743</u>	<u>\$105,310,521</u>	<u>\$104,542,837</u>

The District's Funds

The District has two major governmental funds: the General Fund and the Debt Service Fund. Assets of the General Fund comprised \$108,473,772 (73%) and the Debt Service Fund comprised \$21,838,004 (15%) of the total \$149,380,153 governmental funds assets.

General Fund: Fund balance at June 30, 2010 was \$41,979,749 including \$39,064,608 of unreserved balance. The primary reason for the decrease in fund balance was due to a decrease in property taxes revenue due to a decrease in advances available at fiscal year end.

Debt Service Fund: Fund balance at June 30, 2010 was \$9,226,109 including \$8,791,501 of unreserved balance. The primary reason for the decrease in fund balance was due to a decrease in property taxes revenue due to a decrease in advances available at fiscal year end.

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, 2010
(Unaudited)

The final revenue budget for the General Fund was \$96,402,127. The original revenue budget estimate was \$95,575,665. The \$824,462 difference was primarily due to estimates for taxes and intergovernmental revenue.

The District's ending unobligated General Fund cash balance was \$45,441,750.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$181,469,039 invested in land, buildings and improvements and equipment. Table 4 shows fiscal 2010 balances compared to fiscal 2009:

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

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Land	\$4,134,921	\$4,134,921
Construction in Progress	0	970,153
Buildings and Improvements	162,342,494	161,472,565
Equipment	<u>14,991,624</u>	<u>13,306,431</u>
Total Net Capital Assets	<u>\$181,469,039</u>	<u>\$179,884,070</u>

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

Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Debt

At year end, the District had \$143,678,741 in bonds and capital leases outstanding, \$7,595,000 due within one year. Table 5 summarizes bonds and capital leases outstanding.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2010	2009
General Obligation Bonds:		
2005 Refunding High School/Recreation Center and Intermediate	\$58,985,000	\$59,080,000
2005 Refunding Bond Premium on High School/Recreation Center	4,290,340	4,663,413
1995 High School Addition / Bus Garage	1,470,000	2,695,000
1998 Intermediate School	0	260,000
2001 High School/Recreation Center	10,500,000	13,680,000
2003 Refunding Middle/High School	9,610,000	9,810,000
2004 Early Childhood Center	4,660,000	5,325,000
2007 Refunding Early Childhood Center	27,230,000	27,230,000
2007 Refunding Bond Premium on Early Childhood Center	2,220,563	2,327,992
Deferred Amount on 2007 Refunding Bonds	(922,162)	(1,157,607)
2008 High School Addition	20,410,000	21,710,000
Capital Leases	5,225,000	5,249,000
Total Bonds and Capital Leases	<u>\$143,678,741</u>	<u>\$150,872,798</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

In July, 2009, the Ohio's Governor signed HB 1, the state biennium budget bill. Included in this bill was a complete overhaul of the school funding model for all school districts in Ohio. The new Ohio Evidence-Based Model (OEBM) replaces the long-standing foundation formula that was declared unconstitutional by the Ohio Supreme Court. If ever fully-funded, the new model has the potential to drive funding based on student needs and could result in additional revenue. However, the current economic crisis has reduced revenue at the state level prompting budget reduction measures across the State. As such, the funding for the OEBM was phased in for FY10 and FY11 by allocating the funding for each year based on 99% of the FY09 funding and 98% of the FY10 funding, respectively. Federal stimulus funds are being used in Ohio to balance the education budget and as such, funding for public education at the current level is not secure beyond FY11. This uncertainty could have a major impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be monitored closely.

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

Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

It is no surprise that all of the District's financial management abilities and controls will be needed to meet the challenges of the future. However, with continued careful planning and monitoring of the District's finances and continued support from the community, the District's management is confident that the District will continue to provide a high quality education for our students while maintaining a balanced, cost efficient budget.

Contacting the District's Financial Management

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

THIS PAGE INTENTIONALLY LEFT BLANK

Mason City School District, Ohio
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Investments	\$73,434,880
Restricted Cash and Investments	85,593
Cash and Cash Equivalents with Fiscal Agent	296,775
Receivables:	
Taxes	69,906,655
Accounts	656,902
Interest	164,302
Intergovernmental	3,966,849
Deferred Bond Issuance Costs	720,489
Inventory	54,297
Nondepreciable Capital Assets	4,134,921
Depreciable Capital Assets, Net	<u>177,334,118</u>
 Total Assets	 <u>330,755,781</u>
Liabilities:	
Accounts Payable	344,095
Accrued Wages and Benefits	10,790,492
Retainage Payable	47,411
Accrued Interest Payable	652,348
Unearned Revenue	70,274,623
Claims Payable	1,841,614
General Obligation Notes Payable	9,000,000
Long-Term Liabilities:	
Due Within One Year	8,404,475
Due In More Than One Year	<u>139,445,384</u>
 Total Liabilities	 <u>240,800,442</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	28,790,298
Restricted for:	
State Grants	40,570
Community Services	2,196,400
Food Service	1,411,356
Latchkey	193,360
Auxiliary Services	188,334
Debt Service	8,851,560
Capital Projects	6,089,076
Building	3,067,781
Set-Aside	85,593
Unrestricted	<u>39,041,011</u>
 Total Net Assets	 <u><u>\$89,955,339</u></u>

See accompanying notes to the Basic Financial Statements.

THIS PAGE INTENTIONALLY LEFT BLANK

Mason City School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2010

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$46,761,285	\$1,323,069	\$21,988	(\$45,416,228)
Special	12,178,668	506,882	3,272,618	(8,399,168)
Vocational	8,082	0	21,475	13,393
Other	745,660	100,831	54,623	(590,206)
Support Services:				
Pupil	6,467,313	58,884	1,101,637	(5,306,792)
Instructional Staff	7,349,240	6,067	1,348,719	(5,994,454)
General Administration	46,528	0	0	(46,528)
School Administration	5,623,539	0	267,048	(5,356,491)
Fiscal	1,952,877	0	0	(1,952,877)
Business	418,485	66,345	0	(352,140)
Operations and Maintenance	13,318,720	1,792,142	0	(11,526,578)
Pupil Transportation	7,895,529	6,291	170,642	(7,718,596)
Central	4,357,847	3,826	0	(4,354,021)
Operation of Non-Instructional Services	5,759,571	4,230,020	1,490,122	(39,429)
Extracurricular Activities	2,408,819	864,221	0	(1,544,598)
Interest and Fiscal Charges	6,725,808	0	0	(6,725,808)
Total Governmental Activities	\$122,017,971	\$8,958,578	\$7,748,872	(105,310,521)

General Revenues:

Property Taxes Levied for:

General Purposes	45,848,200
Debt Service Purposes	11,152,734
Capital Projects Purposes	560,240
Grants and Entitlements not Restricted to Specific Programs	44,953,615
Revenue in Lieu of Taxes	3,246,149
Investment Earnings	546,300
Other Revenues	1,557,714

Total General Revenues 107,864,952

Change in Net Assets 2,554,431

Net Assets Beginning of Year 87,400,908

Net Assets End of Year \$89,955,339

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2010

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$51,166,085	\$8,791,501	\$13,477,294	\$73,434,880
Restricted Cash and Investments	85,593	0	0	85,593
Cash and Cash Equivalents with Fiscal Agent	0	0	296,775	296,775
Receivables:				
Taxes	56,204,792	13,046,503	655,360	69,906,655
Accounts	39,100	0	617,802	656,902
Interest	164,302	0	0	164,302
Intergovernmental	0	0	3,966,849	3,966,849
Interfund	813,900	0	0	813,900
Inventory	0	0	54,297	54,297
Total Assets	108,473,772	21,838,004	19,068,377	149,380,153
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	197,760	0	146,335	344,095
Accrued Wages and Benefits	9,825,110	0	965,382	10,790,492
Compensated Absences	134,830	0	10,752	145,582
Retainage Payable	0	0	47,411	47,411
Accrued Interest Payable	0	0	54,375	54,375
Interfund Payable	0	0	813,900	813,900
Deferred Revenue	54,494,709	12,611,895	4,659,896	71,766,500
Claims Payable	1,841,614	0	0	1,841,614
General Obligation Notes Payable	0	0	9,000,000	9,000,000
Total Liabilities	66,494,023	12,611,895	15,698,051	94,803,969
Fund Balances:				
Reserved for Encumbrances	976,412	0	1,525,494	2,501,906
Reserved for Inventory	0	0	54,297	54,297
Reserved for Property Tax Advances	1,853,136	434,608	21,831	2,309,575
Reserved for Set-Aside	85,593	0	0	85,593
Unreserved, Undesignated, Reported in:				
General Fund	39,064,608	0	0	39,064,608
Special Revenue Funds	0	0	2,865,349	2,865,349
Debt Service Funds	0	8,791,501	0	8,791,501
Capital Projects Funds	0	0	(1,096,645)	(1,096,645)
Total Fund Balances	41,979,749	9,226,109	3,370,326	54,576,184
Total Liabilities and Fund Balances	\$108,473,772	\$21,838,004	\$19,068,377	\$149,380,153

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2010

Total Governmental Fund Balance		\$54,576,184
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		181,469,039
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	758,655	
Interest	140,111	
Intergovernmental	113,993	
Other	<u>479,118</u>	
		1,491,877
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(597,973)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences	(3,979,970)	
Claims Liability	<u>(45,566)</u>	
		(4,025,536)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		720,489
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(143,678,741)</u>
Net Assets of Governmental Activities		<u>\$89,955,339</u>

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$45,554,858	\$11,083,031	\$556,740	\$57,194,629
Revenue in Lieu of Taxes	0	0	3,246,149	3,246,149
Tuition and Fees	955,965	0	553,417	1,509,382
Investment Earnings	339,605	6,207	60,377	406,189
Intergovernmental	43,811,499	2,168,624	6,891,712	52,871,835
Extracurricular Activities	0	0	1,329,655	1,329,655
Charges for Services	647,198	0	4,996,150	5,643,348
Other Revenues	1,143,198	0	446,512	1,589,710
Total Revenues	92,452,323	13,257,862	18,080,712	123,790,897
Expenditures:				
Current:				
Instruction:				
Regular	45,607,888	0	633,626	46,241,514
Special	9,201,565	0	2,946,308	12,147,873
Vocational	0	0	8,082	8,082
Other	721,115	0	24,545	745,660
Support Services:				
Pupil	5,310,908	0	1,133,187	6,444,095
Instructional Staff	5,869,124	0	1,486,017	7,355,141
General Administration	46,528	0	0	46,528
School Administration	5,295,777	13,732	258,826	5,568,335
Fiscal	1,782,814	146,232	14,506	1,943,552
Business	304,547	0	106,982	411,529
Operations and Maintenance	9,880,753	0	1,676,966	11,557,719
Pupil Transportation	6,490,421	0	1,121,181	7,611,602
Central	3,218,649	0	1,035,543	4,254,192
Operation of Non-Instructional Services	12,815	0	5,651,443	5,664,258
Extracurricular Activities	1,706,796	0	953,878	2,660,674
Capital Outlay	0	0	4,257,718	4,257,718
Debt Service:				
Principal Retirement	0	6,925,000	24,000	6,949,000
Interest and Fiscal Charges	0	6,570,554	375,020	6,945,574
Total Expenditures	95,449,700	13,655,518	21,707,828	130,813,046
Excess of Revenues Over (Under) Expenditures	(2,997,377)	(397,656)	(3,627,116)	(7,022,149)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	163	0	377,941	378,104
Transfers In	0	9,000,000	9,513,505	18,513,505
Transfers (Out)	(124,755)	(9,388,750)	(9,000,000)	(18,513,505)
Total Other Financing Sources (Uses)	(124,592)	(388,750)	891,446	378,104
Net Change in Fund Balance	(3,121,969)	(786,406)	(2,735,670)	(6,644,045)
Fund Balance Beginning of Year	45,101,718	10,012,515	6,105,996	61,220,229
Fund Balance End of Year	\$41,979,749	\$9,226,109	\$3,370,326	\$54,576,184

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2010

Net Change in Fund Balance - Total Governmental Funds (\$6,644,045)

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

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

Capital assets used in governmental activities	5,584,679	
Depreciation Expense	(3,781,241)	
	<hr/>	1,803,438

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.

(218,469)

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

Delinquent Property Taxes	366,545	
Interest	140,111	
Intergovernmental	(169,348)	
Other	444,197	
	<hr/>	781,505

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

Principal payments	6,949,000
--------------------	-----------

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

26,851

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

Compensated Absences	(314,388)	
Claims Liability	(22,376)	
Amortization of Deferred Charge	(235,445)	
Amortization of Bond Issuance Cost	(52,142)	
Amortization of Bond Premium	480,502	
	<hr/>	(143,849)

Change in Net Assets of Governmental Activities	<hr/> <hr/>	\$2,554,431
---	-------------	-------------

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Education Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$87,940	\$409,655
Total Assets	87,940	409,655
Liabilities:		
Accounts Payable	0	8,516
Other Liabilities	0	401,139
Total Liabilities	0	\$409,655
Net Assets:		
Held in Trust	87,940	
Total Net Assets	\$87,940	

See accompanying notes to the Basic Financial Statements.

Mason City School District, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2010

	Education Private Purpose Trust
Additions:	
Donations	\$11,430
Investment Earnings	48
Total Additions	<u>11,478</u>
Deductions:	
Scholarships	<u>8,856</u>
Total Deductions	<u>8,856</u>
Change in Net Assets	2,622
Net Assets Beginning of Year	<u>85,318</u>
Net Assets End of Year	<u><u>\$87,940</u></u>

See accompanying notes to the Basic Financial Statements.

THIS PAGE INTENTIONALLY LEFT BLANK

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Note 1 – Description of the District

The Mason City School District (the “District”) operates under a locally elected five member Board and provides educational services as authorized by its charter or further mandated by state/or federal agencies. The Board controls the District’s six instructional facilities, staffed by 528 full-time equivalent classified personnel, 761 certified full-time equivalent teaching personnel and administrative employees to provide services to students and other community members.

The District is located in Warren and Butler Counties in southwest Ohio. The District contains 25 square miles, with 99% of its territory located within Warren County and the remaining 1% in Butler County. Political subdivisions included in the District are the City of Mason, portions of Deerfield, Union and Turtle Creek Townships in Warren County, and a portion of West Chester Township in Butler County. The District is approximately 25 minutes northeast of downtown Cincinnati and 35 minutes southwest of downtown Dayton. The enrollment for the District during the current fiscal year was 10,974. The District operates one early childhood center (Pre-K-1), two elementary schools and (2-3), one intermediate school (4-6), one middle school (7-8) and a high school (9-12).

Reporting Entity

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

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

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Note 2 - Summary of Significant Accounting Policies

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

Fund Accounting

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

Governmental Funds

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

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

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

Fiduciary Funds

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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 assets and a statement of activities and fund financial statements which provide a more detailed level of financial information.

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

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

Fund Financial Statements

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

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

accounting. Fiduciary funds use the accrual basis of accounting. Differences in the actual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

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

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

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

Deferred Revenue

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

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

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Unearned Revenue

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

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

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

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

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

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

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during the current fiscal year amounted to \$339,605 credited to the General Fund; \$6,207 credited to the Debt Service Fund and \$60,377 credited to Other Governmental Funds.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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 expensed/expensed when used. Inventory consists of food held for resale and consumable supplies.

Capital Assets

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

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

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

Compensated Absences

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

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

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

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

Net Assets

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the District's \$22,124,030 in restricted net assets, none were restricted by enabling legislation.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

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

Fund Equity

Reserved fund balances indicate a portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, inventory, set aside, and property tax advances. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The unreserved portion of fund equity, reflected for the Governmental Funds, is available for use within the specific purpose of those funds.

Restricted Assets

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

Cash and Cash Equivalents with Fiscal Agent

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

Accrued Liabilities and Long Term Obligations

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

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Estimates

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

Note 3 - Equity In Pooled Cash and Investments

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

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2010, \$62,790 of the District's bank balance of \$45,739,697 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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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, 2010, the District had the following investments:

Investment Type	Fair Value	Aggregate Credit Risk	Weighted Average Maturity (Years)
US Treasury Notes	\$75,524	0.3%	1.34
US Treasury Bills	324,949	1.1%	0.10
First American General Obligation Bond	249,364	0.7%	0.00
Federal Home Loan Bank	21,937,402	73.3%	1.31
Federal Home Loan Bank - Discount Note	499,960	1.7%	0.13
Freddie Mac	4,029,368	13.5%	0.50
Freddie Mac - Discount Note	814,697	2.7%	0.26
Fannie Mae	436,679	1.5%	0.45
Fannie Mae - Discount Note	724,592	2.4%	0.33
Federal Farm Credit Bank	110,757	0.4%	0.54
Money Market Funds	174,142	0.6%	0.00
STAROhio	561,439	1.8%	0.15
Total Fair Value	\$29,938,873	100.00%	
Portfolio Weighted Average Maturity			1.06

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

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

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

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

The District does the majority of its banking through Fifth Third Bank. Fifth Third Bank participates in the FDIC's Transaction Account Guarantee Program. Under this program, through June 30, 2010, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account.

Note 4 - Property Taxes

Real property taxes collected in 2010 were levied in April on the assessed values as of January 1, 2009, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update every third year.

Tangible personal property tax revenue received during calendar year 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and interexchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after April 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

Real property taxes are payable annually or semi-annually. In 2010, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2010. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2010 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, 2010, was \$1,853,136 for General Fund, \$434,608 for Debt Service Fund and \$21,831 for Other Governmental Funds, and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these receivables for fiscal year 2010 operations.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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 2010 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,480,572,180
Public Utility	22,788,680
Tangible Personal Property	<u>4,489,250</u>
Total	<u><u>\$1,507,850,110</u></u>

Note 5 – Receivables

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

Note 6 - Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$4,134,921	\$0	\$0	\$4,134,921
Construction in Progress	970,153	0	970,153	0
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	181,038,525	2,557,662	0	183,596,187
Equipment	<u>27,879,557</u>	<u>3,997,170</u>	<u>1,578,124</u>	<u>30,298,603</u>
Totals at Historical Cost	<u>214,023,156</u>	<u>6,554,832</u>	<u>2,548,277</u>	<u>218,029,711</u>
Less Accumulated Depreciation:				
Buildings and Improvements	19,565,960	1,687,733	0	21,253,693
Equipment	<u>14,573,126</u>	<u>2,093,508</u>	<u>1,359,655</u>	<u>15,306,979</u>
Total Accumulated Depreciation	<u>34,139,086</u>	<u>3,781,241</u>	<u>1,359,655</u>	<u>36,560,672</u>
Governmental Activities Capital Assets, Net	<u>\$179,884,070</u>	<u>\$2,773,591</u>	<u>\$1,188,622</u>	<u>\$181,469,039</u>

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$548,289
Special	5,486
Support Services:	
Pupil	26,996
Instructional Staff	17,122
School Administration	22,941
Fiscal	10,735
Business	1,086
Operations and Maintenance	1,772,221
Pupil Transportation	635,348
Central	359,823
Operation of Non-Instructional Services	223,998
Extracurricular Activities	157,196
Total Depreciation Expense	<u><u>\$3,781,241</u></u>

Note 7 - Short-Term Notes Payable

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 2009 1.50%	\$9,250,000	\$0	\$9,250,000	\$0
Mason Intermediate				
Construction 2010 1.50%	<u>0</u>	<u>9,000,000</u>	<u>0</u>	<u>9,000,000</u>
Total	<u><u>\$9,250,000</u></u>	<u><u>\$9,000,000</u></u>	<u><u>\$9,250,000</u></u>	<u><u>\$9,000,000</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.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$9,000,000	\$135,000	\$9,135,000

Note 8 - Long-Term Liabilities

	<u>Interest</u> <u>Rate</u>	<u>Beginning</u> <u>Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending</u> <u>Balance</u>	<u>Due In</u> <u>One Year</u>
Governmental Activities:						
General Obligation Bonds:						
2001 High School/Recreation Center	5.06%	\$13,680,000	\$0	(\$3,180,000)	\$10,500,000	\$3,340,000
2005 Refunding High School/ Recreation Center	5.16%	59,080,000	0	(95,000)	58,985,000	730,000
2005 Refund Bond Premium	0.00%	4,663,413	0	(373,073)	4,290,340	0
1995 High School Addition/ Bus Garage	5.65%	2,695,000	0	(1,225,000)	1,470,000	1,470,000
1998 Intermediate School	5.24%	260,000	0	(260,000)	0	0
2003 Refunding Middle/High School	3.97%	9,810,000	0	(200,000)	9,610,000	200,000
2004 Early Childhood Center	4.76%	5,325,000	0	(665,000)	4,660,000	685,000
2007 Refunding Early Childhood Center	4.98%	27,230,000	0	0	27,230,000	0
2007 Refund Bond Premium	0.00%	2,327,992	0	(107,429)	2,220,563	0
Deferred Amount on 2007 Refunding	0.00%	(1,157,607)	0	235,445	(922,162)	0
2008 High School Addition	4.00%	21,710,000	0	(1,300,000)	20,410,000	1,115,000
Total General Obligation Bonds		145,623,798	0	(7,170,057)	138,453,741	7,540,000
Capital Leases		5,249,000	0	(24,000)	5,225,000	55,000
Total Long-Term Debt		150,872,798	0	(7,194,057)	143,678,741	7,595,000
Claims Liability		23,190	45,566	(23,190)	45,566	45,566
Compensated Absences		3,832,562	972,402	(679,412)	4,125,552	763,909
Total Governmental Activities Long-Term Liabilities		\$154,728,550	\$1,017,968	(\$7,896,659)	\$147,849,859	\$8,404,475

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

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

The net proceeds of the Refunding General Obligation Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts, which including interest earned was and will be used to pay the principal and interest on the refunded bonds. The refunded 2004 General Obligation Bonds are not included in the

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

District's outstanding debt since the District has in-substance satisfied its obligation through the current and advance refunding.

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

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2011	\$7,540,000	\$6,287,918	\$13,827,918
2012	8,545,000	5,934,698	14,479,698
2013	9,460,000	5,551,929	15,011,929
2014	8,340,000	5,155,197	13,495,197
2015	10,000,000	4,725,439	14,725,439
2016-2020	44,075,000	16,332,355	60,407,355
2021-2025	21,275,000	7,879,912	29,154,912
2026-2030	13,200,000	4,424,984	17,624,984
2031-2035	9,315,000	1,144,713	10,459,713
2036	1,115,000	27,875	1,142,875
Total	<u>\$132,865,000</u>	<u>\$57,465,020</u>	<u>\$190,330,020</u>

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

Note 9 - Prior Year Defeasance of Debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements. On June 30, 2010, \$36,330,000 of bonds outstanding are considered defeased.

Note 10 – Capital Leases – Lessee Disclosure

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

At fiscal year-end, the District drew down \$4,952,225 to finance the project. The District began making principal payments in fiscal year 2010. The principal amount owed on the lease at year end is \$5,225,000. The capital lease will be paid from the community services fund.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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, 2010.

Fiscal Year Ending June 30,	Long-Term Debt
2011	\$291,127
2012	300,522
2013	308,350
2014	318,659
2015	328,332
2016-2020	1,804,012
2021-2025	2,101,631
2026-2030	2,440,418
2031-2032	761,069
Total Minimum Lease Payments	8,654,120
Less: Amount Representing Interest (4.38%)	(3,315,573)
Less: Additional Program Cost Component	(113,547)
Present Value of Minimum Lease Payments	<u>\$5,225,000</u>

Note 11 – Pension Plans

School Employees Retirement System of Ohio

Plan Description

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2009, the allocation to pension and death benefits is 12.78%. The remaining 1.22% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions to SERS for the years ended June 30, 2010, 2009, and 2008 were \$2,738,604, \$2,579,844, and \$2,429,772, respectively; 100% has been contributed for fiscal year 2010, 2009 and 2008.

State Teachers Retirement System of Ohio

Plan Description

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution, or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. Additional information or copies of STRS Ohio's *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

Plan Options

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

DB Plan Benefits

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

DC Plan Benefits

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

Combined Plan Benefits

Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

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

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

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

Funding Policy

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

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2009, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2010, 2009, and 2008 were \$6,793,128, \$6,668,916, and \$5,911,040, respectively; 84% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008.

Note 12 - Post Employment Benefits

School Employees Retirement System of Ohio

Plan Description

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2010 was \$96.40; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2010, the actuarially required allocation was .76%. District contributions for the year ended June 30, 2010, 2009 and 2008 were \$148,667, \$138,206 and \$118,017, respectively, which equaled the required contributions each year.

Health Care Plan

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

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

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2010, the health care allocation was 0.46%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; not may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District contributions assigned to health care for the years ended June 30, 2010, 2009, and 2008 were \$89,983, \$766,582 and \$576,203, respectively; 100% has been contributed for fiscal year 2010, 2009 and 2008.

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

State Teachers Retirement System of Ohio

Plan Description

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

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

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

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

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2010, 2009 and 2008. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2010, 2009, and 2008 were \$485,223, \$476,351 and \$422,217, respectively; 84% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008.

Note 13 - Contingent Liabilities

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

Note 14 - Risk Management

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

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

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

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

Through September 30, 2008, the District paid the State Workers' Compensation a premium based on a rate per \$100 of salaries. This rate was calculated based on accident history and administrative costs. Effective October 1, 2008, the District became self-insured.

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 \$1,236 for family coverage (\$4,000 deductible) and \$520 for individual coverage (\$2,000 deductible). For full time employees the District pays the full amount of the premium and makes the following contributions to the employees' HSAs: Plan year beginning 2009, \$3,000 family and \$1,500 single; Plan year beginning 2010 and 2011, \$2,000 family and \$1,000 single. The District pays 100% of claims after the deductible is met.

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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 \$1,887,180 at fiscal year end is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated.

The amount reported as claims payable in the General Fund in the Fund Financial Statements is \$1,841,614 since this amount is currently due and payable with expendable available financial resources. In the Government-wide Financial Statements, the total amount of the liability for claims of \$1,887,180 has been reported as claims payable in the amount of \$1,841,614 and as amount due within one year for the long-term portion in the amount of \$45,566.

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

	Balance at <u>Beginning of Year</u>	Current Year <u>Claims</u>	Claims <u>Payments</u>	Balance at <u>End of Year</u>
2008	\$1,264,127	\$12,423,394	\$12,446,543	\$1,240,978
2009	\$1,240,978	\$14,259,422	\$14,074,162	\$1,426,238
2010	\$1,426,238	\$11,672,071	\$11,256,695	\$1,841,614

Note 15 – Accountability

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

Fund	Deficit
Special Revenue:	
Public School Support	\$212,801
Title VI B	258,482
Title III	13,632
Title I	13,459
Public School Preschool	6,719
Education Stabilization Foundation	120,982
Capital Projects:	
Building	5,932,219

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Note 16 - Fund Balance Reserves For Set-Asides

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

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

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

	Textbooks	Capital Acquisition	Budget Stabilization
Set-aside Reserve Balance as of June 30, 2009	(\$476,587)	\$0	\$85,593
Current Year Set-aside Requirement	1,746,323	1,746,323	0
Qualified Disbursements	(1,460,977)	(1,430,423)	0
Current Year Offsets	0	(30,812,114)	0
Set-Aside Reserve Balance as of June 30, 2010	<u>(\$191,241)</u>	<u>(\$30,496,214)</u>	<u>\$85,593</u>
Restricted Cash as of June 30, 2010			<u>\$85,593</u>
Carried Forward as of June 30, 2010	<u>(\$191,241)</u>		

Note 17 - Interfund Transactions

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

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$813,900	\$0	\$0	\$124,755
Debt Service Fund	0	0	9,000,000	9,388,750
Other Governmental Funds	0	813,900	9,513,505	9,000,000
Total All Funds	<u>\$813,900</u>	<u>\$813,900</u>	<u>\$18,513,505</u>	<u>\$18,513,505</u>

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

The amounts due in the general fund are the result of the District moving unrestricted balances to support programs and projects accounted for in other funds. The general fund will be reimbursed when funds become available in the other governmental funds. Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds.

Note 18 - Jointly Governed Organizations

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

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

- B. The Great Oaks Joint Vocational School, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the thirty-six participating school district's elected board, which possesses its own budgeting and taxing authority. To obtain financial information write to the Great Oaks Vocational School, Mr. Robert Giuffrè, Chief Financial Officer, at 3254 East Kemper Road, Cincinnati, Ohio 45241.
- C. The District is a participant in the Jewell Education Foundation, which is a jointly governed educational foundation established to benefit the school districts in Warren County. The Foundation was created to promote and assist in funding through soliciting grants and charitable contributions for distributions to member educational institutions of participating school districts. The governing board is made up of the Warren County Vocational School District Superintendent, one member of the 1999 Warren County Vocational School District Board of Education, not on the current board, and one member submitted by each participating school district. The District made no financial contribution to the Foundation. Financial information can be obtained from the director of planned giving, Rick Wood, at P.O. Box 854, Lebanon, Ohio 45036.

REQUIRED SUPPLEMENTARY INFORMATION

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:				
Taxes	\$48,814,838	\$49,254,088	\$49,254,095	\$7
Tuition and Fees	964,645	972,985	973,325	340
Investment Earnings	567,439	539,333	572,545	33,212
Intergovernmental	43,420,780	43,811,499	43,811,499	0
Charges for Services	641,426	647,188	647,198	10
Other Revenues	1,166,537	1,177,034	1,177,034	0
Total Revenues	95,575,665	96,402,127	96,435,696	33,569
Expenditures:				
Current:				
Instruction:				
Regular				
Salaries and Wages	32,116,392	30,673,942	30,651,001	22,941
Fringe Benefits	10,592,008	10,131,006	10,108,721	22,285
Purchased Services	77,186	90,784	73,664	17,120
Materials and Supplies	2,036,965	2,220,562	1,944,023	276,539
Capital Outlay	38,711	41,938	36,945	4,993
Capital Outlay - Replacement	11,474	12,277	10,950	1,327
Other Expenditures	6,935	10,552	6,619	3,933
Total Regular	44,879,671	43,181,061	42,831,923	349,138
Special				
Salaries and Wages	6,719,892	6,413,823	6,413,280	543
Fringe Benefits	2,607,592	2,664,972	2,488,614	176,358
Purchased Services	192,679	213,588	183,888	29,700
Materials and Supplies	65,321	72,974	62,341	10,633
Capital Outlay	0	500	0	500
Other Expenditures	249,187	266,312	237,817	28,495
Total Special	9,834,671	9,632,169	9,385,940	246,229
Other				
Purchased Services	898,512	922,142	857,515	64,627
Total Other	898,512	922,142	857,515	64,627
Support Services:				
Pupil				
Salaries and Wages	3,674,794	3,730,507	3,507,122	223,385
Fringe Benefits	1,390,604	1,543,673	1,327,154	216,519
Purchased Services	504,272	510,060	481,263	28,797
Materials and Supplies	94,276	96,694	89,974	6,720
Capital Outlay	409	800	390	410
Capital Outlay - Replacement	0	350	0	350
Other Expenditures	201	580	192	388
Total Pupil	5,664,556	5,882,664	5,406,095	476,569

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, 2010

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<u>Instructional Staff</u>				
Salaries and Wages	3,971,137	4,705,690	3,789,944	915,746
Fringe Benefits	2,245,620	2,317,254	2,143,158	174,096
Purchased Services	23,600	26,800	22,523	4,277
Materials and Supplies	76,437	99,494	72,949	26,545
Capital Outlay	4,731	5,518	4,515	1,003
Capital Outlay - Replacement	0	300	0	300
Other Expenditures	10,305	14,796	9,835	4,961
Total Instructional Staff	6,331,830	7,169,852	6,042,924	1,126,928
<u>General Administration</u>				
Salaries and Wages	11,002	15,000	10,500	4,500
Fringe Benefits	2,174	2,739	2,075	664
Purchased Services	1,855	1,898	1,770	128
Materials and Supplies	0	134	0	134
Other Expenditures	26,240	29,269	25,043	4,226
Total Board of Education	41,271	49,040	39,388	9,652
<u>School Administration</u>				
Salaries and Wages	3,706,176	3,555,998	3,537,072	18,926
Fringe Benefits	1,658,829	1,583,988	1,583,141	847
Purchased Services	124,373	215,895	118,698	97,197
Materials and Supplies	13,772	19,635	13,144	6,491
Capital Outlay	92	600	88	512
Capital Outlay - Replacement	0	1,500	0	1,500
Other Expenditures	80,213	120,385	76,553	43,832
Total Administration	5,583,455	5,498,001	5,328,696	169,305
<u>Fiscal</u>				
Salaries and Wages	644,957	626,837	615,529	11,308
Fringe Benefits	320,386	323,541	305,768	17,773
Purchased Services	37,061	43,784	35,370	8,414
Materials and Supplies	16,073	20,130	15,340	4,790
Other Expenditures	862,183	1,029,145	822,844	206,301
			0	
Total Fiscal	1,880,660	2,043,437	1,794,851	248,586
<u>Business</u>				
Salaries and Wages	203,551	194,858	194,263	595
Fringe Benefits	97,061	92,649	92,632	17
Purchased Services	26,125	29,008	24,933	4,075
Materials and Supplies	4,742	5,395	4,526	869
Other Expenditures	0	1,104	0	1,104
Total Business	331,479	323,014	316,354	6,660

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, 2010

	General Fund			Variance from Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>Operations and Maintenance</u>				
Salaries and Wages	3,378,318	3,224,885	3,224,174	711
Fringe Benefits	1,782,961	1,829,542	1,701,609	127,933
Purchased Services	5,086,825	5,137,882	4,854,726	283,156
Materials and Supplies	609,771	843,860	581,949	261,911
Capital Outlay	23,929	36,588	22,837	13,751
Total Operations and Maintenance	<u>10,881,804</u>	<u>11,072,757</u>	<u>10,385,295</u>	<u>687,462</u>
<u>Pupil Transportation</u>				
Salaries and Wages	3,761,789	3,921,689	3,590,148	331,541
Fringe Benefits	1,941,501	1,902,545	1,852,915	49,630
Purchased Services	266,078	296,717	253,938	42,779
Materials and Supplies	772,236	814,955	737,001	77,954
Capital Outlay	15,061	18,006	14,374	3,632
Capital Outlay - Replacement	213,298	203,566	203,566	0
Other Expenditures	0	106	0	106
Total Pupil Transportation	<u>6,969,963</u>	<u>7,157,584</u>	<u>6,651,942</u>	<u>505,642</u>
<u>Central</u>				
Salaries and Wages	1,670,629	1,626,020	1,594,402	31,618
Fringe Benefits	800,887	778,091	764,345	13,746
Purchased Services	324,502	421,054	309,696	111,358
Materials and Supplies	540,582	584,397	515,917	68,480
Capital Outlay	102,293	142,829	97,626	45,203
Capital Outlay - Replacement	83,182	103,379	79,387	23,992
Other Expenditures	2,258	2,232	2,155	77
Total Central	<u>3,524,333</u>	<u>3,658,002</u>	<u>3,363,528</u>	<u>294,474</u>
<u>Operation of Non-Instructional Services</u>				
Salaries and Wages	4,755	4,739	4,538	201
Fringe Benefits	2,937	3,196	2,803	393
Purchased Services	478	1,864	456	1,408
Materials and Supplies	5,364	9,115	5,119	3,996
Other Expenditures	5,097	4,864	4,864	0
Total Non- Instructional Services	<u>18,631</u>	<u>23,778</u>	<u>17,780</u>	<u>5,998</u>
<u>Extracurricular Activities</u>				
Salaries and Wages	1,205,034	1,154,121	1,150,051	4,070
Fringe Benefits	350,810	339,735	334,803	4,932
Purchased Services	218,965	212,302	208,974	3,328
Materials and Supplies	18,729	21,039	17,874	3,165
Other Expenditures	36	5,417	34	5,383
Total Extracurricular Activities	<u>1,793,574</u>	<u>1,732,614</u>	<u>1,711,736</u>	<u>20,878</u>
Total Expenditures	<u>98,634,410</u>	<u>98,346,115</u>	<u>94,133,967</u>	<u>4,212,148</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,058,745)</u>	<u>(1,943,988)</u>	<u>2,301,729</u>	<u>4,245,717</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, 2010

	General Fund			Variance from Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	162	163	163	0
Advances In	869,775	877,602	877,602	0
Advances (Out)	(852,812)	(900,000)	(813,900)	86,100
Transfers (Out)	(130,719)	(325,000)	(124,755)	200,245
Total Other Financing Sources (Uses)	(113,594)	(347,235)	(60,890)	286,345
Net Change in Fund Balance	(3,172,339)	(2,291,223)	2,240,839	4,532,062
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	43,200,911	43,200,911	43,200,911	0
Fund Balance End of Year	<u>\$40,028,572</u>	<u>\$40,909,688</u>	<u>\$45,441,750</u>	<u>\$4,532,062</u>

See accompanying notes to the required supplementary information.

Mason City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2010

Note 1 - Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2010.

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

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

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

Mason City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2010

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

	<u>General Fund</u>
GAAP Basis	(\$3,121,969)
Revenue Accruals	3,983,373
Expenditures Accruals	2,480,673
Advances In	877,602
Advances (Out)	(813,900)
Encumbrances	<u>(1,164,940)</u>
 Budget Basis	 <u><u>\$2,240,839</u></u>

THIS PAGE INTENTIONALLY LEFT BLANK

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

FUND DESCRIPTIONS

NONMAJOR GOVERNMENTAL FUNDS

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

PUBLIC SCHOOL SUPPORT: To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

COMMUNITY SERVICES: To account for monies for developing, maximizing, coordinating, enhancing and strengthening the process of community interaction and communication with the District.

DISTRICT MANAGED STUDENT ACTIVITY: To account for those student activity programs which have student participation in the activity but do not have student management in the programs. This fund includes athletic programs as well as the band, cheerleaders, flag corps and other similar types of activities.

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

MANAGEMENT INFORMATION SYSTEM: To account for state funds which are provided to assist the District in implementing a staff, student and financial system to comply with Senate Bill 140.

ENTRY YEAR PROGRAMS: To account for state funds provided for entry year programs.

ONENET NETWORK CONNECTIVITY: To account for state funds designed to provide network connections for technology in the District.

OHIO READS: To account for state funds, which are designated reading.

SUMMER INTERVENTION: To account for funds which are used for summer intervention.

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

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

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

TITLE III: Federal grant used to account for federal monies provided to support the District's ESL population.

REFUGEE IMPACT: To account for federal funds to provide supplemental services to refugees.

TITLE I: To account for federal funds for services provided to meet special educational needs of educationally deprived children.

TITLE VI: To account for federal funds to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; programs to enhance personal excellence of students and student achievement.

DRUG FREE SCHOOLS: To account for federal funds used for establishment, operation and improvement of programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

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

IMPROVING TEACHER QUALITY: To account for state funds provided for staff development programs.

CONTINUOUS IMPROVEMENT: To account for federal funds received through the state for the development of a continuous improvement plan.

FOOD SERVICE: To account for all revenues and expenses related to the provision of food services, including breakfast and lunch, for the District students and staff.

LATCHKEY: To account for all revenues and expenses related to the operation of the Latchkey Program for the District students.

EDUCATION STABILIZATION FOUNDATION: To account for monies that was part of the American Recovery and Reinvestment Act of 2009. This was intended to provide money to school districts to prevent layoffs and cutbacks, with flexibility to use the funds for school modernization and repairs.

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

CAPITAL PROJECTS FUNDS: The Capital Projects Funds is used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

CAPITAL PROJECTS: To account for all transactions related to improvements to existing District facilities.

BUILDING FUND: The building fund is used to account for receipts and expenditures related to the acquisition and construction of capital facilities including real property.

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

Mason City School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$4,509,129	\$8,968,165	\$13,477,294
Cash and Cash Equivalents with Fiscal Age	0	296,775	296,775
Receivables:			
Taxes	0	655,360	655,360
Accounts	591,467	26,335	617,802
Intergovernmental	515,947	3,450,902	3,966,849
Inventory	54,297	0	54,297
Total Assets	5,670,840	13,397,537	19,068,377
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	109,675	36,660	146,335
Accrued Wages and Benefits	965,382	0	965,382
Compensated Absences	10,752	0	10,752
Retainage Payable	0	47,411	47,411
Accrued Interest Payable	0	54,375	54,375
Interfund Payable	774,033	39,867	813,900
Deferred Revenue	590,169	4,069,727	4,659,896
General Obligation Notes Payable	0	9,000,000	9,000,000
Total Liabilities	2,450,011	13,248,040	15,698,051
Fund Balances:			
Reserved for Encumbrances	301,183	1,224,311	1,525,494
Reserved for Inventory	54,297	0	54,297
Reserved for Property Tax Advances	0	21,831	21,831
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	2,865,349	0	2,865,349
Capital Projects Funds	0	(1,096,645)	(1,096,645)
Total Fund Balances	3,220,829	149,497	3,370,326
Total Liabilities and Fund Balances	\$5,670,840	\$13,397,537	\$19,068,377

Mason City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Public School Support	Community Services	District Managed Student Activity	Auxiliary Services	Management Information System
Assets:					
Equity in Pooled Cash and Investments	\$389,211	\$1,743,207	\$280,031	\$149,971	\$19,824
Receivables:					
Accounts	3,945	585,468	1,909	0	0
Intergovernmental	0	0	0	57,993	0
Inventory	0	0	0	0	0
Total Assets	393,156	2,328,675	281,940	207,964	19,824
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	71,664	5,317	17,517	11,031	0
Accrued Wages and Benefits	0	39,047	0	8,599	0
Compensated Absences	0	0	0	0	0
Interfund Payable	534,293	0	153,592	0	0
Deferred Revenue	0	476,176	0	0	0
Total Liabilities	605,957	520,540	171,109	19,630	0
Fund Balances:					
Reserved for Encumbrances	55,345	51,924	27,201	36,824	0
Reserved for Inventory	0	0	0	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	(268,146)	1,756,211	83,630	151,510	19,824
Total Fund Balances	(212,801)	1,808,135	110,831	188,334	19,824
Total Liabilities and Fund Balances	\$393,156	\$2,328,675	\$281,940	\$207,964	\$19,824

Entry Year Programs	OneNet Network Connectivity	Ohio Reads	Summer Intervention	Gifted Supplemental	Title VI-B
\$22	\$18,237	\$2,000	\$464	\$23	\$25,291
0	0	0	0	0	0
0	0	0	0	0	293,115
0	0	0	0	0	0
<u>22</u>	<u>18,237</u>	<u>2,000</u>	<u>464</u>	<u>23</u>	<u>318,406</u>
0	0	0	0	0	0
0	0	0	0	0	438,755
0	0	0	0	0	0
0	0	0	0	0	37,444
0	0	0	0	0	100,689
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>576,888</u>
0	1,718	0	0	0	17,282
0	0	0	0	0	0
<u>22</u>	<u>16,519</u>	<u>2,000</u>	<u>464</u>	<u>23</u>	<u>(275,764)</u>
<u>22</u>	<u>18,237</u>	<u>2,000</u>	<u>464</u>	<u>23</u>	<u>(258,482)</u>
<u>\$22</u>	<u>\$18,237</u>	<u>\$2,000</u>	<u>\$464</u>	<u>\$23</u>	<u>\$318,406</u>

Continued

Mason City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Vocational Education	Title III	Refugee Impact	Title I	Title VI
Assets:					
Equity in Pooled Cash and Investments	\$20,518	\$500	\$455	\$0	\$0
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	0	6,952	0	21,048	0
Inventory	0	0	0	0	0
Total Assets	20,518	7,452	455	21,048	0
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	0	0	0	0
Accrued Wages and Benefits	0	21,084	0	29,126	0
Compensated Absences	0	0	0	0	0
Interfund Payable	0	0	0	903	0
Deferred Revenue	0	0	0	4,478	0
Total Liabilities	0	21,084	0	34,507	0
Fund Balances:					
Reserved for Encumbrances	345	0	0	0	0
Reserved for Inventory	0	0	0	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	20,173	(13,632)	455	(13,459)	0
Total Fund Balances	20,518	(13,632)	455	(13,459)	0
Total Liabilities and Fund Balances	\$20,518	\$7,452	\$455	\$21,048	\$0

Drug-Free Schools	Public School Preschool	Improving Teacher Quality	Continuous Improvement	Food Service	Latchkey
\$1,107	\$7,572	\$31,807	\$0	\$1,572,822	\$245,835
0	0	0	0	0	145
226	2,885	47,878	0	12,134	0
0	0	0	0	54,297	0
<u>1,333</u>	<u>10,457</u>	<u>79,685</u>	<u>0</u>	<u>1,639,253</u>	<u>245,980</u>
0	0	1,198	0	2,938	0
0	0	6,687	0	186,548	41,171
0	0	0	0	0	10,752
0	14,291	33,510	0	0	0
226	2,885	5,380	0	0	0
<u>226</u>	<u>17,176</u>	<u>46,775</u>	<u>0</u>	<u>189,486</u>	<u>51,923</u>
0	7,571	30,236	0	65,142	7,595
0	0	0	0	54,297	0
<u>1,107</u>	<u>(14,290)</u>	<u>2,674</u>	<u>0</u>	<u>1,330,328</u>	<u>186,462</u>
<u>1,107</u>	<u>(6,719)</u>	<u>32,910</u>	<u>0</u>	<u>1,449,767</u>	<u>194,057</u>
<u>\$1,333</u>	<u>\$10,457</u>	<u>\$79,685</u>	<u>\$0</u>	<u>\$1,639,253</u>	<u>\$245,980</u>

Continued

Mason City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Education Stabilization Foundation	Title II-D	Total Nonmajor Special Revenue Funds
Assets:			
Equity in Pooled Cash and Investments	\$2	\$230	\$4,509,129
Receivables:			
Accounts	0	0	591,467
Intergovernmental	73,381	335	515,947
Inventory	0	0	54,297
Total Assets	73,383	565	5,670,840
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	0	10	109,675
Accrued Wages and Benefits	194,365	0	965,382
Compensated Absences	0	0	10,752
Interfund Payable	0	0	774,033
Deferred Revenue	0	335	590,169
Total Liabilities	194,365	345	2,450,011
Fund Balances:			
Reserved for Encumbrances	0	0	301,183
Reserved for Inventory	0	0	54,297
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	(120,982)	220	2,865,349
Total Fund Balances	(120,982)	220	3,220,829
Total Liabilities and Fund Balances	\$73,383	\$565	\$5,670,840

Mason City School District, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2010

	Capital Projects	Building	Insurance Replacement	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$6,041,282	\$2,872,792	\$54,091	\$8,968,165
Cash and Cash Equivalents with Fiscal Agent	0	296,775	0	296,775
Receivables:				
Taxes	655,360	0	0	655,360
Accounts	0	0	26,335	26,335
Intergovernmental	3,450,902	0	0	3,450,902
Total Assets	10,147,544	3,169,567	80,426	13,397,537
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	20,243	0	16,417	36,660
Retainage Payable	0	47,411	0	47,411
Accrued Interest Payable	0	54,375	0	54,375
Interfund Payable	0	0	39,867	39,867
Deferred Revenue	4,069,727	0	0	4,069,727
General Obligation Notes Payable	0	9,000,000	0	9,000,000
Total Liabilities	4,089,970	9,101,786	56,284	13,248,040
Fund Balances:				
Reserved for Encumbrances	991,175	209,214	23,922	1,224,311
Reserved for Property Tax Advances	21,831	0	0	21,831
Unreserved, Undesignated, Reported in: Capital Projects Funds	5,044,568	(6,141,433)	220	(1,096,645)
Total Fund Balances	6,057,574	(5,932,219)	24,142	149,497
Total Liabilities and Fund Balances	\$10,147,544	\$3,169,567	\$80,426	\$13,397,537

THIS PAGE INTENTIONALLY LEFT BLANK

Mason City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$0	\$556,740	\$556,740
Revenue in Lieu of Taxes	0	3,246,149	3,246,149
Tuition and Fees	553,417	0	553,417
Investment Earnings	2,324	58,053	60,377
Intergovernmental	6,757,233	134,479	6,891,712
Extracurricular Activities	1,329,655	0	1,329,655
Charges for Services	4,996,150	0	4,996,150
Other Revenues	281,427	165,085	446,512
Total Revenues	13,920,206	4,160,506	18,080,712
Expenditures:			
Current:			
Instruction:			
Regular	593,230	40,396	633,626
Special	2,943,368	2,940	2,946,308
Vocational	8,082	0	8,082
Other	24,545	0	24,545
Support Services:			
Pupil	1,121,020	12,167	1,133,187
Instructional Staff	1,486,017	0	1,486,017
School Administration	258,136	690	258,826
Fiscal	0	14,506	14,506
Business	106,982	0	106,982
Operations and Maintenance	1,065,352	611,614	1,676,966
Pupil Transportation	9,470	1,111,711	1,121,181
Central	4,277	1,031,266	1,035,543
Operation of Non-Instructional Services	5,651,443	0	5,651,443
Extracurricular Activities	953,878	0	953,878
Capital Outlay	0	4,257,718	4,257,718
Debt Service:			
Principal Retirement	24,000	0	24,000
Interest and Fiscal Charges	228,659	146,361	375,020
Total Expenditures	14,478,459	7,229,369	21,707,828
Excess of Revenues Over (Under) Expenditures	(558,253)	(3,068,863)	(3,627,116)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	377,941	377,941
Transfers In	124,755	9,388,750	9,513,505
Transfers (Out)	0	(9,000,000)	(9,000,000)
Total Other Financing Sources (Uses)	124,755	766,691	891,446
Net Change in Fund Balance	(433,498)	(2,302,172)	(2,735,670)
Fund Balance Beginning of Year	3,654,327	2,451,669	6,105,996
Fund Balance End of Year	\$3,220,829	\$149,497	\$3,370,326

Mason City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2010

	Public School Support	Community Services	District Managed Student Activity	Auxiliary Services	Management Information System
Revenues:					
Tuition and Fees	\$406,416	\$82,310	\$64,691	\$0	\$0
Investment Earnings	0	1,080	127	55	0
Intergovernmental	0	0	0	666,981	19,749
Extracurricular Activities	550,437	25,119	754,099	0	0
Charges for Services	0	758,071	0	0	0
Other Revenues	45,815	151,883	80,334	0	0
Total Revenues	1,002,668	1,018,463	899,251	667,036	19,749
Expenditures:					
Current:					
Instruction:					
Regular	472,760	75,903	90	0	0
Special	574,490	0	0	0	0
Vocational	0	0	0	0	0
Other	0	0	0	0	0
Support Services:					
Pupil	0	6,110	0	0	0
Instructional Staff	553	9,510	0	0	0
School Administration	0	0	0	0	0
Business	0	106,982	0	0	0
Operations and Maintenance	0	1,063,386	0	0	0
Pupil Transportation	1,121	8,349	0	0	0
Central	4,277	0	0	0	0
Operation of Non-Instructional Services	40,710	33,715	0	545,523	0
Extracurricular Activities	27,871	31,654	894,353	0	0
Debt Service:					
Principal Retirement	0	24,000	0	0	0
Interest and Fiscal Charges	0	228,659	0	0	0
Total Expenditures	1,121,782	1,588,268	894,443	545,523	0
Excess of Revenues Over (Under) Expenditures	(119,114)	(569,805)	4,808	121,513	19,749
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	(119,114)	(569,805)	4,808	121,513	19,749
Fund Balance Beginning of Year	(93,687)	2,377,940	106,023	66,821	75
Fund Balance End of Year	(\$212,801)	\$1,808,135	\$110,831	\$188,334	\$19,824

Entry Year Programs	OneNet Network Connectivity	Ohio Reads	Summer Intervention	Gifted Supplemental	Title VI-B
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	13,718	0	0	54,968	2,810,424
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	13,718	0	0	54,968	2,810,424
0	0	0	0	0	0
0	0	0	0	0	2,208,657
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	432,635
0	0	0	0	0	149,135
0	0	0	0	0	1,700
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	10,273
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	2,802,400
0	13,718	0	0	54,968	8,024
0	0	0	0	0	0
0	0	0	0	0	0
0	13,718	0	0	54,968	8,024
22	4,519	2,000	464	(54,945)	(266,506)
\$22	\$18,237	\$2,000	\$464	\$23	(\$258,482)

Continued

Mason City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2010

	Vocational Education	Title III	Refugee Impact	Title I	Title VI
Revenues:					
Tuition and Fees	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0	0
Intergovernmental	14,933	77,525	0	151,284	0
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	0
Other Revenues	0	0	0	0	0
Total Revenues	14,933	77,525	0	151,284	0
Expenditures:					
Current:					
Instruction:					
Regular	0	0	0	0	0
Special	0	27,441	0	116,819	0
Vocational	8,082	0	0	0	0
Other	0	0	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	0	48,422	0	0	0
School Administration	0	900	0	6,822	0
Business	0	0	0	0	0
Operations and Maintenance	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	496
Extracurricular Activities	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	8,082	76,763	0	123,641	496
Excess of Revenues Over (Under) Expenditures	6,851	762	0	27,643	(496)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	6,851	762	0	27,643	(496)
Fund Balance Beginning of Year	13,667	(14,394)	455	(41,102)	496
Fund Balance End of Year	\$20,518	(\$13,632)	\$455	(\$13,459)	\$0

Drug-Free Schools	Public School Preschool	Improving Teacher Quality	Continuous Improvement	Food Service	Latchkey
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	939	123
19,924	50,814	123,933	1,125	826,309	0
0	0	0	0	0	0
0	0	0	0	3,609,383	628,696
0	0	0	0	0	3,395
19,924	50,814	123,933	1,125	4,436,631	632,214
0	0	33,952	0	0	10,525
0	15,705	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
17,718	7,914	0	0	63,291	0
0	33,914	58,464	0	0	0
388	0	6,200	0	0	0
0	0	0	0	0	0
0	0	0	1,966	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,277	0	2,045	10	4,394,546	622,838
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
19,383	57,533	100,661	1,976	4,457,837	633,363
541	(6,719)	23,272	(851)	(21,206)	(1,149)
0	0	0	0	0	124,755
0	0	0	0	0	124,755
541	(6,719)	23,272	(851)	(21,206)	123,606
566	0	9,638	851	1,470,973	70,451
\$1,107	(\$6,719)	\$32,910	\$0	\$1,449,767	\$194,057

Continued

Mason City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2010

	Education Stabilization Foundation	Title II-D	Total Nonmajor Special Revenue Funds
Revenues:			
Tuition and Fees	\$0	\$0	\$553,417
Investment Earnings	0	0	2,324
Intergovernmental	1,922,972	2,574	6,757,233
Extracurricular Activities	0	0	1,329,655
Charges for Services	0	0	4,996,150
Other Revenues	0	0	281,427
Total Revenues	1,922,972	2,574	13,920,206
Expenditures:			
Current:			
Instruction:			
Regular	0	0	593,230
Special	256	0	2,943,368
Vocational	0	0	8,082
Other	24,545	0	24,545
Support Services:			
Pupil	593,352	0	1,121,020
Instructional Staff	1,183,736	2,283	1,486,017
School Administration	242,065	61	258,136
Business	0	0	106,982
Operations and Maintenance	0	0	1,065,352
Pupil Transportation	0	0	9,470
Central	0	0	4,277
Operation of Non-Instructional Services	0	10	5,651,443
Extracurricular Activities	0	0	953,878
Debt Service:			
Principal Retirement	0	0	24,000
Interest and Fiscal Charges	0	0	228,659
Total Expenditures	2,043,954	2,354	14,478,459
Excess of Revenues Over (Under) Expenditures	(120,982)	220	(558,253)
Other Financing Sources (Uses):			
Transfers In	0	0	124,755
Total Other Financing Sources (Uses)	0	0	124,755
Net Change in Fund Balance	(120,982)	220	(433,498)
Fund Balance Beginning of Year	0	0	3,654,327
Fund Balance End of Year	(\$120,982)	\$220	\$3,220,829

Mason City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2010

	Capital Projects	Building	Insurance Replacement	Total Nonmajor Capital Projects Funds
Revenues:				
Taxes	\$556,740	\$0	\$0	\$556,740
Revenue in Lieu of Taxes	3,246,149	0	0	3,246,149
Investment Earnings	2,703	55,350	0	58,053
Intergovernmental	134,479	0	0	134,479
Other Revenues	165,085	0	0	165,085
Total Revenues	4,105,156	55,350	0	4,160,506
Expenditures:				
Current:				
Instruction:				
Regular	40,396	0	0	40,396
Special	2,940	0	0	2,940
Support Services:				
Pupil	12,167	0	0	12,167
School Administration	690	0	0	690
Fiscal	14,506	0	0	14,506
Operations and Maintenance	574,392	37,222	0	611,614
Pupil Transportation	1,111,711	0	0	1,111,711
Central	1,031,266	0	0	1,031,266
Capital Outlay	420,435	3,611,092	226,191	4,257,718
Debt Service:				
Interest and Fiscal Charges	0	146,361	0	146,361
Total Expenditures	3,208,503	3,794,675	226,191	7,229,369
Excess of Revenues Over (Under) Expenditures	896,653	(3,739,325)	(226,191)	(3,068,863)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	377,941	377,941
Transfers In	0	9,388,750	0	9,388,750
Transfers (Out)	0	(9,000,000)	0	(9,000,000)
Total Other Financing Sources (Uses)	0	388,750	377,941	766,691
Net Change in Fund Balance	896,653	(3,350,575)	151,750	(2,302,172)
Fund Balance Beginning of Year	5,160,921	(2,581,644)	(127,608)	2,451,669
Fund Balance End of Year	\$6,057,574	(\$5,932,219)	\$24,142	\$149,497

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, 2010

	Public School Support Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Tuition and Fees	\$406,416	\$406,416	\$0
Extracurricular Activities	538,396	551,037	12,641
Other Revenues	36,941	42,016	5,075
Total Revenues	981,753	999,469	17,716
Expenditures:			
Current:			
Instruction:			
Regular	670,247	510,445	159,802
Special	604,210	596,364	7,846
Support Services:			
Instructional Staff	1,571	554	1,017
Operations and Maintenance	125	0	125
Pupil Transportation	1,585	1,500	85
Central	6,791	4,277	2,514
Operation of Non-Instructional Services	52,302	44,844	7,458
Extracurricular Activities	59,041	38,692	20,349
Total Expenditures	1,395,872	1,196,676	199,196
Excess of Revenues Over (Under) Expenditures	(414,119)	(197,207)	216,912
Other Financing Sources (Uses):			
Advances In	534,293	534,293	0
Advances (Out)	(489,949)	(489,949)	0
Total Other Financing Sources (Uses)	44,344	44,344	0
Net Change in Fund Balance	(369,775)	(152,863)	216,912
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	415,065	415,065	0
Fund Balance End of Year	\$45,290	\$262,202	\$216,912

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, 2010

	Community Services Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Tuition and Fees	\$76,250	\$82,310	\$6,060
Investment Earnings	1,034	1,080	46
Extracurricular Activities	25,119	25,119	0
Charges for Services	178,353	187,091	8,738
Other Revenues	627,136	669,493	42,357
Total Revenues	907,892	965,093	57,201
Expenditures:			
Current:			
Instruction:			
Regular	223,686	121,918	101,768
Special	86	0	86
Support Services:			
Pupil	14,699	6,160	8,539
Instructional Staff	32,360	9,289	23,071
Business	118,050	108,432	9,618
Operations and Maintenance	1,418,642	1,122,921	295,721
Pupil Transportation	8,349	8,349	0
Operation of Non-Instructional Services	123,717	41,314	82,403
Extracurricular Activities	34,000	34,477	(477)
Debt Service:			
Interest and Fiscal Charges	274,298	252,659	21,639
Total Expenditures	2,247,887	1,705,519	542,368
Excess of Revenues Over (Under) Expenditures	(1,339,995)	(740,426)	599,569
Other Financing Sources (Uses):			
Advances In	20,730	0	(20,730)
Advances (Out)	(27,955)	(27,955)	0
Transfers In	992	992	0
Transfers (Out)	(992)	(992)	0
Total Other Financing Sources (Uses)	(7,225)	(27,955)	(20,730)
Net Change in Fund Balance	(1,347,220)	(768,381)	578,839
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,454,347	2,454,347	0
Fund Balance End of Year	\$1,107,127	\$1,685,966	\$578,839

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, 2010

	District Managed Student Activity Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Tuition and Fees	\$64,446	\$64,871	\$425
Investment Earnings	115	127	12
Extracurricular Activities	745,361	752,499	7,138
Other Revenues	80,044	80,075	31
Total Revenues	889,966	897,572	7,606
Expenditures:			
Current:			
Instruction:			
Regular	90	90	0
Extracurricular Activities	1,133,742	943,072	190,670
Total Expenditures	1,133,832	943,162	190,670
Excess of Revenues Over (Under) Expenditures	(243,866)	(45,590)	198,276
Other Financing Sources (Uses):			
Advances In	153,592	153,592	0
Advances (Out)	(112,672)	(112,672)	0
Total Other Financing Sources (Uses)	40,920	40,920	0
Net Change in Fund Balance	(202,946)	(4,670)	198,276
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	241,862	241,862	0
Fund Balance End of Year	\$38,916	\$237,192	\$198,276

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, 2010

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$48	\$55	\$7
Intergovernmental	609,088	609,088	0
Total Revenues	<u>609,136</u>	<u>609,143</u>	<u>7</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	723,480	618,582	104,898
Total Expenditures	<u>723,480</u>	<u>618,582</u>	<u>104,898</u>
Net Change in Fund Balance	(114,344)	(9,439)	104,905
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>114,421</u>	<u>114,421</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$77</u></u>	<u><u>\$104,982</u></u>	<u><u>\$104,905</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, 2010

	Management Information System Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$19,749	\$19,749	\$0
Total Revenues	19,749	19,749	0
Expenditures:			
Current:			
Support Services:			
Central	19,824	0	19,824
Total Expenditures	19,824	0	19,824
Net Change in Fund Balance	(75)	19,749	19,824
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	75	75	0
Fund Balance End of Year	\$0	\$19,824	\$19,824

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, 2010

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

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, 2010

	OneNet Network Connectivity Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$13,718	\$13,718	\$0
Total Revenues	13,718	13,718	0
Expenditures:			
Current:			
Support Services:			
Central	12,237	1,718	10,519
Total Expenditures	12,237	1,718	10,519
Net Change in Fund Balance	1,481	12,000	10,519
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,519	4,519	0
Fund Balance End of Year	\$6,000	\$16,519	\$10,519

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, 2010

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

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

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

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, 2010

	Gifted Supplemental Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$52,726	\$52,726	\$0
Total Revenues	52,726	52,726	0
Expenditures:			
Current:			
Instruction:			
Special	22	0	22
Support Services:			
Pupil	7,780	7,779	1
Total Expenditures	7,802	7,779	23
Excess of Revenues Over (Under) Expenditures	44,924	44,947	23
Other Financing Sources (Uses):			
Advances (Out)	(44,946)	(44,946)	0
Total Other Financing Sources (Uses)	(44,946)	(44,946)	0
Net Change in Fund Balance	(22)	1	23
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	22	22	0
Fund Balance End of Year	\$0	\$23	\$23

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, 2010

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$2,617,998	\$2,617,998	\$0
Total Revenues	2,617,998	2,617,998	0
Expenditures:			
Current:			
Instruction:			
Special	2,026,616	2,026,609	7
Support Services:			
Pupil	439,411	439,411	0
Instructional Staff	142,881	142,719	162
School Administration	1,700	1,700	0
Operation of Non-Instructional Services	19,545	11,706	7,839
Total Expenditures	2,630,153	2,622,145	8,008
Excess of Revenues Over (Under) Expenditures	(12,155)	(4,147)	8,008
Other Financing Sources (Uses):			
Advances In	37,444	37,444	0
Advances (Out)	(27,916)	(27,916)	0
Total Other Financing Sources (Uses)	9,528	9,528	0
Net Change in Fund Balance	(2,627)	5,381	8,008
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,628	2,628	0
Fund Balance End of Year	\$1	\$8,009	\$8,008

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, 2010

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$14,933	\$14,933	\$0
Total Revenues	14,933	14,933	0
Expenditures:			
Current:			
Instruction:			
Vocational	28,600	8,427	20,173
Total Expenditures	28,600	8,427	20,173
Net Change in Fund Balance	(13,667)	6,506	20,173
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,667	13,667	0
Fund Balance End of Year	\$0	\$20,173	\$20,173

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, 2010

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$70,573	\$70,573	\$0
Total Revenues	70,573	70,573	0
Expenditures:			
Current:			
Instruction:			
Special	24,848	24,848	0
Support Services:			
Instructional Staff	44,920	44,420	500
School Administration	900	900	0
Total Expenditures	70,668	70,168	500
Net Change in Fund Balance	(95)	405	500
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	95	95	0
Fund Balance End of Year	\$0	\$500	\$500

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, 2010

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

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Title I Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$134,714	\$134,714	\$0
Total Revenues	134,714	134,714	0
Expenditures:			
Current:			
Instruction:			
Special	128,795	128,795	0
Support Services:			
School Administration	6,822	6,822	0
Total Expenditures	135,617	135,617	0
Excess of Revenues Over (Under) Expenditures	(903)	(903)	0
Other Financing Sources (Uses):			
Advances In	903	903	0
Total Other Financing Sources (Uses)	903	903	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Title VI Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	496	496	0
Total Expenditures	496	496	0
Net Change in Fund Balance	(496)	(496)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	496	496	0
Fund Balance End of Year	\$0	\$0	\$0

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Drug-Free Schools Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$19,924	\$19,924	\$0
Total Revenues	19,924	19,924	0
Expenditures:			
Current:			
Support Services:			
Pupil	18,971	18,154	817
School Administration	388	388	0
Operation of Non-Instructional Services	1,567	1,277	290
Total Expenditures	20,926	19,819	1,107
Net Change in Fund Balance	(1,002)	105	1,107
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,002	1,002	0
Fund Balance End of Year	\$0	\$1,107	\$1,107

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, 2010

	Public School Preschool Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$50,814	\$50,814	\$0
Total Revenues	50,814	50,814	0
Expenditures:			
Current:			
Instruction:			
Special	15,747	15,747	0
Support Services:			
Pupil	15,444	15,444	0
Instructional Staff	33,914	33,914	0
Total Expenditures	65,105	65,105	0
Excess of Revenues Over (Under) Expenditures	(14,291)	(14,291)	0
Other Financing Sources (Uses):			
Advances In	14,291	14,291	0
Total Other Financing Sources (Uses)	14,291	14,291	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$81,435	\$81,435	\$0
Total Revenues	81,435	81,435	0
Expenditures:			
Current:			
Instruction:			
Regular	27,265	27,265	0
Support Services:			
Instructional Staff	101,047	100,674	373
School Administration	6,200	6,200	0
Operation of Non-Instructional Services	1,771	1,771	0
Total Expenditures	136,283	135,910	373
Excess of Revenues Over (Under) Expenditures	(54,848)	(54,475)	373
Other Financing Sources (Uses):			
Advances In	33,510	33,510	0
Total Other Financing Sources (Uses)	33,510	33,510	0
Net Change in Fund Balance	(21,338)	(20,965)	373
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	21,338	21,338	0
Fund Balance End of Year	\$0	\$373	\$373

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, 2010

	Continuous Improvement Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$1,125	\$1,125	\$0
Total Revenues	1,125	1,125	0
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	1,966	1,966	0
Operation of Non-Instructional Services	10	10	0
Total Expenditures	1,976	1,976	0
Net Change in Fund Balance	(851)	(851)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	851	851	0
Fund Balance End of Year	\$0	\$0	\$0

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$865	\$939	\$74
Intergovernmental	364,371	412,273	47,902
Charges for Services	3,607,248	3,609,575	2,327
Total Revenues	<u>3,972,484</u>	<u>4,022,787</u>	<u>50,303</u>
Expenditures:			
Current:			
Support Services:			
Pupil	64,382	63,291	1,091
Operation of Non-Instructional Services	4,630,797	4,151,112	479,685
Total Expenditures	<u>4,695,179</u>	<u>4,214,403</u>	<u>480,776</u>
Net Change in Fund Balance	(722,695)	(191,616)	531,079
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,696,358</u>	<u>1,696,358</u>	<u>0</u>
Fund Balance End of Year	<u>\$973,663</u>	<u>\$1,504,742</u>	<u>\$531,079</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, 2010

	Latchkey Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Investment Earnings	\$111	\$123	\$12
Charges for Services	626,162	628,696	2,534
Other Revenues	3,325	3,325	0
Total Revenues	629,598	632,144	2,546
Expenditures:			
Current:			
Instruction:			
Regular	10,579	10,525	54
Operation of Non-Instructional Services	695,034	649,023	46,011
Total Expenditures	705,613	659,548	46,065
Excess of Revenues Over (Under) Expenditures	(76,015)	(27,404)	48,611
Other Financing Sources (Uses):			
Advances (Out)	(51,894)	(51,894)	0
Transfers In	124,755	124,755	0
Total Other Financing Sources (Uses)	72,861	72,861	0
Net Change in Fund Balance	(3,154)	45,457	48,611
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	192,783	192,783	0
Fund Balance End of Year	\$189,629	\$238,240	\$48,611

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, 2010

	Education Stabilization Foundation Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$1,849,591	\$1,849,591	\$0
Total Revenues	1,849,591	1,849,591	0
Expenditures:			
Current:			
Instruction:			
Special	256	256	0
Other	24,545	24,545	0
Support Services:			
Pupil	593,352	593,352	0
Instructional Staff	989,371	989,371	0
School Administration	242,065	242,065	0
Total Expenditures	1,849,589	1,849,589	0
Net Change in Fund Balance	2	2	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$2	\$2	\$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, 2010

	Title II-D Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$2,574	\$2,574	\$0
Total Revenues	2,574	2,574	0
Expenditures:			
Current:			
Instruction:			
Regular	165	0	165
Support Services:			
Instructional Staff	2,284	2,283	1
School Administration	61	61	0
Operation of Non-Instructional Services	64	10	54
Total Expenditures	2,574	2,354	220
Net Change in Fund Balance	0	220	220
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$220	\$220

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, 2010

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Taxes	\$11,772,773	\$11,772,773	\$0
Investment Earnings	5,797	6,207	410
Intergovernmental	2,168,624	2,168,624	0
Total Revenues	<u>13,947,194</u>	<u>13,947,604</u>	<u>410</u>
Expenditures:			
Current:			
Support Services:			
School Administration	17,500	13,732	3,768
Fiscal	198,000	146,232	51,768
Debt Service:			
Principal Retirement	16,175,000	16,175,000	0
Interest and Fiscal Charges	6,709,689	6,709,304	385
Total Expenditures	<u>23,100,189</u>	<u>23,044,268</u>	<u>55,921</u>
Excess of Revenues Over (Under) Expenditures	<u>(9,152,995)</u>	<u>(9,096,664)</u>	<u>56,331</u>
Other Financing Sources (Uses):			
Issuance of Tax Anticipation Notes	9,000,000	9,000,000	0
Total Other Financing Sources (Uses)	<u>9,000,000</u>	<u>9,000,000</u>	<u>0</u>
Net Change in Fund Balance	(152,995)	(96,664)	56,331
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>8,888,165</u>	<u>8,888,165</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$8,735,170</u></u>	<u><u>\$8,791,501</u></u>	<u><u>\$56,331</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, 2010

	Capital Projects Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Taxes	\$591,389	\$591,389	\$0
Investment Earnings	2,424	2,703	279
Intergovernmental	134,479	134,479	0
Other Revenues	1,999,604	3,401,865	1,402,261
Total Revenues	2,727,896	4,130,436	1,402,540
Expenditures:			
Current:			
Instruction:			
Regular	40,515	40,515	0
Special	2,940	2,940	0
Support Services:			
Pupil	12,167	12,167	0
School Administration	690	690	0
Fiscal	14,506	14,506	0
Operations and Maintenance	964,708	672,446	292,262
Pupil Transportation	1,406,461	1,111,711	294,750
Central	1,437,707	1,437,707	0
Capital Outlay	1,534,683	950,482	584,201
Total Expenditures	5,414,377	4,243,164	1,171,213
Excess of Revenues Over (Under) Expenditures	(2,686,481)	(112,728)	2,573,753
Other Financing Sources (Uses):			
Transfers In	811,533	811,533	0
Transfers (Out)	(811,533)	(811,533)	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balance	(2,686,481)	(112,728)	2,573,753
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,150,463	5,150,463	0
Fund Balance End of Year	\$2,463,982	\$5,037,735	\$2,573,753

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, 2010

	Building Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$42,156	\$41,710	(\$446)
Total Revenues	42,156	41,710	(446)
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	37,222	37,222	0
Capital Outlay	7,382,785	4,770,068	2,612,717
Debt Service:			
Interest and Fiscal Charges	9,121	9,121	0
Total Expenditures	7,429,128	4,816,411	2,612,717
Net Change in Fund Balance	(7,386,972)	(4,774,701)	2,612,271
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	7,685,893	7,685,893	0
Fund Balance End of Year	\$298,921	\$2,911,192	\$2,612,271

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, 2010

	Insurance Replacement Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	388,018	374,265	13,753
Total Expenditures	388,018	374,265	13,753
Excess of Revenues Over (Under) Expenditures	(388,018)	(374,265)	13,753
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	351,606	351,606	0
Advances In	39,867	39,867	0
Advances (Out)	(122,270)	(122,270)	0
Total Other Financing Sources (Uses)	269,203	269,203	0
Net Change in Fund Balance	(118,815)	(105,062)	13,753
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	118,815	118,815	0
Fund Balance End of Year	\$0	\$13,753	\$13,753

THIS PAGE INTENTIONALLY LEFT BLANK

FUND DESCRIPTIONS

NONMAJOR FUNDS

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

EDUCATION PRIVATE PURPOSE TRUST: To account for donations received by the District in a trustee capacity. Used for scholarships.

AGENCY FUND - STUDENT ACTIVITY: To account for the resources that belong to the various student groups in the District. The funds account for sales and other revenue generating activities by student activity programs, which have students involved in the management of the program.

AGENCY FUND - SECTION 125 INSURANCE: To account for monies voluntarily withheld from employees on a pre-tax basis to reimburse employees for medical and dental expenses not covered by group insurance.

Mason City School District, Ohio
Combining Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2010

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$338,080	\$719,375	\$694,423	\$363,032
Receivables:				
Accounts	839	0	839	0
Total Assets	<u>338,919</u>	<u>719,375</u>	<u>695,262</u>	<u>363,032</u>
Liabilities:				
Accounts Payable	4,974	8,516	4,974	8,516
Other Liabilities	333,945	710,859	690,288	354,516
Total Liabilities	<u>\$338,919</u>	<u>\$719,375</u>	<u>\$695,262</u>	<u>\$363,032</u>

	Section 125 Insurance			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$77,576	\$172,091	\$203,044	\$46,623
Total Assets	<u>77,576</u>	<u>172,091</u>	<u>203,044</u>	<u>46,623</u>
Liabilities:				
Other Liabilities	77,576	172,091	203,044	46,623
Total Liabilities	<u>\$77,576</u>	<u>\$172,091</u>	<u>\$203,044</u>	<u>\$46,623</u>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$415,656	\$891,466	\$897,467	\$409,655
Receivables:				
Accounts	839	0	839	0
Total Assets	<u>416,495</u>	<u>891,466</u>	<u>898,306</u>	<u>409,655</u>
Liabilities:				
Accounts Payable	4,974	8,516	4,974	8,516
Other Liabilities	411,521	882,950	893,332	401,139
Total Liabilities	<u>\$416,495</u>	<u>\$891,466</u>	<u>\$898,306</u>	<u>\$409,655</u>

A large, stylized, three-dimensional letter 'M' is centered on the page. The letter is rendered in a dark gray color with a stippled or textured effect, giving it a sense of depth. The text 'Statistical Section' is overlaid on the central part of the 'M'.

**Statistical
Section**

This page intentionally left blank.

Statistical Section

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Economic and Demographic Information

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

Operating Information

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

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

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$8,832,373	\$12,537,357	\$18,655,396	\$19,761,272	\$28,790,298
Restricted	18,181,961	18,486,365	20,469,256	25,165,469	22,124,030
Unrestricted	17,303,412	30,461,781	36,715,473	42,474,167	39,041,011
Total Net Assets	<u>\$44,317,746</u>	<u>\$61,485,503</u>	<u>\$75,840,125</u>	<u>\$87,400,908</u>	<u>\$89,955,339</u>

Source: District Records

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

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Expenses					
Governmental Activities:					
Instruction	\$43,643,552	\$47,562,678	\$53,120,606	\$55,303,869	\$59,693,695
Pupil	5,240,623	5,170,132	5,914,562	6,475,271	6,467,313
Instructional Staff	6,455,313	6,321,764	6,692,737	7,131,304	7,349,240
General Administration	96,342	83,619	85,525	38,910	46,528
School Administration	5,016,431	5,134,189	5,412,530	5,522,215	5,623,539
Fiscal	1,882,749	2,018,476	2,053,489	2,124,953	1,952,877
Business	345,429	301,922	438,869	400,907	418,485
Operation and Maintenance	11,819,228	14,141,628	13,072,818	14,272,035	13,318,720
Pupil Transportation	7,083,596	7,209,800	7,734,614	7,076,294	7,895,529
Central	3,518,288	3,759,249	4,569,098	4,224,174	4,357,847
Operation of Non-instructional Services	4,645,785	5,505,957	5,553,265	6,074,836	5,759,571
Extracurricular Activities	2,107,599	2,170,808	2,312,308	2,881,756	2,408,819
Interest and Fiscal Charges	6,980,128	6,049,096	7,011,371	7,133,219	6,725,808
Total Government Expenses	98,835,063	105,429,318	113,971,792	118,659,743	122,017,971
Program Revenues					
Governmental Activities:					
Charges for Services					
Instruction	1,141,570	1,457,026	1,878,034	1,951,159	1,930,782
Pupil	149	928	6,245	60,584	58,884
Instructional Staff	292	538	4,183	4,105	6,067
General Administration	1,264	75	0	0	0
School Administration	705	0	0	0	0
Business	5,307	6,681	83,436	93,756	66,345
Operations and Maintenance	1,281,079	1,194,715	1,104,070	1,125,267	1,792,142
Pupil Transportation	1,597	2,984	46,014	16,471	6,291
Central	0	377	1,002	761	3,826
Operation of Non-Instructional Services	2,960,034	3,859,467	4,186,135	4,268,276	4,230,020
Extracurricular Activities	615,389	656,776	722,377	934,769	864,221
Operating Grants and Contributions	3,204,017	5,416,262	5,812,292	5,537,453	7,748,872
Capital Grants and Contributions	51,235	158,292	61,192	124,305	0
Total Government Revenues	9,262,638	12,754,121	13,904,980	14,116,906	16,707,450
Net (Expense)/Revenue					
Total Government Net Expense	(\$89,572,425)	(\$92,675,197)	(\$100,066,812)	(\$104,542,837)	(\$105,310,521)

Source: District Records

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

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Net (Expense)/Revenue					
Total Government Net Expense	(\$89,572,425)	(\$92,675,197)	(\$100,066,812)	(\$104,542,837)	(\$105,310,521)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes					
Property Taxes Levied for General Purposes	47,623,796	56,849,004	59,678,421	62,105,251	45,848,200
Property Taxes Levied for Debt Service Purposes	11,408,572	12,919,464	13,348,993	13,272,994	11,152,734
Property Taxes Levied for Capital Projects	536,353	578,593	706,642	630,681	560,240
Grants and Entitlements not Restricted to Specific Programs	33,333,355	33,634,902	34,292,967	34,790,728	44,953,615
Payment in Lieu of Taxes	2,402,107	2,508,735	2,328,775	2,945,631	3,246,149
Unrestricted Contributions	60,000	81,274	0	0	0
Investment Earnings	2,282,902	2,741,989	3,718,075	1,955,147	546,300
Gain on Sale of Capital Assets	2,226,474	212,123	72,056	106,833	0
Other Revenues	1,780,703	316,870	275,505	296,355	1,557,714
Total primary government	101,654,262	109,842,954	114,421,434	116,103,620	107,864,952
Change in Net Assets					
Total primary government	\$12,081,837	\$17,167,757	\$14,354,622	\$11,560,783	\$2,554,431

Source: District Records

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

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$3,312,777	\$3,624,112	\$5,029,376	\$1,350,525	\$2,051,968	\$2,734,393	\$2,692,180	\$3,207,706	\$5,474,753	\$2,915,141
Unreserved	5,203,832	8,316,487	9,520,847	9,610,324	11,684,736	16,689,386	28,765,463	34,459,374	39,626,965	39,064,608
Total General Fund	8,516,609	11,940,599	14,550,223	10,960,849	13,736,704	19,443,779	31,457,643	37,667,080	45,101,718	41,979,749
All Other Governmental Funds										
Reserved	44,741,035	14,347,567	2,840,486	3,964,348	27,732,286	7,938,306	4,546,107	23,982,418	6,544,608	2,036,230
Unreserved, Reported in:										
Special Revenue Funds	314,204	366,227	1,690,293	2,671,887	2,621,230	3,067,590	3,065,602	3,377,932	3,322,528	2,865,349
Debt Service Funds	76,797,395	3,439,015	4,138,379	5,537,284	5,499,453	5,989,954	6,628,582	8,570,237	8,888,165	8,791,501
Capital Project Funds	4,729,007	(2,368,985)	(4,641,774)	28,621,609	288,265	1,460,524	949,692	(1,841,343)	(2,636,690)	(1,096,645)
Total	\$126,581,641	\$15,783,824	\$4,027,384	\$40,795,128	\$36,141,234	\$18,456,374	\$15,189,983	\$34,089,244	\$16,118,611	\$12,596,435

Source: District Records

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Taxes	\$28,319,067	\$36,486,582	\$46,418,347	\$42,426,616	\$51,170,425	\$58,668,824	\$65,126,501	\$66,161,138	\$68,613,408	\$57,194,629
Revenue in Lieu of Taxes	221,385	705,150	645,754	1,197,880	2,802,551	2,462,107	2,150,536	2,688,343	3,025,536	3,246,149
Tuition and Fees	450,375	440,925	546,664	470,613	706,679	862,322	1,019,509	1,465,590	1,523,740	1,509,382
Investment Earnings	2,347,998	1,802,328	524,448	460,050	1,268,520	2,282,903	2,741,989	3,718,075	1,955,148	406,189
Intergovernmental	18,588,027	23,988,531	25,187,926	30,572,312	34,303,286	37,324,432	43,458,744	46,998,659	49,582,625	52,871,835
Extracurricular Activities	533,441	509,670	541,095	809,739	1,003,782	1,009,189	1,118,356	1,209,310	1,358,760	1,329,655
Charges for Services	74,779	568,190	1,426,402	3,112,721	3,322,430	4,709,748	4,943,610	5,444,011	5,583,324	5,643,348
Other Revenues	382,841	269,092	442,497	1,064,266	801,351	1,228,441	930,211	590,877	405,443	1,589,710
Total Revenues	\$50,917,913	\$64,770,468	\$75,733,133	\$80,114,197	\$95,379,024	\$108,547,966	\$121,489,456	\$128,276,003	\$132,047,984	\$123,790,897

Source: District Records

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

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction	\$22,269,328	\$25,708,714	\$29,901,082	\$35,752,050	\$37,338,247	\$42,354,099	\$46,602,549	\$52,771,742	\$54,468,808	\$59,143,129
Pupil	2,343,013	2,850,382	3,704,090	3,886,250	4,147,389	5,210,686	5,108,372	5,887,042	6,463,212	6,444,095
Instructional Staff	3,216,773	3,918,314	5,152,696	5,634,872	5,994,854	6,347,333	6,224,230	6,611,946	7,120,586	7,355,141
General Administration	46,824	58,415	72,318	58,484	98,266	95,124	83,619	85,525	38,910	46,528
School Administration	2,695,491	3,647,493	4,542,798	4,389,162	4,481,342	4,900,814	5,100,493	5,374,528	5,474,364	5,568,335
Fiscal	1,022,459	1,166,220	1,349,296	1,542,305	1,684,906	1,841,158	1,999,081	2,120,418	2,103,592	1,943,552
Business	177,658	122,103	282,150	223,220	302,768	315,862	324,550	438,801	396,948	411,529
Operation and Maintenance	4,384,078	4,907,212	8,900,007	8,686,778	9,564,467	10,189,943	11,695,982	11,984,656	12,464,888	11,557,719
Pupil Transportation	3,220,706	4,017,016	4,345,139	4,186,035	6,246,443	6,472,242	6,471,731	7,629,347	6,434,424	7,611,602
Central	1,750,738	4,759,057	3,249,443	2,353,829	2,697,180	3,343,900	3,460,243	4,622,781	3,886,588	4,254,192
Operation of Non-instructional Services	335,689	369,775	554,650	3,583,084	4,201,562	4,449,404	5,258,877	5,500,280	5,857,504	5,664,258
Extracurricular Activities	813,271	1,193,021	1,685,878	1,717,739	1,866,052	1,996,818	2,057,756	2,362,869	2,750,507	2,660,674
Capital Outlay	13,179,953	37,374,378	12,832,680	1,552,024	7,484,458	25,917,835	7,257,028	8,512,330	26,864,428	4,257,718
Debt Service										
Principal Retirement	1,563,891	75,363,309	2,330,000	3,212,122	3,792,045	4,250,000	4,990,000	5,095,000	6,415,000	6,949,000
Interest and Fiscal Charges	4,193,438	6,685,315	5,978,730	5,304,061	7,188,793	6,894,023	6,556,069	7,268,569	7,272,726	6,945,574
Total Expenditures	\$61,213,310	\$172,140,724	\$84,880,957	\$82,082,015	\$97,088,772	\$124,579,241	\$113,190,580	\$126,265,834	\$148,012,485	\$130,813,046

Debt Service as a Percentage of Noncapital Expenditures

2001	11.99%	60.88% (1)	12.18%	10.57%	12.31%	11.52%	10.83%	10.72%	11.29%	11.10%
------	--------	------------	--------	--------	--------	--------	--------	--------	--------	--------

Source: District Records

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

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other Financing Sources (Uses)										
Issuance of Capital Leases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Sale of Capital Assets	0	0	1,008	0	460,040	4,053,490	132,275	98,529	179,406	378,104
Issuance of Bonds	0	0	0	0	0	0	0	0	0	0
Issuance of Long Term Debt	144,674,602	0	0	35,000,000	0	59,380,000	27,565,000	23,000,000	5,249,000	0
Issuance of Refunding Bonds	0	0	0	15,705,000	0	(65,349,169)	(29,826,979)	0	0	0
Payment to Refunded Bonds Escrow Agent	0	0	0	(15,705,000)	0	5,969,169	2,578,301	0	0	0
Refunding Bond Premium	0	0	0	0	0	5,969,169	2,578,301	0	0	0
Transfers In	610,773	2,249,197	17,874,000	15,939,000	14,377,750	13,187,317	8,621,787	20,341,705	19,460,344	18,513,505
Transfers Out	(610,773)	(2,249,197)	(17,874,000)	(15,939,000)	(14,377,750)	(13,187,317)	(8,621,787)	(20,341,705)	(19,460,344)	(18,513,505)
Total Other Financing Sources (Uses)	144,674,602	0	1,008	35,000,000	460,040	4,053,490	448,597	23,098,529	5,428,406	378,104
Net Change in Fund Balances	\$134,379,205	(\$107,370,256)	(\$9,146,816)	\$33,032,182	(\$1,249,708)	(\$11,977,785)	\$8,747,473	\$25,108,698	(\$10,536,095)	(\$6,644,045)

Source: District Records

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

Calendar Year	Assessed Value			Total Assessed Value	Total Estimated Value	Total Direct Rate
	Real Property	Public Utility Personal	Tangible Personal			
2000	766,334,940	31,930,770	111,364,313	909,630,023	2,680,965,961	64.57
2001	844,804,830	20,324,550	152,292,210	1,017,421,590	3,052,164,278	71.11
2002	920,126,080	22,811,670	159,181,600	1,102,119,350	3,298,506,862	72.61
2003	1,053,132,200	23,694,270	158,872,721	1,235,699,191	3,678,559,776	74.11
2004	1,147,072,040	22,924,120	150,765,500	1,320,761,660	3,913,421,419	74.11
2005	1,224,869,470	23,975,720	128,380,195	1,377,225,385	4,047,672,874	80.65
2006	1,461,205,840	27,382,510	109,110,197	1,597,698,547	4,548,619,680	81.76
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

Source: County Auditor

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

Calendar Year	District Direct Rate	Warren County	City of Mason	Deerfield Township	Great Oaks JVS	Overlapping Rates					City of Lebanon	Lebanon Library
						Warren-Clinton Community Mental Health	Turtletcreek Township	Union Township	Warren County Health District	City of Lebanon		
2000	64.57	4.00	7.32	9.75	2.70	1.00	5.62	6.20	0.50	0.00	0.00	
2001	71.11	4.00	7.32	10.60	2.70	1.00	5.62	6.20	1.00	0.00	0.00	
2002	72.61	4.96	7.32	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2003	74.11	6.53	7.32	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2004	74.11	6.46	7.32	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2005	80.65	6.46	7.32	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2006	81.76	6.71	7.32	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2007	83.45	6.71	7.32	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2008	83.45	6.71	7.32	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00	
2009	83.45	5.78	6.44	10.60	2.70	1.00	9.12	9.20	0.50	7.82	1.00	

Source: County Auditor

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

2009		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio Inc.	\$22,170,930	1.39%
Deerfield Realty Holding	16,779,528	1.05%
Craig & Frances Lindner Center of Hope	12,326,699	0.77%
Duke Realty Ohio	9,832,420	0.62%
Community Insurance	8,913,748	0.56%
Twin Fountains of Mason	8,695,050	0.54%
Kenwood Lincoln Mercury	8,226,281	0.51%
Cintas Sales Corp.	7,489,412	0.47%
Mason Christian Village	6,969,967	0.44%
Sterling Lakes Apartments	6,284,243	0.39%
Total:	\$107,688,278	6.74%

2008		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio Inc.	\$22,059,760	1.38%
Deerfield Realty Holding	14,726,450	0.92%
Duke Realty Ohio	9,832,420	0.62%
Community Insurance	8,913,750	0.56%
Twin Fountains of Mason	8,695,050	0.54%
Craig & Frances Lindner Center of Hope	8,408,480	0.53%
Mason Christian Village	6,966,730	0.44%
Kenwood Lincoln Mercury	6,651,140	0.42%
Sterling Lakes Apartments	6,284,240	0.39%
Core Governors Pointe	6,106,700	0.38%
Total:	\$98,644,720	6.17%

2007		
Taxpayer	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%
Total:	\$104,581,965	6.54%

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

Source: County Auditor

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

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

Calendar Year	Taxes Levied	Collected within the Calendar Year of the Levy		Delinquent Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	27,474,665	26,821,127	97.62%	1,526,426	28,347,553	103.18%
2001	34,057,794	33,144,606	97.32%	967,840	34,112,446	100.16%
2002	35,546,237	34,843,236	98.02%	1,044,746	35,887,982	100.96%
2003	47,752,879	47,142,230	98.72%	2,427,285	49,569,515	103.80%
2004	52,725,826	52,648,787	99.85%	2,378,777	55,027,564	104.37%
2005	54,223,863	53,944,910	99.49%	1,092,669	55,037,579	101.50%
2006	56,733,533	56,472,883	99.54%	1,171,575	57,644,458	101.61%
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%	1,655,673	67,234,935	100.21%
2009	68,754,298	66,782,787	97.13%	1,334,015	68,116,802	99.07%

Source: County Auditor and district records

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

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

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

Source: District Records

N/A - Information not available

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

**Mason City School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2010
Schedule 13**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Butler County	\$57,228,590	0.05%	\$28,614
Warren County	103,020	26.70%	27,506
Lebanon City	7,401,262	0.00%	0
City of Mason	49,060,000	91.48%	44,880,088
Deerfield Township	18,180,000	56.16%	10,209,888
Turtle Creek Township	2,175,000	0.05%	1,088
Union Township	92,400	2.63%	2,430
West Chester Township	71,030,000	0.20%	142,060
Great Oaks Joint Vocational School	19,200,000	8.36%	1,605,120
Subtotal, Overlapping Debt	<u>224,470,272</u>		<u>56,896,794</u>
District direct debt	141,865,000	100.00%	141,865,000
Total direct and overlapping debt	<u>\$366,335,272</u>		<u>\$198,761,794</u>

Source: Ohio Municipal Advisory Council

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

Legal Debt Margin Calculation for Fiscal Year 2010

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$215,789,380	\$232,627,457	\$215,911,053	\$215,911,053	\$215,911,053	\$215,911,053	\$215,911,053	\$247,858,540	\$247,858,540	\$247,858,540
Total Net Debt Applicable to Limit	198,460,000	118,874,044	114,416,075	145,259,259	140,579,547	132,582,084	124,165,975	146,857,767	139,027,485	132,638,891
Legal Debt Margin	\$17,329,380	\$113,753,413	\$101,494,978	\$70,651,794	\$75,331,506	\$83,328,969	\$91,745,078	\$101,000,773	\$108,831,055	\$115,219,649
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	91.97%	51.10%	52.99%	67.28%	65.11%	61.41%	57.51%	59.25%	56.09%	53.51%

Assessed Value \$1,507,850,110
 Debt Limit (9% of Assessed Value) 135,706,510
 Debt Limit - Special Needs District (2) 247,858,540
 Debt Applicable to Limit 132,638,891
 Legal Debt Margin \$115,219,649

Source: District Records

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

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

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2000	158,383	4,946,103	30,660	3.20%
2001	167,507	5,286,564	31,512	3.30%
2002	175,041	5,521,565	31,522	4.60%
2003	182,330	5,786,295	31,699	4.70%
2004	189,276	6,213,055	32,745	4.00%
2005	196,622	6,597,227	33,524	4.70%
2006	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	NA	NA	9.30%

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

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

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

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

N/A - Information not available

Mason City School District
Principal Employers,
Current Year and Ten Years Ago
Schedule 16

Employer	2010 (1)	
	Number of Employees	Percentage of Total Employment
Procter & Gamble	1,943	1.95%
WellPoint	1,743	1.75%
Luxotica Retail	1,533	1.32%
Mason City Schools	1,439	1.54%
Cintas Corporate	1,322	1.44%
L3 Cincinnati Electronics	609	0.61%
Cengage Learning, Inc.	575	0.44%
Portion Pac	444	0.40%
Mitsubishi Electric	395	0.58%
Lindner Center of Hope	300	0.30%
	<u>10,303</u>	<u>10.32%</u>
Total County Employment (3)	99,800	

Employer	2000 (2)	
	Number of Employees	Percentage of Total Employment
Procter & Gamble	1,600	1.60%
Cintas	1,373	1.38%
Anthem Insurance	920	0.92%
Entex Information Services	888	0.89%
Mason City Schools	700	0.70%
Blackhawk Automotive	650	0.65%
Portion Pac	490	0.49%
A-Mold Corp.	460	0.46%
Mitsubishi Electric Manufacturing	430	0.43%
Cincinnati Electronic	325	0.33%
	<u>7,836</u>	<u>7.85%</u>
Total County Employment (3)	81,200	

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

Source: (2) City of Mason Income Tax Department

Source: (3) Historical Civilian Labor Force Estimates

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

	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Supervisory										
Instructional administrators	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Noninstructional administrators	12.00	15.00	16.75	15.75	16.00	17.81	23.55	19.75	14.00	16.75
Consultant/supervisors of instruction	14.00	18.00	17.00	19.00	18.00	18.12	18.00	19.50	20.00	20.00
Principals	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Assistant Principals	10.00	12.00	14.00	16.00	17.00	17.00	18.00	18.00	19.00	20.00
Total Supervisory	43.00	52.00	54.75	58.75	59.00	60.93	67.55	65.25	61.00	64.75
Instruction										
Elementary classroom teachers	233.00	265.00	288.01	300.05	317.45	329.50	363.15	348.00	358.00	365.56
Secondary classroom teachers	172.00	198.00	211.20	235.60	245.69	258.60	273.40	278.75	286.00	296.00
ESE teachers	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Other teachers (adult)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other professionals (instructional)	5.50	6.50	7.50	8.06	11.36	12.26	14.80	14.13	13.87	13.87
Aides	59.33	88.35	101.80	123.42	137.00	147.50	151.52	155.31	160.91	163.55
Total Instruction	469.83	557.85	608.51	667.13	712.50	748.86	803.87	797.19	819.78	839.98
Student Services										
Guidance counselors	13.64	12.64	11.80	16.64	16.00	17.00	17.00	20.50	22.10	22.10
Visiting teachers/social workers	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Psychologists	2.00	3.60	5.22	4.79	5.00	5.00	5.00	5.00	5.00	8.00
Librarians	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Other professionals (noninstructional)	7.64	7.50	9.62	8.78	7.60	8.52	8.02	8.02	8.96	9.46
Technicians	18.33	22.67	26.57	25.81	24.77	24.77	26.84	26.97	26.70	24.70
Total student services	45.61	50.41	57.21	60.02	56.37	58.29	59.86	63.49	65.76	67.26
Support and Administration										
Clerical/secretarial	44.14	52.77	54.70	58.40	57.30	58.23	60.73	68.73	70.19	69.99
Service workers	86.69	105.95	129.70	144.04	139.81	138.81	139.84	141.01	142.56	143.22
Skilled crafts	10.00	11.00	14.00	15.00	15.00	17.00	16.00	14.00	14.00	13.00
Vehicle Operator (buses)	51.98	71.05	71.45	73.61	74.63	80.71	82.38	89.04	91.35	90.81
Unskilled laborers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total support and administration	192.81	240.77	269.85	291.05	286.74	294.75	298.95	312.78	318.10	317.02
Total employees	751.25	901.03	990.32	1076.95	1114.61	1162.83	1230.23	1238.71	1264.64	1289.01

Source: State Department of Education

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

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

Source: Nonfinancial information from district records.

N/A - Information not available

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

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
School										
Elementary										
MECC - Annex- Preschool (1973)										
Square feet		9,034	9,034	9,034	9,034	9,034				
Capacity		175	175	175	175	175				
Enrollment		86	93	104	134	161				
Mason Early Childhood (1911)										
Square feet	56,926	56,926	56,926	56,926	56,926	56,926				
Capacity	475	475	475	475	475	475				
Enrollment	701	648	698	751	757	801				
Mason Early Childhood (2006)										
Square feet							172,211	172,211	172,211	172,211
Capacity							2,100	2,100	2,100	2,100
Enrollment							1,850	1,797	1,754	1,747
Mason Heights (1965)										
Square feet	101,863	101,863	101,863	101,863	101,863	101,863	101,863	101,863	101,863	101,863
Capacity	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,124	1,294	1,119	1,190	1,226	1,216	844	890	874	833
Western Row (1961)										
Square feet	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002
Capacity	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,111	1,191	967	1,039	1,139	1,208	857	888	907	866
Mason Intermediate (1998)										
Square feet	145,276	145,276								
Capacity	1,200	1,200								
Enrollment	1,098	1,244								
Mason Intermediate (1998/1994)										
Square feet			290,552	290,552	290,552	290,552	356,700	356,700	356,700	356,700
Capacity			2,400	2,400	2,400	2,400	3,000	3,000	3,000	3,000
Enrollment			1,883	2,052	2,211	2,387	2,519	2,592	2,608	2,715
Junior High School										
Mason Middle (1994)										
Square feet	150,503	150,503								
Capacity	1,200	1,200								
Enrollment	1,003	1,076								
Mason Middle (1958)										
Square feet			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
Enrollment			1,256	1,366	1,371	1,452	1,542	1,663	1,713	1,724
High School										
William Mason High (1958)										
Square feet	276,378	276,378								
Capacity	1,850	1,850								
Enrollment	1,674	1,824								
William Mason High (2002) (2010)										
Square feet			375,010	375,010	375,010	375,010	375,010	375,010	375,010	539,236
Capacity			2,950	2,950	2,950	2,950	2,950	2,950	2,950	3,513
Enrollment			1,987	2,134	2,408	2,567	2,767	2,880	2,947	3,089

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 2009-2010 School Year:	1,101,829
Number Meals Served by Food Service Department for the 2009-2010 School Year:	1,176,857

School Buildings	Grade Levels	Enrollment
Mason Early Childhood Center	PS-1	1,747
Mason Heights Elementary	2-3	833
Western Row Elementary	2-3	866
Mason Intermediate	4-6	2,715
Mason Middle School	7-8	1,724
William Mason High School	9-12	3,089
		<u>10,974</u>

Degree	Number of Certified Staff	Percentage of Total
Bachelor's Degree	63.0	8.28%
Bachelor + 150	121.0	15.90%
Master's Degree	573.0	75.30%
Doctorate	4.0	0.53%
Total	<u>761.0</u>	<u>100.00%</u>

Years of Experience	Number of Certified Staff	Percentage of Total
0 - 5	291.0	38.24%
6 - 10	173.0	22.73%
11 - 15	144.0	18.92%
16 - 20	65.0	8.54%
21 - 25	47.0	6.18%
26 - 30	28.0	3.68%
31 - 35	11.0	1.45%
36 - 40	2.0	0.26%
	<u>761.0</u>	<u>100.00%</u>

Source: School District Records

**MASON CITY SCHOOL DISTRICT, OHIO
 STUDENT POPULATION BY SEX AND BY RACE
 FOR THE 2009-2010 SCHOOL YEAR
 Schedule 21**

Grade	Male	Female	Total
PS	129	82	211
K	345	382	727
1	423	386	809
2	432	395	827
3	468	404	872
4	485	446	931
5	461	424	885
6	460	439	899
7	430	437	867
8	425	432	857
9	416	436	852
10	369	399	768
11	353	366	719
12	361	371	732
Ungraded	14	4	18
	5,571	5,403	10,974

Race	Total	Percent
American Indian/Alaskan	14	0.13%
Asian	1,398	11.54%
Black	405	3.69%
Caucasian	8,430	76.82%
Hispanic	345	3.14%
Multi-Racial	382	3.48%
	10,974	98.80%

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	
2009-10	211	727	809	827	827	872	931	885	899	867	857	852	768	719	750	10,974	1.58%
2008-09	196	751	807	855	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	864	863	800	721	736	683	740	10,710	3.19%
2006-07	168	798	886	826	873	873	834	831	854	798	744	729	693	741	604	10,379	5.99%
2005-06	161	801	802	840	782	813	812	762	725	727	674	713	593	587	587	9,792	5.91%
2004-05	134	757	821	759	785	790	737	684	698	673	727	596	595	490	490	9,246	7.08%
2003-04	104	750	734	746	749	720	656	676	669	697	581	572	496	485	485	8,635	7.90%
2002-03	93	698	689	712	685	617	636	630	687	569	556	495	503	433	433	8,003	8.69%
2001-02	86	648	657	637	581	610	587	657	543	533	495	490	438	401	401	7,363	9.72%
2000-01	74	627	592	532	562	549	611	487	501	502	480	417	408	369	369	6,711	10.80%

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

Source: School District Records

**MASON CITY SCHOOLS DISTRICT, OHIO
 DIRECTORY OF SCHOOL FACILITIES
 AS OF JUNE 30, 2010
 Schedule 23**

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

This Page is Intentionally Left Blank.



Mary Taylor, CPA
Auditor of State

MASON CITY SCHOOL DISTRICT

WARREN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 4, 2011**