



OHIO AUDITOR OF STATE
KEITH FABER



MASON CITY SCHOOL DISTRICT
WARREN COUNTY
JUNE 30, 2020

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**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Grant Year	CFDA Number	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through Ohio Department of Education:</i>				
<u>Child Nutrition Cluster:</u>				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	2020	10.555		\$407,981
Cash Assistance:				
National School Breakfast Program	2020	10.553	39,553	
Covid-19 National School Breakfast Program	2020	10.553	30,617	
National School Lunch Program	2020	10.555	388,010	
Covid-19 National School Lunch Program	2020	10.555	81,299	
Total Child Nutrition Cluster			<u>539,479</u>	<u>407,981</u>
Total U.S. Department of Agriculture			<u>539,479</u>	<u>407,981</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed Through Ohio Department of Education:</i>				
<u>Special Education Cluster:</u>				
Special Education-Grants to States	2020	84.027	1,657,774	
Special Education-Grants to States (Restoration)	2020	84.027	309,858	
Special Education-Grants to States	2019	84.027	363,075	
Special Education-Grants to States (Restoration)	2019	84.027	5,370	
Total Special Education-Grants to States			<u>2,336,077</u>	<u>0</u>
Special Education-Preschool Grants	2020	84.173	31,618	
Special Education-Preschool Grants	2019	84.173	6,887	
Total Special Education-Preschool Grants			<u>38,505</u>	<u>0</u>
Total Special Education Cluster			<u>2,374,582</u>	<u>0</u>
Title I Grants to Local Educational Agencies	2020	84.010	166,795	
Title I Grants to Local Educational Agencies	2019	84.010	37,262	
Total Title I Grants to Local Educational Agencies			<u>204,057</u>	<u>0</u>
Title III - LEP	2020	84.365	96,851	
Title III - LEP	2019	84.365	20,971	
Title III - Immigrant	2020	84.365	16,499	
Title III - Immigrant	2019	84.365	8,506	
Total Title III			<u>142,827</u>	<u>0</u>
Improving Teacher Quality State Grants	2020	84.367	109,671	
Improving Teacher Quality State Grants	2019	84.367	3,548	
Total Improving Teacher Quality State Grants			<u>113,219</u>	<u>0</u>
Title IV-A - Student Support & Academic Enrichment	2020	84.424	10,053	
<i>Passed Through Great Oaks Institute of Technology and Career Development</i>				
Vocational Education Basic Grants to States	2017	84.048	50	
Total U.S. Department of Education			<u>2,844,788</u>	<u>0</u>
Total Federal Assistance			<u>\$3,384,267</u>	<u>\$407,981</u>

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

**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Mason City School District (the District's) under programs of the federal government for the year ended June 30, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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



Corporate Centre of Blue Ash
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Blue Ash, Ohio 45242-1817
(513) 361-8550 or (800) 368-7419
SouthwestRegion@ohioauditor.gov

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mason City School District, Warren County, (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 21, 2020. We also noted the financial impact of COVID-19 and the continuing emergency measures, which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio
December 21, 2020

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited Mason City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Mason City School District's major federal program for the year ended June 30, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, Mason City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Mason City School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 21, 2020. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State
Columbus, Ohio
December 21, 2020

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**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
June 30, 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	Retainage amount was double booked in the Classroom Facilities Fund resulting in an overstatement.	Corrective Action Taken and Finding is Fully Corrected	

TREASURER'S DEPARTMENT

211 N. East Street • Mason, OH 45040 • 513.398.3623 phone • 513.398.4357 fax • www.MasonOhioSchools.com web
Shaun Bevan, *Treasurer*, bevans@masonohioschools.com
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MASON CITY SCHOOLS

MASON, OHIO

“Welcoming, valuing and engaging each learner”



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

MASON CITY SCHOOL DISTRICT
MASON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PREPARED BY:
OFFICE OF THE TREASURER



**Introductory
Section**

*Mason City School District
Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020*

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December 21, 2020

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, 2020.

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, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Mason City School District's financial statements for the fiscal year ended June 30, 2020, 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 the 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 School District is located in Warren and Butler Counties in southwest Ohio. The School District contains 25 square miles, with 99 percent of its territory located in Warren County and the remaining 1 percent in Butler County. Political subdivisions included in the School 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 School 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 School 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, 2020, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mrs. Desiree Batsche	Jan. 2020-Dec. 2023	½
Mr. Charles Galvin	Jan. 2018-Dec. 2021	2½
Mr. Matthew Steele	Jan. 2018-Dec. 2021	8½
Mr. Kevin Wise	Jan. 2020-Dec. 2023	17½
Mrs. Connie Yingling	Jan. 2018-Dec. 2021	20¾

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations of the School District. Mr. Jonathan Cooper was appointed Superintendent effective July 1, 2018, and his current contract expires July 31, 2022.

The Treasurer and CFO is the chief financial officer of the School District and is directly responsible to the Board for all financial operations, investments, custody of all School District funds and assets, and serves as Secretary to the Board. The Board appointed Mr. Shaun Bevan as Treasurer effective October 9, 2017. Mr. Bevan brought 17 years of educational and financial

leadership to the School District, having served as the Treasurer for other area school districts in the Cincinnati region. His current contract expires July 31, 2023.

The School 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 School District acts as the fiscal agent for State funds distributed to non-public chartered schools located within the School District boundaries. The School District serves St. Susanna, Children's Academy of Mason, 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 School District's administrative involvement with these programs, these State subsidies are therefore presented as special revenue funds within this report.

The School District served 10,463 in grade PK-12 students during the 2020 fiscal year in five buildings. The high school (9-12) was constructed in 2002 with an addition in 2009. The middle school (7-8) was constructed in 1959, with additions in 1967, 1980, 1987 and 1997, and a complete renovation in 2019. The Mason Elementary school building wing (3-4) was constructed in 1994. The Mason Intermediate school building wing (5-6) was constructed in 1998. An addition was constructed in 2007 connecting the two building wings. Mason Early Childhood Center (PreK-2) was constructed in 2007 with additions in 2018.

The School District employed approximately 1,090 employees as of June 30, 2020. The School District's current enrollment is 10,463. It is expected that the School District's enrollment will continue to decrease slightly each year for the next several years, plateauing at approximately 10,000 students within the next 7 to 8 years.

The School District's teachers, instructional coaches, and counselors are represented by the Mason Education Association (MEA). The Board of Education and MEA reached an agreement on a two year contract effective July 1, 2019, which provides 2.5 percent base salary increases each year for two years.

The School District's custodial, grounds, maintenance and HVAC technicians are represented by the Ohio Association of Public School Employees (OAPSE) Local 070. The Board of Education and OAPSE reached agreement on a two year contract effective July 1, 2019, which provides 2.5 percent base salary increases each year for two years.

The School 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 Local 070. Their salary and wages were increased 2.5 percent for the 2019-20 school year.

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

Local Economy. The City of Mason's population was last reported as 30,712 in the 2010 U.S. Census and has been growing steadily through targeted planning and development. Mason is the largest city in Warren County. The City continues to be a top choice for quality companies that are relocating or expanding. In choosing Mason, companies often cite the interstate access, rising property values, the established core of high-tech and bio-tech businesses, and an outstanding level of both city and educational services. The tax base is comprised mostly of residential property, which realized around an 11 percent increase in real estate values for the calendar year 2018 triennial update from the County Auditor's office.

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

The Mason City School District community continues to see strong investment in the biohealth sector. Over the past 3 years, 60 percent of new economic development projects, 80 percent of new jobs created and 80 percent of new investment has been in the biohealth sector including Assurex Health. Mason City Schools has benefited from strong partnerships with leaders in the biotech industry through advanced experiential learning opportunities for our students. During the '19-'20 school year, Assurex, ABC Pediatric, CMO Axis, the City of Mason, LEAP, and UC-West Chester hospital all partnered with the Mason High School experiential learning program.

Mason's housing includes an abundance of large, high-value single family homes that sit on lots between 0.25 and 1.0 acre that were built within the last 10-20 years. The average household includes 2.8 family members and 43 percent of households are reported to have children under 18. Nearly 25 percent of Mason's working residents work in the City of Mason. 2014 US Census Data reports the median home value for the School District at \$231,800, which is 132 percent of the US median. Median household income is reported at \$87,547, 164 percent of the US median. Median family income is \$105,108, 161 percent of the US median. Home values range from \$70,000 to \$2 million.

Financial policies and planning. Student enrollment growth has been the priority for the Board and Administration for the last 15 years. Current demographic projections indicate the School District will see its population stabilize at approximately 10,000 over the next several years. The School District closed the Mason Heights Elementary School in the summer of 2012 and consolidated those students into the Mason Early Childhood Center (MECC) and Western Row Elementary. The School District recently completed a project with the Ohio Facilities Construction Commission (OFCC) to expand the MECC and the Mason Middle School. These projects have provided sufficient capacity for the School District to cover its projected enrollment

over the next ten years, and it does not anticipate the need for any additional significant capital bond issues in the next ten years.

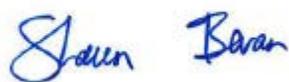
The School District continued to be highly ranked in the State of Ohio for academic performance of public schools and spends less per pupil than the average of similar school districts. Spending is aligned with the State average for total expenditure per pupil but the School District is more focused on - and spends more on - classroom instruction. The School District's priorities and goals for the future are focused on high impact learning, superb staff support, and deep parent and community partnerships. All Mason students will graduate prepared to thrive in a global economy. We pledge to support our staff to ensure that every Mason child has great learning experiences. We believe that engaged parents and community members champion Mason students. The administrative team and Board of Education are mindful of these priorities and goals when making all financial decisions. Our plans for achievement of our goals strike a balance between resource reallocation, utilization of cash reserves, and eventually additional local taxes.

Ohio's school funding model continues to pose challenges to our long-term financial stability. We will continue to advocate for the resources our School District needs to be successful. The plan strikes a balance between staff and other cost reductions, utilization of cash reserves, and additional local taxes.

Awards and Acknowledgements. The 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, 2019. 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 Cynthia Stubenvoll, Assistant Treasurer, along with the entire staff of the Treasurer's Office and the Local Government Services (LGS) division of the Ohio Auditor of State's Office. 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,



Shaun L. Bevan
Treasurer and CFO

**Mason City School District
Principal Officials
As of June 30, 2020**

Elected Officials

President, Board of Education Charles Galvin
Vice President, Board of Education.....Connie Yingling
Board MemberDesiree Batsche
Board MemberMatthew Steele
Board MemberKevin Wise

Administrative Officials

SuperintendentJonathan Cooper
Deputy Superintendent..... Amy Brennan
Learning Experience Supervisor P-6 Krissy Hufnagel
Learning Experience Supervisor P-6Shanna Bumiller
Chief Operations Officer..... Todd Petrey
Chief Talent Officer..... Tonya McCall
Innovative Programs Administrator.....Christine McCormick
Public Information Officer..... Tracey Carson
Treasurer Shaun Bevan
Assistant Treasurer.....Cynthia Stubenvoll
Benefits Supervisor..... Crystal Clark
Payroll Supervisor..... Terri Ross
Building and Grounds Supervisor..... George Highfill
Child Nutrition Supervisor..... Tamara Earl
Data Center AdministratorSheri Ballman
ESL SupervisorMilena Varbanova
Gifted Administrator Nicole Dietrich (HCEC)
Special Services Director Jody Bergman
Mental Wellness Supervisor Nicole Pfirman
Special Services SupervisorGina Fox
Special Services Supervisor Thea Staley (HCEC)
Special Services Supervisor Jenny Woods (HCEC)
Transportation Supervisor.....Carolyn Thornton



ORGANIZATION CHART

Board of Education Members

Charles Galvin, Board President
Connie Yingling, Board Vice-President
Desiree Batsche
Matthew Steele
Kevin Wise

Superintendent/CEO, Jonathan Cooper

Chief Financial Officer, Shaun Bevan
Cynthia Stubenvoll, Assistant Treasurer
Terri Ross, Payroll Supervisor
Crystal Clark, Benefits Supervisor

Deputy Superintendent, Amy Brennan
Learning Experience Supervisor P-6, Krissy Hufnagel
Learning Experience Supervisor 7-12, Shanna Bumiller

Innovative Programs Officer, Christine McCormick

Chief Talent Officer, Tonya McCall

Chief Operations Officer, Todd Petrey

Public Information Officer, Tracey Carson

Principals

Melissa Bly, Mason Early Childhood Center - Grades Pre-K-2
Javaris Powell, Mason Elementary – Grades 3-4
Eric Messer, Mason Intermediate - Grades 5-6
Lauren Gentene, Mason Middle School - Grades 7-8
Bobby Dodd, Mason High School - Grades 9-12



ORGANIZATION CHART (Continued)

Data Center Administrator, Sheri Ballman

Special Services Director, Jody Bergman

Special Services Supervisor (MMS & MHS), Gina Fox

Special Services Supervisor (MI - grades 5 & 6), Jenny Woods (HCESC)

Special Services Supervisor (MECC), Thea Staley (HCESC)

Mental Wellness Supervisor, Nicole Pfirman

ESL Administrator, Milena Varbanova

Gifted Administrator, Nicole Dietrich, (HCESC)

Buildings & Grounds Supervisor, George Highfill

Child Nutrition Supervisor, Tamara Earl

Transportation Supervisor, Carolyn Thornton



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Mason City School District
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

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**Financial
Section**

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OHIO AUDITOR OF STATE KEITH FABER



Corporate Centre of Blue Ash
11117 Kenwood Road
Blue Ash, Ohio 45242-1817
(513) 361-8550 or (800) 368-7419
SouthwestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mason City School District, Warren County, Ohio (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mason City School District, as of June 30, 2020, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 25, to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio
December 21, 2020

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Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
Unaudited

The discussion and analysis of the Mason City School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, financial statements, and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- In total, net position decreased \$3,624,697 from the prior fiscal year.
- Total liabilities decreased \$13,705,968 due to current year principal retirement.
- Expenses increased during fiscal year 2020 when compared to the prior fiscal year mainly due to increased pension expense as well as the School District giving a two and one-half percent pay increase.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School 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 School District's major funds with all other nonmajor funds presented in total in one column.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2020?" The Statement of Net Position and the Statement of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
Unaudited

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District has only one kind of activity:

Governmental Activities – All of the School District's programs and services are reported here including instruction, support services, operation of non-instructional services, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 11. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds, which are the General Fund, the Debt Service Fund, and the Permanent Improvement Fund.

Governmental Funds – Most of the School 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 fiscal year-end available for spending in future periods. These funds are reported using the 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 School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds – The School District's fiduciary funds include a private purpose trust fund and agency funds. All of the School District's fiduciary assets are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
Unaudited

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for fiscal year 2020 and fiscal year 2019:

Table 1			
Net Position			
	2020	2019	Change
<u>Assets:</u>			
Current and Other Assets	\$156,518,519	\$154,301,688	\$2,216,831
Net OPEB Asset	7,712,992	7,473,122	239,870
Capital Assets, Net	186,560,252	190,900,938	(4,340,686)
<i>Total Assets</i>	350,791,763	352,675,748	(1,883,985)
<u>Deferred Outflows of Resources:</u>			
Deferred Charge on Refunding	1,774,609	2,863,953	(1,089,344)
Pension	26,904,765	36,720,429	(9,815,664)
OPEB	3,350,503	2,763,018	587,485
<i>Total Deferred Outflows of Resources</i>	32,029,877	42,347,400	(10,317,523)
<u>Liabilities:</u>			
Current Other Liabilities	\$22,387,029	\$21,429,599	\$957,430
Long-Term Liabilities:			
Due Within One Year	8,739,286	9,101,784	(362,498)
Due In More Than One Year:			
Net Pension Liability	134,223,832	133,307,054	916,778
Net OPEB Liability	13,431,570	15,249,092	(1,817,522)
Other Amounts	51,045,090	64,445,246	(13,400,156)
<i>Total Liabilities</i>	229,826,807	243,532,775	(13,705,968)
<u>Deferred Inflows of Resources:</u>			
Deferred Charge on Refunding	917,846	1,101,415	(183,569)
Property Taxes	71,994,542	64,948,833	7,045,709
Payments in Lieu of Taxes	4,621,838	4,887,614	(265,776)
Pension	6,801,096	8,725,595	(1,924,499)
OPEB	13,557,804	13,100,512	457,292
<i>Total Deferred Inflows of Resources</i>	\$97,893,126	\$92,763,969	\$5,129,157

(continued)

Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
Unaudited

Table 1
Net Position
(Continued)

	2020	2019	Change
<u>Net Position:</u>			
Net Investment in Capital Assets	\$134,327,167	\$129,766,300	\$4,560,867
Restricted	36,259,290	32,435,558	3,823,732
Unrestricted (Deficit)	(115,484,750)	(103,475,454)	(12,009,296)
<i>Total Net Position(Deficit)</i>	\$55,101,707	\$58,726,404	(\$3,624,697)

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2020. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

Total assets decreased \$1,883,985 from the prior fiscal year. Current and other assets increased due to an increase in property taxes receivable due to the County Auditor’s property tax reappraisal. Capital Assets, Net decreased \$4,340,686. This is due to the abandonment of construction in progress.

Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
Unaudited

Total Liabilities of the School District decreased \$13,705,868 for fiscal year 2020. This is due to the scheduled debt payment and the amount that was paid down on the bond anticipation note when it matured, as well as a decrease in accrued wages and benefits due to the timing of when employees were last paid during the fiscal year.

Total Net Position decreased \$3,624,697 from the prior fiscal year. Unrestricted Net Position decreased by \$12,009,296, mainly due to the State-wide pension plans' amortization of the difference between projected and actual earnings on pension plan investments.

Table 2 shows the changes in net position for fiscal years 2020 and 2019:

Table 2 Change in Net Position			
	2020	2019	Increase/ (Decrease)
<u>Revenues</u>			
Program Revenues:			
Charges for Services and Sales	\$11,311,735	\$9,574,201	\$1,737,534
Operating Grants, Interest, and Contributions	9,600,889	8,706,812	894,077
Capital Grants, Interest, and Contributions	3,991	0	3,991
Total Program Revenues	20,916,615	18,281,013	2,635,602
General Revenues:			
Property Taxes	74,437,898	60,733,292	13,704,606
Grants and Entitlements not Restricted to Specific Programs	40,114,123	42,967,258	(2,853,135)
Investment Earnings	1,549,317	1,640,777	(91,460)
Gifts and Donations not Restricted to Specific Programs	2,878	29,542	(26,664)
Payments in Lieu of Taxes	4,621,838	4,801,885	(180,047)
Miscellaneous	597,314	2,028,566	(1,431,252)
Total General Revenues	121,323,368	112,201,320	9,122,048
Total Revenues	142,239,983	130,482,333	11,757,650
<u>Program Expenses:</u>			
Instruction:			
Regular	56,975,769	48,994,158	7,981,611
Special	24,073,160	20,246,006	3,827,154
Vocational	49	987	(938)
Adult/Continuing	6,119	0	6,119
Support Services:			
Pupils	8,663,578	7,372,124	1,291,454
Instructional Staff	4,098,974	3,064,046	1,034,928
Board of Education	\$68,358	\$111,245	(\$42,887)

(continued)

Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
Unaudited

Table 2
Change in Net Position
(Continued)

	2020	2019	Increase/ (Decrease)
<u>Program Expenses:</u>			
Support Services:			
Administration	\$6,490,891	\$4,572,650	\$1,918,241
Fiscal	2,154,423	1,754,587	399,836
Business	620,540	468,664	151,876
Operation and Maintenance of Plant	18,693,214	12,731,323	5,961,891
Pupil Transportation	7,874,708	6,415,481	1,459,227
Central	4,124,590	2,468,899	1,655,691
Operation of Non-Instructional Services	6,304,875	6,082,681	222,194
Extracurricular Activities	3,530,012	3,235,015	294,997
Interest and Fiscal Charges	2,185,420	2,500,391	(314,971)
Total Expenses	145,864,680	120,018,257	25,846,423
Change in Net Position	(3,624,697)	10,464,076	(14,088,773)
<i>Net Position at Beginning of Year</i>	<i>58,726,404</i>	<i>48,262,328</i>	<i>10,464,076</i>
Net Position at End of Year	\$55,101,707	\$58,726,404	(\$3,624,697)

The Statement of Activities shows the cost of program services and the charges for services and sales, operating grants, and contributions, and capital grants, and contributions.

Program revenues, which are primarily represented by charges for services and sales from tuition and fees, extracurricular activities, rent, and charges for services as well as operating grants, interest, and contributions, and capital grants, interest, and contributions, were \$20,916,615 for fiscal year 2020. Charges for services and sales revenue increased due to an increase in services provided to students of the School District.

General revenues were \$121,323,368 for fiscal year 2020. Property tax revenue increased due to fiscal year 2020 being the first full year of collection since the County Auditor's property value reappraisal.

Total expenses showed an increase of \$25,846,423 from the prior fiscal year. The main factors in the increase in program expenses are the State-wide pension plans' changes in assumptions and benefit terms which were effective in the prior fiscal year, and an increase in principal retirement from the prior fiscal year. The School District also gave a two and one-half percent salary increase.

The Statement of Activities shows the cost of program services and the charges for services and sales and grants and contributions, including interest, offsetting those services. That is, it identifies the cost of these services supported by tax revenue and unrestricted grants and entitlements. The dependence upon tax revenues and intergovernmental foundation monies is apparent. The community and the State of Ohio, as a whole, provide the vast majority of resources for Mason City School District students.

Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
Unaudited

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$142,276,740 and expenditures of \$155,120,689.

The General Fund balance decreased \$3,017,706. This was primarily due to expenditures continuing to exceed revenues.

The Debt Service Fund balance decreased \$1,084,250, due to current fiscal year principal retirement.

The Permanent Improvement Fund balance decreased \$311,392, which is not significant.

General Fund - Budget Highlights

The School 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 course of fiscal year 2020, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

A review of the budgetary comparison statement for the General Fund reflects a \$218,000 change between the original budget and the final budgeted revenues resulting from conservative budgeting. The increase in actual revenue from the final budget of \$2,887,581 is mainly due to collection of property taxes and payments in lieu of taxes exceeding the estimated revenues.

The total decrease in expenditures from the original to the final budget was \$1,016,975. The difference in actual expenditures compared to the final budget was \$4,269,883, resulting from utilities and other variable expenses being lower than projected due to the school buildings being closed during the COVID-19 pandemic.

The School District's ending unobligated cash balance was \$5,837,775 above the final budgeted amount. This was primarily due to the School District receiving an increase in property tax and payments in lieu of taxes revenue and closely monitoring expenditures.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2020, the School District had \$186,560,252 invested in capital assets (net of accumulated depreciation). This is a \$4,340,686 decrease from the prior fiscal year due to abandonment of construction in progress. For further information regarding the School District's capital assets, refer to Note 10 in the Notes to the Basic Financial Statements.

Mason City School District
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020
Unaudited

Debt

At June 30, 2020, the School District had \$36,903,380 in outstanding long-term general obligation bonds, which includes serial and capital appreciation bonds as well as the accretion on the capital appreciation bonds, and \$2,923,029 in bond premiums. The School District's long-term liabilities also includes \$6,965,000 in outstanding long-term refunding bond anticipation notes, \$11,341 in premium on long-term refunding bond anticipation notes, and \$4,045,000 in capital leases. The School District's long-term liabilities decreased from the prior fiscal year due to current year principal retirement as well as the amount that was paid down on the bond anticipation note.

At June 30, 2020, the School District's overall legal debt margin was \$136,362,019, with an unvoted debt margin of \$2,027,356.

For further information regarding the School District's debt obligations, refer to Note 17 in the Notes to the Basic Financial Statements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Shaun Bevan, Treasurer at Mason City Schools, 211 North East Street, Mason, Ohio 45040.

Mason City School District
Statement of Net Position
June 30, 2020

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$71,571,472
Cash and Cash Equivalents with Escrow Agent	287,635
Inventory Held for Resale	28,214
Property Taxes Receivable	75,007,993
Intergovernmental Receivable	9,509,105
Accrued Interest Receivable	85,496
Accounts Receivable	28,604
Net OPEB Asset	7,712,992
Capital Assets:	
Nondepreciable Capital Assets	3,655,645
Depreciable Capital Assets, Net	182,904,607
<i>Total Assets</i>	350,791,763
<u>Deferred Outflows of Resources:</u>	
Deferred Charge on Refunding Pension	1,774,609
OPEB	3,350,503
<i>Total Deferred Outflows of Resources</i>	32,029,877
<u>Liabilities:</u>	
Accounts Payable	592,059
Contracts Payable	16,963
Accrued Wages and Benefits Payable	9,781,082
Intergovernmental Payable	2,803,472
Accrued Interest Payable	535,248
Matured Compensated Absences Payable	384,013
Retainage Payable	287,635
Notes Payable	6,445,478
Claims Payable	1,541,079
Long-Term Liabilities:	
Due Within One Year	8,739,286
Due in More Than One Year:	
Net Pension Liability	134,223,832
Net OPEB Liability	13,431,570
Other Amounts	51,045,090
<i>Total Liabilities</i>	229,826,807
<u>Deferred Inflows of Resources:</u>	
Deferred Charge on Refunding	917,846
Property Taxes	71,994,542
Payments in Lieu of Taxes	4,621,838
Pension	6,801,096
OPEB	13,557,804
<i>Total Deferred Inflows of Resources</i>	\$97,893,126

(continued)

Mason City School District
Statement of Net Position
June 30, 2020
(Continued)

	Governmental Activities
<u>Net Position:</u>	
Net Investment in Capital Assets	\$134,327,167
Restricted for:	
Debt Service	11,332,580
Capital Improvements	18,120,942
Classroom Facilities	3,457,319
Building Projects	116,742
District Managed Student Activities	294,535
Community Services	1,848,227
Food Service Operations	510,669
State and Federal Grants	578,276
Unrestricted (Deficit)	(115,484,750)
 <i>Total Net Position</i>	 \$55,101,707

See accompanying notes to the basic financial statements

Mason City School District
Statement of Activities
for the Fiscal Year Ended June 30, 2020

	Program Revenues			Net (Expense)	
	Expenses	Charges for Services and Sales	Operating Grants, Interest, and Contributions	Capital Grants, Interest, and Contributions	Revenue and Changes in Net Position
<u>Governmental Activities:</u>					
Instruction:					
Regular	\$56,975,769	\$2,013,893	\$0	\$0	(\$54,961,876)
Special	24,073,160	1,570,143	4,969,879	0	(17,533,138)
Vocational	49	0	24,522	0	24,473
Adult/Continuing	6,119	0	0	0	(6,119)
Support Services:					
Pupils	8,663,578	0	985,170	0	(7,678,408)
Instructional Staff	4,098,974	0	144,219	0	(3,954,755)
Board of Education	68,358	0	0	0	(68,358)
Administration	6,490,891	99,442	0	0	(6,391,449)
Fiscal	2,154,423	0	2,747	0	(2,151,676)
Business	620,540	0	0	0	(620,540)
Operation and Maintenance of Plant	18,693,214	2,512,265	1,188,109	3,991	(14,988,849)
Pupil Transportation	7,874,708	0	165,716	0	(7,708,992)
Central	4,124,590	0	7,200	0	(4,117,390)
Operation of Non-Instructional Services	6,304,875	3,486,795	2,017,686	0	(800,394)
Extracurricular Activities	3,530,012	1,629,197	95,641	0	(1,805,174)
Interest and Fiscal Charges	2,185,420	0	0	0	(2,185,420)
<i>Total Governmental Activities</i>	<u>\$145,864,680</u>	<u>\$11,311,735</u>	<u>\$9,600,889</u>	<u>\$3,991</u>	<u>(124,948,065)</u>

General Revenues:

Property Taxes Levied for:	
General Purposes	59,490,800
Debt Service	14,175,519
Capital Outlay	771,579
Grants and Entitlements not Restricted to	
Specific Programs	40,114,123
Investment Earnings	1,549,317
Gifts and Donations not Restricted to	
Specific Programs	2,878
Payments in Lieu of Taxes	4,621,838
Miscellaneous	597,314

Total General Revenues **121,323,368**

Change in Net Position (3,624,697)

Net Position at Beginning of Year 58,726,404

Net Position at End of Year \$55,101,707

See accompanying notes to the basic financial statements

Mason City School District
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Debt Service Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$36,742,904	\$11,266,234	\$18,580,403	\$4,896,338	\$71,485,879
Cash and Cash Equivalents with Escrow Agent	0	0	0	287,635	287,635
Inventory Held for Resale	0	0	0	28,214	28,214
Receivables:					
Property Taxes	60,079,836	14,150,695	777,462	0	75,007,993
Intergovernmental	4,621,838	0	0	4,887,267	9,509,105
Accrued Interest	85,496	0	0	0	85,496
Accounts	5,136	0	0	23,468	28,604
Interfund	1,863,505	0	0	0	1,863,505
Restricted Assets:					
Cash and Cash Equivalents	85,593	0	0	0	85,593
Total Assets	\$103,484,308	\$25,416,929	\$19,357,865	\$10,122,922	\$158,382,024
<u>Liabilities:</u>					
Accounts Payable	\$41,974	\$0	\$492,206	\$57,879	\$592,059
Contracts Payable	0	0	0	16,963	16,963
Accrued Wages and Benefits Payable	9,256,508	0	0	524,574	9,781,082
Intergovernmental Payable	2,756,661	0	0	46,811	2,803,472
Accrued Interest Payable	0	166,142	0	0	166,142
Matured Compensated Absences Payable	378,367	0	0	5,646	384,013
Retainage Payable	0	0	0	287,635	287,635
Notes Payable	0	6,445,478	0	0	6,445,478
Claims Payable	1,541,079	0	0	0	1,541,079
Interfund Payable	0	0	0	1,863,505	1,863,505
Total Liabilities	13,974,589	6,611,620	492,206	2,803,013	23,881,428
<u>Deferred Inflows of Resources:</u>					
Property Taxes	57,700,724	13,549,101	744,717	0	71,994,542
Payments in Lieu of Taxes	4,621,838	0	0	0	4,621,838
Unavailable Revenues	293,653	56,040	3,050	4,887,267	5,240,010
Total Deferred Inflows of Resources	62,616,215	13,605,141	747,767	4,887,267	81,856,390
<u>Fund Balances:</u>					
Restricted	0	5,200,168	18,117,892	2,958,040	26,276,100
Committed	90,784	0	0	0	90,784
Assigned	9,055,916	0	0	0	9,055,916
Unassigned (Deficit)	17,746,804	0	0	(525,398)	17,221,406
Total Fund Balances	26,893,504	5,200,168	18,117,892	2,432,642	52,644,206
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$103,484,308	\$25,416,929	\$19,357,865	\$10,122,922	\$158,382,024

See accompanying notes to the basic financial statements

Mason City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2020*

Total Governmental Fund Balances \$52,644,206

***Amounts reported for governmental activities in the
 Statement of Net Position are different because:***

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 186,560,252

Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable revenue in the funds.

Delinquent Property Taxes	291,291
Intergovernmental	4,887,267
Accrued Interest	61,452
	5,240,010

Total 5,240,010

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (369,106)

Deferred outflows/inflows of resources include deferred charges on refunding which do not provide current financial resources and, therefore are not reported in the funds.

Deferred Loss on Refunding	1,774,609
Deferred Gain on Refunding	(917,846)
	856,763

Total 856,763

The net pension/OPEB liability (asset) is not due and payable in the current period; therefore, the liability (asset) and related deferred inflows/outflows are not reported in governmental funds:

Net OPEB Asset	7,712,992
Deferred Outflows - Pension	26,904,765
Deferred Outflows - OPEB	3,350,503
Net Pension Liability	(134,223,832)
Net OPEB Liability	(13,431,570)
Deferred Inflows - Pension	(6,801,096)
Deferred Inflows - OPEB	(13,557,804)
	(130,046,042)

Total (130,046,042)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

General Obligation Bonds	(32,700,000)
Premium on General Obligation Bonds	(2,923,029)
Accretion on Capital Appreciation Bonds	(1,280,351)
Long-Term Refunding Bond Anticipation Notes	(6,965,000)
Premium on Long-Term Refunding Bond Anticipation Notes	(11,341)
Capital leases	(4,045,000)
Compensated Absences Payable	(11,859,655)
	(59,784,376)

Total (59,784,376)

Net Position of Governmental Activities **\$55,101,707**

See accompanying notes to the basic financial statements

Mason City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
for the Fiscal Year Ended June 30, 2020

	General Fund	Debt Service Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$59,525,773	\$14,186,327	\$772,168	\$0	\$74,484,268
Intergovernmental	41,094,501	2,141,139	92,322	6,165,524	49,493,486
Investment Earnings	1,577,290	2,747	5,846	4,813	1,590,696
Tuition and Fees	3,544,611	0	0	326,353	3,870,964
Extracurricular Activities	487,959	0	0	765,315	1,253,274
Rent	0	0	2,000,000	518,121	2,518,121
Charges for Services	1,046,217	0	0	2,623,159	3,669,376
Contributions and Donations	87,593	0	0	89,810	177,403
Payments in Lieu of Taxes	2,976,494	0	813,758	831,586	4,621,838
Miscellaneous	29,160	0	177,051	391,103	597,314
Total Revenues	110,369,598	16,330,213	3,861,145	11,715,784	142,276,740
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	52,437,361	0	234,784	164,481	52,836,626
Special	20,703,557	0	0	1,808,380	22,511,937
Vocational	0	0	0	49	49
Support Services:					
Pupils	7,077,635	0	1,331	1,007,040	8,086,006
Instructional Staff	2,606,794	0	1,174,723	113,851	3,895,368
Board of Education	68,358	0	0	0	68,358
Administration	5,968,153	9,506	517	7,969	5,986,145
Fiscal	1,830,904	209,385	9,083	0	2,049,372
Business	433,485	0	0	170,908	604,393
Operation and Maintenance of Plant	9,313,325	0	857,658	1,105,064	11,276,047
Pupil Transportation	6,161,977	0	446,576	0	6,608,553
Central	3,942,683	0	863	7,200	3,950,746
Operation of Non-Instructional Services	1,159,880	0	0	4,737,495	5,897,375
Extracurricular Activities	1,683,192	0	0	1,390,137	3,073,329
Capital Outlay	0	0	1,354,027	2,302,456	3,656,483
Debt Service:					
Principal Retirement	0	21,705,000	0	193,000	21,898,000
Interest and Fiscal Charges	0	2,523,620	0	198,282	2,721,902
Total Expenditures	113,387,304	24,447,511	4,079,562	13,206,312	155,120,689
Excess of Revenues Over (Under) Expenditures	(3,017,706)	(8,117,298)	(218,417)	(1,490,528)	(12,843,949)
<u>Other Financing Sources (Uses):</u>					
Refunding Bond Anticipation Notes Issued	0	6,965,000	0	0	6,965,000
Premium on Refunding Bond					
Anticipation Notes Issued	0	68,048	0	0	68,048
Proceeds from the Sale of Capital Assets	0	0	1,313	0	1,313
Transfers In	0	0	0	94,288	94,288
Transfers Out	0	0	(94,288)	0	(94,288)
Total Other Financing Sources (Uses)	0	7,033,048	(92,975)	94,288	7,034,361
Net Change in Fund Balances	(3,017,706)	(1,084,250)	(311,392)	(1,396,240)	(5,809,588)
Fund Balances at Beginning of Year	29,911,210	6,284,418	18,429,284	3,828,882	58,453,794
Fund Balances at End of Year	<u>\$26,893,504</u>	<u>\$5,200,168</u>	<u>\$18,117,892</u>	<u>\$2,432,642</u>	<u>\$52,644,206</u>

See accompanying notes to the basic financial statements

Mason City School District
*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, 2020*

Net Change in Fund Balances - Total Governmental Funds (\$5,809,588)

*Amounts reported for governmental activities in the
Statement of Activities are different because:*

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlay	3,095,663	
Construction in Progress	694,801	
Depreciation Expense	<u>(3,386,131)</u>	
Excess of depreciation expense over capital outlay		404,333

Certain construction in progress assets were not classified as depreciable assets.
Abandoned construction in progress (4,738,983)

The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of capital assets is removed from the capital assets account in the Statement of Net Position and offset against the proceeds from the sale of capital assets resulting in a gain or loss on the sale of capital assets in the Statement of Activities.

Proceeds from Sale of Capital Assets	(1,313)	
Loss on Sale of Capital Assets	<u>(4,723)</u>	
Total		(6,036)

Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are therefore recorded as deferred inflows of resources in the governmental funds. Deferred inflows of resources changed by these amounts this fiscal year:

Delinquent Property Taxes	(46,370)	
Intergovernmental	37,191	
Investment Earnings	<u>(27,578)</u>	
Total		(36,757)

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.

Pension	10,937,632	
OPEB	<u>262,590</u>	
Total		11,200,222

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability (asset) are reported as pension expense in the Statement of Activities.

Pension	(19,745,575)	
OPEB	<u>1,924,995</u>	
Total		(17,820,580)

The issuance of long-term debt provides current financial resources to governmental funds, but in the Statement of Net Position, the debt is reported as a liability.

Proceeds of refunding bond anticipation notes	(6,965,000)	
Premium on refunding bond anticipation notes	<u>(68,048)</u>	
Total		(\$7,033,048)

(continued)

Mason City School District
*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, 2020
(Continued)*

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current fiscal year, these amounts consist of:

General Obligation Bonds Principal Payments	\$6,690,000	
Advance Refunding Bond Anticipation Note Payment	15,015,000	
Capital Lease Payments	193,000	
Total		21,898,000

Accretion and amortization of bond premiums, the deferred loss/gain on refunding debt, as well as accrued interest payable on the bonds are not reported in the funds, but are allocated as an expense over the life of the debt in the Statement of Activities

Decrease in Accrued Interest	325,813	
Accretion on Capital Appreciation Bonds	(271,410)	
Amortization of Premium on Bonds	1,387,854	
Amortization of Loss/Gain on Refunding	(905,775)	
Total		536,482

Some items 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. These activities consist of:

Compensated Absences Payable	(2,218,742)
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<i>Change in Net Position of Governmental Activities</i>	<i>(\$3,624,697)</i>
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See accompanying notes to the basic financial statements

Mason City School District
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund
for the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$57,101,524	\$57,101,524	\$58,938,653	\$1,837,129
Intergovernmental	43,082,104	43,241,104	41,130,658	(2,110,446)
Investment Earnings	1,083,007	1,083,007	1,221,612	138,605
Tuition and Fees	2,467,663	2,526,663	2,715,364	188,701
Extracurricular Activities	680	680	150	(530)
Charges for Services	81,472	81,472	98,626	17,154
Contributions and Donations	0	0	2,878	2,878
Payments in Lieu of Taxes	162,404	162,404	2,976,494	2,814,090
Total Revenues	103,978,854	104,196,854	107,084,435	2,887,581
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	60,680,379	57,536,958	57,011,791	525,167
Special	19,995,408	20,592,388	20,585,859	6,529
Support Services:				
Pupils	8,135,539	8,058,621	7,601,831	456,790
Instructional Staff	2,821,959	2,925,363	2,749,061	176,302
Board of Education	143,008	142,078	67,283	74,795
Administration	6,384,003	6,319,737	6,024,027	295,710
Fiscal	1,933,807	1,912,200	1,793,894	118,306
Business	331,912	406,736	401,690	5,046
Operation and Maintenance of Plant	10,999,850	11,543,958	9,783,019	1,760,939
Pupil Transportation	6,799,230	6,723,195	6,419,203	303,992
Central	2,778,831	2,835,749	2,561,572	274,177
Operation of Non-Instructional Services	40,076	50,553	38,753	11,800
Extracurricular Activities	1,767,659	1,747,150	1,486,820	260,330
Total Expenditures	122,811,661	120,794,686	116,524,803	4,269,883
Excess of Revenues Over (Under) Expenditures	(18,832,807)	(16,597,832)	(9,440,368)	7,157,464
<u>Other Financing Sources (Uses):</u>				
Insurance Recoveries	202,865	202,865	0	(202,865)
Refund of Prior Year Expenditures	6,073	6,073	9,724	3,651
Advances In	2,980,551	2,980,551	723,581	(2,256,970)
Advances Out	(2,000,000)	(3,000,000)	(1,863,505)	1,136,495
Total Other Financing Sources (Uses)	1,189,489	189,489	(1,130,200)	(1,319,689)
Net Change in Fund Balance	(17,643,318)	(16,408,343)	(10,570,568)	5,837,775
Fund Balance at Beginning of Year	32,461,476	32,461,476	32,461,476	0
Prior Year Encumbrances Appropriated	700,150	700,150	700,150	0
Fund Balance at End of Year	\$15,518,308	\$16,753,283	\$22,591,058	\$5,837,775

See accompanying notes to the basic financial statements

Mason City School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Private Purpose Trust Fund	Agency Funds
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$102,895	\$731,365
<u>Liabilities:</u>		
Undistributed Monies	0	\$731,365
<u>Net Position:</u>		
Held in Trust for Other Purposes	\$102,895	

See accompanying notes to the basic financial statements

Mason City School District
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
for the Fiscal Year Ended June 30, 2020

	Private Purpose Trust Fund
<u>Additions:</u>	
Contributions and Donations	\$3,173
Investment Earnings	32
	3,205
<i>Total Additions</i>	3,205
<u>Deductions:</u>	
Payments in Accordance with Trust Agreements	2,000
	1,205
<i>Change in Net Position</i>	1,205
<i>Net Position at Beginning of Year</i>	101,690
	101,690
<i>Net Position at End of Year</i>	\$102,895

See accompanying notes to the basic financial statements

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Mason City School District (the “School District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a city district as defined by Section 3311.02 of the Ohio Revised Code. The School District operates under a locally elected five member Board of Education and provides educational services as authorized by its charter or further mandated by state/or federal agencies to residents of the School District.

The School District is located in Warren and Butler Counties in southwest Ohio. The School District serves an area of 25 square miles, with 99 percent of its territory located within Warren County and the remaining 1 percent in Butler County. Political subdivisions overlapping the School 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 School District is approximately 25 minutes northeast of downtown Cincinnati and 35 minutes southwest of downtown Dayton.

The Board of Education exercises control over the School District’s five instructional facilities: one early childhood center (Pre-K-2), one elementary school (2-3), one intermediate school (4-6), one middle school (7-8), and a high school (9-12). It is staffed by 420 full-time equivalent classified personnel and 652 certified full-time equivalent teaching personnel and administrative employees to provide services to students and other community members. The enrollment for the District during the fiscal year was 10,463.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the School District, this includes: education, pupil transportation, food service, and maintenance of the School District’s facilities.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the School District. The School District has no component units.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

The School District participates in three jointly governed organizations. These organizations are presented in Note 19 to the Basic Financial Statements. These organizations are:

Jointly Governed Organizations:
Southwestern Ohio Computer Association
Great Oaks Career Campuses
Jewell Education Foundation

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School 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 standards-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The government-wide financial statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type; however, the School District has no business-type activities.

The Statement of Net Position presents the financial condition of the governmental activities of the School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School 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 School District.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are divided into two categories; governmental and fiduciary.

Governmental Funds:

Governmental funds are those through which most governmental functions of the School District are financed. Governmental fund reporting focuses 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 and deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

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

Debt Service Fund – This fund is used to account for and report the accumulation of resources restricted for, and the payment of, general obligation bond principal and interest and certain other long-term obligations when the School District is obligated for the payment.

Permanent Improvement Fund – This fund is used to account for and report restricted transactions relating to the acquiring, constructing, or improving facilities within the School District.

The nonmajor governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit)

Mason City School District
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trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's fiduciary funds include a private purpose trust fund which accounts for contributions received for scholarship programs and three agency funds which account for the Ohio High School Athletic Association tournaments hosted by the School District, employee contributions to a Section 125 insurance plan, and student managed activity programs.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

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 deferred outflows of resources and current liabilities and deferred inflows of resources 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 a 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 and the financial statements of the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, 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

Mason City School District
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accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined, and “available” means that the resources are collectible 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 School District, available means expected to be received within 60 days of fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, payments in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes and payments in lieu of taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). 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 fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange 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 fiscal year-end: property taxes available for advance, grants, investment earnings, and miscellaneous.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, and pension and OPEB plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include deferred charge on refunding, property taxes, payments in lieu of taxes, pension and OPEB plans, and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental revenue, and investment earnings. These amounts are deferred and

Mason City School District
Notes to the Basic Financial Statements
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recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position. (See Notes 12 and 13.)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Cash and Cash Equivalents

Cash received by the School District is deposited into one of several bank accounts with individual fund integrity being maintained through the School District's records for cash that is pooled. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. The School District also has money held in escrow for retainage amounts owed to contractors. This balance is reported as Cash and Cash Equivalents with Escrow Agent.

During fiscal year 2020, the School District's investments were limited to STAROhio, Commercial Paper, Money Market Mutual Funds, Negotiable Certificates of Deposit, Federal Farm Credit Bank Bonds, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds, and Federal National Mortgage Association Bonds. Investments, except for STAROhio, Money Market Mutual Funds, and Commercial paper, are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price. The School District's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

During fiscal year 2020, the School District invested in STAROhio. STAROhio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but has adopted

Mason City School District
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Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The School District measures their investment in STAROhio at the net asset value (NAV) per share provided by STAROhio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAROhio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings. Investment earnings credited to the General Fund during fiscal year 2020 amounted to \$1,577,290, which includes \$778,191 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the General Fund represents cash equivalents legally required by State statute to be set aside by the School District for budget stabilization. See Note 20 for additional information regarding set-asides.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivable/Payable”. Interfund balances are eliminated in the Statement of Net Position.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption and donated commodities held for resale.

Mason City School District
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Capital Assets

All capital assets of the School District are general capital assets that are associated with governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School 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 capitalized.

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

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

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 School District will compensate the employees for the benefits through paid time off or some other means. The School 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 liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees after five years of service.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees will be paid.

The entire compensated absences liability is reported on the government-wide financial statements.

Mason City School District
Notes to the Basic Financial Statements
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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 funds. However, claims and compensated absences 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 during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by the highest level of formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education. State statute authorizes the Treasurer to assign fund balance for purchase orders provided such amounts have been lawfully appropriated. The Treasurer assigned fund balance to cover a gap between estimated revenue and appropriations in the 2021 appropriated budget. The assigned fund balance also includes purchases on order and public support.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Internal Activity

Transfers between governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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

Budgetary Process

All funds, other than the agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, all of 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 amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on

Mason City School District
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expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund. The budgetary comparisons included within the basic financial statements for the General Fund demonstrates compliance with this legal level of budgetary control.

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

The appropriations resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Education during the fiscal year, including all supplemental appropriations.

Bond Premiums and Compounded Interest on Capital Appreciation Bonds

For governmental activities, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted each fiscal year for the compounded interest accrued during the fiscal year. Bond premiums and the compounded interest on the capital appreciation bonds are presented as an addition to the face amount of the bonds payable.

On the governmental fund financial statements, bond premiums are recognized in the period in which the bonds were issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent. Accretion on the capital appreciation bonds is not reported. Interest on the capital appreciation bonds is recorded as an expenditure when the debt becomes due.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This deferred amount is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows/inflows of resources on the Statement of Net Position.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

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 – CHANGE IN ACCOUNTING PRINCIPLES

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The School District evaluated implementing these certain GASB pronouncements based on the guidance in GASB 95.

For fiscal year 2020, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

For fiscal year 2020, the School District also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2018-1*. These changes were incorporated in the School District's 2020 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 89 establishes accounting requirements for interest cost incurred before the end of a construction period. These changes were incorporated in the School District's 2020 financial statements; however, there was no effect on beginning net position.

NOTE 4 – ACCOUNTABILITY

At June 30, 2020, the following funds had deficit fund balances:

<u>Fund Name</u>	<u>Amount</u>
Miscellaneous State Grants	\$12,567
Title VI-B	408,768
Title III	22,145
Title I	38,348
Public School Preschool	7,467
Title II-A	23,461
Classroom Facilities	12,642
Total	<u>\$525,398</u>

The deficits in all fund balances were due to accruals in GAAP as well as short-term interfund loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances 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 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) is presented for the General Fund 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 that:

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. Advances In and Advances Out are operating transactions (budget basis) as opposed to Balance Sheet transactions (GAAP basis).
4. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
5. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).
6. Budgetary revenues and expenditures of the Public School Support and Latchkey special revenue funds are classified to the General Fund for GAAP reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund.

Net Change in Fund Balance	
GAAP Basis	(\$3,017,706)
Adjustments:	
Revenue Accruals	(7,882)
Expenditure Accruals	(5,310,759)
Advances	(1,139,924)
Encumbrances	(742,810)
Increase in Fair Value of Investments - 2019	217,031
Increase in Fair Value of Investments - 2020	(615,256)
Excess of revenues over expenditures for Public School Support Fund	(284,431)
Excess of revenues under expenditures for Latchkey Fund	331,169
Budget Basis	(\$10,570,568)

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

NOTE 6 – DEPOSITS AND INVESTMENTS

Monies held by the School District are classified by State Statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are 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. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

Mason City School District
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3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio); and
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an account not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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 School 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.

Investments: As of June 30, 2020, the School District had the following investments.

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Measurement/Investment	Measurement Amount	Maturity	S&P's/ Moody's Rating	Percent of Total Investments
Net Asset Value per Share:				
STAROhio	\$1,157,348	Less than one year	AAAm	N/A
Amortized Cost:				
Commercial Paper	6,329,324	Less than one year	A-1 to A-1+	15.01%
Fair Value - Level One Inputs:				
Money Market Mutual Funds	74,117	Less than one year	AAAm	N/A
Fair Value - Level Two Inputs:				
Negotiable Certificates of Deposit	19,382,892	Less than five years	N/A	45.97%
Federal Farm Credit Bank Bonds	1,104,619	Less than five years	AA+	N/A
Federal Home Loan Bank Bonds	2,588,493	Less than three years	AA+	6.14%
Federal Home Loan Mortgage Corporation Bonds	9,028,077	Less than five years	AA+	21.41%
Federal National Mortgage Association Bonds	2,501,300	Less than five years	AA+	5.93%
Total Fair Value - Level Two Inputs	34,605,381			
Total	\$42,166,170			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2020. The money market mutual fund is measured at fair value using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District attempts, to the extent possible, to match investments with anticipated cash flow requirements. Unless matched to a specific obligation or debt of the School District, the School District will not directly invest in securities maturing more than three years from the date of investment. The School District does not have a formal policy regarding interest rate risk.

Credit Risk: The Standard and Poor's or Moody's rating of the School District's investments is listed in the table above. STAROhio is permitted by Ohio Revised Code Section 135.45. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized rating service. The Commercial Paper investments are rated A-1 to A-1+ by Standard and Poor's. The School District's Negotiable Certificates of Deposit are covered by FDIC.

Mason City School District
Notes to the Basic Financial Statements
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Concentration of Credit Risk: The School District's investment policy places no limit on the amount it may invest in any one issuer. The percentage that each investment represents of the total investments is listed in the table preceding.

NOTE 7 – PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed value listed as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Public utility real and tangible personal property taxes received in calendar year 2020 became a lien December 31, 2018, were levied after April 1, 2019 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The Warren County Treasurer collects property taxes on behalf of all governments in the County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2020, are available to finance fiscal year 2020 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes that are measurable as of June 30, 2020, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit of deferred inflows – property taxes.

The amount available as an advance at June 30, 2020, was \$2,722,160 and is recognized as revenue: \$2,146,911 in the General Fund, \$545,554 in the Debt Service Fund, and \$29,695 in the Permanent Improvement Fund. The amount available as an advance at June 30, 2019, was \$1,559,791 in the General Fund, \$394,290 in the Debt Service Fund, and \$21,461 in the Permanent Improvement Fund.

Mason City School District
Notes to the Basic Financial Statements
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On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis, the revenue has been reported as deferred inflows of resources – unavailable revenue.

The assessed values upon which fiscal year 2020 taxes were collected are:

	2019 Second- Half Collections		2020 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$1,912,206,480	97.93%	\$1,984,746,010	97.90%
Public Utility Personal	40,462,230	2.07%	42,609,760	2.10%
Total Assessed Value	<u>\$1,952,668,710</u>	<u>100.00%</u>	<u>\$2,027,355,770</u>	<u>100.00%</u>
 Tax rate per \$1,000 of assessed valuation	 \$82.79		 \$82.79	

Payments in Lieu of Taxes

The School District is party to Tax Increment Financing (TIF) agreements. Municipalities, townships, and counties can enter into TIF agreements which lock in real property at its unimproved value for up to 30 years in a defined TIF district. Some TIF agreements also require the TIF government to allocate service payments to school districts and other governments to help offset the property taxes these governments would have received had the improvements to real property not been exempted. The service payments that the School District receives as part of TIF agreements are presented on the financial statements as Payments in Lieu of Taxes.

NOTE 8 – TAX ABATEMENTS

Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) program with the taxing districts of the School District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Under this agreement the School District’s Property taxes were reduced by approximately \$882,770. The School District is receiving \$603,036 from the other governments in association with the forgone property tax revenue.

NOTE 9 – RECEIVABLES

Receivables at June 30, 2020, consisted of interest, accounts, property taxes, 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 fiscal year guarantee of federal funds. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

NOTE 10 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2020, was as follows:

	Balance at 6/30/19	Additions	Deductions	Balance at 6/30/20
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$3,655,645	\$0	\$0	\$3,655,645
Construction in Progress	38,734,862	694,801	(39,429,663)	0
Total Capital Assets Not Being Depreciated	42,390,507	694,801	(39,429,663)	3,655,645
Capital Assets Being Depreciated:				
Buildings and Improvements	179,980,867	36,703,514	0	216,684,381
Equipment	18,669,826	1,082,829	(209,609)	19,543,046
Total Capital Assets Being Depreciated	198,650,693	37,786,343	(209,609)	236,227,427
Less Accumulated Depreciation:				
Building and Improvements	(36,499,677)	(2,331,302)	0	(38,830,979)
Equipment	(13,640,585)	(1,054,829)	203,573	(14,491,841)
Total Accumulated Depreciation	(50,140,262)	(3,386,131) *	203,573	(53,322,820)
Total Capital Assets Being Depreciated, Net	148,510,431	34,400,212	(6,036)	182,904,607
Governmental Activities				
Capital Assets, Net	<u>\$190,900,938</u>	<u>\$35,095,013</u>	<u>(\$39,435,699)</u>	<u>\$186,560,252</u>

\$4,738,983 of construction in progress deletions were not capitalized.

*Depreciation expense was charged to governmental functions as follows:

Mason City School District
Notes to the Basic Financial Statements
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Instruction:	
Regular	\$140,458
Special	493
Support Services:	
Instructional Staff	23,846
Administration	1,219
Fiscal	1,092
Operation and Maintenance of Plant	2,451,631
Pupil Transportation	515,448
Central	41,684
Operation of Non-Instructional Services	90,530
Extracurricular Activities	119,730
Total Depreciation Expense	<u><u>\$3,386,131</u></u>

NOTE 11 – RISK MANAGEMENT

Property and Liability

The School 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 fiscal year 2020, the School District contracted with Wright Specialty for general liability insurance, and an umbrella policy. Property and fleet is also protected by Wright Specialty. The Travelers Insurance Company maintains the bonds for the Board President, Superintendent, and Treasurer. Wright Specialty also maintains an employee dishonesty blanket bond for all employees.

Settled claims have not exceeded the coverage in any of the past three fiscal years. There has not been a significant reduction in coverage from the prior fiscal year.

Employee Benefits

The School District is self-insured for employee health care benefits, including prescription drug coverage, for all of its employees. The health care, and prescription drug benefits are currently administered by Anthem, which provides claims review and processing services.

The School District is also self-insured for dental benefits. Third party administrative services are provided by Dental Care Plus Group. Monthly premiums for dental coverage are \$105.48 for family coverage and \$39.70 for individual coverage. The School District is responsible for payment of all claim amounts.

The School District is also self-insured for vision benefits. Third party administrative services are provided by Vision Service Plan (VSP). 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.

Mason City School District
Notes to the Basic Financial Statements
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The liability for unpaid claims of \$1,541,079 reported in the General Fund at June 30, 2020, is based on the requirements of GASB Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues,” as amended by GASB Statement No. 30, “Risk Management Omnibus,” which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Estimates were calculated based upon an independent actuarial evaluation of claims payable. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claims adjustment expenses.

The amount reported as claims payable in the General Fund in the fund financial statements is \$1,541,079, 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 \$1,541,079 has been reported as claims payable.

Changes in claims activity for employee benefits for the past two fiscal years are as follows:

	Balance at Beginning of Fiscal Year	Current Fiscal Year Claims	Claims Payments	Balance at End of Fiscal Year
2019	\$1,498,839	\$15,243,746	\$14,873,020	\$1,869,565
2020	1,869,565	17,377,016	17,705,502	1,541,079

NOTE 12 – DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension/Net OPEB Liability

The net pension liability and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

Mason City School District
Notes to the Basic Financial Statements
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Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

Mason City School District
Notes to the Basic Financial Statements
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	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2020, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$2,577,635 for fiscal year 2020. Of this amount, \$147,495 is reported as an intergovernmental payable.

Plan Description – State Teachers Retirement System (STRS)

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

Mason City School District
Notes to the Basic Financial Statements
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New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty and after termination of employment.

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

Mason City School District
Notes to the Basic Financial Statements
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A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2020 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2020, the full employer contribution was allocated to pension.

The School District’s contractually required contribution to STRS was \$8,359,997 for fiscal year 2020. Of this amount, \$1,714,362 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Prior Measurement Date	0.54214530%	0.46506510%	
Current Measurement Date	<u>0.52210830%</u>	<u>0.46569286%</u>	
Change in Proportionate Share	<u>-0.02003700%</u>	<u>0.00062776%</u>	
Proportionate Share of the Net Pension Liability	\$31,238,656	\$102,985,176	\$134,223,832
Pension Expense	\$4,710,824	\$15,034,751	\$19,745,575

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Mason City School District
Notes to the Basic Financial Statements
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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$792,144	\$838,470	\$1,630,614
Changes of assumptions	0	12,097,598	12,097,598
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	339,301	1,899,620	2,238,921
School District contributions subsequent to the measurement date	<u>2,577,635</u>	<u>8,359,997</u>	<u>10,937,632</u>
Total Deferred Outflows of Resources	<u>\$3,709,080</u>	<u>\$23,195,685</u>	<u>\$26,904,765</u>

Deferred Inflows of Resources:			
Differences between expected and actual experience	\$0	\$445,803	\$445,803
Net difference between projected and actual earnings on pension plan investments	400,986	5,033,358	5,434,344
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>885,342</u>	<u>35,607</u>	<u>920,949</u>
Total Deferred Outflows of Resources	<u>\$1,286,328</u>	<u>\$5,514,768</u>	<u>\$6,801,096</u>

\$10,937,632 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2021	\$553,216	\$7,065,814	\$7,619,030
2022	(908,825)	1,769,722	860,897
2023	(26,683)	(145,060)	(171,743)
2024	<u>227,409</u>	<u>630,444</u>	<u>857,853</u>
Total	<u>(\$154,883)</u>	<u>\$9,320,920</u>	<u>\$9,166,037</u>

Mason City School District
Notes to the Basic Financial Statements
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Actuarial Assumptions – SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

Mason City School District
Notes to the Basic Financial Statements
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The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00%	0.50%
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00%	

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$43,776,524	\$31,238,656	\$20,724,083

Mason City School District
Notes to the Basic Financial Statements
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Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3.0 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011, through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	28.00%	7.35%
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00%	

* Target weights will be phased in over a 24-month period concluding on July 1, 2019.

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$150,501,363	\$102,985,176	\$62,760,292

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2020, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 13 – DEFINED BENEFIT OPEB PLANS

See Note 12 for a description of the net OPEB liability.

Plan Description – School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a

Mason City School District
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member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established 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.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2020, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2020, this amount was \$19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the School District's surcharge obligation was \$262,590.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$262,590 for fiscal year 2020, which is reported as an intergovernmental payable.

Plan Description – State Teachers Retirement System of Ohio (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will

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be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset:			
Prior Measurement Date	0.54966140%	0.46506517%	
Current Measurement Date	0.53410310%	0.46569286%	
Change in Proportionate Share	<u>-0.01555830%</u>	<u>0.00062769%</u>	
Proportionate Share of the:			
Net OPEB (Asset)	\$0	(\$7,712,992)	(\$7,712,992)
Net OPEB Liability	\$13,431,570	\$0	\$13,431,570
OPEB Expense	\$359,756	(\$2,284,751)	(\$1,924,995)

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$197,165	\$699,238	\$896,403
Changes of assumptions	981,023	162,126	1,143,149
Net difference between projected and actual earnings on pension plan investments	32,241	0	32,241
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	571,566	444,554	1,016,120
School District contributions subsequent to the measurement date	262,590	0	262,590
Total Deferred Outflows of Resources	<u>\$2,044,585</u>	<u>\$1,305,918</u>	<u>\$3,350,503</u>

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	SERS	STRS	Total
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$2,950,825	\$392,407	\$3,343,232
Changes of assumptions	752,665	8,456,391	9,209,056
Net difference between projected and actual earnings on pension plan investments	0	484,433	484,433
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	511,812	9,271	521,083
Total Deferred Outflows of Resources	<u>\$4,215,302</u>	<u>\$9,342,502</u>	<u>\$13,557,804</u>

\$262,590 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	(\$814,243)	(\$1,764,490)	(\$2,578,733)
2022	(342,897)	(1,764,495)	(2,107,392)
2023	(333,434)	(1,570,342)	(1,903,776)
2024	(334,974)	(1,502,229)	(1,837,203)
2025	(398,871)	(1,457,821)	(1,856,692)
2026	(208,888)	22,793	(186,095)
Total	<u>(\$2,433,307)</u>	<u>(\$8,036,584)</u>	<u>(\$10,469,891)</u>

Actuarial Assumptions – SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019, are presented below:

Inflation	3.00 percent
Wage Increases	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.13 percent
Prior Measurement Date	3.62 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.22 percent
Prior Measurement Date	3.70 percent
Medical Trend Assumption	
Medicare	5.25 to 4.75 percent
Pre-Medicare	7.00 to 4.75 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2019, was 3.22 percent. The discount rate used to measure total OPEB liability prior to June 30, 2019, was 3.70 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024, and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13 percent, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1 % Increase (4.22%)
School District's proportionate share of the net OPEB liability	\$16,303,378	\$13,431,570	\$11,148,146

	1% Decrease (6.00% decreasing to 3.75%)	Current Trend Rate (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	\$10,761,408	\$13,431,570	\$16,974,227

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Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2019, actuarial valuation are presented below:

Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	5.87 percent initial, 4 percent ultimate
Medicare	4.93 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	7.73 percent initial, 4 percent ultimate
Medicare	9.62 initial, 4 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011, through June 30, 2016.

Since the prior measurement date, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020, to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020, from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021, to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

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Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2019.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1 % Increase (8.45%)
School District's proportionate share of the net OPEB asset	(\$6,581,502)	(\$7,712,992)	(\$8,664,309)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$8,746,178)	(\$7,712,992)	(\$6,447,588)

NOTE 14 – EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation, sick, and compensated time leave benefits are derived from negotiated agreements and State laws. Eligible classified employees and administrators earn 0 to 30 days of vacation per fiscal year, depending upon length of service and days worked. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Certified employees do not earn vacation time.

Certified employees, classified employees, and administrators earn sick leave at the rate of one and one-quarter days per month. Sick leave may be accumulated up to 260 days for all employees. Upon retirement, payment is made for accumulated, unused sick leave up to a maximum number of days, depending upon length of service and the negotiated contract.

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Insurance

The School District is self-insured for employee healthcare, prescription drug, dental, vision and worker’s compensation benefits. See Note 11 for more information regarding these benefits.

Deferred Compensation

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. School District employees are also permitted to participate in the 403b plans offered by many Board approved vendors. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

NOTE 15 – LEASES – LESSEE DISCLOSURE

In prior fiscal years the School District entered into capital leases for the acquisition, construction and installation of a multi-purpose building project and an addition to the existing high school. The School 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 School District’s name for the construction and installation payments. The lease is renewable annually and expires in fiscal year 2032. The intention of the District is to renew the lease annually.

The capital assets acquired by lease were capitalized in the amounts of \$5,010,876 which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the Statement of Net Position for governmental activities. Principal payments in fiscal year 2020 totaled \$193,000 and were paid from the Community Services Special Revenue Fund.

The assets acquired through the capital lease as of June 30, 2020, are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Furniture, Fixtures, and Equipment	\$5,010,876	(\$517,029)	\$4,493,847

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, 2020:

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Fiscal Year Ending June 30,	Total Payments
2021	\$394,927
2022	407,985
2023	419,000
2024	433,972
2025	445,745
2026-2030	2,440,217
2031-2032	761,271
Total Outstanding Lease Liability	5,303,117
Less: Amount Representing Interest	(1,258,117)
Present Value of Net Minimum Lease Payments	\$4,045,000

NOTE 16 – SHORT-TERM OBLIGATIONS

	Balance at 6/30/2019	Additions	Deductions	Balance at 6/30/2020
<u>Governmental Activities:</u>				
2020 Refunding Bond Anticipation				
Note 3.0% \$6,435,000	\$0	\$6,435,000	\$0	\$6,435,000
Unamortized Premium	0	62,870	52,392	10,478
Total Governmental Activities	0	6,497,870	52,392	6,445,478

During fiscal year 2020, the School District’s long-term \$15,015,000 bond anticipation note was reissued for \$13,400,000. On August 19, 2020, the School District paid \$6,435,000 against the \$13,400,000 and refinanced the remaining \$6,965,000 into a new note with a maturity date of August 18, 2021. Therefore, the \$13,400,000 liability outstanding at June 30, 2020, was split with \$6,965,000 as a long-term obligation and \$6,435,000 presented as a fund liability in the financial statements. The note is backed by the full faith and credit of the School District and matures within one year. The liability is reflected in the fund which received the proceeds. The notes will be paid from the Debt Service Fund.

NOTE 17 – LONG-TERM OBLIGATIONS

The changes in the School District’s long-term obligations during the fiscal year 2020 were as follows:

	Amounts Outstanding 6/30/19	Additions	Deductions	Amounts Outstanding 6/30/20	Amounts Due Within One Year
<u>Governmental Activities:</u>					
<u>General Obligation Bonds:</u>					
2006 Refunding High School / Recreation Center Bonds 5.16%					
Serial Bonds \$52,045,000	\$15,895,000	\$0	\$5,030,000	\$10,865,000	\$5,290,000
Unamortized Premium	\$932,683	\$0	\$373,073	\$559,610	\$0
					(continued)

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	Amounts Outstanding 6/30/19	Additions	Deductions	Amounts Outstanding 6/30/20	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
2007 Refunding Early Childhood Center Bonds 4.89%					
Serial Bonds \$15,015,000	\$13,870,000	\$0	\$0	\$13,870,000	\$0
2013 Refunding High School Addition Bonds 4.25-4.375%					
Serial Bonds \$16,100,000	1,085,000	0	530,000	555,000	555,000
Capital Appreciation Bonds \$720,000	720,000	0	0	720,000	0
Accretion on Capital Appreciation Bonds	1,008,941	271,410	0	1,280,351	0
Unamortized Premium	1,856,433	0	464,108	1,392,325	0
2013 Refunding High School / Recreation Center Bonds 4.25-4.375%					
Serial Bonds \$3,640,000	\$2,390,000	\$0	\$1,080,000	\$1,310,000	\$1,110,000
Unamortized Premium	171,317	0	57,105	114,212	0
2016 Tax Exempt Refunding Bonds - 3.0% to 5.0%					
Serial Bonds \$10,170,000.	5,430,000	0	50,000	5,380,000	100,000
Unamortized Premium	1,028,258	0	171,376	856,882	0
Total General Obligation Bonds	44,387,632	271,410	7,755,662	36,903,380	7,055,000
General Obligation Notes:					
2019 Advance Refunding Bond Anticipation					
Note 4.0 % \$15,015,000	15,015,000	0	15,015,000	0	0
Unamortized Premium	265,485	0	265,485	0	0
2020 Refunding Bond Anticipation					
Note 3.0% \$6,965,000	0	6,965,000	0	6,965,000	0
Unamortized Premium	0	68,048	56,707	11,341	0
Total General Obligation Notes	15,280,485	7,033,048	15,337,192	6,976,341	0
Total General Obligation Debt	59,668,117	7,304,458	23,092,854	43,879,721	7,055,000
Net Pension Liability:					
SERS	31,049,665	188,991	0	31,238,656	0
STRS	102,257,389	727,787	0	102,985,176	0
Total Net Pension Liability	133,307,054	916,778	0	134,223,832	0
Net OPEB Liability:					
SERS	15,249,092	0	1,817,522	13,431,570	0
Compensated Absences	9,640,913	3,081,590	862,848	11,859,655	1,470,286
Capital Lease	4,238,000	0	193,000	4,045,000	214,000
Total Governmental Activities Long-Term Obligations	\$222,103,176	\$11,302,826	\$25,966,224	\$207,439,778	\$8,739,286

General Obligation bonds were issued for construction and improvements to various School District facilities. The bonds will be paid from the Debt Service Fund.

During fiscal year 2020, the School District retired the \$15,015,000 long-term Advance Refunding Bond Anticipation Note and reissued the note for \$13,400,000. On August 19, 2020, the School District paid \$6,435,000 of the note and reissued the remaining \$6,965,000. Therefore, the \$6,435,000 liability outstanding at June 30, 2020, is presented as a fund liability in the financial statements.

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Notes to the Basic Financial Statements
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The capital lease will be paid from the Community Services Fund. Compensated absences will be paid from the General Fund, Food Service, Community Services, Auxiliary Services, Title VI-B, Title III, Title I, and Public School Preschool special revenue funds. There is no repayment schedule for the net pension/OPEB liabilities. However, employer pension/OPEB contributions are made from the following funds: General, Food Service, Community Services, Auxiliary Services, Title VI-B, Title III, Title I, and Public School Preschool funds. For additional information related to the net pension/OPEB liabilities see Notes 12 and 13.

Principal and interest requirements to retire the School District’s outstanding debt at June 30, 2020, are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds			
	Serial/Term Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2021	\$7,055,000	\$1,468,386	\$0	\$0
2022	5,925,000	1,138,394	445,000	1,090,000
2023	1,730,000	941,425	275,000	830,000
2024	1,670,000	856,425	0	0
2025	1,730,000	771,425	0	0
2026-2030	9,390,000	2,458,313	0	0
2031-2032	4,480,000	238,088	0	0
Totals	\$31,980,000	\$7,872,456	\$720,000	\$1,920,000

The School District’s overall legal debt margin was \$136,362,019 with an unvoted debt margin of \$2,027,356.

NOTE 18 – INTERFUND ACTIVITY

As of June 30, 2020, the Nonmajor Governmental Funds owed the General Fund \$1,863,505. General Fund advances are made to move unrestricted balances to support programs and projects accounted for in nonmajor governmental funds. Advancing monies to other funds is necessary due to timing differences in the receipt of grant monies. When the monies are finally received, the grant fund will use these restricted monies to reimburse the General Fund for the initial advance. All advances are expected to be repaid within one year.

Transfers made during the fiscal year from the Permanent Improvement Fund to the Building Fund were in accordance with Ohio Facilities Construction Commission guidance.

NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS

Southwestern Ohio Computer Association

The School District is a participant in the Southwest Ohio Computer Association (SWOCA), which is a computer consortium. SWOCA is an association of public school districts within the boundaries of Butler, Hamilton, Preble, and Warren Counties. The 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 school districts. The

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

governing board of SWOCA consists of one representative from each district plus one representative from the fiscal agent. The Board exercises total control over the operations of the consortium including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The School District paid SWOCA \$141,938 for services provided during the fiscal year. Financial information can be obtained from SWOCA at 3607 Hamilton-Middletown Road, Hamilton, Ohio 45011.

Great Oaks Career Campuses

Great Oaks Career Campuses, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the thirty-six participating school district's elected boards. Great Oaks provides coordination of career development services to students in grades K-12 in the affiliated school districts. The Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. Financial information can be obtained by writing to Great Oaks Career Campuses at 3254 East Kemper Road, Cincinnati, Ohio 45241.

Jewell Education Foundation

The School 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 Board exercises total control over the operations of the foundation including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The School District made no financial contribution to the Foundation during the fiscal year. Financial information can be obtained by writing to the Director of Planned Giving at P.O. Box 854, Lebanon, Ohio 45036.

NOTE 20 – SET-ASIDES

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

The School District is no longer required to set aside funds in the budget stabilization, with the exception of monies received from the Bureau of Workers' Compensation prior to April 10, 2011, which must be retained for budget stabilization or spent for specified purposes.

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

The following cash basis information identifies the change in the fiscal year-end set-aside amounts. Disclosure of this information is required by State statute.

	Capital Acquisitions	Budget Stabilization
Set-aside Balance as of June 30, 2019	\$0	\$85,593
Current Fiscal Year Set-aside Requirement	1,810,369	0
Qualifying Disbursements	(1,810,369)	0
Total	\$0	\$85,593
Set-aside Balance as of June 30, 2020	\$0	\$85,593

Amounts of offsets and qualifying expenditures presented in the table for the capital acquisitions set-asides were limited to those necessary to reduce the year-end balance to zero. Although the School District may have had additional offsets and qualifying expenditures for capital acquisitions, these amounts may not be used to reduce the set-aside requirements of future fiscal years and therefore are not presented as being carried forward to the next fiscal year.

NOTE 21 – SIGNIFICANT COMMITMENTS

Contractual Commitments

The School District has been and will continue to undertake a number of new construction projects as part of the Ohio Facilities Construction Commission project. The outstanding contractual commitments at June 30, 2020, are:

Contractor	Contract Amount	Amount Expended	Balance at 6/30/2020
Four Season	\$178,719	\$104,390	\$74,329
Monarch Construction	28,898,478	28,540,507	357,971
VSWC Architects	2,875,112	2,399,775	475,337
Total	\$31,952,309	\$31,044,672	\$907,637

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

Governmental Funds:

General Fund	\$742,810
Debt Service	3,748
Permanent Improvement Fund	939,639
Nonmajor Governmental Funds	791,182
Total	\$2,477,379

NOTE 22 – FUND BALANCES

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

Fund Balances	General Fund	Bond Retirement Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total
Restricted for:					
Debt Service	\$0	\$5,200,168	\$0	\$0	\$5,200,168
Capital Improvements	0	0	18,117,892	0	18,117,892
Classroom Facilities	0	0	0	831,586	831,586
Building Projects	0	0	0	116,742	116,742
District Managed Activities	0	0	0	294,535	294,535
Community Services	0	0	0	749,129	749,129
Food Services	0	0	0	711,873	711,873
State and Federal Grants	0	0	0	254,175	254,175
Total Restricted	0	5,200,168	18,117,892	2,958,040	26,276,100
Committed to:					
Purchases on Order:					
Professional & Technical					
Services	73,134	0	0	0	73,134
Tuition	15,000	0	0	0	15,000
Transportation	1,000	0	0	0	1,000
Student Activities	1,650	0	0	0	1,650
Total Committed	90,784	0	0	0	90,784
Assigned to:					
Purchases on Order:					
Professional & Technical					
Services	79,974	0	0	0	79,974
Property and Utility Services	197,011	0	0	0	197,011
Tuition	13,189	0	0	0	13,189
Supplies and Materials	258,397	0	0	0	258,397
Transportation	879	0	0	0	879
Dues and Fees	4,425	0	0	0	4,425
Employee Benefits	5,896	0	0	0	5,896
Other	93,373	0	0	0	93,373
Public Support	652,550	0	0	0	652,550
Future Appropriations	7,750,222	0	0	0	7,750,222
Total Assigned	9,055,916	0	0	0	9,055,916
Unassigned (Deficits)	17,746,804	0	0	(525,398)	17,221,406
Total Fund Balances	\$26,893,504	\$5,200,168	\$18,117,892	\$2,432,642	\$52,644,206

Mason City School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

NOTE 23 – CONTINGENCIES

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure 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, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2020, if applicable, cannot be determined at this time.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2020 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2020 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of the School District.

Litigation

The School District is not party to legal proceedings as of June 30, 2020.

NOTE 24 – SUBSEQUENT EVENTS

On August 19, 2020, the School District paid \$6,435,000 toward the Refunding Bonds Anticipation Note and reissued the remaining \$6,965,000.

NOTE 25 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the School District. The School District's investment portfolio and the investments of the pension and other employee benefit plan in which the School District participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the School District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Required Supplementary Information

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

	2020	2019	2018
School District's Proportion of the Net Pension Liability	0.52210830%	0.54214530%	0.51235500%
School District's Proportionate Share of the Net Pension Liability	\$31,238,656	\$31,049,665	\$30,612,110
School District's Covered Payroll	\$17,881,207	\$17,519,519	\$17,103,571
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	174.70%	177.23%	178.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.85%	71.36%	69.50%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

*Amounts presented for each fiscal year were determined as of the School District's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.53056090%	0.53311760%	0.54363500%	0.54363500%
\$38,832,162	\$30,420,707	\$27,513,058	\$32,337,923
\$17,714,229	\$18,873,331	\$15,956,537	\$15,323,775
219.21%	161.18%	172.42%	211.03%
62.98%	69.16%	71.70%	65.52%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net OPEB Liability	0.53410310%	0.54966140%	0.52145630%	0.53825683%
School District's Proportionate Share of the Net OPEB Liability	\$13,431,570	\$15,249,092	\$13,994,517	\$15,342,311
School District's Covered Payroll	\$17,881,207	\$17,519,519	\$17,103,571	\$17,714,229
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	75.12%	87.04%	81.82%	86.61%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	15.57%	13.57%	12.46%	11.49%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

*Amounts presented for each fiscal year were determined as of the School District's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information

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

	2020	2019	2018
School District's Proportion of the Net Pension Liability	0.46569286%	0.46506510%	0.45021692%
School District's Proportionate Share of the Net Pension Liability	\$102,985,176	\$102,257,389	\$106,949,994
School District's Covered Payroll	\$56,480,571	\$52,426,029	\$47,922,093
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	182.34%	195.05%	223.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.40%	77.30%	75.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

*Amounts presented for each fiscal year were determined as of the School District's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.45052031%	0.44768440%	0.45420873%	0.20454209%
\$150,802,728	\$123,726,873	\$110,479,282	\$131,247,785
\$47,531,486	\$49,677,086	\$49,977,400	\$52,226,769
317.27%	249.06%	221.06%	251.30%
66.80%	72.10%	74.70%	69.30%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net OPEB Liability (Asset)	0.46569286%	0.46506517%	0.45021692%	0.45052031%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$7,712,992)	(\$7,473,122)	\$17,565,803	\$24,093,943
School District's Covered Payroll	\$56,480,571	\$52,426,029	\$47,922,093	\$47,531,486
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	(13.66%)	(14.25%)	36.65%	50.69%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	174.70%	176.00%	47.10%	37.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

*Amounts presented for each fiscal year were determined as of the School District's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information

Mason City School District
Required Supplementary Information
Schedule of the School District's Contributions
School Employees Retirement System of Ohio
Last Six Fiscal Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net Pension Liability				
Contractually Required Contribution	\$2,577,635	\$2,413,963	\$2,365,135	\$2,394,500
Contributions in Relation to the Contractually Required Contribution	<u>(2,577,635)</u>	<u>(2,413,963)</u>	<u>(2,365,135)</u>	<u>(2,394,500)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (2)	\$18,411,679	\$17,881,207	\$17,519,519	\$17,103,571
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>13.50%</u>	<u>13.50%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution (3)	\$262,590	\$410,929	\$383,016	\$291,301
Contributions in Relation to the Contractually Required Contribution	<u>(262,590)</u>	<u>(410,929)</u>	<u>(383,016)</u>	<u>(291,301)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.43%</u>	<u>2.30%</u>	<u>2.19%</u>	<u>1.70%</u>
Total Contributions as a Percentage of Covered Payroll (3)	<u>15.43%</u>	<u>15.80%</u>	<u>15.69%</u>	<u>15.70%</u>

(1) Although this schedule is intended to reflect information for ten years, information prior to 2015 is not available. An additional column will be added each year.

(2) The School District's covered payroll is the same for Pension and OPEB.

(3) Includes Surcharge

See accompanying notes to the required supplementary information

<u>2016</u>	<u>2015</u>
\$2,479,992	\$2,487,504
<u>(2,479,992)</u>	<u>(2,487,504)</u>
<u>\$0</u>	<u>\$0</u>
\$17,714,229	\$18,873,331
<u>14.00%</u>	<u>13.18%</u>
\$274,888	
<u>(274,888)</u>	
<u>\$0</u>	
<u>1.55%</u>	
<u>15.55%</u>	

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net Pension Liability				
Contractually Required Contribution	\$8,359,997	\$7,907,280	\$7,339,644	\$6,709,093
Contributions in Relation to the Contractually Required Contribution	<u>(8,359,997)</u>	<u>(7,907,280)</u>	<u>(7,339,644)</u>	<u>(6,709,093)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$59,714,264	\$56,480,571	\$52,426,029	\$47,922,093
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$6,654,408	\$6,954,792	\$6,497,062	\$6,789,480	\$6,854,604	\$6,779,952
<u>(6,654,408)</u>	<u>(6,954,792)</u>	<u>(6,497,062)</u>	<u>(6,789,480)</u>	<u>(6,854,604)</u>	<u>(6,779,952)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$47,531,486	\$49,677,086	\$49,977,400	\$52,226,769	\$52,727,723	\$52,153,477
<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
\$0	\$0	\$499,774	\$522,268	\$527,277	\$521,535
<u>0</u>	<u>0</u>	<u>(499,774)</u>	<u>(522,268)</u>	<u>(527,277)</u>	<u>(521,535)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.00%</u>	<u>0.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

Mason City School District
Notes to the Required Supplementary Information
for the Fiscal Year Ended June 30, 2020

NET PENSION LIABILITY

Changes in Assumptions – SERS

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in fiscal year 2016 and prior are presented below:

	Fiscal Year 2017	Fiscal Year 2016 and Prior
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning with fiscal year 2017, mortality assumptions use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

Beginning with fiscal year 2018, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

	Fiscal Year 2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3.0 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

Mason City School District
Notes to the Required Supplementary Information
for the Fiscal Year Ended June 30, 2020

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

NET OPEB LIABILITY

Changes in Assumptions – SERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:	
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Mason City School District
Notes to the Required Supplementary Information
for the Fiscal Year Ended June 30, 2020

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

Changes in Benefit Terms – STRS OPEB

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020, to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020, from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021, to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

MASON CITY SCHOOL DISTRICT
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Mason City School District

Nonmajor Governmental Fund Descriptions

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following are descriptions of the School District's nonmajor special revenue funds:

Nonmajor Special Revenue Funds

Food Service Fund

This fund is used to account for and report the proceeds from the sale of breakfasts and lunches and grants restricted to the food service operations of the School District.

Community Services Fund

This fund is used to account for and report monies restricted for developing, maximizing, coordinating, enhancing and strengthening the process of community interaction and communication with the School District.

Classroom Facilities Maintenance Fund

This fund is used to account for and report revenues restricted to expenditures for the maintenance and upkeep of classroom facilities.

District Managed Student Activities Fund

This fund is used to account for and report program fees restricted for student activity programs which have student participation in the activity, but do not have student management in the programs. This fund includes athletic programs, band, cheerleaders, and other similar types of activities.

Auxiliary Services Fund

This fund is used to account for and report restricted State grants to provide services and materials to pupils attending non-public schools within the School District.

OneNet Network Connectivity Fund

This fund is used to account for and report restricted State grants to provide network connections for technology in the School District.

Student Wellness and Success Fund

This fund is used to account for and report restricted State grants for student wellness and success initiatives.

Miscellaneous State Grants Fund

This fund is used to account for and report various restricted grants received from State agencies which are not classified elsewhere.

(continued)

Mason City School District

Nonmajor Governmental Fund Descriptions

*Nonmajor Special Revenue Funds
(Continued)*

Title VI-B Fund

This fund is used to account for and report federal grants restricted to providing full educational opportunities to handicapped children at the preschool, elementary, and secondary levels; and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Vocational Education Fund

This fund is used to account for and report federal grants restricted to the development of vocational education programs in the following categories: secondary, post-secondary, adult, handicapped persons, cooperative education, advisory committees, and work-study projects.

Title III Fund

This fund is used to account for and report federal grants restricted to meet the educational needs of School District's English as a second language students.

Title I Fund

This fund is used to account for and report federal grants restricted to meet educational needs of educationally deprived children.

Public School Preschool Fund

This fund is used to account for and report State grants restricted to the improvement and expansion of services for handicapped children between three (3) through five (5) years of age.

Title II-A Fund

This fund is used to account for and report restricted federal grants used to hire additional classroom teachers in grades one through three, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund

This fund is used to account for and report various restricted grants received through state agencies from the federal government, or directly from the federal government, which are not classified elsewhere.

Public School Support Fund

This fund is used to account for and report specific revenues, other than taxes, generated by individual school buildings (i.e. sales of pictures, vending machines sales, etc.) Expenditures include field trips, materials, equipment, and other items to supplement co-curricular and extracurricular programs. The Board of Education grants the principal of each site the authority to spend monies on allowable activities. This fund is included with the General Fund for GAAP reporting as it does not have a restricted or committed revenue source.

(continued)

Mason City School District

Nonmajor Governmental Fund Descriptions

*Nonmajor Special Revenue Funds
(Continued)*

Latchkey Fund

This fund is used to account for and report revenues and expenses related to the operation of the latchkey program for students of the School District. This fund is included with the General Fund for GAAP reporting as it does not have a restricted or committed revenue source.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are established to account for and report financial resources that are restricted or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The following are descriptions of the School District's nonmajor capital projects funds:

Nonmajor Capital Projects Funds

Building Fund

This fund is used to account for and report all transactions restricted for constructing improvements, renovations, and additions to the School District's buildings, including equipment.

Classroom Facilities Fund

This fund is used to account for and report grants restricted for constructing improvements, renovations, and additions to the School District's buildings, including equipment.

Mason City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$4,775,275	\$121,063	\$4,896,338
Cash and Cash Equivalents with Escrow Agent	0	287,635	287,635
Inventory Held for Resale	28,214	0	28,214
Receivables:			
Intergovernmental	2,248,892	2,638,375	4,887,267
Accounts	23,468	0	23,468
Total Assets	\$7,075,849	\$3,047,073	\$10,122,922
<u>Liabilities:</u>			
Accounts Payable	\$57,879	\$0	\$57,879
Contracts Payable	0	16,963	16,963
Accrued Wages and Benefits Payable	524,574	0	524,574
Intergovernmental Payable	46,811	0	46,811
Matured Compensated Absences Payable	5,646	0	5,646
Retainage Payable	0	287,635	287,635
Interfund Payable	1,863,505	0	1,863,505
Total Liabilities	2,498,415	304,598	2,803,013
<u>Deferred Inflows of Resources:</u>			
Unavailable Revenues	2,248,892	2,638,375	4,887,267
<u>Fund Balances:</u>			
Restricted	2,841,298	116,742	2,958,040
Unassigned (Deficit)	(512,756)	(12,642)	(525,398)
Total Fund Balances	2,328,542	104,100	2,432,642
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$7,075,849	\$3,047,073	\$10,122,922

Mason City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
for the Fiscal Year Ended June 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Intergovernmental	\$5,134,198	\$1,031,326	\$6,165,524
Investment Earnings	822	3,991	4,813
Tuition and Fees	326,353	0	326,353
Extracurricular Activities	765,315	0	765,315
Rent	518,121	0	518,121
Charges for Services	2,623,159	0	2,623,159
Contributions and Donations	89,810	0	89,810
Payments in Lieu of Taxes	831,586	0	831,586
Miscellaneous	232,311	158,792	391,103
<i>Total Revenues</i>	<u>10,521,675</u>	<u>1,194,109</u>	<u>11,715,784</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	164,481	0	164,481
Special	1,808,380	0	1,808,380
Vocational	49	0	49
Support Services:			
Pupils	1,007,040	0	1,007,040
Instructional Staff	113,851	0	113,851
Administration	7,969	0	7,969
Business	170,908	0	170,908
Operation and Maintenance of Plant	1,105,064	0	1,105,064
Central	7,200	0	7,200
Operation of Non-Instructional Services	4,737,495	0	4,737,495
Extracurricular Activities	1,390,137	0	1,390,137
Capital Outlay	0	2,302,456	2,302,456
Debt Service:			
Principal Retirement	193,000	0	193,000
Interest and Fiscal Charges	198,282	0	198,282
<i>Total Expenditures</i>	<u>10,903,856</u>	<u>2,302,456</u>	<u>13,206,312</u>
Excess of Revenues Over (Under) Expenditures	(382,181)	(1,108,347)	(1,490,528)
<u>Other Financing Sources:</u>			
Transfers In	0	94,288	94,288
Net Change in Fund Balances	(382,181)	(1,014,059)	(1,396,240)
Fund Balances at Beginning of Year	<u>2,710,723</u>	<u>1,118,159</u>	<u>3,828,882</u>
Fund Balances at End of Year	<u>\$2,328,542</u>	<u>\$104,100</u>	<u>\$2,432,642</u>

Mason City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

	Food Service Fund	Community Services Fund	Classroom Facilities Maintenance Fund	District Managed Student Activities Fund
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$875,581	\$1,486,257	\$831,586	\$317,449
Inventory Held for Resale	28,214	0	0	0
Receivables:				
Intergovernmental	0	1,135,811	0	0
Accounts	0	17,968	0	4,700
Total Assets	\$903,795	\$2,640,036	\$831,586	\$322,149
<u>Liabilities:</u>				
Accounts Payable	\$7,102	\$0	\$0	\$2,088
Accrued Wages and Benefits Payable	161,092	1,893	0	0
Intergovernmental Payable	18,082	5,822	0	509
Matured Compensated Absences Payable	5,646	0	0	0
Interfund Payable	0	747,381	0	25,017
Total Liabilities	191,922	755,096	0	27,614
<u>Deferred Inflows of Resources:</u>				
Unavailable Revenues	0	1,135,811	0	0
<u>Fund Balances:</u>				
Restricted	711,873	749,129	831,586	294,535
Unassigned (Deficit)	0	0	0	0
Total Fund Balances (Deficit)	711,873	749,129	831,586	294,535
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$903,795	\$2,640,036	\$831,586	\$322,149

(continued)

Mason City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020
(Continued)

	Auxiliary Services Fund	Miscellaneous State Grants Fund	Title VI-B Fund	Vocational Education Fund
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$312,112	\$9,418	\$782,495	\$2,071
Inventory Held for Resale	0	0	0	0
Receivables:				
Intergovernmental	0	12,264	882,545	0
Accounts	800	0	0	0
Total Assets	\$312,912	\$21,682	\$1,665,040	\$2,071
<u>Liabilities:</u>				
Accounts Payable	\$48,689	\$0	\$0	\$0
Accrued Wages and Benefits Payable	10,219	7,934	291,951	0
Intergovernmental Payable	1,900	1,787	16,767	0
Matured Compensated Absences Payable	0	0	0	0
Interfund Payable	0	12,264	882,545	0
Total Liabilities	60,808	21,985	1,191,263	0
<u>Deferred Inflows of Resources:</u>				
Unavailable Revenues	0	12,264	882,545	0
<u>Fund Balances:</u>				
Restricted	252,104	0	0	2,071
Unassigned (Deficit)	0	(12,567)	(408,768)	0
Total Fund Balances (Deficit)	252,104	(12,567)	(408,768)	2,071
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$312,912	\$21,682	\$1,665,040	\$2,071

Title III Fund	Title I Fund	Public School Preschool Fund	Title II-A Fund	Miscellaneous Federal Grants Fund	Total Nonmajor Special Revenue Funds
\$54,563	\$28,552	\$5,777	\$58,289	\$11,125	\$4,775,275
0	0	0	0	0	28,214
67,940	36,134	21,323	81,750	11,125	2,248,892
0	0	0	0	0	23,468
<u>\$122,503</u>	<u>\$64,686</u>	<u>\$27,100</u>	<u>\$140,039</u>	<u>\$22,250</u>	<u>\$7,075,849</u>
\$0	\$0	\$0	\$0	\$0	\$57,879
15,255	30,326	5,904	0	0	524,574
1,418	440	86	0	0	46,811
0	0	0	0	0	5,646
60,035	36,134	7,254	81,750	11,125	1,863,505
<u>76,708</u>	<u>66,900</u>	<u>13,244</u>	<u>81,750</u>	<u>11,125</u>	<u>2,498,415</u>
<u>67,940</u>	<u>36,134</u>	<u>21,323</u>	<u>81,750</u>	<u>11,125</u>	<u>2,248,892</u>
0	0	0	0	0	2,841,298
(22,145)	(38,348)	(7,467)	(23,461)	0	(512,756)
<u>(22,145)</u>	<u>(38,348)</u>	<u>(7,467)</u>	<u>(23,461)</u>	<u>0</u>	<u>2,328,542</u>
<u>\$122,503</u>	<u>\$64,686</u>	<u>\$27,100</u>	<u>\$140,039</u>	<u>\$22,250</u>	<u>\$7,075,849</u>

Mason City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
for the Fiscal Year Ended June 30, 2020

	Food Service Fund	Community Services Fund	Classroom Facilities Maintenance Fund
<u>Revenues:</u>			
Intergovernmental	\$948,056	\$0	\$0
Investment Earnings	392	248	0
Tuition and Fees	0	39,425	0
Extracurricular Activities	0	26,038	0
Rent	0	512,265	0
Charges for Services	2,540,020	83,139	0
Contributions and Donations	0	27,433	0
Payments in Lieu of Taxes	0	0	831,586
Miscellaneous	0	101,125	0
<i>Total Revenues</i>	<u>3,488,468</u>	<u>789,673</u>	<u>831,586</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	0	164,481	0
Special	0	0	0
Vocational	0	0	0
Support Services:			
Pupils	0	1,643	0
Instructional Staff	0	0	0
Administration	0	7,969	0
Business	0	170,908	0
Operation and Maintenance of Plant	51	1,059,682	0
Central	0	0	0
Operation of Non-Instructional Services	3,843,902	18,719	0
Extracurricular Activities	0	62,316	0
Debt Service:			
Principal Retirement	0	193,000	0
Interest and Fiscal Charges	0	198,282	0
<i>Total Expenditures</i>	<u>3,843,953</u>	<u>1,877,000</u>	<u>0</u>
Net Change in Fund Balances	(355,485)	(1,087,327)	831,586
Fund Balances (Deficit) at Beginning of Year	<u>1,067,358</u>	<u>1,836,456</u>	<u>0</u>
Fund Balances (Deficit) at End of Year	<u><u>\$711,873</u></u>	<u><u>\$749,129</u></u>	<u><u>\$831,586</u></u>

District Managed Student Activities Fund	Auxiliary Services Fund	OneNet Network Connectivity Fund	Student Wellness and Success Fund	Miscellaneous State Grants Fund
\$0	\$984,813	\$7,200	\$295,569	\$104,423
107	75	0	0	0
286,928	0	0	0	0
739,277	0	0	0	0
5,856	0	0	0	0
0	0	0	0	0
62,377	0	0	0	0
0	0	0	0	0
130,386	800	0	0	0
<u>1,224,931</u>	<u>985,688</u>	<u>7,200</u>	<u>295,569</u>	<u>104,423</u>
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
1,443	0	0	295,569	57,787
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	45,331
0	0	7,200	0	0
0	780,188	0	0	0
1,327,821	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>1,329,264</u>	<u>780,188</u>	<u>7,200</u>	<u>295,569</u>	<u>103,118</u>
(104,333)	205,500	0	0	1,305
398,868	46,604	0	0	(13,872)
<u>\$294,535</u>	<u>\$252,104</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$12,567)</u>

(continued)

Mason City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
for the Fiscal Year Ended June 30, 2020
(Continued)

	Title VI-B Fund	Vocational Education Fund	Title III Fund
<u>Revenues:</u>			
Intergovernmental	\$2,299,911	\$0	\$155,687
Investment Earnings	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Rent	0	0	0
Charges for Services	0	0	0
Contributions and Donations	0	0	0
Payments in Lieu of Taxes	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>2,299,911</u>	<u>0</u>	<u>155,687</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	0	0	0
Special	1,465,932	0	122,841
Vocational	0	49	0
Support Services:			
Pupils	650,598	0	0
Instructional Staff	201	0	846
Administration	0	0	0
Business	0	0	0
Operation and Maintenance of Plant	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	84,807	0	0
Extracurricular Activities	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>2,201,538</u>	<u>49</u>	<u>123,687</u>
<i>Net Change in Fund Balances</i>	98,373	(49)	32,000
<i>Fund Balances Beginning of Year</i>	<u>(507,141)</u>	<u>2,120</u>	<u>(54,145)</u>
<i>Fund Balances End of Year</i>	<u><u>(\$408,768)</u></u>	<u><u>\$2,071</u></u>	<u><u>(\$22,145)</u></u>

Title I Fund	Public School Preschool Fund	Title II-A Fund	Miscellaneous Federal Grants Fund	Total Nonmajor Special Revenue Funds
\$196,475	\$37,049	\$94,494	\$10,521	\$5,134,198
0	0	0	0	822
0	0	0	0	326,353
0	0	0	0	765,315
0	0	0	0	518,121
0	0	0	0	2,623,159
0	0	0	0	89,810
0	0	0	0	831,586
0	0	0	0	232,311
<u>196,475</u>	<u>37,049</u>	<u>94,494</u>	<u>10,521</u>	<u>10,521,675</u>
0	0	0	0	164,481
184,443	35,164	0	0	1,808,380
0	0	0	0	49
0	0	0	0	1,007,040
0	0	102,804	10,000	113,851
0	0	0	0	7,969
0	0	0	0	170,908
0	0	0	0	1,105,064
0	0	0	0	7,200
0	0	9,826	53	4,737,495
0	0	0	0	1,390,137
0	0	0	0	193,000
0	0	0	0	198,282
<u>184,443</u>	<u>35,164</u>	<u>112,630</u>	<u>10,053</u>	<u>10,903,856</u>
12,032	1,885	(18,136)	468	(382,181)
<u>(50,380)</u>	<u>(9,352)</u>	<u>(5,325)</u>	<u>(468)</u>	<u>2,710,723</u>
<u>(\$38,348)</u>	<u>(\$7,467)</u>	<u>(\$23,461)</u>	<u>\$0</u>	<u>\$2,328,542</u>

Mason City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2020

	Building Fund	Classroom Facilities Fund	Total Nonmajor Capital Projects Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$119,514	\$1,549	\$121,063
Cash and Cash Equivalents with Escrow Agent	0	287,635	287,635
Receivables:			
Intergovernmental	0	2,638,375	2,638,375
<i>Total Assets</i>	<u>\$119,514</u>	<u>\$2,927,559</u>	<u>\$3,047,073</u>
<u>Liabilities:</u>			
Contracts Payable	\$2,772	\$14,191	\$16,963
Retainage Payable	0	287,635	287,635
<i>Total Liabilities</i>	<u>2,772</u>	<u>301,826</u>	<u>304,598</u>
<u>Deferred Inflows of Resources:</u>			
Unavailable Revenues	0	2,638,375	2,638,375
<u>Fund Balances:</u>			
Restricted	116,742	0	116,742
Unassigned (Deficit)	0	(12,642)	(12,642)
<i>Total Fund Balances (Deficit)</i>	<u>116,742</u>	<u>(12,642)</u>	<u>104,100</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$119,514</u>	<u>\$2,927,559</u>	<u>\$3,047,073</u>

Mason City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
for the Fiscal Year Ended June 30, 2020

	Building Fund	Classroom Facilities Fund	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>			
Intergovernmental	\$0	\$1,031,326	\$1,031,326
Investment Earnings	2	3,989	3,991
Miscellaneous	0	158,792	158,792
	<u>2</u>	<u>1,194,107</u>	<u>1,194,109</u>
<u>Expenditures:</u>			
Capital Outlay	520,913	1,781,543	2,302,456
Excess of Revenues Over (Under) Expenditures	(520,911)	(587,436)	(1,108,347)
<u>Other Financing Sources:</u>			
Transfers In	94,288	0	94,288
Net Change in Fund Balances	(426,623)	(587,436)	(1,014,059)
Fund Balances at Beginning of Year	543,365	574,794	1,118,159
Fund Balances (Deficit) at End of Year	<u>\$116,742</u>	<u>(\$12,642)</u>	<u>\$104,100</u>

Mason City School District

Fiduciary Fund Descriptions

AGENCY FUNDS

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governmental units, and/or other funds.

Ohio High School Athletic Association (OHSAA) Tournament Fund – This fund is used to account for and report monies collected and distributed by the School District on behalf of the Ohio High School Athletic Association.

Section 125 Insurance – This fund is used to account for and report monies voluntarily withheld from employees on a pre-tax basis to reimburse employees for medical and dental expenses not covered by group insurance.

Student Managed Activities Fund – This fund is used to account for and report student activity programs which have student participation in the activity and have students involved in the management of the program.

Mason City School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
for the Fiscal Year Ended June 30, 2020

	Balance at 6/30/2019	Additions	Deletions	Balance at 6/30/2020
OHSAA TOURNAMENT FUND				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,171	\$80,743	\$80,428	\$1,486
<u>Liabilities:</u>				
Undistributed Monies	\$1,171	\$80,743	\$80,428	\$1,486
SECTION 125 INSURANCE				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$78,792	\$134,797	\$122,492	\$91,097
<u>Liabilities:</u>				
Undistributed Monies	\$78,792	\$134,797	\$122,492	\$91,097
STUDENT MANAGED ACTIVITIES FUND				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$681,600	\$500,387	\$543,205	\$638,782
Receivables:				
Accounts	3,305	0	3,305	0
<i>Total Assets</i>	\$684,905	\$500,387	\$546,510	\$638,782
<u>Liabilities:</u>				
Accounts Payable	\$20,530	\$0	\$20,530	\$0
Undistributed Monies	664,375	500,387	525,980	638,782
<i>Total Liabilities</i>	\$684,905	\$500,387	\$546,510	\$638,782
TOTAL - ALL AGENCY FUNDS				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$761,563	\$715,927	\$746,125	\$731,365
Receivables:				
Accounts	3,305	0	3,305	0
<i>Total Assets</i>	\$764,868	\$715,927	\$749,430	\$731,365
<u>Liabilities:</u>				
Accounts Payable	\$20,530	\$0	\$20,530	\$0
Undistributed Monies	744,338	715,927	728,900	731,365
<i>Total Liabilities</i>	\$764,868	\$715,927	\$749,430	\$731,365

MASON CITY SCHOOL DISTRICT

**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)**

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Debt Service Fund
for the Fiscal Year Ended June 30, 2020*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Property Taxes	\$14,035,063	\$14,035,063	\$0
Intergovernmental	2,141,139	2,141,139	0
Investment Earnings	3,014	2,747	(267)
<i>Total Revenues</i>	<u>16,179,216</u>	<u>16,178,949</u>	<u>(267)</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Administration	9,506	9,506	0
Fiscal	247,086	213,133	33,953
Debt Service:			
Principal Retirement	21,705,000	21,705,000	0
Interest and Fiscal Charges	2,409,870	2,409,870	0
<i>Total Expenditures</i>	<u>24,371,462</u>	<u>24,337,509</u>	<u>33,953</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,192,246)</u>	<u>(8,158,560)</u>	<u>33,686</u>
<u>Other Financing Sources:</u>			
Refunding Bond Anticipation Notes Issued	13,400,000	13,400,000	0
Premium on Refunding Bond Anticipation Notes Issued	130,918	130,918	0
<i>Total Other Financing Sources</i>	<u>13,530,918</u>	<u>13,530,918</u>	<u>0</u>
Net Change in Fund Balance	5,338,672	5,372,358	33,686
Fund Balance at Beginning of Year	5,883,126	5,883,126	0
Prior Year Encumbrances Appropriated	7,002	7,002	0
Fund Balance at End of Year	<u><u>\$11,228,800</u></u>	<u><u>\$11,262,486</u></u>	<u><u>\$33,686</u></u>

Mason City School District
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Fund
for the Fiscal Year Ended June 30, 2020

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Property Taxes	\$763,934	\$763,934	\$0
Intergovernmental	92,322	92,322	0
Investment Earnings	6,013	5,846	(167)
Rent	2,000,000	2,000,000	0
Payments in Lieu of Taxes	1,645,344	1,645,344	0
Miscellaneous	194,809	195,809	1,000
<i>Total Revenues</i>	<u>4,702,422</u>	<u>4,703,255</u>	<u>833</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	3,000,000	234,784	2,765,216
Support Services:			
Pupils	1,331	1,331	0
Instructional Staff	1,934,653	1,446,846	487,807
Administration	1,000	517	483
Fiscal	9,283	9,083	200
Operation and Maintenance of Plant	1,555,304	1,030,015	525,289
Pupil Transportation	1,211,576	446,576	765,000
Central	51,343	863	50,480
Operation of Non-Instructional Services	4,572	0	4,572
Capital Outlay	1,711,701	1,450,593	261,108
<i>Total Expenditures</i>	<u>9,480,763</u>	<u>4,620,608</u>	<u>4,860,155</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,778,341)</u>	<u>82,647</u>	<u>4,860,988</u>
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Capital Assets	1,313	1,313	0
Transfers Out	(1,200,000)	(925,874)	274,126
<i>Total Other Financing Sources (Uses)</i>	<u>(1,198,687)</u>	<u>(924,561)</u>	<u>274,126</u>
Net Change in Fund Balance	(5,977,028)	(841,914)	5,135,114
Fund Balance at Beginning of Year	16,076,513	16,076,513	0
Prior Year Encumbrances Appropriated	2,406,165	2,406,165	0
Fund Balance at End of Year	<u>\$12,505,650</u>	<u>\$17,640,764</u>	<u>\$5,135,114</u>

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Food Service Fund
for the Fiscal Year Ended June 30, 2020*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$627,724	\$547,331	(\$80,393)
Investment Earnings	1,900	392	(1,508)
Charges for Services	3,084,876	2,540,020	(544,856)
<i>Total Revenues</i>	<u>3,714,500</u>	<u>3,087,743</u>	<u>(626,757)</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Operation and Maintenance of Plant	500	51	449
Operation of Non-Instructional Services	3,899,260	3,590,204	309,056
<i>Total Expenditures</i>	<u>3,899,760</u>	<u>3,590,255</u>	<u>309,505</u>
Net Change in Fund Balance	(185,260)	(502,512)	(317,252)
Fund Balance at Beginning of Year	1,347,799	1,347,799	0
Prior Year Encumbrances Appropriated	11,773	11,773	0
Fund Balance at End of Year	<u><u>\$1,174,312</u></u>	<u><u>\$857,060</u></u>	<u><u>(\$317,252)</u></u>

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Community Services Fund
for the Fiscal Year Ended June 30, 2020*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Investment Earnings	\$254	\$248	(\$6)
Tuition and Fees	42,264	40,265	(1,999)
Extracurricular Activities	29,950	26,038	(3,912)
Rent	535,681	500,335	(35,346)
Charges for Services	77,126	77,126	0
Contributions and Donations	27,433	27,433	0
Miscellaneous	107,498	106,673	(825)
<i>Total Revenues</i>	<u>820,206</u>	<u>778,118</u>	<u>(42,088)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	217,767	171,193	46,574
Support Services:			
Pupils	2,272	1,643	629
Administration	8,673	7,938	735
Business	183,836	173,817	10,019
Operation and Maintenance of Plant	1,304,773	1,158,544	146,229
Operation of Non-Instructional Services	61,205	23,056	38,149
Extracurricular Activities	88,618	64,118	24,500
Debt Service:			
Principal Retirement	193,000	193,000	0
Interest and Fiscal Charges	198,282	198,282	0
<i>Total Expenditures</i>	<u>2,258,426</u>	<u>1,991,591</u>	<u>266,835</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,438,220)</u>	<u>(1,213,473)</u>	<u>224,747</u>
<u>Other Financing Sources (Uses):</u>			
Advances In	747,381	747,381	0
Refund of Prior Year Receipts	(5,845)	(3,705)	2,140
<i>Total Other Financing Sources (Uses)</i>	<u>741,536</u>	<u>743,676</u>	<u>2,140</u>
Net Change in Fund Balance	(696,684)	(469,797)	226,887
Fund Balance at Beginning of Year	1,790,321	1,790,321	0
Prior Year Encumbrances Appropriated	57,974	57,974	0
Fund Balance at End of Year	<u><u>\$1,151,611</u></u>	<u><u>\$1,378,498</u></u>	<u><u>\$226,887</u></u>

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Classroom Facilities Maintenance Fund
for the Fiscal Year Ended June 30, 2020*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0
<u>Other Financing Sources:</u>			
Transfers In	831,586	831,586	0
Net Change in Fund Balance	831,586	831,586	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$831,586</u>	<u>\$831,586</u>	<u>\$0</u>

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
District Managed Student Activities Fund
for the Fiscal Year Ended June 30, 2020*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Investment Earnings	\$116	\$107	(\$9)
Tuition and Fees	300,060	286,928	(13,132)
Extracurricular Activities	747,523	740,222	(7,301)
Rent	5,856	5,856	0
Contributions and Donations	62,447	62,377	(70)
Miscellaneous	127,620	125,686	(1,934)
<i>Total Revenues</i>	<u>1,243,622</u>	<u>1,221,176</u>	<u>(22,446)</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Pupils	1,443	1,443	0
Extracurricular Activities	1,605,176	1,410,607	194,569
<i>Total Expenditures</i>	<u>1,606,619</u>	<u>1,412,050</u>	<u>194,569</u>
Excess of Revenues Over (Under) Expenditures	<u>(362,997)</u>	<u>(190,874)</u>	<u>172,123</u>
<u>Other Financing Sources:</u>			
Refund of Prior Year Expenditures	187	187	0
Advances In	33,625	25,017	(8,608)
<i>Total Other Financing Sources</i>	<u>33,812</u>	<u>25,204</u>	<u>(8,608)</u>
Net Change in Fund Balance	(329,185)	(165,670)	163,515
Fund Balance at Beginning of Year	348,226	348,226	0
Prior Year Encumbrances Appropriated	65,159	65,159	0
Fund Balance at End of Year	<u><u>\$84,200</u></u>	<u><u>\$247,715</u></u>	<u><u>\$163,515</u></u>

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Auxiliary Services Fund
for the Fiscal Year Ended June 30, 2020*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$984,813	\$984,813	\$0
Investment Earnings	78	75	(3)
<i>Total Revenues</i>	<u>984,891</u>	<u>984,888</u>	<u>(3)</u>
<u>Expenditures:</u>			
Current:			
Operation of Non-Instructional Services	<u>1,139,650</u>	<u>973,223</u>	<u>166,427</u>
Excess of Revenues Over (Under) Expenditures	<u>(154,759)</u>	<u>11,665</u>	<u>166,424</u>
<u>Other Financing Uses:</u>			
Refund of Prior Year Receipts	<u>(14,320)</u>	<u>(14,320)</u>	<u>0</u>
Net Change in Fund Balance	(169,079)	(2,655)	166,424
Fund Balance at Beginning of Year	1	1	0
Prior Year Encumbrances Appropriated	<u>169,078</u>	<u>169,078</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$166,424</u></u>	<u><u>\$166,424</u></u>

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)*
OneNet Network Connectivity Fund
for the Fiscal Year Ended June 30, 2020

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$7,200	\$7,200	\$0
<u>Expenditures:</u>			
Current:			
Support Services:			
Central	7,200	7,200	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Student Wellness and Success Fund
for the Fiscal Year Ended June 30, 2020*

	<u>Final Budgeted Amount</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Intergovernmental	\$295,569	\$295,569	\$0
<u>Expenditures:</u>			
Current:			
Support Services:			
Pupils	<u>295,569</u>	<u>295,569</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)*
Miscellaneous State Grants Fund
for the Fiscal Year Ended June 30, 2020

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$104,423	\$104,423	\$0
<u>Expenditures:</u>			
Current:			
Support Services:			
Pupils	70,753	61,338	9,415
Operation and Maintenance of Plant	45,331	45,331	0
<i>Total Expenditures</i>	116,084	106,669	9,415
Excess of Revenues Over (Under) Expenditures	(11,661)	(2,246)	9,415
<u>Other Financing Sources (Uses):</u>			
Advances In	12,264	12,264	0
Advances Out	(11,583)	(11,581)	2
<i>Total Other Financing Sources (Uses)</i>	681	683	2
Net Change in Fund Balance	(10,980)	(1,563)	9,417
Fund Balance at Beginning of Year	10,980	10,980	0
Fund Balance at End of Year	\$0	\$9,417	\$9,417

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)*
Title VI-B Fund
for the Fiscal Year Ended June 30, 2020

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$2,299,911	\$2,299,911	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	1,835,080	1,609,513	225,567
Support Services:			
Pupils	1,086,207	634,461	451,746
Instructional Staff	22,393	10,230	12,163
Operation of Non-Instructional Services	174,889	87,322	87,567
<i>Total Expenditures</i>	3,118,569	2,341,526	777,043
Excess of Revenues Over (Under) Expenditures	(818,658)	(41,615)	777,043
<u>Other Financing Sources (Uses):</u>			
Advances In	882,545	882,545	0
Advances Out	(521,443)	(521,443)	0
<i>Total Other Financing Sources (Uses)</i>	361,102	361,102	0
Net Change in Fund Balance	(457,556)	319,487	777,043
Fund Balance at Beginning of Year	439,920	439,920	0
Prior Year Encumbrances Appropriated	17,636	17,636	0
Fund Balance at End of Year	\$0	\$777,043	\$777,043

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Vocational Education Fund
for the Fiscal Year Ended June 30, 2020*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>	\$0	\$0	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Vocational	2,121	49	2,072
Net Change in Fund Balance	(2,121)	(49)	2,072
Fund Balance at Beginning of Year	2,110	2,110	0
Prior Year Encumbrances Appropriated	11	11	0
Fund Balance at End of Year	\$0	\$2,072	\$2,072

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Title III Fund
for the Fiscal Year Ended June 30, 2020*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$163,592	\$155,687	(\$7,905)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	188,389	141,984	46,405
Support Services:			
Instructional Staff	15,906	1,042	14,864
Operation of Non-Instructional Services	1,000	0	1,000
<i>Total Expenditures</i>	205,295	143,026	62,269
Excess of Revenues Over (Under) Expenditures	(41,703)	12,661	54,364
<u>Other Financing Sources (Uses):</u>			
Advances In	60,035	60,035	0
Advances Out	(90,206)	(90,206)	0
<i>Total Other Financing Sources (Uses)</i>	(30,171)	(30,171)	0
Net Change in Fund Balance	(71,874)	(17,510)	54,364
Fund Balance at Beginning of Year	60,158	60,158	0
Prior Year Encumbrances Appropriated	11,716	11,716	0
Fund Balance at End of Year	\$0	\$54,364	\$54,364

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)*
Title I Fund
for the Fiscal Year Ended June 30, 2020

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$196,475	\$196,475	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	230,437	204,057	26,380
Support Services:			
Pupil Transportation	245	0	245
Operation of Non-Instructional Services	1,927	0	1,927
<i>Total Expenditures</i>	232,609	204,057	28,552
Excess of Revenues Over (Under) Expenditures	(36,134)	(7,582)	28,552
<u>Other Financing Sources (Uses):</u>			
Advances In	36,134	36,134	0
Advances Out	(39,773)	(39,773)	0
<i>Total Other Financing Sources (Uses)</i>	(3,639)	(3,639)	0
Net Change in Fund Balance	(39,773)	(11,221)	28,552
Fund Balance at Beginning of Year	39,773	39,773	0
Fund Balance at End of Year	\$0	\$28,552	\$28,552

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Public School Preschool Fund
for the Fiscal Year Ended June 30, 2020*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$37,049	\$37,049	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	44,281	38,505	5,776
Excess of Revenues Over (Under) Expenditures	(7,232)	(1,456)	5,776
<u>Other Financing Sources (Uses):</u>			
Advances In	7,254	7,254	0
Advances Out	(6,907)	(6,907)	0
<i>Total Other Financing Sources (Uses)</i>	347	347	0
Net Change in Fund Balance	(6,885)	(1,109)	5,776
Fund Balance at Beginning of Year	6,885	6,885	0
Fund Balance at End of Year	\$0	\$5,776	\$5,776

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Title II-A Fund
for the Fiscal Year Ended June 30, 2020*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$94,494	\$94,494	\$0
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff	152,077	103,387	48,690
Operation of Non-Instructional Services	19,432	9,826	9,606
<i>Total Expenditures</i>	171,509	113,213	58,296
Excess of Revenues Over (Under) Expenditures	(77,015)	(18,719)	58,296
<u>Other Financing Sources (Uses):</u>			
Advances In	81,750	81,750	0
Advances Out	(45,675)	(45,675)	0
<i>Total Other Financing Sources (Uses)</i>	36,075	36,075	0
Net Change in Fund Balance	(40,940)	17,356	58,296
Fund Balance at Beginning of Year	34,229	34,229	0
Prior Year Encumbrances Appropriated	6,711	6,711	0
Fund Balance at End of Year	\$0	\$58,296	\$58,296

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)*
Miscellaneous Federal Grants Fund
for the Fiscal Year Ended June 30, 2020

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$10,521	\$10,521	\$0
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff	17,921	10,000	7,921
Operation of Non-Instructional Services	3,257	53	3,204
<i>Total Expenditures</i>	21,178	10,053	11,125
Excess of Revenues Over (Under) Expenditures	(10,657)	468	11,125
<u>Other Financing Sources (Uses):</u>			
Advances In	11,125	11,125	0
Advances Out	(7,996)	(7,996)	0
<i>Total Other Financing Sources (Uses)</i>	3,129	3,129	0
Net Change in Fund Balance	(7,528)	3,597	11,125
Fund Balance at Beginning of Year	7,528	7,528	0
Fund Balance at End of Year	\$0	\$11,125	\$11,125

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)*
Building Fund
for the Fiscal Year Ended June 30, 2020

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Investment Earnings	\$2	\$2	\$0
<u>Expenditures:</u>			
Capital Outlay	910,548	910,548	0
Excess of Revenues Over (Under) Expenditures	(910,546)	(910,546)	0
<u>Other Financing Sources:</u>			
Transfers In	94,288	94,288	0
Net Change in Fund Balance	(816,258)	(816,258)	0
Fund Balance at Beginning of Year	55,632	55,632	0
Prior Year Encumbrances Appropriated	768,298	768,298	0
Fund Balance at End of Year	<u>\$7,672</u>	<u>\$7,672</u>	<u>\$0</u>

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Classroom Facilities Fund
for the Fiscal Year Ended June 30, 2020*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$1,031,326	\$1,031,326	\$0
Investment Earnings	3,989	3,989	0
Miscellaneous	158,792	158,792	0
<i>Total Revenues</i>	<u>1,194,107</u>	<u>1,194,107</u>	<u>0</u>
<u>Expenditures:</u>			
Capital Outlay	<u>3,472,759</u>	<u>3,472,759</u>	<u>0</u>
Net Change in Fund Balance	(2,278,652)	(2,278,652)	0
Fund Balance at Beginning of Year	15,641	15,641	0
Prior Year Encumbrances Appropriated	<u>2,263,011</u>	<u>2,263,011</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

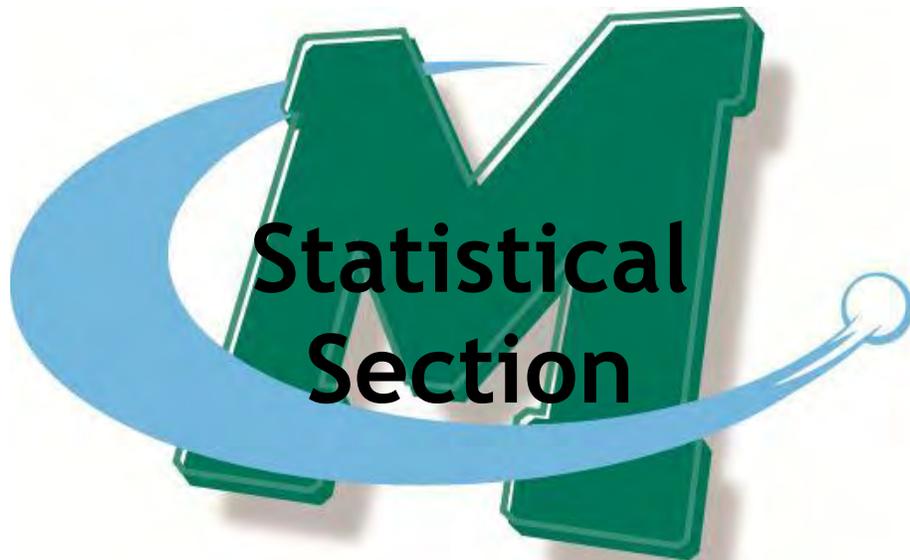
Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Public School Support Fund
for the Fiscal Year Ended June 30, 2020*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Tuition and Fees	\$1,321,677	\$1,321,677	\$0
Extracurricular Activities	493,984	488,402	(5,582)
Contributions and Donations	83,841	81,990	(1,851)
Miscellaneous	28,841	28,841	0
<i>Total Revenues</i>	<u>1,928,343</u>	<u>1,920,910</u>	<u>(7,433)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	567,252	444,426	122,826
Special	1,183,600	1,158,593	25,007
Support Services:			
Board of Education	1,510	1,435	75
Operation and Maintenance of Plant	45,713	743	44,970
Pupil Transportation	1,732	1,732	0
Central	2,179	881	1,298
Operation of Non-Instructional Services	20,151	8,448	11,703
Extracurricular Activities	51,792	34,717	17,075
<i>Total Expenditures</i>	<u>1,873,929</u>	<u>1,650,975</u>	<u>222,954</u>
Excess of Revenues Over (Under) Expenditures	<u>54,414</u>	<u>269,935</u>	<u>215,521</u>
<u>Other Financing Sources (Uses):</u>			
Refund of Prior Year Expenditures	210	210	0
Refund of Prior Year Receipts	(90)	(90)	0
<i>Total Other Financing Sources (Uses)</i>	<u>120</u>	<u>120</u>	<u>0</u>
Net Change in Fund Balance	54,534	270,055	215,521
Fund Balance at Beginning of Year	345,839	345,839	0
Prior Year Encumbrances Appropriated	<u>34,897</u>	<u>34,897</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$435,270</u></u>	<u><u>\$650,791</u></u>	<u><u>\$215,521</u></u>

Mason City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)*
Latchkey Fund
for the Fiscal Year Ended June 30, 2020

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Investment Earnings	\$402	\$395	(\$7)
Charges for Services	960,198	2,725	(957,473)
Contributions and Donations	2,725	951,885	949,160
<i>Total Revenues</i>	<u>963,325</u>	<u>955,005</u>	<u>(8,320)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	4,700	1,818	2,882
Support Services:			
Operation and Maintenance of Plant	6,000	6,000	0
Operation of Non-Instructional Services	1,298,640	1,176,886	121,754
Extracurricular Activities	159,565	159,122	443
<i>Total Expenditures</i>	<u>1,468,905</u>	<u>1,343,826</u>	<u>125,079</u>
Net Change in Fund Balance	(505,580)	(388,821)	116,759
Fund Balance at Beginning of Year	1,246,859	1,246,859	0
Prior Year Encumbrances Appropriated	<u>11,191</u>	<u>11,191</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$752,470</u></u>	<u><u>\$869,229</u></u>	<u><u>\$116,759</u></u>

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**Statistical
Section**

Statistical Tables

This part of the School 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 School District's

Contents

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the School District's most significant local revenue source, property taxes.

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.

Demographic and Economic Information

These Schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.

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.

Mason City School District
Net Position by Component
Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	2011	2012	2013	2014 (1)
Governmental Activities:				
Net Investment in Capital Assets	\$34,400,901	\$40,667,026	\$46,466,926	\$50,767,119
Restricted	23,791,786	25,059,547	27,840,790	27,740,454
Unrestricted (Deficit)	<u>37,547,433</u>	<u>30,049,791</u>	<u>27,418,240</u>	<u>(129,592,529)</u>
<i>Total Net Position (Deficit)</i>	<u><u>\$95,740,120</u></u>	<u><u>\$95,776,364</u></u>	<u><u>\$101,725,956</u></u>	<u><u>(\$51,084,956)</u></u>

(1) The School District reported the impact of GASB Statement No. 68 beginning in fiscal year 2014.

(2) The School District reported the impact of GASB Statement No. 75 beginning in fiscal year 2017.

<u>2015</u>	<u>2016</u>	<u>2017 (2)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$51,834,565	\$60,022,603	\$66,402,057	\$86,330,715	\$129,766,300	\$134,327,167
31,879,104	33,340,612	32,778,083	60,611,546	32,435,558	36,259,290
<u>(120,034,729)</u>	<u>(120,047,956)</u>	<u>(123,113,369)</u>	<u>(98,679,933)</u>	<u>(103,475,454)</u>	<u>(115,484,750)</u>
<u><u>(\$36,321,060)</u></u>	<u><u>(\$26,684,741)</u></u>	<u><u>(\$23,933,229)</u></u>	<u><u>\$48,262,328</u></u>	<u><u>\$58,726,404</u></u>	<u><u>\$55,101,707</u></u>

Mason City School District
Changes in Net Position
Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	2011	2012	2013	2014
Expenses:				
Current:				
Instruction	\$62,149,103	\$64,220,741	\$65,304,074	\$65,567,175
Support Services:				
Pupils	7,015,312	6,997,992	6,620,329	6,956,891
Instructional Staff	8,118,256	7,965,043	1,422,550	2,384,639
Board of Education	60,567	58,014	250,134	57,685
Administration	5,894,519	5,473,265	5,245,939	5,345,653
Fiscal	1,851,351	1,788,154	1,797,291	1,932,376
Business	422,415	453,915	472,876	447,303
Operation and Maintenance of Plant	13,504,242	12,666,272	13,096,862	12,976,097
Pupil Transportation	7,615,345	6,686,897	6,497,196	6,619,587
Central	3,790,359	3,700,107	3,542,809	3,279,666
Operation of Non-Instructional Services	6,058,518	6,449,265	6,119,224	5,988,246
Extracurricular Activities	2,848,531	3,052,085	3,241,891	3,351,887
Interest and Fiscal Charges	6,348,747	6,025,236	5,148,229	7,025,687
<i>Total Expenses</i>	<u>125,677,265</u>	<u>125,536,986</u>	<u>118,759,404</u>	<u>121,932,892</u>
Program Revenues:				
Governmental Activities:				
Charges for Services and Sales:				
Instruction	3,295,198	3,695,339	3,581,819	4,074,943
Support Services:				
Pupils	55,023	5,834	1,034	1,522
Instructional Staff	12,302	366	16,647	11,783
Administration	0	0	0	0
Business	185,500	131,781	96,480	174,176
Operation and Maintenance of Plant	1,322,932	1,133,157	826,183	1,445,552
Pupil Transportation	0	0	0	422
Central	0	590	1	17
Operation of Non-Instructional Services	3,525,476	3,645,072	3,501,751	3,281,890
Extracurricular Activities	1,481,703	1,947,812	1,794,764	2,037,073
Operating Grants, Interest, and Contributions	9,870,113	5,697,717	5,360,476	6,630,987
Capital Grants, Interest, and Contributions	0	0	0	0
<i>Total Program Revenues</i>	<u>19,748,247</u>	<u>16,257,668</u>	<u>15,179,155</u>	<u>17,658,365</u>
<i>Net Expense</i>	<u>(\$105,929,018)</u>	<u>(\$109,279,318)</u>	<u>(\$103,580,249)</u>	<u>(\$104,274,527)</u>

2015 (1)	2016	2017	2018 (2)	2019	2020
\$71,759,192	\$66,906,992	\$74,489,440	\$35,941,935	\$69,241,151	\$81,055,097
6,915,158	7,915,545	7,736,352	3,800,082	7,372,124	8,663,578
2,389,958	2,572,243	3,110,272	2,796,433	3,064,046	4,098,974
60,845	64,284	136,638	138,899	111,245	68,358
5,269,714	5,459,816	6,131,843	972,419	4,572,650	6,490,891
1,859,141	1,826,523	2,160,384	1,005,830	1,754,587	2,154,423
421,654	463,923	531,596	110,619	468,664	620,540
12,433,209	12,445,936	12,799,417	9,664,573	12,731,323	18,693,214
6,221,325	6,262,821	6,613,893	3,280,142	6,415,481	7,874,708
3,105,493	2,437,029	2,528,808	1,324,691	2,468,899	4,124,590
6,484,771	6,400,287	6,671,478	4,860,953	6,082,681	6,304,875
3,290,127	3,466,056	3,428,746	1,697,858	3,235,015	3,530,012
4,503,141	4,111,137	3,679,221	2,859,926	2,500,391	2,185,420
124,713,728	120,332,592	130,018,088	68,454,360	120,018,257	145,864,680
4,517,089	3,798,624	5,123,863	4,455,855	4,346,747	3,584,036
4,222	8,675	1,442	1,800	779	0
6,661	13,303	0	0	0	0
5,468	8,895	9,702	7,069	84,718	99,442
160,911	176,699	184,040	129,194	27,283	0
1,258,416	1,343,914	1,378,993	824,587	133,945	2,512,265
3,588	0	0	0	0	0
0	0	0	0	0	0
3,418,897	3,397,489	3,267,274	3,152,483	3,040,079	3,486,795
1,940,095	2,009,068	1,886,329	1,864,828	1,940,650	1,629,197
7,040,629	7,126,928	7,844,513	7,625,002	8,706,812	9,600,889
0	0	0	0	0	3,991
18,355,976	17,883,595	19,696,156	18,060,818	18,281,013	20,916,615
(\$106,357,752)	(\$102,448,997)	(\$110,321,932)	(\$50,393,542)	(\$101,737,244)	(\$124,948,065)

(continued)

Mason City School District
Changes in Net Position
Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)
(Continued)

Fiscal Year	2011	2012	2013	2014
General Revenues and Other				
Changes in Net Position:				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$52,288,070	\$49,004,611	\$50,625,797	\$46,641,011
Debt Service	12,121,055	11,350,361	11,837,442	10,948,558
Capital Outlay	608,871	570,167	572,491	518,442
Grants and Entitlements Restricted for Capital Construction	0	0	0	0
Grants and Entitlements not Restricted to Specific Programs	43,721,854	42,386,226	41,301,384	43,444,518
Investments Earnings	199,006	486,293	21,871	185,110
Gifts and Donations not Restricted to Specific Programs	0	31,069	101,247	150,018
Payments in Lieu of Taxes	2,239,232	4,778,155	5,555,468	3,771,193
Miscellaneous	535,711	708,680	393,022	681,835
<i>Total General Revenues and Other</i> <i>Changes in Net Position</i>	<u>111,713,799</u>	<u>109,315,562</u>	<u>110,408,722</u>	<u>106,340,685</u>
<i>Change in Net Position</i>	<u><u>\$5,784,781</u></u>	<u><u>\$36,244</u></u>	<u><u>\$6,828,473</u></u>	<u><u>\$2,066,158</u></u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in fiscal year 2015.

(2) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in fiscal year 2018.

<u>2015 (1)</u>	<u>2016</u>	<u>2017</u>	<u>2018 (2)</u>	<u>2019</u>	<u>2020</u>
\$56,481,261	\$48,393,144	\$58,117,164	\$57,835,024	\$48,776,828	\$59,490,800
13,292,896	11,132,818	13,277,230	13,246,320	11,346,575	14,175,519
629,514	673,718	666,047	692,986	609,889	771,579
0	0	33,794,366	0	0	0
45,646,771	45,479,897	44,840,676	43,829,088	42,967,258	40,114,123
85,326	149,052	191,392	633,027	1,640,777	1,549,317
108,151	39,017	50,000	0	29,542	2,878
4,318,908	5,635,305	4,630,395	5,046,252	4,801,885	4,621,838
558,821	582,365	642,262	1,306,402	2,028,566	597,314
<u>121,121,648</u>	<u>112,085,316</u>	<u>156,209,532</u>	<u>122,589,099</u>	<u>112,201,320</u>	<u>121,323,368</u>
<u>\$14,763,896</u>	<u>\$9,636,319</u>	<u>\$45,887,600</u>	<u>\$72,195,557</u>	<u>\$10,464,076</u>	<u>(\$3,624,697)</u>

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

	<u>2011 (1)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund:				
Committed	\$0	\$0	\$0	\$0
Assigned	915,078	453,699	6,458,415	2,085,713
Unassigned	<u>38,344,772</u>	<u>31,456,329</u>	<u>25,600,588</u>	<u>28,026,632</u>
<i>Total General Fund</i>	<u>39,259,850</u>	<u>31,910,028</u>	<u>32,059,003</u>	<u>30,112,345</u>
All Other Governmental Funds:				
Nonspendable	98,674	40,450	60,368	0
Restricted	20,685,463	23,567,432	27,134,389	27,995,049
Committed	10,811	0	9,977	9,977
Assigned	0	0	0	2,085,713
Unassigned (Deficit)	<u>(6,895,100)</u>	<u>(7,257,846)</u>	<u>(7,315,115)</u>	<u>20,363,548</u>
<i>Total All Other Governmental Funds</i>	<u>13,899,848</u>	<u>16,350,036</u>	<u>19,889,619</u>	<u>50,454,287</u>
<i>Total Governmental Funds</i>	<u><u>\$53,159,698</u></u>	<u><u>\$48,260,064</u></u>	<u><u>\$51,948,622</u></u>	<u><u>\$80,566,632</u></u>

(1) The School District implemented GASB Statement No. 54 in fiscal year 2012.
Fiscal year 2011 has been restated to reflect changes.

2015	2016	2017	2018	2019	2020
\$0	\$0	\$0	\$0	\$0	\$90,784
1,090,919	1,069,724	4,255,497	11,982,081	24,574,143	9,055,916
36,194,522	34,427,290	38,177,226	31,304,113	5,337,067	17,746,804
37,285,441	35,497,014	42,432,723	43,286,194	29,911,210	26,893,504
0	0	0	0	0	0
32,147,340	33,514,871	33,191,172	38,430,592	29,183,267	26,276,100
0	0	0	0	0	0
1,090,919	1,069,724	4,255,497	0	0	0
29,847,003	28,925,499	37,675,537	(549,940)	(640,683)	(525,398)
63,085,262	63,510,094	75,122,206	37,880,652	28,542,584	25,750,702
\$100,370,703	\$99,007,108	\$117,554,929	\$81,166,846	\$58,453,794	\$52,644,206

Mason City School District
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014
Revenues:				
Property Taxes	\$63,731,625	\$60,288,880	\$65,182,145	\$58,136,666
Intergovernmental	52,069,359	49,089,810	46,877,573	49,608,589
Investment Earnings	199,756	603,465	26,968	177,608
Tuition and Fees	2,329,960	2,515,311	2,655,445	3,040,814
Extracurricular Activities	1,439,532	1,884,715	1,681,678	1,853,772
Rent	0	0	0	0
Charges for Services	6,669,397	6,215,452	5,562,734	6,227,734
Contributions and Donations	0	0	0	0
Payments in Lieu of Taxes	2,239,232	4,778,155	5,555,468	3,771,193
Miscellaneous	454,073	679,903	395,557	771,206
<i>Total Revenues</i>	<u>129,132,934</u>	<u>126,055,691</u>	<u>127,937,568</u>	<u>123,587,582</u>
Expenditures:				
Current:				
Instruction	61,249,413	63,516,740	64,031,836	64,497,627
Support Services:				
Pupils	6,983,336	7,042,546	6,547,920	6,914,148
Instructional Staff	8,077,645	7,896,816	1,518,557	2,365,585
Board of Education	60,567	58,014	250,134	57,685
Administration	5,932,932	5,401,632	5,206,190	5,269,650
Fiscal	1,830,777	1,766,689	1,788,716	1,957,646
Business	423,721	453,580	441,407	445,040
Operation and Maintenance of Plant	11,476,277	10,593,149	11,144,409	11,538,247
Pupil Transportation	7,542,715	5,998,494	5,832,777	6,556,743
Central	3,596,498	3,666,498	3,174,086	2,911,398
Operation of Non-Instructional Services	5,886,282	6,300,558	5,899,742	5,503,217
Extracurricular Activities	2,732,756	2,868,870	3,034,665	3,168,911
Capital Outlay	605,199	532,743	523,717	20,507
Debt Service:				
Principal Retirement	7,595,000	8,612,000	9,538,000	6,647,000
Interest and Fiscal Charges	6,571,523	6,246,996	5,390,008	7,228,513
Issuance Costs	0	0	314,815	0
<i>Total Expenditures</i>	<u>130,564,641</u>	<u>130,955,325</u>	<u>124,636,979</u>	<u>125,081,917</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(\$1,431,707)</u>	<u>(\$4,899,634)</u>	<u>\$3,300,589</u>	<u>(\$1,494,335)</u>

2015	2016	2017	2018	2019	2020
\$70,578,586	\$58,898,232	\$73,379,471	\$71,375,267	\$61,108,412	\$74,484,268
52,820,730	52,630,047	52,538,177	62,720,709	69,829,570	49,493,486
92,767	93,934	230,885	636,666	1,568,440	1,590,696
3,437,268	2,731,732	4,064,377	3,506,887	3,577,503	3,870,964
1,680,111	1,723,057	1,607,507	1,602,987	1,611,856	1,253,274
0	0	0	0	0	2,518,121
6,315,917	6,396,579	6,222,941	5,407,416	4,383,704	3,669,376
0	0	0	0	0	177,403
4,318,908	5,635,305	4,630,395	4,848,792	4,756,647	4,621,838
549,023	526,682	649,084	1,384,109	1,914,935	597,314
<u>139,793,310</u>	<u>128,635,568</u>	<u>143,322,837</u>	<u>151,482,833</u>	<u>148,751,067</u>	<u>142,276,740</u>
68,181,928	67,201,564	70,047,255	72,328,986	77,540,881	75,348,612
7,054,999	7,480,831	7,354,465	7,618,774	8,193,687	8,086,006
2,404,644	2,706,886	3,104,463	4,100,505	3,358,703	3,895,368
61,315	64,662	135,545	153,385	113,286	68,358
5,481,341	5,515,942	5,591,558	5,948,006	5,655,720	5,986,145
1,931,843	1,835,162	2,066,361	1,892,449	1,952,534	2,049,372
434,372	453,876	522,844	443,311	553,665	604,393
10,807,624	10,809,004	11,712,430	11,555,490	11,615,780	11,276,047
5,730,801	6,418,207	6,284,309	6,136,955	6,772,352	6,608,553
2,920,588	2,249,808	2,344,341	2,488,998	2,676,973	3,950,746
6,460,795	6,236,907	6,458,499	6,411,535	6,601,288	5,897,375
3,244,502	3,413,531	3,187,316	3,360,655	3,469,749	3,073,329
92,741	448,244	26,206	10,022,711	29,933,462	3,656,483
8,466,000	8,873,000	20,358,000	9,615,000	9,883,000	21,898,000
4,913,373	4,503,112	3,890,033	3,500,012	2,522,351	2,721,902
0	0	168,110	0	78,999	0
<u>128,186,866</u>	<u>128,210,736</u>	<u>143,251,735</u>	<u>145,576,772</u>	<u>170,922,430</u>	<u>155,120,689</u>
<u>\$11,606,444</u>	<u>\$424,832</u>	<u>\$71,102</u>	<u>\$5,906,061</u>	<u>(\$22,171,363)</u>	<u>(\$12,843,949)</u>

(continued)

Mason City School District
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Continued)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Other Financing Sources (Uses):				
Payment to Refunded Bond Escrow Agent	\$0	\$0	(\$23,808,438)	\$0
Refunding Bond Anticipation Notes Issued	0	0	0	0
Premium on Bond Anticipation Notes Issued	0	0	0	0
Proceeds from Sale of Capital Assets	15,221	0	73,154	0
Refunding Bonds Issued	0	0	20,460,000	0
Premium on Refunding Bonds Issued	0	0	3,663,253	0
Transfers In	18,036,569	16,951,461	16,060,000	15,819,000
Transfers Out	<u>(18,036,569)</u>	<u>(16,951,461)</u>	<u>(16,060,000)</u>	<u>(15,819,000)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>15,221</u>	<u>0</u>	<u>387,969</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u><u>(\$1,416,486)</u></u>	<u><u>(\$4,899,634)</u></u>	<u><u>\$3,688,558</u></u>	<u><u>(\$1,494,335)</u></u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	11.0%	11.5%	12.0%	11.2%

2015	2016	2017	2018	2019	2020
\$0	\$0	\$0	\$0	(\$16,019,788)	\$0
0	0	0	0	15,015,000	6,965,000
0	0	0	0	265,485	68,048
0	0	0	138,579	197,614	1,313
0	0	10,170,000	0	0	0
0	0	1,371,010	0	0	0
15,297,229	14,092,243	17,237,749	10,276,000	5,960,000	94,288
(15,297,229)	(14,092,243)	(17,237,749)	(10,276,000)	(5,960,000)	(94,288)
0	0	11,541,010	138,579	(541,689)	7,034,361
<u>\$11,606,444</u>	<u>\$424,832</u>	<u>\$11,612,112</u>	<u>\$6,044,640</u>	<u>(\$22,713,052)</u>	<u>(\$5,809,588)</u>
10.5%	10.6%	17.2%	9.8%	8.8%	16.3%

Mason City School District
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Collection (Calendar) Years

Collection Year	Real Property		Tangible Personal Property Public Utility	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2010	\$1,492,898,890	\$4,265,425,400	\$10,198,936	\$29,139,817
2011	1,505,970,130	4,302,771,800	21,168,660	60,481,886
2012	1,443,664,060	4,124,754,457	27,216,000	77,760,000
2013	1,461,234,590	4,174,955,971	29,850,640	85,287,543
2014	1,482,387,830	4,235,393,800	32,320,460	92,344,171
2015	1,629,258,740	4,655,024,971	33,913,130	96,894,658
2016	1,663,905,800	4,754,016,571	34,841,600	99,547,429
2017	1,695,789,200	4,845,112,000	37,827,010	108,077,171
2018	1,912,206,480	5,463,447,086	40,462,230	115,606,371
2019	1,984,746,010	5,670,702,886	42,609,760	121,742,171

Source: Ohio Department of Taxation and Warren County Auditor

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.

Total			
Assessed Value	Estimated Actual Value	Total Direct Rate	Weighted Average Property Tax Rate (per \$1,000 of assessed value)
\$1,503,097,826	\$4,294,565,217	83.45	\$74.01
1,527,138,790	4,363,253,686	83.45	73.55
1,470,880,060	4,202,514,457	83.97	73.25
1,491,085,230	4,260,243,514	83.97	73.15
1,514,708,290	4,327,737,971	83.97	73.06
1,663,171,870	4,751,919,629	83.11	73.11
1,698,747,400	4,853,564,000	83.11	73.10
1,733,616,210	4,953,189,171	83.11	73.01
1,952,668,710	5,579,053,457	82.79	73.08
2,027,355,770	5,792,445,057	82.79	73.06

Mason City School District
Principal Real and Personal Property Taxpayers
Tax Collection (Calendar) Years 2020 and 2011

Tax Payer	2020		Percentage of Real Property Assessed Valuation
	Assessed Value	Rank	
Duke Energy Ohio Inc.	\$42,406,120	1	2.09%
Somerset at Deerfield	15,887,550	2	0.78
GC Net Lease	15,882,950	3	0.78
LSREF 4 Skyline (OH/NE)	12,960,790	4	0.64
Hills Properties LTD	10,995,500	5	0.54
Lenscrafters Inc.	8,518,700	6	0.42
CVG Partners IV LLC	8,419,830	7	0.42
Indiana Senior Housing	8,298,560	8	0.41
Twin Fountains of Mason	8,044,720	9	0.40
Kenwood Lincoln Mercury	7,478,770	10	0.37
Craig and Frances Lindner Center of Hope	0	N/A	0.00
Duke Realty Ohio	0	N/A	0.00
Community Insurance	0	N/A	0.00
Cintas Sales Corp.	0	N/A	0.00
Mason Christian Village	0	N/A	0.00
Sterling Lakes Apartments	0	N/A	0.00
Total	138,893,490		6.85%
All Others	1,888,462,280		93.15%
Total Assessed Valuation	\$2,027,355,770		100.00%

Source: Warren County Auditor

2011		
Assessed Value	Rank	Percentage of Real Property Assessed Valuation
\$23,603,410	1	1.55%
15,889,860	2	1.04
8,695,050	5	0.57
0	N/A	0.00
8,237,586	6	0.54
0	N/A	0.00
12,686,429	3	0.83
9,737,459	4	0.64
7,676,112	7	0.50
7,489,412	8	0.49
6,969,967	9	0.46
<u>6,284,243</u>	10	<u>0.41</u>
107,269,528		7.03%
<u>1,419,869,262</u>		<u>92.97%</u>
<u><u>\$1,527,138,790</u></u>		<u><u>100.00%</u></u>

Mason City School District
Property Tax Rates (Per \$1,000 of Assessed Valuation)
Direct and Overlapping Governments
Last Ten Collection (Calendar) Years

Calendar Year	School District Direct Rate				Overlapping Rates			
	General	Bond	Permanent Improvement	Total	Warren County	City of Mason	Mason Public Library	Deerfield Township
2010	74.46	8.56	0.43	83.45	5.78	7.32	0.75	12.60
2011	74.46	8.56	0.43	83.45	5.78	7.32	0.75	12.60
2012	74.46	9.08	0.43	83.97	5.78	7.32	0.75	12.60
2013	74.46	9.08	0.43	83.97	5.78	6.72	0.75	14.10
2014	74.46	9.08	0.43	83.97	5.78	6.72	0.75	14.10
2015	74.46	8.22	0.43	83.11	5.78	6.72	0.75	14.10
2016	74.46	8.22	0.43	83.11	5.78	6.72	0.75	14.10
2017	74.46	8.22	0.43	83.11	5.78	6.72	0.75	14.10
2018	74.46	7.90	0.43	82.79	5.78	6.72	0.50	14.10
2019	74.46	7.90	0.43	82.79	6.28	6.72	0.50	14.10

Source: Warren County Auditor

Overlapping Rates

Great Oaks JVSD	Warren-Clinton		Warren County				Weighted Average
	Community Mental Health	Turtlecreek Township	Union Township	Health District	City of Lebanon	Lebanon Library	
2.70	1.00	9.12	9.20	0.50	8.32	1.00	\$74.01
2.70	1.00	9.12	9.20	0.50	7.82	1.00	73.55
2.70	1.00	9.12	9.20	0.50	7.82	1.00	73.25
2.70	1.00	9.12	9.20	0.50	8.32	1.00	73.15
2.70	1.00	9.12	9.20	0.50	9.32	1.00	73.06
2.70	1.00	9.12	9.20	0.50	9.32	1.00	73.11
2.70	1.00	9.12	9.20	0.50	9.32	1.00	73.10
2.70	1.00	9.12	13.10	0.50	9.32	1.00	73.01
2.70	1.00	9.12	13.10	0.50	9.32	1.00	73.08
2.70	1.00	9.12	13.10	0.50	9.32	1.00	73.06

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*Mason City School District
Property Tax Levies and Collections
Last Ten Collection (Calendar) Years*

<u>Collection Year (1)</u>	<u>Total Current Tax Levied (2)</u>	<u>Current Tax Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collection (3)</u>	<u>Total Tax Collections</u>	<u>Percent Of Total Collections To Total Levy</u>
2010	\$68,964,253	\$66,990,013	97.14%	\$1,297,700	\$68,287,713	99.02%
2011	70,093,350	68,714,230	98.03	1,379,120	70,093,350	100.00
2012	70,237,102	69,277,930	98.63	959,172	70,237,102	100.00
2013	71,446,609	70,531,504	98.72	915,105	71,446,609	100.00
2014	71,144,660	69,751,930	98.04	1,038,720	70,790,650	99.50
2015	73,825,100	72,825,654	98.65	999,446	73,825,100	100.00
2016	75,428,947	74,177,960	98.34	1,065,126	75,243,086	99.75
2017	76,823,664	75,781,755	98.64	1,041,978	76,823,733	100.00
2018	80,642,224	79,788,968	98.94	857,255	80,646,223	100.00
2019	83,415,178	81,804,294	98.07	1,610,884	83,415,178	100.00

Source: Warren County Auditor

- (1) The 2020 information cannot be presented because all collections have not been made by June 30, 2020.
- (2) Taxes levied and collected are presented on a cash basis because that is the manner that information is maintained by the County Auditor.
- (3) Penalties and interest are included since, by Ohio law, they become part of the tax obligation as assessment occurs.

Mason City School District
*Ratio of Debt to Estimated Actual Value,
 Personal Income, and Debt Per Capita
 Last Ten Fiscal Years*

Fiscal Year	General Obligation Bonds (1)	General Obligation Notes (1)	Capital Leases (1)	Total Outstanding Debt	Estimated Actual Value (2)
2011	\$130,668,684	\$0	\$5,170,000	\$135,838,684	\$4,294,565,217
2012	121,878,627	0	5,103,000	126,981,627	4,363,253,686
2013	112,488,385	0	5,025,000	117,513,385	4,202,514,457
2014	108,878,030	0	4,933,000	113,811,030	4,260,243,514
2015	99,945,545	0	4,827,000	104,772,545	4,327,737,971
2016	90,643,770	0	4,704,000	95,347,770	4,751,919,629
2017	79,968,080	0	4,566,000	84,534,080	4,853,564,000
2018	69,943,580	0	4,411,000	74,354,580	4,953,189,171
2019	44,387,632	15,280,485	4,238,000	63,906,117	5,579,053,457
2020	36,903,380	6,976,341	4,045,000	47,924,721	5,792,445,057

Source: (1) School District Financial Records; includes outstanding principal on debt issuances, as well as accretion on capital appreciation bonds, and unamortized premiums.

(2) Ohio Department of Taxation.

(3) Ohio Development Services Agency

(4) Computation of per capita personal income multiplied by population.

Population (3)	Personal Income (4)	Ratio of Debt to Estimated Actual Value	Ratio of Debt to Personal Income	Debt Per Capita
212,693	\$8,621,723,448	3.16%	1.58%	\$638.66
214,910	9,202,016,380	2.91%	1.38%	590.86
217,241	9,880,555,162	2.80%	1.19%	540.94
219,169	10,131,306,194	2.67%	1.12%	519.28
221,659	10,990,739,856	2.42%	0.95%	472.67
224,469	11,572,050,357	2.01%	0.82%	424.77
227,063	12,475,068,283	1.74%	0.68%	372.29
228,882	13,002,328,656	1.50%	0.57%	324.86
232,173	13,883,713,227	1.15%	0.46%	275.25
234,602	13,883,746,360	0.83%	0.35%	204.28

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Mason City School District
Computation of Direct and Overlapping Debt
June 30, 2020

Jurisdiction	Debt Attributable to Governmental Activities	Percentage Applicable to District (1)	Amount Applicable to District
Direct:			
Mason City School District:	<u>\$47,924,721</u>	100.00 %	<u>\$47,924,721</u>
Overlapping:			
Butler County	20,767,870	0.06	12,461
Warren County	28,785,000	26.53	7,636,661
City of Mason	43,920,000	89.35	39,242,520
Deerfield Township	4,170,000	58.91	2,456,547
Union Township	565,679	2.72	15,386
West Chester Township	<u>24,840,000</u>	0.24	<u>59,616</u>
Total Overlapping Debt	<u>123,048,549</u>		<u>49,423,191</u>
Total Direct and Overlapping Debt	<u><u>\$170,973,270</u></u>		<u><u>\$97,347,912</u></u>

Source: Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School District. This process recognizes that, when considering the School District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken in account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government.

Mason City School District
Computation of Legal Debt Margin
Last Ten Fiscal Years (1)

	2011	2012	2013	2014
Debt Limit	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540
Total Net Debt Applicable to Limit	<u>125,070,968</u>	<u>117,843,578</u>	<u>125,413,385</u>	<u>121,611,030</u>
Legal Debt Margin	<u>\$122,787,572</u>	<u>\$130,014,962</u>	<u>\$122,445,155</u>	<u>\$126,247,510</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	50.46%	47.54%	50.60%	49.06%

(2) Under Section 133.06(E) of the Ohio Revised Code, if a board of election 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.

Legal Debt Margin Calculation for Fiscal Year 2020

						Assessed Value	\$2,027,355,770
						Overall Debt Limit - 9% of Assessed Value	182,462,019
						Amount of Debt Applicable to Debt Limit	<u>46,100,000</u>
						Legal Debt Margin	<u><u>136,362,019</u></u>
	2015	2016	2017	2018	2019	2020	
	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$182,462,019	
	<u>112,172,595</u>	<u>90,643,700</u>	<u>79,968,080</u>	<u>69,943,580</u>	<u>59,668,117</u>	<u>46,100,000</u>	
	<u>\$135,685,945</u>	<u>\$157,214,840</u>	<u>\$167,890,460</u>	<u>\$177,914,960</u>	<u>\$188,190,423</u>	<u>\$136,362,019</u>	
	45.26%	36.57%	32.26%	28.22%	24.07%	25.27%	

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

Year	Population (1)	Per Capita Personal Income (1)	School Enrollment (2)	Unemployment Rate (1)
2010	212,693	\$40,536	10,974	8.10%
2011	214,910	42,818	11,013	6.30
2012	217,241	45,482	10,991	6.50
2013	219,169	46,226	10,911	6.40
2014	221,659	49,584	10,773	5.20
2015	224,469	51,553	10,715	4.10
2016	227,063	54,941	10,713	4.20
2017	228,882	56,808	10,728	4.10
2018	232,173	59,799	10,664	3.90
2019	234,602	59,180	10,463	3.50

Source: (1) Ohio Development Services Agency
(2) School District Records.

*Mason City School District
Principal Employers
Fiscal Years 2020 and 2011*

Employer	2020		
	Total Employees	Rank	Percentage of Total Employees
Proctor and Gamble	3,650	1	2.70%
Macy's Credit and Customer Service	2,100	2	1.55
Luxottica	1,853	3	1.37
Cintas Corporation	1,512	4	1.12
Wellpoint	1,300	5	0.96
Anthem Blue Cross and Blue Shield	1,300	6	0.96
Atrium Medical Center	1,200	7	0.89
Cincinnati Premium Outlets	1,000	8	0.74
Huma Care	1,000	9	0.74
Advics Manufacturing	969	10	0.72
Mason City Schools	N/A	N/A	0.00
L3 Cincinnati Electronics	N/A	N/A	0.00
Cengage Learning, Inc.	N/A	N/A	0.00
Portion Pac	N/A	N/A	0.00
Mitsubishi Electric	N/A	N/A	0.00
Lindner Center of Hope	N/A	N/A	0.00
Total Employees from Top Ten Employers	15,884		11.75
All Other Employers	119,200		88.25
Total Employees	135,084		100.00%

Source: Warren County Economic Development Department

2011		
Total Employees	Rank	Percentage of Total Employees
1,943	1	1.94%
N/A	N/A	0.00
1,533	3	1.53
1,322	5	1.32
1,743	2	1.74
N/A	N/A	0.00
1,413	4	1.41
609	6	0.61
575	7	0.57
444	8	0.44
395	9	0.39
300	10	0.30
10,277		10.25
89,823		89.75
<u>100,100</u>		<u>100.00%</u>

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

	2011	2012	2013	2014
Office/Administrative:				
Superintendent/Associate/Assistants	4.00	3.00	3.00	3.00
Principals/Assistant	26.00	23.00	21.00	20.33
Other	21.00	20.00	17.90	17.00
<i>Total Official/Administrative</i>	<u>51.00</u>	<u>46.00</u>	<u>41.90</u>	<u>40.33</u>
Professional - Educational:				
Total General Education	544.00	527.26	511.05	513.00
Special Education	94.91	93.12	88.67	87.72
Curriculum Specialist	12.00	10.50	12.50	10.00
Counseling	21.00	21.00	20.00	20.00
Librarian/Media	2.00	2.00	2.00	2.00
Other Professional	1.00	1.00	0.00	0.00
<i>Total Professional - Educational</i>	<u>674.91</u>	<u>654.88</u>	<u>634.22</u>	<u>632.72</u>
Professional - Other:				
Public Relations	1.00	1.00	1.00	1.00
Psychologists	9.00	9.00	9.00	9.00
Social Work	1.00	1.00	1.00	1.00
Speech, OT, PT	14.15	13.95	14.12	14.88
<i>Total Professional - Other</i>	<u>25.15</u>	<u>24.95</u>	<u>25.12</u>	<u>25.88</u>
Technical:				
Information Technology	12.00	11.00	11.00	9.00
Practical Nursing	9.93	8.99	8.52	8.46
Library Aide	10.20	10.20	7.20	7.20
Other Technical	2.00	2.00	2.00	1.00
<i>Total Technical</i>	<u>34.13</u>	<u>32.19</u>	<u>28.72</u>	<u>25.66</u>
Office/ Clerical	<u>67.89</u>	<u>62.50</u>	<u>56.77</u>	<u>55.52</u>
Crafts & Trades	<u>13.00</u>	<u>12.00</u>	<u>11.00</u>	<u>9.00</u>
Bus Drivers	<u>80.28</u>	<u>68.80</u>	<u>69.75</u>	<u>66.37</u>
Service Work/ Laborer:				
Attendance Officer	0.94	0.94	0.94	0.94
Custodian	56.00	44.00	41.00	37.00
Groundskeeping	2.00	2.00	3.00	3.00
Food Service	51.48	48.43	46.77	45.18
Guard/ Watchman	4.00	4.00	1.00	1.00
Monitoring (Recess)	24.57	28.24	22.08	21.86
Attendent (Paraprofessionals)	171.04	158.94	141.71	134.11
Other Services Worker/ Laborer	0.27	0.27	0.00	0.00
<i>Total Service Work/Laborer</i>	<u>310.30</u>	<u>286.82</u>	<u>256.50</u>	<u>243.09</u>
<i>Total Employees</i>	<u><u>1,256.66</u></u>	<u><u>1,188.14</u></u>	<u><u>1,123.98</u></u>	<u><u>1,098.57</u></u>

Source: School District Records

2015	2016	2017	2018	2019	2020
3.00	4.00	4.00	4.00	4.00	4.00
21.00	21.00	21.00	20.50	20.00	20.00
19.00	19.50	18.00	18.50	17.00	18.00
43.00	44.50	43.00	43.00	41.00	42.00
482.33	483.91	482.13	486.80	486.93	489.80
78.63	74.15	75.00	79.00	78.00	79.50
8.00	6.00	8.00	8.00	8.00	8.00
19.80	19.80	20.00	20.00	21.00	21.00
2.00	2.00	2.00	2.00	2.00	2.00
14.00	12.50	2.65	2.65	2.56	4.00
604.76	598.36	589.78	598.45	598.49	604.30
1.00	1.00	1.00	1.00	1.00	1.00
10.00	9.00	9.00	9.00	9.00	9.00
1.00	1.00	1.00	1.00	1.00	2.00
13.34	13.34	12.94	12.94	12.94	11.94
25.34	24.34	23.94	23.94	23.94	23.94
8.00	8.00	7.00	6.00	5.00	5.00
8.46	10.46	11.58	8.70	8.70	8.76
8.63	8.63	8.63	7.63	7.20	8.70
1.00	1.00	1.00	1.00	1.00	1.00
26.09	28.09	28.21	23.33	21.90	23.46
58.03	59.46	59.16	56.03	60.13	60.36
10.00	11.50	9.50	6.50	6.50	6.50
70.56	71.68	81.80	74.49	76.33	76.85
0.94	0.94	0.94	0.94	0.00	0.00
34.00	30.00	29.00	24.00	24.00	24.00
3.00	2.00	2.00	2.00	2.00	2.00
47.76	47.00	49.90	47.29	40.15	43.20
0.00	0.00	0.00	0.00	0.00	0.00
24.95	19.51	27.85	24.61	18.33	19.77
130.32	134.87	152.08	149.66	159.41	163.69
9.43	8.81	0.00	0.00	0.00	0.00
250.40	243.13	261.77	248.50	243.89	252.66
1,088.18	1,081.06	1,097.16	1,074.24	1,072.18	1,090.07

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

Fiscal Year	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Expenses (2)	Cost Per Pupil
2011	11,013	\$115,792,919	\$10,514	2.42%	\$125,677,265	\$11,412
2012	10,991	115,563,586	10,514	0.00%	125,536,986	11,422
2013	10,911	108,870,439	9,978	-5.10%	118,759,404	10,884
2014	10,773	111,185,897	10,321	3.44%	121,932,892	11,318
2015	10,715	114,714,752	10,706	3.73%	124,713,728	11,639
2016	10,713	114,386,380	10,677	-0.27%	120,332,592	11,232
2017	10,728	118,809,386	11,075	3.72%	130,018,088	12,120
2018	10,664	122,439,049	11,482	3.67%	69,454,360	6,513
2019	10,420	128,504,618	12,332	7.41%	119,332,017	11,452
2020	10,463	126,844,304	12,123	-1.70%	145,864,680	13,941

Source: School District Records

(1) Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds,
excludes capital outlay and debt service.

(2) Statement of Activities

Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2.63%	755.00	14.6	6.44%
0.09%	708.50	15.5	6.94%
-4.71%	691.50	15.8	7.68%
3.99%	672.50	16.0	8.00%
2.83%	656.00	16.3	8.00%
-3.49%	646.50	16.6	8.00%
7.90%	637.60	16.8	8.00%
-46.26%	645.60	16.5	8.00%
75.84%	645.93	16.1	8.00%
21.73%	652.30	16.0	8.00%

*Mason City School District
School Building Information
Last Ten Fiscal Years*

	2011	2012	2013	2014
Elementary				
Mason Early Childhood (2006)				
Square feet	172,211	172,211	172,211	172,211
Capacity	2,100	2,100	2,100	2,100
Enrollment	1,706	1,549	1,905	1,854
Mason Heights (1965)				
Square feet	101,863	101,863	N/A	N/A
Capacity	1,200	1,200	N/A	N/A
Enrollment	821	838	N/A	N/A
Western Row (1961)				
Square feet	100,002	100,002	100,002	100,002
Capacity	1,200	1,200	1,200	1,200
Enrollment	855	840	1,164	1,050
Mason Intermediate (1998/1994)				
Square feet	356,700	356,700	356,700	356,700
Capacity	3,000	3,000	3,000	3,000
Enrollment	2,700	2,678	2,617	2,606
Junior High School				
Mason Middle (1958)				
Square feet	276,378	276,378	276,378	276,378
Capacity	1,850	1,850	1,850	1,850
Enrollment	1,773	1,800	1,845	1,853
High School				
William Mason High (2002) (2010)				
Square feet	539,236	539,236	539,236	539,236
Capacity	3,513	3,700	3,700	3,700
Enrollment	3,158	3,286	3,380	3,410

Source: School District Records

2015	2016	2017	2018	2019	2020
172,211	172,211	172,211	172,211	201,963	201,963
2,100	2,100	2,100	2,100	2,400	2,400
1,825	1,833	1,861	1,834	2,085	2,111
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
100,002	100,002	100,002	100,002	100,002	N/A
1,200	1,200	1,200	1,200	1,200	N/A
1,025	974	1,012	1,022	741	N/A
356,700	356,700	356,700	356,700	356,700	356,700
3,000	3,000	3,000	3,000	3,000	3,120
2,554	2,486	2,430	2,412	2,383	3,119
276,378	276,378	276,378	276,378	276,378	276,378
1,850	1,850	1,850	1,850	1,850	1,850
1,749	1,799	1,834	1,765	1,713	1,746
539,236	539,236	539,236	539,236	539,236	539,236
3,700	3,700	3,700	3,700	3,700	3,700
3,562	3,621	3,591	3,631	3,498	3,487

*Mason City School District
Miscellaneous Statistical Data
June 30, 2020*

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 2019-2020 School Year	749,684
Number Meals Served by Food Service	
Department for the 2019-2020 School Year	873,994

School Buildings	Grade Levels	Enrollment
Mason Early Childhood Center	PS-2	2,111
Mason Elementary/Intermediate	3-6	3,119
Mason Middle School	7-8	1,746
William Mason High School	9-12	3,487
Total		<u>10,463</u>

Number of Teachers, Levels of Degree, and Years of Experience

Degree	Education	
	Number of Certified Staff	Percentage of Total
Bachelor's Degree	30.5	4.68%
Bachelor's + 150	55.8	8.55%
Master's	565.0	86.62%
Doctorate	1.0	0.15%
Total	<u>652.3</u>	<u>100.00%</u>

Years of Experience	Experience	
	Number of Certified Staff	Percentage of Total
0 - 5	62.5	9.58%
6 - 10	60.0	9.20%
11 - 15	172.5	26.44%
16 - 20	174.3	26.72%
21 - 25	111.5	17.09%
26 - 30	47.5	7.28%
31 - 35	19.0	2.91%
36 - 40	5.0	0.77%
Total	<u>652.3</u>	<u>99.99%</u>

Source: School District Records

*Mason City School District
Student Population by Race
for the 2019-2020 School Year*

Race	Total	Percent
American Indian/Alaskan	17	0.16%
Asian	3,005	28.72%
Black	457	4.37%
Caucasian	5,898	56.37%
Hispanic	541	5.17%
Multi-Racial	514	4.91%
Hawaiian/Pac Island	31	0.30%
	10,463	100.00%

Source: School District Records

*Mason City School District
Enrollment History
Last Ten School Years*

School Year (1)	Grade							
	Preschool	KDN	1	2	3	4	5	6
2010-11	201	689	816	828	848	862	959	879
2011-12	193	623	733	826	852	845	872	961
2012-13	191	601	687	743	847	872	866	879
2013-14	171	575	679	713	766	867	876	863
2014-15	164	580	662	702	742	806	862	886
2015-16	165	544	676	687	735	777	826	883
2016-17	171	553	675	734	740	768	820	842
2017-18	165	539	677	719	756	763	806	843
2018-19	171	550	648	716	741	760	781	842
2019-20	182	553	659	717	736	767	783	833

Source: School District Records

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

Grade						Total	% Increase or Decrease
7	8	9	10	11	12		
899	874	814	849	755	740	11,013	0.36%
880	917	850	809	851	779	10,991	-0.20%
969	877	867	828	812	872	10,911	-0.73%
878	977	857	878	832	841	10,773	-1.26%
872	877	941	873	883	865	10,715	-0.54%
910	889	859	962	888	912	10,713	-0.02%
903	931	864	871	946	910	10,728	0.14%
846	919	882	878	870	1,001	10,664	-0.60%
857	856	892	883	854	869	10,420	-2.29%
868	878	839	888	880	880	10,463	0.41%

*Mason City School District
Directory of School Facilities
as of June 30, 2020*

Facility	Address	Administrator/Contact	Grades	Phone Numbers
Early Childhood Center	4631 Hickory Woods Dr.	Melissa Bly	PS-2	398-3741
Mason Elementary	6307 Mason-Montgomery Rd.	Javaris Powell	3-4	398-5821
Mason Intermediate	6307 Mason-Montgomery Rd.	Eric Messer	5-6	459-2850
Mason Middle School	6370 Mason-Montgomery Rd.	Lauren Gentene	7-8	398-9035
Mason High School	6100 Mason-Montgomery Rd.	Bobby Dodd	9-12	398-5025
Mason Central Administration	211 North East Street	Jonathan Cooper	N/A	398-0474
Transportation Center	5025 Enterprise Drive	Carolyn Thornton	N/A	398-6682
Maintenance Garage	5120 Enterprise Drive	George Highfill	N/A	398-2784

Source: School District Records

OHIO AUDITOR OF STATE KEITH FABER



MASON CITY SCHOOL DISTRICT

WARREN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/5/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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