



Dave Yost • Auditor of State

MASON CITY SCHOOL DISTRICT
WARREN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	Under separate cover
Prepared by Management:	
Comprehensive Annual Financial Report.....	Under separate cover
Schedule of Federal Award Expenditures	1
Notes to the Schedule of Federal Award Expenditures	2
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
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	5
Schedule of Findings.....	9

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**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**SCHEDULE OF FEDERAL AWARD EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2017**

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	2017	10.555	0	\$400,626
Cash Assistance:				
National School Breakfast Program	2017	10.553	55,901	0
National School Lunch Program	2017	10.555	567,458	0
Total Child Nutrition Cluster			<u>623,359</u>	<u>400,626</u>
Total U.S. Department of Agriculture			<u>623,359</u>	<u>400,626</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	2017	84.027	1,378,945	0
Special Education-Grants to States	2016	84.027	295,355	0
Total Special Education-Grants to States			<u>1,674,300</u>	<u>0</u>
Special Education-Preschool Grants	2017	84.173	30,448	0
Special Education-Preschool Grants	2016	84.173	5,562	0
Total Special Education-Preschool Grants			<u>36,010</u>	<u>0</u>
Total Special Education Cluster			<u>1,710,310</u>	<u>0</u>
Title I Grants to Local Educational Agencies	2017	84.010	210,344	0
Title I Grants to Local Educational Agencies	2016	84.010	44,260	0
Total Title I Grants to Local Educational Agencies			<u>254,604</u>	<u>0</u>
Title III - LEP	2017	84.365	91,658	0
Title III - LEP	2016	84.365	17,364	0
Title III - Immigrant	2017	84.365	30,639	0
Title III - Immigrant	2016	84.365	5,176	0
Total Title III			<u>144,837</u>	<u>0</u>
Improving Teacher Quality State Grants	2017	84.367	87,377	0
Improving Teacher Quality State Grants	2016	84.367	2,529	0
Total Improving Teacher Quality State Grants			<u>89,906</u>	<u>0</u>
<i>Passed Through Great Oaks Institute of Technology and Career Development</i>				
Vocational Education Basic Grants to States	2017	84.048	5,409	0
Vocational Education Basic Grants to States	2016	84.048	1,238	0
Vocational Education Basic Grants to States	2015	84.048	1,598	0
Total Vocational Education Basic Grants to States			<u>8,245</u>	<u>0</u>
Total U.S. Department of Education			<u>2,207,902</u>	<u>0</u>
Total Federal Assistance			<u>\$2,831,261</u>	<u>\$400,626</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 FEDERAL AWARD EXPENDITURES
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2017**

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 Government's) under programs of the federal government for the year ended June 30, 2017. 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 Government, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Government.

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

NOTE C - CHILD NUTRITION CLUSTER

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

NOTE D – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mason City School District, Warren County, (the District) as of and for the year ended June 30, 2017, 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, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Dave Yost
Auditor of State

Columbus, Ohio

December 21, 2017



Dave Yost • Auditor of State

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

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

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Mason City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Mason City School District's major federal program for the year ended June 30, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the Mason City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2017.

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, 2017, 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, 2017. We conducted our audit to opine on the District's' basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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Dave Yost
Auditor of State

Columbus, Ohio

December 21, 2017

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**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2017**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #84.027 and 84.173 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?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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MASON CITY SCHOOLS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For the fiscal year ended
June 30, 2017**

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

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MASON CITY SCHOOL DISTRICT
MASON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

PREPARED BY:
OFFICE OF THE TREASURER

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TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	vii
List of Principal Officials	xii
Organizational Chart	xiii
GFOA Certificate of Achievement for Excellence in Financial Reporting	xiv
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	19
Statement of Net Position - Proprietary Fund	
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund	
Statement of Fiduciary Net Position - Fiduciary Funds	20
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	21
Notes to the Basic Financial Statements	22
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	54
Notes to the Required Supplementary Information	58
Schedule of the District's Proportionate Share of the Net Pension Liability - State Teachers Retirement System of Ohio	60
Schedule of the District's Proportionate Share of the Net Pension Liability - School Employees Retirement System of Ohio	61
Schedule of District Contributions - State Teachers Retirement System of Ohio	62
Schedule of District Contributions - School Employees Retirement System of Ohio	64
Combining Statements and Individual Fund Schedules:	
Major Governmental Fund	67
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Debt Service	68
Capital Projects	69
Classroom Facilities	70
Combining Statements and Individual Fund Schedules:	
Nonmajor Governmental Funds	71
Combining Balance Sheet	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	73

TABLE OF CONTENTS

	Page
Nonmajor Special Revenue Funds	
Fund Descriptions	75
Combining Balance Sheet	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	78
Nonmajor Special Revenue Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Community Services	80
District Managed Student Activity	81
Auxiliary Services	82
OneNet Network Connectivity	83
Gifted Supplemental	84
Title VI-B	85
Vocational Education	86
Title III	87
Title I	88
Public School Preschool	89
Improving Teacher Quality	90
Food Service	91
Nonmajor Capital Project Funds	
Fund Descriptions	93
Combining Balance Sheet	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	95
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Building	96
Other General Funds	
Fund Descriptions	97
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Public School Support	98
Latchkey	99
Nonmajor Fiduciary Funds	
Fund Descriptions	101
Statement of Changes in Assets and Liabilities	102

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
STATISTICAL SECTION		
Statistical Section Narrative		105
Net Position by Component	1	106
Expenses, Program Revenues and Net (Expense)/Revenue	2	107
General Revenues and Total Change in Net Position	3	108
Fund Balances, Governmental Funds	4	109
Governmental Funds - Revenues	5	110
Governmental Funds - Expenditures and Debt Service Ratio	6	111
Other Financing Sources and Uses and Net Change in Fund Balances - Governmental Funds	7	112
Assessed and Estimated Actual Value of Taxable Property	8	113
Direct and Overlapping Property Tax Rates	9	114
Principal Property Tax Payers - Warren County	10	115
Property Tax Levies and Collections	11	116
Outstanding Debt by Type	12	117
Direct and Overlapping Governmental Activities Debt	13	118
Legal Debt Margin Information	14	119
Demographic and Economic Statistics	15	120
Principal Employers	16	121
Full-Time Equivalent District Employees by Type	17	122
Operating Statistics	18	123
School Building Information	19	124
Miscellaneous Statistical Data	20	125
Student Population by Sex and Race	21	126
Enrollment History	22	127
Directory of Facilities	23	128

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**Introductory
Section**

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December 21, 2017

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, 2017.

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, 2017, 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, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Mason City School District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent

auditor to report not only on the fair presentation of the financial statements, but also on the audited school district’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Mason City School District’s separately issued Single Audit Report.

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

Profile of the School District

The District is located in Warren and Butler Counties in southwest Ohio. The District contains 25 square miles, with 99% of its territory located in Warren County and the remaining 1% in Butler County. Political subdivisions included in the District are the City of Mason, portions of Deerfield, Union and Turtle Creek Townships in Warren County, and a portion of West Chester Township in Butler County. The District is approximately 25 minutes northeast of downtown Cincinnati and 35 minutes southeast of downtown Dayton.

The Board of Education of the Mason City School District is a five member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District’s tax dollars, and approves the annual appropriation resolution.

The current Board members, their terms and years on the Board as of June 30, 2017, are:

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

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

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

October 9, 2017. Mr. Bevan brought 17 years of educational and financial leadership to the District, having served as the Treasurer for other area school districts in the Cincinnati region. His current contract expires July 31, 2020.

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

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

The District served 10,728 students during the 2017 fiscal year in five buildings. The high school (9-12) was constructed in 2002 with an addition in 2009. The middle school (7-8) was constructed in 1959, with additions in 1967, 1980, 1987 and 1997. The intermediate school 45 building wing (4-5) was constructed in 1994. The intermediate school 56 building wing (5-6) was constructed in 1998. An addition was constructed in 2007 connecting the two intermediate building wings. Western Row Elementary School (2-3) was constructed in 1962, with additions in 1987. Mason Early Childhood Center (PreK-2) was constructed in 2007.

The District employed approximately 1,097 employees as of June 30, 2017. The District's current enrollment is 10,698. It is expected that the District's enrollment will continue to decrease slightly each year for the next several years, plateauing at approximately 10,000 students within the next 7 to 8 years.

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

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

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

Factors Affecting Financial Condition

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

Local Economy. The City of Mason's population was last reported as 30,712 in the 2010 U.S. Census and has been growing steadily through targeted planning and development. Mason is the largest city in Warren County. The City continues to be a top choice for quality companies that are relocating or expanding. In choosing Mason, companies often cite the interstate access, rising property values, the established core of high-tech and bio-tech businesses, and an outstanding level of both city and educational services. The tax base is comprised mostly of residential property, which realized a 2.20% increase in real estate values for calendar year 2017.

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

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

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

Financial policies and planning. Student enrollment growth has been the priority for the Board and Administration for the last 15 years. Current demographic projections indicate the District will see its population stabilize at approximately 10,000 over the next several years. The District closed the Mason Heights Elementary School in the summer of 2012 and consolidated those students into the Mason Early Childhood Center (MECC) and Western Row Elementary. The District is currently working with the Ohio Facilities Construction Commission (OFCC) on a

project to expand the MECC and the Mason Middle School. These projects are expected to provide sufficient capacity for the 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.

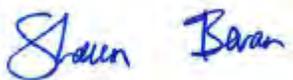
The District continued to be highly ranked in the State of Ohio for academic performance of public schools with a Performance Index of 87.5 and spends less per pupil than the average of similar school districts. Spending is aligned with the state average for total expenditure per pupil but the District is more focused on - and spends more on - classroom instruction. The District's priorities and goals for the future are focused on high impact learning, superb staff support, and deep parent and community partnerships. All Mason students will graduate prepared to thrive in a global economy. We pledge to support our staff to ensure that every Mason child has great learning experiences. We believe that engaged parents and community members champion Mason students. The administrative team and Board of Education are mindful of these priorities and goals when making all financial decisions. Our plans for achievement of our goals strike a balance between resource reallocation, utilization of cash reserves, and eventually additional local taxes.

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

Awards and Acknowledgements

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

Respectfully submitted,



Shaun L. Bevan
Treasurer and CFO

**MASON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2017**

ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

Superintendent.....	Gail Kist-Kline
Chief Academic Officer.....	Heather Sass
Chief Operations Officer.....	Todd Petrey
HR Talent Management Officer.....	Marla Niebling
Innovative Learning Officer.....	Jonathan Cooper
Public Information Officer.....	Tracey Carson
Treasurer.....	Ronda C. Johnson

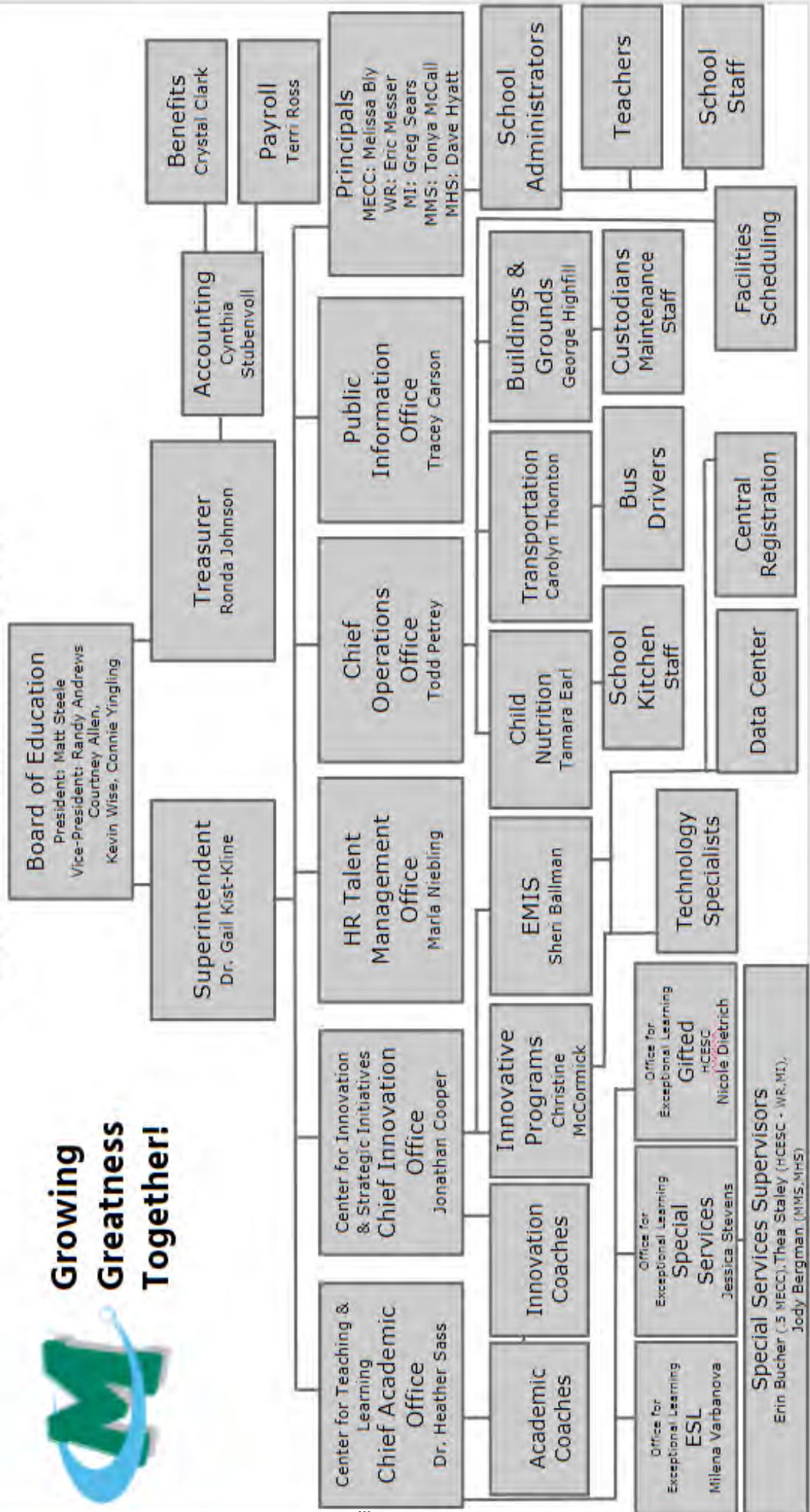
Note: Effective 10/9/17, Shaun Bevan became Treasurer

Assistant Treasurer.....	Cynthia Stubenvoll
Benefits Supervisor.....	Crystal Clark
Payroll Supervisor.....	Terri Ross
Building and Grounds Supervisor.....	George Highfill
Child Nutrition Supervisor.....	Tamara Earl
ESL Supervisor.....	Milena Varbanova
Special Services Administrator (Interim).....	Jessica Stevens
Special Services Supervisor.....	Jody Bergman
Special Services Supervisor.....	Erin Bucher
Transportation Supervisor.....	Carolyn Thornton



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**Mason City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



**Financial
Section**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mason City School District, Warren County, Ohio (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mason City School District, Warren County, Ohio, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D" and a long, sweeping tail on the "y".

Dave Yost
Auditor of State

Columbus, Ohio

December 21, 2017

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Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

The discussion and analysis of Mason City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2017 are as follows:

- Net position of governmental activities increased \$45,887,600 which represents a 150% increase from 2016.
- General revenues accounted for \$156,209,532 in revenue or 89% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$19,696,156 or 11% of total revenues of \$175,905,688.
- The District had \$130,018,088 in expenses related to governmental activities; \$19,696,156 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$156,209,532 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

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

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

Fund Financial Statements

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

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

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

The District as a Whole

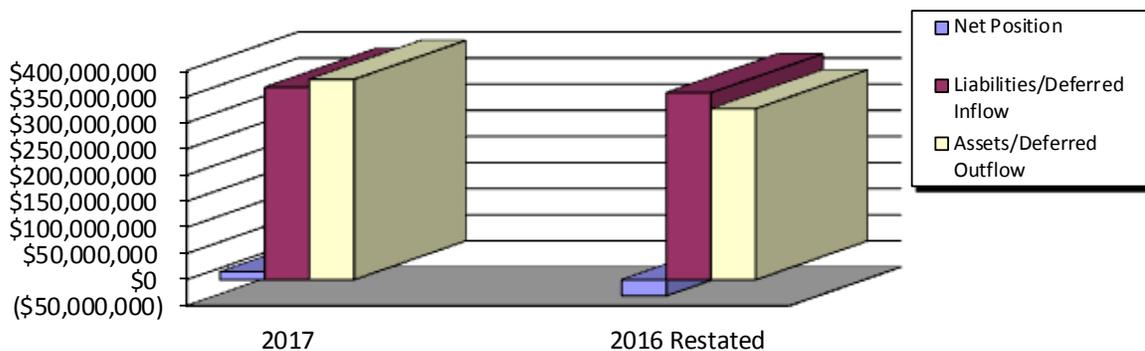
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2017 compared to 2016:

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Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Table 1
Net Position

	Governmental Activities	
	2017	2016 Restated
Assets:		
Current and Other Assets	\$192,289,366	\$154,046,701
Capital Assets	153,866,764	154,854,974
Total Assets	346,156,130	308,901,675
Deferred Outflows of Resources:		
Deferred Charge on Refunding Pension	2,531,265	2,728,058
	34,680,041	15,541,505
Total Deferred Outflows of Resources	37,211,306	18,269,563
Liabilities:		
Other Liabilities	23,442,894	23,987,236
Long-Term Liabilities	282,518,441	256,970,900
Total Liabilities	305,961,335	280,958,136
Deferred Inflows of Resources:		
Property Taxes	54,607,462	59,891,049
Deferred Gain on Refunding	1,468,553	0
Grants and Other Taxes	4,573,993	4,754,084
Pension	1,544,369	12,243,845
Total Deferred Inflows of Resources	62,194,377	76,888,978
Net Position:		
Net Investment in Capital Assets	66,402,057	60,022,603
Restricted	32,778,083	33,340,612
Unrestricted	(83,968,416)	(124,039,091)
Total Net Position	\$15,211,724	(\$30,675,876)



Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2017, the District's assets and deferred outflows exceeded liabilities and deferred inflows by \$15,211,724.

At year-end, capital assets represented 44% of total assets. Capital assets include land, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2017, were \$66,402,057. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$32,778,083 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use. The District's balance of unrestricted net position is (\$83,968,416) as of June 30, 2017. The negative unrestricted net position, and total net position, are a result of recording pension liabilities required by governmental auditing standards, and these liabilities do not represent an immediate obligations of the District.

Regarding significant changes in Table 1 above, Capital Assets decreased mainly due to current year depreciation expense and disposals exceeding current year additions. Current and Other Assets increased mainly due to an increase in the OFCC project the District entered into. Long-Term Liabilities increased mainly due to an increase in Net Pension Liability. The significant changes in the Deferred Outflows and Inflows related to pension are due to the increase and decrease in the employer allocation percentage.

Table 2 shows the changes in net position for fiscal years 2017 and 2016.

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Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities	
	2017	2016
Revenues:		
Program Revenues		
Charges for Services	\$11,851,643	\$10,756,667
Operating Grants, Contributions	7,844,513	7,126,928
General Revenues:		
Property Taxes	72,060,441	60,199,680
Grants and Entitlements	44,840,676	45,479,897
Investment Earnings	191,392	149,052
Grants and Entitlements for Capital Construction	33,794,366	0
Other	5,322,657	6,256,687
Total Revenues	<u>175,905,688</u>	<u>129,968,911</u>
Program Expenses:		
Instruction	74,489,440	66,906,992
Support Services:		
Pupil and Instructional Staff	10,846,624	10,487,788
School Administrative, General		
Administration, Fiscal and Business	8,960,461	7,814,546
Operations and Maintenance	12,799,417	12,445,936
Pupil Transportation	6,613,893	6,262,821
Central	2,528,808	2,437,029
Operation of Non-Instructional Services	6,671,478	6,400,287
Extracurricular Activities	3,428,746	3,466,056
Interest and Fiscal Charges	3,679,221	4,111,137
Total Program Expenses	<u>130,018,088</u>	<u>120,332,592</u>
Increase (Decrease) in Net Position	45,887,600	9,636,319
Net Position - Beginning of Year, Restated	<u>(30,675,876)</u>	<u>(40,312,195)</u>
Net Position - End of Year	<u>\$15,211,724</u>	<u>(\$30,675,876)</u>

Governmental Activities

The District revenues are mainly from three sources. Property taxes, grants and entitlements and grants and entitlements for capital construction comprised 86% of the District's revenues for governmental activities.

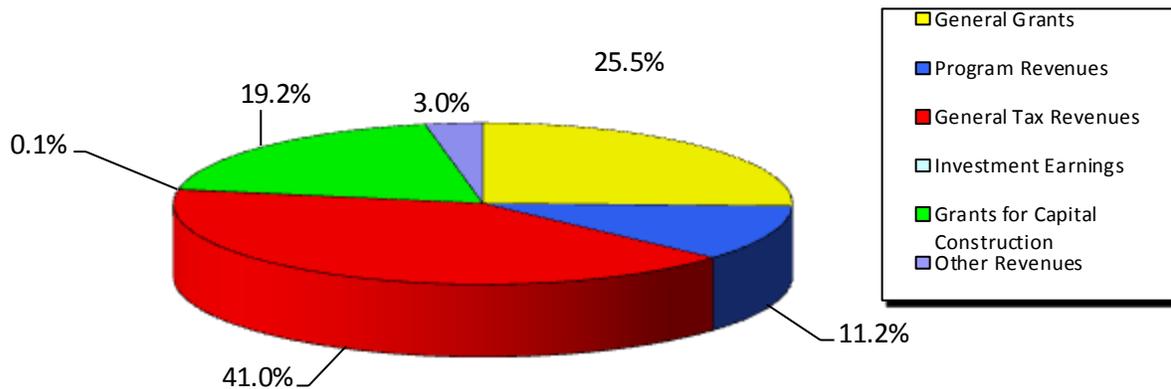
The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues

Mason City School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

generated by an existing levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 whose taxes include a 1.0 mill outside operating levy would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate for the outside operating levy would become .5 mills and the owner would still pay \$35.00.

Thus Ohio school districts do not receive additional tax revenue related to the increase in appraised value and must regularly return to the voters to maintain a constant level of service. Property taxes made up 41% of revenue for governmental activities for the District in fiscal year 2017.

Revenue Sources	2017	Percentage
General Grants	\$44,840,676	25.50%
Program Revenues	19,696,156	11.20%
General Tax Revenues	72,060,441	41.00%
Investment Earnings	191,392	0.10%
Grants for Capital Construction	33,794,366	19.20%
Other Revenues	5,322,657	3.00%
Revenue Sources	<u>\$175,905,688</u>	<u>100.00%</u>



Instruction comprises 57% of governmental program expenses. Support services expenses were 32% of governmental program expenses. All other expenses and interest and fiscal charges were 11%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Total revenues increased mainly due to an increase in property tax revenues and the OFCC project the District entered into. The increase in property taxes can be attributed to a increase in the amount of taxes available for advance. Total Expenses increased mainly due to an increase in instruction expenses due to the increase in pension expense.

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

Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Instruction	\$74,489,440	\$66,906,992	(\$64,131,204)	(\$58,720,319)
Support Services:				
Pupil and Instructional Staff	10,846,624	10,487,788	(10,517,313)	(10,006,957)
School Administrative, General				
Administration, Fiscal and Business	8,960,461	7,814,546	(8,766,719)	(7,628,952)
Operations and Maintenance	12,799,417	12,445,936	(11,420,136)	(11,101,749)
Pupil Transportation	6,613,893	6,262,821	(6,494,848)	(6,130,150)
Central	2,528,808	2,437,029	(2,519,808)	(2,428,029)
Operation of Non-Instructional Services	6,671,478	6,400,287	(1,250,266)	(864,716)
Extracurricular Activities	3,428,746	3,466,056	(1,542,417)	(1,456,988)
Interest and Fiscal Charges	3,679,221	4,111,137	(3,679,221)	(4,111,137)
Total Expenses	<u>\$130,018,088</u>	<u>\$120,332,592</u>	<u>(\$110,321,932)</u>	<u>(\$102,448,997)</u>

The District's Funds

The District has four major governmental funds: the General Fund, the Debt Service Fund, the Capital Projects Fund and the Classroom Facilities Fund. Assets of the General Fund comprised \$104,139,299 (54%), the Debt Service Fund comprised \$19,166,555 (10%), the Capital Projects Fund comprised \$23,568,856 (12%) and the Classroom Facilities Fund comprised \$33,794,366 (18%) of the total \$193,042,600 governmental funds' assets.

General Fund: Fund balance at June 30, 2017 was \$42,432,723 including \$38,177,226 of unassigned balance. The fund balance increased by \$6,935,709. The primary reason for the increase in fund balance was due to an increase in property tax revenue.

Debt Service Fund: Fund balance at June 30, 2017 was \$9,112,953. The fund balance increased by \$2,065,284. The primary reason for the increase in fund balance was due to an increase in property tax revenue.

Capital Projects Fund: Fund balance at June 30, 2017 was \$18,438,162. The fund balance decreased by \$3,059,419. The primary reason for the decrease in fund balance was mainly due to the transfer of monies to the Building Fund.

Classroom Facilities Fund: Fund balance at June 30, 2017 was \$0; the fund is a new fund in 2017. Assets of this fund comprised of \$33,794,366, making it a major fund. This is due to the OFCC project that the District entered into.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Mason City School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

During the current fiscal year, the District amended its general fund budget numerous times, however none were significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget to address unexpected changes in revenues and expenditures. The final revenue budget for the General Fund was \$100,118,582. The actual revenue was \$102,993,397. The \$2,874,815 variance was primarily due to conservative estimates for taxes and intergovernmental revenue. The final budget expenditures were \$101,364,438. The actual expenditures were \$101,325,798. The \$38,640 variance was primarily due to an overestimate for regular expenditures.

The District’s ending unobligated General Fund cash balance was \$40,829,678.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$153,866,764 invested in land, buildings and improvements and equipment. Table 4 shows fiscal 2017 balances compared to fiscal 2016 restated:

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

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016 Restated</u>
Land	\$3,655,645	\$3,655,645
Buildings and Improvements	145,275,948	146,221,181
Equipment	<u>4,935,171</u>	<u>4,978,148</u>
Total Net Capital Assets	<u>\$153,866,764</u>	<u>\$154,854,974</u>

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

Debt

At year end, the District had \$84,534,080 in bonds and capital leases outstanding, \$9,615,000 due within one year. Table 5 summarizes bonds and capital leases outstanding.

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Mason City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2017	2016
General Obligation Bonds:		
2016 Tax Exempt Refunding of 2007 Bonds	\$10,170,000	\$0
2016 Tax Exempt Refunding of 2007 Bonds - Premium	1,371,010	0
2006 Refunding High School/Recreation Center and Intermediate	29,075,000	37,025,000
2006 Refunding Bond Premium on High School/Recreation Center	1,678,829	2,051,902
2007 Refunding Early Childhood Center	13,870,000	26,140,000
2007 Refunding Bond Premium on Early Childhood Center	0	1,575,983
2013 Refunding High School Addition - Current Interest Bonds	16,100,000	16,100,000
2013 Refunding High School Addition - Capital Appreciation Bonds	720,000	720,000
2013 Refunding High School Addition - Accreted Interest on Capital Appreciation Bonds	571,420	396,156
2013 Refunding High School Addition - Premium	2,486,294	2,652,047
2013 Refunding High School/Recreation Center	3,640,000	3,640,000
2013 Refunding High School/Recreation Center - Premium	285,527	342,632
Capital Leases	4,566,000	4,704,000
Total Bonds and Capital Leases	<u>\$84,534,080</u>	<u>\$95,347,720</u>

See Notes 8, 9 and 10 to the basic financial statements for further details on the District's debt.

For the Future

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

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

Contacting the District's Financial Management

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

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Mason City School District, Ohio
Statement of Net Position
June 30, 2017

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$88,439,869
Restricted Cash and Investments	85,593
Receivables (Net):	
Taxes	64,459,968
Accounts	229,495
Interest	62,672
Intergovernmental	38,942,230
Inventory	69,539
Nondepreciable Capital Assets	3,655,645
Depreciable Capital Assets, Net	<u>150,211,119</u>
 Total Assets	 <u>346,156,130</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding Pension	2,531,265
	<u>34,680,041</u>
 Total Deferred Outflows of Resources	 <u>37,211,306</u>
Liabilities:	
Accounts Payable	193,911
Accrued Wages and Benefits	14,703,749
Accrued Interest Payable	393,811
Claims Payable	2,351,423
General Obligation Notes Payable	5,800,000
Long-Term Liabilities:	
Due Within One Year	10,435,906
Due In More Than One Year	
Net Pension Liability	189,634,890
Other Amounts	<u>82,447,645</u>
 Total Liabilities	 <u>305,961,335</u>
Deferred Inflows of Resources:	
Property Taxes	54,607,462
Deferred Gain on Refunding	1,468,553
Grants and Other Taxes	4,573,993
Pension	<u>1,544,369</u>
 Total Deferred Inflows of Resources	 <u>62,194,377</u>
Net Position:	
Net Investment in Capital Assets	66,402,057
Restricted for:	
Debt Service	8,893,551
Capital Projects	18,940,629
Community Services	2,322,696
District Managed Student Activities	547,083
Auxiliary Services	120,051
Food Service	1,901,301
Federal Grants	52,772
Unrestricted	<u>(83,968,416)</u>
 Total Net Position	 <u><u>\$15,211,724</u></u>

See accompanying notes to the basic financial statements.

Mason City School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2017

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$50,899,790	\$3,490,589	\$0	(\$47,409,201)
Special	20,282,800	1,580,641	4,962,133	(13,740,026)
Vocational	9,972	0	34,770	24,798
Other	3,296,878	52,633	237,470	(3,006,775)
Support Services:				
Pupil	7,736,352	1,442	260,380	(7,474,530)
Instructional Staff	3,110,272	0	67,489	(3,042,783)
General Administration	136,638	0	0	(136,638)
School Administration	6,131,843	9,702	0	(6,122,141)
Fiscal	2,160,384	0	0	(2,160,384)
Business	531,596	184,040	0	(347,556)
Operations and Maintenance	12,799,417	1,378,993	288	(11,420,136)
Pupil Transportation	6,613,893	0	119,045	(6,494,848)
Central	2,528,808	0	9,000	(2,519,808)
Operation of Non-Instructional Services	6,671,478	3,267,274	2,153,938	(1,250,266)
Extracurricular Activities	3,428,746	1,886,329	0	(1,542,417)
Interest and Fiscal Charges	3,679,221	0	0	(3,679,221)
Total Governmental Activities	\$130,018,088	\$11,851,643	\$7,844,513	(\$110,321,932)

General Revenues:

Property Taxes Levied for:	
General Purposes	58,117,164
Debt Service Purposes	13,277,230
Capital Projects Purposes	666,047
Grants and Entitlements, Not Restricted	44,840,676
Revenue in Lieu of Taxes	4,630,395
Unrestricted Contributions	50,000
Investment Earnings	191,392
Grants and Entitlements for Capital Construction	33,794,366
Other Revenues	642,262

Total General Revenues 156,209,532

Change in Net Position 45,887,600

Net Position - Beginning of Year, Restated (30,675,876)

Net Position - End of Year \$15,211,724

See accompanying notes to the basic financial statements.

Mason City School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2017

	General	Debt Service	Capital Projects	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in Pooled Cash and Investments	\$51,258,106	\$7,295,198	\$18,151,913	\$0	\$11,734,652	\$88,439,869
Restricted Cash and Investments	85,593	0	0	0	0	85,593
Receivables (Net):						
Taxes	51,964,282	11,871,357	624,329	0	0	64,459,968
Accounts	9,295	0	218,621	0	1,579	229,495
Interest	62,672	0	0	0	0	62,672
Intergovernmental	6,117	0	4,573,993	33,794,366	567,754	38,942,230
Interfund	753,234	0	0	0	0	753,234
Inventory	0	0	0	0	69,539	69,539
Total Assets	104,139,299	19,166,555	23,568,856	33,794,366	12,373,524	193,042,600
Liabilities:						
Accounts Payable	118,435	0	27,409	0	48,067	193,911
Accrued Wages and Benefits	13,987,840	0	0	0	715,909	14,703,749
Compensated Absences	174,310	0	0	0	17,809	192,119
Accrued Interest Payable	0	0	0	0	48,333	48,333
Interfund Payable	715,950	0	0	0	37,284	753,234
Claims Payable	2,351,423	0	0	0	0	2,351,423
General Obligation Notes Payable	0	0	0	0	5,800,000	5,800,000
Total Liabilities	17,347,958	0	27,409	0	6,667,402	24,042,769
Deferred Inflows of Resources:						
Property Taxes	44,338,286	10,053,602	529,292	0	0	54,921,180
Grants and Other Taxes	0	0	4,573,993	33,794,366	567,754	38,936,113
Investment Revenue	20,332	0	0	0	0	20,332
Total Deferred Inflows of Resources	44,358,618	10,053,602	5,103,285	33,794,366	567,754	93,877,625
Fund Balances:						
Restricted	0	9,112,953	18,438,162	0	5,640,057	33,191,172
Assigned	4,255,497	0	0	0	0	4,255,497
Unassigned	38,177,226	0	0	0	(501,689)	37,675,537
Total Fund Balances	42,432,723	9,112,953	18,438,162	0	5,138,368	75,122,206
Total Liabilities, Deferred Inflows and Fund Balances	\$104,139,299	\$19,166,555	\$23,568,856	\$33,794,366	\$12,373,524	\$193,042,600

See accompanying notes to the basic financial statements.

Mason City School District, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2017

Total Governmental Fund Balance		\$75,122,206
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.		
Capital assets used in the operation of Governmental Funds		153,866,764
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	\$313,718	
Interest	20,332	
Intergovernmental	<u>34,362,120</u>	
		34,696,170
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(345,478)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(8,157,352)
Deferred charges for bond refunding losses and gains associated with long-term liabilities that are not reported in the funds.		
Deferred charge on refunding	2,531,265	
Deferred gain on refunding	<u>(1,468,553)</u>	
		1,062,712
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$34,680,041	
Deferred inflows of resources related to pensions	<u>(1,544,369)</u>	
		33,135,672
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(\$189,634,890)	
Other Amounts	<u>(84,534,080)</u>	
		<u>(274,168,970)</u>
Net Position of Governmental Activities		<u>\$15,211,724</u>

See accompanying notes to the basic financial statements.

Mason City School District, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2017

	General	Debt Service	Capital Projects	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property and Other Taxes	\$59,170,830	\$13,530,874	\$677,767	\$0	\$0	\$73,379,471
Tuition and Fees	3,725,609	0	0	0	338,768	4,064,377
Investment Earnings	225,713	954	3,266	0	952	230,885
Intergovernmental	45,999,480	2,158,552	79,539	0	4,300,606	52,538,177
Extracurricular Activities	562,933	0	0	0	1,044,574	1,607,507
Charges for Services	1,211,673	0	0	0	5,011,268	6,222,941
Revenue in Lieu of Taxes	162,334	35,063	4,432,998	0	0	4,630,395
Other Revenues	160,611	0	227,359	0	261,114	649,084
Total Revenues	111,219,183	15,725,443	5,420,929	0	10,957,282	143,322,837
Expenditures:						
Current:						
Instruction:						
Regular	46,955,727	0	553,039	0	167,403	47,676,169
Special	17,387,579	0	25,759	0	1,788,939	19,202,277
Vocational	0	0	0	0	9,755	9,755
Other	3,159,054	0	0	0	0	3,159,054
Support Services:						
Pupil	7,054,067	0	1,297	0	299,101	7,354,465
Instructional Staff	2,307,006	0	705,958	0	91,499	3,104,463
General Administration	135,545	0	0	0	0	135,545
School Administration	5,573,770	9,912	519	0	7,357	5,591,558
Fiscal	1,717,526	341,159	7,676	0	0	2,066,361
Business	383,208	0	0	0	139,636	522,844
Operations and Maintenance	8,912,195	0	1,757,605	0	1,042,630	11,712,430
Pupil Transportation	5,670,824	0	613,485	0	0	6,284,309
Central	2,285,286	0	50,055	0	9,000	2,344,341
Operation of Non-Instructional Services	1,002,438	0	0	0	5,456,061	6,458,499
Extracurricular Activities	1,739,249	0	0	0	1,448,067	3,187,316
Capital Outlay	0	0	26,206	0	0	26,206
Debt Service:						
Principal Retirement	0	20,220,000	0	0	138,000	20,358,000
Interest and Fiscal Charges	0	3,562,988	0	0	327,045	3,890,033
Bond Issuance Cost	0	168,110	0	0	0	168,110
Total Expenditures	104,283,474	24,302,169	3,741,599	0	10,924,493	143,251,735
Excess of Revenues Over (Under) Expenditures	6,935,709	(8,576,726)	1,679,330	0	32,789	71,102
Other Financing Sources (Uses):						
Premium On Refunded Bonds Issued	0	1,371,010	0	0	0	1,371,010
Issuance of Refunded Bonds	0	10,170,000	0	0	0	10,170,000
Transfers In	0	5,800,000	0	0	11,437,749	17,237,749
Transfers (Out)	0	(6,699,000)	(4,738,749)	0	(5,800,000)	(17,237,749)
Total Other Financing Sources (Uses)	0	10,642,010	(4,738,749)	0	5,637,749	11,541,010
Net Change in Fund Balance	6,935,709	2,065,284	(3,059,419)	0	5,670,538	11,612,112
Fund Balance - Beginning of Year	35,497,014	7,047,669	21,497,581	0	(532,170)	63,510,094
Fund Balance - End of Year	\$42,432,723	\$9,112,953	\$18,438,162	\$0	\$5,138,368	\$75,122,206

See accompanying notes to the basic financial statements.

Mason City School District, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2017

Net Change in Fund Balance - Total Governmental Funds \$11,612,112

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

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

Capital assets used in governmental activities	\$2,029,702	
Depreciation Expense	<u>(3,017,912)</u>	(988,210)

Governmental funds report district pension contributions as
 expenditures. However in the Statement of Activities, the cost
 of pension benefits earned net of employee contributions is
 reported as pension expense.

District pension contributions	\$9,103,593	
Cost of benefits earned net of employee contributions	<u>(14,753,391)</u>	(5,649,798)

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

Delinquent Property Taxes	(\$1,319,030)	
Interest	(39,493)	
Intergovernmental	<u>33,941,374</u>	32,582,851

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

Refunding Bonds	(10,170,000)	
Deferred Gain on Refunding	(1,468,553)	
Premium on Bonds Issued	<u>(1,371,010)</u>	(13,009,563)

Repayment of bond principal, capital lease principal and current refunding bonds
 (principal and premium) are an expenditure in the governmental funds, but the
 repayment reduces long-term liabilities in the statement of net position. 21,933,983

In the statement of activities interest expense is accrued when incurred;
 whereas, in governmental funds an interest expenditure is reported
 when due. 47,618

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

Compensated Absences	(\$865,267)	
Amortization of Bond Premium	595,931	
Amortization of Deferred Charge on Refunding	(196,793)	
Bond Accretion	<u>(175,264)</u>	(641,393)

Change in Net Position of Governmental Activities \$45,887,600

See accompanying notes to the basic financial statements.

Mason City School District, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Education Private Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets:		
Equity in Pooled Cash and Investments	\$100,600	\$756,664
Receivables (Net):		
Accounts	<u> 0</u>	<u> 143</u>
Total Assets	<u> 100,600</u>	<u> 756,807</u>
Liabilities:		
Accounts Payable	0	17,918
Other Liabilities	<u> 0</u>	<u> 738,889</u>
Total Liabilities	<u> 0</u>	<u> \$756,807</u>
Net Position:		
Held in Trust	<u> 100,600</u>	
Total Net Position	<u> \$100,600</u>	

See accompanying notes to the basic financial statements.

Mason City School District, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2017

	Education Private Purpose Trust
Additions:	
Donations	\$2,306
Investment Earnings	15
Total Additions	<u>2,321</u>
Deductions:	
Scholarships	<u>500</u>
Total Deductions	<u>500</u>
Change in Net Position	1,821
Net Position - Beginning of Year	<u>98,779</u>
Net Position - End of Year	<u><u>\$100,600</u></u>

See accompanying notes to the basic financial statements.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Note 1 – Description of the District

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

The District is located in Warren and Butler Counties in southwest Ohio. The District contains 25 square miles, with 99% of its territory located within Warren County and the remaining 1% in Butler County. Political subdivisions included in the District are the City of Mason, portions of Deerfield, Union and Turtle Creek Townships in Warren County, and a portion of West Chester Township in Butler County. The District is approximately 25 minutes northeast of downtown Cincinnati and 35 minutes southwest of downtown Dayton. The enrollment for the District during the current fiscal year was 10,728. The District operates one early childhood center (Pre-K-2), one elementary school and (2-3), one intermediate school (4-6), one middle school (7-8) and a high school (9-12).

Note 2 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

The District is associated with three jointly governed organizations. These organizations are:

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

These organizations are presented in Note 18 to the basic financial statements.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Fund Accounting

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

Governmental Funds

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

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

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

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

Classroom Facilities Fund – The capital projects fund is used to account for monies received and expended in connection with contracts entered into by the District and the Ohio Facilities School Commission for the building and equipment for the classroom facilities project.

Fiduciary Funds

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Measurement Focus

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources related to a deferred charge on refunding and pension are reported on the governmental-wide statement of net position. For more pension related information, see Note 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, deferred gain on refunding, grants and other taxes (which includes tax incremental financing (TIF's), pension, and investment earnings. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance year 2018 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. TIF's have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements in the grants and other taxes line item. Grants and investment earnings have been recorded as deferred inflows on the governmental fund financial statements. Deferred inflows of resources related to pension are reported on the government-wide statement of net pension. For more pension related information, see Note 11.

Expenses/Expenditures

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

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

Equity in Pooled Cash and Investments

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

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

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during the current fiscal year amounted to \$225,713 credited to the General Fund; \$954 credited to the Debt Service Fund, \$3,266 credited to the Capital Projects Fund and \$952 credited to Other Governmental Funds.

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

Inventory

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of five thousand dollars (\$5,000). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

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

Pensions

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

Compensated Absences

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

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

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

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

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

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education. The formal action that is required to establish a fund balance commitment is a Board Resolution.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

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

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

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

Net Position

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District’s \$32,778,083 in restricted net position, none were restricted by enabling legislation.

Interfund Activity

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

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

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

Restricted Assets

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Accrued Liabilities and Long Term Obligations

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

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

Estimates

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

Note 3 - Equity In Pooled Cash and Investments

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

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2017, \$43,812,071 of the District's bank balance of \$44,062,071 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

Investments

As of June 30, 2017, the District had the following investments:

Investment Type	Fair Value	Fair Value Hierachy	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$2,970,816	Level 2	2.78
Federal Home Loan Mortgage	2,122,008	Level 2	0.78
Federal National Mortgage Association	10,200,064	Level 2	2.77
Federal Farm Credit Bank	1,763,390	Level 2	1.39
Federal Farm Credit Bank Discount Note	98,882	Level 2	0.91
Commercial Paper	28,000,051	Level 2	0.73
Money Market Fund	62,355	N/A	0.00
STAROhio	569,156	N/A	0.12
Total Fair Value	\$45,786,722		
Portfolio Weighted Average Maturity			1.33

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Investments classified in Level 2 of the fair value hierarchy are valued using pricing sources, as provided by the investment managers. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2017. STAR Ohio is reported at its share price (Net Asset Value per share).

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

Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The District's investments in Federal Home Loan Bank, Federal Home Loan Mortgage, Federal National Mortgage Association, Federal Farm Credit Bank, and Federal Farm Credit Bank Discount Note were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. Investments in Commercial Paper were rated A-1+ by Standard & Poor's and P-1 by Moody's Investors Service. Investments in STAR Ohio were rated AAAM by Standard & Poor's. Investments in Money Market Funds were not rated.

Concentration of Credit Risk – The District's investment policy allows investments in Federal Agencies or Instrumentalities. Investments of the District are diversified to eliminate the risk of

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

loss resulting from over concentration of assets in a specific maturity, a specific issue or a specific class of securities. Strategies to achieve this are determined and revised periodically. The District as invested 6.5% in Federal Home Loan Bank, 4.6% in Federal Home Loan Mortgage, 22.3% in Federal National Mortgage Association, 3.9% in Federal Farm Credit Bank, .2% in Federal Farm Credit Bank Discount Note, 61.2% in Commercial Paper, .1% in Money Market Funds, and 1.2% in STAR Ohio.

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

Note 4 - Property Taxes

Real property taxes collected in 2017 were levied in April on the assessed values as of January 1, 2016, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update every third year.

Real property taxes are payable annually or semi-annually. In 2017, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable at June 30, 2017. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2017 on the fund financial statements. The entire amount of delinquent taxes receivable is recognized as revenue in the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2017, was \$7,625,996 for General Fund, \$1,817,755 for Debt Service Fund and \$95,037 for Capital Projects Fund, and is recognized as revenue.

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

The assessed values upon which the fiscal year 2017 taxes were collected are:

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,663,905,800
Public Utility	<u>34,841,600</u>
Total	<u><u>\$1,698,747,400</u></u>

Note 5 – Receivables

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

Note 6 - Capital Assets

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

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$3,655,645	\$0	\$0	\$3,655,645
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	176,661,346	1,052,677	0	177,714,023
Equipment	<u>17,471,071</u>	<u>977,025</u>	<u>405,293</u>	<u>18,042,803</u>
Totals at Historical Cost	<u><u>197,788,062</u></u>	<u><u>2,029,702</u></u>	<u><u>405,293</u></u>	<u><u>199,412,471</u></u>
Less Accumulated Depreciation:				
Buildings and Improvements	30,440,165	1,997,910	0	32,438,075
Equipment	<u>12,492,923</u>	<u>1,020,002</u>	<u>405,293</u>	<u>13,107,632</u>
Total Accumulated Depreciation	<u><u>42,933,088</u></u>	<u><u>3,017,912</u></u>	<u><u>405,293</u></u>	<u><u>45,545,707</u></u>
Governmental Activities Capital Assets, Net	<u><u>\$154,854,974</u></u>	<u><u>(\$988,210)</u></u>	<u><u>\$0</u></u>	<u><u>\$153,866,764</u></u>

Depreciation expense was charged to governmental functions as follows:

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Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Instruction:	
Regular	\$109,802
Special	885
Support Services:	
Instructional Staff	22,609
School Administration	1,218
Operations and Maintenance	1,978,570
Pupil Transportation	606,288
Central	87,226
Operation of Non-Instructional Services	85,198
Extracurricular Activities	126,116
Total Depreciation Expense	<u>\$3,017,912</u>

Note 7 - Short-Term Notes Payable

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

	Beginning Principal Outstanding	Additions	Deletions	Ending Principal Outstanding
Mason Intermediate Construction 2016 2.00%	\$6,600,000	\$0	\$6,600,000	\$0
Mason Intermediate Construction 2017 2.00%	0	5,800,000	0	5,800,000
Total	<u>\$6,600,000</u>	<u>\$5,800,000</u>	<u>\$6,600,000</u>	<u>\$5,800,000</u>

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

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

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

Fiscal Year Ending June 30	Principal	Interest	Total
2017	\$5,800,000	\$116,000	\$5,916,000

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Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Note 8 - Long-Term Liabilities

	Interest Rate	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:						
General Obligation Bonds:						
2016 Tax Exempt Refunding 2007 Bonds		\$0	\$10,170,000	\$0	\$10,170,000	\$1,090,000
2016 Tax Exempt Refunding 2007 Bonds Premium		0	1,371,010	0	1,371,010	0
2006 Refunding High School/ Recreation Center	5.16%	37,025,000	0	7,950,000	29,075,000	8,370,000
2006 Refund Bond Premium		2,051,902	0	373,073	1,678,829	0
2007 Refunding Early Childhood Center	4.98%	26,140,000	0	12,270,000	13,870,000	0
2007 Refund Bond Premium		1,575,983	0	1,575,983	0	0
2013 Refunding High School Addition Current Interest Bonds		16,100,000	0	0	16,100,000	0
2013 Refunding High School Addition Capital Appreciation Bonds		720,000	0	0	720,000	0
2013 Refunding High School Accreted Interest on Capital Appreciation Bonds		396,156	175,264	0	571,420	0
2013 Refunding High School Addition Premium		2,652,047	0	165,753	2,486,294	0
2013 Refunding High School/ Recreation Center		3,640,000	0	0	3,640,000	0
2013 Refunding High School/ Recreation Center Premium		342,632	0	57,105	285,527	0
Subtotal Bonds		90,643,720	11,716,274	22,391,914	79,968,080	9,460,000
Capital Leases		4,704,000	0	138,000	4,566,000	155,000
Compensated Absences		7,476,100	1,643,448	770,077	8,349,471	820,906
Subtotal Bonds and Other Amounts		102,823,820	13,359,722	23,299,991	92,883,551	10,435,906
Net Pension Liability:						
STRS		123,726,873	27,075,855	0	150,802,728	0
SERS		30,420,207	8,411,955	0	38,832,162	0
Subtotal Net Pension Liability		154,147,080	35,487,810	0	189,634,890	0
Total Long-Term Obligations		<u>\$256,970,900</u>	<u>\$48,847,532</u>	<u>\$23,299,991</u>	<u>\$282,518,441</u>	<u>\$10,435,906</u>

General obligation bonds will be paid from the debt service fund. The capital lease will be paid from the Community Services fund. Compensated absences will be paid from the fund from which the person is paid. The General Fund is typically used to liquidate the liability for compensated absences. Net pension liability represents the long-term portion of the accrued liability associated with STRS and SERS pension liability. These items will be repaid from the funds from which the employees work to whom the liability is associated with or the General Fund if no such funds are available.

On May 16, 2013 the District issued \$16,100,000 in Current Interest Bonds with an interest rate of 4.00% and \$720,000 in Capital Appreciation Bonds of which \$16,820,000 was used to advance refund \$16,820,000 of outstanding 2007 High School Addition General Obligation Bonds with an average interest rate between 4.00% and 5.00%. The net proceeds of \$19,969,306 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

future debt service payments on the three bond issues. As a result, \$16,820,000 of the 2007 High School Addition General Obligation Bonds are considered to be defeased and the related liability for those bonds have been removed from the Statement of Net Position.

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

Fiscal Year Ending June 30	General Obligation Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$9,460,000	\$3,234,537	\$12,694,537	\$0	\$0	\$0
2019	9,710,000	2,840,200	12,550,200	0	0	0
2020	6,690,000	2,412,287	9,102,287	0	0	0
2021	7,055,000	2,070,956	9,125,956	0	0	0
2022	5,925,000	1,741,994	7,666,994	445,000	1,090,000	1,535,000
2023-2027	14,240,000	6,546,368	20,786,368	275,000	830,000	1,105,000
2028-2032	19,775,000	2,406,857	22,181,857	0	0	0
Total	<u>\$72,855,000</u>	<u>\$21,253,199</u>	<u>\$94,108,199</u>	<u>\$720,000</u>	<u>\$1,920,000</u>	<u>\$2,640,000</u>

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

Note 9 - Current Refunding

On October 12, 2016 the District issued \$10,170,000 in General Obligation Bonds with an interest rate between 2.00% and 5.00% which was used to current refund \$11,125,000 of the outstanding 2007 Refunding Early Childhood Center with an interest rate between 4.00% and 5.00%. The net proceeds of \$11,457,115 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent on October 25, 2016 and the securities matured and were paid off on December 1, 2016, within 90 days of purchase.

The District current refunded 2007 Refunding Early Childhood Center to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,380,257.

Note 10 – Capital Leases – Lessee Disclosure

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

The trustee entered into an Interest Rate Exchange Agreement with respect to the loan, locking in the rate at 4.38% plus an annual administrative fee. The following is a schedule of the future long-term

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2017.

Fiscal Year Ending June 30,	Long-Term Debt
2018	\$360,186
2019	370,961
2020	382,897
2021	394,928
2022	407,985
2023-2027	2,233,678
2028-2032	2,266,527
Total Minimum Lease Payments	6,417,162
Less: Amount Representing Interest (4.38%)	(1,789,865)
Less: Additional Program Cost Component	(61,297)
Present Value of Minimum Lease Payments	<u>\$4,566,000</u>

Note 11 - Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The 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 liability represents the employer’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in accrued wages and benefits on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the employer 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, 2017, the allocation to pension, death

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

benefits, and Medicare B was 14.00 percent. None of the 14 percent contribution rate was allocated to the Health Care Fund.

The contractually required contribution to SERS was \$2,394,500 for fiscal year 2017. Of this amount \$291,301 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member’s defined contribution account or the defined contribution portion of a member’s Combined Plan account to a lifetime benefit results

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2017, plan members were required to contribute 14 percent of their annual covered salary. The employer was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The contractually required contribution to STRS was \$6,709,093 for fiscal year 2017. Of this amount \$1,131,276 is reported as accrued wages and benefits.

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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on the 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:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$38,832,162	\$150,802,728	\$189,634,890
Proportion of the Net Pension Liability			
Prior Measurement Date	0.53311760%	0.44768440%	
Proportion of the Net Pension Liability			
Current Measurement Date	0.53056090%	0.45052031%	
	0.00255670%	-0.00283591%	
Pension Expense	4,218,689	10,534,702	14,753,391

At June 30, 2017, reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$523,756	\$6,093,155	\$6,616,911
Changes of assumptions	2,592,259	0	2,592,259
Net difference between projected and actual earnings on pension plan investments	3,203,090	12,520,677	15,723,767
Changes in employer proportionate share of net pension liability	0	643,511	643,511
Contributions subsequent to the measurement date	<u>2,394,500</u>	<u>6,709,093</u>	<u>9,103,593</u>
Total Deferred Outflows of Resources	<u>\$8,713,605</u>	<u>\$25,966,436</u>	<u>\$34,680,041</u>
Deferred Inflows of Resources			
Changes in employer proportionate share of net pension liability	<u>\$425,223</u>	<u>\$1,119,146</u>	<u>\$1,544,369</u>
Total Deferred Inflows of Resources	<u>\$425,223</u>	<u>\$1,119,146</u>	<u>\$1,544,369</u>

\$9,103,593 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year			
Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2018	\$1,392,682	\$2,734,960	\$4,127,642
2019	1,390,374	2,734,960	4,125,334
2020	2,190,070	7,539,496	9,729,566
2021	<u>920,756</u>	<u>5,128,781</u>	<u>6,049,537</u>
Total	<u>\$5,893,882</u>	<u>\$18,138,197</u>	<u>\$24,032,079</u>

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.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

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, 2016, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50-18.20 percent
COLA or Ad Hoc COLA	3.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120% of male rates and 110% of female rates used. The RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years is used for the period after disability retirement. Special mortality tables are used for the period after disability retirement.

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

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 %	

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

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 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%)
Proportionate share of the net pension liability	\$51,411,363	\$38,832,162	\$28,302,848

Actuarial Assumptions - STRS

The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	7.61 %

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$200,404,571	\$150,802,728	\$108,960,649

Changes Between Measurement Date and Report Date

In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to the net pension liability is expected to be significant.

Note 12 - Post Employment Benefits

School Employees Retirement System

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

The Ohio Revised Code provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plan.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer 14% contribution to the Health Care Fund in accordance with the funding policy. For the year ended June 30, 2017, the health care allocation is 0.00%. 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. By statute no employer shall pay a health care surcharge greater than 2.0% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2017, the minimum compensation level was established at \$23,500. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contributions assigned to health care for the years ended June 30, 2017, 2016, and 2015 were \$0, \$0, and \$145,697, respectively.

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

The financial reports of SERS' Health Care plan are included in its Comprehensive Annual Financial Report. That report can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

State Teachers Retirement System

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2017, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$0, \$0, and \$0, respectively.

Note 13 - Contingent Liabilities

Foundation Funding

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 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 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 District is not currently party to any legal proceedings which would have a material impact on the financial statements.

Note 14 - Risk Management

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

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

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

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

The District offers a High Deductible medical plan with a Health Savings Account (HSA) on a self-insured basis with third party administration services provided by Custom Design Benefits. Monthly premiums for the plan are \$1,715 for family coverage (\$4,000 deductible) and \$698 for individual coverage (\$2,000 deductible). For full time employees the District pays the premium and makes the following contributions to the employees' HSAs: \$1,627 family and \$648 single. The District pays 100% of claims after the deductible is met.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

The District offers dental on a self-insured basis with third party administrative services provided by Dental Care Plus Group. Monthly premiums for dental coverage are \$99.51 for family coverage and \$37.45 for individual coverage. The district is responsible for payment of all claim amounts.

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

The liability for unpaid claims cost of \$2,351,423 at fiscal year end is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated.

The amount reported as claims payable in the General Fund in the Fund Financial Statements is \$2,351,423 since this amount is currently due and payable with expendable available financial resources. In the Government-wide Financial Statements, the total amount of the liability for claims of \$2,351,423 has been reported as claims payable.

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

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2016	1,933,317	13,497,412	13,188,560	2,242,469
2017	2,242,469	14,117,203	14,008,249	2,351,423

Note 15 – Accountability

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

Fund	Deficit
Other Governmental Funds:	
Gifted Supplemental	\$6,285
Title VI B	396,915
Title III	28,056
Title I	53,427
Public School Preschool	9,260
Improving Teacher Quality	7,746

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Note 16 - Required Set-Asides

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

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

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

	Capital Acquisition	Budget Stabilization
Set-Aside Reserve Balance as of June 30, 2016	\$0	\$85,593
Current Year Set-aside Requirement	1,808,317	0
Qualified Disbursements	(1,449,829)	0
Current Year Offsets	(358,488)	0
Set-Aside Reserve Balance as of June 30, 2017	<u>\$0</u>	<u>\$85,593</u>
Restricted Cash as of June 30, 2017	<u>\$0</u>	<u>\$85,593</u>

Note 17 - Interfund Transactions

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

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$753,234	\$715,950	\$0	\$0
Debt Service Fund	0	0	5,800,000	6,699,000
Capital Projects Fund	0	0	0	4,738,749
Other Governmental Funds	0	37,284	11,437,749	5,800,000
Total All Funds	<u>\$753,234</u>	<u>\$753,234</u>	<u>\$17,237,749</u>	<u>\$17,237,749</u>

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

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Note 18 - Jointly Governed Organizations

Southwestern Ohio Computer Association

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

The Governing Board of SWOCA consists of six members elected by majority vote of all charter member schools plus one representative from the fiscal agent. The District has an equity interest that is explicit and measurable in that the jointly governed agreement stipulates that the participants have a future claim to the net resources of SWOCA upon dissolution. The agreement sets forth the method to determine each member's proportionate share. Financial information can be obtained from the Director, at 3603 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 board, which possesses its own budgeting and taxing authority. To obtain financial information write to Great Oaks Career Campuses, Chief Financial Officer, at 3254 East Kemper Road, Cincinnati, Ohio 45241.

Jewell Education Foundation

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

Note 19 - Fund Balances

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

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Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Fund Balances	General	Debt Service	Capital Projects	Other Governmental Funds	Total
Restricted for:					
Community Services	0	0	0	2,416,122	2,416,122
District Managed Student Activity	0	0	0	547,083	547,083
Auxiliary Services	0	0	0	120,051	120,051
Vocational Education	0	0	0	3,365	3,365
Food Service Operations	0	0	0	2,054,048	2,054,048
Debt Service Payments	0	9,112,953	0	0	9,112,953
Capital Projects Building	0	0	18,438,162	0	18,438,162
	0	0	0	499,388	499,388
Total Restricted	0	9,112,953	18,438,162	5,640,057	33,191,172
Assigned to:					
Public Support	305,128	0	0	0	305,128
Encumbrances	355,147	0	0	0	355,147
Budgetary Variance	3,595,222	0	0	0	3,595,222
Total Assigned	4,255,497	0	0	0	4,255,497
Unassigned (Deficit)	38,177,226	0	0	(501,689)	37,675,537
Total Fund Balance	<u>\$42,432,723</u>	<u>\$9,112,953</u>	<u>\$18,438,162</u>	<u>\$5,138,368</u>	<u>\$75,122,206</u>

Assigned encumbrances of \$355,147, see above, will be used for \$222,420 for maintenance supplies and services, \$8,713 for transportation supplies and services, \$18,406 for office supplies and services, \$73,751 for school supplies, \$31,857 for other purposes.

Note 20 – Construction and Other Commitments

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

<u>Description</u>	<u>Remaining Commitment</u>
General	\$429,745
Capital Construction Projects	646,105
Other Governmental	354,087

Note 21 – Implementation of New Accounting Principles

For the fiscal year ended June 30, 2017, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, and GASB Statement No. 80, *Blending Requirements For Certain Component Units – An Amendment of GASB No. 14*.

Mason City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

GASB Statement No. 77 establishes improved financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The implementation of GASB Statement No 77 did not have an effect on the financial statements of the District.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the District.

Note 22 – Restatement of Net Position

The restatement of capital assets is due to the District changing the capital asset threshold from \$500 to \$5,000, and it had the following effect on net position as reported June 30, 2016:

Net position June 30, 2016	(\$26,684,741)
Adjustments:	
Restatement of Net Capital Assets	<u>(3,991,135)</u>
Restated Net Position June 30, 2016	<u><u>(\$30,675,876)</u></u>

Note 23 –Tax Abatements Entered Into By Other Governments

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 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. Within the taxing districts of the District, the City of Mason has entered into such an agreement. Under this agreement the District's property taxes were reduced by approximately \$1,071,270. The District is receiving \$574,874 from this other government in association with the forgone property tax revenue.

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REQUIRED SUPPLEMENTARY INFORMATION

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	General Fund			Variance from Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$52,589,305	\$52,594,445	\$54,104,647	\$1,510,202
Tuition and Fees	2,218,840	2,219,057	2,282,775	63,718
Investment Earnings	381,920	381,957	392,925	10,968
Intergovernmental	44,705,199	44,709,568	45,993,363	1,283,795
Charges for Services	41,972	41,976	43,181	1,205
Other Revenues	171,562	171,579	176,506	4,927
Total Revenues	100,108,798	100,118,582	102,993,397	2,874,815
Expenditures:				
Current:				
Instruction:				
<u>Regular</u>				
Salaries and Wages	32,807,067	32,810,242	32,797,734	12,508
Fringe Benefits	12,016,762	12,017,925	12,013,343	4,582
Purchased Services	82,376	82,384	82,353	31
Materials and Supplies	1,123,833	1,123,941	1,123,513	428
Capital Outlay	7,690	7,691	7,688	3
Other Expenditures	68,372	68,379	68,353	26
Total Regular	46,106,100	46,110,562	46,092,984	17,578
<u>Special</u>				
Salaries and Wages	9,212,155	9,213,046	9,209,534	3,512
Fringe Benefits	4,990,824	4,991,307	4,989,404	1,903
Purchased Services	1,855,660	1,855,839	1,855,132	707
Materials and Supplies	78,332	78,340	78,310	30
Other Expenditures	68,551	68,557	68,531	26
Total Special	16,205,522	16,207,089	16,200,911	6,178
<u>Adult/Continuing</u>				
Salaries and Wages	(475)	(475)	(475)	0
Fringe Benefits	(2,310)	(2,309)	(2,309)	0
Total Adult/Continuing	(2,785)	(2,784)	(2,784)	0
<u>Other</u>				
Salaries and Wages	1,558,490	1,558,641	1,558,047	594
Fringe Benefits	594,202	594,260	594,033	227
Purchased Services	1,009,840	1,009,938	1,009,553	385
Materials and Supplies	16,312	16,313	16,307	6
			0	
Total Other	3,178,844	3,179,152	3,177,940	1,212
Support Services:				
<u>Pupil</u>				
Salaries and Wages	4,189,736	4,190,141	4,188,544	1,597
Fringe Benefits	1,628,979	1,629,137	1,628,516	621
Purchased Services	1,044,453	1,044,554	1,044,156	398
Materials and Supplies	180,475	180,493	180,424	69
Other Expenditures	11,099	11,100	11,096	4
Total Pupil	7,054,742	7,055,425	7,052,736	2,689

Continued

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	General Fund			Variance from Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>Instructional Staff</u>				
Salaries and Wages	1,631,099	1,631,257	1,630,635	622
Fringe Benefits	503,209	503,258	503,066	192
Purchased Services	27,168	27,170	27,160	10
Materials and Supplies	81,169	81,177	81,146	31
Other Expenditures	10,153	10,154	10,150	4
Total Instructional Staff	2,252,798	2,253,016	2,252,157	859
<u>General Administration</u>				
Salaries and Wages	10,878	10,879	10,875	4
Fringe Benefits	2,519	2,519	2,518	1
Purchased Services	13,856	13,857	13,852	5
Materials and Supplies	817	817	817	0
Other Expenditures	108,331	108,341	108,300	41
Total General Administration	136,401	136,413	136,362	51
<u>School Administration</u>				
Salaries and Wages	3,419,055	3,419,386	3,418,082	1,304
Fringe Benefits	1,622,825	1,622,982	1,622,363	619
Purchased Services	479,647	479,694	479,511	183
Materials and Supplies	23,867	23,869	23,860	9
Other Expenditures	57,749	57,755	57,733	22
Total School Administration	5,603,143	5,603,686	5,601,549	2,137
<u>Fiscal</u>				
Salaries and Wages	637,445	637,507	637,264	243
Fringe Benefits	270,598	270,624	270,521	103
Purchased Services	64,040	64,046	64,022	24
Materials and Supplies	12,722	12,723	12,718	5
Other Expenditures	735,234	735,305	735,025	280
Total Fiscal	1,720,039	1,720,205	1,719,550	655
<u>Business</u>				
Salaries and Wages	233,427	233,450	233,361	89
Fringe Benefits	137,945	137,959	137,906	53
Purchased Services	7,316	7,317	7,314	3
Materials and Supplies	8,619	8,620	8,617	3
Other Expenditures	1,283	1,283	1,283	0
Total Business	388,590	388,629	388,481	148

Continued

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	General Fund			Variance from Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>Operations and Maintenance</u>				
Salaries and Wages	1,900,126	1,900,309	1,899,585	724
Fringe Benefits	1,133,768	1,133,877	1,133,445	432
Purchased Services	5,287,411	5,287,923	5,285,907	2,016
Materials and Supplies	893,657	893,744	893,403	341
Capital Outlay	11,129	11,130	11,126	4
Total Operations and Maintenance	9,226,091	9,226,983	9,223,466	3,517
<u>Pupil Transportation</u>				
Salaries and Wages	3,502,512	3,502,851	3,501,516	1,335
Fringe Benefits	1,521,146	1,521,293	1,520,713	580
Purchased Services	233,088	233,111	233,022	89
Materials and Supplies	335,891	335,923	335,795	128
Capital Outlay	1,906	1,906	1,905	1
Total Pupil Transportation	5,594,543	5,595,084	5,592,951	2,133
<u>Central</u>				
Salaries and Wages	1,084,209	1,084,314	1,083,901	413
Fringe Benefits	499,077	499,125	498,935	190
Purchased Services	481,152	481,198	481,015	183
Materials and Supplies	243,564	243,588	243,495	93
Capital Outlay	0	0	0	0
Other Expenditures	1,064	1,064	1,064	0
Total Central	2,309,066	2,309,289	2,308,410	879
<u>Operation of Non-Instructional Services</u>				
Purchased Services	8,006	8,007	8,004	3
Materials and Supplies	1,768	1,768	1,767	1
Other Expenditures	17,899	17,901	17,894	7
Total Operation of Non- Instructional Services	27,673	27,676	27,665	11
<u>Extracurricular Activities</u>				
Salaries and Wages	1,213,924	1,214,042	1,213,579	463
Fringe Benefits	261,035	261,061	260,961	100
Purchased Services	78,592	78,600	78,570	30
Other Expenditures	310	310	310	0
Total Extracurricular Activities	1,553,861	1,554,013	1,553,420	593
Total Expenditures	101,354,628	101,364,438	101,325,798	38,640
Excess of Revenues Over (Under) Expenditures	(1,245,830)	(1,245,856)	1,667,599	2,913,455

Continued

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	General Fund			Variance from Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Other Financing Sources (Uses):				
Advances In	2,212,162	2,212,379	2,275,905	63,526
Advances (Out)	(1,981,306)	(1,981,306)	(1,980,551)	755
Total Other Financing Sources (Uses)	230,856	231,073	295,354	64,281
Net Change in Fund Balance	(1,014,974)	(1,014,783)	1,962,953	2,977,736
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	38,866,725	38,866,725	38,866,725	0
Fund Balance - End of Year	\$37,851,751	\$37,851,942	\$40,829,678	\$2,977,736

See accompanying notes to the required supplementary information.

Mason City School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2017

Note 1 - Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2017.

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

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

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

Mason City School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2017

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

Net Change in Fund Balance	
	General Fund
GAAP Basis	\$6,935,709
Revenue Accruals	(8,231,921)
Expenditures Accruals	3,339,629
Advances In	2,275,905
Advances (Out)	(1,980,551)
Encumbrances	(380,644)
Funds Budgeted Elsewhere	4,826
Budget Basis	\$1,962,953

Note 2 – SERS Change in Assumptions

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (1) discount rate was reduced from 7.75% to 7.50%, (2) the assumed rate of inflation was reduced from 3.25% to 3.00%, (3) payroll growth assumption was reduced from 4.00% to 3.50%, (4) assumed real wage growth was reduced from 0.75% to 0.50%, (5) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (6) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (7) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (8) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

Note 3 – STRS Change in Assumptions

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014 - 2017. See the notes to the basic financials for the methods and assumptions in this calculation.

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

	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.45052031%	0.44768440%	0.45420873%	0.45420873%
District's Proportionate Share of the Net Pension Liability	\$150,802,728	\$123,726,873	\$110,479,282	\$131,247,785
District's Covered-Employee Payroll	\$47,531,486	\$47,105,657	\$49,977,400	\$48,150,963
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	317.27%	252.40%	226.80%	272.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	72.10%	74.70%	69.30%

(1) - The schedule is intended to show Information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note - Amounts presented as of the 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 District's Proportionate Share
 of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Four Fiscal Years (1)

	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.53056090%	0.53311760%	0.54363500%	0.54363500%
District's Proportionate Share of the Net Pension Liability	\$38,832,162	\$30,420,207	\$27,513,058	\$32,337,923
District's Covered-Employee Payroll	\$17,714,229	\$18,873,331	\$15,956,537	\$15,323,775
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	219.21%	200.53%	173.18%	211.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.98%	69.16%	71.70%	65.52%

(1) - The schedule is intended to show Information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note - Amounts presented as of the 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 District Contributions
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$6,709,093	\$6,654,408	\$6,594,792	\$6,497,062	\$6,789,480
Contributions in Relation to the Contractually Required Contribution	<u>(6,709,093)</u>	<u>(6,654,408)</u>	<u>(6,594,792)</u>	<u>(6,497,062)</u>	<u>(6,789,480)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$47,922,093	\$47,531,486	\$47,105,657	\$49,977,400	\$48,150,963
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	13.00%	14.10%

See accompanying notes to the Required Supplementary Information.

2012	2011	2010	2009	2008
\$6,854,604	\$6,779,952	\$6,793,128	\$6,668,916	\$5,911,404
(6,854,604)	(6,779,952)	(6,793,128)	(6,668,916)	(5,911,404)
\$0	\$0	\$0	\$0	\$0
\$49,829,224	\$49,036,458	\$47,079,797	\$46,478,769	\$43,052,330
13.76%	13.83%	14.43%	14.35%	13.73%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$2,394,500	\$2,479,992	\$2,487,504	\$2,211,576	\$2,622,000
Contributions in Relation to the Contractually Required Contribution	<u>(2,394,500)</u>	<u>(2,479,992)</u>	<u>(2,487,504)</u>	<u>(2,211,576)</u>	<u>(2,622,000)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$17,103,571	\$17,714,229	\$18,873,331	\$15,956,537	\$15,323,775
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.18%	13.86%	17.11%

See accompanying notes to the Required Supplementary Information.

2012	2011	2010	2009	2008
\$2,791,776	\$2,808,360	\$2,738,604	\$2,579,844	\$2,429,772
(2,791,776)	(2,808,360)	(2,738,604)	(2,579,844)	(2,429,772)
\$0	\$0	\$0	\$0	\$0
\$16,217,762	\$16,382,282	\$17,074,491	\$17,317,711	\$15,598,297
17.21%	17.14%	16.04%	14.90%	15.58%

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



MAJOR GOVERNMENTAL FUNDS

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

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

Classroom Facilities Fund- Classroom Facilities – A fund provided to account for monies received and expended in connection with contracts entered into by the District and the Ohio Facilities Construction Commission for the building and equipment of classroom facilities. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Mason City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Taxes	\$12,406,944	\$12,314,756	(\$92,188)
Investment Earnings	961	954	(7)
Intergovernmental	2,174,711	2,158,552	(16,159)
Other Revenues	35,325	35,063	(262)
Total Revenues	<u>14,617,941</u>	<u>14,509,325</u>	<u>(108,616)</u>
Expenditures:			
Current:			
Support Services:			
School Administration	9,955	9,912	43
Fiscal	342,644	341,159	1,485
Principal Retirement	15,763,317	15,695,000	68,317
Interest and Fiscal Charges	3,640,897	3,625,118	15,779
Total Expenditures	<u>19,756,813</u>	<u>19,671,189</u>	<u>85,624</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,138,872)</u>	<u>(5,161,864)</u>	<u>(22,992)</u>
Other Financing Sources (Uses):			
Issuance of Tax Anticipation Notes	5,843,419	5,800,000	(43,419)
Premium and Accrued Interest on Notes	212,610	211,030	(1,580)
Total Other Financing Sources (Uses)	<u>6,056,029</u>	<u>6,011,030</u>	<u>(44,999)</u>
Net Change in Fund Balance	917,157	849,166	(67,991)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>6,446,031</u>	<u>6,446,031</u>	<u>0</u>
Fund Balance - End of Year	<u>\$7,363,188</u>	<u>\$7,295,197</u>	<u>(\$67,991)</u>

Mason City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	Capital Projects Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Taxes	\$606,927	\$644,202	\$37,275
Investment Earnings	3,077	3,266	189
Intergovernmental	74,937	79,539	4,602
Other Revenues	4,258,783	4,520,339	261,556
Total Revenues	<u>4,943,724</u>	<u>5,247,346</u>	<u>303,622</u>
Expenditures:			
Current:			
Instruction:			
Regular	586,499	571,256	15,243
Special	27,307	26,597	710
Support Services:			
Pupil	1,332	1,297	35
Instructional Staff	1,033,666	1,006,801	26,865
School Administration	533	519	14
Fiscal	7,881	7,676	205
Operations and Maintenance	2,025,525	1,972,881	52,644
Pupil Transportation	1,004,626	978,515	26,111
Central	52,643	51,275	1,368
Capital Outlay	32,758	31,907	851
Total Expenditures	<u>4,772,770</u>	<u>4,648,724</u>	<u>124,046</u>
Excess of Revenues Over (Under) Expenditures	<u>170,954</u>	<u>598,622</u>	<u>427,668</u>
Other Financing Sources (Uses):			
Transfers (Out)	(4,865,198)	(4,738,749)	126,449
Total Other Financing Sources (Uses)	<u>(4,865,198)</u>	<u>(4,738,749)</u>	<u>126,449</u>
Net Change in Fund Balance	(4,694,244)	(4,140,127)	554,117
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>21,645,930</u>	<u>21,645,930</u>	<u>0</u>
Fund Balance - End of Year	<u>\$16,951,686</u>	<u>\$17,505,803</u>	<u>\$554,117</u>

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Classroom Facilities Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Capital Projects Fund

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

Mason City School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$5,386,931	\$6,347,721	\$11,734,652
Receivables (Net):			
Accounts	1,579	0	1,579
Intergovernmental	567,754	0	567,754
Inventory	69,539	0	69,539
Total Assets	6,025,803	6,347,721	12,373,524
Liabilities:			
Accounts Payable	48,067	0	48,067
Accrued Wages and Benefits	715,909	0	715,909
Compensated Absences	17,809	0	17,809
Accrued Interest Payable	0	48,333	48,333
Interfund Payable	37,284	0	37,284
General Obligation Notes Payable	0	5,800,000	5,800,000
Total Liabilities	819,069	5,848,333	6,667,402
Deferred Inflows of Resources:			
Grants and Other Taxes	567,754	0	567,754
Total Deferred Inflows of Resources	567,754	0	567,754
Fund Balances:			
Restricted	5,140,669	499,388	5,640,057
Unassigned	(501,689)	0	(501,689)
Total Fund Balances	4,638,980	499,388	5,138,368
Total Liabilities, Deferred Inflows and Fund Balances	\$6,025,803	\$6,347,721	\$12,373,524

Mason City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
Tuition and Fees	\$338,768	\$0	\$338,768
Investment Earnings	682	270	952
Intergovernmental	4,300,606	0	4,300,606
Extracurricular Activities	1,044,574	0	1,044,574
Charges for Services	5,011,268	0	5,011,268
Other Revenues	261,114	0	261,114
Total Revenues	10,957,012	270	10,957,282
Expenditures:			
Current:			
Instruction:			
Regular	167,403	0	167,403
Special	1,788,939	0	1,788,939
Vocational	9,755	0	9,755
Support Services:			
Pupil	299,101	0	299,101
Instructional Staff	91,499	0	91,499
School Administration	7,357	0	7,357
Business	139,636	0	139,636
Operations and Maintenance	1,042,630	0	1,042,630
Central	9,000	0	9,000
Operation of Non-Instructional Services	5,456,061	0	5,456,061
Extracurricular Activities	1,448,067	0	1,448,067
Debt Service:			
Principal Retirement	138,000	0	138,000
Interest and Fiscal Charges	220,962	106,083	327,045
Total Expenditures	10,818,410	106,083	10,924,493
Excess of Revenues Over (Under) Expenditures	138,602	(105,813)	32,789
Other Financing Sources (Uses):			
Transfers In	0	11,437,749	11,437,749
Transfers (Out)	0	(5,800,000)	(5,800,000)
Total Other Financing Sources (Uses)	0	5,637,749	5,637,749
Net Change in Fund Balance	138,602	5,531,936	5,670,538
Fund Balance - Beginning of Year	4,500,378	(5,032,548)	(532,170)
Fund Balance - End of Year	\$4,638,980	\$499,388	\$5,138,368

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NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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

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

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

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

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

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

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

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

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

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

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

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

Mason City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	Community Services	District Managed Student Activity	Auxiliary Services	OneNet Network Connectivity	Gifted Supplemental
Assets:					
Equity in Pooled Cash and Investments	\$2,430,295	\$557,089	\$165,662	\$0	\$1
Receivables (Net):					
Accounts	853	726	0	0	0
Intergovernmental	0	0	0	0	5,315
Inventory	0	0	0	0	0
Total Assets	2,431,148	557,815	165,662	0	5,316
Liabilities:					
Accounts Payable	1,754	10,732	30,855	0	0
Accrued Wages and Benefits	5,003	0	14,756	0	6,034
Compensated Absences	8,269	0	0	0	0
Interfund Payable	0	0	0	0	252
Total Liabilities	15,026	10,732	45,611	0	6,286
Deferred Inflows of Resources:					
Grants and Other Taxes	0	0	0	0	5,315
Total Deferred Inflows of Resources	0	0	0	0	5,315
Fund Balances:					
Restricted	2,416,122	547,083	120,051	0	0
Unassigned	0	0	0	0	(6,285)
Total Fund Balances	2,416,122	547,083	120,051	0	(6,285)
Total Liabilities, Deferred Inflows and Fund Balances	\$2,431,148	\$557,815	\$165,662	\$0	\$5,316

Title VI-B	Vocational Education	Title III	Title I	Public School Preschool	Improving Teacher Quality	Food Service	Total Nonmajor Special Revenue Funds
\$1,672	\$4,990	\$2	\$0	\$0	\$3,832	\$2,223,388	\$5,386,931
0	0	0	0	0	0	0	1,579
378,480	0	39,780	76,494	10,532	57,153	0	567,754
0	0	0	0	0	0	69,539	69,539
<u>380,152</u>	<u>4,990</u>	<u>39,782</u>	<u>76,494</u>	<u>10,532</u>	<u>60,985</u>	<u>2,292,927</u>	<u>6,025,803</u>
400	1,625	0	0	0	2,062	639	48,067
382,972	0	22,517	47,293	8,634	0	228,700	715,909
0	0	0	0	0	0	9,540	17,809
15,215	0	5,541	6,134	626	9,516	0	37,284
<u>398,587</u>	<u>1,625</u>	<u>28,058</u>	<u>53,427</u>	<u>9,260</u>	<u>11,578</u>	<u>238,879</u>	<u>819,069</u>
378,480	0	39,780	76,494	10,532	57,153	0	567,754
378,480	0	39,780	76,494	10,532	57,153	0	567,754
0	3,365	0	0	0	0	2,054,048	5,140,669
(396,915)	0	(28,056)	(53,427)	(9,260)	(7,746)	0	(501,689)
(396,915)	3,365	(28,056)	(53,427)	(9,260)	(7,746)	2,054,048	4,638,980
<u>\$380,152</u>	<u>\$4,990</u>	<u>\$39,782</u>	<u>\$76,494</u>	<u>\$10,532</u>	<u>\$60,985</u>	<u>\$2,292,927</u>	<u>\$6,025,803</u>

Mason City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2017

	Community Services	District Managed Student Activity	Auxiliary Services	OneNet Network Connectivity	Gifted Supplemental
Revenues:					
Tuition and Fees	\$99,394	\$239,374	\$0	\$0	\$0
Investment Earnings	158	81	59	0	0
Intergovernmental	0	0	1,031,266	9,000	31,963
Extracurricular Activities	34,847	1,009,727	0	0	0
Charges for Services	1,780,082	0	0	0	0
Other Revenues	67,223	193,891	0	0	0
Total Revenues	1,981,704	1,443,073	1,031,325	9,000	31,963
Expenditures:					
Current:					
Instruction:					
Regular	167,403	0	0	0	0
Special	0	0	0	0	0
Vocational	0	0	0	0	0
Support Services:					
Pupil	859	347	0	0	26,061
Instructional Staff	0	0	0	0	0
School Administration	7,357	0	0	0	0
Business	139,636	0	0	0	0
Operations and Maintenance	1,041,549	0	0	0	0
Central	0	0	0	9,000	0
Operation of Non-Instructional Services	28,048	0	1,092,445	0	0
Extracurricular Activities	56,331	1,391,736	0	0	0
Debt Service:					
Principal Retirement	138,000	0	0	0	0
Interest and Fiscal Charges	220,962	0	0	0	0
Total Expenditures	1,800,145	1,392,083	1,092,445	9,000	26,061
Net Change in Fund Balance	181,559	50,990	(61,120)	0	5,902
Fund Balance - Beginning of Year	2,234,563	496,093	181,171	0	(12,187)
Fund Balance - End of Year	<u>\$2,416,122</u>	<u>\$547,083</u>	<u>\$120,051</u>	<u>\$0</u>	<u>(\$6,285)</u>

Title VI-B	Vocational Education	Title III	Title I	Public School Preschool	Improving Teacher Quality	Food Service	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$338,768
0	0	0	0	0	0	384	682
1,679,348	10,000	139,213	248,466	35,384	84,668	1,031,298	4,300,606
0	0	0	0	0	0	0	1,044,574
0	0	0	0	0	0	3,231,186	5,011,268
0	0	0	0	0	0	0	261,114
<u>1,679,348</u>	<u>10,000</u>	<u>139,213</u>	<u>248,466</u>	<u>35,384</u>	<u>84,668</u>	<u>4,262,868</u>	<u>10,957,012</u>
0	0	0	0	0	0	0	167,403
1,352,339	0	146,556	252,161	37,883	0	0	1,788,939
0	9,755	0	0	0	0	0	9,755
271,834	0	0	0	0	0	0	299,101
3,325	0	160	2,686	0	85,328	0	91,499
0	0	0	0	0	0	0	7,357
0	0	0	0	0	0	0	139,636
0	0	0	0	0	0	1,081	1,042,630
0	0	0	0	0	0	0	9,000
66,537	0	0	1,385	0	5,233	4,262,413	5,456,061
0	0	0	0	0	0	0	1,448,067
0	0	0	0	0	0	0	138,000
0	0	0	0	0	0	0	220,962
<u>1,694,035</u>	<u>9,755</u>	<u>146,716</u>	<u>256,232</u>	<u>37,883</u>	<u>90,561</u>	<u>4,263,494</u>	<u>10,818,410</u>
(14,687)	245	(7,503)	(7,766)	(2,499)	(5,893)	(626)	138,602
<u>(382,228)</u>	<u>3,120</u>	<u>(20,553)</u>	<u>(45,661)</u>	<u>(6,761)</u>	<u>(1,853)</u>	<u>2,054,674</u>	<u>4,500,378</u>
<u>(\$396,915)</u>	<u>\$3,365</u>	<u>(\$28,056)</u>	<u>(\$53,427)</u>	<u>(\$9,260)</u>	<u>(\$7,746)</u>	<u>\$2,054,048</u>	<u>\$4,638,980</u>

Mason City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	Community Services Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Tuition and Fees	\$94,611	\$99,394	\$4,783
Investment Earnings	150	158	8
Extracurricular Activities	33,170	34,847	1,677
Charges for Services	972,731	1,021,908	49,177
Other Revenues	808,686	849,570	40,884
Total Revenues	1,909,348	2,005,877	96,529
Expenditures:			
Current:			
Instruction:			
Regular	196,691	177,218	19,473
Support Services:			
Pupil	953	859	94
School Administration	8,165	7,357	808
Business	154,884	139,550	15,334
Operations and Maintenance	1,216,580	1,096,134	120,446
Operation of Non-Instructional Services	32,169	28,984	3,185
Extracurricular Activities	62,785	56,569	6,216
Capital Outlay	8,788	7,918	870
Debt Service:			
Principal Retirement	171,310	154,350	16,960
Interest and Fiscal Charges	227,095	204,612	22,483
Total Expenditures	2,079,420	1,873,551	205,869
Excess of Revenues Over (Under) Expenditures	(170,072)	132,326	302,398
Other Financing Sources (Uses):			
Proceeds of Capital Leases	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balance	(170,072)	132,326	302,398
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	2,242,713	2,242,713	0
Fund Balance - End of Year	\$2,072,641	\$2,375,039	\$302,398

Mason City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	District Managed Student Activity Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Tuition and Fees	\$236,867	\$239,374	\$2,507
Investment Earnings	80	81	1
Extracurricular Activities	998,974	1,009,547	10,573
Other Revenues	191,320	193,345	2,025
Total Revenues	<u>1,427,241</u>	<u>1,442,347</u>	<u>15,106</u>
Expenditures:			
Current:			
Instruction:			
Pupil	413	347	66
Extracurricular Activities	1,749,757	1,469,120	280,637
Total Expenditures	<u>1,750,170</u>	<u>1,469,467</u>	<u>280,703</u>
Excess of Revenues Over (Under) Expenditures	<u>(322,929)</u>	<u>(27,120)</u>	<u>295,809</u>
Net Change in Fund Balance	(322,929)	(27,120)	295,809
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>519,006</u>	<u>519,006</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$196,077</u></u>	<u><u>\$491,886</u></u>	<u><u>\$295,809</u></u>

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$50	\$59	\$9
Intergovernmental	881,439	1,031,266	149,827
Total Revenues	881,489	1,031,325	149,836
Expenditures:			
Current:			
Support Services:			
Operation of Non-Instructional Services	1,254,939	1,250,159	4,780
Total Expenditures	1,254,939	1,250,159	4,780
Net Change in Fund Balance	(373,450)	(218,834)	154,616
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	223,616	223,616	0
Fund Balance - End of Year	(\$149,834)	\$4,782	\$154,616

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

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

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Gifted Supplemental Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$36,987	\$31,963	(\$5,024)
Total Revenues	36,987	31,963	(5,024)
Expenditures:			
Current:			
Support Services:			
Pupil	37,280	32,214	5,066
Total Expenditures	37,280	32,214	5,066
Excess of Revenues Over (Under) Expenditures	(293)	(251)	42
Other Financing Sources (Uses):			
Advances In	293	253	(40)
Total Other Financing Sources (Uses)	293	253	(40)
Net Change in Fund Balance	0	2	2
Fund Balance - End of Year	\$0	\$2	\$2

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Title VI-B Fund		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$2,038,905	\$1,679,348	(\$359,557)
Total Revenues	2,038,905	1,679,348	(359,557)
Expenditures:			
Current:			
Instruction:			
Special	1,622,138	1,336,420	285,718
Support Services:			
Pupil	326,917	269,335	57,582
Instructional Staff	4,473	3,685	788
Operation of Non-Instructional Services	80,762	66,537	14,225
Total Expenditures	2,034,290	1,675,977	358,313
Excess of Revenues Over (Under) Expenditures	4,615	3,371	(1,244)
Other Financing Sources (Uses):			
Advances In	18,473	15,215	(3,258)
Advances (Out)	(28,103)	(23,153)	4,950
Total Other Financing Sources (Uses)	(9,630)	(7,938)	1,692
Net Change in Fund Balance	(5,015)	(4,567)	448
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	4,565	4,565	0
Fund Balance - End of Year	(\$450)	(\$2)	\$448

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$10,000	\$10,000	\$0
Total Revenues	10,000	10,000	0
Expenditures:			
Current:			
Instruction:			
Vocational	13,235	8,446	4,789
Total Expenditures	13,235	8,446	4,789
Net Change in Fund Balance	(3,235)	1,554	4,789
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	3,236	3,236	0
Fund Balance - End of Year	\$1	\$4,790	\$4,789

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$172,288	\$139,213	(\$33,075)
Total Revenues	172,288	139,213	(33,075)
Expenditures:			
Current:			
Instruction:			
Special	177,516	144,677	32,839
Support Services:			
Instructional Staff	196	160	36
Total Expenditures	177,712	144,837	32,875
Excess of Revenues Over (Under) Expenditures	(5,424)	(5,624)	(200)
Other Financing Sources (Uses):			
Advances In	6,857	5,541	(1,316)
Advances (Out)	(7,374)	(6,010)	1,364
Total Other Financing Sources (Uses)	(517)	(469)	48
Net Change in Fund Balance	(5,941)	(6,093)	(152)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	6,094	6,094	0
Fund Balance - End of Year	\$153	\$1	(\$152)

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$317,131	\$248,466	(\$68,665)
Total Revenues	317,131	248,466	(68,665)
Expenditures:			
Current:			
Instruction:			
Special	319,768	250,533	69,235
Support Services:			
Instructional Staff	3,428	2,686	742
Operation of Non-Instructional Services	1,768	1,385	383
Total Expenditures	324,964	254,604	70,360
Excess of Revenues Over (Under) Expenditures	(7,833)	(6,138)	1,695
Other Financing Sources (Uses):			
Advances In	7,829	6,134	(1,695)
Total Other Financing Sources (Uses)	7,829	6,134	(1,695)
Net Change in Fund Balance	(4)	(4)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	4	4	0
Fund Balance - End of Year	\$0	\$0	\$0

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Public School Preschool Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$45,119	\$35,384	(\$9,735)
Total Revenues	45,119	35,384	(9,735)
Expenditures:			
Current:			
Instruction:			
Special	45,917	36,010	9,907
Total Expenditures	45,917	36,010	9,907
Excess of Revenues Over (Under) Expenditures	(798)	(626)	172
Other Financing Sources (Uses):			
Advances In	798	626	(172)
Total Other Financing Sources (Uses)	798	626	(172)
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

Mason City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$127,493	\$84,668	(\$42,825)
Total Revenues	127,493	84,668	(42,825)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	130,517	87,494	43,023
Operation of Non-Instructional Services	9,326	6,252	3,074
Total Expenditures	139,843	93,746	46,097
Excess of Revenues Over (Under) Expenditures	(12,350)	(9,078)	3,272
Other Financing Sources (Uses):			
Advances In	14,329	9,516	(4,813)
Advances (Out)	(4,665)	(3,127)	1,538
Total Other Financing Sources (Uses)	9,664	6,389	(3,275)
Net Change in Fund Balance	(2,686)	(2,689)	(3)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	2,687	2,687	0
Fund Balance - End of Year	\$1	(\$2)	(\$3)

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$394	\$384	(\$10)
Intergovernmental	647,453	631,311	(16,142)
Charges for Services	3,313,805	3,231,186	(82,619)
Total Revenues	3,961,652	3,862,881	(98,771)
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	1,126	1,081	45
Operation of Non-Instructional Services	4,039,605	3,879,466	160,139
Total Expenditures	4,040,731	3,880,547	160,184
Net Change in Fund Balance	(79,079)	(17,666)	61,413
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	2,234,850	2,234,850	0
Fund Balance - End of Year	\$2,155,771	\$2,217,184	\$61,413

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NONMAJOR CAPITAL PROJECTS FUND

Fund Descriptions

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

Mason City School District, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Fund
June 30, 2017

	<u>Building</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$6,347,721</u>
Total Assets	<u>6,347,721</u>
Liabilities:	
Accrued Interest Payable	48,333
General Obligation Notes Payable	<u>5,800,000</u>
Total Liabilities	<u>5,848,333</u>
Fund Balances:	
Restricted	<u>499,388</u>
Total Fund Balances	<u>499,388</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$6,347,721</u>

Mason City School District, Ohio
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Nonmajor Capital Projects Fund
 For the Fiscal Year Ended June 30, 2017

	<u>Building</u>
Revenues:	
Investment Earnings	<u>\$270</u>
Total Revenues	<u>270</u>
Expenditures:	
Debt Service:	
Interest and Fiscal Charges	<u>106,083</u>
Total Expenditures	<u>106,083</u>
Excess of Revenues Over (Under) Expenditures	<u>(105,813)</u>
Other Financing Sources (Uses):	
Transfers In	11,437,749
Transfers (Out)	<u>(5,800,000)</u>
Total Other Financing Sources (Uses)	<u>5,637,749</u>
Net Change in Fund Balance	5,531,936
Fund Balance - Beginning of Year	<u>(5,032,548)</u>
Fund Balance - End of Year	<u><u>\$499,388</u></u>

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Building Fund		
	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$375	\$270	(\$105)
Total Revenues	375	270	(105)
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	0	0	(0)
Total Expenditures	0	0	(0)
Net Change in Fund Balance	375	270	(105)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,608,701	1,608,701	0
Fund Balance - End of Year	<u>\$1,609,076</u>	<u>\$1,608,971</u>	<u>(\$105)</u>

OTHER GENERAL FUNDS

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

Fund Descriptions

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

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

Mason City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	Public School Support Fund (1)		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Tuition and Fees	\$743,288	\$1,441,023	\$697,735
Extracurricular Activities	290,364	562,933	272,569
Other Revenues	56,641	109,810	53,169
Total Revenues	1,090,293	2,113,766	1,023,473
Expenditures:			
Current:			
Instruction:			
Regular	599,346	585,444	13,902
Special	1,167,587	1,140,505	27,082
Support Services:			
Operations and Maintenance	41	40	1
Pupil Transportation	1,887	1,843	44
Central	198	193	5
Operation of Non-Instructional Services	24,566	23,996	570
Extracurricular Activities	39,495	38,579	916
Total Expenditures	1,833,120	1,790,600	42,520
Excess of Revenues Over (Under) Expenditures	(742,827)	323,166	1,065,993
Other Financing Sources (Uses):			
Advances In	1,002,349	1,943,268	940,919
Advances (Out)	(2,296,892)	(2,243,616)	53,276
Total Other Financing Sources (Uses)	(1,294,543)	(300,348)	994,195
Net Change in Fund Balance	(2,037,370)	22,818	2,060,188
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	273,114	273,114	0
Fund Balance - End of Year	(\$1,764,256)	\$295,932	\$2,060,188

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

Mason City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Latchkey Fund (1)		Variance from Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Investment Earnings	\$203	\$211	\$8
Charges for Services	1,124,616	1,168,492	43,876
Other Revenues	3,431	3,565	134
		0	
Total Revenues	<u>1,128,250</u>	<u>1,172,268</u>	<u>44,018</u>
Expenditures:			
Current:			
Instruction:			
Regular	14,226	11,231	2,995
Support Services:			
Operations and Maintenance	6,271	4,951	1,320
Operation of Non-Instructional Services	1,222,444	965,117	257,327
Extracurricular Activities	187,038	147,666	39,372
Total Expenditures	<u>1,429,979</u>	<u>1,128,965</u>	<u>301,014</u>
Net Change in Fund Balance	(301,729)	43,303	345,032
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>1,172,077</u>	<u>1,172,077</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$870,348</u></u>	<u><u>\$1,215,380</u></u>	<u><u>\$345,032</u></u>

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

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NONMAJOR FUNDS

Fiduciary funds

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

Fund Descriptions

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

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

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

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

Mason City School District, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2017

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$614,648	\$887,907	\$810,195	\$692,360
Receivables (Net):				
Accounts	0	143	0	143
Total Assets	<u>614,648</u>	<u>888,050</u>	<u>810,195</u>	<u>692,503</u>
Liabilities:				
Accounts Payable	9,687	15,168	9,687	15,168
Other Liabilities	604,961	872,882	800,508	677,335
Total Liabilities	<u>\$614,648</u>	<u>\$888,050</u>	<u>\$810,195</u>	<u>\$692,503</u>

	Section 125 Insurance			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$43,440	\$85,656	\$78,648	\$50,448
Total Assets	<u>43,440</u>	<u>85,656</u>	<u>78,648</u>	<u>50,448</u>
Liabilities:				
Other Liabilities	43,440	85,656	78,648	50,448
Total Liabilities	<u>\$43,440</u>	<u>\$85,656</u>	<u>\$78,648</u>	<u>\$50,448</u>

	District Agency			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$13,898	\$166,556	\$166,598	\$13,856
Total Assets	<u>13,898</u>	<u>166,556</u>	<u>166,598</u>	<u>13,856</u>
Liabilities:				
Accounts Payable	1,090	2,750	1,090	2,750
Other Liabilities	12,808	163,806	165,508	11,106
Total Liabilities	<u>\$13,898</u>	<u>\$166,556</u>	<u>\$166,598</u>	<u>\$13,856</u>

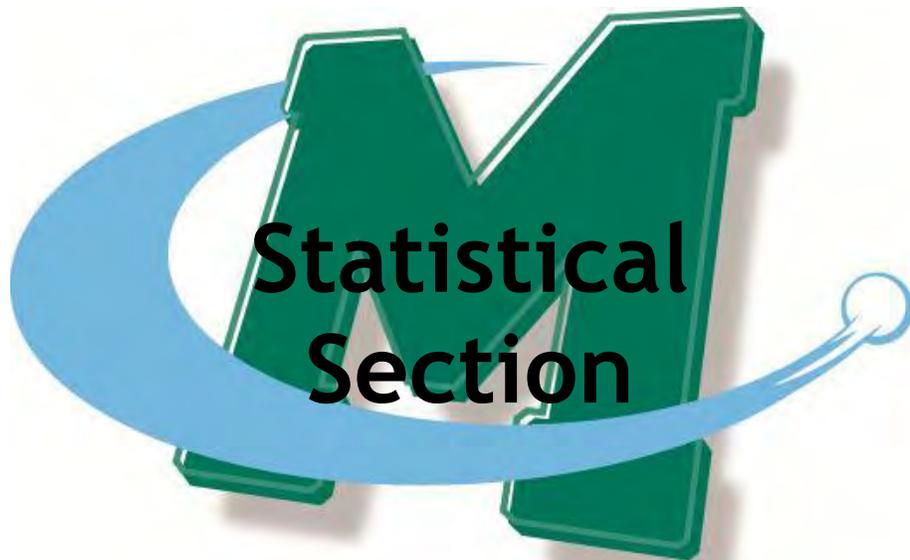
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Mason City School District, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2017

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$671,986	\$1,140,119	\$1,055,441	\$756,664
Receivables (Net):				
Accounts	0	143	0	143
Total Assets	<u>671,986</u>	<u>1,140,262</u>	<u>1,055,441</u>	<u>756,807</u>
Liabilities:				
Accounts Payable	10,777	17,918	10,777	17,918
Other Liabilities	<u>661,209</u>	<u>1,122,344</u>	<u>1,044,664</u>	<u>738,889</u>
Total Liabilities	<u>\$671,986</u>	<u>\$1,140,262</u>	<u>\$1,055,441</u>	<u>\$756,807</u>

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**Statistical
Section**

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STATISTICAL SECTION

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

Contents

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

Revenue Capacity - These schedules contain information to help the reader understand and assess the District's most significant local revenue source, the property tax.

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

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

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

Sources - Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014 Restated	2015	2016	2017
Governmental Activities										
Net Investment In Capital Assets										
Restricted	\$18,655,396	\$19,761,272	\$28,790,298	\$34,400,901	\$40,667,026	\$46,466,926	\$50,767,119	\$51,834,565	\$60,022,603	\$66,402,057
Unrestricted	20,469,256	25,165,469	22,124,030	23,791,786	25,059,547	27,840,790	27,740,454	31,879,104	33,340,612	32,778,083
Total Net Position	36,715,473	42,474,167	39,041,011	37,547,433	30,049,791	27,418,240	(129,592,529)	(120,034,729)	(120,047,956)	(83,968,416)
	\$75,840,125	\$87,400,908	\$89,955,339	\$95,740,120	\$95,776,364	\$101,725,956	(\$51,084,956)	(\$36,321,060)	(\$26,684,741)	\$15,211,724

Source: District Records

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014 Reclassified	2015	2016	2017
Expenses										
Governmental Activities:										
Instruction	\$53,120,606	\$55,303,869	\$59,693,695	\$62,149,103	\$64,220,741	\$65,304,074	\$65,567,175	\$71,759,192	\$66,906,992	\$74,489,440
Pupil	5,914,562	6,475,271	6,467,313	7,015,312	6,997,992	6,620,329	6,956,891	6,915,158	7,915,545	7,736,352
Instructional Staff	6,692,737	7,131,304	7,349,240	8,118,256	7,965,043	1,422,550	2,384,639	2,389,958	2,572,243	3,110,272
General Administration	85,525	38,910	46,528	60,567	58,014	250,134	57,685	60,845	64,284	136,638
School Administration	5,412,530	5,522,215	5,623,539	5,894,519	5,473,265	5,245,939	5,345,653	5,269,714	5,459,816	6,131,843
Fiscal	2,053,489	2,124,953	1,952,877	1,851,351	1,788,154	1,797,291	1,932,376	1,859,141	1,826,523	2,160,384
Business	438,869	400,907	418,485	422,415	453,915	472,876	447,303	421,654	463,923	531,596
Operation and Maintenance	13,072,818	14,272,035	13,318,720	13,504,242	12,666,272	13,096,862	12,976,097	12,433,209	12,445,936	12,799,417
Pupil Transportation	7,734,614	7,076,294	7,895,529	7,615,345	6,686,897	6,497,196	6,619,587	6,221,325	6,262,821	6,613,893
Central	4,569,098	4,224,174	4,357,847	3,790,359	3,700,107	3,542,809	3,279,666	3,105,493	2,437,029	2,528,808
Operation of Non-instructional Services	5,553,265	6,074,836	5,759,571	6,058,518	6,449,265	6,119,224	5,988,246	6,484,771	6,400,287	6,671,478
Extracurricular Activities	2,312,308	2,881,756	2,408,819	2,848,531	3,052,085	3,241,891	3,351,887	3,290,127	3,466,056	3,428,746
Interest and Fiscal Charges	7,011,371	7,133,219	6,725,808	6,348,747	6,025,236	5,148,229	7,025,687	4,503,141	4,111,137	3,679,221
Total Government Expenses	113,971,792	118,659,743	122,017,971	125,677,265	125,536,986	118,759,404	121,932,892	124,713,728	120,332,592	130,018,088
Program Revenues										
Governmental Activities:										
Charges for Services										
Instruction	1,878,034	1,951,159	1,930,782	3,295,198	3,695,339	3,581,819	4,074,943	4,517,089	3,798,624	5,123,863
Pupil	6,245	60,584	58,884	55,023	5,834	1,034	1,522	4,222	8,675	1,442
Instructional Staff	4,183	4,105	6,067	12,302	366	16,647	11,783	6,661	13,303	0
General Administration	0	0	0	0	0	0	0	0	0	0
School Administration	0	0	0	0	0	0	0	0	0	0
Business	83,436	93,756	66,345	185,500	131,781	96,480	174,176	160,911	176,699	184,040
Operations and Maintenance	1,104,070	1,125,267	1,792,142	1,322,932	1,133,157	826,183	1,445,552	1,258,416	1,343,914	1,378,993
Pupil Transportation	46,014	16,471	6,291	0	0	0	422	3,588	0	0
Central	1,002	761	3,826	0	590	1	17	0	0	0
Operation of Non-Instructional Services	4,186,135	4,268,276	4,230,020	3,525,476	3,645,072	3,501,751	3,281,890	3,418,897	3,397,489	3,267,274
Extracurricular Activities	722,377	934,769	864,221	1,481,703	1,947,812	1,794,764	2,037,073	1,940,095	2,009,068	1,886,329
Operating Grants and Contributions	5,812,292	5,537,453	7,748,872	9,870,113	5,697,717	5,360,476	6,630,987	7,040,629	7,126,928	7,844,513
Capital Grants and Contributions	61,192	124,305	0	0	0	0	0	0	0	0
Total Government Revenues	13,904,980	14,116,906	16,707,450	19,748,247	16,257,668	15,179,155	17,658,365	18,355,976	17,883,595	19,696,156
Net (Expense)/Revenue										
Total Government Net Expense	(\$100,066,812)	(\$104,542,837)	(\$105,310,521)	(\$105,929,018)	(\$109,279,318)	(\$103,580,249)	(\$104,274,527)	(\$106,357,752)	(\$102,448,997)	(\$110,321,932)

Source: District Records

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Total Government Net Expense	(\$100,066,812)	(\$104,542,837)	(\$105,310,521)	(\$105,929,018)	(\$109,279,318)	(\$103,580,249)	(\$104,274,527)	(\$106,357,752)	(\$102,448,997)	(\$110,321,932)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes Levied for General Purposes	53,549,026	53,567,568	45,848,200	52,288,070	49,004,611	50,625,797	46,641,011	56,481,261	48,393,144	58,117,164
Property Taxes Levied for Debt Service Purposes	13,348,993	13,272,994	11,152,734	12,121,055	11,350,361	11,837,442	10,948,558	13,292,896	11,132,818	13,277,230
Property Taxes Levied for Capital Projects	706,642	630,681	560,240	608,871	570,167	572,491	518,442	629,514	673,718	666,047
Grants and Entitlements not Restricted to Specific Programs	40,422,362	43,328,411	44,953,615	43,721,854	42,386,226	41,301,384	43,444,518	45,646,771	45,479,897	44,840,676
Payment in Lieu of Taxes	2,328,775	2,945,631	3,246,149	2,239,232	4,778,155	5,555,468	3,771,193	4,318,908	5,635,305	4,630,395
Unrestricted Contributions	0	0	0	0	31,069	101,247	150,018	108,151	39,017	50,000
Investment Earnings	3,718,075	1,955,147	546,300	199,006	486,293	21,871	185,110	85,326	149,052	191,392
Gain on Sale of Capital Assets	72,056	106,833	0	0	0	0	0	0	0	0
Grants and Entitlements for Capital Construction										
Other Revenues	275,505	296,355	1,557,714	535,711	708,680	393,022	681,835	558,821	582,365	642,262
Total primary government	114,421,434	116,103,620	107,864,952	111,713,799	109,315,562	110,408,722	106,340,685	121,121,648	112,085,316	156,209,532
Change in Net Position										
Total primary government	\$14,354,622	\$11,560,783	\$2,554,431	\$5,784,781	\$36,244	\$6,828,473	\$2,066,158	\$14,763,896	\$9,636,319	\$45,887,600

Source: District Records

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

	Fiscal Year									
	2008	2009	2010	2011*	2012*	2013*	2014*	2015*	2016*	2017*
General Fund										
Reserved	\$3,207,706	\$5,474,753	\$2,915,141							
Unreserved	34,459,374	39,626,965	39,064,608							
Nonspendable										
Restricted										
Committed				\$915,078	\$453,699	\$6,458,415	\$2,085,713	\$1,090,919	\$1,069,724	\$4,255,497
Assigned				38,344,772	31,456,329	25,600,588	28,026,632	36,194,522	34,427,290	38,177,226
Unassigned				39,259,850	31,910,028	32,059,003	30,112,345	37,285,441	35,497,014	42,432,723
Total General Fund	37,667,080	45,101,718	41,979,749	39,259,850	31,910,028	32,059,003	30,112,345	37,285,441	35,497,014	42,432,723
All Other Governmental Funds										
Reserved	23,982,418	6,544,608	2,036,230							
Unreserved, Reported in:										
Special Revenue Funds	3,377,932	3,322,528	2,865,349							
Debt Service Funds	8,570,237	8,888,165	8,791,501							
Capital Project Funds	(1,841,343)	(2,636,690)	(1,096,645)							
Nonspendable				98,674	40,450	60,368	0	0	0	0
Restricted				20,685,463	23,567,432	27,134,389	27,995,049	32,147,340	33,514,871	33,191,172
Committed				10,811	0	9,977	9,977	0	0	0
Assigned				0	0	0	2,085,713	1,090,919	1,069,724	4,255,497
Unassigned				(6,895,100)	(7,257,846)	(7,315,115)	20,363,548	29,847,003	28,925,499	37,675,537
Total All Other Governmental Funds	\$34,089,244	\$16,118,611	\$12,596,435	\$13,899,848	\$16,350,036	\$19,889,619	\$50,454,287	\$63,085,262	\$63,510,094	\$75,122,206

Source: District Records

Note:

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

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Taxes	\$66,161,138	\$68,613,408	\$57,194,629	\$63,731,625	\$60,288,880	\$65,182,145	\$58,136,666	\$70,578,586	\$58,898,232	\$73,379,471
Revenue in Lieu of Taxes	2,688,343	3,025,536	3,246,149	2,239,232	4,778,155	5,555,468	3,771,193	4,318,908	5,635,305	4,630,395
Tuition and Fees	1,465,590	1,523,740	1,509,382	2,329,960	2,515,311	2,655,445	3,040,814	3,437,268	2,731,732	4,064,377
Investment Earnings	3,718,075	1,955,148	406,189	199,756	603,465	26,968	177,608	92,767	93,934	230,885
Intergovernmental	46,998,659	49,582,625	52,871,835	52,069,359	49,089,810	46,877,573	49,608,589	52,820,730	52,630,047	52,538,177
Extracurricular Activities	1,209,310	1,358,760	1,329,655	1,439,532	1,884,715	1,681,678	1,853,772	1,680,111	1,723,057	1,607,507
Charges for Services	5,444,011	5,583,324	5,643,348	6,669,397	6,215,452	5,562,734	6,227,734	6,315,917	6,396,579	6,222,941
Other Revenues	590,877	405,443	1,589,710	454,073	679,903	395,557	771,206	549,023	526,682	649,084
Total Revenues	\$128,276,003	\$132,047,984	\$123,790,897	\$129,132,934	\$126,055,691	\$127,937,568	\$123,587,582	\$139,793,310	\$128,635,568	\$143,322,837

Source: District Records

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction	\$52,771,742	\$54,468,808	\$59,143,129	\$61,249,413	\$63,516,740	\$64,031,836	\$64,497,627	\$68,181,928	\$67,201,564	\$70,047,255
Pupil	5,887,042	6,463,212	6,444,095	6,983,336	7,042,546	6,547,920	6,914,148	7,054,999	7,480,831	7,354,465
Instructional Staff	6,611,946	7,120,586	7,355,141	8,077,645	7,896,816	1,518,557	2,365,585	2,404,644	2,706,886	3,104,463
General Administration	85,525	38,910	46,528	60,567	58,014	250,134	57,685	61,315	64,662	135,545
School Administration	5,374,528	5,474,364	5,568,335	5,932,932	5,401,632	5,206,190	5,269,650	5,481,341	5,515,942	5,591,558
Fiscal	2,120,418	2,103,592	1,943,552	1,830,777	1,766,689	1,788,716	1,957,646	1,931,843	1,835,162	2,066,361
Business	438,801	396,948	411,529	423,721	453,580	441,407	445,040	434,372	453,876	522,844
Operation and Maintenance	11,984,656	12,464,888	11,557,719	11,476,277	10,593,149	11,144,409	11,538,247	10,807,624	10,809,004	11,712,430
Pupil Transportation	7,629,347	6,434,424	7,611,602	7,542,715	5,998,494	5,832,777	6,556,743	5,730,801	6,418,207	6,284,309
Central	4,622,781	3,886,588	4,254,192	3,596,498	3,666,498	3,174,086	2,911,398	2,920,588	2,249,808	2,344,341
Operation of Non-instructional Services	5,500,280	5,857,504	5,664,258	5,886,282	6,300,558	5,899,742	5,503,217	6,460,795	6,236,907	6,458,499
Extracurricular Activities	2,362,869	2,750,507	2,660,674	2,732,756	2,868,870	3,034,665	3,168,911	3,244,502	3,413,531	3,187,316
Capital Outlay	8,512,330	26,864,428	4,257,718	605,199	532,743	523,717	20,507	92,741	448,244	26,206
Debt Service										
Principal Retirement	5,095,000	6,415,000	6,949,000	7,595,000	8,612,000	9,538,000	6,647,000	8,466,000	8,873,000	20,358,000
Interest and Fiscal Charges	7,268,569	7,272,726	6,945,574	6,571,523	6,246,996	5,390,008	7,228,513	4,913,373	4,503,112	3,890,033
Bond Issuance Cost	0	0	0	0	0	314,815	0	0	0	168,110
Total Expenditures	\$126,265,834	\$148,012,485	\$130,813,046	\$130,564,641	\$130,955,325	\$124,636,979	\$125,081,917	\$128,186,866	\$128,210,736	\$143,251,735
Debt Service as a Percentage of Noncapital Expenditures	10.72%	11.29%	11.10%	11.00%	11.46%	12.04%	11.18%	10.49%	10.59%	17.17%

Source: District Records

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financing Sources (Uses)										
Issuance of Capital Leases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Sale of Capital Assets	98,529	179,406	378,104	15,221	0	73,154	0	0	0	0
Issuance of Bonds	0	0	0	0	0	0	0	0	0	0
Issuance of Long Term Debt	23,000,000	5,249,000	0	0	0	0	0	0	0	0
Issuance of Refunding Bonds	0	0	0	0	0	20,460,000	0	0	0	10,170,000
Payment to Refunded Bonds Escrow Agent	0	0	0	0	0	(23,808,438)	0	0	0	0
Refunding Bond Premium	0	0	0	0	0	0	0	0	0	0
Premium on Bonds and Notes Issued	0	0	0	0	0	3,663,253	0	0	0	1,371,010
Transfers In	20,341,705	19,460,344	18,513,505	18,036,569	16,951,461	16,060,000	15,819,000	15,297,229	14,092,243	17,237,749
Transfers Out	(20,341,705)	(19,460,344)	(18,513,505)	(18,036,569)	(16,951,461)	(16,060,000)	(15,819,000)	(15,297,229)	(14,092,243)	(17,237,749)
Total Other Financing Sources (Uses)	23,098,529	5,428,406	378,104	15,221	0	387,969	0	0	0	11,541,010
Net Change in Fund Balances	\$25,108,698	(\$10,536,095)	(\$6,644,045)	(\$1,416,486)	(\$4,899,634)	\$3,688,558	(\$1,494,335)	\$11,606,444	\$424,832	\$11,612,112

Source: District Records

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

Calendar Year	Assessed Value			Total Assessed Value	Total Estimated Value	Total Direct Rate
	Real Property	Public Utility Personal	Tangible Personal			
2007	1,530,034,250	20,283,610	48,975,855	1,599,293,715	4,786,382,823	83.45
2008	1,571,051,330	21,158,000	5,915,050	1,598,124,380	4,607,402,066	83.45
2009	1,480,572,180	22,788,680	4,489,250	1,507,850,110	4,327,930,455	83.45
2010	1,492,898,890	10,198,936	0	1,503,097,826	4,277,015,100	83.45
2011	1,505,970,130	21,168,660	0	1,527,138,790	6,033,500,162	83.45
2012	1,443,664,060	27,216,000	0	1,470,880,060	4,143,965,650	83.97
2013	1,461,234,590	29,850,640	0	1,491,085,230	4,197,159,004	83.97
2014	1,482,387,830	32,320,460	0	1,514,708,290	4,272,121,594	83.97
2015	1,629,258,740	33,913,130	0	1,663,171,870	4,751,919,628	83.11
2016	1,663,905,800	34,841,600	0	1,698,747,400	4,853,564,000	83.11

Source: County Auditor

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

Calendar Year	District Direct Rate		Warren County	City of Mason	Mason Public Library		Deerfield Township	Great Oaks JVSD	Warren-Clinton Community Mental Health		Turtlecreek Township	Union Township	Warren County Health District	City of Lebanon	Lebanon Library
	General	Bond Improvement			Perm.	Total District Direct Rate									
2007	74.46	8.56	0.43	83.45	6.71	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00
2008	74.46	8.56	0.43	83.45	6.71	7.32	0.00	10.60	2.70	1.00	5.62	9.20	0.50	0.00	0.00
2009	74.46	8.56	0.43	83.45	5.78	6.44	0.00	10.60	2.70	1.00	9.12	9.20	0.50	7.82	1.00
2010	74.46	8.56	0.43	83.45	5.78	7.32	0.75	12.60	2.70	1.00	9.12	9.20	0.50	8.32	1.00
2011	74.46	8.56	0.43	83.45	7.78	7.32	0.75	12.60	2.70	1.00	9.12	9.20	0.50	7.82	1.00
2012	74.46	9.08	0.43	83.97	7.78	7.32	0.75	12.60	2.70	1.00	9.12	9.20	0.50	7.82	1.00
2013	74.46	9.08	0.43	83.97	7.78	6.72	0.75	14.10	2.70	1.00	9.12	9.20	0.50	8.32	1.00
2014	74.46	9.08	0.43	83.97	7.78	6.72	0.75	14.10	2.70	1.00	9.12	9.20	0.50	9.32	1.00
2015	74.46	8.22	0.43	83.11	7.78	6.72	0.75	14.10	2.70	1.00	9.12	9.20	0.50	9.32	1.00
2016	74.46	8.22	0.43	83.11	7.78	6.72	0.75	14.10	2.70	1.00	9.12	9.20	0.50	9.32	1.00

Source: County Auditor

Mason City School District, Ohio
Principal Property Tax Payers -- Warren County
Tax Collection Year 2017 & 2007
Schedule 10

Taxpayer	2017	
	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio Inc.	\$34,442,640	2.03%
Somerset at Deerfield	15,887,550	0.94%
GC Net Lease	15,882,950	0.93%
Hills Properties LTD	10,995,500	0.65%
LSREF 4 Skyline (OH/NE)	9,064,800	0.53%
CVG Partners IV LLC	8,419,830	0.50%
Twin Fountains of Mason	8,044,720	0.47%
Duke Realty Ohio	7,460,290	0.44%
Mason Christian Village	6,506,830	0.38%
Cintas Sales Corporation	5,955,130	0.35%
Total:	\$122,660,240	7.22%

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

Source: County Auditor

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

The amounts presented represent the assessed values upon which 2017 and 2007 collections were based.

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

Calendar Year	Taxes Levied	Collected within the Calendar Year of the Levy		Delinquent Collections in Subsequent Levy Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	62,500,926	61,130,056	97.81%	1,182,624	62,312,680	99.70%
2008	67,096,885	65,579,262	97.74%	1,517,623	67,096,885	100.00%
2009	68,754,298	66,782,787	97.13%	1,334,015	68,116,802	99.07%
2010	68,964,253	66,990,013	97.14%	1,297,700	68,287,713	99.02%
2011	70,093,350	68,714,230	98.03%	1,379,120	70,093,350	100.00%
2012	70,237,102	69,277,930	98.63%	959,172	70,237,102	100.00%
2013	71,446,609	70,531,504	98.72%	915,105	71,446,609	100.00%
2014	71,144,660	69,751,930	98.04%	1,038,720	70,790,650	99.50%
2015	73,825,100	72,825,654	98.65%	999,446	73,825,100	100.00%
2016	75,428,947	74,177,960	98.34%	1,065,126	75,243,086	99.75%

Source: County Auditor

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

Fiscal Year	Capital Leases	General		Debt Service Fund Balance	Net General Obligation Notes & Bonds	Net Bonded Debt Per Capita	Ratio of Net Bonded Debt to Estimated Value	Primary Government		
		Obligation Bonds	Obligation Bonds					Total Outstanding Debt	Percentage of Personal Income	Per Capita
2008	0	152,283,855	152,283,855	9,097,233	143,186,622	701	2.99%	152,283,855	1.98%	745
2009	5,249,000	145,623,798	145,623,798	10,012,515	135,611,283	654	2.94%	145,623,798	1.79%	702
2010	5,225,000	138,453,741	138,453,741	9,226,109	129,227,632	613	2.99%	138,453,741	1.69%	657
2011	5,170,000	130,668,684	130,668,684	8,754,032	121,914,652	573	2.85%	130,668,684	1.51%	614
2012	5,103,000	121,878,627	121,878,627	6,936,422	114,942,205	535	1.91%	121,878,627	1.32%	567
2013	5,025,000	112,488,385	112,488,385	6,528,744	105,959,641	488	2.56%	112,488,385	1.14%	518
2014	4,933,000	108,878,030	108,878,030	5,878,777	102,999,253	470	2.45%	108,878,030	1.07%	497
2015	4,827,000	99,945,595	99,945,595	7,802,150	92,143,445	416	2.16%	99,945,595	0.91%	451
2016	4,704,000	90,643,770	90,643,770	7,047,669	83,596,101	372	1.76%	90,643,770	0.78%	404
2017	4,566,000	79,968,080	79,968,080	9,112,953	70,855,127	312	1.46%	79,968,080	NA	352

Source: District Records

N/A - Information not available

Mason City School District, Ohio
Direct and Overlapping Governmental Activities Debt
As of June 30, 2017
Schedule 13

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Overlapping Debt:			
Butler County	\$39,360,420	0.06%	\$23,616
Warren County	600,000	26.72%	160,320
Lebanon City	11,841,603	0.00%	0
City of Mason	27,660,000	91.04%	25,181,664
Deerfield Township	6,540,000	59.14%	3,867,756
Turtle Creek Township	439,000	0.03%	132
Union Township	112,931	2.77%	3,128
West Chester Township	37,265,000	0.23%	85,710
Great Oaks Joint Vocational School	<u>8,630,000</u>	9.05%	<u>781,015</u>
Subtotal, Overlapping Debt	<u>132,448,954</u>		<u>30,103,341</u>
District direct debt	79,375,000	100.00%	79,375,000
Total direct and overlapping debt	<u>\$211,823,954</u>		<u>\$109,478,341</u>

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for Fiscal Year 2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assessed Value										\$1,698,747,400
Debt Limit (9% of Assessed Value)										152,887,266
Debt Limit - Special Needs District (2)										247,858,540
Debt Applicable to Limit										79,968,080
Legal Debt Margin										\$167,890,460
Debt Limit	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540	\$247,858,540
Total Net Debt Applicable to Limit	146,857,767	139,027,485	132,638,891	125,070,968	117,843,578	125,413,385	121,611,030	112,172,595	90,643,700	79,968,080
Legal Debt Margin	\$101,000,773	\$108,831,055	\$115,219,649	\$122,787,572	\$130,014,962	\$122,445,155	\$126,247,510	\$135,685,945	\$157,214,840	\$167,890,460
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	59.25%	56.09%	53.51%	50.46%	47.54%	50.60%	49.06%	45.26%	36.57%	32.26%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2017 is calendar year 2016)

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

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2007	204,390	7,709,497	37,865	4.90%
2008	207,353	8,121,993	39,156	5.60%
2009	210,712	8,189,840	38,867	9.30%
2010	212,693	8,645,056	40,536	8.10%
2011	214,910	9,202,095	42,818	6.30%
2012	217,241	9,880,531	45,482	6.50%
2013	219,169	10,131,284	46,226	6.40%
2014	221,659	10,990,640	49,584	5.20%
2015	224,469	11,572,120	51,553	4.10%
2016	227,063	NA	NA	4.20%

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

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

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

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

N/A - Information not available

**Mason City School District, Ohio
Principal Employers,
Current Year and Nine Years Prior
Schedule 16**

Employer	2017 (1)	
	Number of Employees	Percentage of Total Employment
Procter & Gamble	1,943	1.76%
WellPoint	1,748	1.59%
Luxottica Retail	1,913	1.74%
Cintas Corporate	1,512	1.37%
Mason City Schools	1,097	1.00%
Express Scripts	700	0.64%
L3 Cincinnati Electronics	618	0.56%
Cengage Learning, Inc.	575	0.52%
Intelligrated Systems, LLC	468	0.43%
Portion Pac, Inc.	438	0.40%
	<u>11,012</u>	<u>10.00%</u>
Total County Employment (3)	110,100	

Employer	2008 (2)	
	Number of Employees	Percentage of Total Employment
Anthem	2,243	2.17%
Procter & Gamble	2,100	2.03%
Luxottica Retail	1,494	1.44%
Cintas Corporate	1,310	1.26%
Mason City Schools	1,230	1.19%
Siemens Business Services	525	0.51%
L3 Cincinnati Electronics	508	0.49%
Thompson Learning	479	0.46%
Mitsubishi Electric	478	0.46%
Portion Pac	465	0.45%
Lindner Center of Hope	225	0.22%
	<u>11,057</u>	<u>10.67%</u>
Total County Employment (3)	103,600	

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

Source: (2) City of Mason Income Tax Department

Source: (3) Historical Civilian Labor Force Estimates

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Office/Administrative										
Superintendent/Associate/Assistants	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	4.00	4.00
Principals/Assistant	24.00	25.00	26.00	26.00	23.00	21.00	20.33	21.00	21.00	21.00
Other	22.75	20.75	21.75	21.00	20.00	17.90	17.00	19.00	19.50	18.00
Official/Administrative	<u>50.75</u>	<u>49.75</u>	<u>51.75</u>	<u>51.00</u>	<u>46.00</u>	<u>41.90</u>	<u>40.33</u>	<u>43.00</u>	<u>44.50</u>	<u>43.00</u>
Professional- Educational										
Total General Education	528.82	558.55	547.53	544.00	527.26	511.05	513.00	482.33	483.91	482.13
Special Education	94.27	86.58	96.51	94.91	93.12	88.67	87.72	78.63	74.15	75.00
Curriculum Specialist	12.50	13.00	12.00	12.00	10.50	12.50	10.00	8.00	6.00	8.00
Counseling	20.50	22.10	22.10	21.00	21.00	20.00	20.00	19.80	19.80	20.00
Librarian/Media	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Other Professional	1.00	1.00	1.00	1.00	1.00	0.00	0.00	14.00	12.50	2.65
Professional-Educational	<u>659.09</u>	<u>683.23</u>	<u>681.14</u>	<u>674.91</u>	<u>654.88</u>	<u>634.22</u>	<u>632.72</u>	<u>604.76</u>	<u>598.36</u>	<u>589.78</u>
Professional - Other										
Public Relations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Psychologists	5.00	5.00	8.00	9.00	9.00	9.00	9.00	10.00	9.00	9.00
Social Work	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Speech, OT, PT	14.13	13.87	13.87	14.15	13.95	14.12	14.88	13.34	13.34	12.94
Professional - Other	<u>21.13</u>	<u>20.87</u>	<u>23.87</u>	<u>25.15</u>	<u>24.95</u>	<u>25.12</u>	<u>25.88</u>	<u>25.34</u>	<u>24.34</u>	<u>23.94</u>
Technical										
Information Technology	13.00	13.00	13.00	12.00	11.00	11.00	9.00	8.00	8.00	7.00
Practical Nursing	8.02	8.96	9.46	9.93	8.99	8.52	8.46	8.46	10.46	11.58
Library Aide	11.97	11.70	9.70	10.20	10.20	7.20	7.20	8.63	8.63	8.63
Other Technical	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Technical	<u>34.99</u>	<u>35.66</u>	<u>34.16</u>	<u>34.13</u>	<u>32.19</u>	<u>28.72</u>	<u>25.66</u>	<u>26.09</u>	<u>28.09</u>	<u>28.21</u>
Office/ Clerical	<u>67.73</u>	<u>70.19</u>	<u>69.99</u>	<u>67.89</u>	<u>62.50</u>	<u>56.77</u>	<u>55.52</u>	<u>58.03</u>	<u>59.46</u>	<u>59.16</u>
Crafts & Trades	<u>14.00</u>	<u>14.00</u>	<u>13.00</u>	<u>13.00</u>	<u>12.00</u>	<u>11.00</u>	<u>9.00</u>	<u>10.00</u>	<u>11.50</u>	<u>9.50</u>
Bus Drivers	<u>89.04</u>	<u>91.35</u>	<u>90.81</u>	<u>80.28</u>	<u>68.80</u>	<u>69.75</u>	<u>66.37</u>	<u>70.56</u>	<u>71.68</u>	<u>81.80</u>
Extra- Curricular	<u>0.00</u>									
Service Work/ Laborer										
Attendance Officer	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94
Custodian	65.00	60.00	59.00	56.00	44.00	41.00	37.00	34.00	30.00	29.00
Groundskeeping	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	2.00	2.00
Food Service	46.33	51.65	54.64	51.48	48.43	46.77	45.18	47.76	47.00	49.90
Guard/ Watchman	3.00	3.00	4.00	4.00	4.00	1.00	1.00	0.00	0.00	0.00
Monitoring (Recess)	23.47	24.70	21.50	24.57	28.24	22.08	21.86	24.95	19.51	27.85
Attendent (Paraprofessionals)	155.31	160.91	163.55	171.04	158.94	141.71	134.11	130.32	134.87	152.08
Other Services Worker/ Laborer	0.27	0.27	1.14	0.27	0.27	0.00	0.00	9.43	8.81	0.00
Total support and administration	<u>296.32</u>	<u>303.47</u>	<u>306.77</u>	<u>310.30</u>	<u>286.82</u>	<u>256.50</u>	<u>243.09</u>	<u>250.40</u>	<u>243.13</u>	<u>261.77</u>
Total employees	<u>1233.05</u>	<u>1268.52</u>	<u>1271.49</u>	<u>1256.66</u>	<u>1188.14</u>	<u>1123.98</u>	<u>1098.57</u>	<u>1088.18</u>	<u>1081.06</u>	<u>1097.16</u>

Source: State Department of Education

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

Fiscal Year	Enrollment	Operating Expenditure	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2008	10,710	105,389,935	9,840	1.75%	113,971,792	10,642	4.76%	711.00	15.1	3.83%
2009	10,803	107,460,331	9,947	1.09%	118,659,743	10,984	3.22%	744.00	14.5	4.55%
2010	10,974	112,660,754	10,266	3.21%	122,017,971	11,119	1.23%	761.00	14.4	5.37%
2011	11,013	115,792,919	10,514	2.42%	125,677,265	11,412	2.63%	755.00	14.6	6.44%
2012	10,991	115,563,586	10,514	0.00%	125,536,986	11,422	0.09%	708.50	15.5	6.94%
2013	10,911	108,870,439	9,978	-5.10%	118,759,404	10,884	-4.71%	691.50	15.8	7.68%
2014	10,773	111,185,897	10,321	3.44%	\$121,932,892	11,318	3.99%	672.50	16.0	8.00%
2015	10,715	114,714,752	10,706	3.73%	\$124,713,728	11,639	2.83%	656.00	16.3	8.00%
2016	10,713	114,386,380	10,677	-0.27%	\$120,332,592	11,232	-3.49%	646.50	16.6	8.00%
2017	10,728	118,809,386	11,075	3.72%	\$130,018,088	12,120	7.90%	637.60	16.8	8.00%

Source: Nonfinancial information from district records.

N/A - Information not available

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
School										
Elementary										
Mason Early Childhood (2006)										
Square feet	172,211	172,211	172,211	172,211	172,211	172,211	172,211	172,211	172,211	172,211
Capacity	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Enrollment	1,797	1,754	1,747	1,706	1,549	1,905	1,854	1,825	1,833	1,861
Mason Heights (1965)										
Square feet	101,863	101,863	101,863	101,863	101,863					
Capacity	1,200	1,200	1,200	1,200	1,200					
Enrollment	890	874	833	821	838					
Western Row (1961)										
Square feet	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002
Capacity	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	888	907	866	855	840	1,164	1,050	1,025	974	1,012
Mason Intermediate (1998/1994)										
Square feet	356,700	356,700	356,700	356,700	356,700	356,700	356,700	356,700	356,700	356,700
Capacity	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Enrollment	2,592	2,608	2,715	2,700	2,678	2,617	2,606	2,554	2,486	2,430
Junior High School										
Mason Middle (1958)										
Square feet	276,378	276,378	276,378	276,378	276,378	276,378	276,378	276,378	276,378	276,378
Capacity	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	1,663	1,713	1,724	1,773	1,800	1,845	1,853	1,749	1,799	1,834
High School										
William Mason High (2002) (2010)										
Square feet	375,010	375,010	539,236	539,236	539,236	539,236	539,236	539,236	539,236	539,236
Capacity	2,950	2,950	3,513	3,513	3,700	3,700	3,700	3,700	3,700	3,700
Enrollment	2,880	2,947	3,089	3,158	3,286	3,380	3,410	3,562	3,621	3,591

Source: School District Records

Mason City School District, Ohio
MISCELLANEOUS STATISTICAL DATA
Schedule 20

Year of Original Charter:	June 10, 1968
Current Charter:	September 9, 1991
Form of Government:	Public School District
Area of District:	25 Square Miles
Number Miles Traveled by Transportation Fleet for the 2016-2017 School Year:	979,740
Number Meals Served by Food Service Department for the 2016-2017 School Year:	1,155,094

School Buildings	Grade Levels	Enrollment
Mason Early Childhood Center	PS-2	1,861
Western Row Elementary	2-3	1,012
Mason Intermediate	4-6	2,430
Mason Middle School	7-8	1,834
William Mason High School	9-12	3,591
		10,728

Degree	Number of Certified Staff	Percentage of Total
Bachelor's Degree	27.5	4.31%
Bachelor + 150	70.8	11.11%
Master's Degree	536.3	84.12%
Doctorate	3.0	0.47%
Total	637.6	100.01%

Years of Experience	Number of Certified Staff	Percentage of Total
0 - 5	83.8	13.14%
6 - 10	163.7	25.68%
11 - 15	157.1	24.64%
16 - 20	136.0	21.33%
21 - 25	62.0	9.72%
26 - 30	27.0	4.23%
31 - 35	7.0	1.10%
36 - 40	1.0	0.16%
	637.6	100.01%

Source: School District Records

Mason City School District, Ohio
STUDENT POPULATION BY SEX AND BY RACE
FOR THE 2016-2017 SCHOOL YEAR
Schedule 21

Grade	Male	Female	Total
PS	101	70	171
K	282	271	553
1	349	326	675
2	383	351	734
3	375	365	740
4	398	370	768
5	390	430	820
6	459	383	842
7	451	452	903
8	481	450	931
9	429	435	864
10	456	415	871
11	487	459	946
12	452	430	882
Ungraded	13	15	28
	5,506	5,222	10,728

Race	Total	Percent
American Indian/Alaskan	16	0.15%
Asian	2,474	23.06%
Black	428	3.99%
Caucasian	6,814	63.52%
Hispanic	481	4.48%
Multi-Racial	497	4.63%
Hawaiian/Pac Island	18	0.17%
	10,728	100.00%

Source: School District Financial Records.

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

School Year (1)	Preschool	KDN	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total	% Increase
2016-17	171	553	675	734	740	768	820	842	903	931	864	871	946	910	10,728	0.14%
2015-16	165	544	676	687	735	777	826	883	910	889	859	962	888	912	10,713	-0.02%
2014-15	164	580	662	702	742	806	862	886	872	877	941	873	883	865	10,715	-0.54%
2013-14	171	575	679	713	766	867	876	863	878	977	857	878	832	841	10,773	-1.26%
2012-13	191	601	687	743	847	872	866	879	969	877	867	828	812	872	10,911	-0.73%
2011-12	193	623	733	826	852	845	872	961	880	917	850	809	851	779	10,991	-0.20%
2010-11	201	689	816	828	848	862	959	879	899	874	814	849	755	740	11,013	0.36%
2009-10	211	727	809	827	872	931	885	899	867	857	852	768	719	750	10,974	1.58%
2008-09	196	751	807	855	926	861	890	857	853	860	767	727	746	707	10,803	0.87%
2007-08	180	765	852	923	855	885	843	864	863	800	721	736	683	740	10,710	3.19%

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

Source: School District Records

Mason City School District, Ohio
DIRECTORY OF SCHOOL FACILITIES
AS OF JUNE 30, 2017
Schedule 23

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



Dave Yost • Auditor of State

MASON CITY SCHOOL DISTRICT

WARREN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 9, 2018**