

MANSFIELD CITY SCHOOL DISTRICT
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1999

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MANSFIELD CITY SCHOOL DISTRICT

FOR THE YEAR ENDED JUNE 30, 1999

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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To Board of Education
Mansfield City School District
Mansfield, Ohio 44902

We have reviewed the Independent Auditor's Report of the Mansfield City School District, Richland County, prepared by Rea & Associates, Inc., for the audit period July 1, 1998 to June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Mansfield City School District is responsible for compliance with these laws and regulations.


JIM PETRO
Auditor of State

January 4, 2000

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Rea & Associates, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

November 23, 1999

The Board of Education
Mansfield City School District
Mansfield, Ohio

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying general purpose financial statements of Mansfield City School District, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Mansfield City School District, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types and non-expendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 1999, on our consideration of Mansfield City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Rea & Associates, Inc.

Columbus
New Philadelphia
Millersburg
Coshocton
Cambridge
Marietta
Medina
Lima

MANSFIELD CITY SCHOOL DISTRICT

Combined Balance Sheet
All Fund Types and Account Groups

June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 12,037,827	\$ 1,745,514	\$ 143,195	\$ 2,125,547
Restricted Cash	536,929	0	0	0
Receivables:				
Taxes	17,952,514	0	122,868	1,222,580
Accounts	11,533	1,313	0	0
Interfund	73,520	0	0	0
Accrued Interest	11,271	0	0	0
Intergovernmental Receivable	96,969	508,050	0	0
Inventory	81,675	0	0	0
Fixed Assets (Net)	0	0	0	0
Total Assets	30,802,238	2,254,877	266,063	3,348,127
Other Debits				
Amount Available In Debt Service	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Other Debits	0	0	0	0
Total Assets and Other Debits	\$ 30,802,238	\$ 2,254,877	\$ 266,063	\$ 3,348,127
Liabilities, Fund Equity and Other Credits				
Liabilities				
Accounts Payable	\$ 20,018	\$ 21,181	\$ 0	\$ 18,133
Contracts Payable	0	0	0	247,702
Accrued Wages and Benefits	2,941,443	467,919	0	0
Compensated Absences Payable	0	0	0	0
Interfund Payable	0	60,200	0	3,000
Intergovernmental Payable	1,107,188	174,515	0	0
Deferred Revenue	13,949,182	0	95,019	948,729
Undistributed Monies	0	0	0	0
Claims Payable	0	0	0	0
Capital Lease Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	18,017,831	723,815	95,019	1,217,564
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	555,503	180,089	0	473,593
Reserved for Inventory	81,675	0	0	0
Reserved for Budget Stabilization	536,929	0	0	0
Reserved for Tax Revenue Unavailable for Appropriation	4,003,332	0	27,849	273,851
Unreserved:				
Undesignated	7,606,968	1,350,973	143,195	1,383,119
Total Fund Equity and Other Credits	12,784,407	1,531,062	171,044	2,130,563
Total Liabilities, Fund Equity and Other Credits	\$ 30,802,238	\$ 2,254,877	\$ 266,063	\$ 3,348,127

See accompanying notes to the general purpose financial statement.

Proprietary Fund Types		Fiduciary Fund Types		Account Groups		Totals
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations		(Memorandum Only)
\$ 1,106,284	\$ 2,733,055	\$ 919,991	\$ 0	\$ 0	\$ 0	\$ 20,811,413
0	0	0	0	0	0	536,929
0	0	0	0	0	0	19,297,962
20,788	55,119	902	0	0	0	89,655
0	0	0	0	0	0	73,520
0	0	0	0	0	0	11,271
213,670	0	18,256	0	0	0	836,945
132,642	0	0	0	0	0	214,317
82,681	0	0	17,658,381	0	0	17,741,062
1,556,065	2,788,174	939,149	17,658,381	0	0	59,613,074
0	0	0	0	137,075	0	137,075
0	0	0	0	2,038,956	0	2,038,956
0	0	0	0	2,176,031	0	2,176,031
\$ 1,556,065	\$ 2,788,174	\$ 939,149	\$ 17,658,381	\$ 2,176,031	\$ 0	\$ 61,789,105
\$ 4,577	\$ 0	\$ 1,332	\$ 0	\$ 0	\$ 0	\$ 65,241
0	0	0	0	0	0	247,702
125,654	0	100	0	0	0	3,535,116
55,159	0	0	0	855,597	0	910,756
10,320	0	0	0	0	0	73,520
104,621	0	42	0	319,916	0	1,706,282
108,729	0	0	0	0	0	15,101,659
0	0	41,935	0	0	0	41,935
0	912,375	0	0	0	0	912,375
0	0	0	0	50,518	0	50,518
0	0	0	0	950,000	0	950,000
409,060	912,375	43,409	0	2,176,031	0	23,595,104
0	0	0	17,658,381	0	0	17,658,381
1,147,005	1,875,799	0	0	0	0	3,022,804
0	0	26,417	0	0	0	1,235,602
0	0	0	0	0	0	81,675
0	0	0	0	0	0	536,929
0	0	0	0	0	0	4,305,032
0	0	869,323	0	0	0	11,353,578
1,147,005	1,875,799	895,740	17,658,381	0	0	38,194,001
\$ 1,556,065	\$ 2,788,174	\$ 939,149	\$ 17,658,381	\$ 2,176,031	\$ 0	\$ 61,789,105

MANSFIELD CITY SCHOOL DISTRICT

*Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances*

All Governmental Fund Types and Expendable Trust Funds

For the Year Ended June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues				
Taxes	\$ 19,801,373	\$ 0	\$ 141,116	\$ 1,288,623
Intergovernmental	21,831,902	6,563,658	13,193	1,160,386
Investment Income	836,477	4,299	0	49,862
Tuition and Fees	474,899	0	0	0
Extracurricular Activities	0	371,374	0	0
Miscellaneous	349,149	900	0	500
Total Revenues	43,293,800	6,940,231	154,309	2,499,371
Expenditures				
Current:				
Instruction				
Regular	15,031,177	2,366,918	0	0
Special	4,308,987	1,583,743	0	0
Vocational	1,457,192	75,694	0	0
Adult Continuing	0	116,150	0	0
Other	361,572	24,903	0	0
Support Services:				
Pupils	1,696,025	516,132	0	394,112
Instructional Staff	2,119,985	796,546	0	6,100
Board of Education	21,441	0	0	0
Administration	2,794,325	202,183	0	0
Fiscal	593,182	9,743	0	0
Business	446,028	0	0	0
Operation and Maintenance of Plant	3,560,302	36,557	0	1,478,827
Pupil Transportation	1,136,248	29,857	0	0
Central	726,704	162,021	0	37,521
Operation of Non-Instructional Services	0	348,448	0	0
Extracurricular Activities	457,889	307,912	0	0
Capital Outlay	0	0	0	143,938
Debt Service:				
Principal Retirement	0	0	74,999	45,483
Interest and Fiscal Charges	0	0	73,049	3,382
Total Expenditures	34,711,057	6,576,807	148,048	2,109,363
Excess of Revenues Over (Under) Expenditures	8,582,743	363,424	6,261	390,008
Other Financing Sources (Uses)				
Insurance Proceeds on Loss	12,774	0	0	0
Operating Transfers In	0	69,887	0	191,000
Operating Transfers Out	(257,949)	(58,717)	0	0
Total Other Financing Sources (Uses)	(245,175)	11,170	0	191,000
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	8,337,568	374,594	6,261	581,008
Fund Balance at Beginning Of Year	4,365,164	1,156,468	164,783	1,549,555
Increase (Decrease) in Reserve for Inventory	81,675	0	0	0
Fund Balance at End of Year	\$ 12,784,407	\$ 1,531,062	\$ 171,044	\$ 2,130,563

See accompanying notes to the general purpose financial statement.

Fiduciary Fund Type		Totals (Memorandum Only)	
Expendable Trust			
\$	0	\$	21,231,112
	807,634		30,376,773
	32,956		923,594
	0		474,899
	0		371,374
	702,468		1,053,017
	1,543,058		54,430,769

40,166	17,438,261
23,902	5,916,632
0	1,532,886
0	116,150
0	386,475

23,865	2,630,134
13,168	2,935,799
0	21,441
92,855	3,089,363
0	602,925
0	446,028
0	5,075,686
0	1,166,105
56,946	983,192
1,050,936	1,399,384
84	765,885
0	143,938

0	120,482
0	76,431
1,301,922	44,847,197

241,136	9,583,572
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0	12,774
25,812	286,699
(14,512)	(331,178)
11,300	(31,705)

252,436	9,551,867
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613,653	7,849,623
0	81,675

\$	866,089	\$	17,483,165
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MANSFIELD CITY SCHOOL DISTRICT

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
All Governmental Fund Types and Expendable Trust Funds
 (Non-GAAP Budgetary Basis)

For the Year Ended June 30, 1999

	GENERAL FUND			SPECIAL REVENUE FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$ 17,500,000	\$ 17,327,611	\$ (172,389)	\$ 0	\$ 0	\$ 0
Intergovernmental	24,157,790	21,788,070	(2,369,720)	7,304,552	6,110,428	(1,194,124)
Investment Income	949,823	867,784	(82,039)	5,152	299	(853)
Tuition and Fees	550,592	496,557	(54,035)	1,079	900	(179)
Extracurricular Activities	0	0	0	408,403	340,800	(67,603)
Miscellaneous	416,764	375,863	(40,901)	0	0	0
Total Revenues	43,574,969	40,855,885	(2,719,084)	7,719,186	6,456,427	(1,262,759)
Expenditures						
Current:						
Instruction	22,489,258	21,323,097	1,166,161	5,559,313	4,050,732	1,508,581
Support Services:						
Pupils	1,750,869	1,685,383	65,486	0	0	0
Instructional Staff	2,193,675	2,127,286	66,389	831,183	537,808	297,375
Board of Education	24,847	21,834	3,013	1,106,152	810,583	295,569
Administration	2,936,857	2,871,916	64,941	0	0	0
Fiscal	637,232	603,458	33,774	131,845	120,990	10,855
Business	593,252	491,872	101,380	0	0	0
Operation and Maintenance of Plant	3,762,685	3,687,842	74,843	41,157	38,522	2,635
Pupil Transportation	1,517,980	1,138,083	379,897	27,148	16,702	10,446
Central	839,208	825,560	13,648	44,167	30,676	13,491
Operation of Non-Instructional Services	0	0	0	191,321	188,107	3,214
Extracurricular Activities	457,947	35,067	1,880	420,130	375,871	44,259
Capital Outlay	0	0	0	460,349	337,134	123,215
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Total Expenditures	37,203,810	35,232,398	1,971,412	8,812,765	6,503,125	2,309,640
Excess of Revenues Over (Under) Expenditures	6,371,159	5,623,487	(747,672)	(1,093,579)	(1,046,698)	1,046,881
Other Financing Sources (Uses)						
Insurance Proceeds from Loss	8,316	7,500	(816)	0	0	0
Advances In	250,670	225,069	(24,601)	55,065	5,950	(9,115)
Advances Out	(340,000)	(329,270)	280,730	(32,300)	(32,300)	0
Operating Transfers In	0	0	0	83,750	83,877	(13,863)
Operating Transfers Out	(261,000)	(257,949)	3,051	(58,717)	(58,717)	0
Total Other Financing Sources (Uses)	(342,014)	(333,650)	258,364	47,798	24,820	(22,978)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	6,029,145	5,289,837	(489,308)	(1,045,781)	(1,021,878)	1,023,903
Fund Balance (Deficit) at Beginning of Year	5,976,915	5,976,915	0	1,390,959	1,390,959	0
Prior Year Encumbrances Appropriated	482,482	482,482	0	175,145	175,145	0
Fund Balance (Deficit) at End of Year	\$ 12,488,542	\$ 11,999,234	\$ (489,308)	\$ 520,323	\$ 474,126	\$ 1,023,903

See accompanying notes to the general purpose financial statement.

DEBT SERVICE FUND			CAPITAL PROJECT FUND		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 140,000	125,504	\$ (14,496)	\$ 1,155,000	1,115,724	\$ (39,276)
0	13,193	13,193	2,329,482	1,310,046	(1,019,436)
0	0	0	88,665	89,863	(38,802)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	889	500	(389)
140,000	138,697	(1,303)	3,574,036	2,476,133	(1,097,903)
0	0	0	0	0	0
0	0	0	882,643	11,479	471,164
0	0	0	6,100	6,100	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	2,154,420	1,856,488	297,932
0	0	0	0	0	0
0	0	0	88,814	7,432	41,382
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	705,289	381,316	323,973
150,900	148,049	2,851	0	0	0
150,900	148,049	2,851	3,837,266	2,702,815	1,134,451
(10,900)	(9,352)	1,548	(263,230)	(226,682)	36,548
0	0	0	0	0	0
0	0	0	5,335	8,000	(2,335)
0	0	0	(554,000)	(177,000)	377,000
0	0	0	339,630	(97,000)	(148,630)
0	0	0	0	0	0
0	0	0	(209,035)	(77,000)	226,035
(10,900)	(9,352)	1,548	(472,265)	(209,682)	262,583
152,547	152,417	0	773,684	773,684	0
0	0	0	822,115	822,115	0
\$ 141,647	143,195	\$ 1,548	\$ 1,123,534	1,336,117	\$ 262,583

(continued)

MANSFIELD CITY SCHOOL DISTRICT

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
All Governmental Fund Types and Expendable Trust Funds
(Non-GAAP Budgetary Basis)

For the Year Ended June 30, 1999

	EXPENDABLE TRUST FUNDS			TOTALS (MEMORANDUM ONLY)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$ 0	\$ 0	\$ 0	\$ 18,795,000	\$ 18,568,839	\$ (226,161)
Intergovernmental	777,254	772,192	(5,062)	34,569,078	29,993,929	(4,575,149)
Investment Income	34,162	37,958	(1,204)	1,077,802	944,904	(122,898)
Tuition and Fees	0	13,700	0	551,671	497,437	(54,214)
Extracurricular Activities	0	0	0	408,403	340,800	(67,603)
Miscellaneous	761,556	734,720	(26,836)	1,179,209	1,111,083	(68,126)
Total Revenues	1,572,972	1,539,870	(33,102)	56,581,163	51,467,012	(5,114,151)
Expenditures						
Current:						
Instruction	94,707	74,527	20,180	28,143,278	25,448,356	2,694,922
Support Services:						
Pupils	37,613	24,776	12,837	2,671,125	2,121,638	549,487
Instructional Staff	25,746	13,928	11,818	3,056,704	2,681,122	375,582
Board of Education	0	0	0	1,130,999	832,417	298,582
Administration	161,320	93,803	67,517	3,098,177	2,965,719	132,458
Fiscal	0	0	0	769,077	724,448	44,629
Business	0	0	0	593,252	491,872	101,380
Operation and Maintenance of Plant	40,000	0	40,000	5,998,262	5,582,852	415,410
Pupil Transportation	0	0	0	1,545,128	1,154,785	390,343
Central	99,403	59,249	40,154	1,071,592	962,917	108,675
Operation of Non-Instructional Services	1,474,836	1,068,096	406,740	1,666,157	1,256,203	409,954
Extracurricular Activities	584	84	500	878,661	832,022	46,639
Capital Outlay	0	0	0	1,165,638	718,450	447,188
Debt Service:						
Principal Retirement	0	0	0	150,900	148,049	2,851
Total Expenditures	1,934,209	1,334,463	599,746	51,938,950	46,920,850	6,018,100
Excess of Revenues Over (Under) Expenditures	(361,237)	205,407	566,644	4,642,213	5,546,162	903,949
Other Financing Sources (Uses)						
Insurance Proceeds from Loss	0	0	0	8,316	7,500	(816)
Advances In	16,273	15,900	(573)	327,343	290,719	(36,624)
Advances Out	(22,000)	(22,000)	0	(948,300)	(940,570)	657,730
Operating Transfers In	26,755	25,160	(943)	450,135	286,699	(163,436)
Operating Transfers Out	(14,512)	(16,514)	0	(334,229)	(312,178)	3,051
Total Other Financing Sources (Uses)	6,516	5,000	(1,516)	(496,735)	(76,830)	459,905
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(354,721)	210,407	565,128	4,145,478	5,469,332	1,363,854
Fund Balance (Deficit) at Beginning of Year	610,258	610,258	0	8,904,363	8,904,363	0
Prior Year Encumbrances Appropriated	0	0	0	1,479,742	1,479,742	0
Fund Balance (Deficit) at End of Year	\$ 255,537	\$ 820,665	\$ 565,128	\$ 14,529,583	\$ 15,383,437	\$ 1,363,854

See accompanying notes to the general purpose financial statement.

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MANSFIELD CITY SCHOOL DISTRICT

*Combined Statement of Revenues,
Expenses, and Changes in Fund Equity
All Proprietary Fund Types and Non-Expendable Trust Fund*

For the Year Ended June 30, 1999

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Non-Expendable Trust	
Operating Revenues				
Tuition	\$ 112,574	\$ 0	\$ 0	\$ 112,574
Sales	699,209	0	0	699,209
Investment Income	0	0	1,618	1,618
Other Operating Revenues	20,743	3,309,701	0	3,330,444
Total Operating Revenues	832,526	3,309,701	1,618	4,143,845
Operating Expenses				
Salaries	1,065,916	0	0	1,065,916
Fringe Benefits	463,698	0	0	463,698
Purchased Services	75,979	3,393,246	650	3,469,875
Materials and Supplies	912,943	0	34	912,977
Depreciation	9,807	0	0	9,807
Capital Outlay	26,221	0	0	26,221
Other Operating Expenses	609	0	0	609
Total Operating Expenses	2,555,173	3,393,246	684	5,949,103
Operating Income (Loss)	(1,722,647)	(83,545)	934	(1,805,258)
Non-Operating Revenues (Expenses)				
Operating Grants	1,598,238	0	0	1,598,238
Interest	49,418	0	0	49,418
Total Non-Operating Revenues (Expenses)	1,647,656	0	0	1,647,656
Net Income (Loss) Before Operating Transfers	(74,991)	(83,545)	934	(157,602)
Transfers In	45,246	0	0	45,246
Transfers Out	0	0	(767)	(767)
Net Income (Loss)	(29,745)	(83,545)	167	(113,123)
Retained Earnings/Fund Balance at Beginning of Year	1,176,750	1,959,344	29,484	3,165,578
Total Fund Equity at End of Year	\$ 1,147,005	\$ 1,875,799	\$ 29,651	\$ 3,052,455

See accompanying notes to the general purpose financial statement.

MANSFIELD CITY SCHOOL DISTRICT

Combined Statement of Cash Flows
All Proprietary Fund Types and Non-Expendable Trust Fund

For the Year Ended June 30, 1999

	Proprietary Fund Types		Fiduciary	Totals (Memorandum Only)
	Enterprise	Internal Service	Non-Expendable Trust	
Cash Flows From Operating Activities				
Cash Received from Customers	\$ 825,000	\$ 0	\$ 1,618	\$ 826,618
Cash Received from Quasi External Transactions with Other Funds	0	3,255,915	0	3,255,915
Cash Paid for Goods and Services	(997,510)	0	(684)	(998,194)
Cash Paid to Employees	(1,523,901)	0	0	(1,523,901)
Cash Paid for Claims	0	(3,369,941)	0	(3,369,941)
Net Cash Provided By (Used For) Operating Activities	(1,696,411)	(114,026)	934	(1,809,503)
Cash Flows From Non-Capital Financing Activities				
Investment Earnings	49,418	0	0	49,418
Grants	1,598,238	0	0	1,598,238
Transfers In	45,246	0	0	45,246
Transfers Out	0	0	(767)	(767)
Net Cash Provided By Non-Capital Activities	1,692,902	0	(767)	1,692,135
Net Increase (Decrease) in Cash and Cash Equivalents	(3,509)	(114,026)	167	(117,368)
Cash and Cash Equivalents at Beginning of Year	1,109,793	2,847,081	29,484	3,986,358
Cash and Cash Equivalents at End of Year	\$ 1,106,284	\$ 2,733,055	\$ 29,651	\$ 3,868,990
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities				
Operating Income (Loss)	\$ (1,722,647)	\$ (83,545)	\$ 934	\$ (1,805,258)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:				
Depreciation	9,807	0	0	9,807
(Increase) Decrease in Assets:				
Intergovernmental Receivable	(13,187)	0	0	(13,187)
Accounts Receivable	5,661	(53,786)	0	(48,125)
Inventory	(66,145)	0	0	(66,145)
Increase (Decrease) in Liabilities:				
Accounts Payable	948	0	0	948
Interfund Payable	(989)	0	0	(989)
Deferred Revenue	62,125	23,305	0	85,430
Contracts Payable	22,303	0	0	22,303
Wages and Benefits	(727)	0	0	(727)
Compensated Absences	6,440	0	0	6,440
Total Adjustments	26,236	(30,481)	0	(4,245)
Net Cash Provided By (Used For) Operating Activities	\$ (1,696,411)	\$ (114,026)	\$ 934	\$ (1,809,503)
Reconciliation of Non-Expendable Trust Fund Cash Balance as of June 30, 1999				
Total Cash and Cash Equivalents per Balance Sheet, Trust and Agency Funds			\$ 919,991	
Cash and Cash Equivalents Agency Fund			(41,935)	
Cash and Cash Equivalents Expendable Trust			(848,405)	
Cash and Cash Equivalents Non-Expendable Trust Funds as of June 30, 1999			<u>\$ 29,651</u>	

See accompanying notes to the general purpose financial statement.

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

NOTE 1 - NATURE OF BASIC OPERATIONS AND DESCRIPTION OF THE ENTITY

The Mansfield City School District (the District) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education, consisting of five members, and is responsible for providing public education to residents of the District. Average daily membership on, or as of, October 1, 1998, was 6,422. The District employs 537 certificated and 322 non-certificated employees.

The reporting entity is required to be composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Mansfield City School District, this includes general operations, food service, and student related activities of the District.

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

Management believes the financial statements included in the report represent all of the funds of the District over which the District has the ability to exercise direct operating control.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) *MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION*

The accounts of the Mansfield City School District are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The Mansfield City School District has the following fund types and account groups:

GOVERNMENTAL FUND TYPES

Governmental fund types are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means

MANSFIELD CITY SCHOOL DISTRICT
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collectible within the current period or soon enough thereafter to be used to pay obligations of the current period, which is considered to be approximately sixty days. Generally property taxes, although measurable, are not available soon enough after the current period to finance current period obligations, and accordingly, property taxes receivable are reflected as deferred revenue until available. Reimbursements due for federally funded programs are recognized when the corresponding expenditures are made.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, since the measurement focus of governmental funds is on decreases in financial resources. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payment to be made early in the following year. Compensated absences are reported as a fund liability when payment will require the current available financial resources. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds. Governmental funds include the following fund types:

General Fund - used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects, that are legally restricted to expenditure for specified purposes.

Debt Service Fund - used to account for the accumulation of resources for the payment of interest and principal on long-term general obligation debt other than those payable from Proprietary Funds.

Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary or trust funds.

PROPRIETARY FUND TYPES

Proprietary fund types are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Allocations of costs, such as depreciation, are recognized in the proprietary funds. As permitted, the board of education has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations unless they contradict/conflict with GASB pronouncements. Proprietary funds include the following fund types:

Enterprise Funds - used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs, including depreciation where applicable, of providing goods or services to the general public on a continuing basis be

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Fund - used to account for the financing of goods or services provided by one department or agency to governmental units, on a cost-reimbursement basis.

FIDUCIARY FUND TYPES

Fiduciary fund types account for assets held by the government in a trustee capacity or as an agent on behalf of others. Fiduciary fund types are as follows:

Expendable Trust Fund - accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting.

Nonexpendable Trust Fund - is a account for endowment-like trust arrangements, accounted for much like a proprietary fund.

Agency Fund - custodial in nature and do not present results of operations or have a measurement focus. Agency Funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

ACCOUNT GROUPS

The District maintains two account groups as described below:

General Fixed Assets Account Group - used to account for fixed assets acquired for general purposes other than those accounted for in proprietary or trust funds.

General Long-term Obligations Account Group - used to account for the outstanding principal balances of general obligation bonds, debt, and other long-term obligations not reported in proprietary funds.

(B) DEPOSITS AND INVESTMENTS

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The District pools its cash for investment and administration purposes. Deposit and investment procedures are restricted by the provisions of the Ohio Revised Code. Purchased investments and other cash equivalents are neither charged when purchased nor credited at the time of redemption to their respective fund balances. Investment income is recorded in the general fund, as permitted by the Ohio Revised Code. Investments are stated at cost which approximates fair value at year-end.

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

(C) *RESTRICTED ASSETS*

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. The reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. A fund balance reserve has also been established.

(D) *RECEIVABLES*

Receivables are reflected at their gross value reduced by the estimated amount that is expected to be uncollectible.

(E) *INVENTORIES AND SUPPLIES*

The costs of inventory items are recognized as expenditures when purchased in the governmental funds and recognized as expenses when used in the enterprise funds. For all funds, cost is determined on a first-in, first-out basis.

Reported inventories in the governmental fund types are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

(F) *PREPAID EXPENSES*

The District uses the consumption method to account for prepaid expenses. Under the consumption method the prepaid items are recorded as an expenditure when used.

(G) *FIXED ASSETS AND DEPRECIATION*

Fixed assets used in governmental fund types of the District are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets. The District does not possess any infrastructure.

Fixed assets which are used in proprietary fund type activities are capitalized in the respective funds. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at estimated fair market value when received, based on historical information available. Depreciation is computed using the straight-line method based on the estimated life of assets. Estimated useful lives of the various classes of depreciable assets consist of: buildings, 30 to 50 years; improvements, 30 to 50 years; equipment, including vehicles, 5 to 20 years.

(H) *LONG-TERM LIABILITIES*

Unmatured general long-term liabilities, which are related to governmental fund type operations, are reflected in the general long-term obligations account group.

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

(I) *UNPAID COMPENSATED ABSENCES*

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued through the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those, the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School district's termination policy.

The total liability for vacation and termination payments has been calculated using pay rates in effect at the balance sheet date and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable salary related payments.

Accumulated vacation and sick leave of Governmental Fund Type employees meeting the above requirements have been recorded in the appropriate Governmental Fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the General Long-Term Debt Account Group. In proprietary funds, the entire amount of eligible compensated absences is reported as a fund liability.

(J) *FUND EQUITY*

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations.

(K) *TOTAL COLUMNS*

Total columns on the general purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

(A) *BUDGETARY PROCESS*

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

All funds, other than agency funds, are required to be budgeted and appropriated. The primary level of budgetary control is at the object code function level within each fund. Budgetary modifications may only be made by resolution of the Board of Education.

(B) *BUDGETARY BASIS*

Tax Budget

A budget of estimated revenue and expenditures is submitted to the Richland County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the ensuing July 1 to June 30 fiscal year.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the District by March 1. As part of the certification, the District receives the official certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget ensuring that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. Budget receipts, as shown in the accompanying "Combined Statement of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types" do not include July 1, 1998 unencumbered fund balances. However, those fund balances are available for appropriations.

Appropriations

A temporary appropriations measure to control expenditures may be passed on or about July 1 of each year for the period July 1 to September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 to June 30. The appropriation resolution fixes spending authority at the fund, function level and may be amended during the year as new information becomes available provided that total fund appropriations do not exceed current estimated resources, as certified.

The allocation of appropriations among functions within a fund may be modified during the year by a resolution of the Board of Education. Several supplemental appropriation resolutions were legally enacted by the Board of Education during the year. The budget figures, as shown in the accompanying "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types"

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

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represent the final appropriation amounts including all amendments and modifications.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective funds from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the Non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits the sum of expenditures and encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end for governmental funds are reported as reservations of fund balance for subsequent-year expenditures.

Budgetary Reporting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, relies upon accounting for transactions on a basis of cash receipts, disbursements, and encumbrances. Accordingly, the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types" is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with state statute. The major differences between the budget basis and the modified accrual basis of generally accepted accounting principles (GAAP Basis) are that:

- 1) Revenues are recorded when received (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- 2) Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- 3) Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis).
- 4) For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP basis).

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

- 5) Proceeds from and principal payment on bond and tax anticipation notes are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP basis).
- 6) The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

The adjustments necessary to convert the results of operations for the year from the budget basis to the GAAP basis for the governmental funds follow:

Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)
Reconciliation of Budget Basis to GAAP Basis

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Expendable Trust Fund
Budget Basis	\$ 5,539,837	\$ (21,878)	\$ (9,352)	\$ (209,682)	\$ 210,407
Adjustments, increase (decrease)					
Revenue accruals	2,214,372	437,856	15,613	20,238	(9,820)
Expenditures accruals	7,838	(242,654)	0	31,024	24,100
Encumbrances	575,521	201,270	0	739,428	27,749
GAAP basis, as reported	<u>\$ 8,337,568</u>	<u>\$ 374,594</u>	<u>\$ 6,261</u>	<u>\$ 581,008</u>	<u>\$ 252,436</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

(A) LEGAL REQUIREMENTS

State statutes classify monies held by the District into three categories:

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

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

MANSFIELD CITY SCHOOL DISTRICT
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Interim deposits are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, 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 monies deposited with the institution.

Interim monies can be deposited or invested in the following securities:

- 1) United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
- 2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- 3) Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and be market to market daily with the term of the agreement not exceeding thirty days;
- 4) Bonds and other obligations of the State of Ohio;
- 5) No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- 6) The State Treasurer's investment pool (Star Ohio);
- 7) Certain bankers' acceptance and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
- 8) Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

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 Mansfield City School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specific dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

(B) *DEPOSITS*

At year-end, the carrying amount of the Mansfield City School District deposits was \$552,993 and the bank balance was \$1,032,873 of which \$32,873 was covered by federal depository insurance, by collateral held by the Mansfield City School District, or by collateral held by a qualified third party trustee in the name of Mansfield City School District.

(C) *INVESTMENTS*

The District's investments are categorized below to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the District's name.

Statutory provisions require that all securities acquired by the District be held by the District treasurer or deposited with a qualified trustee. Securities acquired under a repurchase agreement must be deposited with such a trustee unless the counterpart is a designated depository of the District for the current period of designation of depositories, in which case the securities may be held in trust by the depository.

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

	1	Category 2	3	Carrying Value	Fair Value
Repurchase Agreement	\$ 0	\$ 0	\$ 523,313	\$ 523,313	\$ 523,313
U.S. Treasury Obligations and U.S. Agency Issues			17,969,849	17,969,849	17,969,849
Investment in State Treasurer's Investment Pool				2,302,187	2,302,187
				<u>\$ 20,795,349</u>	<u>\$ 20,795,349</u>

NOTE 5 - FIXED ASSETS AND ACCUMULATED DEPRECIATION

(A) *GENERAL FIXED ASSETS ACCOUNT GROUP*

The changes in general fixed assets during the year consisted of:

	Balance 7/1/98	Additions	Disposals	Balance 6/30/99
Land, Buildings, and Improvements	\$ 15,543,020	\$ 267,000	\$ 0	\$ 15,810,020
Furniture and Equipment	720,422	63,423	0	783,845
Vehicles	1,101,925	30,505	67,914	1,064,516
	<u>\$ 17,365,367</u>	<u>\$ 360,928</u>	<u>\$ 67,914</u>	<u>\$ 17,658,381</u>

(B) *PROPRIETARY FUND TYPE FIXED ASSETS*

Proprietary fund type fixed assets and accumulated depreciation at year-end consisted of:

<u>Enterprise</u>	Balance <u>June 30, 1999</u>
Equipment	\$ 173,352
Less: accumulated depreciation	<u>90,671</u>
Net fixed assets	<u>\$ 82,681</u>

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

NOTE 6 – CAPITAL LEASES

In prior years, the District entered into capitalized leases for the acquisition of copiers.

The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease as defined by Statement No. 13 of the Financial Accounting Standards Board (FASB), "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Combined Financial Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Fund Types and Expendable Trust Funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

General fixed assets acquired by lease have been capitalized in the General Fixed Asset Account Group in an amount equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the General Long-Term Obligations Account Group. Principal payments in the 1999 fiscal year totaled \$45,483. This amount is reflected as Debt Service Principal Retirement in the Capital Projects Fund.

The following is an analysis of the equipment under capital lease as of June 30, 1999:

	<u>General Fixed Assets</u>
Equipment-Carry value	\$ 217,591

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 1999:

<u>Year ending June 30,</u>		
2000	\$	48,865
2001		2,961
Total minimum lease payments		51,826
Less: amount representing interest		1,308
Present value of future minimum Lease payments	\$	50,518

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

NOTE 7 - GENERAL LONG TERM OBLIGATIONS

	Outstanding June 30, 1998	Additions	Reductions	Outstanding June 30, 1999
General Obligation Bonds				
at 7.2%, due 09/2011	\$ 1,025,000	\$ 0	\$ 75,000	\$ 950,000
Capital lease	96,001	0	45,483	50,518
Compensated Absences				
Accrued vacations	257,979	282,178	257,979	282,178
Accrued sick leave benefits	445,651	127,768	0	573,419
	<u>703,630</u>	<u>409,946</u>	<u>257,979</u>	<u>855,597</u>
Intergovernmental payables				
Accrued SERS/STRS	245,888	262,234	245,888	262,234
SERS Surcharge	57,285	57,682	57,285	57,682
	<u>303,173</u>	<u>319,916</u>	<u>303,173</u>	<u>319,916</u>
	<u>\$ 2,127,804</u>	<u>\$ 729,862</u>	<u>\$ 681,635</u>	<u>\$ 2,176,031</u>

Outstanding general obligation bonds consist of school building construction issues.

General obligation bonds are direct obligations of the District for which its full faith, credit, and resources are pledged and are payable from taxes levied on all taxable property in the District.

The annual requirement to amortize all bonded debt outstanding as of June 30, 1999 including interest payments of \$438,994 follows:

Year Ending June 30,	General Obligation Bonds
2000	\$ 140,613
2001	135,325
2002	130,000
2003	124,675
2004	119,350
Thereafter	<u>739,031</u>
Total	<u>\$ 1,388,994</u>

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

NOTE 8 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the District. The Richland County Auditor is responsible for assessing and remitting these property taxes to the District.

Real property taxes are based on assessed value equal to thirty-five percent of appraisal value. The Richland County Auditor reappraises real property every six years with a triennial update, which was last completed for 1996. Real property tax, which becomes a lien on the applicable real property, becomes due annually on December 31. However, in Richland County, real property taxes are billed semi-annually, one year in arrears. The tax rate applied to real property collected in 1998 before certain homestead and rollback reductions, which reductions are reimbursed to the District by the State of Ohio, amounted to \$59.40 per \$1,000 of valuation. The effective rate applied after adjustment for inflationary increases in property values was \$42.46 per \$1,000 of assessed valuation for residential and agricultural real property, and \$44.17 per \$1,000 of assessed valuation for other real property.

Tangible personal property used in business is required to be reported by its owners by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the current year ended December 31, 1998 was \$59.40 per \$1,000 of valuation.

The property valuation consisted of:

Real Property - 1998	
Residential/Agricultural	\$ 200,583,040
Commercial/Industrial	99,899,600
Tangible Personal Property - 1998	
General	77,002,640
Public Utilities	<u>32,878,410</u>
Total valuation	<u>\$ 410,363,690</u>

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property, and public utility taxes which became measurable at June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended 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 is recognized as revenue. The amount available to the District as an advance at June 30, 1999, was \$4,305,032

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

NOTE 9 - INTERFUND TRANSACTIONS

Interfund balances at June 30, 1999, consist of the following individual fund receivables and payables:

Fund	Receivable	Payable
General	\$ 73,520	\$ 0
Special Revenue	0	60,200
Capital Projects	0	3,000
Enterprise Funds	0	10,320
	<u>\$ 73,520</u>	<u>\$ 73,520</u>

NOTE 10 - PENSION PLANS

(A) **SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)**

The Mansfield City School District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple-employer public employee retirement defined benefit pension plan. SERS provides retirement, annual cost-of-living adjustments, disability, survivor, and health care benefits. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9% of their annual covered salary and Mansfield City School District is required to contribute at an actuarially determine rate. The current rate is 14% of annual covered payroll. The contribution requirement of plan members and Mansfield City School District are established and may be amended by the SERS Board of Trustees. The School District's contributions to SERS for the years ending June 30, 1999, 1998 and 1997 were \$775,638, \$759,198, and \$800,250, respectively; 48 percent has been contributed for fiscal year 1999 and 100 percent for fiscal year 1998 and 1997. The amount representing the unpaid contribution for fiscal year 1999, \$406,812 is recorded as a liability within the respective funds and the general long-term obligations account group.

(B) **STATE TEACHERS RETIREMENT SYSTEM (STRS)**

The Mansfield City School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple-employer public employee retirement defined benefit pension plan operated by the State of Ohio. STRS provides retirement, annual cost-of-living adjustments, disability, survivor, and health care benefits. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

Plan members are required to contribute 9.3% of their annual covered salary and Mansfield City School District is required to contribute at an actuarially determine rate. The current rate is 14% of annual covered payroll. The contribution requirement of plan members and Mansfield City School District are established and may be amended by the STRS Board of Trustees. The School District's contributions to STRS for the years ending June 30, 1999, 1998 and 1997 were \$3,123,612, \$3,189,600, and, \$3,064,032, respectively; 83 percent has been contributed for fiscal year 1999 and 100 percent for fiscal year 1998 and 1997. The amount representing the unpaid contribution for fiscal year 1999, \$520,796 is recorded as a liability within the respective funds.

NOTE 11 - POSTEMPLOYMENT BENEFITS

(A) SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

The Ohio Revised Code gives SERS the discretionary authority to provide post-retirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit, must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium.

After the allocation for basic benefits, the remainder of the employer's contribution is allocated to providing health care benefits. At June 30, 1998, (the latest information available) the allocation rate was 4.98%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay pro-rated for partial service credit. For fiscal 1998, the minimum pay has been established as \$12,400.

Health care benefits are financed on a pay-as-you-go basis.

The target level for the health care reserve is 125% of annual health care expenses. Expenses for health care at June 30, 1998 were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, the Retirement System's net assets available for payment of health care benefits was \$160.3 million, at cost. The number of participants currently receiving health care benefits is approximately 50,000. The portion employer contributions that were used to fund postemployment benefits was \$333,576.

(B) STATE TEACHERS RETIREMENT SYSTEM (STRS)

The State Teachers Retirement System (STRS) provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. All benefit recipient and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code (ORC), the State Teachers Retirement Board (Board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium.

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

The ORC grants authority to STRS to provide health care coverage to benefit recipients, spouses, and dependents. By Ohio law, the cost of the coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The Board currently allocates employer contributions equal to 2% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. However, for the fiscal year ended June 30, 1999, the board allocated employer contributions equal to 3.5% of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$2,156 million at June 30, 1998, (the latest information available). For the year ended June 30, 1998, the net health care costs paid by STRS were \$219,224,000. There were 91,999 eligible benefit recipients.

NOTE 12 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The District maintains enterprise funds to account for the operation of school food service and uniform school supplies. Segment information related to these follows:

	Food Services	Uniform Supplies	Adult Education	Total
Operating revenues	\$ 565,417	\$ 133,884	\$ 133,225	\$ 832,526
Operating expenses				
Salaries and wages	886,305	0	179,611	1,065,916
Fringe benefits	411,005	0	52,693	463,698
Purchased services	73,141	0	2,838	75,979
Materials and supplies	729,207	175,604	8,132	912,943
Other expenses	26,830	0	0	26,830
Depreciation	9,807	0	0	9,807
Total operating expenses	2,136,295	175,604	243,274	2,555,173
Operating income (loss)	(1,570,878)	(41,720)	(110,049)	(1,722,647)
Non-operating revenues, net	1,557,662	0	89,994	1,647,656
Net transfers	0	44,643	603	45,246
Net income (loss)	<u>\$ (13,216)</u>	<u>\$ 2,923</u>	<u>\$ (19,452)</u>	<u>\$ (29,745)</u>
Other information				
Net working capital	<u>\$ 828,190</u>	<u>\$ 143,543</u>	<u>\$ 92,591</u>	<u>\$ 1,064,324</u>
Fixed assets, net	<u>\$ 82,681</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 82,681</u>
Total assets	<u>\$ 1,279,560</u>	<u>\$ 158,440</u>	<u>\$ 118,065</u>	<u>\$ 1,556,065</u>
Total equity	<u>\$ 905,838</u>	<u>\$ 143,543</u>	<u>\$ 97,624</u>	<u>\$ 1,147,005</u>

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

NOTE 13 - 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. The District has a comprehensive property and casualty policy with Coregis Insurance Company. The deductible is \$10,000 per incident on property and \$10,000 per incident on equipment. All vehicles are also insured with Republic Franklin Insurance Company and have a \$500 deductible. All board members, administrators, and employees are covered under a school district liability policy with Nationwide Insurance Company. The limits of this coverage are \$1,000,000 per occurrence and \$3,000,000 per year, with a \$5,000,000 umbrella. The board members and superintendent have a \$20,000 position bond with Nationwide Insurance Company.

The treasurer is covered under a bond in the amount of \$200,000 provided by the Cincinnati Insurance Company.

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The District is a member of the Ohio School Board Association Group Rating System. This rate is calculated based on accident history and administrative costs. The group presently consists of over 400 school districts.

The School District has established a limited risk management program for hospital/medical benefits. Premiums are paid into the Self-Insurance Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 1999, a total expense of \$2,480,871 was incurred in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$100,000. The liability for unpaid claims cost of \$912,375 reported in the fund at June 30, 1999 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. Interfund premiums are based primarily upon the insured funds claims experience and are reported as quasi-external interfund transactions.

Changes in the fund's claims liability amount in 1998 and 1999 were:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
1998	\$ 703,779	\$ 3,631,659	\$ 3,446,368	\$ 889,070
1999	\$ 889,070	\$ 3,393,246	\$ 3,369,941	\$ 912,375

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

NOTE 14 – CONTINGENCIES

As of June 30, 1999, the School District had contractual purchase commitments as follows:

<u>Company</u>	<u>Amount Remaining</u>
Burson Roofing	\$ 195,950
Carter Roofing	125,000
Edwards Roofing	86,494
Kahl's Electric	191,872
Standard Plumbing	28,393
Marr Knapp & Crawfis	14,917
Alpine Electrical	12,138
	<hr/>
	\$ 654,764

NOTE 15 - STATE SCHOOL FUNDING PROGRAM

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the District. During the fiscal year ended June 30, 1999, the District received \$20,119,153 of school foundation support for its general fund and a total of \$22,175,186 for all District funds.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the court. The Court of Common Pleas in Perry County has reviewed the new laws, and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. As of September 17, 1999, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future state funding under this program and on its financial operations.

MANSFIELD CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements

June 30, 1999

NOTE 16 – YEAR 2000 ISSUES

The year 2000 issue is the result of shortcoming in many electronic data processing systems and other equipment that may adversely affect the government's operations as early as fiscal 1999.

The School District has completed an inventory of computer systems and other equipment necessary to conducting the District operations and has identified such systems as being financial reporting, payroll and employee benefits.

As of June 30, 1999 the District was validating and testing these systems.

Because of the unprecedented nature of Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be Year 2000 ready, that the District remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be Year 2000 ready.

NOTE 17 – STATUTORY RESERVES

Substitute House Bill 412, as amended, required the District to "set aside" certain percentages of defined revenues for (1) textbook and instructional materials purchases, (2) capital and maintenance expenditures, and (3) to establish a budget reserve. It also required five year budget projections, amended the fiscal watch and fiscal emergency statutes, created a state school district solvency fund, and amended "spending reserve" provisions. During the fiscal year June 30, 1999, the reserve activity (GAAP-basis) was as follows:

	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve	Total
Balance 7/1/98	\$ 0	\$ 0	\$ 256,929	\$ 256,929
Required Set-Aside	537,858	537,858	280,000	1,355,716
Additonal Set-Aside	0	0	0	0
Qualifying Expenditures	(601,868)	(1,089,388)	0	(1,691,256)
Total	<u>\$ (64,010)</u>	<u>\$ (551,530)</u>	<u>\$ 536,929</u>	<u>\$ (78,611)</u>
Cash Balance Carried Forward FY 1999	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 536,929</u>	
Amount Restricted for Set-Asides				<u>\$ 536,929</u>
Total Restricted Assets				<u>\$ 536,929</u>

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Rea & Associates, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

November 23, 1999

The Board of Education
Mansfield City School District
Mansfield, Ohio 44902

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited the general purpose financial statements of Mansfield City School District, as of and for the year ended June 30, 1999, and have issued our report thereon dated November 23, 1999. We have conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Mansfield City School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Mansfield City School District in a separate letter dated November 23, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Mansfield City School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rea & Associates, Inc.

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Rea & Associates, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

November 23, 1999

The Board of Education
Mansfield City School District
Mansfield, Ohio 44901

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

Compliance

We have audited the compliance of Mansfield City School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. Mansfield City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Mansfield City School District's management. Our responsibility is to express an opinion on Mansfield City School District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circulars A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mansfield City School District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Mansfield City School District's compliance with those requirements.

In our opinion, Mansfield City School District complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of Mansfield City School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Mansfield City School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards - Non GAAP Budgetary Basis

We have audited the general purpose financial statements of Mansfield City School District as of and for the year ended June 30, 1999, and have issued our report thereon dated November 23, 1999. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of Mansfield City School District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended solely for the information of the Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hea & Associates, Inc.

MANSFIELD CITY SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - NON-GAAP BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Grant Number	Program Amount	Federal Receipts	Federal Disbursements	Non-Cash Disbursements
U. S. Department of Education (Passed Through Ohio Department of Education):						
VAE-2 Basic Grants	84.048	VESP-CG99	\$ 31,500	\$ 26,775	\$ 30,754	\$ 0
	84.048	VESP-CG98	23,625	3,544	1,375	0
	84.048	CP11-S99	160,199	136,169	146,893	0
	84.048	CP11-S98	148,855	21,251	5,941	0
Total VAE-2 Basic Grants				187,739	184,963	0
Adult Basic Education	84.002	AB-S1-99	110,412	92,700	92,700	0
	84.002	AB-S1-98C	8,710	8,710	8,710	0
	84.002	AB-S1-98	205,113	30,000	30,000	0
Total Adult Basic Education				131,410	131,410	0
Title I	84.010	C1-S1-99	1,929,178	1,543,343	1,014,692	0
	83.010	C1-SD-99	79,507	69,502	35,908	0
	84.010	C1-S1-98C	189,791	189,791	189,791	0
	84.010	C1-S1-98	1,940,801	60,220	497,844	0
	84.010	C1-SD-98	23,396	0	7,865	0
	84.010	C1-SD-98C	455	455	455	0
	84.010	C1-SD-97	50,144	0	24,426	0
Total Title I				1,863,311	1,770,981	0
Chapter II	84.151	C2-S1-96	66,158	0	1,608	0
Title VI	84.298	C2-S1-99	41,077	39,920	34,685	0
	84.298	C2-S1-98C	6,644	6,644	6,634	0
	84.298	C2-S1-98	43,260	(6,644)	7,174	0
Total Title VI				39,920	48,493	0
Special Education Cluster						
Title VI-B	84.027	6B-SF-99P	358,752	356,126	283,061	0
	84.027	6B-SF-98P	275,040	0	25,177	0
Preschool Incentive	84.173	PG-S1-99P	44,616	44,616	39,044	0
	84.173	PG-S1-98P	55,822	0	3,182	0
Total Special Education Cluster				400,742	350,464	0
Drug Free School Grant	84.186	DR-S1-99	82,314	73,894	52,906	0
	84.186	DR-S1-98C	20,247	11,777	12,182	0
	84.186	DR-S1-98	92,205	(11,777)	29,839	0
	84.186	DR-S1-97	69,969	0	38,464	0
Total Drug Free School Grant				73,894	133,391	0
Eisenhower Math & Science	84.281	MS-S4-99	14,000	14,000	0	0
	84.281	MS-S1-99	44,258	42,555	5,202	0
	83.281	MS-S1-98C	27,403	27,403	21,345	0
	84.281	MS-S1-98	43,838	(23,316)	5,428	0
	84.281	MS-S1-97C	25,109	15,609	15,609	0
	84.281	MS-S1-97	39,477	(13,474)	5,230	0
Total Eisenhower Math & Science				62,777	52,814	0

(continued)

MANSFIELD CITY SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - NON-GAAP BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Grant Number	Program Amount	Federal Receipts	Federal Disbursements	Non-Cash Disbursements
Goals 2000	84.276	G2-S1-98P	72,900	72,900	24,970	0
	84.276	G2-S1-97P	43,500	0	16,159	0
Total Goals 2000				<u>72,900</u>	<u>41,129</u>	<u>0</u>
Tech Literacy Challenge	84.318	TF-S1-99P	162,500	162,500	162,500	0
	84.318	TF-S1-98P	150,000	0	31,778	0
Total Literacy Challenge				<u>162,500</u>	<u>194,278</u>	<u>0</u>
Total Department of Education				<u>2,995,193</u>	<u>2,907,923</u>	<u>0</u>
Telecommunications Act Grant (C)				90,212	90,212	0
U. S. Department of Agriculture (Passed Through Ohio Department of Education):						
Nutrition Cluster:						
Food Distribution Program (A)	10.550	N/A	N/A	220,664	0	209,482
School Breakfast Program (B)	10.553	N/A	N/A	302,732	302,732	0
National School Lunch Program (B)	10.555	N/A	N/A	1,081,812	1,081,812	0
Total Department of Agriculture: Nutrition Cluster				<u>1,605,208</u>	<u>1,384,544</u>	<u>209,482</u>
U. S. Department of Health and Human Services (Passed Through Ohio Department of Education):						
Job Opportunities and Basic Skills Training	93.561	JB-S1-98	31,271	0	27,460	0
Job Opportunities and Basic Skills Training	93.561	JB-S1-97	10,408	10,408	10,408	0
Total Job Opportunities and Basic Skills Training				<u>10,408</u>	<u>37,868</u>	<u>0</u>
Learn and Serve America	94.004	SV-S1-99	15,000	15,000	11,612	0
	94.004	SV-S4-98	10,000	0	4,353	0
Total Learn and Serve America				<u>15,000</u>	<u>15,965</u>	<u>0</u>
Total Department of Health and Human Services				<u>25,408</u>	<u>53,833</u>	<u>0</u>
U. S. Department of Labor (Passed Through Ohio Department of Education):						
School-To-Work	17.249	N/A	17,000	17,000	17,000	0
	17.249	N/A	75,000	0	7,225	0
	17.249	N/A	50,000	0	24,839	0
Total School-To-Work				<u>17,000</u>	<u>49,064</u>	<u>0</u>
Total Department of Labor				<u>17,000</u>	<u>49,064</u>	<u>0</u>
Total Federal Assistance				<u>\$ 4,733,021</u>	<u>\$ 4,485,576</u>	<u>\$ 209,482</u>

- (A) Government commodities are reported at the fair market value of the commodities received and disbursed.
 (B) Federal money commingled with state subsidy reimbursements. It is assumed federal moneys are expended first.
 (C) CFDA number not available.

**MANSFIELD CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 , Section .505
JUNE 30, 1999**

1. SUMMARY OF AUDITOR'S RESULTS		
(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510(a)?	No
(d) (1) (vii)	Major Programs (list):	Nutrition Cluster: 10.550, 10.553, 10.555 Special Education Cluster: 84.027, 84.173
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

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

None were noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None were noted.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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MANSFIELD CITY SCHOOL DISTRICT
RICHLAND 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.

By: *Susan Babbitt*

Date: JANUARY 13, 2000