

**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

MASON CITY SCHOOL DISTRICT
WARREN COUNTY

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**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2001**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	None	10.550	\$0	\$47,221	\$0	\$55,979
National School Lunch Program	LL-P1-00/01 LL-P4-00/01	10.555	42,507 96,020	0 0	42,507 96,020	0 0
Total U.S. Department of Agriculture - Nutrition Cluster			<u>138,527</u>	<u>47,221</u>	<u>138,527</u>	<u>55,979</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	6B-SF-01	84.027	224,718	0	190,703	0
Special Education - Preschool Grant	PG-S1-01	84.173	21,903	0	18,416	0
Total Special Education Cluster			<u>246,621</u>	<u>0</u>	<u>209,119</u>	<u>0</u>
Grants to Local Educational Agencies (ESEA Title I)	C1-S1-01	84.010	87,873	0	100,706	0
Title VI-R	CR-S1-01	84.340	45,712	0	65,883	0
Eisenhower	MS-S1-01	84.281	14,846	0	17,846	0
Title VI	C2-S1-01	84.298	31,088	0	24,161	0
Harvard Institute	G2-S4-01	84.276	21,632	0	21,632	0
Drug-Free Schools Grant	DR-S1-00/01	84.186	28,490	0	29,830	0
Emergency Immigrant	EI-S1-00	84.162	0	0	2,618	0
<i>Passed through the Great Oaks Institute & Career Development</i>						
Carl Perkins/Vocational Education	None	84.049	9,360	0	11,780	0
Total U.S. Department of Education			<u>485,622</u>	<u>0</u>	<u>483,575</u>	<u>0</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<i>Passed Through Ohio Department of Education:</i>						
Refugee and Entrant Assistance Discretionary Grant	None	93.276	1,000	0	0	0
TOTAL FEDERAL ASSISTANCE			<u>\$625,149</u>	<u>\$47,221</u>	<u>\$622,102</u>	<u>\$55,979</u>

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

Note (1) - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's Federal Award Programs. The schedule has been prepared on the cash basis of accounting.

Note (2) - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2001, the District had no significant food commodities in inventory.

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OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Board of Education:

We have audited the financial statements of Mason City School District, Warren County, Ohio (the District), as of and for the fiscal year ended June 30, 2001, and have issued our report thereon dated December 10, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's 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 do 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 an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated December 10, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2001-10483-001.

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 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

Mason City School District
Warren County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to management of the District in a separate letter dated December 10, 2001.

This report is intended for the information and use of management, Board of Education, 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.

Jim Petro
Auditor of State

December 10, 2001



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

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

To the Board of Education:

Compliance

We have audited the compliance of Mason City School District, Warren County, Ohio (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the fiscal year ended June 30, 2001. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits 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 Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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 that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the fiscal year ended June 30, 2001.

Internal Control Over Compliance

The management of the 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 the 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 Federal Awards Expenditures

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 2001, and have issued our report thereon dated December 10, 2001. 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 federal awards expenditures 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. 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 for the information and use of management, the Board of Education, 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.

Jim Petro
Auditor of State

December 10, 2001

**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2001**

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)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control 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 § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster : Preschool CFDA# 84.173 and Title VI-B CFDA # 84.027
(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**

FINDING NUMBER 2001-10483-001

Insurance Claims Processing - (Internal Control, Reportable Condition)

The Mason City School District has delegated insurance claims processing, which is a significant accounting function, to a third-party administrator. The District has not established procedures to reasonably determine that insurance claims have been completely and accurately processed in accordance with the insurance contract.

We recommend that the District implement procedures to reasonably assure the completeness, and accuracy (including eligibility and allowability) of insurance claims processed by their third-party administrator. Statement on Auditing Standards No. 70 (SAS 70) as amended by SAS's No. 78 and 88, prescribes testing and reporting standards for audits of claims processing controls which should satisfy this requirement. As described in those Statements, we suggest that the District obtain a "Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness" from the third-party administrator. Such a report, if unqualified, would provide evidence to the District's management that insurance claims were being processed in conformance with the contract. However, it may be possible for the District to obtain an appropriate level of assurance by other means.

3. FINDINGS FOR FEDERAL AWARDS

None.

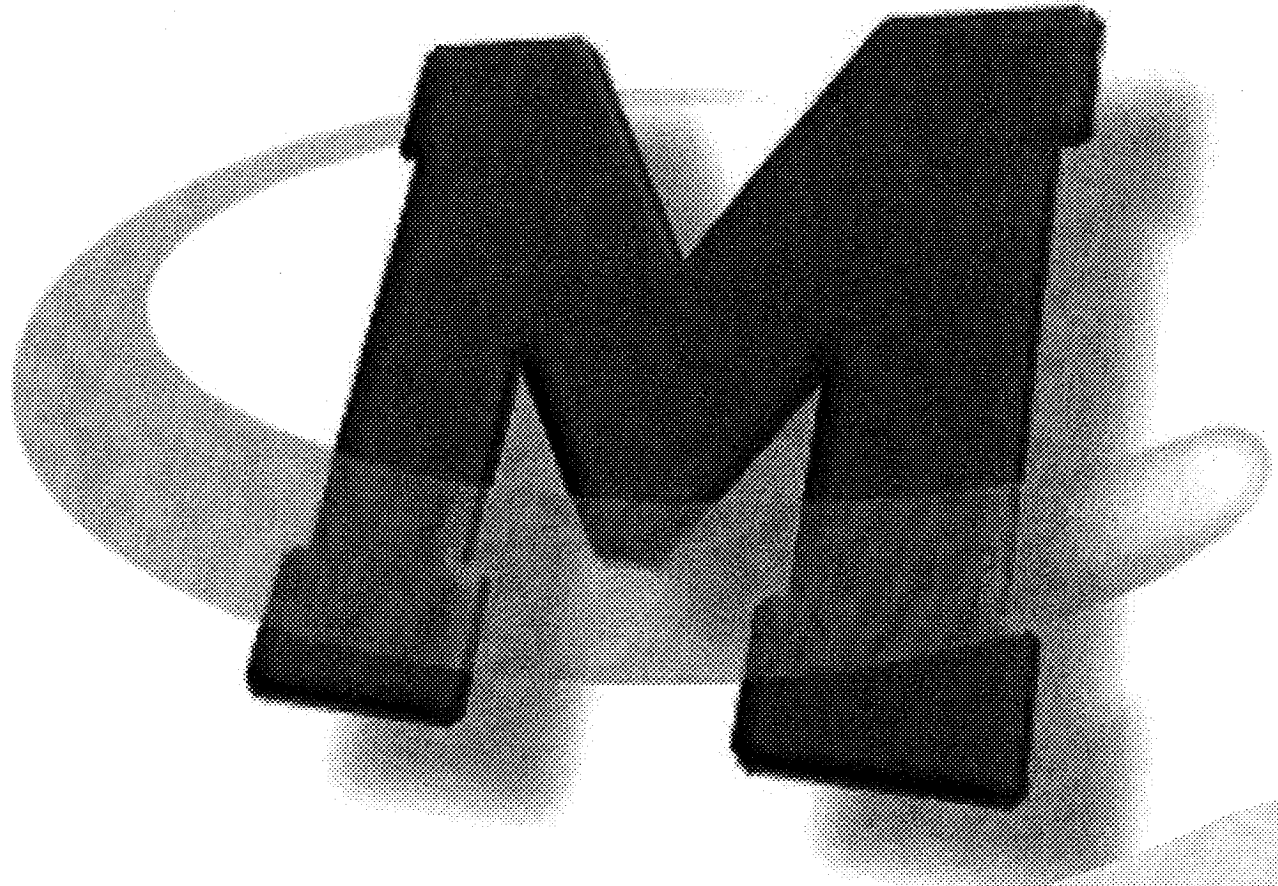
MASON CITY SCHOOL DISTRICT
WARREN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2001

FINDING NUMBER	FINDING SUMMARY	FULLY CORRECTED	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid
2000-10483-001	Third party administrator SAS-70	NO	No corrective action taken. The District continued to use their current third party administrator. This was issued as Finding 2001-10483-001.

Mason City School District

Comprehensive Annual Financial Report



**For the Fiscal Year Ended
June 30, 2001**

“Where Each Student is Important”

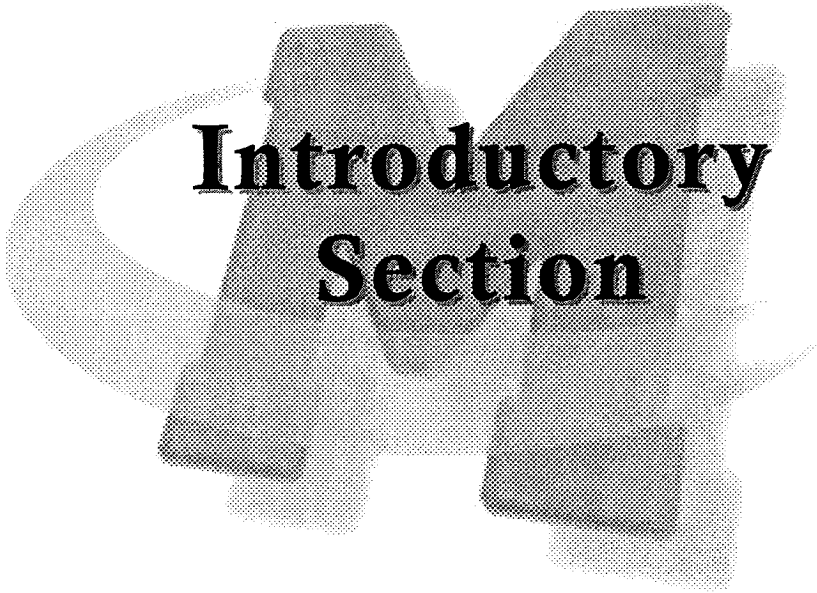
MASON, OHIO

**MASON CITY SCHOOL DISTRICT
MASON, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

Prepared by:
Treasurer's Office

Richard L. Gardner
Treasurer and CFO



**Introductory
Section**



**MASON CITY SCHOOL DISTRICT, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2001**

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**MASON CITY SCHOOL DISTRICT, OHIO
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MASON CITY SCHOOLS

Treasurer's Office

211 North East Street • Mason, Ohio • 45040
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December 10, 2001

TO THE CITIZENS AND BOARD OF EDUCATION OF THE MASON CITY SCHOOL DISTRICT:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Mason City School District (District) for the fiscal year ended June 30, 2001. This report was prepared by the Treasurer's Office, and contains financial statements, supplemental statements and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2000-2001 fiscal year. Responsibility for the accuracy, completeness, and fairness of the report rests with the District. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report was prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and represents the District's continuing commitment to provide accurate financial information to the Board and the citizens of the Mason City School District.

This report has been divided into three sections:

The Introductory Section includes this transmittal letter, a list of principal officials, the District organization chart, the GFOA Certificate of Achievement, a list of consultants and advisors, and a map of the State of Ohio.

The Financial Section includes the unqualified opinion of our independent auditors, the Ohio Auditor of State, the general purpose financial statements and the combining and individual fund and account group statements and schedules.

The Statistical Section includes selective financial, economic and demographic information, generally presented on a multi-year basis for comparative purposes.

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

In addition to these general activities, the District acts as the fiscal agent for state funds distributed to non-public chartered schools located within the District boundaries. The District serves St. Susanna, Little Leprechaun Academy and The Child's Place Montessori in this category. While these organizations are similar in operations and services provided, they are distinct and separate entities. These State subsidies are therefore presented as special revenue funds within this report.

ORGANIZATION OF THE DISTRICT

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, 2001, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Russ Carter	Jan. 2000 - Dec. 2003	9 - 1/2
Mrs. Marianne Culbertson	Jan. 1998 - Dec. 2001	7 - 1/2
Mr. David Lenert	Jan. 1998 - Dec. 2001	7 - 1/2
Mr. Eric Kantor	Jan. 2000 - Dec. 2003	1 - 1/2
Mrs. Connie Yingling	Sept. 1999 - Dec. 2001	1 - 3/4

All Board members whose contracts expire December 2001 were re-elected in November 2001 for new four-year terms beginning January 2002.

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Dr. Kevin L. Bright was appointed Superintendent effective August 1, 1998 and his current contract expires July 31, 2004.

The Treasurer and CFO is the chief financial officer of the District and is directly responsible to the Board for all financial operations, investments, custody of all District funds and assets, and serves as Secretary to the Board. Mr. Richard L. Gardner was initially appointed Treasurer effective May 1, 2000, and his current contract will expire on December 31, 2002.

ECONOMIC CONDITION AND OUTLOOK

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, Mason, 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 from downtown Cincinnati and 35 minutes southeast of downtown Dayton.

The City of Mason has a population of approximately 22,016 and is growing steadily through planning and development. The District is served by United Telephone and Cincinnati Gas and Electric Company. The Mason Pulse Journal, Community Press and The Western Star regularly cover District events. The District is also served by newspapers, radio and television stations in both Cincinnati and Dayton. Major universities easily accessible from the District are the University of Cincinnati and Xavier University in Cincinnati, Miami University in Oxford, and Wright State University and the University of Dayton, both in Dayton.

The economic condition and outlook for the community is very positive as can be measured by the significant new construction experienced during the past decade in the City of Mason. Evidence of this new construction is the increase in the number and value of building permits issued since 1991.

	<u>Residential</u> <u>Construction</u>		<u>Commercial</u> <u>Construction</u>	
	<u>Number of</u> <u>Permits</u>	<u>Value</u>	<u>Number of</u> <u>Permits</u>	<u>Value</u>
1991	90	\$9,547,257	22	\$8,057,682
1992	194	20,254,685	12	4,606,500
1993	325	37,235,738	31	20,399,282
1994	365	33,155,154	18	11,259,340
1995	250	30,004,643	44	32,410,811
1996	539	64,256,741	12	9,858,313
1997	479	70,449,142	14	8,363,418
1998	492	83,323,041	20	27,968,542
1999	520	110,037,521	17	8,124,068
2000	391	80,396,390	22	14,780,442

This growth has been primarily realized due to the significant amount of residential development, which remained strong in 2000. Building permits issued through June 30 total 310 for 2001 for the Mason City School District.

The City of Mason and Deerfield Township target high tech companies, corporate headquarters and light industry for the District's business community. The diverse business base is home to national and international blue chip corporations, such as Procter & Gamble, Cintas Corporation, Mistubishi Electric, International Paper, Anthem Insurance, Harris Corporation and J.W. Harris Corporation.

THE DISTRICT AND ITS FACILITIES

The District served 6,711 students during the 2001 fiscal year in six buildings. The senior high school (9-12) was constructed in 1959, with additions in 1967, 1980, 1987 and 1997. The middle school (7-8) was constructed in 1994. The intermediate school (5-6) was constructed in 1998. Western Row Elementary School (3-4) was constructed in 1962, with additions in 1987. Mason Heights Elementary School (1-2) was constructed in 1967, with additions in 1978 and 1987. Mason Early Childhood Center (PS-K) was constructed in 1911, with additions in 1936, 1950, 1953 and 1955 and with renovations in 1977. The central administration is also housed in the same facility as the Mason Early Childhood Center. A new High School with a capacity of 2700 students is currently under construction and will be open for the 2002-03 school year. When it opens, the current high school will house grades 7 and 8, and the current middle and intermediate schools will become a campus for grades 4 through 6.

EMPLOYEE RELATIONS

The District currently employs 797 full-time and part-time employees. The number of employees has been increasing due to the increase in student population. Since 1986 the District's enrollment has increased from 2,292 to the current enrollment of 6,711. It is expected that the District's enrollment will be approximately 7,300 for FY2002 and will continue to increase through 2010.

The District teachers, educational specialists, tutors and counselors are represented by the Mason Education Association (MEA). A three year agreement on language, salary and fringe benefits was ratified on October 19, 2001. The new agreement will expire on June 30, 2004. The agreement provides MEA members with 3.6 percent base salary increase for the 2001-2002 school year, bringing the base teaching salary to \$29,676.

The District's 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.

CURRENT FOCUS

Student population has been growing rapidly during the 1990's in the Mason City School District, the following table demonstrates how student population has increased during the current decade.

<u>School Year</u>	<u>Enrollment</u>	<u>Student Increase</u>	<u>Percentage Increase</u>
1991-92	2,731	78	3%
1992-93	2,866	135	5%
1993-94	3,091	225	8%
1994-95	3,420	329	11%
1995-96	3,845	425	12%
1996-97	4,371	526	14%
1997-98	4,783	412	9%
1998-99	5,364	581	12%
1999-00	6,057	693	13%
2000-01	6,711	654	11%

To keep pace with the student population growth, the District implemented a construction program that began in 1994. A new middle school, with a capacity of 1,200 students was opened in 1994. In February 1995, the voters approved an addition and renovation of Mason High School. The "new" Mason High School opened in 1997 with a capacity of 1,800 students and featured forty-eight additional classrooms, a new auditorium, a complete renovation of existing spaces and a 3,400 seat arena. In February 1997, the voters approved the construction of Mason Intermediate School as well as additions to Western Row and Mason Heights. Each of these facilities has a capacity of 1,200 students.

In March 2000, the voters approved a \$71.9 million bond issue to construct the new high school and an attached shared community recreation center. This new facility is currently under construction and will open for the 2002-03 school year.

DEPARTMENTAL FOCUS

Each year the District selects a department to be highlighted for its service efforts and accomplishments. For fiscal year 2001, the District would like to acknowledge the efforts of the Information Technology Department.

Mason City School District continues to be one of the fastest growing school districts in Ohio. One of the challenges that this produces is to keep technology current and available to all students and staff.

In November 2000 the Information Technology Department was re-focused, moving from a hardware "break-fix" department to an organization focused on the three most important uses of technology:

- Enhance Student's learning experience
- Promote critical thinking and knowledge acquisition skills
- Maintain Mason City Schools high standards/expectation for student achievement

An initial part of this change in focus was the development of a new four-year Technology Plan that met the Superintendent's goals of providing a district vision for technology and for improving the utilization of technology on all levels in the district. This Plan details the steps necessary to integrate technology into district classrooms and curriculum to promote problem solving and project-based learning; to promote student-centered classrooms to meet student's unique needs; to make learning relevant; to facilitate communication, collaboration, and continuous improvement; and to collect, analyze, manage and interpret data to encourage informed decision making. It also recognized the need to continue to provide an infrastructure to support the business and educational needs of the district as it grows by an average of 650 students a year over the next four years.

Key projects and activities of the Plan include:

- Continuing Maintenance of District Technology. This includes almost \$1 million dollars per year to replace over 3,000 computers, printers, and other technology on a four to five year cycle. It also provides for individual technology budgets for each school and expands the current Library systems. Over 600 computers/printers were upgraded or replaced during this past summer.
- New High School Project. The new High School will open in the fall of 2002 and will be equipped with state of the art Audio/Video systems and technology "pods" and labs to promote hands-on project learning in each classroom.
- New Student Information System Project. This new system (Pentamation) provides a centralized database to support the district's current student information needs and future instructional management and business needs. It will provide web-based staff and teacher access to student data, including attendance, grades, demographic and testing information. It will also provide the capability for future secured web-access for parents to view classroom information, including missing assignments and a snap shot of the progress of the student (eliminating the need for interim reports).
- New Gradebook Package Project. This new system (Grade Quick) and a teacher web site (EdLine) will be part of the Instructional Management System for the Middle and High School. The Gradebook program eliminates the need for teachers to do double entry of grades and provides real-time updates of student rosters. A web site will provide a secure means for teachers to communicate to parents and for students to receive information electronically on classroom assignments and other information.

- Accelerated Reader and Larsons Math Expansion Project. Currently, both programs are the largest and most successful educational programs used in grades 1-6. Mason City Schools has been rated as having the top fourth grade reading proficiency test scores in Ohio, due in large part to the Accelerated Reader project.
- Technology Infrastructure and Other Improvement Projects. Projects accomplished in 2001 included: upgrading the telephone system allowing 5 digit dialing anywhere in the district; increasing the Internet bandwidth by a factor of 100, making use of the Internet (according to feedback from students) "like turning the pages of a book".
- SearchSoft Project. Implemented this on-line web-based employment application system that helps the district identify the very best applicants for district teaching positions.
- PDExpress Project. Implemented this LPDC system to allow teachers to create their professional development plans on-line (required to maintain their state certification).

FUTURE FOCUS

Student enrollment growth will continue to be a priority for the Board and Administration for the upcoming year. Demographic projections indicate the District could see its population grow to 12,000 students by 2010. The District uses a process that solicits community input to help determine how to meet the facility needs of the District. Community input was sought regarding whether to add a second high school, future elementaries and the configuration of grade levels. The results of the community dialogue sessions indicated that it was a desire of the community to have one high school and to eventually divide into regional, grade specific elementary schools.

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

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund and account group is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Budgetary basis of accounting differs from generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). GAAP, as more fully described in the notes to the financial statements, provides for a modified accrual basis of accounting for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, Non-Expendable Trust Funds and Agency Funds and for a full accrual basis for all other funds.

Internal Controls

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be

derived from its implementation; and, (2) the valuation of cost and benefits requires estimates and judgments by management.

Federal and State Assistance

As a recipient of federal and state financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the District.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function and object of expenditure within an individual fund. The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriation balances are reviewed prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year end are carried forward to succeeding years and are not re-appropriated. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

General Fund

The following table represents the amount of revenues by source and expenditures by function for the General Fund for the fiscal year ended June 30, 2001, with increases and (decreases) from the fiscal year ended June 30, 2000.

Revenues by Source	<u>2000</u>	<u>2001</u>	<u>Percent of Total</u>	<u>Difference from 2000</u>	<u>Percent of Change</u>
Taxes	\$21,419,332	\$21,454,044	53.93%	\$34,712	0.16%
Intergovernmental	13,956,754	16,808,850	42.26%	2,852,096	20.44%
Interest	607,941	878,597	2.21%	270,656	44.52%
Tuition and Fees	333,160	372,793	0.94%	39,633	11.90%
Rent	44,510	58,512	0.15%	14,002	31.46%
Customer Services	18,181	113,342	0.28%	95,161	523.41%
Miscellaneous	7,892	91,793	0.23%	83,901	1063.11%
Total	\$36,387,770	\$39,777,931	100.00%	\$3,390,161	9.32%

Expenditures by Function	<u>2000</u>	<u>2001</u>	<u>Percent of Total</u>	<u>Difference from 2000</u>	<u>Percent of Change</u>
Instruction:					
Regular	\$15,636,456	\$18,293,160	46.57%	\$2,656,704	16.99%
Special	2,325,817	2,763,760	7.04%	437,943	18.83%
Other	26,034	34,455	0.09%	8,421	32.35%
Pupil Support	1,935,035	2,310,898	5.88%	375,863	19.42%
Instructional Staff Support	2,540,641	3,043,773	7.75%	503,132	19.80%
Board of Education	40,083	46,824	0.12%	6,741	16.82%
Administration	2,425,189	2,674,129	6.81%	248,940	10.26%
Fiscal	769,359	929,219	2.37%	159,860	20.78%
Business	154,879	177,658	0.45%	22,779	14.71%
Operation and Maintenance					
of Plant	3,876,115	4,372,285	11.13%	496,170	12.80%
Pupil Transportation	2,338,707	2,769,998	7.05%	431,291	18.44%
Central	864,088	986,006	2.51%	121,918	14.11%
Operation of					
Non-Instructional Services	36,449	37,969	0.10%	1,520	4.17%
Extracurricular Activities	480,008	537,463	1.37%	57,455	11.97%
Capital Outlay	551,768	153,080	0.39%	(398,688)	-72.26%
Debt Service	75,273	146,449	0.37%	71,176	94.56%
Total	\$34,075,901	\$39,277,126	100.00%	\$5,201,225	15.26%

Significant activity in the major funds of each major Governmental Fund type is highlighted below.

General Fund

The District completed the fiscal year ending June 30, 2001, with a fund balance of \$8,516,609. This represented an increase of \$408,633 in fund balance over fiscal year 2000.

Special Revenue Funds

Special Revenue Funds account for funds that derive revenue primarily from grants and entitlements restricted by law to expenditures for specific purposes.

The combined fund balance increased by \$51,596. The increase is a result of small changes in all the funds. The largest change was in the Community Services Fund, which increased by \$50,278 due to an increase in activities and funding levels.

Capital Project Funds

Capital Project Funds are used to account for the purchase of equipment and the financing of major improvement projects.

The fund balance increased by \$58,066,148, which is mainly due to the proceeds of debt issues related to the new high school construction project.

Significant activity in the major funds of each Proprietary Fund type is highlighted below.

Enterprise Funds

The District's three Enterprise Funds are the Food Service Fund, the Uniform School Supply Fund and the Latchkey Fund. These operations combined for a net income of \$106,051. Of this amount the Food Service Fund was responsible for income of \$100,791. The Uniform School Supply Fund had no activity during the year. The Latchkey Fund experienced a net income of \$5,260. It is the goal of the Board of Education for these programs to be self-sustaining. It is anticipated that each program will operate at a break-even level into the foreseeable future.

Internal Service Funds

The District's one Internal Service Fund is the Self Insurance Fund. This fund accounts for all premiums, claims and administrative costs of the District's dental plan. The program operated at an income of \$44,556 for the year.

Debt Administration

The District had amounts related to seven debt issues outstanding at June 30, 2001. The first issue was passed June 2, 1992, for \$10,700,000 to construct, equip and furnish a new middle school building. Bonds were issued for \$10,000,000 on October 15, 1992, and \$700,000 of notes were issued on January 28, 1993. The notes were retired on January 28, 1995. The amount of outstanding bonds at June 30, 2001, is \$5,200,000. This issue will be retired on December 1, 2005.

The second issue was passed May 5, 1995, for \$18,631,000 to construct, equip and furnish forty-eight additional classrooms, a new gymnasium and a new auditorium at Mason High School and to construct and equip a new transportation facility, as well as provide technology for elementary instruction. Bonds were issued for a 20 year period. The amount of outstanding bonds at June 30, 2001, is \$18,390,000. This issue will be retired on December 1, 2015.

The third issue was passed February 4, 1997, for \$32,000,000 to construct, equip, furnish a new elementary school, additions and improvements to two other elementary schools, 33 new school busses, and to purchase land for future buildings.

On March 20, 1997, notes were issued for \$7,000,000. An additional note was issued on September 4, 1997, for \$15,000,000. Both notes were retired from the proceeds from a \$22,000,000 bond issued on March 1, 1998. The remaining funds from this issue were issued in the form of notes in the amount of \$10,000,000 dated February 19, 1998. The bonds were issued for a twenty year period. The amount of outstanding bonds at June 30, 2001, is \$21,885,000. This will be retired on December 1, 2017. The note was rolled and reissued for \$8,900,000 on February 17, 2001. The note was issued for a one-year period. The amount of notes outstanding for this issue at June 30, 2001, is \$8,800,000.

The fourth issue is an unvoted note issue for \$415,000 dated on January 28, 1999 for one year. The notes were issued to purchase 14.915 acres at Mason-Montgomery Road and Enterprise Drive. The land was utilized to expand the District's transportation and maintenance facilities that are adjacent to the property. The notes will be repaid from the capital projects fund utilizing payment in lieu of taxes from companies receiving tax incentives. The note was rolled and reissued for \$215,000 on January 25, 2001. The amount of notes outstanding at June 30, 2001, is \$215,000.

The fifth issue is a school bus note issued for \$660,000 on June 1, 1999. The note is for three years and will expire on April 15, 2002. The note was issued to finance 12 school busses and will be repaid from the capital projects fund utilizing payments in lieu of taxes from companies receiving tax incentives. The amount of notes outstanding at June 30, 2001, is \$230,000.

The sixth and seventh issues related to the construction of the new high school, which was approved by the voters on March 7, 2000 in the principal amount of \$71,935,000. The purpose of these issues was for constructing a new high school, a community recreation center, additions, renovations and improvements to school facilities, site acquisition and providing equipment, including buses and technology equipment, furnishings and site improvements therefor in the District.

Notes were issued on August 31, 2000 for \$9,800,000 due August 30, 2001 and on February 15, 2001 for \$62,135,000 due September 17, 2001. Both Notes were retired on their maturity dates with the proceeds of a \$71,935,000 bond issued on June 15, 2001. The bonds were issued for a twenty year period. As of June 30, 2001 the first note was outstanding in the amount of \$9,800,000. This note was retired on August 30, 2001. As of June 30, 2001 the second note was outstanding in the amount of \$62,135,000. This second note was retired on September 17, 2001. Bonds in the amount of \$71,935,000 were outstanding as of June 30, 2001. This issue will be retired on December 1, 2021.

Cash Management

The District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in certificates of deposit, in the Ohio State Treasurer's Investment Pool (Star Ohio), U.S. Treasury and Agency Notes and Bonds, US Treasury Bills, repurchase agreements, commercial paper and mutual funds. The amount of interest income in fiscal year 2001 for all District funds was \$2,347,998. A more detailed description of the District's investment functions is provided in Note 5 to the financial statements.

Risk Management

The District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss and boiler and machinery coverage are purchased from insurance companies licensed to do business in the State of Ohio. The maximum deductible amount for these coverages is \$1,000 per loss incurred.

The District pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The District joined a group rating program with other schools in southwestern Ohio in an effort to control these costs.

The District provides health, dental, optical and life insurance to all regular employees who work 20 or more hours per week. Effective September 1, 1994, new employees share the cost of the monthly premium with the Board. The premium varies depending on the terms of the negotiated agreement with teachers and Board Policy.

OTHER INFORMATION

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. The Ohio Auditor of State conducted the District's audit for fiscal year 2001. The Report of Independent Accountants on the District's general purpose financial statements, combining and individual fund statements and schedules is included in the financial section of this comprehensive annual financial report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Mason City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2000. In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

The preparation of the 2001 comprehensive annual financial report of the Mason City School District was made possible by the efforts of the Treasurer's Department. The Department members have my sincere gratitude for their professional, efficient and dedicated service.

Finally, without the support, commitment, and leadership of the Board of Education the preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in black ink that reads "Richard L. Gardner". The signature is written in a cursive style with a long, sweeping underline.

Richard L. Gardner
Treasurer and CFO

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Mason City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

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



Timothy A. Arue
President

Jeffrey L. Essler
Executive Director

**MASON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2001**

ELECTED OFFICIALS

President, Board of Education	Marianne Culberston
Vice President, Board of Education	David Lenert
Board Member	Russ Carter
Board Member	Eric Kantor
Board Member	Connie Yingling

ADMINISTRATIVE OFFICIALS

Superintendent	Kevin L. Bright
Assistant Superintendent	Barb C. Crist
Treasurer	Richard L. Gardner
Assistant Treasurer.....	Chris Hofer
Business Director	Michael Brannon
Human Resource Director	Craig C. Ullery
Pupil Personnel Director	Ginny Jackson
Technology Director	Dave Hickey
Building and Grounds Supervisor	George Highfill
Food Service Supervisor	Darlene Hicks
Support Education Supervisor	Laura Bosse
Support Education Supervisor	Lynn Brannon
Transportation Supervisor	David Foster
Public Information Officer	Shelly Hausman

**MASON CITY SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
June 30, 2001**

Architects

Voorhis, Slone, Welsh and Crossland
414 Reading Road
Mason, OH 45040

Independent Auditor

Jim Petro
Auditor of State
P.O. Box 1140
Columbus, OH 43216

Investment Advisor

Seasongood & Mayer
414 Walnut Street
Cincinnati, OH 45202

Official Depositories

Lebanon Citizens National Bank
1050 Reading Road
Mason, OH 45040

Fifth Third Bank
225 Main Street
Mason, OH 45040

Provident Bank
7301 Tylers Corner Rd.
West Chester, OH 45069

Third Party Administrator (Insurance)

Harrington Benefit Services
P.O. Box 1160
Columbus, OH 43216-1160

Bond Counsel

Peck, Shaffer & Williams
175 South Third Street
Columbus, OH 43215

Insurance Advisor

Michael Insurance Planning
526 North Broadway
Lebanon, OH 45036

Legal Counsel

Ennis, Roberts & Fischer
121 W. Ninth Street
Cincinnati, OH 45202

State Treasury Asset Reserve of Ohio
1228 Euclid Avenue
Cleveland, OH 44115

First National Bank of SW Ohio
1063 Reading Road
Mason, OH 45040

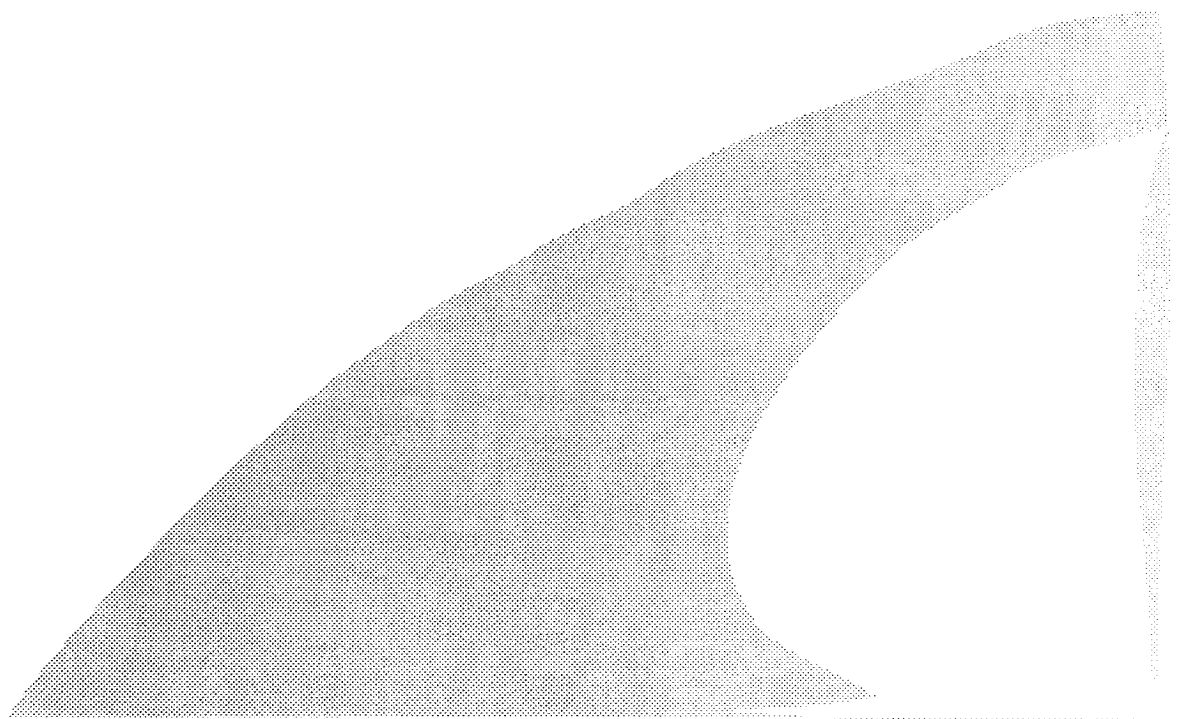
Worker Compensation/Unemployment

CompManagement, Inc.
P.O. Box 884
Dublin, OH 43017





**Financial
Section**





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Mason City School District, Warren County, Ohio (the District), as of and for the year ended June 30, 2001, 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 auditing standards generally accepted in the United States of America and the 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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 the Mason City School District, Warren County, Ohio, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2001, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general purpose financial statements of the District taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general purpose financial statements. We subjected this information 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.

We did not audit the data included in the introductory and statistical section of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

Jim Petro
Auditor of State

December 10, 2001

GENERAL PURPOSE

FINANCIAL STATEMENTS

MASON CITY SCHOOL DISTRICT, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 AS OF JUNE 30, 2001

	----- Governmental Fund Types -----			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$7,080,194	\$545,778	\$76,797,395	\$61,764,935
Investments	3,132,341	0	0	0
Receivables				
Taxes	24,294,421	0	8,069,870	0
Accounts	15,208	4,715	0	26,250
Intergovernmental	36,326	0	0	0
Interfund	11,926	0	0	0
Accrued Interest	62,767	0	0	1,642
Prepaid Items	294,046	2,030	0	1,025
Inventory Held for Resale	0	0	0	0
Restricted Assets				
Equity in Pooled Cash and Cash Equivalents	85,593	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided for Retirement of General Long-Term Debt	0	0	0	0
Total Assets and Other Debits	\$35,012,822	\$552,523	\$84,867,265	\$61,793,852
Liabilities, Fund Equity and Other Credits:				
Liabilities:				
Accounts Payable	\$275,977	\$36,728	\$0	\$3,088,545
Accrued Wages and Benefits	3,127,864	50,827	0	0
Compensated Absences Payable	104,222	0	0	0
Intergovernmental Payable	1,074,883	8,634	0	171
Interfund Payable	0	11,926	0	0
Deferred Revenue	21,913,267	0	7,031,645	0
Undistributed Monies	0	0	0	0
Due to Students	0	0	0	0
Accrued Interest Payable	0	0	0	1,388,523
Notes Payable	0	0	0	9,015,000
Claims Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	26,496,213	108,115	7,031,645	13,492,239
Fund Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	551,984	128,174	0	43,571,581
Reserved for Prepaid Items	294,046	2,030	0	1,025
Reserved for Property Taxes	2,381,154	0	1,038,225	0
Reserved for Budget Stabilization	85,593	0	0	0
Unreserved:				
Undesignated (Deficit)	5,203,832	314,204	76,797,395	4,729,007
Total Fund Equity (Deficit) and Other Credits	8,516,609	444,408	77,835,620	48,301,613
Total Liabilities, Fund Equity and Other Credits	\$35,012,822	\$552,523	\$84,867,265	\$61,793,852

See accompanying notes to the general purpose financial statements

----- Proprietary Fund Types -----	Fiduciary		----- Account Groups -----		Totals (Memorandum Only)
	Fund Types	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
Enterprise	Internal Service				
\$377,373	\$49,621	\$90,255	\$0	\$0	\$146,705,551
0	0	0	0	0	3,132,341
0	0	0	0	0	32,364,291
0	801	0	0	0	46,974
0	0	0	0	0	36,326
0	0	0	0	0	11,926
0	0	0	0	0	64,409
9,246	0	0	0	0	306,347
23,454	0	0	0	0	23,454
0	0	0	0	0	85,593
650,775	0	0	85,879,382	0	86,530,157
0	0	0	0	77,835,620	77,835,620
0	0	0	0	114,209,473	114,209,473
\$1,060,848	\$50,422	\$90,255	\$85,879,382	\$192,045,093	\$461,352,462
\$33,264	\$0	\$0	\$0	\$0	\$3,434,514
64,008	0	0	0	0	3,242,699
26,797	0	0	0	1,787,485	1,918,504
43,542	0	0	0	323,208	1,450,438
0	0	0	0	0	11,926
5,980	0	0	0	0	28,950,892
0	0	5,132	0	0	5,132
0	0	63,480	0	0	63,480
0	0	0	0	0	1,388,523
0	0	0	0	72,165,000	81,180,000
0	32,574	0	0	0	32,574
46,532	0	0	0	359,400	405,932
0	0	0	0	117,410,000	117,410,000
220,123	32,574	68,612	0	192,045,093	239,494,614
0	0	0	85,879,382	0	85,879,382
659,459	0	0	0	0	659,459
181,266	17,848	0	0	0	199,114
0	0	0	0	0	44,251,739
0	0	0	0	0	297,101
0	0	0	0	0	3,419,379
0	0	0	0	0	85,593
0	0	21,643	0	0	87,066,081
840,725	17,848	21,643	85,879,382	0	221,857,848
\$1,060,848	\$50,422	\$90,255	\$85,879,382	\$192,045,093	\$461,352,462

MASON CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$21,454,044	\$0	\$6,582,157	\$282,866
Intergovernmental	16,808,850	854,044	695,679	229,454
Interest	878,597	6,461	166,833	1,296,107
Tuition and Fees	372,793	77,582	0	0
Rent	58,512	0	0	0
Extracurricular Activities	0	533,441	0	0
Gifts and Donations	0	37,467	0	60,000
Customer Services	113,342	0	0	0
Miscellaneous	91,793	90,854	2,259	224,778
Total Revenues	39,777,931	1,599,849	7,446,928	2,093,205
Expenditures:				
Current:				
Instruction:				
Regular	18,293,160	465,908	0	432,761
Special	2,763,760	259,429	0	0
Vocational	0	19,855	0	0
Other	34,455	0	0	0
Support Services:				
Pupils	2,310,898	32,115	0	0
Instructional Staff	3,043,773	173,000	0	0
Board of Education	46,824	0	0	0
Administration	2,674,129	10,661	10,208	493
Fiscal	929,219	0	88,631	4,609
Business	177,658	0	0	0
Operation and Maintenance of Plant	4,372,285	6,788	0	5,005
Pupil Transportation	2,769,998	14,336	0	436,372
Central	986,006	40,965	0	723,767
Operation of Non-Instructional Services	37,969	297,720	0	0
Extracurricular Activities	537,463	228,173	0	47,635
Capital Outlay	153,080	0	0	13,026,873
Debt Service:				
Principal Retirement	123,891	0	1,220,000	220,000
Interest and Fiscal Charges	22,558	0	2,496,207	1,674,673
Total Expenditures	39,277,126	1,548,950	3,815,046	16,572,188
Excess (Deficiency) of Revenues Over (Under) Expenditures	500,805	50,899	3,631,882	(14,478,983)
Other Financing Sources (Uses):				
Proceeds from the Sale of Long Term Notes	8,470	0	72,731,132	71,935,000
Operating Transfers In	0	642	0	610,131
Operating Transfers Out	(100,642)	0	(510,131)	0
Total Other Financing Sources (Uses)	(92,172)	642	72,221,001	72,545,131
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	408,633	51,541	75,852,883	58,066,148
Fund Balances at July 1, 2000	8,107,976	392,867	1,982,737	(9,764,535)
Fund Balances at June 30, 2001	\$8,516,609	\$444,408	\$77,835,620	\$48,301,613

See accompanying notes to the general purpose financial statements

Totals
(Memorandum
Only)

\$28,319,067
18,588,027
2,347,998
450,375
58,512
533,441
97,467
113,342
409,684

50,917,913

19,191,829
3,023,189
19,855
34,455

2,343,013
3,216,773
46,824
2,695,491
1,022,459
177,658
4,384,078
3,220,706
1,750,738
335,689
813,271
13,179,953

1,563,891
4,193,438

61,213,310

(10,295,397)

144,674,602
610,773
(610,773)

144,674,602

134,379,205

719,045

\$135,098,250

MASON CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Governmental Fund Types					
	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$21,603,317	\$21,603,317	\$0	\$0	\$0	\$0
Intergovernmental	16,773,191	16,778,245	5,054	829,858	854,044	24,186
Interest	807,000	889,405	82,405	6,049	6,461	412
Tuition and Fees	361,491	372,793	11,302	72,746	77,582	4,836
Rent	50,800	51,594	794	0	0	0
Extracurricular Activities	0	0	0	524,652	533,442	8,790
Gifts and Donations	0	0	0	36,277	37,467	1,190
Customer Services	112,000	113,342	1,342	0	0	0
Miscellaneous	0	0	0	93,178	93,464	286
Total Revenues	39,707,799	39,808,696	100,897	1,562,760	1,602,460	39,700
Expenditures:						
Current:						
Instruction:						
Regular	18,085,074	18,029,843	55,231	586,130	509,237	76,893
Special	2,774,521	2,748,547	25,974	277,868	250,454	27,414
Vocational	0	0	0	22,233	21,137	1,096
Other	53,819	53,743	76	0	0	0
Support Services:						
Pupils	2,430,300	2,391,356	38,944	33,652	31,147	2,505
Instructional Staff	2,977,403	2,953,919	23,484	212,295	176,198	36,097
Board of Education	50,036	37,777	12,259	0	0	0
Administration	2,756,083	2,721,547	34,536	10,892	10,660	232
Fiscal	1,006,341	940,818	65,523	0	0	0
Business	190,677	184,485	6,192	0	0	0
Operation and Maintenance of Plant	4,664,520	4,550,412	114,108	6,957	6,788	169
Pupil Transportation	2,927,411	2,902,122	25,289	17,202	14,336	2,866
Central	1,023,698	991,770	31,928	62,996	40,964	22,032
Operation of Non-Instructional Services:	44,180	36,836	7,344	396,508	378,112	18,396
Extracurricular Activities:	558,780	536,422	22,358	277,966	250,875	27,091
Capital Outlay:	154,668	153,080	1,588	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	39,697,511	39,232,677	464,834	1,904,699	1,689,908	214,791
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,288	576,019	565,731	(341,939)	(87,448)	254,491
Other Financing Sources (Uses):						
Operating Transfers In	0	0	0	642	642	0
Proceeds from Sale of Long-Term Notes	8,000	8,470	470	0	0	0
Refund of Prior Year Expenditures	90,000	90,465	465	0	0	0
Advances In	0	0	0	11,926	11,926	0
Refund of Prior Year Receipts	(132)	(132)	0	(2,641)	(2,641)	0
Advances Out	(11,926)	(11,926)	0	0	0	0
Operating Transfers Out	(299,074)	(100,642)	198,432	0	0	0
Other Financing Uses	(396)	0	396	0	0	0
Other Financing Sources	0	0	0	0	0	0
Total Other Financing Sources (Uses)	(213,528)	(13,765)	199,763	9,927	9,927	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(203,240)	562,254	765,494	(332,012)	(77,521)	254,491
Fund Balances at July 1, 2000	8,509,932	8,509,932	0	377,249	377,249	0
Prior Year Encumbrances Appropriated	408,699	408,699	0	86,544	86,544	0
Fund Balances at June 30, 2001	\$8,715,391	\$9,480,885	\$765,494	\$131,781	\$386,272	\$254,491

See accompanying notes to the general purpose financial statements

Governmental Fund Types					
Debt Service Fund			Capital Projects Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$6,093,687	\$6,093,687	\$0	\$316,930	\$316,930	\$0
695,655	695,679	24	229,452	229,452	0
147,000	166,833	19,833	1,047,649	1,294,465	246,816
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	60,000	60,000	0
0	0	0	0	0	0
0	0	0	330,393	330,547	154
6,936,342	6,956,199	19,857	1,984,424	2,231,394	246,970
0	0	0	498,633	474,222	24,411
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
10,210	10,208	2	500	493	7
94,790	88,631	6,159	4,610	4,609	1
0	0	0	0	0	0
0	0	0	5,005	5,005	0
0	0	0	500,000	436,372	63,628
0	0	0	1,502,703	1,491,741	10,962
0	0	0	0	0	0
0	0	0	69,688	63,625	6,063
0	0	0	70,408,016	56,056,639	14,351,377
10,120,000	10,120,000	0	535,000	535,000	0
2,908,278	2,906,338	1,940	38,232	38,232	0
13,133,278	13,125,177	8,101	73,562,387	59,105,938	14,456,449
(6,196,936)	(6,168,978)	27,958	(71,577,963)	(56,874,544)	14,703,419
0	0	0	100,000	100,000	0
8,800,000	81,531,132	72,731,132	72,150,000	72,150,000	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
2,200	2,259	59	0	0	0
8,802,200	81,533,391	72,731,191	72,250,000	72,250,000	0
2,605,264	75,364,413	72,759,149	672,037	15,375,456	14,703,419
1,432,982	1,432,982	0	260,027	260,027	0
0	0	0	169,169	169,169	0
\$4,038,246	\$76,797,395	\$72,759,149	\$1,101,233	\$15,804,652	\$14,703,419

Continued

MASON CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001
 (CONTINUED)

	Totals		
	----- (Memorandum Only) -----		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	28,013,934	28,013,934	\$0
Intergovernmental	18,528,156	18,557,420	29,264
Interest	2,007,698	2,357,164	349,466
Tuition and Fees	434,237	450,375	16,138
Rent	50,800	51,594	794
Extracurricular Activities	524,652	533,442	8,790
Gifts and Donations	96,277	97,467	1,190
Customer Services	112,000	113,342	1,342
Miscellaneous	423,571	424,011	440
Total Revenues	50,191,325	50,598,749	407,424
Expenditures:			
Current:			
Instruction:			
Regular	19,169,837	19,013,302	156,535
Special	3,052,389	2,999,001	53,388
Vocational	22,233	21,137	1,096
Other	53,819	53,743	76
Support Services:			
Pupils	2,463,952	2,422,503	41,449
Instructional Staff	3,189,698	3,130,117	59,581
Board of Education	50,036	37,777	12,259
Administration	2,777,685	2,742,908	34,777
Fiscal	1,105,741	1,034,058	71,683
Business	190,677	184,485	6,192
Operation and Maintenance of Plant	4,676,482	4,562,205	114,277
Pupil Transportation	3,444,613	3,352,830	91,783
Central	2,589,397	2,524,475	64,922
Operation of Non-Instructional Services:	440,688	414,948	25,740
Extracurricular Activities:	906,434	850,922	55,512
Capital Outlay:	70,562,684	56,209,719	14,352,965
Debt Service:			
Principal Retirement	10,655,000	10,655,000	0
Interest and Fiscal Charges	2,946,510	2,944,570	1,940
Total Expenditures	128,297,875	113,153,700	15,144,175
Excess (Deficiency) of Revenues Over (Under) Expenditures	(78,106,550)	(62,554,951)	15,551,599
Other Financing Sources (Uses):			
Operating Transfers In	100,642	100,642	0
Proceeds from Sale of Long-Term Notes	80,958,000	153,689,602	72,731,602
Refund of Prior Year Expenditures	90,000	90,465	465
Advances In	11,926	11,926	0
Refund of Prior Year Receipts	(2,773)	(2,773)	0
Advances Out	(11,926)	(11,926)	0
Operating Transfers Out	(299,074)	(100,642)	198,432
Other Financing Uses	(396)	0	396
Other Financing Sources	2,200	2,259	59
Total Other Financing Sources (Uses)	80,848,599	153,779,553	72,930,954
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,742,049	91,224,602	88,482,553
Fund Balances at July 1, 2000	10,580,190	10,580,190	0
Prior Year Encumbrances Appropriated	664,412	664,412	0
Fund Balances at June 30, 2001	\$13,986,651	\$102,469,204	\$88,482,553

See accompanying notes to the general purpose financial statements

**MASON CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	----- Proprietary Fund Types -----		Fiduciary	Totals (Memorandum Only)
	Enterprise	Internal Service	---- Fund Type ---- Non-Expendable Trust	
Operating Revenues:				
Sales	\$1,509,553	\$0	\$0	\$1,509,553
Charges for Services	27,914	421,131	0	449,045
Interest	0	0	2,045	2,045
Contributions and Donations	0	0	200	200
Miscellaneous	206,507	0	0	206,507
Total Operating Revenue	1,743,974	421,131	2,245	2,167,350
Operating Expenses:				
Salaries	597,066	0	0	597,066
Fringe Benefits	234,576	0	0	234,576
Purchased Services	207,619	16,283	0	223,902
Materials and Supplies	93,963	0	0	93,963
Cost of Sales	652,646	0	0	652,646
Depreciation	48,606	0	0	48,606
Claims	0	362,015	0	362,015
Total Operating Expenses	1,834,476	378,298	0	2,212,774
Operating Income (Loss)	(90,502)	42,833	2,245	(45,424)
Non-Operating Revenues:				
Federal Donated Commodities	55,979	0	0	55,979
Interest	14,715	1,723	0	16,438
Operating Grants	140,822	0	0	140,822
Loss on Sale of Fixed Assets	(11,982)	0	0	(11,982)
Interest and Fiscal Charges	(2,981)	0	0	(2,981)
Total Non-Operating Revenues	196,553	1,723	0	198,276
Net Income (Loss)	106,051	44,556	2,245	152,852
Retained Earnings at July 1, 2000	75,215	(26,708)	19,398	67,905
Retained Earnings at June 30, 2001	\$181,266	\$17,848	\$21,643	\$220,757

See accompanying notes to the general purpose financial statements

**MASON CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	----- Proprietary Fund Types -----		--- Fiduciary --- --- Fund Type ---	Totals
	Enterprise	Internal Service	Nonexpendable Trust	(Memorandum Only)
Cash Flows from Operating Activities:				
Cash Received from Customers	\$1,743,975	\$0	\$0	\$1,743,975
Cash Received from Quasi External Transactions with Other Funds	0	421,131	0	421,131
Cash Received from Donations	0	0	200	200
Cash Payments to Suppliers for Goods and Services	(655,964)	0	0	(655,964)
Cash Payments to Employees for Services	(570,193)	0	0	(570,193)
Cash Payments for Employee Benefits	(231,785)	0	0	(231,785)
Cash Payments for Claims	0	(403,156)	0	(403,156)
Cash Payments for Purchased Services	(214,383)	(16,283)	0	(230,666)
Cash Payments for Materials and Supplies	(14,722)	0	0	(14,722)
Net Cash Provided by (Used) for Operating Activities	56,928	1,692	200	58,820
Cash Flows from Noncapital Financing Activities:				
Federal and State Grants Received	140,822	0	0	140,822
Net Cash Provided by Noncapital Financing Activities	140,822	0	0	140,822
Cash Flows from Capital and Related Financing Activities:				
Purchase of Fixed Assets	(41,032)	0	0	(41,032)
Principal Paid on Capital Leases	(19,775)	0	0	(19,775)
Interest Paid on capital Leases	(2,981)	0	0	(2,981)
Net Cash (Used for) Capital and Related Financing Activities	(63,788)	0	0	(63,788)
Cash Flows from Investing Activities:				
Interest on Investments	14,715	1,723	2,045	18,483
Net Cash Provided by Investing Activities	14,715	1,723	2,045	18,483
Net Increase in Cash and Cash Equivalents	148,677	3,415	2,245	154,337
Cash and Cash Equivalents at July 1, 2000	228,696	46,206	19,398	294,300
Cash and Cash Equivalents at June 30, 2001	\$377,373	\$49,621	\$21,643	\$448,637

Continued

**MASON CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001
 (CONTINUED)**

	----- Proprietary Fund Types -----		--- Fiduciary --- --- Fund Type ---	Totals
	Enterprise	Internal Service	Nonexpendable Trust	(Memorandum Only)
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	(\$90,502)	\$42,833	\$2,245	(\$45,424)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation Expense	48,606	0	0	48,606
Donated Commodities Used During Year	55,979	0	0	55,979
Interest Received in Nonexpendable Trust Fund	0	0	(2,045)	(2,045)
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	0	(801)	0	(801)
Decrease in Inventory Held for Resale	6,481	0	0	6,481
(Increase) in Prepaid Items	(2,406)	0	0	(2,406)
Increase/(Decrease) in Accounts Payable	15,458	(104)	0	15,354
Increase in Accrued Wages and Benefits	12,366	0	0	12,366
Increase in Compensated Absences Payable	15,432	0	0	15,432
Increase in Intergovernmental Payable	4,272	0	0	4,272
(Decrease) in Claims Payable	0	(40,236)	0	(40,236)
(Decrease) in Deferred Revenue	(8,758)	0	0	(8,758)
Total Adjustments	147,430	(41,141)	(2,045)	104,244
Net Cash Provided by (Used for) Operating Activities	\$ 56,928	\$ 1,692	\$ 200	\$ 58,820

Reconciliation of Nonexpendable Trust Fund to Balance Sheet:

Cash and Cash Equivalents - All Fiduciary Funds	\$90,255
Cash and Cash Equivalents - Agency Funds	(68,612)
Cash and Cash Equivalents - Nonexpendable Trust Fund	<u>\$21,643</u>

See accompanying notes to the general purpose financial statements

**MASON CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	----- Proprietary Fund Types -----					
	----- Enterprise Funds -----			----- Internal Service Fund -----		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Sales	\$1,510,000	\$1,509,554	(\$446)	\$0	\$0	\$0
Charges for Services	26,300	27,914	1,614	418,100	421,131	3,031
Operating Grant	111,370	140,821	29,451	0	0	0
Interest	13,500	14,715	1,215	1,600	1,724	124
Refund of Prior Year Expense	40,000	40,000	0	0	0	0
Miscellaneous	166,400	166,507	107	0	0	0
Total Revenues	1,867,570	1,899,511	31,941	419,700	422,855	3,155
Expenses:						
Salaries	604,200	570,193	34,007	0	0	0
Fringe Benefits	300,300	232,909	67,391	0	0	0
Purchased Services	250,900	219,683	31,217	25,154	16,283	8,871
Materials and Supplies	742,181	713,322	28,859	0	0	0
Other	35	35	0	418,617	403,156	15,461
Capital Outlay	100,000	67,873	32,127	0	0	0
Total Expenses	1,997,616	1,804,015	193,601	443,771	419,439	24,332
Excess (Deficiency) of Revenues Over (Under) Expenses	(130,046)	95,496	225,542	(24,071)	3,416	27,487
Fund Equity at July 1, 2000	225,616	225,616	0	46,206	46,206	0
Prior Year Encumbrances Appropriated	3,081	3,081	0	0	0	0
Fund Equity at June 30, 2001	\$98,651	\$324,193	\$225,542	\$22,135	\$49,622	\$27,487

See accompanying notes to the general purpose financial statements

----- Fiduciary Fund Type -----			Totals		
----- Nonexpendable Trust Fund -----			----- (Memorandum Only) -----		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$1,510,000	\$1,509,554	(\$446)
0	0	0	444,400	449,045	4,645
0	0	0	111,370	140,821	29,451
1,900	2,046	146	17,000	18,485	1,485
0	0	0	40,000	40,000	0
200	200	0	166,600	166,707	107
2,100	2,246	146	2,289,370	2,324,612	35,242
0	0	0	604,200	570,193	34,007
0	0	0	300,300	232,909	67,391
0	0	0	276,054	235,966	40,088
0	0	0	742,181	713,322	28,859
1,000	0	1,000	419,652	403,191	16,461
0	0	0	100,000	67,873	32,127
1,000	0	1,000	2,442,387	2,223,454	218,933
1,100	2,246	1,146	(153,017)	101,158	254,175
19,398	19,398	0	291,220	291,220	0
0	0	0	3,081	3,081	0
\$20,498	\$21,644	\$1,146	141,284	395,459	254,175

MASON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE 1 - DESCRIPTION OF THE SCHOOL

The Mason City School District (the "District") operates under a locally elected five member Board and provides educational services as authorized by its charter or further mandated by state/or federal agencies. The Board controls the District's six instructional facilities, staffed by 357 classified personnel, 440 certified full-time teaching personnel and administrative employees to provide services to students and other community members.

The District is located in Mason, Ohio, Warren County, including an area extending roughly six miles around the city. The enrollment for the District during the 2001 fiscal year was 6,711. The District operates one early childhood center (PS-K), two elementary schools (1-2) and (3-4), one intermediate school (5-6), one middle school (7-8), and a high school (9-12).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (the "GASB") and other recognized authoritative sources. The District also applies Financial Accounting Standards Board Statements and Interpretations issued prior to November 30, 1989, to its proprietary activities, provided they do not conflict with or contradict GASB pronouncements.

A. Financial Reporting Entity

The reporting entity is composed of the primary government. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For Mason City School District, this includes general operations, food service, preschool and student related activities of the District.

The District reviewed potential component units for possible inclusion in the reporting entity. Component units are legally separate organizations for which the District is financially accountable. The District would be financially accountable for an organization if the District appointed a voting majority of the organization's governing board and (1) the District was able to significantly influence the programs or services performed or provided by the organization; or (2) the District was legally entitled to or can otherwise access the organizations' resources; the District was legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to, the organization; or the District was 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 identified no component units that meet this criteria.

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

A. Financial Reporting Entity (Continued)

The District is not involved in the budgeting or management of the Great Oaks Joint Vocational School District. The vocational school district is a separate body politic and corporate, established by the Ohio Revised Code. This is a jointly governed organization and the District's participation is discussed in Note 15 to the General Purpose Financial Statements.

The District is a participating member of the Southwestern Ohio Computer Association (SWOCA). SWOCA provides data processing services. D. Russell Lee Vocational School serves as the fiscal agent. This is a jointly governed organization and the District's participation is discussed in Note 15 to the General Purpose Financial Statements.

The School District is a participant in the Jewell Education Foundation, which was created to promote and assist in educational funding through soliciting grants and charitable contributions for distributions to member educational institutions. This is a jointly governed organization and the District's participation is discussed in Note 15 to the General Purpose Financial Statements.

B. Basis of Presentation – Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial 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 recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources.

For financial statement presentation purposes, the various funds of the District are grouped as follows:

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities, except those accounted for in proprietary or fiduciary funds, are accounted for through governmental funds. The governmental fund category includes:

The General Fund is the general operating fund of the District and is used to account for all financial resources, except those required to be accounted for in another fund.

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

B. Basis of Presentation – Fund Accounting Continued

Governmental Funds (Continued)

Special Revenue Funds are established 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.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs not being financed by proprietary funds.

Capital Projects Funds are used to account for financial resources to be used for the acquisition of fixed assets or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Funds

Proprietary funds are used to account for the District's ongoing activities, which are similar to those found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the District's business and quasi-business activities, where net income and capital maintenance are measured, are accounted for through proprietary funds.

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the Board of Education is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the Board of Education had decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Internal Service Fund accounts for the financing of services provided by one department or agency to another department or agency of the District on a cost-reimbursement basis.

Fiduciary Funds

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

Non-Expendable Trust Funds account for trust principal, which may not be expended. Only interest earned on the principal may be used for trust operations. Non-expendable trust funds are accounted for in essentially the same manner as proprietary funds.

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

B. Basis of Presentation – Fund Accounting (Continued)

Fiduciary Funds (Continued)

Agency Funds are purely custodial and thus do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the District, other than those accounted for in the proprietary or trust funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations and certain other liabilities of the District except those accounted for in the proprietary or trust funds.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and the non-expendable trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund types and nonexpendable operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental and agency funds. The full accrual basis of accounting is followed for the proprietary funds and nonexpendable trust fund.

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

C. Measurement Focus and Basis of Accounting (Continued)

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

Non-exchange transaction, in which the School District receives value without directly giving equal value in return, include 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. (See Note 6.) 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 fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2001, but which were levied to finance fiscal year 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On a modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

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 donated commodities revenue. Unused donated commodities are reported as deferred revenue.

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

D. Budgetary Data

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. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each function. Any budgetary modifications at this level must be made by resolution of the Board of Education. The auxiliary services fund is presented as a special revenue fund on the statements prepared using generally accepted accounting principles.

Tax Budget:

Prior to January 15, the Superintendent and the Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Warren County Budget Commission for rate determination.

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year do not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final Amended Certificate issued during fiscal year 2001.

Appropriations:

Upon receipt from the County Auditor of an amended official certificate of estimated resources based on the final assessed values and tax rates or a certificate stating no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

D. Budgetary Data (Continued)

measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals by fund. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations.

Formal budgetary integration is employed as a management control device during the year for all funds, including the Debt Service Fund, consistent with statutory provisions.

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. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations:

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

E. Cash and Cash Equivalents

Cash received by the District, except for certain building capital projects funds, are pooled for investment purposes in one bank account with individual fund cash balance integrity maintained through the District's financial records. Monies for all funds are maintained in this account or temporarily used to purchase investments. During fiscal year 2001, investments were limited to certificates of deposit, obligations of the U.S. Treasury, direct issuances of federal agencies, commercial paper, mutual funds, nonparticipating repurchase agreements, and interest in STAR Ohio (the State Treasurer's Investment Pool). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. The District has invested funds in the State Treasury Assets Reserve of Ohio (STAR Ohio) during fiscal year 2001. STAR Ohio is an investment pool managed by the State

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

E. Cash and Cash Equivalents (Continued)

Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940.

Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2001. Under existing Ohio statutes, all investment earnings accrued are allocated to the General Fund except those specifically related to auxiliary services agency funds, the food service fund, certain trust funds and those funds individually authorized by Board resolution. Interest income earned in 2001 totaled \$2,347,998.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with a maturity of three months or less at the time they are purchased by the District and investments made from the cash management pool are considered to be cash equivalents. Investments that are not part of the cash management pool with a maturity greater than three months when purchased are considered investments of the fund.

F. Inventory

Inventories of proprietary funds are stated at the lower of cost or market. Cost is determined on a first-in, first-out (FIFO) method. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2001 are recorded as prepaid items. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Fixed Assets and Depreciation

General Fixed Assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District does not capitalize interest on construction projects. Donated fixed assets are recorded at their fair market values as of the date received. The District follows the policy of not capitalizing assets with a cost of less than five hundred dollars and a useful life of less than 5 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

H. Fixed Assets and Depreciation (Continued)

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life of 10 to 20 years.

I. Short-Term Interfund Assets/Liabilities

Short-term interfund loans are classified as "interfund receivables/payables." As of June 30, 2001 the balances were as follows:

	Receivable	Payable
General Fund	\$11,926	\$0
Continuous Improvement Fund	<u>0</u>	<u>11,296</u>
Total	<u>\$11,926</u>	<u>\$11,926</u>

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's 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. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements and state laws.

<u>Vacation</u>	<u>Certificated</u>	<u>Administrators</u>	<u>Classified</u>
How Earned	Not Eligible	20 to 30 days Annually	10 to 20 days per year depending on length of service
Maximum Accumulation	Not Applicable	Amount equal to yearly accrual	Amount equal to yearly accrual
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Paid Upon Termination	Paid Upon Termination

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

J. Compensated Absences (Continued)

<u>Sick Leave</u>	<u>Certificated</u>	<u>Administrators</u>	<u>Classified</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	220 days	220 days	220 days
Vested	15 yrs. of service Eligible for Retirement	15 yrs. of service Eligible for Retirement	15 yrs. of service Eligible for Retirement
Termination Entitlement	Paid Upon Retirement	Paid Upon Retirement	Paid Upon Retirement

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. 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 remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. The remaining portion of such obligations is reported in the general long-term obligations account group.

L. Fund Balance Reserves

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, prepaids, property taxes, and budget stabilization. The reserve for property taxes represents taxes recognized as revenue under generally accounting principles but not available for appropriations under state statute.

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

M. Set-Aside Calculations and Fund Reserves

The District is required by State statute to annually set aside an amount based on prior year revenues for the purchase of textbooks and other instructional materials and an additional amount for capital improvements. Amounts not spent by year-end or offset by similarly restricted resources must be held in cash at year-end and carried forward to be used for the same purposes in future years. Amounts spent in excess of the requirement can be carried over to the following year to be applied to meeting the following year's requirement. In addition, in previous years, an amount was to be set aside in a budget stabilization reserve if the District's base amount used for the yearly set-aside calculation increased three percent or more from the prior year. Beginning with the current year, this requirement has been eliminated. However, the Board has decided to keep the current balance in the reserve.

The following information describes any changes in the amounts set-aside for textbooks and instructional materials, capital improvements, budget stabilization from the end of the prior year to the end of the current year. Negative amounts represent amounts spent in excess of the required levels and are carried over to apply against the FY2002 spending requirements.

1. Textbooks and Instructional Materials

Set-aside balance carried forward from prior year		\$ (65,245)
Current year set-aside requirement	\$ 930,897	
Qualifying expenditures made during the year	1,144,091	
Total qualifying expenditures in excess of requirement for FY01		(213,194)
Balance of set-aside to be carried forward to next year		<u>\$(278,439)</u>

2. Capital Improvements

Set-aside balance carried forward from prior year		\$0
Current year set-aside requirement	\$930,897	
Qualifying expenditures made during the year	930,897	
Total qualifying expenditures in excess of requirement for FY01		0
Balance of set-aside to be carried forward to next year		<u>\$0</u>

3. Budget Stabilization

Set-aside balance carried forward from prior year		\$ 1,156,987
Amount returned to Undesignated Fund Balance		(1,071,394)
Balance of set-aside to be carried forward to next year		<u>\$ 85,593</u>

Senate Bill 345 eliminated the Budget Stabilization Reserve. The current year set-aside requirement is from a Bureau of Workers' Compensation refund received prior to April 10, 2001.

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

N. Contributed Capital

Contributed capital represents resources from other funds, other governments and private sources provided to the proprietary funds that are not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

O. Estimates

The preparation of the 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 could differ from those estimates.

P. Total columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis), All Governmental Fund Types and Expendable Trust Funds and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis), All Proprietary Fund Types are 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 that:

1. Revenues are recorded when received in cash (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).

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING (Continued):

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 as balance sheet transactions (GAAP basis).
5. Proceeds from and principal payment on bond anticipation notes are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP basis).
6. The 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.
7. Advances for short term interfund loans are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

Excess (Deficiency) of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses

All Government Fund Types

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis	\$408,633	\$51,541	\$75,852,883	\$58,066,148
Net Adjustment for Revenue Accruals	30,633	(30)	(488,470)	138,189
Refund of Prior Year Expenditure	90,465	0	0	0
Proceeds from Sale of Notes	0	0	8,800,000	215,000
Capital Outlay	0	0	0	43,029,766
Transfers In	0	0	0	(510,131)
Net Adjustment for Expenditure Accruals	822,498	18,553	(8,800,000)	46,456,300
Advances	(11,926)	11,926	0	0
Adjustment for Encumbrances	(778,049)	(159,511)	0	(45,960,284)
Budget Basis	<u>\$562,254</u>	<u>\$(77,521)</u>	<u>\$75,364,413</u>	<u>\$15,375,456</u>

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (Continued):

Net Income (Loss) / Excess (Deficiency) of Revenues Over / (Under)
 Expenses, Advances and Operating Transfers

All Proprietary Fund Types and Non-Expendable Trust Fund

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non-Expendable Trust</u>
Net Income for GAAP Basis	\$106,051	\$44,556	\$2,245
Commodities Received	(55,979)	0	0
Net Adjustment for Revenue Accruals	0	1	1
Net Adjustment for Expense Accruals	35,035	(41,141)	5,312
Depreciation Expense	48,606	0	0
Interest Expense	2,981	0	0
Loss On Sale Of Fixed Assets	11,982	0	0
Adjustment for Encumbrances	(53,180)	0	5,312
Budget Basis	<u>\$95,496</u>	<u>\$3,416</u>	<u>\$2,246</u>

NOTE 4 - FUND DEFICIT

For the fiscal year ending June 30, 2001, the following funds had individual fund deficits:

	<u>Deficit Fund Balance</u>
Governmental Funds:	
Special Revenue Funds:	
Title 1	\$ 10,823
Continuous Improvement Fund	4,674
Capital Projects:	
Capital Projects	68,126

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

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes require the classification of monies held by the District into three categories.

Category 1 consists of “active” monies, those monies required to be kept in a “cash” or “near-cash” status for immediate use by the District. Such monies must be maintained either as cash in the District Treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Category 2 consists of “inactive” monies, those monies not required for use within the current two year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

Category 3 consists of “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. Interim monies may be invested or deposited in the following securities provided they mature or are redeemable within one year from the date of purchase:

1. Bond, 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 government agency, or instrumentality.
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of purchase.
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 banker’s acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

Protection of District cash and investments is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Deposits: The District is required to categorize deposits and investments according to GASB Statement No. 3 “Deposits with Financial Institutions, Investments, and Reverse Repurchase Agreements”. At year-end, the carrying amount of the District’s deposits was \$497,632. The bank balance of the District’s deposit was \$1,058,716. Of the bank balance, \$600,068 was covered by federal depository and other insurance and the remaining amounts were covered by collateral held by the pledging bank’s trust department but not in the District’s name pursuant to Section 135.181, Ohio Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions. Ohio Revised Code Section 135.181 Uniform Depository Act, authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure payment of all public monies deposited in the financial institution, provided that at 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. Although the pledging bank has an investment and securities pool used to collateralize all public deposits which are held in the financial institutions name, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC. The deposits not covered by federal depository insurance are considered uninsured and uncollateralized under the provisions of Statement No. 3.

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 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 but not 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.

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Based on the above criteria, the District's investments at June 30, 2001, are classified as follows:

<u>Description</u>	<u>Category</u>			<u>Carrying/Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Non-Participating Repurchase Agreement	\$0	\$0	\$137,424,593	\$137,424,593
Federal Home Loan Bank	0	2,320,456	0	2,320,456
Federal National Mortgage Assoc. Notes	0	685,898	0	685,898
Fountain Square Mutual Fund (1)	N/A	N/A	N/A	52,625
Star Ohio (1)	N/A	N/A	N/A	8,942,289
Total	\$0	\$3,006,354	\$137,424,593	\$149,425,861

- 1) The District's investments in Star Ohio and Fountain Square Mutual Fund are not categorized because they are not evidenced by securities that exist in physical or book entry form.

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9 entitled "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting."

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement 9	\$146,791,144	\$3,132,341
Certificates of Deposit	325,000	(325,000)
Non-Participating Repurchase Agreement	(137,424,593)	137,424,593
Federal National Mortgage Association	(199,013)	199,013
Fountain Square Mutual Fund	(52,625)	52,625
Star Ohio	(8,942,289)	8,942,289
GASB Statement 3	\$497,632	\$149,425,861

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 6 - PROPERTY TAXES (Continued)

The assessed values upon which the fiscal year 2001 taxes were collected are:

	<u>2000 Second- Half Collections</u>		<u>2001 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$584,567,320	80.90%	\$766,334,940	84.25%
Public Utility Personal	27,966,800	3.87%	31,930,770	3.51%
Tangible Personal Property	110,006,159	15.23%	111,364,313	12.24%
Total Assessed Value	<u>\$722,540,279</u>	<u>100.00%</u>	<u>\$909,630,023</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation		\$61.95		\$61.95

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, state statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The District receives property taxes from Warren and Butler Counties. The county auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2001, are available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable as of June 30, 2001. 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, 2001, was \$3,419,379 and is recognized as revenue. The amount available as an advance at June 30, 2000, was \$3,114,245.

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 7 - RECEIVABLES

Receivables at June 30, 2001, consisted of taxes, interest, accounts and intergovernmental grants. 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. The principal item of receivables follows:

	<u>Taxes</u>	<u>Accounts</u>	<u>Intergovernmental</u>	<u>Interest</u>
General	\$24,294,421	\$15,208	\$36,326	\$62,767
Special Revenue	0	4,715	0	0
Debt Service	8,069,870	0	0	0
Capital Projects	0	26,250	0	1,642
Total	\$32,364,291	\$46,173	\$36,326	\$64,409

NOTE 8 - FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 2001, follows:

Furniture and Equipment	\$980,275
Less accumulated depreciation	(329,500)
Net Fixed Assets	\$650,775

A summary of the changes in general fixed assets during fiscal year 2001 follows:

	Balance June 30, <u>2000</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2001</u>
Land	\$5,029,869	\$683,122	\$0	\$5,712,991
Buildings	55,416,144	720,608	0	56,136,752
Furniture and Equipment	8,990,452	853,781	141,181	9,703,052
Vehicles	3,797,461	777,776	0	4,575,237
Construction in Progress	686,223	9,065,127	0	9,751,350
Total	\$73,920,149	\$12,100,414	\$141,181	\$85,879,382

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 9 - 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 fiscal year 2001 the District contracted with Nationwide Insurance Company for general liability insurance with a \$5,000,000 aggregate limit covering all employees and volunteers of the District.

Property and Fleet Insurance is provided by Indiana Insurance and property holds a \$1,000 deductible and the bus fleet and maintenance vehicles have a \$250 deductible and a \$1,000,000 limit per occurrence.

The Nationwide Insurance Company maintains a \$20,000 performance bond for the Board President and Superintendent and maintains a \$50,000 public official bond for the Treasurer. Peerless Insurance maintains a \$10,000 employee dishonesty blanket bond for all employees.

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

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Dental is offered on a self-insured basis by the District with third party administration services provided by Harrington Benefits Services. Premiums for dental coverage are \$65.43 for family coverage or \$22.97 for individual coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document.

Vision is offered on a fully insured basis by the District with services provided by VSP (Vision Service Plan). Monthly premiums for vision are \$9.48 for family coverage and \$4.40 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 \$32,574 reported in the internal service fund at June 30, 2001, 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. Changes in the fund's claims liability amount for the current year were:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claims</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2000	\$57,714	\$328,846	\$313,750	\$72,810
2001	\$72,810	\$377,911	\$418,147	\$32,574

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The Mason City School District contributes to the School Employers Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administered by the school employees retirement board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. 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 N. Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the Mason City School District is required to contribute 14 percent; 5.55 percent was the portion to fund pension obligations. The contributions are not determined actuarially, but are established by SERS's Retirement Board within rates allowed by state statute. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$997,086, \$855,581, and \$719,747 respectively; 91 percent has been contributed for fiscal year 2001 and 103% for the fiscal year 2000 and 100% for 1998. \$93,504 representing the underpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

B. State Teachers Retirement System

The Mason City School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

Plan members are required to contribute 9.30 percent of their annual covered salary and the Mason City School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$2,808,374, \$2,402,356, and \$2,050,386 respectively; 99 percent has been contributed for fiscal year 2001 and 98 percent for the fiscal year 2000 and 100 percent for fiscal year 1999. \$26,005 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System have an option to choose social security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2000, four members have elected social security. The Board's liability is 6.20 percent of wages paid.

NOTE 11 - POSTEMPLOYMENT BENEFITS

The State Teachers Retirement System provides comprehensive health care benefits to retired teachers and their dependents, and the School Employees Retirement System provides the same coverage to retired non-certificated employees and their dependents. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

For the State Teachers Retirement System, all benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. By Ohio Law, the cost of coverage paid from STRS fund shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board currently allocates employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. For the District, this amount equaled \$1,604,785 during the 2001 fiscal year. As of July 1, 2000, eligible benefit recipients totaled 99,011. For the fiscal year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000.

For the School Employees Retirement System, coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. 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.

At June 30, 2000, employer contributions to fund health care benefits were 8.45 percent of covered payroll.

In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established as \$12,400. The surcharge rate, added to the unallocated portion of the 14% employer contribution rate provides maintenance of the asset target level for the health care fund. For the District, this amount equaled \$107,124 during the 2001 fiscal year. The number of participants currently receiving health care benefits is approximately 50,000. For the fiscal year ended June 30, 2000, net health care costs paid by SERS were \$140,696,340.

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 12 -CAPITAL LEASES - LESSEE DISCLOSURE

The District has entered into a capitalized lease for equipment. The lease meets the criteria of a capital lease as defined by statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the combined financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General fixed assets consisting of equipment have been capitalized in the General Fixed Assets Account Group in the amount of \$559,379. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the General Long-Term Obligations Account Group. Principal payments in fiscal year 2001 totaled \$123,891 in the governmental funds.

Proprietary fund fixed assets consisting of equipment have been capitalized in the enterprise fund in the amount of \$84,615. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded within the fund. Principal payments in fiscal year 2001 totaled \$19,775 in the proprietary funds.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2001.

Fiscal Year <u>Ending June 30</u>	<u>General Long Term Debt</u>	<u>Proprietary Fund Type Enterprise Fund</u>
2002	144,253	22,756
2003	139,861	22,756
2004	86,037	3,791
2005	17,353	
	<hr/>	<hr/>
Total	\$387,504	\$49,303
Less: Amount Representing Interest	(28,104)	(2,771)
	<hr/>	<hr/>
Present Value of Net Minimum Lease Payments	<u>\$359,400</u>	<u>\$46,532</u>

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 13 -LONG TERM OBLIGATIONS

Long-term obligations activity of the District for the year ended June 30, 2001, was as follows:

General Obligation Bonds & Notes:	Principal Outstanding <u>6/30/00</u>	<u>Additions</u>	<u>Deductions</u>	Principal Outstanding <u>6/30/01</u>
1992 Building Construction and Equipment 5.59%	6,200,000	0	1,000,000	5,200,000
1995 Building Construction and Equipment 5.65%	18,525,000	0	135,000	18,390,000
1998 Building Construction and Equipment 5.24%	21,970,000	0	85,000	21,885,000
1999 School Bus Acquisition 5.12%	450,000	0	220,000	230,000
2000 High School / Recreation Center Notes Construction and Equipment 4.80 %	0	9,800,000	0	9,800,000
2001 High School / Recreation Center Notes Construction and Equipment 3.81%	0	62,135,000	0	62,135,000
2001 High School / Recreation Center Bonds Construction and Equipment 5.06%	0	71,935,000	0	71,935,000
Total General Obligation Bonds & Notes	47,145,000	143,870,000	1,440,000	189,575,000
Compensated Absences	1,617,199	270,405	100,119	1,787,485
Pension Obligations	324,808	0	1,600	323,208
Capital Lease	483,291	0	123,891	359,400
Total General Long-Term Obligations	\$49,570,298	\$144,140,405	\$1,665,610	\$192,045,093

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 13 -LONG TERM OBLIGATIONS (Continued)

The District's voted legal debt margin was \$29,413,150 with an unvoted debt margin of \$694,630 at June 30, 2001.

General obligation bonds and notes will be paid from the debt service fund. Compensated absences and pension obligations will be paid from the fund from which the person is paid.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2001, are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	75,235,000	7,670,800	82,905,800
2003	2,330,000	5,810,071	8,140,071
2004	2,860,000	5,689,836	8,549,836
2005	3,470,000	5,532,022	9,002,022
2006	4,260,000	5,341,609	9,601,609
2007	4,240,000	5,147,142	9,387,142
2008	4,710,000	4,947,720	9,657,720
2009	5,085,000	4,711,270	9,796,270
2010	5,515,000	4,432,734	9,947,734
2011	6,140,000	4,123,477	10,263,477
2012	6,655,000	3,802,028	10,457,028
2013	7,175,000	3,454,605	10,629,605
2014	7,930,000	3,322,798	11,252,798
2015	8,550,000	2,616,977	11,166,977
2016	9,255,000	2,130,701	11,385,701
2017	7,080,000	1,688,590	8,768,590
2018	7,585,000	1,296,521	8,881,521
2019	5,000,000	959,375	5,959,375
2020	5,235,000	694,125	5,929,125
2021	5,495,000	425,875	5,920,875
2022	5,770,000	144,250	5,914,250
Total	\$189,575,000	\$73,942,526	\$263,517,526

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 13 -LONG TERM OBLIGATIONS (Continued)

Notes were issued on August 31, 2000 for \$9,800,000 due August 30, 2001 and on February 15, 2001 for \$62,135,000 due September 17, 2001. Both Notes were retired on their maturity dates with the proceeds of a \$71,935,000 bond issued on June 15, 2001. The bonds were issued for a twenty year period. As of June 30, 2001 the first note was outstanding in the amount of \$9,800,000. This note was retired on August 30, 2001. As of June 30, 2001 the second note was outstanding in the amount of \$62,135,000. This second note was retired on September 17, 2001. Bonds in the amount of \$71,935,000 were outstanding as of June 30, 2001. This issue will be retired on December 1, 2021.

NOTE 14 – SHORT-TERM NOTES PAYABLE

Short-Term Notes Payable activity of the District for the year ended June 30, 2001, was as follows:

	Principal Outstanding <u>6/30/00</u>	<u>Additions</u>	<u>Deductions</u>	Principal Outstanding <u>6/30/01</u>
Mason Intermediate				
Construction 2000 4.63 %	8,900,000	0	(8,900,000)	0
Maintenance Garage				
Land 2000 4.73 %	315,000	0	(315,000)	0
Mason Intermediate				
Construction 2001 3.58 %	0	8,800,000	0	8,800,000
Maintenance Garage				
Land 2001 3.75 %	0	215,000	0	215,000
Total	<u>\$9,215,000</u>	<u>\$9,015,000</u>	<u>(\$9,215,000)</u>	<u>\$9,015,000</u>

These 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 Budgetary Basis (Non-GAAP) presentation shows the note activity in the Debt Service Fund.

Principal and interest requirements to retire these short-term notes payable outstanding at June 30, 2001, are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$9,015,000	\$322,205	\$9,337,205

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 15 - JOINTLY GOVERNED ORGANIZATION

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

The Governing Board of SWOCA consists of six members elected by majority vote of all charter member schools plus one representative from the fiscal agent. The District has an equity interest that is explicit and measurable in that the jointly governed agreement stipulates that the participants have a future claim to the net resources of SWOCA upon dissolution. The agreement sets forth the method to determine each members' proportionate share.

SWOCA is not accumulating significant financial resources nor is it experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. The District's investment interest in SWOCA's fixed assets was \$58,804.70 at June 30, 2001. The District paid SWOCA \$49,721 for services provided during the year. Financial information can be obtained from Michael Crumley, who serves as director, at 3603 Hamilton-Middletown Road, Hamilton, OH. 45011.

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

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 16- ENTERPRISE FUND INFORMATION

The District maintains three Enterprise funds to account for the operations of food service, uniform school supplies and latchkey. The table below reflects in a summarized format the more significant financial data relating to the Enterprise Funds of the Mason City School District as of and for the fiscal year ended June 30, 2001.

<u>Segment Information</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Latchkey</u>	<u>Total Enterprise Funds</u>
Operating Revenues	\$1,577,467	\$0	\$166,507	\$1,743,974
Operating Expenses Before Depreciation	1,624,623	0	161,247	1,785,870
Depreciation	48,606	0	0	48,606
Operating Income/(Loss)	(95,762)	0	5,260	(90,502)
Donated Commodities	55,979	0	0	55,979
Operating Grants	140,822	0	0	140,822
Net Income	100,791	0	5,260	106,051
Net Working Capital	196,091	65,185	2,003	263,279
Total Assets	973,391	65,185	22,272	1,060,848
Total Equity	773,537	65,185	2003	840,725
Encumbrances at June 30, 2001	51,695	0	1,485	53,180

Contributed Capital

A Reconciliation of Contributed Capital Follows:

Contributed Capital at July 1, 2000	\$659,459	\$0	\$0	\$659,459
Contributed Capital at June 30, 2001	\$659,459	\$0	\$0	\$659,459

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 17 - GRANTS

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2001.

NOTE 18- SIGNIFICANT CONTRACTUAL OBLIGATIONS

Listed below are the District's contracts that had outstanding balances in excess of \$100,000 at June 30, 2001:

Cin-Fab, Inc.	\$ 7,433,810
Batts Construction, Inc.	6,108,936
Active Electric	3,954,059
Avenue Fabricating, Inc.	3,108,459
Baker Concrete Construction, Inc.	2,395,619
B L Spille Construction, Inc.	2,221,827
Thomas & Marker Construction Co.	1,917,000
Nelson Stark Company	1,860,421
Farnham Equipment Company	1,848,900
Pioneer Cladding and Glazing Systems	1,593,650
Dayton Walls and Ceilings	1,459,465
Tech Valley Contracting	1,452,216
Turner Construction Company	1,384,466
Flexicore Systems, Inc.	1,113,428
Vorhis, Sloan Welsh, Crossland Architects	846,250
Universal Contracting Corp.	824,333
Firematic Sprinkler Co., Inc.	802,791
Mike Carnevale Tile & Terrazzo	787,577
Quality Restaurant Supply	661,734
Cincinnati Floor Company, Inc.	397,551
Northwest Ohio Security	392,894
Lehn Painting, Inc.	361,258
Allied Fence Builders	327,100
Shaw Contract Flooring Service	323,450
ADC Information Technologies	317,584
Broadwing IT Consulting	289,612
Sungard Pentamation	280,343
Sturdisteel Company	234,415
G/C Contracting Corp.	209,352
Country Roads	189,235
Beck's Studios Inc.	114,885

Mason City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

NOTE 19 – PRIOR PERIOD ADJUSTMENT

For fiscal year 2000, the District reported contractual obligations of \$846,250 to be paid from the Capital Projects Fund. These were actually paid in fiscal year 2001 from the Building Fund. Although this does not change the Combined Capital Projects Funds information presented in the General Purpose Financial Statements, the Fund Balances at July 1, 2000 presented in the Combining Statement of Revenues, Expenditures and Changes in Fund Balances for All Capital Projects Funds were restated to reflect this change as follows:

	Capital Projects Fund	Building Fund
Fund Balance June 30, 2000	\$(684,694)	\$(9,079,841)
Adjustment	<u>846,250</u>	<u>(846,250)</u>
Fund Balance July 1, 2000	<u>\$ 161,556</u>	<u>\$(9,926,091)</u>

NOTE 20 – SUBSEQUENT EVENTS

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State’s school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of November 8, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and re-determine any issue upon such reconsideration.

As of the date of these statements, the School District is unable to determine what effect, if any, this decision and its reconsideration will have on its future State funding and on its financial operations.

**COMBINING, INDIVIDUAL FUND
AND ACCOUNT GROUP FINANCIAL
STATEMENTS AND SCHEDULES**

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GENERAL FUND

To account for governmental resources not accounted for in any other fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of the State of Ohio.

MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$21,603,317	\$21,603,317	\$0
Intergovernmental	16,773,191	16,778,245	5,054
Interest	807,000	889,405	82,405
Tuition and Fees	361,491	372,793	11,302
Rent	50,800	51,594	794
Customer Services	112,000	113,342	1,342
Total Revenues	39,707,799	39,808,696	100,897
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	13,296,686	13,280,223	16,463
Fringe Benefits	3,492,216	3,477,460	14,756
Purchased Services	45,910	45,111	799
Materials and Supplies	1,118,113	1,095,382	22,731
Other	251	251	0
Capital Outlay - New	128,829	128,439	390
Capital Outlay - Replacement	3,069	2,977	92
Total Regular	18,085,074	18,029,843	55,231
Special:			
Salaries and Wages	2,112,599	2,099,753	12,846
Fringe Benefits	551,688	539,666	12,022
Purchased Services	91,854	91,568	286
Materials and Supplies	15,325	14,765	560
Other	555	555	0
Capital Outlay - New	2,500	2,240	260
Total Special	2,774,521	2,748,547	25,974
Other:			
Purchased Services	53,819	53,743	76
Total Other	53,819	53,743	76
Total Instruction	20,913,414	20,832,133	81,281

Continued

MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(CONTINUED)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	\$1,508,066	\$1,497,716	\$10,350
Fringe Benefits	446,796	423,173	23,623
Purchased Services	388,510	384,593	3,917
Materials and Supplies	53,455	52,690	765
Capital Outlay - New	33,423	33,134	289
Other	50	50	0
Total Pupils	2,430,300	2,391,356	38,944
Instructional Staff:			
Salaries and Wages	2,120,071	2,114,558	5,513
Fringe Benefits	688,338	676,012	12,326
Purchased Services	34,490	30,518	3,972
Materials and Supplies	116,144	114,868	1,276
Capital Outlay - New	12,811	12,715	96
Capital Outlay - Replacement	1,425	1,391	34
Other	4,124	3,857	267
Total Instructional Staff	2,977,403	2,953,919	23,484
Board of Education:			
Salaries and Wages	12,000	11,760	240
Fringe Benefits	1,996	1,767	229
Purchased Services	9,000	3,973	5,027
Materials and Supplies	100	99	1
Other	26,940	20,178	6,762
Total Board of Education	50,036	37,777	12,259
Administration:			
Salaries and Wages	1,832,070	1,831,535	535
Fringe Benefits	604,744	579,799	24,945
Purchased Services	104,197	100,726	3,471
Materials and Supplies	33,250	32,940	310
Capital Outlay - New	3,420	3,391	29
Capital Outlay - Replacement	2,025	2,012	13
Other	176,377	171,144	5,233
Total Administration	2,756,083	2,721,547	34,536

Continued

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(CONTINUED)**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Fiscal:			
Salaries and Wages	\$326,424	\$320,175	\$6,249
Fringe Benefits	116,497	114,886	1,611
Purchased Services	31,995	31,114	881
Materials and Supplies	14,780	13,450	1,330
Capital Outlay - New	12,388	12,388	0
Capital Outlay - Replacement	19,500	19,500	0
Other	484,757	429,305	55,452
Total Fiscal	1,006,341	940,818	65,523
Business:			
Salaries and Wages	123,154	118,195	4,959
Fringe Benefits	43,329	42,100	1,229
Purchased Services	10,304	10,304	0
Materials and Supplies	3,763	3,759	4
Capital Outlay - New	9,859	9,859	0
Other	268	268	0
Total Business	190,677	184,485	6,192
Operation and Maintenance of Plant:			
Salaries and Wages	1,743,665	1,742,862	803
Fringe Benefits	530,350	509,339	21,011
Purchased Services	2,012,733	1,929,225	83,508
Materials and Supplies	343,695	337,999	5,696
Capital Outlay - New	34,077	30,987	3,090
Total Operation and Maintenance of Plant	4,664,520	4,550,412	114,108
Pupil Transportation:			
Salaries and Wages	1,749,178	1,746,203	2,975
Fringe Benefits	514,712	497,917	16,795
Purchased Services	257,432	253,609	3,823
Materials and Supplies	401,482	401,186	296
Capital Outlay - New	4,607	3,207	1,400
Total Pupil Transportation	2,927,411	2,902,122	25,289

Continued

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(CONTINUED)**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Central:			
Salaries and Wages	\$573,145	\$564,511	\$8,634
Fringe Benefits	165,840	163,204	2,636
Purchased Services	112,572	98,926	13,646
Materials and Supplies	76,212	75,398	814
Capital Outlay - New	94,555	88,957	5,598
Capital Outlay - Replacement	335	335	0
Other	1,039	439	600
Total Central	1,023,698	991,770	31,928
Total Support Services	18,026,469	17,674,206	352,263
Operation of Non-Instructional Services:			
Salaries and Wages	12,028	11,410	618
Fringe Benefits	2,197	1,999	198
Purchased Services	21,325	20,243	1,082
Materials and Supplies	5,400	3,128	2,272
Other	3,230	56	3,174
Total Operation of Non-Instructional Services	44,180	36,836	7,344
Extracurricular Activities:			
Academic Oriented Activities:			
Salaries and Wages	52,566	51,456	1,110
Fringe Benefits	8,612	6,300	2,312
Purchased Services	1,000	0	1,000
Materials and Supplies	12,000	10,929	1,071
Total Academic Oriented Activities	74,178	68,685	5,493
Sports Oriented Activities:			
Salaries and Wages	376,883	375,507	1,376
Fringe Benefits	78,762	65,835	12,927
Purchased Services	0	0	0
Total Sports Oriented Activities	455,645	441,342	14,303
Co-Curricular Oriented Activities:			
Salaries and Wages	24,923	23,487	1,436
Fringe Benefits	3,534	2,908	626
Other	500	0	500
Total Co-Curricular Oriented Activities	28,957	26,395	2,562
Total Extracurricular Activities	558,780	536,422	22,358

Continued

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(CONTINUED)**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Capital Outlay:			
Site Acquisition Services:			
Capital Outlay - New	\$7,923	\$7,275	\$648
Total Site Acquisition Services	7,923	7,275	648
Site Improvement:			
Site Improvement Services:			
Capital Outlay - New	146,745	145,805	940
Total Site Improvement Services	146,745	145,805	940
Total Capital Outlay	154,668	153,080	1,588
Total Expenditures	39,697,511	39,232,677	464,834
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,288	576,019	565,731
Other Financing Sources (Uses):			
Proceeds from Sale of Long-Term Notes	8,000	8,470	470
Refund of Prior Year Expenditures	90,000	90,465	465
Operating Transfers Out	(299,074)	(100,642)	198,432
Refund of Prior Year Receipts	(132)	(132)	0
Advances Out	(11,926)	(11,926)	0
Other Financing Uses	(396)	0	396
Total Other Financing Sources (Uses)	(213,528)	(13,765)	199,763
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(203,240)	562,254	765,494
Fund Balance at July 1, 2000	8,509,932	8,509,932	0
Prior Year Encumbrances Appropriated	408,699	408,699	0
Fund Balance at June 30, 2001	\$8,715,391	\$9,480,885	\$765,494

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditure for specified purposes. The following are descriptions of each Special Revenue Fund:

Public School Support:

To account for specific local revenue sources (other than taxes) generated by individual school buildings. Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

Community Services:

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

Venture Capital:

To account for monies targeted for school improvement. Each award is for \$25,000 per building and is guaranteed for five years, for a total of \$125,000 per award.

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.

Auxiliary Services:

To account for monies which provide services and materials to pupils attending non-public schools within the District's boundaries. These monies are received and disbursed on behalf of the non-public school by the Treasurer of the District, as directed by the non-public school.

Career Development:

To account for state funds which are provided to introduce various career opportunities to students.

Block Grant:

To account for state funds which are provided to assist in local professional development of certified staff.

Continued

**SPECIAL REVENUE FUNDS
(CONTINUED)**

Management Information System:

To account for expenditures made in conjunction with the implementation of a system to gather student, staff and financial information to comply with Senate Bill 140.

OneNet Network Connectivity

To account for a state subsidy designed to provide network connections for technology in the District.

SchoolNet Professional Development Fund:

To account for a state subsidy designed to provide professional development in the area of technology.

Textbook Fund:

To account for a state subsidy distributed on a per pupil basis for the purchase of textbooks and instructional materials.

Ohio Reads Fund

To account for funds used to implement a summer reading academy and a school year tutoring program to increase the reading opportunities and academic achievement of students.

Summer Intervention Fund

To account for funds used for summer remediation services for fourth grade students.

Safe School Help Line Fund

To account for funds to provide an anonymous phone hot line which students and parents can use to report safety concerns.

Eisenhower:

To account for funds used to expand the awareness of elementary grade teachers in the area of science and math education through inservice training.

Title VI-B:

To account for funds used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least-restrictive, alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Continued

**SPECIAL REVENUE FUNDS
(CONTINUED)**

Vocational Education:

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

Refugee Impact:

To account for federal funds to provide supplemental services to refugees.

Title I:

To account for federal funds whose purpose is to provide financial assistance to enable state and local educational agencies to meet the special needs of educationally deprived children.

Title VI:

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

Emergency Immigrant Education Fund:

To account for funds to provide supplemental services to immigrant students.

Drug Free Schools:

To account for federal funds used to implement programs to educate and encourage students to live their lives free of drug dependency.

Public School Preschool:

To account for federal funds received for the purpose of assisting in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at preschool.

E-Rate

To account for funds received for qualifying telecommunications services.

Continuous Improvement:

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

MASON CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 AS OF JUNE 30, 2001

	Public School Support Fund	Community Services Fund	Venture Capital Fund	District Managed Student Activity Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$105,965	\$135,200	\$0	\$44,247
Receivables				
Accounts	3,538	0	0	1,177
Prepaid Items	0	0	0	0
Total Assets	<u>\$109,503</u>	<u>\$135,200</u>	<u>\$0</u>	<u>\$45,424</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$9,419	\$98	\$0	\$4,112
Accrued Wages and Benefits	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Total Liabilities	<u>9,419</u>	<u>98</u>	<u>0</u>	<u>4,112</u>
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	27,172	3,717	0	12,225
Reserved for Prepaids	0	0	0	0
Unreserved:				
Undesignated (Deficit)	72,912	131,385	0	29,087
Total Fund Equity	<u>100,084</u>	<u>135,102</u>	<u>0</u>	<u>41,312</u>
Total Liabilities and Fund Equity	<u>\$109,503</u>	<u>\$135,200</u>	<u>\$0</u>	<u>\$45,424</u>

Auxiliary Services Fund	Career Development Fund	Block Grant Fund	Management Information System Fund	OneNet Network Connectivity	SchoolNet Professional Development Fund
\$100,916	\$706	\$606	\$32,982	\$0	\$2,043
0	0	0	0	0	0
525	0	0	0	0	0
<u>\$101,441</u>	<u>\$706</u>	<u>\$606</u>	<u>\$32,982</u>	<u>\$0</u>	<u>\$2,043</u>
\$22,582	\$0	\$0	\$0	\$0	\$0
12,824	0	0	0	0	0
0	0	0	0	0	0
2,449	0	0	0	0	0
<u>37,855</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
77,852	331	0	0	0	0
525	0	0	0	0	0
<u>(14,791)</u>	<u>375</u>	<u>606</u>	<u>32,982</u>	<u>0</u>	<u>2,043</u>
<u>63,586</u>	<u>706</u>	<u>606</u>	<u>32,982</u>	<u>0</u>	<u>2,043</u>
<u>\$101,441</u>	<u>\$706</u>	<u>\$606</u>	<u>\$32,982</u>	<u>\$0</u>	<u>\$2,043</u>

Continued

**MASON CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 AS OF JUNE 30, 2001
 (CONTINUED)**

	Textbook Fund	Ohio Reads Fund	Summer Intervention Fund	Safe School Help Line Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$94	\$9,349	\$13,511	\$3,472
Receivables				
Accounts	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$94	\$9,349	\$13,511	\$3,472
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	148	0	0
Total Liabilities	0	148	0	0
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	0	5,250	0	0
Reserved for Prepays	0	0	0	0
Unreserved:				
Undesignated (Deficit)	94	3,951	13,511	3,472
Total Fund Equity	94	9,201	13,511	3,472
Total Liabilities and Fund Equity	\$94	\$9,349	\$13,511	\$3,472

Eisenhower Fund	Title VI-B Fund	Vocational Education Fund	Refugee Impact Fund	Title I Fund	Title VI Fund	Emergency Immigrant Education Fund
\$4,102	\$50,539	\$1,673	\$1,000	\$1,204	\$10,912	\$0
0	0	0	0	0	0	0
0	1,067	0	0	438	0	0
\$4,102	\$51,606	\$1,673	\$1,000	\$1,642	\$10,912	\$0
\$0	\$0	\$310	\$0	\$0	\$207	\$0
0	19,637	0	0	10,797	0	0
0	0	0	0	0	0	0
0	3,034	0	0	1,668	0	0
0	22,671	310	0	12,465	207	0
0	0	368	0	0	1,159	0
0	1,067	0	0	438	0	0
4,102	27,868	995	1,000	(11,261)	9,546	0
4,102	28,935	1,363	1,000	(10,823)	10,705	0
\$4,102	\$51,606	\$1,673	\$1,000	\$1,642	\$10,912	\$0

Continued

**MASON CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 AS OF JUNE 30, 2001
 (CONTINUED)**

	Drug Free Schools Fund	Public School Preschool Fund	E-Rate Fund	Continuous Improvement Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$6,985	\$3,487	\$4,445	\$12,340
Receivables				
Accounts	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$6,985	\$3,487	\$4,445	\$12,340
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	925	2,237	0	4,407
Interfund Payable	0	0	0	11,926
Intergovernmental Payable	143	511	0	681
Total Liabilities	1,068	2,748	0	17,014
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	100	0	0	0
Reserved for Prepays	0	0	0	0
Unreserved:				
Undesignated (Deficit)	5,817	739	4,445	(4,674)
Total Fund Equity	5,917	739	4,445	(4,674)
Total Liabilities and Fund Equity	\$6,985	\$3,487	\$4,445	\$12,340

Totals

\$545,778

4,715

2,030

\$552,523

\$36,728

50,827

11,926

8,634

108,115

128,174

2,030

314,204

444,408

\$552,523

**MASON CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Public School Support Fund	Community Services Fund	Venture Capital Fund	District Managed Student Activity Fund
Revenues:				
Intergovernmental	\$0	\$0	\$0	\$0
Interest	0	0	0	0
Tuition and Fees	0	77,582	0	0
Extracurricular Activities	378,875	1,113	0	153,453
Gifts and Donations	25,050	9,917	0	2,500
Miscellaneous	18,396	74,779	0	297
Total Revenues	422,321	163,391	0	156,250
Expenditures:				
Current:				
Instruction:				
Regular	321,461	54,772	1,814	0
Special	0	17,013	0	0
Vocational	0	0	0	0
Support Services:				
Pupils	0	3,022	0	0
Instructional Staff	0	16,895	9,461	0
Administration	0	1,519	0	0
Operation and Maintenance of Plant	0	488	0	0
Pupil Transportation	3,676	10,660	0	0
Central	0	0	0	0
Operation of Non-Instructional Services				
	0	6,642	0	0
Extracurricular Activities	92,078	2,744	0	133,351
Total Expenditures	417,215	113,755	11,275	133,351
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,106	49,636	(11,275)	22,899
Other Financing Sources (Uses):				
Operating Transfers In	0	642	0	0
Total Other Financing Sources	0	642	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	5,106	50,278	(11,275)	22,899
Fund Balances (Deficit) at July 1, 2000	94,978	84,824	11,275	18,413
Fund Balances (Deficit) at June 30, 2001	\$100,084	\$135,102	\$0	\$41,312

Auxiliary Services Fund	Career Development Fund	Block Grant Fund	Management Information System Fund	OneNet Network Connectivity	SchoolNet Professional Development Fund
\$252,011	\$8,401	\$22,933	\$25,950	\$18,000	\$6,000
6,461	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
258,472	8,401	22,933	25,950	18,000	6,000
0	0	0	0	0	0
0	0	0	0	0	0
0	8,075	0	0	0	0
0	0	0	0	0	0
0	0	23,277	0	0	5,472
0	0	0	0	0	1,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	20,265	18,000	0
273,376	0	303	0	0	0
0	0	0	0	0	0
273,376	8,075	23,580	20,265	18,000	6,472
(14,904)	326	(647)	5,685	0	(472)
0	0	0	0	0	0
0	0	0	0	0	0
(14,904)	326	(647)	5,685	0	(472)
78,490	380	1,253	27,297	0	2,515
\$63,586	\$706	\$606	\$32,982	\$0	\$2,043

Continued

**MASON CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(CONTINUED)**

	Textbook Fund	Ohio Reads Fund	Summer Intervention Fund	Safe School Help Line Fund
Revenues:				
Intergovernmental	\$0	\$21,000	\$13,511	\$4,886
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	0	21,000	13,511	4,886
Expenditures:				
Current:				
Instruction:				
Regular	877	12,530	0	0
Special	0	0	0	0
Vocational	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	2,261	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	0	0	0	6,300
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services				
Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	877	14,791	0	6,300
Excess (Deficiency) of Revenues Over (Under) Expenditures	(877)	6,209	13,511	(1,414)
Other Financing Sources (Uses):				
Operating Transfers In	0	0	0	0
Total Other Financing Sources	0	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(877)	6,209	13,511	(1,414)
Fund Balances (Deficit) at July 1, 2000	971	2,992	0	4,886
Fund Balances (Deficit) at June 30, 2001	\$94	\$9,201	\$13,511	\$3,472

Eisenhower Fund	Title VI-B Fund	Vocational Education Fund	Refugee Impact Fund	Title I Fund	Title VI Fund	Emergency Immigrant Education Fund
\$14,846	\$224,718	\$9,360	\$1,000	\$87,873	\$31,088	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	(2,618)
14,846	224,718	9,360	1,000	87,873	31,088	(2,618)
0	0	310	0	0	3,173	0
0	151,816	0	0	87,852	0	0
0	0	11,780	0	0	0	0
0	0	0	0	0	0	0
17,736	44,494	0	0	0	19,204	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
109	0	0	0	13,484	2,001	0
0	0	0	0	0	0	0
17,845	196,310	12,090	0	101,336	24,378	0
(2,999)	28,408	(2,730)	1,000	(13,463)	6,710	(2,618)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(2,999)	28,408	(2,730)	1,000	(13,463)	6,710	(2,618)
7,101	527	4,093	0	2,640	3,995	2,618
\$4,102	\$28,935	\$1,363	\$1,000	(\$10,823)	\$10,705	\$0

Continued

MASON CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(CONTINUED)

	Drug Free Schools Fund	Public School Preschool Fund	E-Rate Fund	Continuous Improvement Fund
Revenues:				
Intergovernmental	\$28,490	\$21,903	\$4,362	\$57,712
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0		0	0
Total Revenues	28,490	21,903	4,362	57,712
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	70,971
Special	0	2,748	0	0
Vocational	0	0	0	0
Support Services:				
Pupils	29,093	0	0	0
Instructional Staff	0	18,416	0	15,784
Administration	0	0	0	8,142
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	2,700	0
Operation of Non-Instructional Services	1,805	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	30,898	21,164	2,700	94,897
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,408)	739	1,662	(37,185)
Other Financing Sources (Uses):				
Operating Transfers In	0	0	0	0
Total Other Financing Sources	0	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Exoenditures and Other Financing Uses	(2,408)	739	1,662	(37,185)
Fund Balances (Deficit) at July 1, 2000	8,325	0	2,783	32,511
Fund Balances (Deficit) at June 30, 2001	\$5,917	\$739	\$4,445	(\$4,674)

Totals

\$854,044
6,461
77,582
533,441
37,467
90,854

1,599,849

465,908
259,429
19,855

32,115
173,000
10,661
6,788
14,336
40,965

297,720
228,173

1,548,950

50,899

642

642

51,541

392,867

\$444,408

MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Extracurricular Activities	\$370,657	\$378,875	\$8,218
Gifts and Donations	23,900	25,050	1,150
Miscellaneous	18,600	18,686	86
Total Revenues	413,157	422,611	9,454
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	6,000	5,759	241
Materials and Supplies	20,700	20,214	486
Other	348,820	326,574	22,246
Total Regular	375,520	352,547	22,973
Support Services:			
Pupil Transportation:			
Other	4,000	3,676	324
Total Pupil Transportation	4,000	3,676	324
Extracurricular Activities:			
Academic Oriented Activities:			
Other	85,758	85,453	305
Total Academic Oriented Activities	85,758	85,453	305
School & Public Service Co-Curricular Activities:			
Other	10,105	6,925	3,180
Total School & Public Service Co-Curricular Activities	10,105	6,925	3,180
Total Extracurricular Activities	95,863	92,378	3,485
Total Expenditures	475,383	448,601	26,782
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,226)	(25,990)	36,236
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	(23)	(23)	0
Total Other Financing Sources (Uses)	(23)	(23)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(62,249)	(26,013)	36,236
Fund Balance at July 1, 2000	77,515	77,515	0
Prior Year Encumbrances Appropriated	23,684	23,684	0
Fund Balance at June 30, 2001	\$38,950	\$75,186	\$36,236

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Tuition and Fees	\$72,746	\$77,582	\$4,836
Extracurricular Activities	1,100	1,113	13
Gifts and Donations	9,877	9,917	40
Miscellaneous	74,578	74,778	200
Total Revenues	158,301	163,390	5,089
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries	49,216	40,596	8,620
Fringe Benefits	9,958	6,088	3,870
Purchased Services	50	0	50
Materials and Supplies	25,576	11,535	14,041
Other	8,685	7,597	1,088
Capital Outlay - New	4,000	1,400	2,600
Total Regular	97,485	67,216	30,269
Special:			
Purchased Services	2,644	1,844	800
Materials and Supplies	18,556	15,178	3,378
Total Special	21,200	17,022	4,178
Support Services:			
Pupils			
Salaries	2,600	2,583	17
Fringe Benefits	439	390	49
Materials and Supplies	176	49	127
Total Pupils	3,215	3,022	193
Instructional Staff:			
Salaries	9,675	8,940	735
Purchased Services	17,600	9,812	7,788
Materials and Supplies	3,760	0	3,760
Total Instructional Staff	31,035	18,752	12,283
Administration:			
Salaries	1,500	1,315	185
Fringe Benefits	250	203	47
Total Administration	1,750	1,518	232
Operation and Maintenance of Plant:			
Materials and Supplies	488	488	0
Total Operation and Maintenance of Plant	488	488	0

Continued

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(CONTINUED)**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Pupil Transportation:			
Salaries	11,433	8,948	2,485
Fringe Benefits	1,769	1,712	57
Total Pupil Transportation	13,202	10,660	2,542
Operation of Non-Instructional Services			
Community Services:			
Materials and Supplies	2,856	2,856	0
Other	3,786	3,786	0
Total Community Services	6,642	6,642	0
Extracurricular Activities			
Academic Oriented Activities:			
Other	750	624	126
Total Academic Oriented Activities	750	624	126
School and Public Service Co-Curricular Activities:			
Other	3,400	2,275	1,125
Total School and Public Service Co-Curricular Activities	3,400	2,275	1,125
Total Extracurricular Activities	4,150	2,899	1,251
Total Expenditures	179,167	128,219	50,948
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,866)	35,171	56,037
Other Financing Sources (Uses):			
Operating Transfers In	642	642	0
Total Other Financing Sources (Uses)	642	642	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(20,224)	35,813	56,037
Fund Balance at July 1, 2000	85,453	85,453	0
Prior Year Encumbrances Appropriated	10,118	10,118	0
Fund Balance at June 30, 2001	\$75,347	\$131,384	\$56,037

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VENTURE CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	1,544	1,544	0
Fringe Benefits	270	270	0
Total Regular	1,814	1,814	0
Instructional Staff:			
Salaries and Wages	605	605	0
Fringe Benefits	92	92	0
Purchased Services	6,687	6,687	0
Materials and Supplies	2,076	2,076	0
Total Instructional Staff	9,460	9,460	0
Total Expenditures	11,274	11,274	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,274)	(11,274)	0
Fund Balance at July 1, 2000	11,274	11,274	0
Fund Balance at June 30, 2001	\$0	\$0	\$0

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED STUDENT ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Extracurricular Activities	\$152,895	\$153,454	\$559
Gifts and Donations	2,500	2,500	0
Total Revenues	155,395	155,954	559
Expenditures:			
Current:			
Support Services:			
Extracurricular Activities:			
Academic Oriented Activities:			
Other	2,000	1,135	865
Total Academic Oriented Activities	2,000	1,135	865
Sport Oriented Activities:			
Purchased Services	11,000	(1,512)	12,512
Materials and Supplies	4,000	2,758	1,242
Other	160,953	153,217	7,736
Total Sport Oriented Activities	175,953	154,463	21,490
Total Extracurricular Activities	177,953	155,598	22,355
Total Expenditures	177,953	155,598	22,355
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,558)	356	22,914
Fund Balance at July 1, 2000	22,277	22,277	0
Prior Year Encumbrances Appropriated	5,281	5,281	0
Fund Balance at June 30, 2001	\$5,000	\$27,914	\$22,914

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$251,947	\$252,012	\$65
Interest	6,049	6,461	412
Total Revenues	257,996	258,473	477
Expenditures:			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries	71,846	71,846	0
Fringe Benefits	19,128	19,128	0
Purchased Services	42,004	42,004	0
Materials and Supplies	181,453	181,453	0
Capital Outlay - New	38,902	38,902	0
Total Community Services	353,333	353,333	0
Total Expenditures	353,333	353,333	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(95,337)	(94,860)	477
Fund Balance at July 1, 2000	48,663	48,663	0
Prior Year Encumbrances Appropriated	46,680	46,680	0
Fund Balance at June 30, 2001	\$6	\$483	\$477

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAREER DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$8,400	\$8,400	\$0
Total Revenues	8,400	8,400	0
Expenditures:			
Current:			
Instruction:			
Vocational:			
Salaries and Wages	3,310	3,310	0
Fringe Benefits	507	507	0
Purchased Services	2,380	2,380	0
Materials and Supplies	2,583	2,482	101
Total Vocational	8,780	8,679	101
Total Expenditures	8,780	8,679	101
Excess (Deficiency) of Revenues Over (Under) Expenditures	(380)	(279)	101
Fund Balance at July 1, 2000	232	232	0
Prior Year Encumbrances Appropriated	148	148	0
Fund Balance at June 30, 2001	\$0	\$101	\$101

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BLOCK GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$22,933	\$22,933	\$0
Total Revenues	22,933	22,933	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	13,600	13,239	361
Fringe Benefits	1,258	1,013	245
Purchased Services	9,025	9,025	0
Total Instructional Staff	23,883	23,277	606
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	303	303	0
Total Community Services	303	303	0
Total Expenditures	24,186	23,580	606
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,253)	(647)	606
Fund Balance at July 1, 2000	1,253	1,253	0
Fund Balance at June 30, 2001	\$0	\$606	\$606

**MASON CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MANAGEMENT INFORMATION SYSTEM FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$19,100	\$25,950	\$6,850
Total Revenues	19,100	25,950	6,850
Expenditures:			
Current:			
Support Services:			
Central:			
Salaries and Wages	16,000	15,585	415
Fringe Benefits	2,870	2,462	408
Capital Outlay - New	23,426	2,217	21,209
Total Central	42,296	20,264	22,032
Total Expenditures	42,296	20,264	22,032
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,196)	5,686	28,882
Fund Balance at July 1, 2000	27,297	27,297	0
Fund Balance at June 30, 2001	\$4,101	\$32,983	\$28,882

**MASON CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ONENET NETWORK CONNECTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$18,000	\$18,000	\$0
Total Revenues	18,000	18,000	0
Expenditures:			
Current:			
Support Services:			
Central:			
Purchased Services	18,000	18,000	0
Total Central	18,000	18,000	0
Total Expenditures	18,000	18,000	0
Fund Balance at July 1, 2000	0	0	0
Fund Balance at June 30, 2001	\$0	\$0	\$0

**MASON CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PROFESSIONAL DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$6,000	\$6,000	\$0
Total Revenues	6,000	6,000	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	3,303	2,743	560
Fringe Benefits	445	362	83
Purchased Services	3,714	2,367	1,347
Materials and Supplies	53	53	0
Total Instructional Staff	7,515	5,525	1,990
Administration:			
Purchased Services	1,000	1,000	0
Total Administration	1,000	1,000	0
Total Expenditures	8,515	6,525	1,990
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,515)	(525)	1,990
Fund Balance at July 1, 2000	2,515	2,515	0
Fund Balance at June 30, 2001	\$0	\$1,990	\$1,990

**MASON CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TEXTBOOK FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and Supplies	971	971	0
Total Regular	971	971	0
Total Expenditures	971	971	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(971)	(971)	0
Fund Balance at July 1, 2000	971	971	0
Fund Balance at June 30, 2001	\$0	\$0	\$0

**MASON CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OHIO READS GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$21,000	\$21,000	\$0
Total Revenues	21,000	21,000	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries	15,000	15,000	0
Fringe Benefits	1,283	1,283	0
Materials and Supplies	1,350	1,350	0
Total Regular	17,633	17,633	0
Support Services:			
Instructional Staff:			
Salaries and Wages	6,041	2,448	3,593
Fringe Benefits	884	378	506
Total Instructional Staff	6,925	2,826	4,099
Total Expenditures	24,558	20,459	4,099
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,558)	541	4,099
Fund Balance at July 1, 2000	2,925	2,925	0
Prior Year Encumbrances Appropriated	633	633	0
Fund Balance at June 30, 2001	\$0	\$4,099	\$4,099

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SUMMER INTERVENTION PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$13,511	\$13,511	\$0
Total Revenues	13,511	13,511	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	10,511	0	10,511
Materials and Supplies	3,000	0	3,000
Total Regular	13,511	0	13,511
Total Expenditures	13,511	0	13,511
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	13,511	13,511
Fund Balance at July 1, 2000	0	0	0
Fund Balance at June 30, 2001	\$0	\$13,511	\$13,511

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SAFE SCHOOL HELPLINE
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$4,800	\$4,886	\$86
Total Revenues	4,800	4,886	86
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant			
Purchased Services	6,386	6,300	86
Total Operation and Maintenance of Plant	6,386	6,300	86
Total Expenditures	6,386	6,300	86
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,586)	(1,414)	172
Fund Balance at July 1, 2000	4,886	4,886	0
Fund Balance at June 30, 2001	\$3,300	\$3,472	\$172

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EISENHOWER FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$14,846	\$14,846	\$0
Total Revenues	14,846	14,846	0
Expenditures:			
Support Services:			
Instructional Staff:			
Salaries and Wages	19,017	15,388	3,629
Fringe Benefits	2,821	2,349	472
Total Instructional Staff	21,838	17,737	4,101
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	109	109	0
Total Community Services	109	109	0
Total Expenditures	21,947	17,846	4,101
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,101)	(3,000)	4,101
Fund Balance at July 1, 2000	7,101	7,101	0
Fund Balance at June 30, 2001	\$0	\$4,101	\$4,101

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI-B FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$213,000	\$224,718	\$11,718
Total Revenues	213,000	224,718	11,718
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	126,342	115,083	11,259
Fringe Benefits	42,254	31,127	11,127
Total Special	168,596	146,210	22,386
Support Services:			
Instructional Staff:			
Salaries and Wages	44,494	44,494	0
Total Instructional Staff	44,494	44,494	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	16,153	0	16,153
Total Community Services	16,153	0	16,153
Total Expenditures	229,243	190,704	38,539
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,243)	34,014	50,257
Fund Balance at July 1, 2000	16,525	16,525	0
Fund Balance at June 30, 2001	\$282	\$50,539	\$50,257

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$9,360	\$9,360	\$0
Total Revenues	9,360	9,360	0
Expenditures:			
Current:			
Instruction:			
Vocational:			
Salaries and Wages	1,500	1,500	0
Fringe Benefits	232	232	0
Purchased Services	2,062	2,062	0
Materials and Supplies	9,659	8,664	995
Total Vocational	13,453	12,458	995
Total Expenditures	13,453	12,458	995
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,093)	(3,098)	995
Fund Balance at July 1, 2000	4,093	4,093	0
Fund Balance at June 30, 2001	\$0	\$995	\$995

**MASON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 REFUGEE IMPACT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	\$1,000	\$1,000
Total Revenues	0	1,000	1,000
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	1,000	1,000
Fund Balance at July 1, 2000	0	0	0
Fund Balance at June 30, 2001	\$0	\$1,000	\$1,000

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$87,873	\$87,873	\$0
Total Revenues	87,873	87,873	0
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	71,264	70,414	850
Fringe Benefits	15,585	15,585	0
Purchased Services	1,223	1,223	0
Total Special	88,072	87,222	850
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	9,000	9,000	0
Purchased Services	370	370	0
Materials and Supplies	4,469	4,114	355
Total Community Services	13,839	13,484	355
Total Expenditures	101,911	100,706	1,205
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,038)	(12,833)	1,205
Fund Balance at July 1, 2000	14,038	14,038	0
Fund Balance at June 30, 2001	\$0	\$1,205	\$1,205

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$31,088	\$31,088	\$0
Total Revenues	31,088	31,088	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	3,173	3,173	0
Total Regular	3,173	3,173	0
Support Services:			
Instructional Staff:			
Salaries	11,671	7,755	3,916
Fringe Benefits	1,074	1,026	48
Purchased Services	14,298	10,552	3,746
Materials and Supplies	2,415	594	1,821
Total Instructional Staff:	29,458	19,927	9,531
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	2,452	2,436	16
Total Community Services	2,452	2,436	16
Total Expenditures	35,083	25,536	9,547
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,995)	5,552	9,547
Fund Balance at July 1, 2000	3,995	3,995	0
Fund Balance at June 30, 2001	\$0	\$9,547	\$9,547

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY IMMIGRANT EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	(2,618)	(2,618)	0
Total Other Financing Sources (Uses)	(2,618)	(2,618)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,618)	(2,618)	0
Fund Balance at July 1, 2000	2,618	2,618	0
Fund Balance at June 30, 2001	\$0	\$0	\$0

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG FREE SCHOOLS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$26,190	\$28,490	\$2,300
Total Revenues	26,190	28,490	2,300
Expenditures:			
Current:			
Support Services:			
Pupils:			
Salaries	13,000	12,106	894
Fringe Benefits	15	15	0
Purchased Services	5,978	5,978	0
Materials and Supplies	11,444	10,026	1,418
Total Pupils	30,437	28,125	2,312
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	3,677	1,805	1,872
Total Community Services	3,677	1,805	1,872
Total Expenditures	34,114	29,930	4,184
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,924)	(1,440)	6,484
Fund Balance at July 1, 2000	8,324	8,324	0
Fund Balance at June 30, 2001	\$400	\$6,884	\$6,484

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL PRESCHOOL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$21,903	\$21,903	\$0
Total Revenues	21,903	21,903	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	19,953	16,511	3,442
Fringe Benefits	1,950	1,905	45
Total Instructional Staff	21,903	18,416	3,487
Total Expenditures	21,903	18,416	3,487
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	3,487	3,487
Fund Balance at July 1, 2000	0	0	0
Fund Balance at June 30, 2001	\$0	\$3,487	\$3,487

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
E-RATE GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$4,300	\$4,362	\$62
Total Revenues	4,300	4,362	62
Expenditures:			
Current:			
Instruction:			
Operation and Maintenance of Plant:			
Purchased Services	83	0	83
Total Operation and Maintenance of Plant	83	0	83
Central:			
Purchased Services	2,700	2,700	0
Total Central	2,700	2,700	0
Total Expenditures	2,783	2,700	2,783
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,517	1,662	145
Fund Balance at July 1, 2000	2,783	2,783	0
Fund Balance at June 30, 2001	\$4,300	\$4,445	\$145

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONTINUOUS IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$55,607	\$57,712	\$2,105
Total Revenues	<u>55,607</u>	<u>57,712</u>	<u>2,105</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	62,066	56,104	5,962
Fringe Benefits	13,957	9,779	4,178
Total Regular	<u>76,023</u>	<u>65,883</u>	<u>10,140</u>
Support Services:			
Instructional Staff:			
Purchased Services	15,784	15,784	0
Total Instructional Staff	<u>15,784</u>	<u>15,784</u>	<u>0</u>
Administration:			
Purchased Services	8,142	8,142	0
Total Administration	<u>8,142</u>	<u>8,142</u>	<u>0</u>
Total Support Services	<u>23,926</u>	<u>23,926</u>	<u>0</u>
Total Expenditures	<u>99,949</u>	<u>89,809</u>	<u>10,140</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(44,342)</u>	<u>(32,097)</u>	<u>12,245</u>
Other Financing Sources (Uses):			
Advances In	11,926	11,926	0
Total Other Financing Sources (Uses)	<u>11,926</u>	<u>11,926</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(32,416)</u>	<u>(20,171)</u>	<u>12,245</u>
Fund Balance at July 1, 2000	<u>32,511</u>	<u>32,511</u>	<u>0</u>
Fund Balance at June 30, 2001	<u>\$95</u>	<u>\$12,340</u>	<u>\$12,245</u>

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Since there is only one Debt Service Fund and the level of budgetary control is not greater than that presented in the Combined Financial Statements, no additional statements are presented here.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The following are descriptions of each Capital Projects Fund:

Capital Projects:

To account for all transactions relating to the improvements to existing District facilities and for the purchase of land.

Building:

To account for all transactions relating to the acquisition, addition or construction of new District facilities.

SchoolNet Plus:

To account for state funds received to implement technology into K-4 classrooms.

**MASON CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS FUNDS
 AS OF JUNE 30, 2001**

	Capital Projects		SchoolNet Plus	Totals
	Fund	Building Fund	Fund	
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$158,652	\$61,547,980	\$58,303	\$61,764,935
Receivables				
Accounts Receivable	25,750	500	0	26,250
Accued Interest	0	1,642	0	1,642
Prepaid Items	0	1,025	0	1,025
Total Assets	\$184,402	\$61,551,147	\$58,303	\$61,793,852
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$31,616	\$3,016,709	\$40,220	\$3,088,545
Intergovernmental Payable	0	171	0	171
Accrued Interest Payable	5,912	1,382,611	0	1,388,523
Notes Payable	215,000	8,800,000	0	9,015,000
Total Liabilities	252,528	13,199,491	40,220	13,492,239
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	51,655	43,519,856	70	43,571,581
Reserved for Prepaid Items	0	1,025	0	1,025
Unreserved:				
Undesignated (Deficit)	(119,781)	4,830,775	18,013	4,729,007
Total Fund Equity	(68,126)	48,351,656	18,083	48,301,613
Total Liabilities and Fund Equity:	\$184,402	\$61,551,147	\$58,303	\$61,793,852

**MASON CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Capital Projects Fund	Building Fund	SchoolNet Plus Fund	Totals
Revenues:				
Taxes	\$282,866	\$0	\$0	\$282,866
Intergovernmental	35,711	0	193,743	229,454
Interest	13,705	1,282,402	0	1,296,107
Gifts and Donations	60,000	0	0	60,000
Miscellaneous	221,385	3,393	0	224,778
Total Revenues	613,667	1,285,795	193,743	2,093,205
Expenditures:				
Current:				
Instruction:				
Regular	297,321	0	135,440	432,761
Support Services:				
Administration	493	0	0	493
Fiscal	4,609	0	0	4,609
Operation and Maintenance of Plant	5,005	0	0	5,005
Pupil Transportation	0	436,372	0	436,372
Central	0	723,767	0	723,767
Extracurricular Activities	47,635	0	0	47,635
Capital Outlay	332,817	12,653,836	40,220	13,026,873
Debt Service	255,469	1,639,204	0	1,894,673
Total Expenditures	943,349	15,453,179	175,660	16,572,188
Excess (Deficiency) of Revenues Over (Under) Expenditures	(329,682)	(14,167,384)	18,083	(14,478,983)
Other Financing Sources (Uses):				
Proceeds From Sale of Long Term Notes	0	71,935,000	0	71,935,000
Operating Transfers In	100,000	510,131	0	610,131
Total Other Financing Sources (Uses)	100,000	72,445,131	0	72,545,131
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(229,682)	58,277,747	18,083	58,066,148
Fund Balances (Deficit) at July 1, 2000 Restated	161,556	(9,926,091)	0	(9,764,535)
Fund Balances at June 30, 2001	(\$68,126)	\$48,351,656	\$18,083	\$48,301,613

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$316,930	\$316,930	\$0
Intergovernmental	35,709	35,709	0
Interest	13,649	13,705	56
Gifts and Donations	60,000	60,000	0
Miscellaneous	327,000	327,154	154
Total Revenues	753,288	753,498	210
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and Supplies	5,000	1,943	3,057
Capital Outlay - New	299,890	296,549	3,341
Total Regular	304,890	298,492	6,398
Support Services:			
Administration:			
Other	500	493	7
Total Administration	500	493	7
Fiscal:			
Other	4,610	4,609	1
Total Fiscal	4,610	4,609	1
Operation and Maintenance of Plant:			
Capital Outlay - New	5,005	5,005	0
Total Operation and Maintenance of Plant	5,005	5,005	0
Total Support Services	10,115	10,107	8
Extracurricular Activities:			
Sports Oriented Activities:			
Other	5,000	4,672	328
Capital Outlay - New	64,688	58,953	5,735
Total Sports Oriented Activities	69,688	63,625	6,063

Continued

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(CONTINUED)**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Capital Outlay:			
Architecture & Engineering Services			
Purchased Services	15,000	15,000	0
Total Architecture & Engineering Service	15,000	15,000	0
Building Improvement Services:			
Purchased Services	5,810	5,810	0
Capital Outlay - New	378,091	377,693	398
Total Building Improvement Services	383,901	383,503	398
Total Capital Outlay	398,901	398,503	398
Debt Services:			
Principal	535,000	535,000	0
Interest	38,232	38,232	0
Total Debt Service	573,232	573,232	0
Total Expenditures	1,356,826	1,343,959	12,867
Excess (Deficiency) of Revenues Over (Under) Expenditures	(603,538)	(590,461)	13,077
Other Financing Sources (Uses):			
Operating Transfers In	100,000	100,000	0
Proceeds from Sale of Long-Term Notes	215,000	215,000	0
Total Other Financing Sources (Uses)	315,000	315,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(288,538)	(275,461)	13,077
Fund Balance at July 1, 2000	231,143	231,143	0
Prior Year Encumbrances Appropriated	119,700	119,700	0
Fund Balance at June 30, 2001	\$62,305	\$75,382	\$13,077

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$1,034,000	\$1,280,760	\$246,760
Miscellaneous	3,393	3,393	0
Total Revenues	1,037,393	1,284,153	246,760
Expenditures:			
Current:			
Support Services:			
Pupil Transportation:			
Capital Outlay - New	500,000	436,372	63,628
Total Pupil Transportation	500,000	436,372	63,628
Central:			
Salaries	33,402	26,467	6,935
Fringe Benefits	7,238	7,131	107
Capital Outlay - New	1,462,063	1,458,143	3,920
Total Central	1,502,703	1,491,741	10,962
Total Support Services	2,002,703	1,928,113	74,590
Capital Outlay:			
Site Acquisition Services:			
Capital Outlay - New	1,700,000	1,554,161	145,839
Total Site Acquisition Services	1,700,000	1,554,161	145,839
Site Improvement Services:			
Capital Outlay - New	10,064	5,666	4,398
Total Site Improvement Services	10,064	5,666	4,398
Architecture and Engineering Services:			
Purchased Services	3,080,000	2,741,297	338,703
Total Architecture and Engineering Services	3,080,000	2,741,297	338,703
Building Acquisition & Construction Services:			
Capital Outlay - New	65,132,980	51,282,063	13,850,917
Total Building Acquisition & Construction Services	65,132,980	51,282,063	13,850,917

Continued

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(CONTINUED)**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Building Improvement Services:			
Purchased Services	23,018	18,996	4,022
Capital Outlay - New	35,581	35,581	0
Total Building Improvement Services	58,599	54,577	4,022
Other Facilities Acquisition & Construction:			
Capital Outlay - New	27,472	20,372	7,100
Total Other Facilities Acquisition & Construction	27,472	20,372	7,100
Total Capital Outlay	70,009,115	55,658,136	14,350,979
Total Expenditures	72,011,818	57,586,249	14,425,569
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,974,425)	(56,302,096)	14,672,329
Other Financing Sources (Uses):			
Proceeds from Sale of Long-Term Notes	71,935,000	71,935,000	0
Total Other Financing Sources (Uses)	71,935,000	71,935,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	960,575	15,632,904	14,672,329
Fund Balance at July 1, 2000	28,884	28,884	0
Prior Year Encumbrances Appropriated	49,469	49,469	0
Fund Balance at June 30, 2001	\$1,038,928	\$15,711,257	\$14,672,329

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PLUS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$193,743	\$193,743	\$0
Total Revenues	193,743	193,743	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries	2,230	2,230	0
Fringe Benefits	300	300	0
Purchased Services	1,719	1,719	0
Materials and Supplies	7,742	7,730	12
Capital Outlay - New	181,752	163,751	18,001
Total Regular	193,743	175,730	18,013
Total Expenditures	193,743	175,730	18,013
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	18,013	18,013
Fund Balance at July 1, 2000	0	0	0
Fund Balance at June 30, 2001	\$0	\$18,013	\$18,013

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the board of education is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the board of education has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The following are descriptions of each Enterprise Fund:

Food Service:

To account for all revenues and expenses related to the provision of food service for the District.

Uniform School Supplies:

To account for the purchase by students of necessary supplies, materials or other school related items in addition to those items provided for general instruction.

Latchkey:

To account for the revenues and expenses related to providing latchkey and after school services for the District.

**MASON CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 AS OF JUNE 30, 2001**

	Food Service Fund	Uniform School Supplies Fund	Latchkey Fund	Totals
Assets:				
Current Assets:				
Equity in Pooled Cash and				
Cash Equivalents	\$292,002	\$65,185	\$20,186	\$377,373
Prepaid Items	7,160	0	2,086	9,246
Inventory Held For Resale	23,454	0	0	23,454
Total Current Assets	322,616	65,185	22,272	410,073
Fixed Assets (Net of Accumulated Depreciation)	650,775	0	0	650,775
Total Assets	\$973,391	\$65,185	\$22,272	\$1,060,848
Liabilities and Fund Equity:				
Current Liabilities:				
Accounts Payable	32,237	0	1,027	33,264
Accrued Wages and Benefits	48,189	0	15,819	64,008
Intergovernmental Payable	40,119	0	3,423	43,542
Deferred Revenue	5,980	0	0	5,980
Total Current Liabilities	126,525	0	20,269	146,794
Long-Term Liabilities:				
Compensated Absences Payable	26,797	0	0	26,797
Capital Leases Payable	46,532	0	0	46,532
Total Long-Term Liabilities	73,329	0	0	73,329
Total Liabilities	199,854	0	20,269	220,123
Fund Equity:				
Contributed Capital	659,459	0	0	659,459
Retained Earnings:				
Unreserved	114,078	65,185	2,003	181,266
Total Fund Equity	773,537	65,185	2,003	840,725
Total Liabilities and Fund Equity	\$973,391	\$65,185	\$22,272	\$1,060,848

**MASON CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF REVENUES
 EXPENSES AND CHANGES IN RETAINED EARNINGS
 ALL ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Food Service Fund	Uniform School Supplies Fund	Latchkey Fund	Totals
Operating Revenues:				
Sales	\$1,509,553		\$0	\$1,509,553
Charges for Services	27,914	0	0	27,914
Miscellaneous	40,000	0	166,507	206,507
Total Operating Revenues	1,577,467	0	166,507	1,743,974
Operating Expenses:				
Salaries	493,980	0	103,086	597,066
Fringe Benefits	192,999	0	41,577	234,576
Purchased Services	206,784	0	835	207,619
Materials and Supplies	78,214	0	15,749	93,963
Cost of Sales	652,646	0	0	652,646
Depreciation	48,606	0	0	48,606
Total Operating Expenses	1,673,229	0	161,247	1,834,476
Operating Income/(Loss)	(95,762)	0	5,260	(90,502)
Non-Operating Revenues:				
Federal Donated Commodities	55,979	0	0	55,979
Interest	14,715	0	0	14,715
Federal and State Subsidies	140,822	0	0	140,822
Loss On Disposition of Fixed Assets	(11,982)	0	0	(11,982)
Interest and Fiscal Charges	(2,981)	0	0	(2,981)
Total Non-Operating Revenues	196,553	0	0	196,553
Net Income (Loss)	100,791	0	5,260	106,051
Retained Earnings (Deficit) at July 1, 2000	13,287	65,185	(3,257)	75,215
Retained Earnings (Deficit) at June 30, 2001	\$114,078	\$65,185	\$2,003	\$181,266

**MASON CITY SCHOOL DISTRICT , OHIO
 COMBINING STATEMENT OF CASH FLOWS
 ALL ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Food Service Fund	Uniform School Supplies Fund	Latchkey Fund	Totals
Cash Flows from Operating Activities:				
Cash Received from Customers	\$1,577,467	\$0	\$166,507	\$1,743,974
Cash Payments to Suppliers for Goods and Services	(655,963)	0	0	(655,963)
Cash Payments to Employees for Services	(468,137)	0	(102,056)	(570,193)
Cash Payments for Employee Benefits	(189,946)	0	(41,839)	(231,785)
Cash Payments for Purchased Services	(213,548)	0	(835)	(214,383)
Cash Payments for Materials and Supplies	0	0	(14,722)	(14,722)
Net Cash Provided by (Used for) Operating Activities	49,873	0	7,055	56,928
Cash Flows from Noncapital Financing Activities:				
Federal and State Grants Received	140,822	0	0	140,822
Net Cash Provided by Noncapital Financing Activities	140,822	0	0	140,822
Cash Flows from Capital and Related Financing Activities:				
Purchase of Fixed Assets	(41,032)	0	0	(41,032)
Principal payments on Capital Leases	(19,775)	0	0	(19,775)
Interest payments on Capital Leases	(2,981)	0	0	(2,981)
Net cash used in Capital and Related Financing Activities	(63,788)	0	0	(63,788)
Cash Flows from Investing Activities:				
Interest on Investments	14,715	0	0	14,715
Net Cash (Used for) Investing Activities:	14,715	0	0	14,715
Net Increase (Decrease) in Cash and Cash Equivalents	141,622	0	7,055	148,677
Cash and Cash Equivalents at July 1, 2000	150,380	65,185	13,131	228,696
Cash and Cash Equivalents at June 30, 2001	\$292,002	\$65,185	\$20,186	\$377,373
Reconciliation of Operating Income/(Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income/(Loss)	(\$95,762)	\$0	\$5,260	(\$90,502)
Adjustments to Reconcile Operating Income/ (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation Expense	48,606	0	0	48,606
Donated Commodities Used During Year	55,979	0	0	55,979
Changes in Assets and Liabilities:				
Decrease in Inventory Held for Resale	6,481	0	0	6,481
(Increase) in Prepaid Items	(2,231)	0	(175)	(2,406)
Increase in Accounts Payable	14,431	0	1,027	15,458
Increase in Accrued Wages and Benefits	11,336	0	1,030	12,366
Increase in Compensated Absences Payable	15,432	0	0	15,432
Increase/(Decrease) in Intergovernmental Payable	4,359	0	(87)	4,272
(Decrease) in Deferred Revenue	(8,758)	0	0	(8,758)
Total Adjustments	145,635	0	1,795	147,430
Net Cash Provided by (Used) for Operating Activities	\$49,873	\$0	\$7,055	\$56,928

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Operating Revenues:			
Sales	\$1,510,000	\$1,509,554	(\$446)
Charges for Services	26,300	27,914	1,614
Refund of Prior Year Expense	40,000	40,000	0
Total Revenue	1,576,300	1,577,468	1,168
Expenses:			
Salaries:			
Food Service Operations	502,000	468,137	33,863
Total Salaries	502,000	468,137	33,863
Fringe Benefits:			
Food Service Operations	256,000	191,070	64,930
Total Fringe Benefits	256,000	191,070	64,930
Purchased Services:			
Food Service Operations	249,700	218,798	30,902
Total Purchased Services	249,700	218,798	30,902
Materials and Supplies:			
Food Service Operations	723,500	697,165	26,335
Total Materials and Supplies	723,500	697,165	26,335
Other:			
Food Service Operations	35	35	0
Total Other	35	35	0
Capital Outlay:			
Capital Outlay - New:			
Food Service Operations	100,000	67,873	32,127
Total Capital Outlay - New	100,000	67,873	32,127
Total Expenses	1,831,235	1,643,078	188,157

Continued

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(CONTINUED)**

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Income (Loss)	(254,935)	(65,610)	189,325
Non-Operating Revenues and Expenses:			
Interest	13,500	14,715	1,215
Federal and State Subsidies	111,370	140,821	29,451
Total Non-Operating Revenues and Expenses	124,870	155,536	30,666
Excess (Deficiency) of Revenues Over (Under) Expenses	(130,065)	89,926	219,991
Fund Equity at July 1, 2000	149,680	149,680	0
Prior Year Encumbrances Appropriated	700	700	0
Fund Equity at June 30, 2001	\$20,315	\$240,306	\$219,991

**MASON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN FUND EQUITY
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 UNIFORM SCHOOL SUPPLIES FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenses:			
Total Expenses	0	0	0
Fund Equity at July 1, 2000	65,186	65,186	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Equity at June 30, 2001	\$65,186	\$65,186	\$0

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LATCHKEY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other Revenues	\$166,400	\$166,507	\$107
Total Revenues	166,400	166,507	107
Expenses:			
Salaries:			
Community Services	102,200	102,056	144
Total Salaries	102,200	102,056	144
Fringe Benefits:			
Community Services	44,300	41,839	2,461
Total Fringe Benefits	44,300	41,839	2,461
Purchased Services:			
Community Services	1,200	885	315
Total Purchased Services	1,200	885	315
Materials and Supplies:			
Community Services	18,681	16,157	2,524
Total Materials and Supplies	18,681	16,157	2,524
Total Expenses	166,381	160,937	5,444
Excess (Deficiency) of Revenues Over (Under) Expenses	19	5,570	5,551
Fund Equity at July 1, 2000	10,750	10,750	0
Prior Year Encumbrances Appropriated	2,381	2,381	0
Fund Equity at June 30, 2001	\$13,150	\$18,701	\$5,551

INTERNAL SERVICE FUND

Internal Service Funds account for the financing of services provided by one department or agency to another department or agency of the District on a cost-reimbursement basis. The Employee Benefits Self-Insurance Fund accounts for monies received from other funds as payment for providing dental insurance. The Employee Benefits Self-Insurance Fund reimburses employees who have paid providers, and makes payments for claims and administration.

Since there is only one Internal Service Fund and the level of budgetary control is not greater than that presented in the Combined Financial Statements, no additional statements are presented here.

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. These include non-expendable trust funds and agency funds. The following are descriptions of each fiduciary fund.

NON-EXPENDABLE TRUST FUND

Endowment:

To account for money or securities that have been set aside as an investment. The interest revenue is expended for scholarships, but the principal remains intact.

AGENCY FUNDS

Student Activity:

To account for those student activity programs that have student participation in the activity and have students included in the management of the program.

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. Employees may also elect to be reimbursed for qualified childcare expenses.

**MASON CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL FIDUCIARY FUNDS
 AS OF JUNE 30, 2001**

	Non-Expendable			Totals
	----- Trust ----- Endowment Fund	Student Activity Fund	Agency ----- Section 125 Insurance Fund	
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$21,643	\$63,480	\$5,132	\$90,255
Total Assets	\$21,643	\$63,480	\$5,132	\$90,255
Liabilities and Fund Equity:				
Liabilities:				
Undistributed Monies	0	0	5,132	5,132
Due to Students	0	63,480	0	63,480
Total Liabilities	0	63,480	5,132	68,612
Fund Equity:				
Fund Balance:				
Unreserved:				
Undesignated	21,643	0	0	21,643
Total Fund Equity	21,643	0	0	21,643
Total Liabilities and Fund Equity	\$21,643	\$63,480	\$5,132	\$90,255

**MASON CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Beginning Balance July 1, 2000	Additions	Deductions	Ending Balance June 30, 2001
Student Activity				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$69,928	\$161,717	\$168,165	\$63,480
Total Assets	\$69,928	\$161,717	\$168,165	\$63,480
Liabilities:				
Due to Students	\$69,928	\$161,717	\$168,165	\$63,480
Total Liabilities	\$69,928	\$161,717	\$168,165	\$63,480
Section 125 Insurance				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$6,592	\$88,839	\$90,299	\$5,132
Total Assets	\$6,592	\$88,839	\$90,299	\$5,132
Liabilities:				
Undistributed Monies	\$6,592	\$88,839	\$90,299	\$5,132
Total Liabilities	\$6,592	\$88,839	\$90,299	\$5,132
Total All Agency Funds				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$76,520	\$250,556	\$258,464	\$68,612
Total Assets	\$76,520	\$250,556	\$258,464	\$68,612
Liabilities:				
Undistributed Monies	\$6,592	\$88,839	\$90,299	\$5,132
Due to Students	69,928	161,717	168,165	63,480
Total Liabilities	\$76,520	\$250,556	\$258,464	\$68,612

GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is used to account for all sites, buildings, equipment and vehicles not used in the operations of the Proprietary Funds. The majority of the District's assets are reflected in the General Fixed Assets Account Group.

MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
AS OF JUNE 30, 2001

General fixed assets:

Land	\$5,712,991
Buildings	56,136,752
Furniture and Equipment	9,703,052
Vehicles	4,575,237
Construction in Progress	<u>9,751,350</u>
Total General Fixed Assets	<u><u>\$85,879,382</u></u>

Investment in general fixed asset by source:

General Fund	\$2,731,857
Special Revenue Funds	86,706
Debt Service Fund	903,642
Capital Projects Funds	70,613,933
Donations	79,508
Capital Leases	545,530
Acquired Before July 1, 1992*	<u>10,918,206</u>
Total Investment in General Fixed Assets	<u><u>\$85,879,382</u></u>

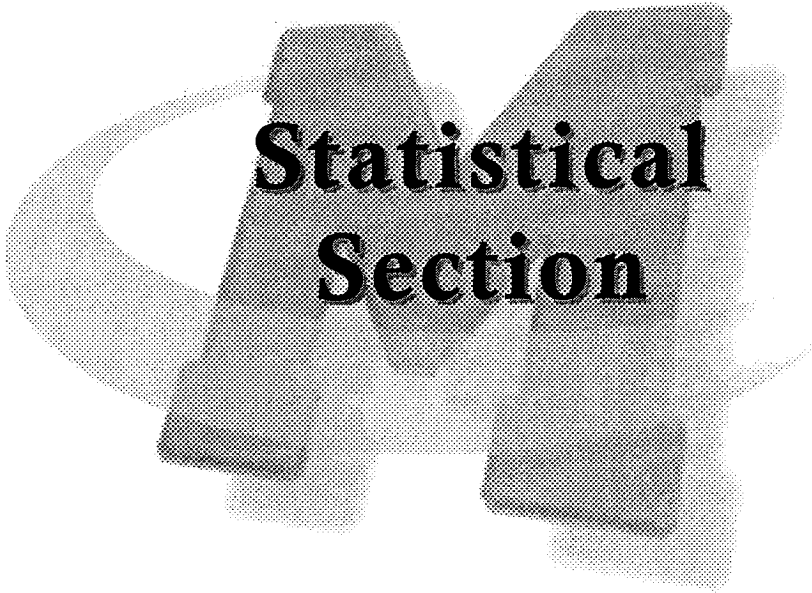
*Represents older assets for which fund source cannot practically be obtained.

MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND TYPE
AS OF JUNE 30, 2001

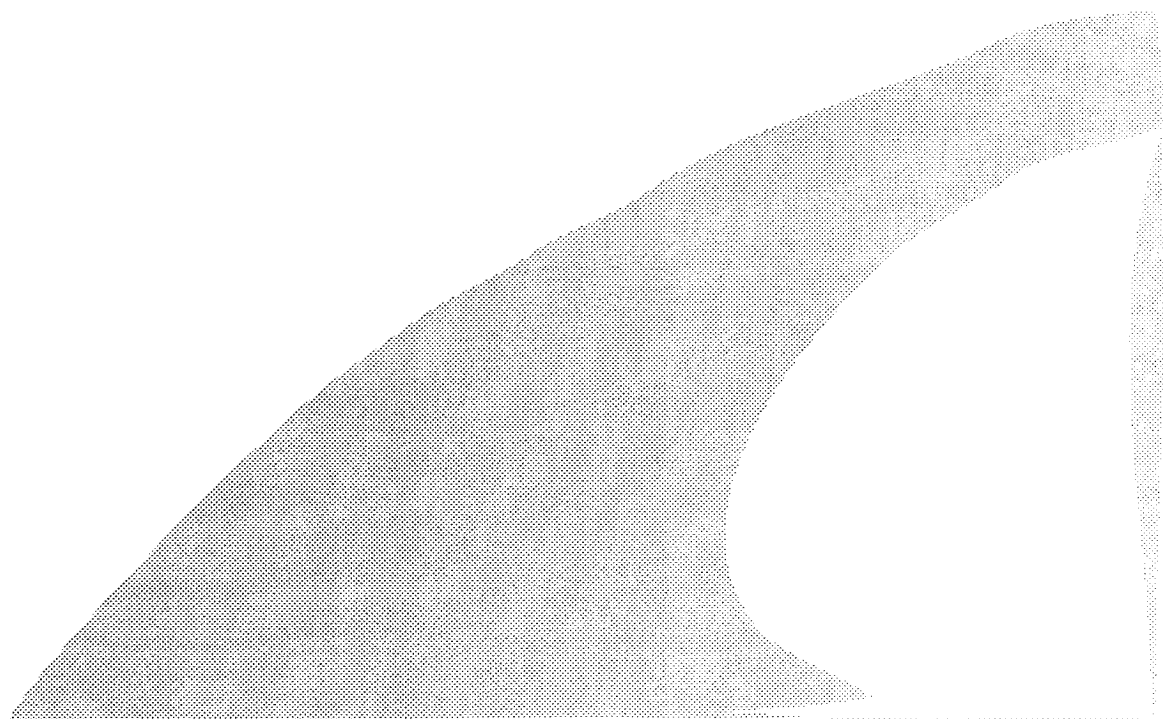
Function	Land	Buildings	Furniture and Equipment	Vehicles	Construction In Progress	Total
Instruction:						
Regular	\$46,922	\$9,971,886	\$5,460,463	\$0	\$0	\$15,479,271
Special	0	0	18,759	0	0	18,759
Vocational	0	0	4,283	0	0	4,283
Support Services:						
Pupil	0	0	144,036	0	0	144,036
Instructional Staff	0	0	71,461	0	0	71,461
School Administration	0	0	104,692	0	0	104,692
Fiscal	0	0	95,003	0	0	95,003
Business	0	0	17,462	0	0	17,462
Operation of Plant	0	0	158,719	214,260	0	372,979
Pupil Transportation	2,085	0	92,998	4,312,149	0	4,407,232
Central	0	0	213,199	0	0	213,199
Community Services	0	0	15,841	0	0	15,841
Extracurricular Activities	10,135	34,131	221,461	4,450	0	270,177
Capital Outlay	5,653,849	46,130,735	3,084,675	44,378	9,751,350	64,664,987
Total General Fixed Assets	\$5,712,991	\$56,136,752	\$9,703,052	\$4,575,237	\$9,751,350	\$85,879,382

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF CHANGES IN FIXED ASSETS
BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

Function	Balance at June 30, 2000	Additions	Deletions	Balance at June 30, 2001
Instruction:				
Regular	\$14,972,881	\$570,336	\$63,946	\$15,479,271
Special	18,759	0	0	18,759
Vocational	4,283	0	0	4,283
Support Services:				
Pupil	127,251	16,785	0	144,036
Instructional Staff	49,639	22,380	558	71,461
School Administration	102,777	2,644	729	104,692
Fiscal	66,383	33,324	4,704	95,003
Business	12,310	5,830	678	17,462
Operation of Plant	345,382	28,152	555	372,979
Pupil Transportation	3,589,923	818,902	1,593	4,407,232
Central	103,444	111,415	1,660	213,199
Community Services	10,960	4,881	0	15,841
Extracurricular Activities	254,400	15,777	0	270,177
Capital Outlay	54,261,757	10,469,988	66,758	64,664,987
Total General Fixed Assets	\$73,920,149	\$12,100,414	\$141,181	\$85,879,382



**Statistical
Section**



STATISTICAL TABLES

The following unaudited statistical tables reflect social and economic data, financial trends and fiscal capacity of the District.

**MASON CITY SCHOOL DISTRICT, OHIO
GENERAL FUND
EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**

	2001	2000	1999	1998
Current:				
Instruction:				
Regular	\$18,293,160	\$15,636,456	\$13,210,555	\$11,566,931
Special	2,763,760	2,325,817	1,752,373	1,786,033
Vocational	(332)		976	53,908
Adult Continuing	-	-	-	-
Other Instruction	34,455	26,034	92,084	79,258
Support Services:				
Pupils	2,310,898	1,935,035	1,691,591	1,404,157
Instructional Staff	3,043,773	2,540,641	1,930,057	794,102
Board of Education	46,824	40,083	42,098	37,001
Administration	2,674,129	2,425,189	2,289,868	1,807,065
Fiscal	929,219	769,359	670,861	593,025
Business	177,658	154,879	97,767	87,650
Operation and Maintenance				
of Plant Services	4,372,285	3,876,115	3,499,804	2,552,327
Pupil Transportation	2,769,998	2,338,707	1,969,889	1,694,702
Central	986,006	864,088	689,812	389,904
Operation of Non-Instructional				
Services	37,969	36,449	37,517	31,725
Extracurricular Activities	537,463	480,008	373,919	342,360
Capital Outlay	153,080	551,768	4,284	5,000
Debt Service	146,449	75,273	4,825	8,351
Total	\$39,276,794	\$34,075,901	\$28,358,280	\$23,233,499

Source: School District Financial Records

TABLE 1

1997	1996	1995	1994	1993	1992
\$9,447,228	\$8,363,374	\$7,506,310	\$6,696,654	\$5,975,659	\$5,585,596
1,402,853	1,119,742	954,666	680,066	698,658	540,574
146,108	128,513	130,081	120,575	157,912	147,889
0	0	0	37,066	0	0
68,829	28,432	48,322	4,752	0	23,717
1,160,350	735,965	566,827	525,134	465,113	394,430
603,098	396,937	329,300	275,189	254,168	183,158
28,380	34,388	30,748	36,352	28,330	32,527
1,375,131	1,329,407	1,150,504	1,114,513	1,039,139	972,275
499,780	432,019	333,669	351,626	297,472	284,891
75,078	11,502	0	0	0	0
2,004,935	1,936,272	1,746,923	1,350,667	1,316,813	1,376,195
1,435,736	1,313,261	1,189,795	1,065,216	893,978	840,813
245,385	108,589	98,470	9,063	12,213	21,641
24,258	0	67,295	43,017	36,103	66,959
306,259	319,021	309,175	285,233	283,559	261,783
36,070	0	6,514	3,080	19,169	33,375
527,122	0	0	0	0	0
\$19,386,600	\$16,257,422	\$14,468,599	\$12,598,203	\$11,478,286	\$10,765,823

**MASON CITY SCHOOL DISTRICT, OHIO
GENERAL FUND
REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

	2001	2000	1999	1998
Taxes	\$21,454,044	\$21,419,332	\$18,100,212	\$15,618,561
Intergovernmental	16,808,850	13,956,754	11,514,719	9,593,628
Interest	878,597	607,941	431,026	289,501
Tuition and Fees	372,793	333,160	41,137	34,236
Rent	58,512	44,510	41,945	20,339
Extracurricular	0	0	0	0
Customer Services	113,342	18,181	37,212	111,246
Miscellaneous	91,793	7,892	9,165	2,235
Total	<u>\$39,777,931</u>	<u>\$36,387,770</u>	<u>\$30,175,416</u>	<u>\$25,669,746</u>

Source: School District Financial Records

TABLE 2

1997	1996	1995	1994	1993	1992
\$12,200,649	\$9,421,138	\$8,904,411	\$8,160,643	\$7,329,939	\$6,967,839
7,553,888	5,836,834	5,002,516	4,108,440	3,932,854	3,776,350
152,358	148,533	156,463	120,901	86,242	143,314
44,294	29,993	47,355	37,209	29,824	15,663
0	0	0	0	0	0
0	0	0	300	0	0
0	0	0	45,112	69,971	0
39,398	74,630	126,852	59,850	12,706	44,397
\$19,990,587	\$15,511,128	\$14,237,597	\$12,532,455	\$11,461,536	\$10,947,563

MASON CITY SCHOOL DISTRICT, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
REAL AND TANGIBLE PERSONAL PROPERTY (1)
LAST TEN CALENDAR YEARS (2)

TABLE 3

Year (3)	Current Levy	Delinquent Levy (4)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy
2000	\$27,474,665	\$1,802,906	\$29,277,571	\$26,821,127	97.62%	\$1,526,426	28,347,553	103.18%
1999	25,101,477	1,054,502	26,155,979	24,590,242	97.96%	305,654	24,895,896	99.18%
1998	22,694,987	1,047,925	23,742,912	22,594,774	99.56%	339,122	22,933,896	101.05%
1997	19,249,501	1,028,609	20,278,110	18,885,003	98.11%	363,613	19,248,616	100.00%
1996	11,969,696	0	11,969,696	12,098,720	101.08%	130,539	12,229,259	102.17%
1995	8,417,152	0	8,417,152	8,287,046	98.45%	114,281	8,401,327	99.81%
1994	7,736,942	0	7,736,942	7,460,697	96.43%	62,769	7,523,466	97.24%
1993	7,522,885	0	7,522,885	7,432,176	98.79%	130,874	7,563,050	100.53%
1992	7,126,146	0	7,126,146	7,018,535	98.49%	176,329	7,194,864	100.96%
1991	6,073,035	0	6,073,035	5,928,361	97.62%	87,099	6,015,460	99.05%

Source: Warren County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Ten years was all of the information available from the County Auditor.
- (3) Represents collection year. 2001 information cannot be presented because all collections have not been made by June 30.
- (4) The delinquent levy has not been calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum. The County Auditor has changed reporting procedures to permit this disclosure beginning in tax year 1997.

MASON CITY SCHOOL DISTRICT, OHIO
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN CALENDAR YEARS

TABLE 4

Year (1)	Real Property			Public Utility			Tangible Personal			Total		
	Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value	
		Value	Value		Value	Value		Value	Value		Value	Value
2001	\$766,334,940	\$2,189,528,400	\$45,980,309	\$111,364,313	\$445,457,252	\$909,630,023	\$2,680,965,961	34%				
2000	584,567,320	1,670,192,343	40,272,192	110,006,159	440,024,636	722,540,279	2,150,489,171	34%				
1999	507,879,160	1,451,083,314	41,639,587	99,696,766	398,787,064	636,492,306	1,891,509,965	34%				
1998	447,470,900	1,278,488,286	40,347,576	82,819,360	331,277,440	558,309,410	1,650,113,302	34%				
1997	345,531,240	987,232,114	38,115,504	74,145,702	296,582,808	446,146,042	1,321,930,426	34%				
1996	308,029,880	880,085,371	37,080,677	61,598,063	246,392,252	395,378,413	1,163,558,300	34%				
1995	276,071,590	788,775,971	35,290,627	59,009,495	236,037,980	359,588,465	1,060,104,579	34%				
1994	224,411,120	641,174,629	32,456,650	59,281,640	237,126,560	306,232,100	910,757,838	34%				
1993	206,409,310	589,740,886	31,146,422	54,135,139	216,540,556	282,173,909	837,427,864	34%				
1992	198,354,710	566,727,743	24,758,726	48,409,903	186,191,935	263,958,173	777,678,404	34%				

Source: Warren County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

(1) Represents tax collection year

MASON CITY SCHOOL DISTRICT, OHIO
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 (PER \$1,000 OF ASSESSED VALUATION)
 LAST TEN CALENDAR YEARS

TABLE 5

Tax Year	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Mason City School District	64.57	61.95	61.95	61.95	62.36	53.26	51.00	51.07	48.40	48.20
Warren County	4.00	4.00	4.75	5.00	5.00	7.07	7.10	7.10	7.10	7.10
City of Mason	7.32	7.32	2.32	2.32	1.89	1.89	1.90	1.90	1.90	1.90
Deefield Township	9.75	9.75	9.75	4.80	4.30	5.80	7.05	8.05	8.05	8.05
Warren-Clinton Community Mental Health	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Great Oaks Joint Vocational School	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Turtlecreek Township	5.62	5.62	5.62	5.62	5.62	5.62	5.60	5.60	5.60	5.60
Union Township	6.20	6.20	6.20	5.20	5.20	5.20	6.20	6.20	5.20	5.20
Warren County Health District	0.50	0.50	0.50	0.50	0.50	0.00	0.00	0.00	0.00	0.00

Source: Warren County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

MASON CITY SCHOOL DISTRICT, OHIO
 RATIO OF GENERAL OBLIGATION BONDED DEBT TO
 ASSESSED VALUE AND BONDED DEBT PER CAPITA
 LAST TEN YEARS

TABLE 6

Year	General Obligation Bonded Debt	Assessed Value	District Population	Less Debt Service Fund	Net Bonded Debt	Ratio of Debt to Assessed Value	Net Debt Per Capita
2001	\$117,410,000	\$909,630,023	22,016	\$77,835,620	\$39,574,380	4.35%	\$5,332.94
2000	46,925,000	722,540,279	21,150	\$1,982,737	\$44,942,263	6.22%	\$2,218.68
1999	48,250,000	636,492,306	19,200	\$901,279	\$47,348,721	7.44%	\$2,513.02
1998	49,135,000	558,309,410	17,500	1,964,055	47,170,945	8.45%	2,807.71
1997	28,610,000	446,146,042	15,863	1,532,457	27,077,543	6.07%	1,803.57
1996	29,536,000	395,378,413	14,366	693,336	28,842,664	7.29%	2,055.97
1995	11,700,000	359,589,075	13,240	480,807	11,219,193	3.12%	883.69
1994	12,370,000	306,232,100	12,495	694,293	11,675,707	3.81%	934.43
1993	12,940,000	304,971,170	11,452	467,124	12,472,876	4.09%	1,089.14
1992	3,360,000	281,185,409	11,452	294,678	3,065,322	1.09%	267.67

Source: City of Mason and School District Records

**MASON CITY SCHOOL DISTRICT, OHIO
 COMPUTATION OF LEGAL DEBT MARGIN
 AS OF JUNE 30, 2001**

TABLE 7

Assessed Valuation	<u><u>\$909,630,023</u></u>
Voted Debt:	
Debt Limit - 9% of Assessed Value (1)	<u>\$81,866,702</u>
Debt Limit - Special Needs District (3)	<u>\$150,760,755</u>
Amount of Debt Applicable to Debt Limit:	
General Obligation Bond	\$5,200,000
General Obligation Bond	18,390,000
General Obligation Bond	21,885,000
General Obligation Bond	71,935,000
Bond Anticipation Note	8,800,000
Bond Anticipation Note	71,935,000
Sub-total	<u>\$198,145,000</u>
Less: Amount Available in Debt Service Fund	<u>(76,797,395)</u>
Total Debt Subject to Limit	<u>\$121,347,605</u>
Voted Debt Margin (Special Needs District)	<u><u>\$29,413,150</u></u>
Unvoted Debt:	
Debt Limit - .10% of Assessed Value (1)	\$909,630
Amount of Debt Applicable	<u>215,000</u>
Unvoted Debt Margin	<u><u>\$694,630</u></u>

Source: Warren County Auditor and School District Financial Records

- (1) Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt. All District debt subject to the limitation is voted.
- (2) School Bus Acquisition Bonds are exempt from the voted debt limits. Amount outstanding at June 30, 2001 was \$230,000.
- (3) 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
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
 AS OF JUNE 30, 2001**

TABLE 8

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Mason CSD	\$198,460,000	100.00%	\$198,460,000
Butler County	47,905,000	0.05%	23,953
Warren County	4,541,342	25.20%	1,144,418
City of Mason	15,855,000	86.46%	13,708,233
Deerfield Township	5,350,444	65.59%	3,509,356
West Chester Township	21,950,000	0.23%	50,485
Great Oaks Joint Vocational School	<u>7,975,000</u>	6.65%	<u>530,338</u>
Total	<u><u>\$302,036,786</u></u>		<u><u>\$217,426,783</u></u>

Source: Ohio Municipal Advisory Council

**MASON CITY SCHOOL DISTRICT, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN CALENDAR YEARS**

TABLE 9

Year (1)	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
2001	\$1,220,000	\$2,496,207	\$3,716,207	\$39,277,126	9.46%
2000	1,105,000	2,554,382	3,659,382	34,075,901	10.74%
1999	\$1,335,000	\$2,618,210	\$3,953,210	\$28,358,280	13.94%
1998	1,479,200	1,992,231	3,471,431	23,233,499	14.94%
1997	926,000	1,623,493	2,549,493	19,326,196	13.19%
1996	771,993	1,783,629	2,555,622	16,257,422	15.72%
1995	940,518	728,284	1,668,802	14,468,599	11.53%
1994	693,756	782,463	1,476,219	12,598,203	11.72%
1993	543,756	613,256	1,157,012	11,478,286	10.08%
1992	543,756	287,512	831,268	10,765,823	7.72%

Source: School District Financial Records.

MASON CITY SCHOOL DISTRICT, OHIO
 DEMOGRAPHIC STATISTICS
 LAST TEN CALENDAR YEARS

TABLE 10

Year	Warren County Population (1) (4)	Mason City Population (1) (4)	School Enrollment (2)	Unemployment Rate Warren County (3)	Unemployment Rate State of Ohio (3)	Unemployment Rate U.S.A. (3)
2001	158,383	22,016	6,711	3.30%	4.40%	4.70%
2000	113,909	21,150	6,057	3.20%	4.20%	4.20%
1999	113,909	19,200	5,364	3.20%	4.50%	4.50%
1998	113,909	17,500	4,783	3.40%	4.50%	4.70%
1997	113,909	15,863	4,371	2.90%	4.30%	5.20%
1996	113,909	14,366	3,845	3.80%	4.60%	5.40%
1995	113,909	13,240	3,420	4.00%	4.50%	5.50%
1994	113,909	12,495	3,091	5.00%	5.40%	6.20%
1993	113,909	11,452	2,866	5.60%	6.00%	7.10%
1992	113,909	11,452	2,731	6.00%	7.20%	7.40%

Source:

- (1) 1990 Census
- (2) School District Records
- (3) Ohio Bureau Employment Services - Data for 2001 based upon June.
- (4) 2000 Census

**MASON CITY SCHOOL DISTRICT, OHIO
PROPERTY VALUE, FINANCIAL INSTITUTION DEPOSITS
AND BUILDING PERMITS
LAST TEN CALENDAR YEARS**

TABLE 11

Year	Property Value (Real Estate Only)	County Bank Deposits (1) (3)	Value of Building Permits Issued (2)
2000	\$766,334,940	\$1,248,000,000	\$95,176,832
1999	584,567,320	1,200,862,000	118,161,589
1998	507,879,160	1,150,159,000	111,291,583
1997	447,470,900	1,080,081,000	78,812,560
1996	345,531,240	1,044,777,000	74,115,054
1995	308,029,880	968,832,000	62,415,454
1994	276,071,590	885,766,000	44,414,494
1993	224,411,120	0	57,635,020
1992	206,409,310	0	24,861,185
1991	198,354,710	0	17,604,939

Source:

(1) Federal Reserve Bank of Cleveland & Federal Deposit Insurance Corp. (www2.FDIC.GOV)

(2) City of Mason Department of Economic Development and Planning

(3) Information Unavailable

MASON CITY SCHOOL DISTRICT, OHIO
 PRINCIPAL TAXPAYERS
 REAL ESTATE TAX

TABLE 12

Name of Taxpayer	Type of Business	Assessed Value (1)	Percent of Total Real Estate Assessed Value
Duke Realty Ltd. Partnership	Commercial Property Leasing	\$35,060,400	4.58%
Procter & Gamble	Health Care Research	17,040,620	2.22%
Heritage Club, Ltd.	Country Club	6,964,370	0.91%
Mason Christian Village	Retirement Community	6,264,700	0.82%
Cintas Sales Corporation	Professional Uniforms	5,802,540	0.76%
Northeast Cincinnati Hotels	Hotel Chain	5,534,350	0.72%
Drees Co.	Residential Builder and Developer	4,505,040	0.59%
Hills Real Estate Group	Real Estate	4,255,970	0.56%
Community Insurance Co.	Insurance	3,543,620	0.46%
Kenwood Lincoln-Mercury	Automobile Dealership	3,381,150	0.44%
Total		<u>\$92,352,760</u>	<u>12.06%</u>

Source: Warren County Auditor

(1) Assessed values are for the 2001 collection year.

**MASON CITY SCHOOL DISTRICT, OHIO
 PRINCIPAL TAXPAYERS
 TANGIBLE PERSONAL PROPERTY TAX**

TABLE 13

Name of Taxpayer	Type of Business	Assessed Value (1)	Percent of Total Tangible Personal Property Assessed Value
Mitsubishi Electric	Manufactures Automobile Parts	\$18,423,580	16.54%
Procter & Gamble	Health Care Research	12,179,880	10.94%
Facs Group Inc.	Retail Credit Company	3,871,860	3.48%
Kings-Toyota Inc.	Automobile Dealership	2,934,110	2.63%
Deerfield Manufacturing Company	Stamping for HVAC Equipment	2,901,390	2.61%
Leggett & Platt Inc.	Innerspring Mattress Components	2,869,280	2.58%
Kenwood Lincoln-Mercury	Automobile Dealership	2,536,040	2.28%
Hi-Tek	Machine Shop	2,410,180	2.16%
Blackhawk Automotive Plastics	Automotive Plastics	2,349,590	2.11%
Superior Label Systems	Labeling Machines	2,114,900	1.90%
		<u>\$52,590,810</u>	<u>47.23%</u>

Source: Warren County Auditor

(1) Assessed values are for the 2001 collection year.

(2) Type of business information was not available from the County Auditor.

**MASON CITY SCHOOL DISTRICT, OHIO
 PRINCIPAL TAXPAYERS
 PUBLIC UTILITY PERSONAL PROPERTY TAX**

TABLE 14

Name of Taxpayer	Assessed Value (1)	Percentage of Total Public Utility Personal Property Assessed Value
Cincinnati Gas and Electric	\$23,568,380	73.81%
United Telephone	6,260,070	19.61%
Sprint	369,270	1.16%
New Par	292,300	0.92%
LCI International	287,770	0.90%
Time Warner	223,530	0.70%
GTE Wireless of the Midwest	169,130	0.53%
Dayton Power & Light	149,910	0.47%
Cincinnati SMSA Ltd. Ptnr.	140,340	0.44%
Cincinnati Bell Wireless	120,960	0.38%
	\$31,581,660	98.92%

Source: Warren County Auditor

(1) Assessed values are for the 2001 collection year.

MASON CITY SCHOOL DISTRICT, OHIO
 COST TO EDUCATE A 2001 GRADUATE
 MASON CITY SCHOOL DISTRICT VERSUS STATE OF OHIO

TABLE 15

School Year	Grade	----- Cost Per Pupil -----		Comparison
		Mason CSD (1)	State Average (1)	
1988-89	K	3,136	3,852	(716)
1989-90	1	3,577	4,166	(589)
1990-91	2	3,934	4,390	(456)
1991-92	3	4,266	4,436	(170)
1992-93	4	4,238	4,822	(584)
1993-94	5	4,461	4,882	(421)
1994-95	6	4,440	5,117	(677)
1995-96	7	4,475	5,299	(824)
1996-97	8	4,458	5,555	(1,097)
1997-98 (2)	9	5,285	5,469	(184)
1998-99 (2)	10	6,271	6,800	(529)
1999-00 (2)	11	6,354	7,108	(754)
2000-01(2)	12	6,857	7,639	(782)
		<u>\$61,752</u>	<u>\$69,535</u>	<u>(\$7,783)</u>

Source: School District Financial Records.

(1) The Department of Education has no mechanism in place to provide this data on a GAAP basis. As a result, all figures are presented on a cash basis to provide a more meaningful comparison.

(2) The Department of Education adopted a new calculation for per pupil spending. Beginning in 1997-98 per pupil spending is based upon the departments expenditures flow model.

**MASON CITY SCHOOL DISTRICT, OHIO
MISCELLANEOUS STATISTICAL DATA**

TABLE 16

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 2000-2001 School Year:	792,133 Miles
Number Meals Served by Food Service Department for the 2000-2001 School Year:	1,037,870 Meals

School Buildings	Grade Levels	Enrollment
Mason Heights Elementary	1-2	1,124
Western Row Elementary	3-4	1,111
Mason Middle School	5-6	1,098
Mason Intermediate	7-8	1,003
William Mason High School	9-12	1,674
Mason Early Childhood Center	PS-K	701
		<u>6,711</u>

Degree	Number of Certified Staff	Percentage of Total
Bachelor's Degree	107	23.99%
Bachelor + 150	142	31.84%
Master's Degree	193	43.27%
Doctorate	4	0.90%
Total	<u>446</u>	<u>100.00%</u>

Years of Experience	Number of Certified Staff	Percentage of Total
0 - 5	243	54.48%
6 - 10	71	15.92%
11 - 15	43	9.64%
16 - 20	38	8.52%
21 - 25	28	6.28%
26 - 30	21	4.71%
31 - 35	2	0.45%
36 - 40	0	0.00%
	<u>446</u>	<u>100.00%</u>

Source: School District Records

**MASON CITY SCHOOL DISTRICT, OHIO
LARGEST EMPLOYERS**

TABLE 17

Employer	Nature of Activity or Business	Number of Employees
Procter & Gamble	Health Care Research Center	2,400
Cintas	Manufacture Uniforms	1,400
Entex Information Services	Computer Systems	1,000
Anthem Insurance	Insurance	920
Mason City School District	Education	797
Blackhawk Automotive	Manufacture Plastic Moldings	624
Portion Pac	Manufacture Condiments	483
A-Mold Corp.	Manufacture Aluminum Wheels	457
Mitsubishi Electric Manufacturing	Manufacture Automobile Brakes	450
Makino Inc.	Precision Machine Tools	400

Source: Mason Landen Kings Chamber of Commerce

MASON CITY SCHOOL DISTRICT, OHIO
LEVY HISTORY

TABLE 18

Date of Election	Type of Issue	Millage	For	Against	% For
11/7/67	General Operating 10 year	4.00	916	754	54.85%
11/5/68	General Operating (Renewal Continuing)	16.10	1,667	906	64.79%
8/19/69	Special Operating	6.80	270	513	34.48%
11/4/69	Special - General Operating	4.90	839	938	47.21%
12/11/69	Special - General Operating (Cont.)	4.90	821	664	55.29%
11/8/77	General Operating (Renewal)	4.00	1,970	692	74.00%
11/8/77	Bond Issue (SAH) *	1.60	1,681	931	64.36%
3/14/78	General Operating (New Cont.)	6.50	902	505	64.11%
6/5/79	Bond Issue (SAH) *	1.10	295	77	79.30%
9/8/81	Bond Issue (SAH) *	1.30	330	86	79.33%
2/5/85	Bond Issue	6.50	651	1,037	38.57%
11/5/85	Bond Issue	4.70	1,642	1,518	51.96%
5/3/88	General Operating (New Cont.)	8.60	1,567	1,407	52.69%
5/7/91	Special Levy (Land Purchase)	0.70	994	868	53.38%
11/5/91	Bond Issue	3.78	1,978	2,115	48.33%
2/4/92	Bond Issue	3.27	1,470	1,524	49.10%
6/2/92	Bond Issue	3.27	1,909	1,889	50.26%
5/5/95	Bond Issue	3.98	1,644	1,068	60.62%
3/19/96	General Operating (New Cont.)	9.80	2,832	2,218	56.08%
2/4/97	Bond Issue	5.01	1,895	802	70.26%
3/7/00	Bond Issue	6.78	3,690	3,248	53.19%
5/8/01	Operating Levy**	9.95	3,196	2,301	58.14%

Source: School District Records

* SAH - Stay at Home Issues

** Incremental Levy phased in over three years beginning in 2002: 6.95, 8.45, 9.95

MASON CITY SCHOOL DISTRICT, OHIO
 STUDENT POPULATION BY SEX AND BY RACE
 FOR THE 2000-2001 SCHOOL YEAR

TABLE 19

Grade	Male	Female	Total
PS	41	33	74
K	316	311	627
1	288	304	592
2	269	263	532
3	284	278	562
4	285	264	549
5	324	287	611
6	241	246	487
7	261	240	501
8	276	226	502
9	247	233	480
10	215	202	417
11	199	209	408
12	186	174	360
Ungraded	9	0	9
	3,441	3,270	6,711

Race	Total	Percent
American Indian/Alaskan	13	0.20%
Asian	215	3.20%
Black	178	2.65%
Caucasian	6,208	92.50%
Hispanic	50	0.75%
Multi-Racial	47	0.70%
	6,711	100.00%

Source: School District Financial Records.

MASON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF INSURANCE POLICIES
 AND BONDING INSURANCE

TABLE 20

Agent	Insurance Company	Policy #	Policy Period	Description	Liability Limit	Premium
Dakin Insurance	Indiana Insurance	CBP9461034	2/1/01-2/1/02	Comprehensive Property and Plant	\$78,755,274	\$35,734
Dakin Insurance	Indiana Insurance	BA9143978	2/1/01-2/1/02	Fleet Insurance	1,000,000	44,764
Harcum Insurance	Nationwide Insurance	EGL005671	2/1/01-2/1/02	Liability Insurance	2,000,000 each occurrence and 5,000,000 aggregate	13,457
Dakin Insurance	Peerless Insurance	A25694	2/1/012/1/02	Public Employee Bond	10,000	337
OSBA Bond Program	Nationwide Insurance	91PB 402-236-0001L	3/23/01-1/1/03	Treasurer's Bond	50,000	540
OSBA Bond Program	Nationwide Insurance	BR005671	1/1/00-1/1/03	Board President's Bond	20,000	102
OSBA Bond Program	Nationwide Insurance	BR005671	1/1/00-1/1/03	Superintendent's Bond	20,000	102

Source: School District Records.

MASON CITY SCHOOL DISTRICT, OHIO
 ENROLLMENT HISTORY
 LAST TEN YEARS

TABLE 21

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
2000-01	74	627	592	532	562	549	611	487	501	502	480	417	408	369	6,711	10.80%
1999-00	57	565	500	505	513	566	453	473	458	472	403	394	367	331	6,057	6.057%
1998-99	51	437	455	454	511	410	418	404	446	376	392	358	331	321	5,364	12.92%
1997-98	49	402	410	467	370	388	360	399	350	358	336	312	316	266	4,783	12.15%
1996-97	64	388	418	333	341	334	361	323	325	326	309	314	276	259	4,371	9.43%
1995-96	45	386	309	307	296	318	293	298	298	282	299	258	275	181	3,845	13.68%
1994-95	42	291	293	256	302	269	278	280	266	269	245	255	188	186	3,420	12.43%
1993-94	27	272	254	281	250	248	269	232	259	233	242	174	189	161	3,091	10.64%
1992-93	25	253	255	233	236	257	215	246	226	228	168	184	164	176	2,866	7.85%
1991-92	0	269	229	231	240	218	240	218	220	163	191	171	178	163	2,731	4.94%

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

Source: School District Records

MASON CITY SCHOOLS DISTRICT, OHIO
 DIRECTORY OF SCHOOL FACILITIES
 AS OF JUNE 30, 2001

TABLE 22

Facility	Address	Principal	Grades	Phone Numbers
Early Childhood Center	211 North East Street	Barbara Harding	PS-K	398-3741
Mason Heights School	200 Northcrest Drive	Tom Morris	1-2	398-8866
Western Row School	755 Western Row Road	Will Becker	3-4	398-5821
Mason Intermediate	707B S. Mason-Montgomery Rd.	Catherine Hunter	5-6	459-2850
Mason Middle School	707A S. Mason-Montgomery Rd.	Tonya McCall	7-8	398-9035
Mason High School	770 S. Mason-Montgomery Rd.	Amy Spicher	9-12	398-5025
Technology	4836 Tylersville Road	Dave Hickey		336-7367
Bus Garage	5025 Enterprise Drive	David Foster		398-6682
Maintenance Garage	5120 Enterprise Drive	George Highfill		398-2784

TABLE 23

This Comprehensive Annual Financial Report
was prepared by:

The Treasurer's Office
Mason City School District
Richard Gardner, Treasurer

The Mason City School District Treasurer's Office:

Chris Hofer	Assistant Treasurer
Rosita Dobbins	Accounting Clerk
Amy Elliott	Accounting Clerk
Ericka Hood	Accounting Clerk
Stefanie Howland	Accounting Clerk
Pat Nurre	Accounting Clerk

Additional copies of this report may be obtained from:

Richard Gardner, Treasurer
Mason City School District
211 North East Street
Mason, OH 45040
Phone: (513) 398-3623
Email: gardnerr@mason.k12.oh.us
Web Page: ww2.mason.k12.oh.us



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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 10, 2002**