



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, 2002**

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	\$119,488	\$0	\$107,421
National School Lunch Program	LL-P4-01	10.555	25,715	0	25,715	0
	LL-P4-02		153,356	0	153,356	0
Total U.S. Department of Agriculture - Nutrition Cluster			179,071	119,488	179,071	107,421
<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-01/02	84.027	291,746	0	271,622	0
Special Education - Preschool Grant	PG-S1-01/02	84.173	23,146	0	26,633	0
Total Special Education Cluster			314,892	0	298,255	0
Grants to Local Educational Agencies (ESEA Title I)	C1-S1-01/02	84.010	87,392	0	84,542	0
Title VI-R	CR-S1-01/02	84.340	57,843	0	64,253	0
Eisenhower	MS-S1-01/02	84.281	20,623	0	24,509	0
Title VI	C2-S1-01/02	84.298	36,029	0	46,461	0
Picture Perfect	G2-SP-01	84.276	4,000	0	4,000	0
Harvard Institute	G2-U1-01/02	84.276	24,675	0	24,675	0
Drug-Free Schools Grant	DR-S1-01/02	84.186	27,342	0	23,008	0
School Renovation, IDEA & Technology	AT-S1-02	84.352A	19,616	0	14,660	0
<i>Passed through the Great Oaks Institute & Career Development</i>						
Carl Perkins/Vocational Education	None	84.049	9,930	0	11,200	0
Total U.S. Department of Education			602,342	0	595,563	0
<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	1,650	0	2,650	0
TOTAL FEDERAL ASSISTANCE			\$783,063	\$119,488	\$777,284	\$107,421

**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
JUNE 30, 2002**

NOTE A - 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 B - 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, 2002, the District had no significant food commodities in inventory.



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 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 the Mason City School District, Warren County, Ohio (the District), as of and for the fiscal year ended June 30, 2002, and have issued our report thereon dated December 12, 2002. 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*.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we 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 12, 2002.

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

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

December 12, 2002



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 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 year ended June 30, 2002. 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 year ended June 30, 2002.

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, 2002, and have issued our report thereon dated December 12, 2002. 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, 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 12, 2002

**MASON CITY SCHOOL DISTRICT
WARREN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505
JUNE 30, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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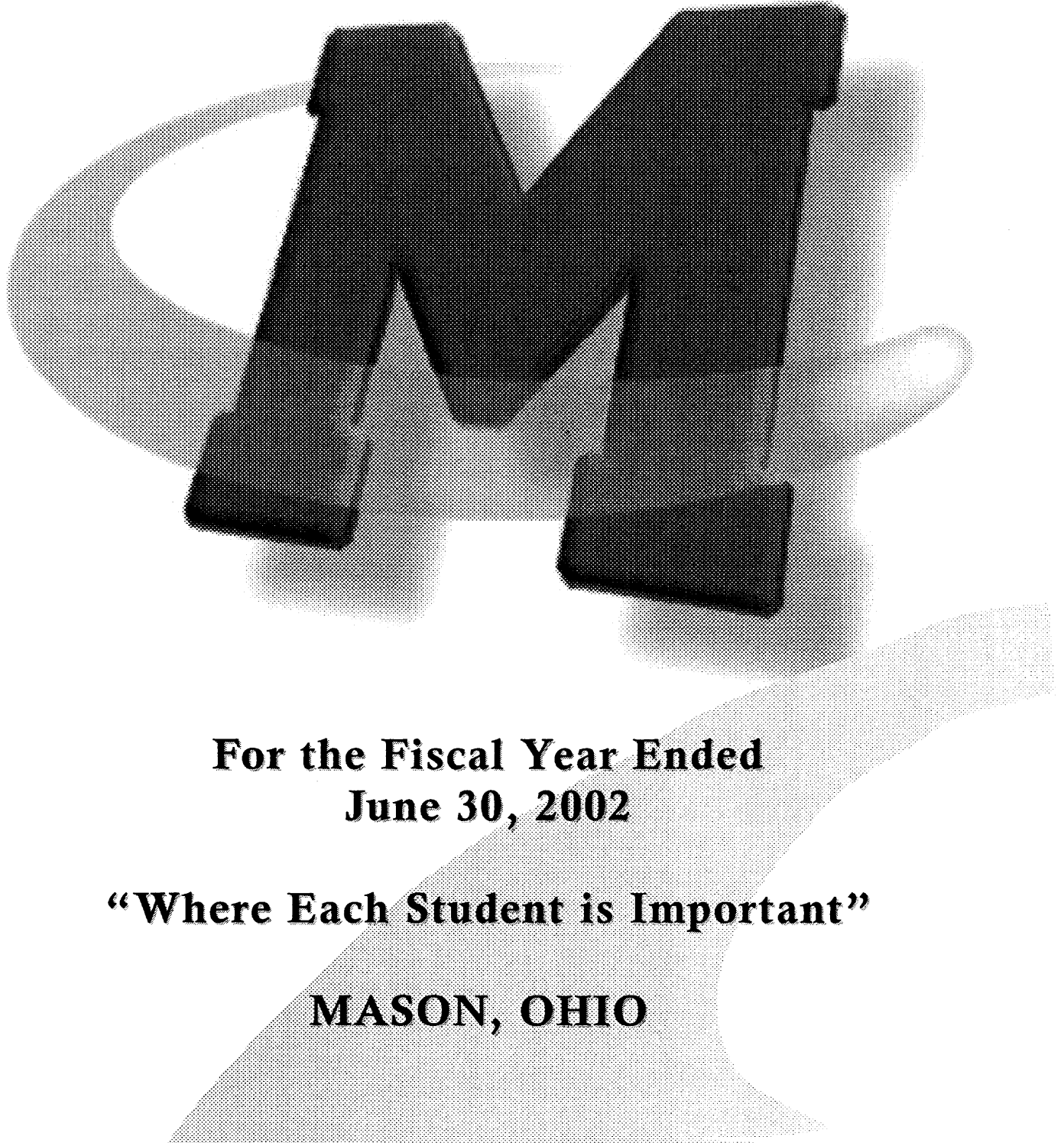
MASON CITY SCHOOL DISTRICT
WARREN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2002

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-10483-001	Third Party Administrator SAS-70	No	District switched to a third party administrator without a SAS-70. District presented internal service funds with general fund, therefore no longer material and no longer reportable condition.

Mason City School District

Comprehensive Annual Financial Report



**For the Fiscal Year Ended
June 30, 2002**

“Where Each Student is Important”

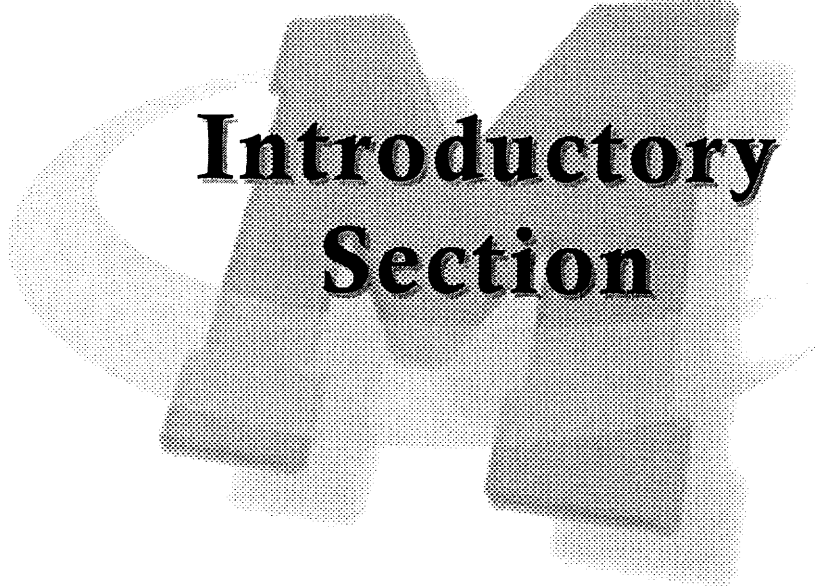
MASON, OHIO

**MASON CITY SCHOOL DISTRICT
MASON, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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, 2002**

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**MASON CITY SCHOOL DISTRICT, OHIO
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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
Phone: (513) 398-3623 • Fax: (513) 398-4357

December 12, 2002

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, 2002. 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 2001-2002 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, The Child's Place Montessori and Royalmont Academy 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, 2002, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Russ Carter	Jan. 2000 - Dec. 2003	10 - 1/2
Mrs. Marianne Culbertson	Jan. 2002 - Dec. 2005	8 - 1/2
Mr. David Lenert	Jan. 2002 - Dec. 2005	8 - 1/2
Mr. Eric Kantor	Jan. 2000 - Dec. 2003	2 - 1/2
Mrs. Connie Yingling	Jan. 2002 - Dec. 2005	2 - 3/4

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, 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 22,500 and is growing steadily through planning and development. The District is served by Sprint Telephone and Cincinnati Gas and Electric Company. The Mason Pulse Journal, Community Press and The Western Star newspapers regularly cover District events. The District is also served by newspapers, radio and television stations in both Cincinnati and Dayton. Major universities easily accessible from the District are the University of Cincinnati and Xavier University in Cincinnati, Miami University in Oxford, and Wright State University and the University of Dayton, both in Dayton.

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 1992.

	<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>
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
2001	422	86,605,214	22	85,616,736

This growth has been primarily realized due to the significant amount of residential development, which remained strong in 2001. Building permits issued in 2002 for the Mason City School District total 267 through June 30, 2002.

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, Mitsubishi Electric, International Paper, Anthem Insurance, Harris Corporation and J.W. Harris Corporation.

THE DISTRICT AND ITS FACILITIES

The District served 7,363 students during the 2002 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 2,950 students opened in September, 2002. For the 2002-03 school year, 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 employed 954 full-time and part-time employees as of June 30, 2002. 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 7,363. It is expected that the District's enrollment will be approximately 8,000 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. This agreement will expire on June 30, 2004. The agreement provides MEA members with 4.0 percent base salary increase for the 2002-2003 school year, bringing the base teaching salary to \$30,863.

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>
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%
2001-02	7,363	652	10%

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 high school opened September 2002 for the 2002-03 school year, and the community center is expected to open in January 2003.

DEPARTMENTAL FOCUS

Each year the District selects a department to be highlighted for its service efforts and accomplishments. For fiscal year 2002, the District would like to acknowledge the efforts of the Public Information Office.

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 the community aware of all of the activities going on in the school district.

In 1996, The Mason City Schools Board of Education established the Public Information Office. The Public Information Office (PIO) focuses on four areas of communication: media; students, parents and community; and the district's staff. These communication and public relations activities take many forms. The most visible is the PIO's work with the media and the public. The PIO works with newspapers and TV stations daily to provide information and serve as a contact, liaison and spokesperson.

The PIO communicates with the public in a variety of ways. The district sends 14,000 households *The Slate*, the school's quarterly newsletter. The PIO also is responsible for writing the content, taking photographs, designing and printing approximately 20 publications a year. These publications range from small topic-specific brochures to the more sophisticated 14-page annual report. Also included are monthly postcards delivered to every household in the district. The PIO also publishes a bimonthly e-newsletter over email for parents and friends of the district and provides content for and updates the district's web site (www.masonohioschools.com), created by the office in 1998. The PIO coordinates tours of the district's six schools for families new to the district, as well as educators, architects and other professionals.

The PIO's community involvement is vital to learning how the above communication elements are working. The Public Information Officer is a member of the Kiwanis Club of Mason, The Mason Landen Kings Chamber Board of Directors, and the Mason Heritage Committee, as well as other boards, such as the City of Mason's downtown revitalization committee and the fire department's interview board. This contact with community leaders helps apprise the Board of Education of public opinion, serve as a voice for the board in the community and garner support for volunteer opportunities, such as bond issue campaigns. Heading up publicity for bond issues and levies is another important aspect of the office.

Within the district, the PIO publishes a Staffgram staff newsletter bimonthly to increase communication among district employees. The PIO also helps teachers and administrators write grants, visits classrooms to learn about activities, events and curriculum, and promotes these through the media and district publications. The PIO has an active role in planning with the staff for crisis intervention.

Sponsorship and outreach is also an important part of PIO work. The PIO sells advertising for the athletic department and also solicits local businesses to help sponsor special events. Events like Tailgate for football season and Chili Cook Off for basketball season are planned by the PIO.

Since 1996 the Public Information Office has been instrumental in communicating the challenges and the successes of the District to the community, parents, staff and students. These efforts are part of the many reasons that the community supports the District with both time and financial resources.

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 11,500 in the next ten years. 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. 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, 2002, with increases and (decreases) from the prior year.

Revenues by Source	<u>2001</u>	<u>2002</u>	<u>Percent of Total</u>	<u>Difference from 2001</u>	<u>Percent of Change</u>
Taxes	\$21,454,044	\$ 28,088,525	54.82%	\$6,634,481	30.92%
Intergovernmental	16,808,850	21,715,088	42.38%	4,906,238	29.19%
Interest	878,597	405,659	0.79%	(472,938)	-53.83%
Tuition and Fees	372,793	391,920	0.76%	19,127	5.13%
Rent	58,512	57,053	0.11%	(1,459)	-2.49%
Customer Services	113,342	55,982	0.11%	(57,360)	-50.61%
Charges for Services	0	492,222	0.96%	492,222	100.00%
Miscellaneous	91,793	28,439	0.06%	(63,354)	-69.02%
Total	\$39,777,931	\$ 51,234,888	100.00%	\$11,456,957	28.80%

Expenditures by Function	<u>2001</u>	<u>2002</u>	<u>Percent of Total</u>	<u>Difference from 2001</u>	<u>Percent of Change</u>
Instruction:					
Regular	\$18,293,160	\$21,375,506	44.70%	\$3,082,346	16.85%
Special	2,763,760	3,291,535	6.88%	527,775	19.10%
Other	34,455	120,084	0.25%	85,629	248.52%
Pupil Support	2,310,898	2,824,871	5.91%	513,973	22.24%
Instructional Staff Support	3,043,773	3,755,489	7.85%	711,716	23.38%
Board of Education	46,824	58,415	0.12%	11,591	24.75%
Administration	2,674,129	3,632,567	7.59%	958,438	35.84%
Fiscal	929,219	1,041,477	2.18%	112,258	12.08%
Business	177,658	122,103	0.26%	(55,555)	-31.27%
Operation and Maintenance					
of Plant	4,372,285	4,872,680	10.19%	500,395	11.44%
Pupil Transportation	2,769,998	3,660,658	7.65%	890,660	32.15%
Central	986,006	1,903,830	3.98%	917,824	93.09%
Operation of					
Non-Instructional Services	37,969	48,906	0.10%	10,937	28.81%
Extracurricular Activities	537,463	866,683	1.81%	329,220	61.25%
Capital Outlay	153,080	109,688	0.23%	(43,392)	-28.35%
Debt Service	146,449	144,254	0.30%	(2,195)	-1.50%
Total	\$39,277,126	\$47,828,746	100.00%	\$8,551,620	21.77%

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, 2002, with a fund balance of \$11,940,599. This represented an increase of \$3,423,990 in fund balance over fiscal year 2001.

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 \$4,534. The increase is a result of small changes in all the funds. The largest change was in the E-Rate Grant Fund, which increased by \$44,425 due to an increase in 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 decreased by \$37,132,687, which is due to the expenditure of funds related to the new high school construction project. Proceeds of the debt used to finance the new high school were received in the previous year.

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 \$45,558. Of this amount the Food Service Fund was responsible for income of \$45,966. The Uniform School Supply Fund had no activity during the year. The Latchkey Fund experienced a loss of \$408. 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.

Debt Administration

The District had amounts related to four debt issues outstanding at June 30, 2002.

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, 2002, is \$4,200,000. 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 \$18,140,000. 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, 2002, is \$21,690,000. This will be retired on December 1, 2017. The note was rolled and reissued for \$8,700,000 on February 14, 2002. The note was issued for a one-year period. The amount of notes outstanding for this issue at June 30, 2002, is \$8,700,000.

The fourth issue related to the construction of a new high school, which was approved by the voters on March 7, 2000 in the principal amount of \$71,935,000. The purpose of this issue 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. Bonds in the amount of \$70,310,000 were outstanding as of June 30, 2002. 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 2002 for all District funds was \$1,812,297. 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 2002. 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, 2001. 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 2002 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,



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, 2001

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. Howe
President

Jeffrey L. Essler
Executive Director

**MASON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2002**

ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

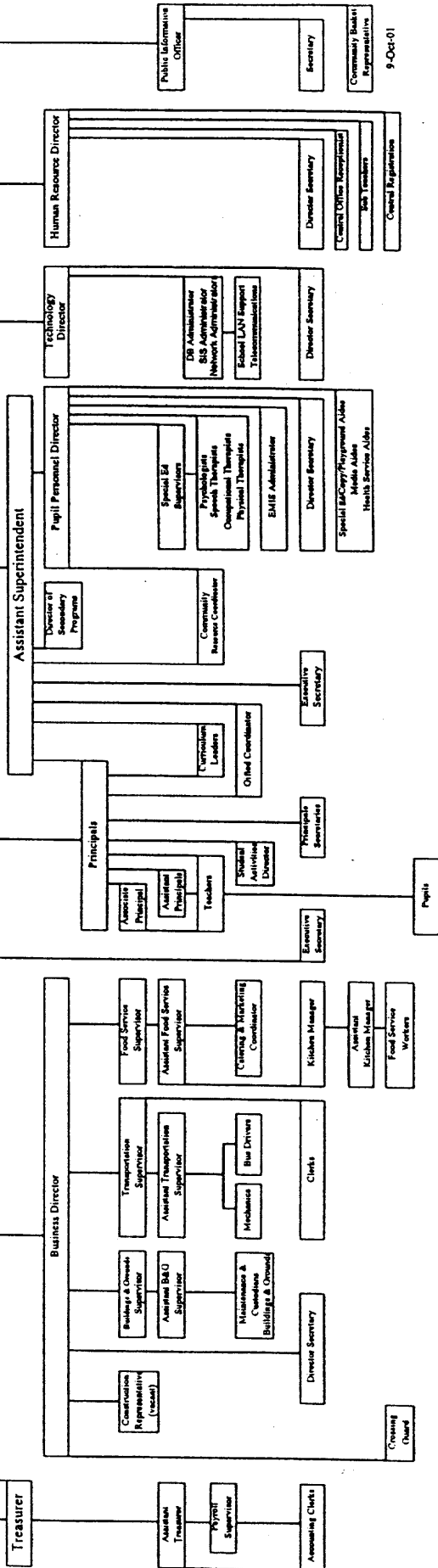
Superintendent	Kevin L. Bright
Assistant Superintendent - Curriculum and Instruction	Barb C. Crist
Assistant Superintendent - Business	Michael Brannon
Assistant Superintendent - Human Resources	Craig C. Ullery
Treasurer	Richard L. Gardner
Assistant Treasurer.....	Chris Hofer
Pupil Personnel Director	Ginny Jackson
Technology Director	Dave Hickey
Payroll Supervisor.....	Terri Ross
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

ORGANIZATIONAL CHART

Citizens of Mason City School District

Board of Education

Superintendent



**MASON CITY SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
June 30, 2002**

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)

Humana, Inc.
655 Eden Park Drive
Cincinnati, OH 45202

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

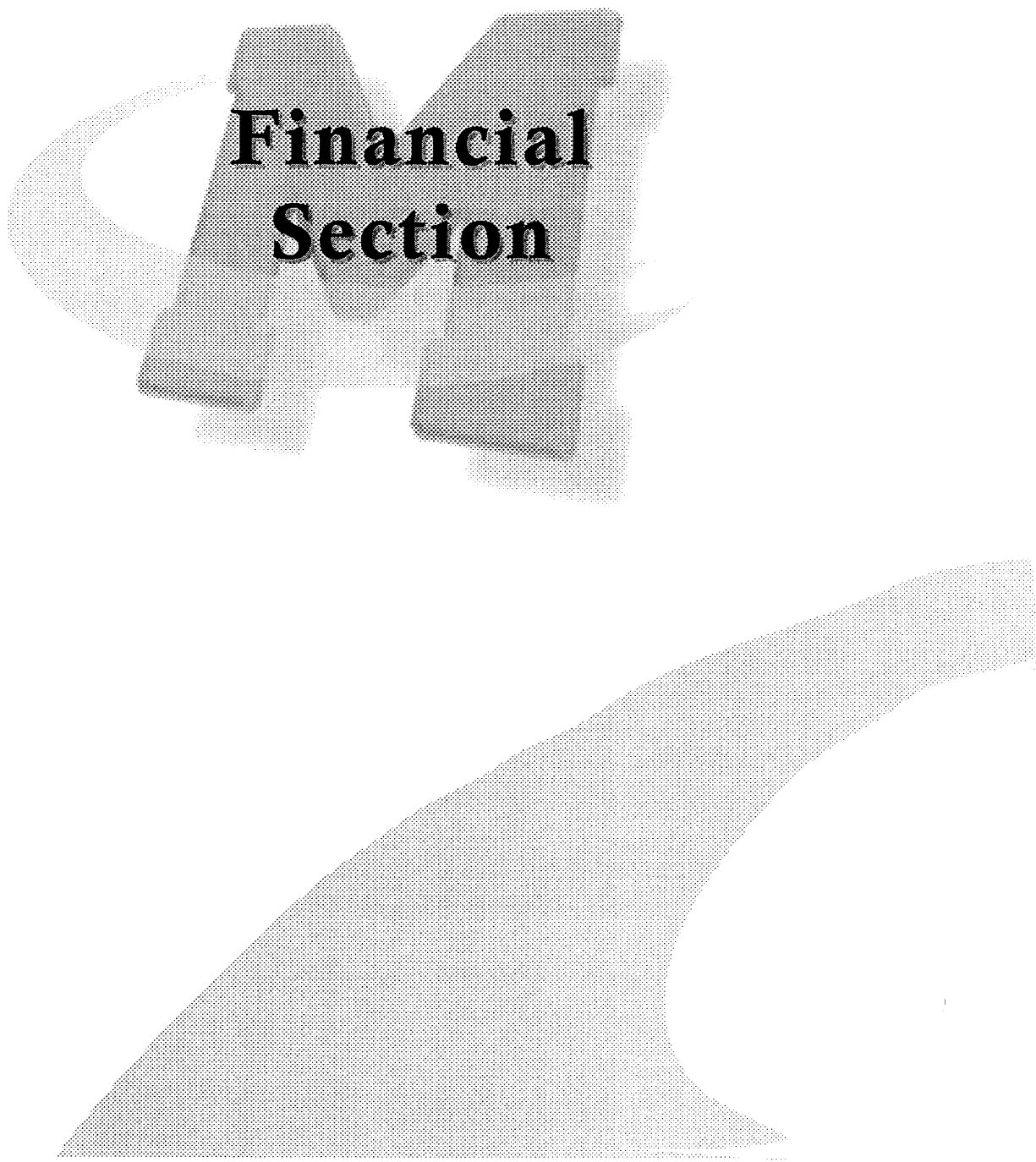
State Treasury Asset Reserve of Ohio
1228 Euclid Avenue
Cleveland, OH 44115

First Financial
1063 Reading Road
Mason, OH 45040

Worker Compensation/Unemployment

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





**Financial
Section**

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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, 2002, 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 District, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund type 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 12, 2002 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 presented 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 sections 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 loop at the end of the last name.

Jim Petro
Auditor of State

December 12, 2002

GENERAL PURPOSE

FINANCIAL STATEMENTS

**MASON CITY SCHOOL DISTRICT, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 AS OF JUNE 30, 2002**

	----- Governmental Fund Types -----			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$12,243,162	\$572,599	\$3,409,545	\$22,598,167
Investments	3,028,680	0	0	0
Receivables				
Taxes	34,337,916	0	8,658,702	0
Accounts	74,318	990	29,470	242,595
Intergovernmental	35,028	0	0	248,369
Interfund	7,251	0	0	0
Accrued Interest	27,993	0	0	0
Prepaid Items	410,705	2,532	0	11,237
Inventory Held for Resale	0	0	0	0
Restricted Assets				
Equity in Pooled Cash and Cash Equivalents With Fiscal Agents	85,593	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	733,444
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	\$50,250,646	\$576,121	\$12,097,717	\$23,833,812
Liabilities, Fund Equity and Other Credits:				
Liabilities:				
Accounts Payable	\$234,306	\$22,121	\$0	\$3,164,795
Accrued Wages and Benefits	4,389,898	84,663	0	0
Compensated Absences Payable	144,854	0	0	0
Retainage Payable	0	0	0	733,444
Intergovernmental Payable	1,421,212	15,644	0	1,814
Interfund Payable	0	4,751	0	0
Deferred Revenue	32,066,912	0	7,931,761	0
Undistributed Monies	0	0	0	0
Due to Students	0	0	0	0
Accrued Interest Payable	0	0	0	64,833
Notes Payable	0	0	0	8,700,000
Claims Payable	52,865	0	0	0
Capital Leases Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	38,310,047	127,179	7,931,761	12,664,886
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	856,810	80,410	0	13,526,674
Reserved for Prepaid Items	410,705	2,305	0	11,237
Reserved for Property Taxes	2,271,004	0	726,941	0
Reserved for Budget Stabilization	85,593	0	0	0
Unreserved:				
Undesignated (Deficit)	8,316,487	366,227	3,439,015	(2,368,985)
Total Fund Equity (Deficit) and Other Credits	11,940,599	448,942	4,165,956	11,168,926
Total Liabilities, Fund Equity and Other Credits	\$50,250,646	\$576,121	\$12,097,717	\$23,833,812

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
		\$0	\$0	\$39,321,850
\$378,361	\$120,016	0	0	3,044,325
0	15,645	0	0	42,996,618
0	0	0	0	356,105
8,732	0	0	0	283,397
0	0	0	0	7,251
0	0	0	0	28,500
0	507	0	0	436,261
11,787	0	0	0	33,329
33,329	0	0	0	85,593
0	0	0	0	733,444
0	0	0	0	
669,955	0	123,442,185	0	124,112,140
0	0	0	4,165,956	4,165,956
0	0	0	112,880,529	112,880,529
\$1,102,164	\$136,168	\$123,442,185	\$117,046,485	\$328,485,298
\$5,175	\$0	\$0	\$0	\$3,426,397
99,842	0	0	0	4,574,403
32,594	0	0	2,056,290	2,233,738
0	0	0	0	733,444
57,723	0	0	419,104	1,915,497
2,500	0	0	0	7,251
18,047	0	0	0	40,016,720
0	15,109	0	0	15,109
0	76,473	0	0	76,473
0	0	0	0	64,833
0	0	0	0	8,700,000
0	0	0	0	52,865
0	0	0	231,091	231,091
0	0	0	114,340,000	114,340,000
215,881	91,582	0	117,046,485	176,387,821
0	0	123,442,185	0	123,442,185
659,459	0	0	0	659,459
226,824	0	0	0	226,824
0	0	0	0	14,463,894
0	0	0	0	424,247
0	0	0	0	2,997,945
0	0	0	0	85,593
0	44,586	0	0	9,797,330
886,283	44,586	123,442,185	0	152,097,477
\$1,102,164	\$136,168	\$123,442,185	\$117,046,485	\$328,485,298

MASON CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$28,088,525	\$0	\$8,016,050	\$382,007
Intergovernmental	21,715,088	1,062,065	920,673	290,705
Interest	405,659	2,633	600,046	793,415
Tuition and Fees	391,920	49,005	0	0
Rent	57,053	0	0	0
Extracurricular Activities	0	509,670	0	0
Gifts and Donations	0	40,290	0	60,000
Customer Services	55,982	0	0	0
Charges for Services	492,222	0	0	0
Miscellaneous	28,439	81,952	0	705,150
Total Revenues	51,234,888	1,745,615	9,536,769	2,231,277
Expenditures:				
Current:				
Instruction:				
Regular	21,375,506	548,464	0	19,620
Special	3,291,535	333,074	0	0
Vocational	0	20,431	0	0
Other	120,084	0	0	0
Support Services:				
Pupils	2,824,871	25,511	0	0
Instructional Staff	3,755,489	162,825	0	0
Board of Education	58,415	0	0	0
Administration	3,632,567	5,157	9,336	433
Fiscal	1,041,477	0	119,272	5,471
Business	122,103	0	0	0
Operation and Maintenance of Plant	4,872,680	6,300	0	28,232
Pupil Transportation	3,660,658	9,958	0	346,400
Central	1,903,830	54,989	0	2,800,238
Operation of Non-Instructional Services	48,906	320,369	0	0
Extracurricular Activities	866,683	254,003	0	72,335
Capital Outlay	109,688	0	0	37,264,690
Debt Service:				
Principal Retirement	128,309	0	75,005,000	230,000
Interest and Fiscal Charges	15,945	0	5,823,628	845,742
Total Expenditures	47,828,746	1,741,081	80,957,236	41,613,161
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,406,142	4,534	(71,420,467)	(39,381,884)
Other Financing Sources (Uses):				
Operating Transfers In	0	0	0	2,249,197
Operating Transfers Out	0	0	(2,249,197)	0
Total Other Financing Sources (Uses)	0	0	(2,249,197)	2,249,197
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,406,142	4,534	(73,669,664)	(37,132,687)
Fund Balances at July 1, 2001 (As restated see note 20)	8,534,457	444,408	77,835,620	48,301,613
Fund Balances at June 30, 2002	\$11,940,599	\$448,942	\$4,165,956	\$11,168,926

See accompanying notes to the general purpose financial statements

Fiduciary Fund Type	Totals (Memorandum Only)
Expendable Trust Fund	
\$0	\$36,486,582
0	23,988,531
575	1,802,328
0	440,925
0	57,053
0	509,670
21,344	121,634
0	55,982
0	492,222
0	815,541
<u>21,919</u>	<u>64,770,468</u>
0	21,943,590
0	3,624,609
0	20,431
0	120,084
0	2,850,382
0	3,918,314
0	58,415
0	3,647,493
0	1,166,220
0	122,103
0	4,907,212
0	4,017,016
0	4,759,057
500	369,775
0	1,193,021
0	37,374,378
0	75,363,309
0	6,685,315
<u>500</u>	<u>172,140,724</u>
<u>21,419</u>	<u>(107,370,256)</u>
0	2,249,197
0	(2,249,197)
<u>0</u>	<u>0</u>
21,419	(107,370,256)
<u>0</u>	<u>135,116,098</u>
<u>\$21,419</u>	<u>\$27,745,842</u>

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 AND EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Governmental Fund Types					
	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$27,633,490	\$28,198,675	\$565,185	\$0	\$0	\$0
Intergovernmental	21,677,859	21,714,925	37,066	1,038,149	1,062,065	23,916
Interest	450,500	479,628	29,128	2,427	2,633	206
Tuition and Fees	388,040	391,920	3,880	45,209	49,005	3,796
Rent	58,743	58,971	228	0	0	0
Extracurricular Activities	0	0	0	499,843	510,627	10,784
Gifts and Donations	0	0	0	40,194	40,290	96
Customer Services	55,982	55,982	0	0	0	0
Charges for Services	449,584	492,222	42,638	0	0	0
Miscellaneous	17,128	17,128	0	77,105	78,916	1,811
Total Revenues	50,731,326	51,409,451	678,125	1,702,927	1,743,536	40,609
Expenditures:						
Current:						
Instruction:						
Regular	21,515,190	20,884,971	630,219	644,034	554,279	89,755
Special	3,538,272	3,138,285	399,987	361,829	308,988	52,841
Vocational	0	0	0	21,315	21,054	261
Adult/Continuing	25,000	25,000	0	0	0	0
Other	106,537	103,250	3,287	0	0	0
Support Services:						
Pupils	2,942,255	2,816,175	126,080	34,713	26,701	8,012
Instructional Staff	3,671,945	3,595,568	76,377	181,433	166,946	14,487
Board of Education	95,916	88,052	7,864	0	0	0
Administration	3,780,753	3,692,702	88,051	8,013	5,157	2,856
Fiscal	1,054,962	1,043,705	11,257	0	0	0
Business	197,067	193,583	3,484	0	0	0
Operation and Maintenance of Plant	5,436,086	5,082,872	353,214	7,237	6,300	937
Pupil Transportation	3,697,618	3,636,526	61,092	13,489	9,958	3,531
Central	2,733,102	2,015,936	717,166	67,962	55,049	12,913
Operation of Non-Instructional Services:	56,570	51,289	5,281	476,531	398,670	77,861
Extracurricular Activities:	918,208	860,368	57,840	271,745	263,241	8,504
Capital Outlay:	203,052	202,052	1,000	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	49,972,533	47,430,334	2,542,199	2,088,301	1,816,343	271,958
Excess (Deficiency) of Revenues Over (Under) Expenditures	758,793	3,979,117	3,220,324	(385,374)	(72,807)	312,567
Other Financing Sources (Uses):						
Operating Transfers In	0	0	0	0	0	0
Proceeds from Sale of Long-Term Notes	0	0	0	0	0	0
Refund of Prior Year Expenditures	8,761	8,762	1	5,863	5,863	0
Advances In	11,926	11,926	0	4,751	4,751	0
Refund of Prior Year Receipts	(137)	0	137	(1,171)	(1,171)	0
Advances Out	(7,251)	(7,251)	0	(11,926)	(11,926)	0
Operating Transfers Out	(50,000)	0	50,000	0	0	0
Total Other Financing Sources (Uses)	(36,701)	13,437	50,138	(2,483)	(2,483)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	722,092	3,992,554	3,270,462	(387,857)	(75,290)	312,567
Fund Balances at July 1, 2001, Restated	9,530,505	9,530,505	0	386,272	386,272	0
Prior Year Encumbrances Appropriated	778,049	778,049	0	159,511	159,510	(1)
Fund Balances at June 30, 2002	\$11,030,646	\$14,301,108	\$3,270,462	\$157,926	\$470,492	\$312,566

See accompanying notes to the general purpose financial statements

Governmental Fund Types						Fiduciary Fund Type		
Debt Service Fund			Capital Projects Funds			Expendable Trust Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$8,243,287	\$8,327,334	\$84,047	\$378,057	\$382,007	\$3,950	\$0	\$0	\$0
920,673	920,673	0	42,337	42,337	0	0	0	0
600,000	600,046	46	779,500	795,056	15,556	50	68	18
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	60,000	60,000	0	21,300	21,344	44
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	488,000	488,305	305	0	0	0
9,763,960	9,848,053	84,093	1,747,894	1,767,705	19,811	21,350	21,412	62
0	0	0	121,792	59,642	62,150	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	0	0
0	0	0	0	0	0	0	0	0
12,000	9,335	2,665	417	433	(16)	0	0	0
180,180	119,272	60,908	5,337	5,471	(134)	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	28,517	26,906	1,611	0	0	0
0	0	0	347,300	346,400	900	0	0	0
0	0	0	4,165,945	3,587,144	578,801	0	0	0
0	0	0	0	0	0	20,000	500	19,500
0	0	0	82,693	82,677	16	0	0	0
0	0	0	56,562,866	53,884,346	2,678,520	0	0	0
83,805,000	83,805,000	0	445,000	445,000	0	0	0	0
8,002,940	8,002,295	645	20,462	20,235	227	0	0	0
92,000,120	91,935,902	64,218	61,780,329	58,458,254	3,322,075	20,000	500	19,500
(82,236,160)	(82,087,849)	148,311	(60,032,435)	(56,690,549)	3,341,886	1,350	20,912	19,562
0	0	0	0	0	0	0	0	0
8,700,000	8,700,000	0	0	0	0	0	0	0
0	0	0	846,250	846,250	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	0	0	0
8,700,000	8,700,000	0	846,250	846,250	0	0	0	0
(73,536,160)	(73,387,849)	148,311	(59,186,185)	(55,844,299)	3,341,886	1,350	20,912	19,562
76,797,395	76,797,395	0	15,804,652	15,804,652	0	0	0	0
0	0	0	45,960,284	45,960,284	0	0	0	0
\$3,261,235	\$3,409,546	\$148,311	\$2,578,751	\$5,920,637	\$3,341,886	\$1,350	\$20,912	\$19,562

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 AND EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 (CONTINUED)

	Totals		
	----- (Memorandum Only) -----		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 36,254,834	\$ 36,908,016	\$ 653,182
Intergovernmental	23,679,018	23,740,000	60,982
Interest	1,832,477	1,877,431	44,954
Tuition and Fees	433,249	440,925	7,676
Rent	58,743	58,971	228
Extracurricular Activities	499,843	510,627	10,784
Gifts and Donations	121,494	121,634	140
Customer Services	55,982	55,982	0
Charges for Services	449,584	492,222	42,638
Miscellaneous	582,233	584,349	2,116
Total Revenues	63,967,457	64,790,157	822,700
Expenditures:			
Current:			
Instruction:			
Regular	22,281,016	21,498,892	782,124
Special	3,900,101	3,447,273	452,828
Vocational	21,315	21,054	261
Adult/Continuing	25,000	25,000	0
Other	106,537	103,250	3,287
Support Services:			
Pupils	2,976,968	2,842,876	134,092
Instructional Staff	3,853,378	3,762,514	90,864
Board of Education	95,916	88,052	7,864
Administration	3,801,183	3,707,627	93,556
Fiscal	1,240,479	1,168,448	72,031
Business	197,067	193,583	3,484
Operation and Maintenance of Plant	5,471,840	5,116,078	355,762
Pupil Transportation	4,058,407	3,992,884	65,523
Central	6,967,009	5,658,129	1,308,880
Operation of Non-Instructional Services:	553,101	450,459	102,642
Extracurricular Activities:	1,272,646	1,206,286	66,360
Capital Outlay:	56,765,918	54,086,398	2,679,520
Debt Service:			
Principal Retirement	84,250,000	84,250,000	0
Interest and Fiscal Charges	8,023,402	8,022,530	872
Total Expenditures	205,861,283	199,641,333	6,219,950
Excess (Deficiency) of Revenues Over (Under) Expenditures	(141,893,826)	(134,851,176)	7,042,650
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0
Proceeds from Sale of Long-Term Notes	8,700,000	8,700,000	0
Refund of Prior Year Expenditures	860,874	860,875	1
Advances In	16,677	16,677	0
Refund of Prior Year Receipts	(1,308)	(1,171)	137
Advances Out	(19,177)	(19,177)	0
Operating Transfers Out	(50,000)	0	50,000
Total Other Financing Sources (Uses)	9,507,066	9,557,204	50,138
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(132,386,760)	(125,293,972)	7,092,788
Fund Balances at July 1, 2001, Restated	102,518,824	102,518,824	0
Prior Year Encumbrances Appropriated	46,897,844	46,897,843	(1)
Fund Balances at June 30, 2002	\$17,029,908	\$24,122,695	\$7,092,787

See accompanying notes to the general purpose financial statements

**MASON CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN RETAINED EARNINGS AND FUND BALANCES
 ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	Propriety ---- Fund Type ---- Enterprise	Fiduciary ---- Fund Type ---- Non-Expendable Trust	Totals (Memorandum Only)
Operating Revenues:			
Sales	\$1,757,708	\$0	\$1,757,708
Charges for Services	24,236	0	24,236
Interest	0	1,524	1,524
Miscellaneous	182,933	0	182,933
Total Operating Revenue	1,964,877	1,524	1,966,401
Operating Expenses:			
Salaries	766,443	0	766,443
Fringe Benefits	295,468	0	295,468
Purchased Services	161,107	0	161,107
Materials and Supplies	130,303	0	130,303
Cost of Sales	809,935	0	809,935
Depreciation	51,811	0	51,811
Total Operating Expenses	2,215,067	0	2,215,067
Operating Income (Loss)	(250,190)	1,524	(248,666)
Non-Operating Revenues/(Expenses):			
Federal Donated Commodities	107,421	0	107,421
Interest	8,445	0	8,445
Operating Grants	181,810	0	181,810
Loss on Sale of Fixed Assets	0	0	0
Interest and Fiscal Charges	(1,928)	0	(1,928)
Total Non-Operating Revenues/(Expenses)	295,748	0	295,748
Net Income (Loss)	45,558	1,524	47,082
Retained Earnings/Fund Balances at July 1, 2001	181,266	21,643	202,909
Retained Earnings/Fund Balances at June 30, 2002	\$226,824	\$23,167	\$249,991

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, 2002**

	--- Proprietary --- --- Fund Type --- Enterprise	---- Fiduciary ---- --- Fund Type --- Nonexpendable Trust	Totals (Memorandum Only)
Cash Flows from Operating Activities:			
Cash Received from Customers	\$1,956,166	\$0	\$1,956,166
Cash Payments to Suppliers for Goods and Services	(700,322)	0	(700,322)
Cash Payments to Employees for Services	(724,529)	0	(724,529)
Cash Payments for Employee Benefits	(284,031)	0	(284,031)
Cash Payments for Purchased Services	(163,940)	0	(163,940)
Cash Payments for Materials and Supplies	(155,660)	0	(155,660)
Net Cash (Used) for Operating Activities	(72,316)	0	(72,316)
Cash Flows from Noncapital Financing Activities:			
Advances In	2,500	0	2,500
Federal and State Grants Received	181,810	0	181,810
Net Cash Provided by Noncapital Financing Activities	184,310	0	184,310
Cash Flows from Capital and Related Financing Activities:			
Purchase of Fixed Assets	(70,991)	0	(70,991)
Principal Paid on Capital Leases	(46,532)	0	(46,532)
Interest Paid on capital Leases	(1,928)	0	(1,928)
Net Cash (Used for) Capital and Related Financing Activities	(119,451)	0	(119,451)
Cash Flows from Investing Activities:			
Interest on Investments	8,445	1,524	9,969
Net Cash Provided by Investing Activities	8,445	1,524	9,969
Net Increase in Cash and Cash Equivalents	988	1,524	2,512
Cash and Cash Equivalents at July 1, 2001	377,373	21,643	399,016
Cash and Cash Equivalents at June 30, 2002	\$378,361	\$23,167	\$401,528

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, 2002
 (CONTINUED)**

	--- Proprietary --- --- Fund Type --- Enterprise	---- Fiduciary ---- --- Fund Type --- Nonexpendable Trust	Totals (Memorandum Only)
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	(\$250,190)	\$1,524	(\$248,666)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation Expense	51,811	0	51,811
Donated Commodities Used During Year	107,421	0	107,421
Interest Received in Nonexpendable Trust Fund	0	(1,524)	(1,524)
Changes in Assets and Liabilities:			
(Increase) in Accounts Receivable	(8,732)	0	(8,732)
(Increase) in Inventory Held for Resale	(9,875)	0	(9,875)
(Increase) in Prepaid Items	(2,541)	0	(2,541)
(Decrease) in Accounts Payable	(28,089)	0	(28,089)
Increase in Accrued Wages and Benefits	35,834	0	35,834
Increase in Compensated Absences Payable	5,797	0	5,797
Increase in Intergovernmental Payable	14,181	0	14,181
Increase in Deferred Revenue	12,067	0	12,067
Total Adjustments	177,874	(1,524)	176,350
Net Cash Provided by (Used for) Operating Activities	\$ (72,316)	\$ -	\$ (72,316)

Reconciliation of Nonexpendable Trust Fund to Balance Sheet:

Cash and Cash Equivalents - All Fiduciary Funds	\$120,016
Cash and Cash Equivalents - Agency Funds	(91,582)
Cash and Cash Equivalents - Expendable Trust Fund	(5,267)
Cash and Cash Equivalents - Nonexpendable Trust Fund	<u>\$23,167</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, 2002

	-----Proprietary Fund Types-----			-----Fiduciary Fund Type-----		
	-----Enterprise Funds-----			-----Nonexpendable Trust Fund-----		
	Revised		Variance	Revised		Variance
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Sales	\$1,752,561	\$1,753,173	\$612	\$0	\$0	\$0
Charges for Services	24,200	24,236	36	0	0	0
Interest	7,984	8,445	461	0	1,524	1,524
Miscellaneous	178,748	178,748	0	0	0	0
Total Revenues	1,963,493	1,964,602	1,109	0	1,524	1,524
Expenses:						
Salaries	774,564	724,529	50,035	0	0	0
Fringe Benefits	290,165	284,031	6,134	0	0	0
Purchased Services	174,346	172,079	2,267	0	0	0
Materials and Supplies	956,897	906,611	50,286	0	0	0
Capital Outlay	89,581	87,612	1,969	0	0	0
Total Expenses	2,285,553	2,174,862	110,691	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenses	(322,060)	(210,260)	111,800	0	1,524	1,524
Other Financing Sources:						
Federal and State Subsidies	181,200	181,810	610	0	0	0
Advances In	2,500	2,500	0	0	0	0
Proceeds from Sale of Fixed Asset	0	10	10	0	0	0
Total Other Financing Sources	183,700	184,320	620	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenses	(138,360)	(25,940)	112,420	0	1,524	1,524
Fund Equity at July 1, 2001	324,193	324,193	0	21,644	21,644	0
Prior Year Encumbrances Appropriated	53,180	53,180	0	0	0	0
Fund Equity at June 30, 2002	\$239,013	\$351,433	\$112,420	\$21,644	\$23,168	\$1,524

See accompanying notes to the general purpose financial statements

Totals		
----- (Memorandum Only) -----		
Revised Budget	Actual	Variance Favorable (Unfavorable)
1,752,561	1,753,173	612
24,200	24,236	36
7,984	9,969	1,985
178,748	178,748	0
<u>1,963,493</u>	<u>1,966,126</u>	<u>2,633</u>
774,564	724,529	50,035
290,165	284,031	6,134
174,346	172,079	2,267
956,897	906,611	50,286
89,581	87,612	1,969
<u>2,285,553</u>	<u>2,174,862</u>	<u>110,691</u>
(322,060)	(208,736)	113,324
181,200	181,810	610
2,500	2,500	0
0	10	10
<u>183,700</u>	<u>184,320</u>	<u>620</u>
(138,360)	(24,416)	113,944
345,837	345,837	0
53,180	53,180	0
<u>\$260,657</u>	<u>\$374,601</u>	<u>\$113,944</u>

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MASON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2002

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 449 classified personnel, 505 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 2002 fiscal year was 7,363. 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.

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.

Expendable Trust Funds account for monies received as contributions to be used for educational purposes.

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

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

B. Basis of Presentation – Fund Accounting (Continued)

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, 2002, but which were levied to finance fiscal year 2003 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 2002.

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 2002, 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 2002. 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, 2002. 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 2002 totaled \$1,803,331.

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, 2002 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, 2002 the balances were as follows:

	Receivable	Payable
General Fund	\$7,251	\$0
Latchkey Fund	0	2,500
Vocational Education Fund	<u>0</u>	<u>4,751</u>
Total	<u>\$7,251</u>	<u>\$7,251</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	224 days	224 days	224 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 FY2003 spending requirements.

1. Textbooks and Instructional Materials

Set-aside balance carried forward from prior year		\$ (278,439)
Current year set-aside requirement	\$1,027,103	
Qualifying expenditures made during the year	1,055,525	
Total qualifying expenditures in excess of requirement for FY02		(28,422)
Balance of set-aside to be carried forward to next year		<u>\$ (306,861)</u>

2. Capital Improvements

Set-aside balance carried forward from prior year		\$ 0
Current year set-aside requirement	\$1,027,103	
Qualifying expenditures made during the year	1,027,103	
Total qualifying expenditures short of requirement for FY02		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		\$ 85,593
Amount returned to Undesignated Fund Balance		0
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. After fiscal year 2000, capital contributions from other governments and private sources are recorded as revenues and reported as retained earnings. Capital contributions from other funds are still reported as additions to contributed capital.

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

Government Fund Types

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
GAAP Basis	\$3,406,142	\$4,534	\$(73,669,664)
Net Adjustment for Revenue Accruals	174,563	(2,079)	311,284
Refund of Prior Year Receipt	0	(1,171)	0
Refund of Prior Year Expenditure	8,762	5,863	0
Proceeds from Sale of Notes	0	0	8,700,000
Net Adjustment for Expenditure Accruals	1,454,739	26,849	(10,978,666)
Advances	4,675	(7,175)	0
Transfers	0	0	2,249,197
Adjustment for Encumbrances	(1,056,327)	(102,111)	0
Budget Basis	<u>\$3,992,554</u>	<u>\$(75,290)</u>	<u>\$73,387,849</u>

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

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (Continued):

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

Government Fund Types (Continued)

	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP Basis	\$(37,132,687)	\$21,419
Net Adjustment for Revenue Accruals	(463,572)	(507)
Refund of Prior Year Receipt	0	0
Refund of Prior Year Expenditure	846,250	0
Proceeds from Sale of Notes	0	0
Net Adjustment for Expenditure Accruals	(167,562)	0
Advances	0	0
Transfers	(2,249,197)	0
Adjustment for Encumbrances	(16,677,531)	0
Budget Basis	<u>\$(55,844,299)</u>	<u>\$20,912</u>

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>Non-Expendable Trust</u>
Net Income for GAAP Basis	\$45,558	\$1,524
Commodities Received	(107,421)	0
Net Adjustment for Revenue Accruals	(8,710)	0
Net Adjustment for Expense Accruals	15,322	0
Depreciation Expense	51,811	0
Interest Expense	1,928	0
Advances In	2,500	0
Adjustment for Encumbrances	(26,928)	0
Budget Basis	<u>\$(25,940)</u>	<u>\$1,524</u>

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

NOTE 4 - FUND DEFICIT

For the fiscal year ending June 30, 2002, the following funds had individual fund deficits:

	<u>Deficit Fund Balance</u>
Governmental Funds:	
Special Revenue Funds:	
Refugee Impact Grant	\$ 58
Title 1	14,332
Continuous Improvement	4,817
Capital Projects:	
SchoolNet Plus	198

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.

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.

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

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

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.

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 \$30,860,759. The bank balance of the District's deposit was \$31,791,948. Of the bank balance, \$491,328 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.

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

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

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.

Based on the above criteria, the District's investments at June 30, 2002, are classified as follows:

<u>Description</u>	<u>1</u>	Category <u>2</u>	<u>3</u>	Carrying/Fair <u>Value</u>
Money Market Fund	\$0	\$0	\$0	\$2,534
Federal Mortgage Corporation	0	293,445	0	293,445
Federal Home Loan Mortgage Corporation	0	789,374	0	789,374
Federal Farm Credit	0	581,510	0	581,510
Federal Home Loan Bank	0	1,097,099	0	1,097,099
Federal National Mortgage Assoc. Notes	0	392,175	0	392,175
Star Ohio (1)	N/A	N/A	N/A	9,168,316
Total	<u>\$0</u>	<u>\$3,153,603</u>	<u>\$0</u>	<u>\$12,324,453</u>

- 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	\$40,140,887	\$3,044,325
Certificates of Deposit	15,645	(15,645)
Money Market Fund	(2,534)	2,534
Federal Home Loan Mortgage Corporation	(124,923)	124,923
Star Ohio	(9,168,316)	9,168,316
GASB Statement 3	<u>\$30,860,759</u>	<u>\$12,324,453</u>

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 2002 taxes were collected are:

	<u>2001 Second- Half Collections</u>		<u>2002 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$766,334,940	84.25%	\$844,804,830	83.03%
Public Utility Personal	31,930,770	3.51%	20,324,550	2.00%
Tangible Personal Property	111,364,313	12.24%	152,292,210	14.97%
Total Assessed Value	<u>\$909,630,023</u>	<u>100.00%</u>	<u>\$1,017,421,590</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, 2002. 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, 2002, was \$2,997,945 and is recognized as revenue. The amount available as an advance at June 30, 2001, was \$3,419,379.

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

NOTE 7 - RECEIVABLES

Receivables at June 30, 2002, 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	\$34,337,916	\$74,318	\$35,028	27,993
Special Revenue	0	990	0	0
Debt Service	8,658,702	29,470	0	0
Capital Projects	0	242,595	248,369	0
Enterprise	0	8,732	0	0
Trust and Agency	0	0	0	507
Total	<u>\$42,996,618</u>	<u>\$356,105</u>	<u>\$283,397</u>	<u>\$28,500</u>

NOTE 8 - FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 2002, follows:

Furniture and Equipment	\$1,051,266
Less accumulated depreciation	<u>(381,311)</u>
Net Fixed Assets	<u>\$ 669,955</u>

A summary of the changes in general fixed assets during fiscal year 2002 follows:

	Balance June 30, <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2002</u>
Land	\$5,712,991	\$0	\$0	\$5,712,991
Buildings	56,136,752	246,114	0	56,382,866
Furniture and Equipment	9,703,052	2,271,583	623,096	11,351,539
Vehicles	4,575,237	395,528	0	4,970,765
Construction in Progress	9,751,350	35,272,674	0	45,024,024
Total	<u>\$85,879,382</u>	<u>\$38,185,899</u>	<u>\$623,096</u>	<u>\$123,442,185</u>

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 2002 the District contracted with Indiana Insurance for general liability insurance with a \$2,000,000 aggregate plus excess umbrella of an additional \$2,000,000 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 automobile liability 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. Cincinnati Insurance Company maintains a \$50,000 employee dishonesty blanket bond for all employees.

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

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.

The District offers dental on a self-insured basis with third party administration services provided by Humana, Inc. Monthly premiums for dental coverage are \$71.97 for family coverage or \$25.26 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 \$11.00 for family coverage and \$5.10 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 \$52,865 reported in the internal service fund at June 30, 2002, 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>
2001	\$72,810	\$377,911	\$418,147	\$32,574
2002	\$32,574	\$514,693	\$494,402	\$52,865

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; In fiscal year 2002, 5.46 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, 2002, 2001, and 2000 were \$1,280,455, \$997,086, and \$855,581 respectively; 83 percent has been contributed for fiscal year 2002 and 91% for the fiscal year 2001 and 103% for 2000. \$213,273 representing the underpaid contribution for fiscal year 2002, 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; in fiscal year 2002, 9.5 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, 2002, 2001, and 2000 were \$3,338,853, \$2,808,374, and \$2,402,356 respectively; 100 percent has been contributed for fiscal year 2002 and 99 percent for the fiscal year 2001 and 98 percent for fiscal year 2000. \$1,756 representing the unpaid contribution for fiscal year 2002, 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, 2002, four members have elected social security. The Board's liability is 6.20 percent of wages paid.

NOTE 11 - POSTEMPLOYMENT BENEFITS

State Teachers Retirement System of Ohio (STRS Ohio) provides access to health care benefits for retirees and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescriptions drugs and partial reimbursement of monthly Medicare Part B premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code (O.R.C.), the State Teachers Retirement Board (the board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of monthly premiums.

The O.R.C grants authority to STRS Ohio to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of the coverage paid from STRS Ohio fund shall be included in the employer contribution rate, currently 14% of covered payroll. The Retirement Board allocates employer contributions to the Health Care Reserve Fund from which health care benefits are paid. For the fiscal year ended June 30, 2002, the board allocated employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund. This amounted to \$902,692 for the District. The balance in the Health Care Reserve Fund was \$3.256 billion on June 30, 2001. For the year ended June 30, 2001, net health care costs paid by STRS Ohio were \$300,772,000. There were 102,132 eligible benefit recipients.

School Employees Retirement System (SERS) also provides postretirement health care to retirees and their dependents under discretionary authority granted by the O.R.C. 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 services credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium.

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. At June 30, 2002, the health care allocation is 8.54%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 2001, the minimum pay has been established as \$12,400. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund. This amounted to \$546,989 for the District. Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2001 were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, the Retirement System's net assets available for payment of health care benefits was \$315.7 million. The number of recipients receiving health care benefits is approximately 50,000.

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 2002 totaled \$128,309 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 2002 totaled \$46,533 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, 2002.

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>General Long</u> <u>Term Debt</u>
2003	\$139,861
2004	86,037
2005	17,352
Total	\$243,250
Less: Amount Representing Interest	(12,159)
Present Value of Net Minimum Lease Payments	<u>\$231,091</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, 2002, was as follows:

General Obligation Bonds & Notes:	Principal Outstanding <u>6/30/01</u>	<u>Additions</u>	<u>Deductions</u>	Principal Outstanding <u>6/30/02</u>
1992 Building Construction and Equipment 5.59%	5,200,000	0	1,000,000	4,200,000
1995 Building Construction and Equipment 5.65%	18,390,000	0	250,000	18,140,000
1998 Building Construction and Equipment 5.24%	21,885,000	0	195,000	21,690,000
1999 School Bus Acquisition 5.12%	230,000	0	230,000	0
2001 High School / Recreation Center Bonds Construction and Equipment 5.06%	71,935,000	0	1,625,000	70,310,000
2001 High School / Recreation Center Notes Construction and Equipment 4.80%	9,800,000	0	9,800,000	0
2001 High School / Recreation Center Notes Construction and Equipment 3.81%	62,135,000	0	62,135,000	0
Total General Obligation Bonds & Notes	189,575,000	0	75,235,000	114,340,000
Compensated Absences	1,787,485	325,931	57,126	2,056,290
Pension Obligations	323,208	95,896	0	419,104
Capital Lease	359,400	0	128,309	231,091
Total General Long-Term Obligations	\$192,045,093	\$421,827	\$75,420,435	\$117,046,485

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 \$31,130,301 with an unvoted debt margin of \$1,017,422 at June 30, 2002.

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, 2002, are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	2,330,000	5,810,071	8,140,071
2004	2,860,000	5,689,836	8,549,836
2005	3,470,000	5,532,023	9,002,023
2006	4,260,000	5,341,609	9,601,609
2007	4,240,000	5,147,141	9,387,141
2008	4,710,000	4,947,720	9,657,720
2009	5,085,000	4,711,269	9,796,269
2010	5,515,000	4,432,733	9,947,733
2011	6,140,000	4,123,476	10,263,476
2012	6,655,000	3,802,028	10,457,028
2013	7,175,000	3,454,604	10,629,604
2014	7,930,000	3,058,724	10,988,724
2015	8,550,000	2,616,975	11,166,975
2016	9,255,000	2,130,699	11,385,699
2017	7,080,000	1,688,589	8,768,589
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	\$114,340,000	\$66,007,643	\$180,347,643

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

NOTE 14 – SHORT-TERM NOTES PAYABLE

Short-Term Notes Payable activity of the District for the year ended June 30, 2002, was as follows:

	Principal Outstanding <u>6/30/01</u>	<u>Additions</u>	<u>Deductions</u>	Principal Outstanding <u>6/30/02</u>
Mason Intermediate				
Construction 2002 2.00%	0	8,700,000	0	8,700,000
Mason Intermediate				
Construction 2001 3.58%	8,800,000	0	(8,800,000)	0
Maintenance Garage				
Land 2001 3.75%	215,000	0	(215,000)	0
Total	<u>\$9,015,000</u>	<u>\$8,700,000</u>	<u>(\$9,015,000)</u>	<u>\$8,700,000</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, 2002, are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$8,700,000	\$173,517	\$8,873,517

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 \$59,425 at June 30, 2002. The District paid SWOCA \$55,679 for materials, equipment and 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, 2002.

<u>Segment Information</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Latchkey</u>	<u>Total Enterprise Funds</u>
Operating Revenues	\$1,781,954	\$0	\$182,923	\$1,964,877
Operating Expenses Before Depreciation	1,979,925	0	183,331	2,163,256
Depreciation	51,811	0	0	51,811
Operating Income/(Loss)	(249,782)	0	(408)	(250,190)
Donated Commodities	107,421	0	0	107,421
Operating Grants	181,810	0	0	181,810
Net Income	45,966	0	(408)	45,558
Net Working Capital	182,142	65,185	1,595	248,922
Total Assets	1,008,840	65,185	28,139	1,102,164
Total Equity	819,503	65,185	1,595	886,283
Encumbrances at June 30, 2002	21,076	0	5,352	26,428

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, 2002.

NOTE 18- SIGNIFICANT CONTRACTUAL OBLIGATIONS

Listed below are the District's contracts that had outstanding balances in excess of \$100,000 at June 30, 2002:

Furniture Focus Corporation	\$2,550,340.91
ICB Audio	545,965.00
Thomas & Marker Construction Co.	504,172.00
Cin-Fab, Inc.	423,349.00
Mike Carnevale Tile & Terrazzo	409,416.00
Pomeroy	402,934.99
Active Electric, Inc.	361,477.00
MCSI	296,402.71
Baker Concrete Construction, Inc.	249,703.00
Dupont Flooring Systems	248,980.95
Batts Construction, Inc.	224,927.00
Nelson Stark Company	186,588.00
Life Fitness	154,488.00
The Fitness Store	131,644.50
Broadwing IT Consulting	130,204.00
Avenue Fabricating, Inc.	112,928.00
Total	<u>\$6,933,521.06</u>

NOTE 19 – STATE SCHOOL FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

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

NOTE 20 – RESTATEMENT OF FUND BALANCE

The activities of the District's dental self insurance, which previously was accounted for in an internal service fund, is now accounted for in the general fund.

	General	Internal Service
Fund Balance at 6/30/01	\$8,516,609	\$17,848
Change	<u>17,848</u>	<u>(17,848)</u>
Fund Balance at 7/1/01	<u>\$8,534,457</u>	<u>\$ 0</u>

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**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, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$27,633,490	\$28,198,675	\$565,185
Intergovernmental	21,677,859	21,714,925	37,066
Interest	450,500	479,628	29,128
Tuition and Fees	388,040	391,920	3,880
Rent	58,743	58,971	228
Customer Services	55,982	55,982	0
Charges for Services	449,584	492,222	42,638
Miscellaneous	17,128	17,128	0
Total Revenues	50,731,326	51,409,451	678,125
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	15,306,437	14,903,618	402,819
Fringe Benefits	4,724,522	4,503,178	221,344
Purchased Services	52,921	48,956	3,965
Materials and Supplies	1,279,344	1,278,172	1,172
Other	1,184	1,162	22
Capital Outlay - New	144,888	144,177	711
Capital Outlay - Replacement	5,894	5,708	186
Total Regular	21,515,190	20,884,971	630,219
Special:			
Salaries and Wages	2,706,966	2,416,033	290,933
Fringe Benefits	726,402	636,624	89,778
Purchased Services	73,055	56,332	16,723
Materials and Supplies	26,226	24,049	2,177
Other	571	571	0
Capital Outlay - New	5,052	4,676	376
Total Special	3,538,272	3,138,285	399,987
Adult/Continuing:			
Purchased Services	25,000	25,000	0
Total Adult/Continuing	25,000	25,000	0
Other:			
Purchased Services	106,537	103,250	3,287
Total Other	106,537	103,250	3,287
Total Instruction	25,184,999	24,151,506	1,033,493

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, 2002
(CONTINUED)**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	\$1,874,809	\$1,827,355	\$47,454
Fringe Benefits	525,184	516,632	8,552
Purchased Services	391,864	325,131	66,733
Materials and Supplies	78,070	76,178	1,892
Capital Outlay - New	72,328	70,879	1,449
Total Pupils	2,942,255	2,816,175	126,080
Instructional Staff:			
Salaries and Wages	2,599,552	2,597,586	1,966
Fringe Benefits	791,667	776,137	15,530
Purchased Services	47,336	44,146	3,190
Materials and Supplies	175,111	144,681	30,430
Capital Outlay - New	37,840	14,449	23,391
Capital Outlay - Replacement	3,974	3,759	215
Other	16,465	14,810	1,655
Total Instructional Staff	3,671,945	3,595,568	76,377
Board of Education:			
Salaries and Wages	15,000	14,720	280
Fringe Benefits	2,900	2,809	91
Purchased Services	8,416	4,015	4,401
Materials and Supplies	100	99	1
Other	69,500	66,409	3,091
Total Board of Education	95,916	88,052	7,864
Administration:			
Salaries and Wages	2,467,061	2,465,180	1,881
Fringe Benefits	767,354	744,114	23,240
Purchased Services	243,973	213,565	30,408
Materials and Supplies	44,382	36,077	8,305
Capital Outlay - New	6,800	6,655	145
Capital Outlay - Replacement	12,000	11,684	316
Other	239,183	215,427	23,756
Total Administration	3,780,753	3,692,702	88,051
Fiscal:			
Salaries and Wages	\$382,251	\$381,063	\$1,188
Fringe Benefits	134,735	128,602	6,133
Purchased Services	35,815	34,930	885
Materials and Supplies	21,337	21,012	325
Capital Outlay - New	2,872	2,868	4
Capital Outlay - Replacement	14,392	13,425	967
Other	463,560	461,805	1,755
Total Fiscal	1,054,962	1,043,705	11,257

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, 2002
(CONTINUED)**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Business:			
Salaries and Wages	122,627	122,130	497
Fringe Benefits	44,191	41,417	2,774
Purchased Services	11,486	11,273	213
Materials and Supplies	4,130	4,130	0
Capital Outlay - New	10,504	10,504	0
Capital Outlay - Replacement	3,000	3,000	0
Other	1,129	1,129	0
Total Business	197,067	193,583	3,484
Operation and Maintenance of Plant:			
Salaries and Wages	2,049,606	2,031,323	18,283
Fringe Benefits	573,929	568,087	5,842
Purchased Services	2,106,789	1,949,658	157,131
Materials and Supplies	355,694	345,764	9,930
Capital Outlay - New	350,068	188,040	162,028
Total Operation and Maintenance of Plant	5,436,086	5,082,872	353,214
Pupil Transportation:			
Salaries and Wages	2,294,207	2,289,267	4,940
Fringe Benefits	632,475	626,942	5,533
Purchased Services	320,300	296,387	23,913
Materials and Supplies	444,036	419,000	25,036
Capital Outlay - New	6,600	4,930	1,670
Total Pupil Transportation	3,697,618	3,636,526	61,092
Central:			
Salaries and Wages	\$888,704	\$853,957	\$34,747
Fringe Benefits	259,339	248,238	11,101
Purchased Services	616,313	254,565	361,748
Materials and Supplies	564,055	368,608	195,447
Capital Outlay - New	403,645	290,024	113,621
Capital Outlay - Replacement	100	99	1
Other	946	445	501
Total Central	2,733,102	2,015,936	717,166
Total Support Services	23,609,704	22,165,119	1,444,585
Operation of Non-Instructional Services:			
Salaries and Wages	11,861	11,859	2
Fringe Benefits	1,854	1,777	77
Purchased Services	24,357	23,857	500
Materials and Supplies	11,241	9,539	1,702
Other	7,257	4,257	3,000
Total Operation of Non-Instructional Services	56,570	51,289	5,281

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, 2002
(CONTINUED)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Extracurricular Activities:			
Academic Oriented Activities:			
Salaries and Wages	96,627	95,923	704
Fringe Benefits	16,581	14,262	2,319
Purchased Services	71,467	65,035	6,432
Materials and Supplies	16,551	13,737	2,814
Other	175	175	0
Total Academic Oriented Activities	201,401	189,132	12,269
Sports Oriented Activities:			
Salaries and Wages	487,663	474,900	12,763
Fringe Benefits	98,008	91,348	6,660
Total Sports Oriented Activities	585,671	566,248	19,423
Co-Curricular Oriented Activities:			
Salaries and Wages	84,731	77,187	7,544
Fringe Benefits	24,905	22,414	2,491
Purchased Services	3,500	1,917	1,583
Materials and Supplies	14,746	792	13,954
Capital Outlay - New	2,754	2,678	76
Other	500	0	500
Total Co-Curricular Oriented Activities	131,136	104,988	26,148
Total Extracurricular Activities	918,208	860,368	57,840
Capital Outlay:			
Site Acquisition Services:			
Capital Outlay - New	\$1,000	\$0	\$1,000
Total Site Acquisition Services	1,000	0	1,000
Building Improvement:			
Building Improvement Services:			
Capital Outlay - Replacement	202,052	202,052	0
Total Building Improvement Services	202,052	202,052	0
Total Capital Outlay	203,052	202,052	1,000
Total Expenditures	49,972,533	47,430,334	2,541,199

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, 2002
(CONTINUED)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over (Under) Expenditures	758,793	3,979,117	3,220,324
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	8,761	8,762	1
Advances In	11,926	11,926	0
Operating Transfers Out	(50,000)	0	50,000
Refund of Prior Year Receipts	(137)	0	137
Advances Out	(7,251)	(7,251)	0
Total Other Financing Sources (Uses)	(36,701)	13,437	50,138
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	722,092	3,992,554	3,270,462
Fund Balance at July 1, 2001	9,530,505	9,530,505	0
Prior Year Encumbrances Appropriated	778,049	778,049	0
Fund Balance at June 30, 2002	\$11,030,646	\$14,301,108	\$3,270,462

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.

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.

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.

Continued

**SPECIAL REVENUE FUNDS
(CONTINUED)**

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.

School Conflict Management

To account for funds used to provide training for students and staff in conflict management.

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.

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, 2002**

	Public School Support Fund	Community Services Fund	District Managed Student Activity Fund	Auxiliary Services Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$102,406	\$128,829	\$11,988	\$129,149
Receivables				
Accounts	770	0	220	0
Prepaid Items	0	0	0	1,126
Total Assets	\$103,176	\$128,829	\$12,208	\$130,275
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$1,983	\$1,597	\$6,692	\$7,807
Accrued Wages and Benefits	0	0	0	16,485
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	16	0	4,751
Total Liabilities	1,983	1,613	6,692	29,043
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	6,401	6,235	2,764	53,322
Reserved for Prepays	0	0	0	1,126
Unreserved:				
Undesignated (Deficit)	94,792	120,981	2,752	46,784
Total Fund Equity	101,193	127,216	5,516	101,232
Total Liabilities and Fund Equity	\$103,176	\$128,829	\$12,208	\$130,275

Career Development Fund	Block Grant Fund	Management Information System Fund	OneNet Network Connectivity	SchoolNet Professional Development Fund	Textbook Fund	Ohio Reads Fund
\$320	\$0	\$25,330	\$0	\$5,251	\$0	\$10,045
0	0	0	0	0	0	0
0	0	227	0	0	0	0
\$320	\$0	\$25,557	\$0	\$5,251	\$0	\$10,045
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	2,571
0	0	0	0	0	0	0
0	0	167	0	0	0	516
0	0	167	0	0	0	3,087
	0	0	0	0	0	0
0	0	0	0	0	0	0
320	0	25,390	0	5,251	0	6,958
320	0	25,390	0	5,251	0	6,958
\$320	\$0	\$25,557	\$0	\$5,251	\$0	\$10,045

Continued

MASON CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 AS OF JUNE 30, 2002
 (CONTINUED)

	Summer Intervention Fund	Safe School Help Line Fund	School Conflict Management	Eisenhower Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$2,724	\$4,914	\$216
Receivables				
Accounts	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$0	\$2,724	\$4,914	\$216
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$0	\$0	\$187	\$0
Accrued Wages and Benefits	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Total Liabilities	0	0	187	0
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	0	0	1,632	0
Reserved for Prepaids	0	0	0	0
Unreserved:				
Undesignated (Deficit)	0	2,724	3,095	216
Total Fund Equity	0	2,724	4,727	216
Total Liabilities and Fund Equity	\$0	\$2,724	\$4,914	\$216

Title VI-B Fund	Vocational Education Fund	Refugee Impact Fund	Title I Fund	Title VI Fund	Drug Free Schools Fund	Public School Preschool Fund
\$70,664	\$5,154	\$0	\$4,054	\$480	\$11,319	\$0
0	0	0	0	0	0	0
1,143	0	0	36	0	0	0
\$71,807	\$5,154	\$0	\$4,090	\$480	\$11,319	\$0
\$0	\$150	\$0	\$1,789	\$0	\$1,916	\$0
36,595	0	0	14,407	0	1,003	0
0	4,751	0	0	0	0	0
5,654	0	58	2,226	0	155	0
42,249	4,901	58	18,422	0	3,074	0
7,986	312		0	478	1,280	0
1,143	0	0	36	0	0	0
20,429	(59)	(58)	(14,368)	2	6,965	0
29,558	253	(58)	(14,332)	480	8,245	0
\$71,807	\$5,154	\$0	\$4,090	\$480	\$11,319	\$0

Continued

**MASON CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 AS OF JUNE 30, 2002
 (CONTINUED)**

	E-Rate Fund	Continuous Improvement Fund	Totals
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$48,870	\$10,886	\$572,599
Receivables			
Accounts	0	0	990
Prepaid Items	0	0	2,532
Total Assets	\$48,870	\$10,886	\$576,121
Liabilities and Fund Equity:			
Liabilities:			
Accounts Payable	\$0	\$0	\$22,121
Accrued Wages and Benefits	0	13,602	84,663
Interfund Payable	0	0	4,751
Intergovernmental Payable	0	2,101	15,644
Total Liabilities	0	15,703	127,179
Fund Equity:			
Fund Balance:			
Reserved for Encumbrances	0	0	80,410
Reserved for Prepays	0	0	2,305
Unreserved:			
Undesignated (Deficit)	48,870	(4,817)	366,227
Total Fund Equity	48,870	(4,817)	448,942
Total Liabilities and Fund Equity	\$48,870	\$10,886	\$576,121

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**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, 2002**

	Public School Support Fund	Community Services Fund	District Managed Student Activity Fund	Auxiliary Services Fund
Revenues:				
Intergovernmental	\$0	\$0	\$0	\$325,601
Interest	0	0	0	2,633
Tuition and Fees	0	49,005	0	0
Extracurricular Activities	335,818	2,420	171,432	0
Gifts and Donations	38,040	1,400	850	0
Miscellaneous	5,984	75,968	0	0
Total Revenues	379,842	128,793	172,282	328,234
Expenditures:				
Current:				
Instruction:				
Regular	334,626	96,405	0	0
Special	0	7,245	0	0
Vocational	0	0	0	0
Support Services:				
Pupils	0	2,762	0	0
Instructional Staff	0	17,337	0	0
Administration	0	194	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	2,257	7,701	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	960	0	0	290,588
Extracurricular Activities	40,890	5,035	208,078	0
Total Expenditures	378,733	136,679	208,078	290,588
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,109	(7,886)	(35,796)	37,646
Fund Balances (Deficit) at July 1, 2001	100,084	135,102	41,312	63,586
Fund Balances (Deficit) at June 30, 2002	\$101,193	\$127,216	\$5,516	\$101,232

Career Development Fund	Block Grant Fund	Management Information System Fund	OneNet Network Connectivity	SchoolNet Professional Development Fund	Textbook Fund	Ohio Reads Fund
\$9,005	\$0	\$26,397	\$21,000	\$8,592	\$0	\$13,500
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
9,005	0	26,397	21,000	8,592	0	13,500
0	0	0	0	0	94	8,319
0	0	0	0	0	0	0
9,391	0	0	0	0	0	0
0	0	0	0	0	0	0
0	606	0	0	5,384	0	7,424
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	33,989	21,000	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
9,391	606	33,989	21,000	5,384	94	15,743
(386)	(606)	(7,592)	0	3,208	(94)	(2,243)
706	606	32,982	0	2,043	94	9,201
\$320	\$0	\$25,390	\$0	\$5,251	\$0	\$6,958

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, 2002
 (CONTINUED)

	Summer Intervention Fund	Safe School Help Line Fund	School Conflict Management	Eisenhower Fund
Revenues:				
Intergovernmental	\$0	\$5,552	\$8,000	\$20,623
Interest	0	0		0
Tuition and Fees	0	0		0
Extracurricular Activities	0	0		0
Gifts and Donations	0	0		0
Miscellaneous	0	0		0
Total Revenues	0	5,552	8,000	20,623
Expenditures:				
Current:				
Instruction:				
Regular	13,511	0	3,273	0
Special	0	0	0	0
Vocational	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	24,451
Administration	0	0	0	0
Operation and Maintenance of Plant	0	6,300	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	58
Extracurricular Activities	0	0	0	0
Total Expenditures	13,511	6,300	3,273	24,509
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,511)	(748)	4,727	(3,886)
Fund Balances (Deficit) at July 1, 2000	13,511	3,472	0	4,102
Fund Balances (Deficit) at June 30, 2001	\$0	\$2,724	\$4,727	\$216

Title VI-B Fund	Vocational Education Fund	Refugee Impact Fund	Title I Fund	Title VI Fund	Drug Free Schools Fund	Public School Preschool Fund
\$291,747	\$9,930	\$1,650	\$87,392	\$36,029	\$27,342	\$23,146
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
291,747	9,930	1,650	87,392	36,029	27,342	23,146
0	0	2,708	0	0	0	0
241,612	0	0	84,217	0	0	0
0	11,040	0	0	0	0	0
0	0	0	0	0	22,749	0
33,387	0	0	0	42,565	0	23,885
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
16,125	0	0	6,684	3,689	2,265	0
0	0	0	0	0	0	0
291,124	11,040	2,708	90,901	46,254	25,014	23,885
623	(1,110)	(1,058)	(3,509)	(10,225)	2,328	(739)
28,935	1,363	1,000	(10,823)	10,705	5,917	739
\$29,558	\$253	(\$58)	(\$14,332)	\$480	\$8,245	\$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, 2002
 (CONTINUED)

	E-Rate Fund	Continuous Improvement Fund	Totals
Revenues:			
Intergovernmental	\$44,425	\$102,134	\$1,062,065
Interest	0	0	2,633
Tuition and Fees	0	0	49,005
Extracurricular Activities	0	0	509,670
Gifts and Donations	0	0	40,290
Miscellaneous	0	0	81,952
Total Revenues	44,425	102,134	1,745,615
Expenditures:			
Current:			
Instruction:			
Regular	0	89,528	548,464
Special	0	0	333,074
Vocational	0	0	20,431
Support Services:			
Pupils	0	0	25,511
Instructional Staff	0	7,786	162,825
Administration	0	4,963	5,157
Operation and Maintenance of Plant	0	0	6,300
Pupil Transportation	0	0	9,958
Central	0	0	54,989
Operation of Non-Instructional Services	0	0	320,369
Extracurricular Activities	0	0	254,003
Total Expenditures	0	102,277	1,741,081
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,425	(143)	4,534
Fund Balances (Deficit) at July 1, 2000	4,445	(4,674)	444,408
Fund Balances (Deficit) at June 30, 2001	\$48,870	(\$4,817)	\$448,942

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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, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Extracurricular Activities	\$326,508	\$335,818	\$9,310
Gifts and Donations	37,944	38,040	96
Miscellaneous	8,425	8,811	386
Total Revenues	372,877	382,669	9,792
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries	132	132	0
Purchased Services	5,864	5,759	105
Materials and Supplies	11,533	5,155	6,378
Other	350,409	336,411	13,998
Total Regular	367,938	347,457	20,481
Support Services:			
Instructional Staff:			
Other	165	0	165
Total Instructional Staff	165	0	165
Operation and Maintenance of Plant:			
Other	154	0	154
Total Operation and Maintenance of Plant	154	0	154
Pupil Transportation:			
Other	2,844	2,257	587
Total Pupil Transportation	2,844	2,257	587
Non-Instructional Services:			
Salaries	960	960	0
Total Non-Instructional Services	960	960	0
Total Support Services	4,123	3,217	906
Extracurricular Activities:			
Academic Oriented Activities:			
Purchased Services	2,590	1,027	1,563
Other	31,876	28,764	3,112
Total Academic Oriented Activities	34,466	29,791	4,675
School & Public Service Co-Curricular Activities:			
Other	15,112	13,592	1,520
Total School & Public Service Co-Curricular Activities	15,112	13,592	1,520
Total Extracurricular Activities	49,578	43,383	6,195
Total Expenditures	421,639	394,057	27,582
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,762)	(11,388)	37,374
Fund Balance at July 1, 2001	75,186	75,186	0
Prior Year Encumbrances Appropriated	30,780	30,780	0
Fund Balance at June 30, 2002	\$57,204	\$94,578	\$37,374

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, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Tuition and Fees	\$45,209	\$49,005	\$3,796
Extracurricular Activities	2,420	2,420	0
Gifts and Donations	1,400	1,400	0
Miscellaneous	68,680	70,105	1,425
Total Revenues	117,709	122,930	5,221
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries	77,239	59,015	18,224
Fringe Benefits	12,049	8,438	3,611
Purchased Services	7,963	463	7,500
Materials and Supplies	35,949	14,673	21,276
Other	6,182	5,619	563
Capital Outlay - New	13,161	13,161	0
Total Regular	152,543	101,369	51,174
Special:			
Salaries	720	720	0
Fringe Benefits	111	111	0
Purchased Services	700	700	0
Materials and Supplies	5,788	5,707	81
Total Special	7,319	7,238	81
Support Services:			
Pupils			
Salaries	3,550	2,290	1,260
Fringe Benefits	620	345	275
Materials and Supplies	127	127	0
Total Pupils	4,297	2,762	1,535
Instructional Staff:			
Salaries	8,935	5,885	3,050
Purchased Services	15,086	11,943	3,143
Materials and Supplies	2,099	0	2,099
Total Instructional Staff	26,120	17,828	8,292
Administration:			
Salaries	3,000	168	2,832
Fringe Benefits	50	26	24
Total Administration	3,050	194	2,856

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, 2002
(CONTINUED)**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Pupil Transportation:			
Salaries	9,345	6,688	2,657
Fringe Benefits	1,300	1,013	287
Total Pupil Transportation	10,645	7,701	2,944
Total Support Services	44,112	28,485	15,627
Extracurricular Activities			
Academic Oriented Activities:			
Other	2,555	1,220	1,335
Total Academic Oriented Activities	2,555	1,220	1,335
School and Public Service Co-Curricular Activities:			
Materials and Supplies	1,950	1,918	32
Other	2,065	1,897	168
Total School and Public Service Co-Curricular Activities	4,015	3,815	200
Total Extracurricular Activities	6,570	5,035	1,535
Total Expenditures	210,544	142,127	68,417
Excess (Deficiency) of Revenues Over (Under) Expenditures	(92,835)	(19,197)	73,638
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	5,863	5,863	0
Refund of Prior Year Receipts	(869)	(869)	0
Total Other Financing Sources (Uses)	4,994	4,994	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(87,841)	(14,203)	73,638
Fund Balance at July 1, 2001	131,384	131,384	0
Prior Year Encumbrances Appropriated	3,814	3,814	0
Fund Balance at June 30, 2002	\$47,357	\$120,995	\$73,638

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Extracurricular Activities	\$170,915	\$172,389	\$1,474
Gifts and Donations	850	850	0
Total Revenues	171,765	173,239	1,474
Expenditures:			
Current:			
Support Services:			
Extracurricular Activities:			
Academic Oriented Activities:			
Other	4,623	4,436	187
Total Academic Oriented Activities	4,623	4,436	187
Sport Oriented Activities:			
Purchased Services	10,136	10,116	20
Other	197,720	197,200	520
Capital Outlay- New	3,118	3,071	47
Total Sport Oriented Activities	210,974	210,387	587
Total Extracurricular Activities	215,597	214,823	774
Total Expenditures	215,597	214,823	774
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,832)	(41,584)	2,248
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	(132)	(132)	0
Total Other Financing Sources (Uses)	(132)	(132)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(43,964)	(41,716)	2,248
Fund Balance at July 1, 2001	27,914	27,914	0
Prior Year Encumbrances Appropriated	16,337	16,337	0
Fund Balance at June 30, 2002	\$287	\$2,535	\$2,248

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$325,600	\$325,601	\$1
Interest	2,427	2,633	206
Total Revenues	328,027	328,234	207
Expenditures:			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries	80,485	79,854	631
Fringe Benefits	25,439	24,553	886
Purchased Services	24,502	20,220	4,282
Materials and Supplies	229,424	173,489	55,935
Capital Outlay - New	66,183	62,788	3,395
Total Community Services	426,033	360,904	65,129
Total Expenditures	426,033	360,904	65,129
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98,006)	(32,670)	65,336
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	(170)	(170)	0
Total Other Financing Sources (Uses)	(98,176)	(32,840)	65336
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(98,176)	(32,840)	65336
Fund Balance at July 1, 2001	483	483	0
Prior Year Encumbrances Appropriated	100,434	100,434	0
Fund Balance at June 30, 2002	\$2,741	\$68,077	\$65,336

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$9,006	\$9,006	\$0
Total Revenues	9,006	9,006	0
Expenditures:			
Current:			
Instruction:			
Vocational:			
Salaries and Wages	3,450	3,450	0
Fringe Benefits	561	554	7
Purchased Services	3,346	3,092	254
Materials and Supplies	2,355	2,355	0
Total Vocational	9,712	9,451	261
Total Expenditures	9,712	9,451	261
Excess (Deficiency) of Revenues Over (Under) Expenditures	(706)	(445)	261
Fund Balance at July 1, 2001	101	101	0
Prior Year Encumbrances Appropriated	605	605	0
Fund Balance at June 30, 2002	\$0	\$261	\$261

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	606	606	0
Total Instructional Staff	606	606	0
Total Expenditures	606	606	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(606)	(606)	0
Fund Balance at July 1, 2001	606	606	0
Fund Balance at June 30, 2002	\$0	\$0	\$0

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$26,396	\$26,397	\$1
Total Revenues	26,396	26,397	1
Expenditures:			
Current:			
Support Services:			
Central:			
Salaries and Wages	30,000	29,428	572
Fringe Benefits	4,800	4,621	179
Capital Outlay - New	7,800	0	7,800
Total Central	42,600	34,049	8,551
Total Expenditures	42,600	34,049	8,551
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,204)	(7,652)	8,552
Fund Balance at July 1, 2001	32,983	32,983	0
Fund Balance at June 30, 2002	\$16,779	\$25,331	\$8,552

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, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$21,000	\$21,000	\$0
Total Revenues	21,000	21,000	0
Expenditures:			
Current:			
Support Services:			
Central:			
Purchased Services	21,000	21,000	0
Total Central	21,000	21,000	0
Total Expenditures	21,000	21,000	0
Fund Balance at July 1, 2001	0	0	0
Fund Balance at June 30, 2002	\$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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$5,142	\$8,592	\$3,450
Total Revenues	5,142	8,592	3,450
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	1,767	525	1,242
Fringe Benefits	442	81	361
Purchased Services	4,976	4,976	0
Total Instructional Staff	7,185	5,582	1,603
Total Expenditures	7,185	5,582	1,603
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,043)	3,010	5,053
Fund Balance at July 1, 2001	1,990	1,990	0
Prior Year Encumbrances Appropriated	53	53	0
Fund Balance at June 30, 2002	\$0	\$5,053	\$5,053

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and Supplies	94	94	0
Total Regular	94	94	0
Total Expenditures	94	94	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(94)	(94)	0
Fund Balance at July 1, 2001	0	0	0
Prior Year Encumbrances Appropriated	94	94	0
Fund Balance at June 30, 2002	\$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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$13,500	\$13,500	\$0
Total Revenues	\$13,500	\$13,500	\$0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries	5,746	859	4,887
Fringe Benefits	268	35	233
Materials and Supplies	4,986	4,486	500
Total Regular	11,000	5,380	5,620
Support Services:			
Instructional Staff:			
Salaries	8,575	6,718	1,857
Fringe Benefits	1,524	706	818
Materials and Supplies	1,750	0	1,750
Total Instructional Staff	11,849	7,424	4,425
Total Expenditures	22,849	12,804	10,045
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,349)	696	10,045
Fund Balance at July 1, 2001	4,099	4,099	0
Prior Year Encumbrances Appropriated	5,250	5,250	0
Fund Balance at June 30, 2002	\$0	\$10,045	\$10,045

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	13,511	13,511	0
Total Regular	13,511	13,511	0
Total Expenditures	13,511	13,511	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,511)	(13,511)	0
Fund Balance at July 1, 2001	13,511	13,511	0
Fund Balance at June 30, 2002	\$0	\$0	\$0

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$5,552	\$5,552	\$0
Total Revenues	5,552	5,552	0
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant			
Purchased Services	7,000	6,300	700
Total Operation and Maintenance of Plant	7,000	6,300	700
Total Expenditures	7,000	6,300	700
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,448)	(748)	700
Fund Balance at July 1, 2001	3,472	3,472	0
Fund Balance at June 30, 2002	\$2,024	\$2,724	\$700

**MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOL CONFLICT MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$8,000	\$8,000	\$0
Total Revenues	8,000	8,000	0
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries	2,236	1,823	413
Fringe Benefits	255	255	0
Purchased Services	1,690	1,008	682
Materials and Supplies	2,169	1,819	350
Other	150	0	150
Total Regular	6,500	4,905	1,595
Total Expenditures	6,500	4,905	1,595
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,500	3,095	1,595
Fund Balance at July 1, 2001	0	0	0
Fund Balance at June 30, 2002	\$1,500	\$3,095	\$1,595

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$20,623	\$20,623	\$0
Total Revenues	20,623	20,623	0
Expenditures:			
Support Services:			
Instructional Staff:			
Salaries and Wages	6,360	6,360	0
Fringe Benefits	982	982	0
Purchased Services	17,108	17,108	0
Total Instructional Staff	24,450	24,450	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	216	0	216
Materials and Supplies	58	58	0
Total Community Services	274	58	0
Total Expenditures	24,724	24,508	216
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,101)	(3,885)	216
Fund Balance at July 1, 2001	4,101	4,101	0
Fund Balance at June 30, 2002	\$0	\$216	\$216

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$291,746	\$291,746	\$0
Total Revenues	291,746	291,746	0
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	208,400	180,654	27,746
Fringe Benefits	65,845	41,456	24,389
Total Special	274,245	222,110	52,135
Support Services:			
Instructional Staff:			
Salaries and Wages	33,387	33,387	0
Total Instructional Staff	33,387	33,387	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	34,653	24,110	10,543
Total Community Services	34,653	24,110	10,543
Total Expenditures	342,285	279,607	62,678
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,539)	12,139	62,678
Fund Balance at July 1, 2001	50,539	50,539	0
Fund Balance at June 30, 2002	\$0	\$62,678	\$62,678

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$5,196	\$9,930	\$4,734
Total Revenues	5,196	9,930	4,734
Expenditures:			
Current:			
Instruction:			
Vocational:			
Salaries and Wages	1,500	1,500	0
Fringe Benefits	207	207	0
Purchased Services	4,090	4,090	0
Materials and Supplies	5,806	5,806	0
Total Vocational	11,603	11,603	0
Total Expenditures	11,603	11,603	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,407)	(1,673)	4,734
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Advances In	4,751	4,751	0
Total Excess (Deficiency) of Revenues and Other	4,751	4,751	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,656)	3,078	4,734
Fund Balance at July 1, 2001	995	995	0
Prior Year Encumbrances Appropriated	678	678	0
Fund Balance at June 30, 2002	\$17	\$4,751	\$4,734

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$1,650	\$1,650	\$0
Total Revenues	1,650	1,650	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	2,650	2,650	0
Total Expenditures	2,650	2,650	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000)	(1,000)	0
Fund Balance at July 1, 2001	1,000	1,000	0
Fund Balance at June 30, 2002	\$0	\$0	\$0

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$86,071	\$87,392	\$1,321
Total Revenues	86,071	87,392	1,321
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	65,239	65,239	0
Fringe Benefits	11,368	10,743	625
Purchased Services	1,590	1,590	0
Materials and Supplies	2,068	2,068	0
Total Special	80,265	79,640	625
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	5,800	5,800	0
Purchased Services	856	528	328
Materials and Supplies	355	355	0
Total Community Services	7,011	6,683	328
Total Expenditures	87,276	86,323	953
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,205)	1,069	2,274
Fund Balance at July 1, 2001	1,205	1,205	0
Fund Balance at June 30, 2002	\$0	\$2,274	\$2,274

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$36,029	\$36,029	\$0
Total Revenues	36,029	36,029	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries	8,870	8,870	0
Fringe Benefits	497	497	0
Purchased Services	29,493	29,493	0
Materials and Supplies	4,392	4,390	2
Total Instructional Staff:	43,252	43,250	2
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	3,690	3,690	0
Total Community Services	3,690	3,690	0
Total Expenditures	46,942	46,940	2
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,913)	(10,911)	2
Fund Balance at July 1, 2001	9,547	9,547	0
Prior Year Encumbrances Appropriated	1,366	1,366	0
Fund Balance at June 30, 2002	\$0	\$2	\$2

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$27,342	\$27,342	\$0
Total Revenues	27,342	27,342	0
Expenditures:			
Current:			
Support Services:			
Pupils:			
Salaries	16,425	13,456	2,969
Fringe Benefits	7	7	0
Purchased Services	5,127	5,127	0
Materials and Supplies	8,857	5,349	3,508
Total Pupils	30,416	23,939	6,477
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	1,000	350	650
Materials and Supplies	2,910	1,915	995
Total Community Services	3,910	2,265	1,645
Total Expenditures	34,326	26,204	8,122
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,984)	1,138	8,122
Fund Balance at July 1, 2001	6,884	6,884	0
Prior Year Encumbrances Appropriated	100	100	0
Fund Balance at June 30, 2002	\$0	\$8,122	\$8,122

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$23,146	\$23,146	\$0
Total Revenues	23,146	23,146	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	26,588	26,588	0
Fringe Benefits	45	45	0
Total Instructional Staff	26,633	26,633	0
Total Expenditures	26,633	26,633	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,487)	(3,487)	0
Fund Balance at July 1, 2001	3,487	3,487	0
Fund Balance at June 30, 2002	\$0	\$0	\$0

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$30,017	\$44,425	\$14,408
Total Revenues	30,017	44,425	14,408
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	4,362	0	4,362
Total Central	4,362	0	4,362
Total Expenditures	4,445	0	4,445
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,572	44,425	18,853
Fund Balance at July 1, 2001	4,445	4,445	0
Fund Balance at June 30, 2002	\$30,017	\$48,870	\$18,853

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$102,133	\$102,134	\$1
Total Revenues	102,133	102,134	1
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	70,183	64,253	5,930
Capital Outlay - New	19,615	14,660	4,955
Total Regular	89,798	78,913	10,885
Support Services:			
Instructional Staff:			
Purchased Services	7,786	7,786	0
Total Instructional Staff	7,786	7,786	0
Administration:			
Purchased Services	4,963	4,963	0
Total Administration	4,963	4,963	0
Total Support Services	12,749	12,749	0
Total Expenditures	102,547	91,662	10,885
Excess (Deficiency) of Revenues Over (Under) Expenditures	(414)	10,472	10,886
Other Financing Sources (Uses):			
Advances Out	(11,926)	(11,926)	0
Total Other Financing Sources (Uses)	(11,926)	(11,926)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(12,340)	(1,454)	10,886
Fund Balance at July 1, 2001	12,340	12,340	0
Fund Balance at June 30, 2002	\$0	\$10,886	\$10,886

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.

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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, 2002**

	Capital Projects Fund	Building Fund	SchoolNet Plus Fund	Totals
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$541,019	\$22,057,148	\$0	\$22,598,167
Receivables				
Accounts Receivable	242,595	0	0	242,595
Intergovernmental	248,369	0	0	248,369
Accued Interest	0	0	0	0
Prepaid Items	0	11,237	0	11,237
Restricted Assets With Fiscal Agents	0	733,444	0	733,444
Total Assets	\$1,031,983	\$22,801,829	\$0	\$23,833,812
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$9,842	\$3,154,755	\$198	\$3,164,795
Retainage Payable	\$0	\$733,444	\$0	733,444
Intergovernmental Payable	0	1,814	0	1,814
Accrued Interest Payable	0	64,833	0	64,833
Notes Payable	0	8,700,000	0	8,700,000
Total Liabilities	9,842	12,654,846	198	12,664,886
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	500	13,526,174	0	13,526,674
Reserved for Prepaid Items	0	11,237	0	11,237
Unreserved:				
Undesignated (Deficit)	1,021,641	(3,390,428)	(198)	(2,368,985)
Total Fund Equity	1,022,141	10,146,983	(198)	11,168,926
Total Liabilities and Fund Equity:	\$1,031,983	\$22,801,829	\$0	\$23,833,812

**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, 2002**

	Capital Projects Fund	Building Fund	SchoolNet Plus Fund	Totals
Revenues:				
Taxes	\$382,007	\$0	\$0	\$382,007
Intergovernmental	290,705	0	0	290,705
Interest	5,346	788,069	0	793,415
Gifts and Donations	60,000	0	0	60,000
Miscellaneous	705,150	0	0	705,150
Total Revenues	1,443,208	788,069	0	2,231,277
Expenditures:				
Current:				
Instruction:				
Regular	1,339	0	18,281	19,620
Support Services:				
Administration	433	0	0	433
Fiscal	5,471	0	0	5,471
Operation and Maintenance of Plant	0	28,232	0	28,232
Pupil Transportation	0	346,400	0	346,400
Central	0	2,800,238	0	2,800,238
Extracurricular Activities	72,335	0	0	72,335
Capital Outlay	29,040	37,235,650	0	37,264,690
Debt Service	244,323	831,419	0	1,075,742
Total Expenditures	352,941	41,241,939	18,281	41,613,161
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,090,267	(40,453,870)	(18,281)	(39,381,884)
Other Financing Sources (Uses):				
Proceeds From Sale of Long Term Notes	0	0	0	0
Operating Transfers In	0	2,249,197	0	2,249,197
Total Other Financing Sources (Uses)	0	2,249,197	0	2,249,197
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,090,267	(38,204,673)	(18,281)	(37,132,687)
Fund Balances (Deficit) at July 1, 2001	(68,126)	48,351,656	18,083	48,301,613
Fund Balances at June 30, 2002	\$1,022,141	\$10,146,983	(\$198)	\$11,168,926

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$378,057	\$382,007	\$3,950
Intergovernmental	42,337	42,337	0
Interest	4,500	5,345	845
Gifts and Donations	60,000	60,000	0
Miscellaneous	488,000	488,305	305
Total Revenues	972,894	977,994	5,100
Expenditures:			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	63,489	1,339	62,150
Total Regular	63,489	1,339	62,150
Support Services:			
Administration:			
Other	417	433	(16)
Total Administration	417	433	(16)
Fiscal:			
Other	5,337	5,471	(134)
Total Fiscal	5,337	5,471	(134)
Total Support Services	5,754	5,904	(150)
Extracurricular Activities:			
Sports Oriented Activities:			
Other	6,100	6,095	5
Capital Outlay - New	76,593	76,582	11
Total Sports Oriented Activities	82,693	82,677	16

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, 2002
(CONTINUED)**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Capital Outlay:			
Architecture & Engineering Services			
Purchased Services	13,720	4,000	9,720
Total Architecture & Engineering Service	13,720	4,000	9,720
Building Improvement Services:			
Materials and Supplies	398	0	398
Capital Outlay - New	51,891	46,814	5,077
Total Building Improvement Services	52,289	46,814	5,475
Total Capital Outlay	66,009	50,814	15,195
Debt Services:			
Principal	445,000	445,000	0
Interest	20,462	20,235	227
Total Debt Service	465,462	465,235	227
Total Expenditures	683,407	605,969	77,438
Excess (Deficiency) of Revenues Over (Under) Expenditures	289,487	372,025	82,538
Fund Balance at July 1, 2001	75,382	75,382	0
Prior Year Encumbrances Appropriated	83,271	83,271	0
Fund Balance at June 30, 2002	\$448,140	\$530,678	\$82,538

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$775,000	\$789,711	\$14,711
Total Revenues	775,000	789,711	14,711
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Salaries	13,576	13,576	0
Fringe Benefits	14,941	13,330	1,611
Total Operation and Maintenance of Plant	28,517	26,906	1,611
Support Services:			
Pupil Transportation:			
Capital Outlay - New	347,300	346,400	900
Total Pupil Transportation	347,300	346,400	900
Central:			
Salaries	19,584	18,172	1,412
Fringe Benefits	6,222	6,118	104
Purchased Services	7,800	0	7,800
Capital Outlay - New	4,132,339	3,562,854	569,485
Total Central	4,165,945	3,587,144	578,801
Total Support Services	4,541,762	3,960,450	581,312
Capital Outlay:			
Site Acquisition Services:			
Capital Outlay - New	143,967	1,000	142,967
Total Site Acquisition Services	143,967	1,000	142,967
Site Improvement Services:			
Capital Outlay - New	55,126	55,126	0
Total Site Improvement Services	55,126	55,126	0

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, 2002
(CONTINUED)**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Architecture and Engineering Services:			
Purchased Services	1,989,624	1,902,659	86,965
Total Architecture and Engineering Services	1,989,624	1,902,659	86,965
Building Acquisition & Construction Services:			
Capital Outlay - New	54,113,264	51,694,432	2,418,832
Total Building Acquisition & Construction Services	54,113,264	51,694,432	2,418,832
Building Improvement Services:			
Purchased Services	161,477	161,124	353
Capital Outlay - New	7,191	7,191	0
Total Building Improvement Services	168,668	168,315	353
Other Facilities Acquisition & Construction:			
Capital Outlay - New	26,208	12,000	14,208
Total Other Facilities Acquisition & Construction	26,208	12,000	14,208
Total Capital Outlay	56,496,857	53,833,532	2,663,325
Total Expenditures	61,038,619	57,793,982	3,244,637
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,263,619)	(57,004,271)	3,259,348
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	846,250	846,250	0
Total Other Financing Sources (Uses)	846,250	846,250	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(59,417,369)	(56,158,021)	3,259,348
Fund Balance at July 1, 2001	15,711,257	15,711,257	0
Prior Year Encumbrances Appropriated	45,836,723	45,836,723	0
Fund Balance at June 30, 2002	\$2,130,611	\$5,389,959	\$3,259,348

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	58,303	58,303	0
Total Regular	58,303	58,303	0
Total Expenditures	58,303	58,303	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(58,303)	(58,303)	0
Fund Balance at July 1, 2001	18,013	18,013	0
Prior Year Encumbrances Appropriated	40,290	40,290	0
Fund Balance at June 30, 2002	\$0	\$0	\$0

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, 2002**

	Food Service Fund	Uniform School Supplies Fund	Latchkey Fund	Totals
Assets:				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$291,761	\$65,185	\$21,415	\$378,361
Accounts Receivable	\$4,557		\$4,175	8,732
Prepaid Items	9,238	0	2,549	11,787
Inventory Held For Resale	33,329	0	0	33,329
Total Current Assets	338,885	65,185	28,139	432,209
Fixed Assets (Net of Accumulated Depreciation)	669,955	0	0	669,955
Total Assets	\$1,008,840	\$65,185	\$28,139	\$1,102,164
Liabilities and Fund Equity:				
Current Liabilities:				
Accounts Payable	5,125	0	50	5,175
Accrued Wages and Benefits	81,246	0	18,596	99,842
Intergovernmental Payable	52,325	0	5,398	57,723
Interfund Payable	0	0	2,500	2,500
Deferred Revenue	18,047	0	0	18,047
Total Current Liabilities	156,743	0	26,544	183,287
Long-Term Liabilities:				
Compensated Absences Payable	32,594	0	0	32,594
Capital Leases Payable	0	0	0	0
Total Long-Term Liabilities	32,594	0	0	32,594
Total Liabilities	189,337	0	26,544	215,881
Fund Equity:				
Contributed Capital	659,459	0	0	659,459
Retained Earnings:				
Unreserved	160,044	65,185	1,595	226,824
Total Fund Equity	819,503	65,185	1,595	886,283
Total Liabilities and Fund Equity	\$1,008,840	\$65,185	\$28,139	\$1,102,164

**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, 2002**

	Food Service Fund	Uniform School Supplies Fund	Latchkey Fund	Totals
Operating Revenues:				
Sales	\$1,757,708		\$0	\$1,757,708
Charges for Services	24,236	0	0	24,236
Miscellaneous	10	0	182,923	182,933
Total Operating Revenues	1,781,954	0	182,923	1,964,877
Operating Expenses:				
Salaries	648,066	0	118,377	766,443
Fringe Benefits	246,161	0	49,307	295,468
Purchased Services	160,507	0	600	161,107
Materials and Supplies	115,256	0	15,047	130,303
Cost of Sales	809,935	0	0	809,935
Depreciation	51,811	0	0	51,811
Total Operating Expenses	2,031,736	0	183,331	2,215,067
Operating Income/(Loss)	(249,782)	0	(408)	(250,190)
Non-Operating Revenues:				
Federal Donated Commodities	107,421	0	0	107,421
Interest	8,445	0	0	8,445
Federal and State Subsidies	181,810	0	0	181,810
Interest and Fiscal Charges	(1,928)	0	0	(1,928)
Total Non-Operating Revenues	295,748	0	0	295,748
Net Income (Loss)	45,966	0	(408)	45,558
Retained Earnings (Deficit) at July 1, 2001	114,078	65,185	2,003	181,266
Retained Earnings (Deficit) at June 30, 2002	\$160,044	\$65,185	\$1,595	\$226,824

MASON CITY SCHOOL DISTRICT , OHIO
 COMBINING STATEMENT OF CASH FLOWS
 ALL ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Food Service Fund	Uniform School Supplies Fund	Latchkey Fund	Totals
Cash Flows from Operating Activities:				
Cash Received from Customers	\$1,777,418	\$0	\$178,748	\$1,956,166
Cash Payments to Suppliers for Goods and Services	(700,322)	0	0	(700,322)
Cash Payments to Employees for Services	(608,929)	0	(115,600)	(724,529)
Cash Payments for Employee Benefits	(236,236)	0	(47,795)	(284,031)
Cash Payments for Purchased Services	(163,340)	0	(600)	(163,940)
Cash Payments for Materials and Supplies	(139,636)	0	(16,024)	(155,660)
Net Cash Provided by (Used for) Operating Activities	(71,045)	0	(1,271)	(72,316)
Cash Flows from Noncapital Financing Activities:				
Advances In	0	0	2,500	2,500
Federal and State Grants Received	181,810	0	0	181,810
Net Cash Provided by Noncapital Financing Activities	181,810	0	2,500	184,310
Cash Flows from Capital and Related Financing Activities:				
Purchase of Fixed Assets	(70,991)	0	0	(70,991)
Principal payments on Capital Leases	(46,532)	0	0	(46,532)
Interest payments on Capital Leases	(1,928)	0	0	(1,928)
Net cash used in Capital and Related Financing Activities	(119,451)	0	0	(119,451)
Cash Flows from Investing Activities:				
Interest on Investments	8,445	0	0	8,445
Net Cash (Used for) Investing Activities:	8,445	0	0	8,445
Net Increase (Decrease) in Cash and Cash Equivalents	(241)	0	1,229	988
Cash and Cash Equivalents at July 1, 2001	292,002	65,185	20,186	377,373
Cash and Cash Equivalents at June 30, 2002	\$291,761	\$65,185	\$21,415	\$378,361
Reconciliation of Operating Income/(Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income/(Loss)	(\$249,782)	\$0	(\$408)	(\$250,190)
Adjustments to Reconcile Operating Income/ (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation Expense	51,811	0	0	51,811
Donated Commodities Used During Year	107,421	0	0	107,421
Changes in Assets and Liabilities:				
(Increase) in Accounts Receivable	(4,557)	0	(4,175)	(8,732)
(Increase) in Inventory Held for Resale	(9,875)	0	0	(9,875)
(Increase) in Prepaid Items	(2,078)	0	(463)	(2,541)
(Decrease) in Accounts Payable	(27,112)	0	(977)	(28,089)
Increase in Accrued Wages and Benefits	33,057	0	2,777	35,834
Increase in Compensated Absences Payable	5,797	0	0	5,797
Increase/(Decrease) in Intergovernmental Payable	12,206	0	1,975	14,181
Increase in Deferred Revenue	12,067	0	0	12,067
Total Adjustments	178,737	0	(863)	177,874
Net Cash Provided by (Used for) Operating Activities	(\$71,045)	\$0	(\$1,271)	(\$72,316)

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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Operating Revenues:			
Sales	\$1,752,561	\$1,753,173	\$612
Charges for Services	24,200	24,236	36
Proceeds from Sale of Fixed Assets	0	10	10
Total Revenue	1,776,761	1,777,419	658
Expenses:			
Salaries:			
Food Service Operations	651,544	608,930	42,614
Total Salaries	651,544	608,930	42,614
Fringe Benefits:			
Food Service Operations	240,465	236,236	4,229
Total Fringe Benefits	240,465	236,236	4,229
Purchased Services:			
Food Service Operations	173,596	171,479	2,117
Total Purchased Services	173,596	171,479	2,117
Materials and Supplies:			
Food Service Operations	897,362	884,734	12,628
Total Materials and Supplies	897,362	884,734	12,628
Capital Outlay:			
Capital Outlay - New:			
Food Service Operations	89,581	87,612	1,969
Total Capital Outlay - New	89,581	87,612	1,969
Total Expenses	2,052,548	1,988,991	63,557

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, 2002
 (CONTINUED)

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Income (Loss)	(275,787)	(211,572)	64,215
Non-Operating Revenues and Expenses:			
Interest	7,984	8,445	461
Federal and State Subsidies	181,200	181,810	610
Total Non-Operating Revenues and Expenses	189,184	190,255	1,071
Excess (Deficiency) of Revenues Over (Under) Expenses	(86,603)	(21,317)	65,286
Fund Equity at July 1, 2001	240,306	240,306	0
Prior Year Encumbrances Appropriated	51,695	51,695	0
Fund Equity at June 30, 2002	\$205,398	\$270,684	\$65,286

**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, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenses:			
Operating Expenses:			
Materials and Supplies:	35,100	0	35,100
Total Expenses	35,100	0	35,100
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,100)	0	(35,100)
Fund Equity at July 1, 2001	65,186	65,186	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Equity at June 30, 2002	\$30,086	\$65,186	(\$35,100)

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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other Revenues	\$178,748	\$178,748	\$0
Total Revenues	178,748	178,748	0
Expenses:			
Salaries:			
Community Services	123,020	115,599	7,421
Total Salaries	123,020	115,599	7,421
Fringe Benefits:			
Community Services	49,700	47,795	1,905
Total Fringe Benefits	49,700	47,795	1,905
Purchased Services:			
Community Services	750	600	150
Total Purchased Services	750	600	150
Materials and Supplies:			
Community Services	24,435	21,877	2,558
Total Materials and Supplies	24,435	21,877	2,558
Total Expenses	197,905	185,871	12,034
Excess (Deficiency) of Revenues Over (Under) Expenses	(19,157)	(7,123)	12,034
Other Financing Sources (Uses):			
Advances In	2,500	2,500	0
Total Other Financing Sources (Uses)	2,500	2,500	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(16,657)	(4,623)	12,034
Fund Balance at July 1, 2001	18,701	18,701	0
Prior Year Encumbrances Appropriated	1,485	1,485	0
Fund Equity at June 30, 2002	\$3,529	\$15,563	\$12,034

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.

EXPENDABLE TRUST FUND

Education:

To account for monies received as contributions from various sources to be used for educational purposes. Both principal and interest are expendable.

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, 2002

	Expendable ----- Trust ----- Education Fund	Non-Expendable ----- Trust ----- Endowment Fund	Student Activity Fund	Agency ----- Section 125 Insurance Fund	Totals
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$5,267	\$23,167	\$76,473	\$15,109	\$120,016
Investments	15,645	0	0	0	15,645
Accrued Interest	507	0	0	0	507
Total Assets	\$21,419	\$23,167	\$76,473	\$15,109	\$136,168
Liabilities and Fund Equity:					
Liabilities:					
Undistributed Monies	0	0	0	15,109	15,109
Due to Students	0	0	76,473	0	76,473
Total Liabilities	0	0	76,473	15,109	91,582
Fund Equity:					
Fund Balance:					
Unreserved:					
Undesignated	21,419	23,167	0	0	44,586
Total Fund Equity	21,419	23,167	0	0	44,586
Total Liabilities and Fund Equity	\$21,419	\$23,167	\$76,473	\$15,109	\$136,168

MASON CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Beginning Balance July 1, 2001	Additions	Deductions	Ending Balance June 30, 2002
Student Activity				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$63,480	\$177,900	\$164,907	\$76,473
Total Assets	\$63,480	\$177,900	\$164,907	\$76,473
Liabilities:				
Due to Students	\$63,480	\$177,900	\$164,907	\$76,473
Total Liabilities	\$63,480	\$177,900	\$164,907	\$76,473
Section 125 Insurance				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$5,132	\$108,512	\$98,535	\$15,109
Total Assets	\$5,132	\$108,512	\$98,535	\$15,109
Liabilities:				
Undistributed Monies	\$5,132	\$108,512	\$98,535	\$15,109
Total Liabilities	\$5,132	\$108,512	\$98,535	\$15,109
Total All Agency Funds				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$68,612	\$286,412	\$263,442	\$91,582
Total Assets	\$68,612	\$286,412	\$263,442	\$91,582
Liabilities:				
Undistributed Monies	\$5,132	\$108,512	\$98,535	\$15,109
Due to Students	63,480	177,900	164,907	76,473
Total Liabilities	\$68,612	\$286,412	\$263,442	\$91,582

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, 2002**

General fixed assets:

Land	\$5,712,991
Buildings	56,382,866
Furniture and Equipment	11,351,539
Vehicles	4,970,765
Construction in Progress	45,024,024
	<hr/>
Total General Fixed Assets	<u>\$123,442,185</u>

Investment in general fixed asset by source:

General Fund	\$3,007,144
Special Revenue Funds	111,599
Debt Service Fund	903,642
Capital Projects Funds	107,765,918
Donations	195,260
Capital Leases	545,530
Acquired Before July 1, 1992*	10,913,092
	<hr/>
Total Investment in General Fixed Assets	<u>\$123,442,185</u>

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

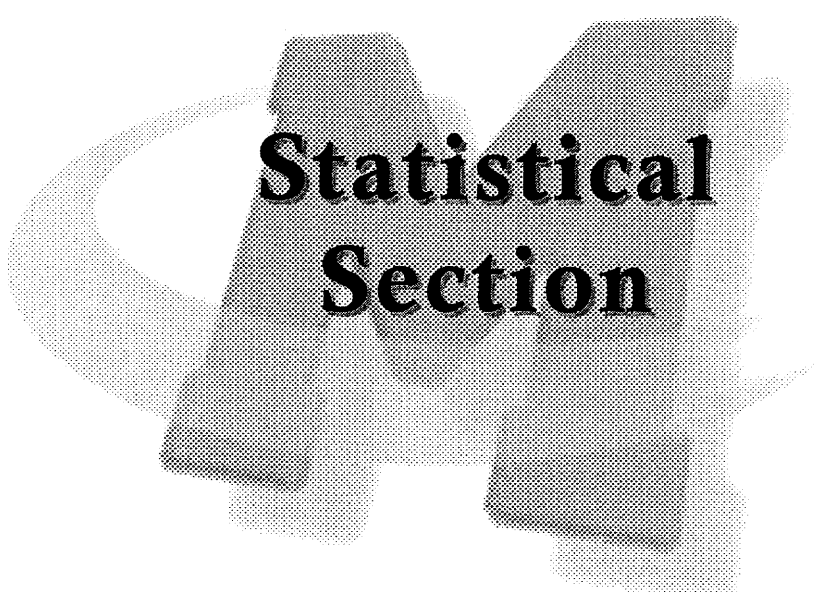
MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND TYPE
AS OF JUNE 30, 2002

Function	Land	Buildings	Furniture and Equipment	Vehicles	Construction In Progress	Total
Instruction:						
Regular	\$46,922	\$9,971,886	\$6,464,511	\$0	\$0	\$16,483,319
Special	0	0	19,449	0	0	19,449
Vocational	0	0	4,283	0	0	4,283
Support Services:						
Pupil	0	0	160,668	0	0	160,668
Instructional Staff	0	0	356,822	0	0	356,822
School Administration	0	0	108,433	0	0	108,433
Fiscal	0	0	103,112	0	0	103,112
Business	0	0	30,770	0	0	30,770
Operation of Plant	0	0	320,361	250,487	0	570,848
Pupil Transportation	2,085	0	95,448	4,671,450	0	4,768,983
Central	0	0	533,735	0	0	533,735
Community Services	0	0	76,926	0	0	76,926
Extracurricular Activities	10,135	48,728	251,959	4,450	0	315,272
Capital Outlay	5,653,849	46,362,252	2,825,062	44,378	45,024,024	99,909,565
Total General Fixed Assets	\$5,712,991	\$56,382,866	\$11,351,539	\$4,970,765	\$45,024,024	\$123,442,185

MASON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF CHANGES IN FIXED ASSETS
BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

Function	Balance at June 30, 2000	Additions	Deletions	Balance at June 30, 2001
Instruction:				
Regular	\$15,479,271	\$1,332,247	\$328,196	\$16,483,322
Special	18,759	690	0	19,449
Vocational	4,283	0	0	4,283
Support Services:				
Pupil	144,036	19,453	2,822	160,667
Instructional Staff	71,461	288,658	3,298	356,821
School Administration	104,692	10,252	6,511	108,433
Fiscal	95,003	11,507	3,398	103,112
Business	17,462	13,308	0	30,770
Operation of Plant	372,979	204,012	6,142	570,849
Pupil Transportation	4,407,232	361,750	0	4,768,982
Central	213,199	331,704	11,169	533,734
Community Services	15,841	61,085	0	76,926
Extracurricular Activities	270,177	45,095	0	315,272
Capital Outlay	64,664,987	35,506,138	261,560	99,909,565
Total General Fixed Assets	\$85,879,382	\$38,185,899	\$623,096	\$123,442,185

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**Statistical
Section**

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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**

	2002	2001	2000	1999
Current:				
Instruction:				
Regular	\$21,375,506	\$18,293,160	\$15,636,456	\$13,210,555
Special	3,291,535	2,763,760	2,325,817	1,752,373
Vocational	-	-		976
Other Instruction	120,084	34,455	26,034	92,084
Support Services:				
Pupils	2,824,871	2,310,898	1,935,035	1,691,591
Instructional Staff	3,755,489	3,043,773	2,540,641	1,930,057
Board of Education	58,415	46,824	40,083	42,098
Administration	3,632,567	2,674,129	2,425,189	2,289,868
Fiscal	1,041,477	929,219	769,359	670,861
Business	122,103	177,658	154,879	97,767
Operation and Maintenance of Plant Services	4,872,680	4,372,285	3,876,115	3,499,804
Pupil Transportation	3,660,658	2,769,998	2,338,707	1,969,889
Central	1,903,830	986,006	864,088	689,812
Operation of Non-Instructional Services	48,906	37,969	36,449	37,517
Extracurricular Activities	866,683	537,463	480,008	373,919
Capital Outlay	109,688	153,080	551,768	4,284
Debt Service	144,254	146,449	75,273	4,825
Total	\$47,828,746	\$39,277,126	\$34,075,901	\$28,358,280

Source: School District Financial Records

TABLE 1

1998	1997	1996	1995	1994	1993
\$11,566,931	\$9,447,228	\$8,363,374	\$7,506,310	\$6,696,654	\$5,975,659
1,786,033	1,402,853	1,119,742	954,666	680,066	698,658
53,908	146,108	128,513	130,081	120,575	157,912
79,258	68,829	28,432	48,322	41,818	0
1,404,157	1,160,350	735,965	566,827	525,134	465,113
794,102	603,098	396,937	329,300	275,189	254,168
37,001	28,380	34,388	30,748	36,352	28,330
1,807,065	1,375,131	1,329,407	1,150,504	1,114,513	1,039,139
593,025	499,780	432,019	333,669	351,626	297,472
87,650	75,078	11,502	0	0	0
2,552,327	2,004,935	1,936,272	1,746,923	1,350,667	1,316,813
1,694,702	1,435,736	1,313,261	1,189,795	1,065,216	893,978
389,904	245,385	108,589	98,470	9,063	12,213
31,725	24,258	0	67,295	43,017	36,103
342,360	306,259	319,021	309,175	285,233	283,559
5,000	36,070	0	6,514	3,080	19,169
8,351	527,122	0	0	0	0
\$23,233,499	\$19,386,600	\$16,257,422	\$14,468,599	\$12,598,203	\$11,478,286

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

	2002	2001	2000	1999
Taxes	\$28,088,525	\$21,454,044	\$21,419,332	\$18,100,212
Intergovernmental	21,715,088	16,808,850	13,956,754	11,514,719
Interest	405,659	878,597	607,941	431,026
Tuition and Fees	391,920	372,793	333,160	41,137
Rent	57,053	58,512	44,510	41,945
Customer Services	55,982	113,342	18,181	37,212
Charges for Services	492,222	0	0	0
Miscellaneous	28,439	91,793	7,892	9,165
Total	\$51,234,888	\$39,777,931	\$36,387,770	\$30,175,416

Source: School District Financial Records

TABLE 2

1998	1997	1996	1995	1994	1993
\$15,618,561	\$12,200,649	\$9,421,138	\$8,904,411	\$8,160,643	\$7,329,939
9,593,628	7,553,888	5,836,834	5,002,516	4,108,440	3,932,854
289,501	152,358	148,533	156,463	120,901	86,242
34,236	44,294	29,993	47,355	37,209	29,824
20,339	0	0	0	0	0
111,246	0	0	0	45,112	69,971
0	0	0	0	0	0
2,235	39,398	74,630	126,852	60,150	12,706
\$25,669,746	\$19,990,587	\$15,511,128	\$14,237,597	\$12,532,455	\$11,461,536

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
2001	\$34,057,794	\$1,332,263	\$35,390,057	\$33,144,606	97.32%	\$967,840	34,112,446	100.16%
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%

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 Personal Property			Tangible Personal Property			Total			
	Assessed Value	Estimated Actual Value	-----	Assessed Value	Estimated Actual Value	-----	Assessed Value	Estimated Actual Value	-----	Assessed Value	Estimated Actual Value	-----	Ratio
2002	\$844,804,830	\$2,413,728,086		\$20,324,550	\$29,267,352		\$152,292,210	\$609,168,840		\$1,017,421,590	\$3,052,164,278		33%
2001	\$766,334,940	\$2,189,528,400		\$31,930,770	\$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		27,966,800	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		28,916,380	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		28,019,150	40,347,576		82,819,360	331,277,440		558,309,410	1,650,113,302		34%
1997	345,531,240	987,232,114		26,469,100	38,115,504		74,145,702	296,582,808		446,146,042	1,321,930,426		34%
1996	308,029,880	880,085,371		25,750,470	37,080,677		61,598,063	246,392,252		395,378,413	1,163,558,300		34%
1995	276,071,590	788,775,971		24,507,380	35,290,627		59,009,495	236,037,980		359,588,465	1,060,104,579		34%
1994	224,411,120	641,174,629		22,539,340	32,456,650		59,281,640	237,126,560		306,232,100	910,757,838		34%
1993	206,409,310	589,740,886		21,629,460	31,146,422		54,135,139	216,540,556		282,173,909	837,427,864		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	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Mason City School District		71.11	64.57	61.95	61.95	61.95	62.36	53.26	51.00	51.07	48.40
Warren County		4.00	4.00	4.00	4.75	5.00	5.00	7.07	7.10	7.10	7.10
City of Mason		7.32	7.32	7.32	2.32	2.32	1.89	1.89	1.90	1.90	1.90
Deefield Township		10.60	9.75	9.75	9.75	4.80	4.30	5.80	7.05	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	5.62	5.60	5.60	5.60
Union Township		6.20	6.20	6.20	6.20	5.20	5.20	5.20	6.20	6.20	5.20
Warren County Health District		1.00	0.50	0.50	0.50	0.50	0.50	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
2002	\$114,340,000	\$1,017,421,590	22,500	\$4,165,956	\$110,174,044	10.83%	\$5,081.78
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

Source: City of Mason and School District Records

**MASON CITY SCHOOL DISTRICT, OHIO
 COMPUATION OF LEGAL DEBT MARGIN
 AS OF JUNE 30, 2002**

TABLE 7

Assessed Valuation	<u><u>\$1,017,421,590</u></u>
Voted Debt:	
Debt Limit - 9% of Assessed Value (1)	<u>\$91,567,943</u>
Debt Limit - Special Needs District (2)	<u>\$150,760,755</u>
Amount of Debt Applicable to Debt Limit:	
General Obligation Bond	\$4,200,000
General Obligation Bond	18,140,000
General Obligation Bond	21,690,000
General Obligation Bond	70,310,000
Bond Anticipation Note	8,700,000
Sub-total	<u>\$123,040,000</u>
Less: Amount Available in Debt Service Fund	<u>(4,165,956)</u>
	z
Total Debt Subject to Limit	<u>\$118,874,044</u>
Voted Debt Margin (Special Needs District)	<u><u>\$31,886,711</u></u>
Unvoted Debt:	
Debt Limit - .10% of Assessed Value (1)	<u><u>\$1,017,422</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) 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, 2002**

TABLE 8

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Mason CSD	\$123,040,000	100.00%	\$123,040,000
Butler County	77,792,500	0.06%	46,676
Warren County	6,793,170	26.85%	1,823,966
City of Mason	13,855,000	87.52%	12,125,896
Deerfield Township	0	0.00%	0
West Chester Township	28,730,000	0.26%	74,698
Great Oaks Joint Vocational School	<u>7,130,000</u>	6.88%	<u>490,544</u>
Total	<u><u>\$257,340,670</u></u>		<u><u>\$137,601,780</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
2002	\$3,070,000	\$5,793,808	\$8,863,808	\$47,828,746	18.53%
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%

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) (5)	School Enrollment (2)	Unemployment Rate Warren County (3)	Unemployment Rate State of Ohio (3)	Unemployment Rate U.S.A. (3)
2002	158,383	22,500	7,363	4.60%	5.90%	6.00%
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%

Source:

- (1) 1990 Census
- (2) School District Records
- (3) Ohio Bureau Employment Services - Data for 2002 based upon June.
- (4) 2000 Census
- (5) Estimate

**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)
2001	\$844,804,830	\$1,388,000,000	\$172,221,950
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

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	\$35,060,360	4.15 %
Procter & Gamble	Health Care Research	16,586,700	1.96 %
Heritage Club, Ltd.	Country Club	6,978,900	0.83 %
Mason Christian Village	Retirement Community	6,210,290	0.74 %
Cintas Sales Corporation	Professional Uniforms	5,722,400	0.68 %
Northeast Cincinnati Hotels	Hotel Chain	5,534,350	0.66 %
Drees Co.	Residential Builder and Developer	4,505,040	0.53 %
Hills Real Estate Group	Real Estate	4,255,970	0.50 %
Community Insurance Co.	Insurance	3,543,620	0.42 %
Kenwood Lincoln-Mercury	Automobile Dealership	3,381,150	0.40 %
Total		\$91,778,780	10.87 %

Source: Warren County Auditor

(1) Assessed values are for the 2002 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	\$17,361,970	11.40%
Cintas Corporation	Uniforms	14,477,750	9.51%
A Mold Corporation	Manufacture Aluminum Wheels	14,453,870	9.49%
Procter & Gamble	Health Care Research	14,011,880	9.20%
Facs Group Inc.	Retail Credit Company	4,210,470	2.76%
Kenwood Lincoln-Mercury	Automobile Dealership	4,200,300	2.76%
Blackhawk Automotive Plastics	Automotive Plastics	3,379,640	2.22%
Leggett & Platt Inc.	Innerspring Mattress Components	3,357,970	2.20%
Kings-Toyota Inc.	Automobile Dealership	3,193,560	2.10%
Hi-Tek	Machine Shop	2,853,450	1.87%
		<u>\$81,500,860</u>	<u>53.51%</u>

Source: Warren County Auditor

(1) Assessed values are for the 2002 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	\$12,050,920	59.29%
United Telephone	6,276,790	30.88%
Sprint	343,820	1.69%
Cincinnati Bell Telephone	308,510	1.52%
New Par	245,370	1.21%
Cincinnati Bell Wireless	200,790	0.99%
LCI International	185,300	0.91%
Time Warner	171,170	0.84%
Cincinnati SMSA Ltd. Ptnr.	118,130	0.58%
GTE Wireless	104,360	0.51%
	\$20,005,160	98.42%

Source: Warren County Auditor

(1) Assessed values are for the 2002 collection year.

MASON CITY SCHOOL DISTRICT, OHIO
 COST TO EDUCATE A 2002 GRADUATE
 MASON CITY SCHOOL DISTRICT VERSUS STATE OF OHIO

TABLE 15

School Year	Grade	----- Cost Per Pupil -----		Comparison
		Mason CSD (1)	State Average (1)	
1989-90	K	3,577	4,166	(589)
1990-91	1	3,934	4,390	(456)
1991-92	2	4,266	4,436	(170)
1992-93	3	4,238	4,822	(584)
1993-94	4	4,461	4,882	(421)
1994-95	5	4,440	5,117	(677)
1995-96	6	4,475	5,299	(824)
1996-97	7	4,458	5,555	(1,097)
1997-98 (2)	8	5,285	5,469	(184)
1998-99 (2)	9	6,271	6,800	(529)
1999-00 (2)	10	6,354	7,108	(754)
2000-01(2)	11	6,857	7,639	(782)
2001-02(2)	12	7,487	8,054	(567)
		<u>\$66,103</u>	<u>\$73,737</u>	<u>(\$7,634)</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 2001-2002 School Year:	985,860 Miles
Number Meals Served by Food Service Department for the 2001-2002 School Year:	1,078,045 Meals

School Buildings	Grade Levels	Enrollment
Mason Heights Elementary	1-2	1,294
Western Row Elementary	3-4	1,191
Mason Middle School	5-6	1,244
Mason Intermediate	7-8	1,076
William Mason High School	9-12	1,824
Mason Early Childhood Center	PS-K	734
		7,363

Degree	Number of Certified Staff	Percentage of Total
Bachelor's Degree	119	23.70%
Bachelor + 150	168	33.47%
Master's Degree	212	42.23%
Doctorate	3	0.60%
Total	502	100.00%

Years of Experience	Number of Certified Staff	Percentage of Total
0 - 5	278	55.38%
6 - 10	82	16.33%
11 - 15	50	9.96%
16 - 20	37	7.37%
21 - 25	29	5.78%
26 - 30	23	4.58%
31 - 35	3	0.60%
36 - 40	0	0.00%
	502	100.00%

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	1,800
Anthem Insurance	Insurance	920
Mason City School District	Education	954
Blackhawk Automotive	Manufacture Plastic Moldings	540
Siemens Business Services	Systems Integration	500
Portion Pac	Manufacture Condiments	484
UBE Automotive, Inc.	Chrome Automotive Wheels	458
Mitsubishi Electric Manufacturing	Manufacture Automobile Brakes	420
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 2001-2002 SCHOOL YEAR

TABLE 19

Grade	Male	Female	Total
PS	48	38	86
K	330	318	648
1	341	316	657
2	314	323	637
3	294	287	581
4	311	299	610
5	308	279	587
6	342	315	657
7	274	269	543
8	281	252	533
9	263	232	495
10	250	240	490
11	234	204	438
12	186	207	393
Ungraded	7	1	8
	3,783	3,580	7,363

Race	Total	Percent
American Indian/Alaskan	15	0.21%
Asian	307	4.17%
Black	208	2.82%
Caucasian	6,686	90.81%
Hispanic	79	1.07%
Multi-Racial	68	0.92%
	7,363	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	2/1/02-2/1/03	Comprehensive Property and Plant	\$78,755,274	\$57,894
Dakin Insurance	Indiana Insurance	BA9143978	2/1/02-2/1/03	Fleet Insurance	1,000,000	74,701
Dakin Insurance	Indiana Insurance	CBP9461034	2/1/02-2/1/03	Liability Insurance	\$1,000,000 each occurrence \$2,000,000 aggregate \$2,000,000 Excess Umbrella	55,587
Accordia of Ohio	Hartford Insurance Group	33 MS GD0215 81	2/12/01-1-12-03	Builders Risk	\$55,000,000	55,201
Dakin Insurance	Cincinnati Insurance	B-833379	2/1/02-2/1/03	Public Employee Bond	50,000	755
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
2001-02	86	648	657	637	581	610	587	657	543	533	495	490	438	401	7,363	9.72%
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	12.92%
1998-99	51	437	455	454	511	410	418	404	446	376	392	358	331	321	5,364	12.15%
1997-98	49	402	410	467	370	388	360	399	350	358	336	312	316	266	4,783	9.43%
1996-97	64	388	418	333	341	334	361	323	325	326	309	314	276	259	4,371	13.68%
1995-96	45	386	309	307	296	318	293	298	298	282	299	258	275	181	3,845	12.43%
1994-95	42	291	293	256	302	269	278	280	266	269	245	255	188	186	3,420	10.64%
1993-94	27	272	254	281	250	248	269	232	259	233	242	174	189	161	3,091	7.85%
1992-93	25	253	255	233	236	257	215	246	226	228	168	184	164	176	2,866	

(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, 2002

TABLE 22

Facility	Address	Administrator / Contact	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
Professional Development Center	4836 Tylersville Road	Sandy Schneider		336-7367
Bus Garage	5025 Enterprise Drive	David Foster		398-6682
Maintenance Garage	5120 Enterprise Drive	George Highfill		398-2784

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
Terri Ross	Payroll Supervisor
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 9, 2003**