

Findlay City School District

Findlay, Ohio

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

For Fiscal Year Ended June 30, 2018



OHIO AUDITOR OF STATE KEITH FABER



Board of Education
Findlay City School District
2019 Broad Avenue
Findlay, OH 45840-2651

We have reviewed the *Independent Auditor's Report* of the Findlay City School District, Hancock County, prepared by Julian & Grube, Inc., for the audit period July 1, 2017 through June 30, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

February 13, 2018

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

FINDLAY, OHIO

CITY SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2018

PREPARED BY
TREASURER'S DEPARTMENT
MICHAEL T. BARNHART, CPA, TREASURER

2019 BROAD AVENUE
FINDLAY, OHIO 45840

INTRODUCTORY SECTION

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**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

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**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

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Findlay City Schools

December 27, 2018

Members of the Board of Education and Residents of the Findlay City School District:

We are pleased to submit to you the Comprehensive Annual Financial Report of the Findlay City School District. This Comprehensive Annual Financial Report (CAFR) provides full disclosure of the financial operation of the Findlay City School District (the "District") for the fiscal year ended June 30, 2018. The CAFR, which includes an opinion from the Independent Public Accounting Firm that performed the District's audit, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This CAFR will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be made available to the Chamber of Commerce, the Findlay Public Library, financial rating services, and other interested parties.

The Comprehensive Annual Financial Report is presented in three sections:

1. The Introductory Section, which is unaudited, includes a Table of Contents, this Letter of Transmittal, a List of Principal Officials, an Organizational Chart, the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the 2017 CAFR, and the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for the 2017 CAFR.
2. The Financial Section, which includes the Independent Auditor's Report, the Management's Discussion and Analysis, the Basic Financial Statements, the Notes to the Basic Financial Statements, Required Supplementary Information, and the Combining Statements and Individual Fund Schedules.
3. The Statistical Section, which is unaudited, includes various tables which reflect financial and demographic information, financial trends, and the fiscal capacity of the District.

SCHOOL DISTRICT ORGANIZATION

Findlay City School District is one of 930 public school districts and community schools in the State of Ohio and one of eight school districts in Hancock County. It provides education to approximately 5,666 students in pre-kindergarten through grade 12. The District is located in northwestern Ohio, approximately 65 miles south of the City of Toledo. 98 percent of the District's territory is within the City of Findlay, the county seat. The District serves an area of approximately 37 square miles.

Statutorily, the District operates under standards prescribed by the Ohio State Board of Education as provided in Division (D) of Section 3301.47 and Section 110.01 of the Ohio Revised Code, to provide educational services authorized and mandated by State or Federal agencies.

The Board of Education serves as the taxing authority, contracting body, and policy maker for the District. The Board adopts the annual operating budget and approves all expenditures of District monies. The superintendent is the chief administrative officer of the District, responsible for both education and support operations. The treasurer is the chief financial officer, responsible for maintaining records of all financial matters, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, and investing of funds as specified by Ohio law.

THE REPORTING ENTITY

The District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board (GASB) Statement No. 14, “The Financial Reporting Entity”, and as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34”. In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units.

Excluded from the reporting entity, because they are fiscally independent of the District, are the City of Findlay, the Parent-Teacher Association, and the Booster Clubs. The Northwest Ohio Area Computer Services Cooperative (NOACSC) is reported as a jointly governed organization.

ECONOMIC OUTLOOK

With a total assessed valuation of \$817,905,440 and a tax rate of \$64.95 per \$1,000.00 of assessed valuation, the District has a sound financial base. A sexennial reappraisal of all real property was completed in 2016. This resulted in a valuation increase of approximately four percent. The Findlay community continues to explore solutions to frequent flooding issues that were most notable from the August 2007 flood and another large flood that hit in February 2008. The District is concerned with the ability and willingness of its taxpayers to support future levies given the financial hardships that voters may be experiencing as a result of past and future flooding; however, taxpayers did step up to approve a 5.9 mill replacement levy in November 2008; and a 4.3 mill, 28 year bond levy in November 2009 after a failed attempt in August 2009. Voters also passed a 4.9 mill continuing levy in May 2017, as well as a 5.9 mill continuing levy in May 2014—both were previously 5 year levies and both passed by historically large margins.

The District’s financial condition continues to be an area of focus for the Board of Education and Administration and is closely monitored through the five-year forecast. State funding has remained flat for the District and has not kept up with expenditures. The State also continues to reduce a large portion of property tax allocation that is being phased out at a rate of \$495,000 per year. The District continues to be locally proactive in cost containment and is not optimistic for any solutions from the State given the history of school funding.

Total budgeted general fund revenues for fiscal year 2019 are forecast to remain about the same. The District’s total expected expenditures for fiscal year 2019 will be about \$350,000 more than the actual expenditures of fiscal year 2018. Ohio school districts cannot generate significant additional revenue from taxes except by the vote of the people. On May 6, 2014, voters renewed an expiring 5.9 mill levy for a continuous basis. On May 2, 2017, the voters elected to replace an expiring 4.9 mill levy for a continuous basis as well. Resources of the general fund will be impacted in the future by the local economy and past Ohio tax reforms including the past elimination of tangible personal property taxes, as well as increasing health care costs and declining enrollment, although the District continually looks for ways to contain those increasing costs.

MAJOR INITIATIVES

The District focuses on the six strategic objectives approved by the Board of Education as part of its Strategic Plan, which was redeveloped in 2015:

- Strategic Objective 1: 100% of students will graduate on time.
- Strategic Objective 2: 100% of graduates will be enrolled in post-secondary or in the workforce within six months of their program.
- Strategic Objective 3: Findlay City Schools will provide safe educational facilities that foster positive learning environments.
- Strategic Objective 4: Findlay City Schools will develop and implement plans to ensure sufficient funding for current and future operations, programs, and facilities.
- Strategic Objective 5: Findlay City Schools will create learning environments in which all students, staff and families will feel physically and emotionally safe, valued, and engaged.
- Strategic Objective 6: Findlay City Schools will serve as a partner in addressing root issues in Hancock County through collaborative efforts.

The District continues to implement solutions to its facility needs. The passage of a 2.5 mill permanent improvement levy in May 2006 has helped to alleviate many facility needs. However, the biggest improvement to the District's facility needs was made possible in November 2009, when voters approved a 4.3 mill, 28-year bond levy which pays the debt service on \$54,195,000 that was needed to cover the local share and locally funded initiatives used to build two (2) middle schools and a career tech building. The District consolidated the south, north, and east campuses of Millstream Career Center into one location. The District also converted its three (3) small middle schools into two (2) larger, more efficient, newly constructed middle schools. The Millstream Career Center was completed for the start of the 2012-13 school year, while the new middle schools first accepted students in January 2013.

The District now supports one high school, two middle schools, and eight elementary buildings along with Millstream Career Center for vocational education, and a former elementary school that now serves as a preschool and houses the Findlay Learning Center, which offers blended learning. The District also owns and operates a newly renovated transportation facility. These District buildings range in age from 47 to 103 years old, except for those that are newly built. The District's enrollment is decreasing.

RELEVANT FINANCIAL POLICIES

The District's primary management tool for monitoring its fiscal health is the Five-Year Forecast, which is a document that focuses on the general fund's past three years of actual expenditures, the current fiscal year, and the following four fiscal years. The District has set targets for certain financial ratios based on this document. A key ratio is the District's "true days cash" ratio. True days cash is the concept that calculates how many days the District can operate with the amount of cash available at the end of the year. The calculation takes the available cash balance at the end of the year and divides it by the year's average daily operating expense. The District has set a target to maintain sixty true days cash. This ratio is used when negotiating future labor contracts and in determining the need for future levies.

FINANCIAL INFORMATION

The District's accounting system is organized on a fund basis. Each fund is a distinct self-balancing accounting entity. Governmental funds are presented on the modified accrual basis, whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Proprietary and fiduciary funds are presented on the accrual basis, whereby revenues are recognized when earned and expenses when incurred.

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from the implementation.

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation measure is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended official certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund and first two digits of function level for the general fund and at the fund level for all other funds. All purchase order requests must be approved by the Superintendent or his designee and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation, plus any additional appropriations made to date. In addition to interim financial statements, each administrator and school principal has access to ongoing reports showing the status of the budget accounts for which they are responsible.

As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond.

The basis of accounting and the funds utilized by the District are fully described in Note 2 to the Basic Financial Statements. Additional information on the District's budgetary accounting can also be found in Note 2 to the Basic Financial Statements.

FINANCIAL HIGHLIGHTS

Management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for fiscal year 2018 and the outlook for the future. Because that discussion focuses on major funds, the financial highlights provided in this letter focus on certain nonmajor funds of the District.

Internal Service Fund - The only internal service fund of the District is the Employee Benefits Self Insurance Fund. This internal service fund had a deficit net position balance of \$356,949 at June 30, 2018, compared to a deficit net position of \$628,160 at June 30, 2017, reflecting an increase in net position of \$271,211.

Fiduciary Funds - The fiduciary funds account for assets held by the District in a trustee capacity, or as an agent, for other funds, governments, organizations, or individuals. The District maintains a private-purpose trust fund and two agency funds. The private-purpose trust fund had net position of \$47,976 at June 30, 2018, compared to net position of \$32,593 at June 30, 2017.

LONG-TERM FINANCIAL PLANNING

The District will continue to implement new courses of study in an ongoing effort to meet, and exceed, the national and state standards to affect student outcomes in order to achieve an A grade on the Ohio Report Card. Part of this effort is the adoption of a more rigorous high school program, all day every day kindergarten and the expansion of preschool to serve a larger population. However, the District will remain financially prudent and will not offer courses without sufficient demand.

Full implementation of the overall Strategic Plan will keep the District focused on student learning through high-quality instruction, efficiency and effectiveness of District operations and vibrant school-community partnerships.

Ongoing support through permanent improvement tax dollars and the Ohio School Facilities Commission will help ensure the viability of the physical plants within the District. With the full implementation of these plans and directives, the District will remain poised to retain the full academic excellence and fiscal accountability standards that the community has come to expect of the Findlay City School District.

USE OF THIS REPORT

This report is published to provide to the Board of Education, as well as our citizens and other interested persons, detailed information concerning the financial condition of the District, with particular emphasis placed on the utilization of resources during the past fiscal year. It is also intended that this report will serve as a guide in formulating policies and in conducting the District's future day-to-day activities. We believe the information, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

In today's bond market environment, it is increasingly important that public agencies prepare soundly conceived annual financial reports which are independently audited by a qualified firm or agency. It has become almost required practice that such reports are prepared in accordance with GAAP, and the major bond rating agencies review the data presented in such reports before determining a public agency's bond rating. The District's bond rating is Aa2 from Moody's.

INDEPENDENT AUDIT

Provisions of State statute require the District's Basic Financial Statements to be subjected to an annual examination by an independent auditor. Those provisions have been satisfied and the opinion of the District's independent auditors is included herein. The single audit report is not included in this CAFR, but is located in a separate report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system effective with its annual financial report for the 1979 fiscal year.

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 Findlay City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Achievement, a government 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. The District has received this award for the past twenty-seven (27) years. 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 GFOA to determine its eligibility for another certificate.

The District has also received a Certificate of Excellence in Financial Reporting in School Districts from the Association of School Business Officials International (ASBO) for the District's CAFR for the fiscal year ended June 30, 2017. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. The District has received this award for the past twenty-seven (27) years. We believe that our current report continues to conform to the Certificate of Excellence program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The publication of this report significantly increases the accountability of the District to the taxpayers. This accomplishment would not have been possible without the support and efforts of the staff of the Treasurer's office and various administrators and employees of the District. Assistance of the County Auditor's office staff and other outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to Mrs. Brandi Smart, of Julian & Grube, Inc., who compiled this report in compliance with GAO guidance, and to the auditors of Julian & Grube, Inc., who audited this report.

Finally, sincere appreciation is extended to the Board of Education for its interest in and support of this project, and to the taxpayers and voters of the District, who have continued to show their faith in education and in the Findlay City School District.

Respectfully,



Michael T. Barnhart, CPA
Treasurer



Ed Kurt,
Superintendent

FINDLAY CITY SCHOOL DISTRICT

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2018

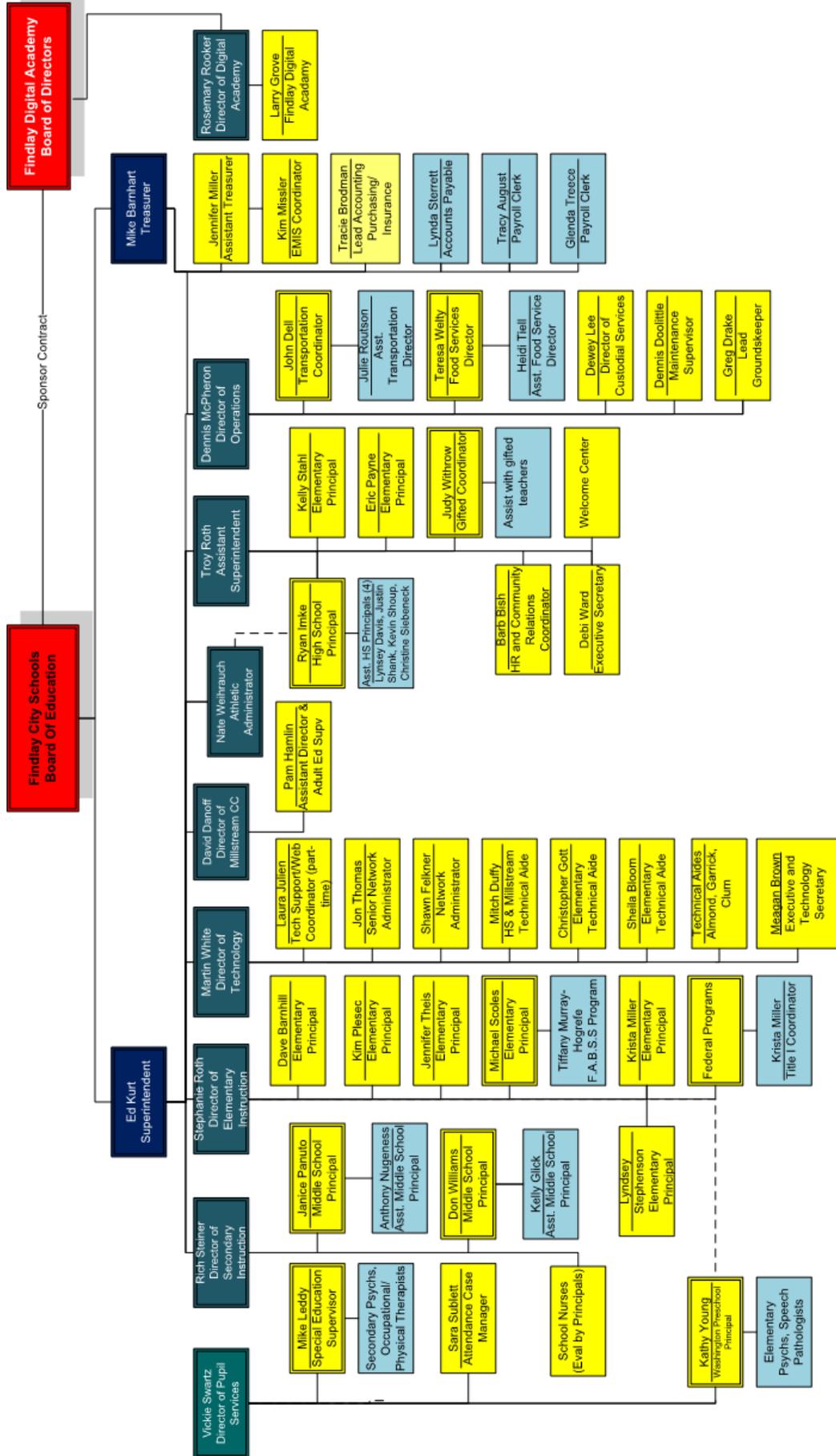
BOARD OF EDUCATION

Mr. Chris Aldrich President
Dr. Kathy Siebenaler Wilson Vice-President
Mr. Matt Cooper Member
Mrs. Jane Robertson Member
Mrs. Susan Russel Member

ADMINISTRATION

Mr. Edward Kurt Superintendent
Mr. Troy Roth Assistant Superintendent
Mr. Michael T. Barnhart Treasurer
Ms. Stephanie Roth Director of Elementary Curriculum
Mr. Richard Steiner Director of Secondary Curriculum
Mr. Martin White Director of Technology
Mr. Dennis McPheron Director of Facilities

Findlay City Schools
2017 – 2018 Leadership Team





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Findlay City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Findlay City School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink that reads 'Charles E. Peterson, Jr.' The signature is written in a cursive style.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink that reads 'John D. Musso'. The signature is written in a cursive style.

John D. Musso, CAE
Executive Director

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FINANCIAL SECTION

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Findlay City School District
Hancock County
2019 Broad Avenue
Findlay, Ohio 45840

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, its major fund, and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Findlay City School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, its major fund, and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during fiscal year 2018, the Findlay City School District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2018, on our consideration of the Findlay City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Findlay City School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
December 27, 2018

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The management's discussion and analysis of the Findlay City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2018 are as follows:

- In total, net position of governmental activities increased \$26,782,698 which represents a 62.96% increase from 2017's restated net position. This increase is primarily from a reduction in the net pension liability.
- General revenues accounted for \$59,415,453 in revenue or 79.91% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$14,935,852 or 20.09% of total revenues of \$74,351,305.
- The District had \$47,568,607 in expenses related to governmental activities; \$14,935,852 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$59,415,453 were adequate to provide for these programs.
- The District's major governmental fund is the general fund. The general fund had \$61,066,826 in revenues and \$65,158,116 in expenditures and other financing uses. During fiscal year 2018, the general fund's fund balance decreased \$4,174,971 from a balance of \$10,875,388 to a balance of \$6,700,417.

Using these Basic Financial Statements

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

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund is the most significant fund, and the only governmental fund reported as a major fund.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

In the statement of net position and the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation of non-instructional services, extracurricular activities, interest on fiscal charges, and food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major fund. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental fund is the general fund.

Governmental Funds

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

Proprietary Funds

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for self-insurance.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability.

The District as a Whole

The table below provides a summary of the District's net position at June 30, 2018 and June 30, 2017. The net position at June 30, 2017 has been restated as described in Note 3.A.

	Net Position	
	Governmental Activities 2018	Restated Governmental Activities 2017
<u>Assets</u>		
Current and other assets	\$ 54,834,923	\$ 55,655,798
Capital assets, net	<u>94,284,979</u>	<u>96,506,993</u>
Total assets	<u>149,119,902</u>	<u>152,162,791</u>
<u>Deferred Outflows of Resources</u>		
Pension	24,957,347	21,212,957
OPEB	<u>963,955</u>	<u>163,181</u>
Total deferred outflows of resources	<u>25,921,302</u>	<u>21,376,138</u>
<u>Liabilities</u>		
Current liabilities	10,492,769	10,184,789
Long-term liabilities:		
Due within one year	2,394,815	2,160,932
Due in more than one year:		
Net pension liability	78,489,257	106,230,779
Net OPEB liability	18,103,041	22,045,314
Other amounts	<u>47,930,213</u>	<u>49,164,801</u>
Total liabilities	<u>157,410,095</u>	<u>189,786,615</u>
<u>Deferred Inflows of Resources</u>		
Property taxes and PILOTs levied for next year	28,795,325	26,293,124
Pension	2,571,957	-
OPEB	<u>2,021,939</u>	<u>-</u>
Total deferred inflows of resources	<u>33,389,221</u>	<u>26,293,124</u>
<u>Net Position</u>		
Net investment in capital assets	48,369,602	49,016,340
Restricted	7,967,684	7,138,085
Unrestricted (deficit)	<u>(72,095,398)</u>	<u>(98,695,235)</u>
Total net position (deficit)	<u>\$ (15,758,112)</u>	<u>\$ (42,540,810)</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the School District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

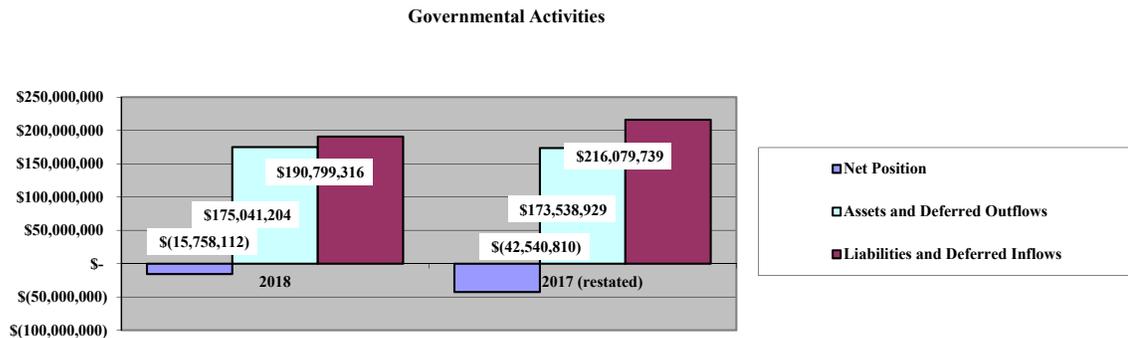
As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from \$(20,658,677) to \$(42,540,810).

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2018, the District's liabilities and deferred inflows exceeded assets and deferred outflows by \$15,758,112. Of this total \$7,967,684 is restricted in use. This includes \$2,715,364 restricted for capital projects.

At year-end, capital assets represented 63.23% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment and furniture, vehicles and infrastructure. The District's net investment in capital assets at June 30, 2018, was \$48,369,602. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$7,967,684, represents resources that are subject to external restriction on how they may be used.

The graph below shows the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2018 and June 30, 2017. The amounts at June 30, 2017 have been restated as described in Note 3.A.



**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The table below shows the change in net position for fiscal years 2018 and 2017. The net position at June 30, 2017 has been restated as described in Note 3.A.

	Change in Net Position	
	Governmental	Restated
	Activities	Governmental
	<u>2018</u>	<u>2017</u>
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 5,322,391	\$ 5,959,542
Operating grants and contributions	9,278,637	9,349,602
Capital grants and contributions	334,824	201,500
General revenues:		
Property taxes	29,283,381	31,279,197
Payments in lieu of taxes	364,507	171,444
Grants and entitlements	28,904,401	29,344,856
Investment earnings	289,133	241,396
Change in fair value of investments	(411,200)	47,786
Miscellaneous	<u>985,231</u>	<u>640,179</u>
Total revenues	<u>74,351,305</u>	<u>77,235,502</u>

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**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Change in Net Position	
	Governmental	Restated
	Activities 2018	Governmental Activities 2017
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 14,882,418	\$ 29,049,482
Special	5,184,025	11,027,071
Vocational	2,616,170	3,945,264
Adult/continuing	9,392	29,835
Other	5,949,491	6,477,905
Support services:		
Pupil	1,704,517	3,334,374
Instructional staff	1,563,946	3,307,013
Board of education	190,311	191,696
Administration	2,328,662	4,662,980
Fiscal	1,127,219	1,446,548
Business	140,567	-
Operations and maintenance	4,728,957	6,772,689
Pupil transportation	1,529,225	2,871,394
Central	95,211	172,565
Other non-instructional services	577,932	852,959
Food service operations	1,222,446	1,906,801
Extracurricular activities	974,264	1,762,566
Interest and fiscal charges	<u>2,743,854</u>	<u>2,843,954</u>
Total expenses	<u>47,568,607</u>	<u>80,655,096</u>
Change in net position	26,782,698	(3,419,594)
Net position (deficit), beginning of year (restated)	<u>(42,540,810)</u>	<u>N/A</u>
Net position (deficit), end of year	<u>\$ (15,758,112)</u>	<u>\$ (42,540,810)</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Governmental Activities

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$163,181 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$2,507,152. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 program expenses under GASB 75	\$ 47,568,607
Negative OPEB expense under GASB 75	2,507,152
2018 contractually required contributions	<u>213,956</u>
Adjusted 2018 program expenses	50,289,715
Total 2017 program expenses under GASB 45	<u>80,655,096</u>
Decrease in program expenses not related to OPEB	<u>\$ (30,365,381)</u>

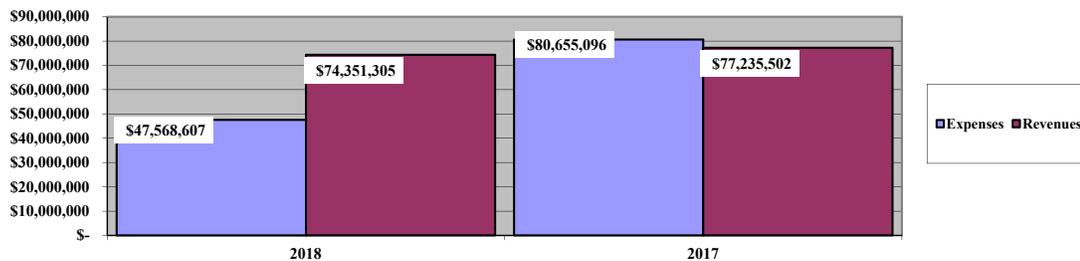
Net position of the District's governmental activities increased \$26,782,698. Total governmental expenses of \$47,568,607 were offset by program revenues of \$14,935,852 and general revenues of \$59,415,453. Program revenues supported 31.40% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 78.26% of total governmental revenue. Real estate property is reappraised every six years.

Expenses of the governmental activities decreased \$33,086,489 or 41.02%. This decrease is primarily the result of the State Teachers Retirement System (STRS) indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employees Retirement System (SERS) lowering the COLA from 3.00% to 2.50%. On an accrual basis, the District reported (\$23,289,448) in pension expense and (\$2,507,152) in OPEB expense mainly due to these benefit changes.

The graph below presents the District's governmental activities revenues and expenses for fiscal years 2018 and 2017.

Governmental Activities - Revenues and Expenses



**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities				
	Total Cost of Services <u>2018</u>	Net Cost of Services <u>2018</u>	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2017</u>
Program expenses				
Instruction:				
Regular	\$ 14,882,418	\$ 11,860,737	\$ 29,049,482	\$ 25,875,917
Special	5,184,025	(990,575)	11,027,071	4,607,154
Vocational	2,616,170	1,587,699	3,945,264	3,116,146
Adult/continuing	9,392	(2,891)	29,835	274
Other	5,949,491	5,908,501	6,477,905	6,468,932
Support services:				
Pupil	1,704,517	1,492,939	3,334,374	3,056,947
Instructional staff	1,563,946	1,073,012	3,307,013	2,489,026
Board of education	190,311	190,311	191,696	191,696
Administration	2,328,662	2,310,604	4,662,980	4,640,768
Fiscal	1,127,219	1,127,053	1,446,548	1,446,402
Business	140,567	106,791	-	-
Operations and maintenance	4,728,957	3,995,477	6,772,689	6,055,179
Pupil transportation	1,529,225	1,342,500	2,871,394	2,705,915
Central	95,211	89,521	172,565	167,058
Operation of non-instructional services:				
Other non-instructional services	577,932	17,194	852,959	202,038
Food service operations	1,222,446	(434,349)	1,906,801	197,414
Extracurricular activities	974,264	214,377	1,762,566	1,079,632
Interest and fiscal charges	<u>2,743,854</u>	<u>2,743,854</u>	<u>2,843,954</u>	<u>2,843,954</u>
Total expenses	<u>\$ 47,568,607</u>	<u>\$ 32,632,755</u>	<u>\$ 80,655,096</u>	<u>\$ 65,144,452</u>

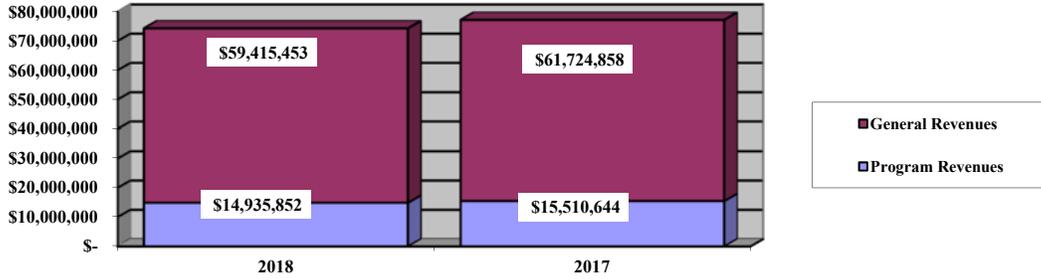
The dependence upon tax and other general revenues for governmental activities is apparent; as 64.11% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 68.60%. The District's taxpayers, and unrestricted grants and entitlements are the primary support for District's students.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The graph below presents the District's governmental activities revenue for fiscal years 2018 and 2017.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of \$14,883,910, which is less than last year's total of \$18,769,639. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2018 and 2017.

	Fund Balance <u>June 30, 2018</u>	Fund Balance <u>June 30, 2017</u>	Increase <u>(Decrease)</u>
General	\$ 6,700,417	\$ 10,875,388	\$ (4,174,971)
Other Governmental	<u>8,183,493</u>	<u>7,894,251</u>	<u>289,242</u>
Total	<u>\$ 14,883,910</u>	<u>\$ 18,769,639</u>	<u>\$ (3,885,729)</u>

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**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

General Fund

The District's general fund balance decreased \$4,174,971. This decrease was primarily the result of decreasing revenues and the \$1,000,000 transfer to the internal service fund to subsidize self-insurance.

	<u>2018</u> <u>Amount</u>	<u>2017</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes and payments in lieu of taxes	\$ 25,106,124	\$ 26,579,696	(5.54) %
Tuition	3,080,099	3,686,288	(16.44) %
Earnings on investments	230,903	200,283	15.29 %
Intergovernmental	31,341,165	31,643,750	(0.96) %
Other revenues	<u>1,308,535</u>	<u>1,471,913</u>	(11.10) %
Total	<u>\$ 61,066,826</u>	<u>\$ 63,581,930</u>	(3.96) %
<u>Expenditures</u>			
Instruction	\$ 43,271,785	\$ 43,817,467	(1.25) %
Support services	19,741,840	20,405,370	(3.25) %
Operation of non-instructional services	189,995	211,891	(10.33) %
Extracurricular activities	954,496	952,626	0.20 %
Facilities acquisition and construction	<u>-</u>	<u>27,106</u>	(100.00) %
Total	<u>\$ 64,158,116</u>	<u>\$ 65,414,460</u>	(1.92) %

Tax revenues decreased from fiscal year 2017 to fiscal year 2018 due to a fluctuation in the amount of tax available for advance at fiscal year-end by the Hancock County Fiscal Officer. Tax advances available are recorded as revenue under GAAP. The amount of tax advances available at June 30, 2018 and 2017 were \$2,394,008 and \$4,864,662, respectively. The amount of tax advance available at year-end can vary depending upon when the county fiscal officers distribute tax bills. Tuition revenue decreased due to a decrease in tuition received from other districts related to special education. Earnings on investments increased from fiscal year 2017 to fiscal year 2018 due an increase in funds being invested. Expenditures related to instruction and support services decreased primarily due to fluctuations in personnel costs. All other revenues and expenditures remained consistent with the prior year.

General Fund Budgeting Highlights

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

During the course of fiscal year 2018, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were \$60,839,692, which was more than the original budget estimate of \$60,833,713. This increase is due to higher estimates regarding property taxes. Actual revenues and other financing sources for fiscal year 2018 were \$62,269,655. This represents a \$1,429,963 increase from final budgeted revenues. The increase was primarily a result of increases in tuition revenues and other local revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$66,718,131 were increased to \$66,868,131 in the final budget. Actual budget basis expenditures and other financing uses for fiscal year 2018 totaled \$64,456,051, which was \$2,412,080 less than the final budget appropriations. The decrease was primarily a result of decreases in instruction and support service expenditures.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2018, the District had \$94,284,979 invested in land, construction in progress, land improvements, buildings and improvements, equipment and furniture, vehicles and infrastructure, net of accumulated depreciation. This entire amount is reported in governmental activities. The following table shows fiscal year 2018 balances compared to 2017:

**Capital Assets at June
(Net of Depreciation)**

	Governmental Activities	
	2018	2017
Land	\$ 1,722,570	\$ 1,722,570
Construction in progress	-	2,163,908
Land improvements	2,862,819	3,062,421
Buildings and improvements	80,958,992	82,248,233
Equipment and Furniture	5,605,590	5,386,509
Vehicles	1,776,411	1,923,352
Infrastructure	1,358,597	-
Total	\$ 94,284,979	\$ 96,506,993

Total additions to capital assets for fiscal year 2018 were \$793,831. The overall decrease in capital assets of \$2,222,014 is primarily due to \$3,015,845 in depreciation expense exceeding the additions relating to ongoing projects recording of \$793,831 for fiscal year 2018. See Note 9 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2018, the District had \$45,560,000 in general obligation bonds outstanding. Of this total, \$1,450,000 is due within one year and \$44,110,000 is due in greater than one year. The following table summarizes the debt obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities	Governmental Activities
	2018	2017
General obligation bonds	\$ 45,560,000	\$ 46,907,683

Moody's Investors Service published its Annual Issuer Comment which shows the District's credit position is of a very high quality and is now stronger at Aa2 than its initial rating in 2010 of Aa3 when the District issued bonds for its middle school and Millstream construction projects. The District's Aa2 rating slightly exceeds the median rating of Aa3 for school districts nationwide.

See Note 10 to the basic financial statements for additional information on the District's debt administration.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Current Financial Related Activities

The District has carefully managed its finances in order to maximize the dollars spent on educating students; however, unpredictable costs and limited revenue streams continue to make it difficult. The biggest challenge for the District is its enrollment and the ability to attract and retain students while adjusting operations accordingly. For instance the District has added modular classrooms and teachers to reduce teacher ratios in the primary grades while enrollments are dropping from the high school which may lead to fewer class offerings.

The passage of a 2.5 mill permanent improvement levy in May 2006 has helped to alleviate many facility needs. However, the biggest improvement to the District's facility needs was made possible in November 2011, when voters approved a 4.3 mill, 28-year bond levy which will pay the debt service on \$54,195,000 that was needed to cover the local share and locally funded initiatives to build two middle schools and a career tech building. The District has consolidated the south, north, and east campuses of Millstream Career Center into one location. The District has also converted its three small middle schools into two larger, more efficient, newly constructed middle schools. The Millstream Career Center was completed for the start of the 2012-13 school year while both new middle schools accepted students in January 2013.

In May 2015 the District's five-year 5.9 mill operating levy collections was renewed on a continuous basis. This levy amounts to \$4.5 million per year. Similarly, in May 2017, the District's five-year 4.9 mill operating levy was renewed on a continuous basis. This levy amounts to \$3.9 million per year. The District no longer has any operating levies that will expire.

In order to meet ongoing challenges, the District developed and implemented a fiscal health plan in 2006 and continues to update it with the last update presented to the Board in December 2017. The plan includes strategies for diversifying revenue sources and reducing expenditures. The District will continue to implement and update the plan as it remains fiscally vigilant. The District has committed itself to educational and financial excellence, and the District's Board and management team will continue to work with the community it serves to provide the best education and the best resources possible to its students, teachers, employees and community.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Michael T. Barnhart, Treasurer, Findlay City School District, 2019 Broad Avenue, Findlay, Ohio 45840.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Component Unit
Assets:		
Equity in pooled cash and investments	\$ 22,027,444	\$ 1,326,222
Receivables:		
Property taxes	31,938,056	-
Payment in lieu of taxes	174,806	-
Accounts	298,994	3,100
Accrued interest	106,688	3,424
Intergovernmental	86,198	252
Prepayments	147,998	-
Materials and supplies inventory	7,719	-
Inventory held for resale	14,522	-
Security deposit	15,000	-
Due from component unit	17,498	-
Capital assets:		
Nondepreciable capital assets	1,722,570	-
Depreciable capital assets, net	92,562,409	94,647
Capital assets, net	94,284,979	94,647
Total assets	149,119,902	1,427,645
Deferred outflows of resources:		
Pension	24,957,347	-
OPEB	963,955	-
Total deferred outflows of resources	25,921,302	-
Liabilities:		
Accounts payable	557,871	242
Contracts payable	434,397	-
Accrued wages and benefits payable	5,865,729	-
Intergovernmental payable	118,929	110,312
Due to primary government	-	17,498
Pension and postemployment benefits payable	1,135,494	-
Accrued interest payable	211,267	-
Claims payable	2,169,082	-
Long-term liabilities:		
Due within one year	2,394,815	-
Due in more than one year:		
Net pension liability	78,489,257	-
Net OPEB liability	18,103,041	-
Other amounts due in more than one year	47,930,213	578,376
Total liabilities	157,410,095	706,428
Deferred inflows of resources:		
Property taxes levied for the next fiscal year	28,637,965	-
Payment in lieu of taxes levied for the next fiscal year	157,360	-
Pension	2,571,957	-
OPEB	2,021,939	-
Total deferred inflows of resources	33,389,221	-
Net position:		
Net investment in capital assets	48,369,602	94,647
Restricted for:		
Capital projects	2,715,364	-
Permanent fund - expendable	52,731	-
Permanent fund - nonexpendable	618,000	-
Classroom facilities maintenance	1,829,931	-
Debt service	1,179,320	-
Locally funded programs	315,441	460
State funded programs	20,114	-
Federally funded programs	7,669	-
Student activities	490,316	-
Other purposes	738,798	-
Unrestricted (deficit)	(72,095,398)	626,110
Total net position (deficit)	\$ (15,758,112)	\$ 721,217

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Unit
Governmental activities:						
Instruction:						
Regular	\$ 14,882,418	\$ 2,097,803	\$ 668,245	\$ 255,633	\$ (11,860,737)	\$ -
Special	5,184,025	640,415	5,534,185	-	990,575	-
Vocational	2,616,170	384,974	643,497	-	(1,587,699)	-
Adult/continuing.	9,392	12,283	-	-	2,891	-
Other	5,949,491	-	40,990	-	(5,908,501)	-
Support services:						
Pupil.	1,704,517	51,012	160,566	-	(1,492,939)	-
Instructional staff	1,563,946	361,671	129,263	-	(1,073,012)	-
Board of education	190,311	-	-	-	(190,311)	-
Administration.	2,328,662	7,475	10,583	-	(2,310,604)	-
Fiscal.	1,127,219	166	-	-	(1,127,053)	-
Business.	140,567	-	-	33,776	(106,791)	-
Operations and maintenance . .	4,728,957	376,011	314,259	43,210	(3,995,477)	-
Pupil transportation.	1,529,225	1,298	185,427	-	(1,342,500)	-
Central	95,211	5,690	-	-	(89,521)	-
Operation of non-instructional services:						
Other non-instructional services	577,932	152,608	408,130	-	(17,194)	-
Food service operations	1,222,446	570,330	1,086,465	-	434,349	-
Extracurricular activities.	974,264	660,655	97,027	2,205	(214,377)	-
Interest and fiscal charges	2,743,854	-	-	-	(2,743,854)	-
Total governmental activities . . .	47,568,607	5,322,391	9,278,637	334,824	(32,632,755)	-
Component unit:						
Findlay Digital Academy	1,166,741	-	317,907	-	-	(848,834)
Total component unit	1,166,741	-	317,907	-	-	(848,834)
Totals	\$ 48,735,348	\$ 5,322,391	\$ 9,596,544	\$ 334,824	(32,632,755)	(848,834)
General revenues:						
Property taxes levied for:						
General purposes					24,773,900	-
Debt service.					2,857,665	-
Capital outlay.					1,651,816	-
Grants and entitlements not restricted to specific programs					28,904,401	108,716
Investment earnings					289,133	11,655
Decrease in fair value of investments					(411,200)	-
Payments in-lieu of taxes					364,507	-
Miscellaneous					985,231	-
Total general revenues					59,415,453	120,371
Change in net position					26,782,698	(728,463)
Net position (deficit) at beginning of year (restated) .					(42,540,810)	1,449,680
Net position (deficit) at end of year.					\$ (15,758,112)	\$ 721,217

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 11,474,313	\$ 8,740,998	\$ 20,215,311
Receivables:			
Property taxes.	26,998,717	4,939,339	31,938,056
Payment in lieu of taxes	152,765	22,041	174,806
Accounts	288,508	10,486	298,994
Accrued interest	106,230	458	106,688
Intergovernmental.	23,891	62,307	86,198
Prepayments.	146,312	1,686	147,998
Materials and supplies inventory	-	7,719	7,719
Inventory held for resale.	-	14,522	14,522
Security deposit.	15,000	-	15,000
Due from component unit	17,498	-	17,498
Total assets	<u>\$ 39,223,234</u>	<u>\$ 13,799,556</u>	<u>\$ 53,022,790</u>
Liabilities:			
Accounts payable	\$ 153,810	\$ 404,061	\$ 557,871
Contracts payable.	141,377	293,020	434,397
Accrued wages and benefits payable	5,646,971	218,758	5,865,729
Compensated absences payable	198,916	-	198,916
Intergovernmental payable	116,714	2,215	118,929
Pension and postemployment benefits payable	1,060,170	75,324	1,135,494
Total liabilities.	<u>7,317,958</u>	<u>993,378</u>	<u>8,311,336</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	24,226,056	4,411,909	28,637,965
Payment in lieu of taxes levied for the next fiscal year.	137,519	19,841	157,360
Delinquent property tax revenue not available	764,045	142,038	906,083
Intergovernmental revenue not available.	18,743	48,897	67,640
Accrued interest not available.	46,311	-	46,311
Tuition revenue not available.	12,185	-	12,185
Total deferred inflows of resources	<u>25,204,859</u>	<u>4,622,685</u>	<u>29,827,544</u>
Total liabilities and deferred inflows of resources	<u>32,522,817</u>	<u>5,616,063</u>	<u>38,138,880</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2018

	General	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:			
Nonspendable:			
Materials and supplies inventory	\$ -	\$ 7,719	\$ 7,719
Prepays.	146,312	1,686	147,998
Permanent fund	-	618,000	618,000
Restricted:			
Debt service	-	1,300,507	1,300,507
Capital improvements	-	2,663,406	2,663,406
Classroom facilities maintenance	-	1,829,931	1,829,931
Food service operations	-	376,043	376,043
Non-public schools	-	18,112	18,112
Other purposes.	-	768,331	768,331
Extracurricular.	-	490,316	490,316
Scholarships	-	52,731	52,731
Committed:			
Capital improvements	-	225,000	225,000
Assigned:			
Student instruction	427,924	-	427,924
Student and staff support.	874,838	-	874,838
Extracurricular activities	5,019	-	5,019
Subsequent year's appropriations	1,723,635	-	1,723,635
School supplies	416,737	-	416,737
Career center	69,382	-	69,382
Before school and after school care	100,290	-	100,290
Other purposes.	126,027	-	126,027
Unassigned (deficit)	2,810,253	(168,289)	2,641,964
Total fund balances	6,700,417	8,183,493	14,883,910
Total liabilities, deferred inflows and fund balances	\$ 39,223,234	\$ 13,799,556	\$ 53,022,790

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2018

Total governmental fund balances		\$	14,883,910
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			94,284,979
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	906,083	
Tuition receivable		12,185	
Accrued interest receivable		46,311	
Intergovernmental receivable		67,640	
Total		67,640	1,032,219
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.			(356,949)
Unamortized premiums on bonds issued are not recognized in the funds.			(355,377)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(211,267)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred outflows of resources - pension		24,957,347	
Deferred inflows of resources - pension		(2,571,957)	
Net pension liability		(78,489,257)	
Total		(78,489,257)	(56,103,867)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred outflows of resources - OPEB		963,955	
Deferred inflows of resources - OPEB		(2,021,939)	
Net OPEB liability		(18,103,041)	
Total		(18,103,041)	(19,161,025)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(45,560,000)	
Compensated absences		(4,210,735)	
Total		(49,770,735)	(49,770,735)
Net position of governmental activities		\$	(15,758,112)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
From local sources:			
Property taxes	\$ 24,787,582	\$ 4,511,949	\$ 29,299,531
Payment in lieu of taxes	318,542	45,965	364,507
Tuition	3,080,099	-	3,080,099
Earnings on investments	230,903	50,536	281,439
Charges for services	-	570,330	570,330
Extracurricular	10,533	659,643	670,176
Classroom materials and fees	381,179	-	381,179
Rental income	10,461	365,550	376,011
Contributions and donations	11,272	475,886	487,158
Contract services	110,054	-	110,054
Other local revenues	1,190,585	488,217	1,678,802
Intergovernmental - intermediate	663,186	-	663,186
Intergovernmental - state	30,444,498	1,056,373	31,500,871
Intergovernmental - federal	233,481	5,162,326	5,395,807
Change in fair value of investments	(405,549)	(5,651)	(411,200)
Total revenues	61,066,826	13,381,124	74,447,950
Expenditures:			
Current:			
Instruction:			
Regular	25,512,822	1,581,529	27,094,351
Special	8,186,705	2,508,391	10,695,096
Vocational	3,523,298	186,152	3,709,450
Adult/continuing	17,666	-	17,666
Other	6,031,294	27,133	6,058,427
Support services:			
Pupil	3,090,233	150,402	3,240,635
Instructional staff	2,545,374	123,564	2,668,938
Board of education	190,311	-	190,311
Administration	4,355,078	10,577	4,365,655
Fiscal	1,386,680	-	1,386,680
Business	-	140,567	140,567
Operations and maintenance	5,571,119	757,058	6,328,177
Pupil transportation	2,432,328	43,683	2,476,011
Central	170,717	-	170,717
Operation of non-instructional services:			
Other non-instructional services	189,995	410,091	600,086
Food service operations	-	1,598,158	1,598,158
Extracurricular activities	954,496	628,501	1,582,997
Facilities acquisition and construction	-	810,280	810,280
Debt service:			
Principal retirement	-	687,135	687,135
Interest and fiscal charges	-	2,676,440	2,676,440
Accretion on capital appreciation bonds	-	747,865	747,865
Total expenditures	64,158,116	13,087,526	77,245,642
Excess (deficiency) of revenues over (under) expenditures	(3,091,290)	293,598	(2,797,692)
Other financing sources (uses):			
Transfers in	-	48,471	48,471
Transfers (out)	(1,000,000)	(48,471)	(1,048,471)
Total other financing sources (uses)	(1,000,000)	-	(1,000,000)
Net change in fund balances	(4,091,290)	293,598	(3,797,692)
Fund balances at beginning of year	10,875,388	7,894,251	18,769,639
(Decrease) in reserve for inventory	(83,681)	(4,356)	(88,037)
Fund balances at end of year	\$ 6,700,417	\$ 8,183,493	\$ 14,883,910

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds	\$	(3,797,692)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 793,831	
Current year depreciation	(3,015,845)	
Total		(2,222,014)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		
		(88,037)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(16,150)	
Tuition	(72,976)	
Miscellaneous	(9,108)	
Earnings on investments	15,162	
Intergovernmental	(23,914)	
Total		(106,986)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds	687,135	
Accreted interest	747,865	
Total		1,435,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	1,601	
Accreted interest on capital appreciation bonds	(87,317)	
Amortization of bond premiums	18,302	
Total		(67,414)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		5,624,507
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		23,289,448
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		213,956
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.		
		2,507,152
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(276,433)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net expense of the internal service fund is allocated among the governmental activities.		
		271,211
Change in net position of governmental activities	\$	26,782,698

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Property taxes	\$ 26,947,433	\$ 26,953,412	\$ 26,849,654	\$ (103,758)
Payment in lieu of taxes.	-	-	303,296	303,296
Tuition.	2,200,000	2,200,000	2,376,460	176,460
Earnings on investments	175,000	175,000	207,926	32,926
Classroom materials and fees	9,000	9,000	7,216	(1,784)
Rental income	25,000	25,000	10,461	(14,539)
Contributions and donations	5,000	5,000	2,021	(2,979)
Contract services.	-	-	34,129	34,129
Other local revenues	500,000	500,000	976,231	476,231
Intergovernmental - state	30,543,280	30,543,280	30,354,201	(189,079)
Intergovernmental - federal	200,000	200,000	233,481	33,481
Total revenues	60,604,713	60,610,692	61,355,076	744,384
Expenditures:				
Current:				
Instruction:				
Regular	26,605,268	26,335,268	25,680,986	654,282
Special.	7,405,902	8,055,902	8,043,137	12,765
Vocational.	3,020,776	3,110,776	2,975,244	135,532
Other.	7,050,381	6,550,381	6,061,885	488,496
Support services:				
Pupil.	2,822,762	3,002,762	3,002,671	91
Instructional staff	2,223,092	2,223,092	2,171,541	51,551
Board of education	244,944	244,944	225,032	19,912
Administration.	4,594,023	4,494,023	4,261,035	232,988
Fiscal	1,537,159	1,537,159	1,447,117	90,042
Operations and maintenance.	6,929,975	6,229,975	5,925,799	304,176
Pupil transportation	2,717,135	2,717,135	2,523,858	193,277
Central.	183,082	183,082	163,886	19,196
Extracurricular activities.	999,132	999,132	973,100	26,032
Facilities acquisition and construction	20,000	20,000	-	20,000
Total expenditures	66,353,631	65,703,631	63,455,291	2,248,340
Excess of expenditures over revenues	(5,748,918)	(5,092,939)	(2,100,215)	2,992,724
Other financing sources (uses):				
Refund of prior year's expenditures	150,000	150,000	814,183	664,183
Refund of prior year's receipts.	(24,500)	(24,500)	(760)	23,740
Transfers (out).	(50,000)	(1,050,000)	(1,000,000)	50,000
Advances in.	70,000	70,000	70,000	-
Advances (out)	(290,000)	(90,000)	-	90,000
Sale of capital assets.	9,000	9,000	30,396	21,396
Total other financing sources (uses)	(135,500)	(935,500)	(86,181)	849,319
Net change in fund balance	(5,884,418)	(6,028,439)	(2,186,396)	3,842,043
Fund balance at beginning of year	9,866,564	9,866,564	9,866,564	-
Prior year encumbrances appropriated	1,799,913	1,799,913	1,799,913	-
Fund balance at end of year	\$ 5,782,059	\$ 5,638,038	\$ 9,480,081	\$ 3,842,043

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2018

	<u>Governmental Activities - Internal Service Fund</u>
Assets:	
Equity in pooled cash and investments	\$ 1,812,133
Total assets.	<u>1,812,133</u>
Liabilities:	
Claims payable	<u>2,169,082</u>
Total liabilities	<u>2,169,082</u>
Net position:	
Unrestricted (deficit)	<u>(356,949)</u>
Total net position (deficit).	<u>\$ (356,949)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Governmental Activities - Internal Service Fund</u>
Operating revenues:	
Charges for services.	\$ 8,810,143
Total operating revenues	<u>8,810,143</u>
Operating expenses:	
Personal services.	190,965
Purchased services.	1,188,163
Claims	<u>8,170,145</u>
Total operating expenses.	<u>9,549,273</u>
Operating loss	<u>(739,130)</u>
Nonoperating revenues:	
Interest revenue	10,341
Total nonoperating revenues.	<u>10,341</u>
Loss before transfers.	(728,789)
Transfer in.	<u>1,000,000</u>
Change in net position	271,211
Net position (deficit) at beginning of year. .	<u>(628,160)</u>
Net position (deficit) at end of year	<u><u>\$ (356,949)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	\$ 8,810,143
Cash payments for personal services.	(190,965)
Cash payments for purchased services	(1,188,163)
Cash payments for claims	<u>(7,909,953)</u>
 Net cash used in operating activities	 <u>(478,938)</u>
 Cash flows from noncapital financing activities:	
Cash received from transfers in	<u>1,000,000</u>
 Net cash provided by noncapital financing activities.	 <u>1,000,000</u>
 Cash flows from investing activities:	
Interest received	<u>10,341</u>
 Net cash provided by investing activities	 <u>10,341</u>
 Net increase in cash and cash cash equivalents	 531,403
 Cash and investments at beginning of year	 <u>1,280,730</u>
Cash and investments at end of year	<u>\$ 1,812,133</u>
 Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (739,130)
 Changes in assets and liabilities: Increase in claims payable	 <u>260,192</u>
 Net cash used in operating activities	 <u>\$ (478,938)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	<u>Private-Purpose Trust</u>	
	<u>Scholarship</u>	<u>Agency</u>
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 50,486	\$ 126,759
Total assets	<u>50,486</u>	<u>\$ 126,759</u>
Liabilities:		
Current liabilities:		
Accounts payable	2,510	\$ 2,209
Due to students	-	124,550
Total liabilities	<u>2,510</u>	<u>\$ 126,759</u>
Net position:		
Held in trust for scholarships	<u>47,976</u>	
Total net position	<u>\$ 47,976</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 310
Gifts and contributions	37,944
Total additions	38,254
Deductions:	
Scholarships awarded	22,871
Change in net position	15,383
Net position at beginning of year	32,593
Net position at end of year	\$ 47,976

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Findlay City School District (the "District") is located in Hancock County in northwest Ohio. The District is located in a prosperous community, which includes most of the City of Findlay.

The District operates under a locally elected, five-member Board and provides educational services as authorized by its charter or further mandated by State and/or federal agencies. The Board controls the District's fourteen instructional facilities and one support facility staffed by 444 certified teaching personnel, 421 classified support personnel, and 42 administrators.

The District is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

It currently operates 9 elementary schools, 2 middle schools, 1 high school, and a vocational center, to provide services to approximately 5,666 students in grades K-12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has one component unit. The basic financial statements of the reporting entity include only those of the District (the primary government) and the component unit.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The following organizations are described due to their relationship to the District:

DISCRETELY PRESENTED COMPONENT UNIT

Findlay Digital Academy

The Findlay Digital Academy (the "Academy") is a Conversion Community School established pursuant to Ohio Revised Code, Chapter 3314. The Academy is sponsored by the District to serve ninth through twelfth grade students living in the District. The Academy's mission is to enhance and facilitate student learning by combining state-of-the-art digital curriculum with access to local school resources to complement that instruction and prepare students to become lifelong learners and productive citizens. The Academy is governed by a seven-member Board of Directors, the majority of which are public officials or public sector employees who have a professional interest in furthering the establishment of the Academy, the District's Superintendent, who serves as the non-voting Board President, and can also include one or more parents of enrolled students and community civic leaders. The Academy's Treasurer serves as a non-voting ex-officio member of the Board. The Academy issues a publicly available, stand-alone financial report that includes basic financial statements and supplementary information. This report may be obtained by writing to Steve Earnest, Treasurer, Findlay Digital Academy at, 1219 West Main Cross, Suite 101, Findlay, Ohio 45840.

The Academy is included as a component unit of the District because the District appoints the Academy's Board of Directors. Therefore, the District is able to significantly influence the programs or services performed or provided by the organization. In addition, through contractual arrangements, the District is able to access a significant portion of the Academy's resources. Based on the District's relationship with the Academy and due to the significant resources and services provided by the District to the Academy, it would be misleading to exclude the Academy from the District's financial reporting entity and as such, the Academy warrants inclusion in the District's financial statements as a discretely presented component unit.

JOINTLY GOVERNED ORGANIZATION

Northwest Ohio Area Computer Services Cooperative

The District is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC) which is a computer consortium. NOACSC is an association of public school districts within the boundaries of Allen, Hancock, Paulding, Putnam, and Van Wert counties, and the cities of St. Marys and Wapakoneta. The organization was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions among member school districts.

The Governing Board of NOACSC consists of two representatives from each county elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent school district. Financial information can be obtained from Ray Burden, who serves as Director, at 645 South Main Street, Lima, Ohio 45804.

PUBLIC ENTITY RISK POOL

Workers' Compensation Retrospective Ratings Plan

The District participates in the Bureau of Workers' Compensation Retrospective Rating Plan. See Note 11.B. for further details on this alternative rating plan.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

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

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects, (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest and (d) resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs.

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service fund:

Internal service fund - The internal service fund is used to account for the financing of services provided by one fund or department to other funds or departments of the District, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides insurance benefits to employees.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The District's fiduciary funds include a private-purpose trust fund and agency funds. Trust funds account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's programs. The District's only trust fund is a private-purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds account for student activities and activities of individuals, private organizations, and other governmental units.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund operating activity is eliminated to avoid overstatement of revenues and expenses.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of the District are included on the statement of net position.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of this fund are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's internal service fund are charges for services. Operating expenses for internal service funds include claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The private-purpose trust fund is reported using the economic resources measurement focus. The agency fund does not report a measurement focus as it does not report operations.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, 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 District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 12 and 13 for deferred outflows of resources related to the District's net pension liability and net OPEB liability, respectively.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Notes 12 and 13 for deferred inflows of resources related to the District's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the fiscal year is reported in the financial statements as an expense with a like amount reported as intergovernmental 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.

E. Budgets

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 fund and first two digits of function level for the general fund and at the fund level for all other funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education.

Tax Budget:

A budget of estimated cash receipts is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year, for the period July 1 to June 30 of the following year.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Estimated Resources:

By 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 July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will 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 any 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 original and final amended certificate of estimated resources issued during the fiscal year.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation 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 may not exceed the appropriation totals at the legal level of control. Any revisions that alter the first two digits of function level in the general fund or the fund level for all other funds must be approved by the Board of Education.

The Board may pass supplemental fund appropriations as 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, all supplemental appropriations were legally enacted.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budget amounts reflect the first appropriation for that fund which covered the entire fiscal year, including amounts automatically carried over from prior year. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Cash disbursements may not legally exceed budgeted appropriations at the legal level of control.

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the basic financial statements.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

During fiscal year 2018, investments were limited to nonnegotiable certificates of deposits, negotiable certificates of deposit, federal agency securities, U.S. government money market mutual funds, U.S. treasury notes, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

During fiscal year 2018, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2018 amounted to \$230,903, which includes \$73,642 assigned from other District funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at fiscal year-end is provided in Note 4.

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis. Inventories are accounted for using the purchase method on the governmental fund financial statements and using the consumption method on the government-wide financial statements.

Inventory consists of general supplies, purchased food and donated food.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

H. Capital Assets

General capital assets are those assets specifically related to governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deletions during the year. Donated capital assets are recorded at their acquisition value. The District maintains a capitalization threshold of \$2,500. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	20 years
Buildings and improvements	25 - 50 years
Equipment and furniture	5 - 20 years
Vehicles	5 - 10 years
Infrastructure	30 years

I. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2018, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, employees age 50 with at least 10 years of service and any employees with at least 15 years of service regardless of their age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2018 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

The entire compensated absence liability is reported in the government-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as a current liability to the extent payments come due each period upon the occurrence of employee resignations or retirements. The balance of the liability is not recorded.

J. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the internal service fund are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, loans and capital lease obligations are recognized as a liability on the fund financial statements when due. Net pension / OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension / OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

K. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

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

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Assigned - Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Education has by resolution authorized the treasurer to assign fund balance, the Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

L. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for food service operations and a special trust.

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

M. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

N. Estimates

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

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

O. Interfund Activity

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

P. Parochial Schools

St. Michael's Elementary and Heritage Christian School are operated within the District boundaries. Current state legislation provides funding to state chartered parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial school. The receipt and expenditure of these state monies by the District are reflected in a nonmajor governmental fund for financial reporting purposes.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During the current fiscal year, the District reported neither transaction.

R. Bond Premium

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

On the government-wide and fund financial statements, bond issuance costs are expensed during the fiscal year in which they are incurred.

S. Security Deposit

At June 30, 2018, the District had a deposit of \$15,000 with Great Scot, Inc. as security for the faithful performance of all lease covenants and conditions of the property leased. The deposit is recorded on the accompanying statement of net position as a non-current asset.

T. Pensions/Other Postemployment Benefits (OPEB)

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

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

U. Fair Market Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For fiscal year 2018, the District has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", GASB Statement No. 81 "Irrevocable Split-Interest Agreements" GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 affected the District's postemployment benefit plan disclosures, as presented in Note 13 to the basic financial statements, and added required supplementary information.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the District.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the District.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the District.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

A net position restatement is required in order to implement GASB Statement No 75. The governmental activities at July 1, 2017 have been restated as follows:

	Governmental Activities
Net position as previously reported	\$ (20,658,677)
Deferred outflows - payments subsequent to measurement date	163,181
Net OPEB liability	(22,045,314)
 Restated net position at July 1, 2017	 \$ (42,540,810)

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available. The restatement had no effect on fund balances.

B. Deficit Fund Balances

Fund balances at June 30, 2018 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
IDEA Part-B grants	\$ 9,343
Vocational education	1,113
Title I - disadvantaged children	157,833
 <u>Internal service fund</u>	
Employee benefits self insurance	356,949

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances in the nonmajor governmental funds occurred in grant funds for which grant funding is provided on a reimbursement basis. The deficit fund balance in the internal service fund occurred due to claims and estimated claims payable exceeding operating revenues.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interim deposits must be evidenced by time certificates of deposit maturing not more than five years from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above 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 Treasury Asset Reserve of Ohio (STAR Ohio) investment pool;
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash on Hand

At fiscal year end, the District had \$1,427 in undeposited cash on hand which is included on the financial statements of the District as part of “equity in pooled cash and investments”.

B. Deposits with Financial Institutions

At June 30, 2018, the carrying amount of all District deposits was \$733,185 and the bank balance of all District deposits was \$1,183,431. Of the bank balance, \$1,135,666 was covered by the FDIC and \$47,765 was covered by the Ohio Pooled Collateral System.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District’s and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2018, the District’s financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

C. Investments

As of June 30, 2018, the District had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	More than 24 months
Fair Value:						
FNMA	\$ 2,061,177	\$ -	\$ -	\$ -	\$ -	\$ 2,061,177
FHLB	3,716,026	-	-	-	141,739	3,574,287
FFCB	5,557,209	-	-	-	-	5,557,209
FHLMC	1,881,875	-	-	-	-	1,881,875
U.S. Government money markets	166,285	166,285	-	-	-	-
U.S. treasury notes	944,252	-	-	-	-	944,252
Negotiable CD's	6,520,979	493,687	732,753	651,048	241,322	4,402,169
Amortized Cost:						
STAR Ohio	622,274	622,274	-	-	-	-
Total	\$ 21,470,077	\$ 1,282,246	\$ 732,753	\$ 651,048	\$ 383,061	\$ 18,420,969

The weighted average maturity of investments is 3.21 years.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FFCB, FHLB, FHLMC, FNMA), U.S. Treasury notes and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The District's investment policy addresses interest rate risk by requiring the consideration of cash flow requirements and market conditions in determining the term of an investment and limiting investment portfolio maturities to five years or less.

Credit Risk: The District's investments, except for STAR Ohio, were rated AA+ and AAA by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable CDs are fully covered by the FDIC. The District's investment policy does not specifically address credit risk beyond the adherence to Chapter 135 of the Ohio Revised Code, of which all relevant provisions are described previously in this note disclosure (Note 4).

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities and U.S. Treasury notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. State statute prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee. The District's investment policy does not specifically address custodial credit risk beyond the adherence to this requirement.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District's investment policy addresses concentration of credit risk by requiring investments to be diversified in order to reduce the risk of loss resulting from the over concentration of assets in a specific type of security, the erosion of market value, or by default. However, the District's investment policy does not place any limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2018:

<u>Measurement Investment type</u>	<u>Measurement Value</u>	<u>Percent of Total</u>
Fair Value:		
FNMA	\$ 2,061,177	9.60
FHLB	3,716,026	17.31
FFCB	5,557,209	25.88
FHLMC	1,881,875	8.77
U.S. Government money markets	166,285	0.77
U.S. Government treasury notes	944,252	4.40
Negotiable CD's	6,520,979	30.37
Amortized Cost:		
STAR Ohio	<u>622,274</u>	<u>2.90</u>
Total	<u>\$ 21,470,077</u>	<u>100.00</u>

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note disclosure above to cash and investments as reported on the statement of net position as of June 30, 2018:

<u>Cash and investments per note disclosure</u>	
Carrying amount of deposits	\$ 733,185
Investments	21,470,077
Cash on hand	<u>1,427</u>
Total	<u>\$ 22,204,689</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 22,027,444
Private-purpose trust funds	50,486
Agency funds	<u>126,759</u>
Total	<u>\$ 22,204,689</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the fiscal year ended June 30, 2018 consisted of the following transfers, as reported in the fund financial statements:

	<u>Amount</u>
<u>Transfers from nonmajor governmental fund to:</u>	
Nonmajor governmental fund	\$ 48,471
<u>Transfers from general fund to:</u>	
Internal service fund	<u>1,000,000</u>
	<u>1,048,471</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The \$48,471 transfer from the permanent improvement fund (a nonmajor governmental fund) to the classroom facilities maintenance fund (a nonmajor governmental fund) in accordance with the OFCC agreement requirement.

Transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16. Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed values as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 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 alternate payment dates to be established. Public utility property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Public utility real and personal property taxes received in calendar year 2018 became a lien on December 31, 2016, were levied after April 1, 2017, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 6 - PROPERTY TAXES - (Continued)

The District receives property taxes from Hancock County. 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, 2018, are available to finance fiscal year 2018 operations. The amount available as an advance at June 30, 2018 was \$2,008,616 in the general fund, \$244,544 in the bond retirement fund (a nonmajor governmental fund) and \$140,848 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2017 was \$4,070,688 in the general fund, \$503,850 in the bond retirement fund (a nonmajor governmental fund) and \$290,124 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2018 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

The assessed values upon which the fiscal year 2018 taxes were collected are:

	2017 Second Half Collections		2018 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 772,328,730	94.58	\$ 769,150,440	94.04
Public utility personal	<u>44,265,910</u>	<u>5.42</u>	<u>48,755,000</u>	<u>5.96</u>
Total	<u>\$ 816,594,640</u>	<u>100.00</u>	<u>\$ 817,905,440</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General operations	\$58.25		\$58.25	
Permanent improvements	2.50		2.50	
Bond retirement	4.20		4.20	

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 7 - PAYMENTS IN LIEU OF TAXES

According to State law, Hancock County has entered into agreements with property owners under which Hancock County has granted property tax abatements to those property owners and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to Hancock County to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been abated. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners. The District received \$364,507 in payments in lieu of taxes during fiscal year 2018, and a receivable of \$174,806 has been reported on the statement of net position.

NOTE 8 - RECEIVABLES

Receivables at June 30, 2018 consisted of property taxes, payments in lieu of taxes (PILOT), accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. 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. A summary of the receivables reported on the statement of net position follows:

Governmental activities:

Property taxes	\$ 31,938,056
PILOT	174,806
Accounts	298,994
Intergovernmental	86,198
Accrued interest	<u>106,688</u>
Total	<u>\$ 32,604,742</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected in the subsequent year.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018 was as follows.

<u>Governmental activities:</u>	Balance <u>06/30/17</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>06/30/18</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,722,570	\$ -	\$ -	\$ 1,722,570
Construction in progress	<u>2,163,908</u>	<u>437,649</u>	<u>(2,601,557)</u>	<u>-</u>
<i>Total capital assets, not being depreciated</i>	<u>3,886,478</u>	<u>437,649</u>	<u>(2,601,557)</u>	<u>1,722,570</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	4,639,890	-	-	4,639,890
Buildings and improvements	106,828,156	706,998	-	107,535,154
Equipment and furniture	12,952,524	844,694	-	13,797,218
Vehicles	4,045,599	-	-	4,045,599
Infrastructure	<u>-</u>	<u>1,406,047</u>	<u>-</u>	<u>1,406,047</u>
<i>Total capital assets, being depreciated</i>	<u>128,466,169</u>	<u>2,957,739</u>	<u>-</u>	<u>131,423,908</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(1,577,469)	(199,602)	-	(1,777,071)
Buildings and improvements	(24,579,923)	(1,996,239)	-	(26,576,162)
Equipment and furniture	(7,566,015)	(625,613)	-	(8,191,628)
Vehicles	(2,122,247)	(146,941)	-	(2,269,188)
Infrastructure	<u>-</u>	<u>(47,450)</u>	<u>-</u>	<u>(47,450)</u>
<i>Total accumulated depreciation</i>	<u>(35,845,654)</u>	<u>(3,015,845)</u>	<u>-</u>	<u>(38,861,499)</u>
Total capital assets, net	<u>\$ 96,506,993</u>	<u>\$ 379,543</u>	<u>\$ (2,601,557)</u>	<u>\$ 94,284,979</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 1,342,341
Special	292,006
Vocational	353,012

Support services:

Pupil	77,065
Instructional staff	96,501
Administration	147,041
Fiscal	66,095
Operations and maintenance	202,317
Pupil transportation	195,218
Other non-instructional services	148,115
Extracurricular activities	73,136
Food service operations	<u>22,998</u>
Total depreciation expense	<u>\$ 3,015,845</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - LONG-TERM OBLIGATIONS

- A. During fiscal year 2018, the following changes occurred in governmental activities long-term obligations. The long-term obligations at June 30, 2017 have been restated as described in Note 3.A.

<u>Governmental activities:</u>	<u>Restated Balance 06/30/17</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 06/30/18</u>	<u>Amount Due in One Year</u>
<u>General obligation bonds</u>					
G.O. current interest bonds payable - 2010	\$ 46,030,000	\$ -	\$ (470,000)	\$ 45,560,000	\$ 1,450,000
G.O. capital appreciation bonds payable	217,135	-	(217,135)	-	-
Capital appreciation bonds - accreted interest	<u>660,548</u>	<u>87,317</u>	<u>(747,865)</u>	<u>-</u>	<u>-</u>
Total general obligation bonds	<u>46,907,683</u>	<u>87,317</u>	<u>(1,435,000)</u>	<u>45,560,000</u>	<u>1,450,000</u>
<u>Other long-term obligations</u>					
Net pension liability	106,230,779	-	(27,741,522)	78,489,257	-
Net OPEB liability	22,045,314	-	(3,942,273)	18,103,041	-
Compensated absences	<u>4,044,371</u>	<u>1,178,529</u>	<u>(813,249)</u>	<u>4,409,651</u>	<u>944,815</u>
Total other long-term obligations	<u>132,320,464</u>	<u>1,178,529</u>	<u>(32,497,044)</u>	<u>101,001,949</u>	<u>944,815</u>
Total governmental activities	<u>\$ 179,228,147</u>	<u>\$ 1,265,846</u>	<u>\$ (33,932,044)</u>	<u>146,561,949</u>	<u>\$ 2,394,815</u>
			Unamortized premium on bonds	<u>355,377</u>	
			Total on statement of net position	<u>\$ 146,917,326</u>	

Net pension liabilities will be paid out of the fund from which the employee is paid, which is primarily the general fund for the District. See Note 12 for details of the Net Pension Liability.

Net OPEB liabilities will be paid out of the fund from which the employee is paid, which is primarily the general fund for the District. See Note 13 for details of the Net OPEB Liability.

Compensated absences will be paid out of the fund from which the employee is paid, which is primarily the general fund for the District.

B. General obligation bonds

On January 21, 2010, the District issued general obligation bonds (Series 2010, School Facilities Improvement Bonds) for construction and renovation of District buildings as part of the Ohio School Facilities Commission project. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds will be recorded as expenditures in the bond retirement fund (a nonmajor governmental fund). On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

This issue was comprised of current interest bonds, present value \$53,975,000, and capital appreciation bonds, par value \$217,135. The final capital appreciation bonds matured December 1, 2017 (stated interest 20%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated on this issue is December 1, 2037.

Principal and interest requirements to retire the long-term bonds are as follows:

Fiscal Year Ending June 30,	Current Interest Bonds		
	Principal	Interest	Total
2019	\$ 1,450,000	\$ 2,633,347	\$ 4,083,347
2020	1,555,000	2,563,818	4,118,818
2021	1,600,000	2,488,475	4,088,475
2022	1,650,000	2,408,425	4,058,425
2023	1,835,000	2,319,923	4,154,923
2024 - 2028	10,180,000	9,998,187	20,178,187
2029 - 2033	12,300,000	6,654,242	18,954,242
2034 - 2038	14,990,000	2,416,562	17,406,562
Total	<u>\$ 45,560,000</u>	<u>\$ 31,482,979</u>	<u>\$ 77,042,979</u>

C. Legal Debt Margins

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District.

The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

The effects of these debt limitations at June 30, 2018 are a voted debt margin of \$29,351,997 (including available funds of \$1,300,507), and an unvoted debt margin of \$817,905.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2018, the District contracted with the McGowan Governmental Underwriters for property and general liability insurance.

Professional liability is provided by the Argonaut Insurance Company with a \$7,000,000 annual aggregate (includes \$4,000,000 umbrella coverage) / \$1,000,000 single occurrence limit and a \$5,000 deductible. Vehicles are covered by the Argonaut Insurance Company and carry a \$1,000 deductible for comprehensive and a \$1,000 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in the amount of insurance coverage from last year.

B. Workers' Compensation

The District has participated in the Ohio Bureau of Workers' Compensation (Bureau) Retrospective Rating Plan since 2006. The alternative rating program requires the District to pay only administrative charges to the Bureau, and in turn the District assumes the responsibility of paying all claims incurred during the policy period for up to ten years. After the tenth year, the Bureau will assume any existing claim for its duration. The District's stop-loss coverage through the plan is limited to \$200,000 per claim stop-loss coverage with an annual aggregate.

The District's Workers' Compensation program is accounted for in the general fund which pays for all claims, claim reserves and administrative costs of the program. The general fund generates revenues by charging each fund a percentage rate determined by the Bureau for the payroll during the reporting period. The claims liability is recorded based on an actuarial determination of future claims. The claims liability is expected to be paid within one year. Changes in claims activity for current and prior fiscal year are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2018	\$ 20,470	\$ 990	\$ (21,460)	\$ -
2017	11,799	34,071	(25,400)	20,470

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - RISK MANAGEMENT - (Continued)

C. Employee Health Insurance

The District’s health insurance is funded through a self-insurance program. The District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The District offers three comprehensive medical/surgical plans: Original Plan, Option B Plan and Option C (HSA) Plan. Beginning January 1, 2019, the Original Plan will no longer be offered, and employees will need to select Option B or Option C. About half participate in the original plan while the other half participated in Option C and very few are on Option B. The Original Plan retains a deductible of \$200 for family coverage and \$100 for single coverage for all out of network providers. The District’s Original Plan is a preferred Provider Program through the Anthem network, which has co-pays ranging from \$20 to \$50. Maximum out-of-pocket expenses for employees are \$900 in addition to the deductibles. The District purchases stop-loss coverage of \$150,000 per employee. The District and employees pay into the self-insurance internal service fund. The District’s monthly portion of the original plan is \$1,587 for family coverage and \$658 for single coverage. The employee’s monthly portion of the majority employees is \$461 for family coverage and \$191 for single coverage. For Option C (HSA) the District’s monthly portion is \$1,331 for family coverage and \$552 for single coverage. However, employees are responsible for a \$2,000 per individual deductible with a \$4,000 per family out-of-pocket maximum. The premiums are paid by the fund that pays the salary for the employees and is based on historical cost information.

Dental and vision coverage is also provided on self-insured basis through Employee Benefit Consultants (EBC). Premiums for its coverage are \$104.26 monthly for family coverage and \$43.26 for single coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document.

The claims payable liability of \$2,169,082 reported in the Employee Benefits Self Insurance fund at June 30, 2017 is based on the requirements of GASB Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, and as amended by GASB Statement No. 30, “Risk Financing Omnibus”, which requires that a liability be reported for unpaid claims costs, including estimates of costs relating to incurred but not reported claims. The claims liability is based on an estimate supplied by the District’s third party administrator. Changes in the claims payable liability for the current and prior fiscal years are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2018	\$ 1,908,890	\$ 8,170,145	\$ (7,909,953)	\$ 2,169,082
2017	1,711,001	7,377,238	(7,179,349)	1,908,890

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent of the employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$1,398,614 for fiscal year 2018. Of this amount, \$227,036 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2018, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$4,225,893 for fiscal year 2018. Of this amount, \$729,260 is reported as pension and postemployment benefits payable.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Net Pension Liability

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.29663630%	0.25250113%	
Proportion of the net pension liability current measurement date	<u>0.29998470%</u>	<u>0.25495806%</u>	
Change in proportionate share	<u>0.00334840%</u>	<u>0.00245693%</u>	
Proportionate share of the net pension liability	\$ 17,923,423	\$ 60,565,834	\$ 78,489,257
Pension expense	\$ (402,230)	\$ (22,887,218)	\$ (23,289,448)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 771,364	\$ 2,338,770	\$ 3,110,134
Changes of assumptions	926,833	13,246,414	14,173,247
Difference between District contributions and proportionate share of contributions/ change in proportionate share	465,636	1,583,823	2,049,459
District contributions subsequent to the measurement date	<u>1,398,614</u>	<u>4,225,893</u>	<u>5,624,507</u>
Total deferred outflows of resources	<u>\$ 3,562,447</u>	<u>\$ 21,394,900</u>	<u>\$ 24,957,347</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 488,137	\$ 488,137
Net difference between projected and actual earnings on pension plan investments	<u>85,076</u>	<u>1,998,744</u>	<u>2,083,820</u>
Total deferred inflows of resources	<u>\$ 85,076</u>	<u>\$ 2,486,881</u>	<u>\$ 2,571,957</u>

\$5,624,507 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2019	\$ 961,731	\$ 3,224,320	\$ 4,186,051
2020	1,217,204	5,943,298	7,160,502
2021	317,652	4,316,222	4,633,874
2022	<u>(417,830)</u>	<u>1,198,286</u>	<u>780,456</u>
Total	<u>\$ 2,078,757</u>	<u>\$ 14,682,126</u>	<u>\$ 16,760,883</u>

Actuarial Assumptions - SERS

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

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

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

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
COLA or ad hoc COLA	2.50 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

Prior to 2017, an assumption of 3 percent was used for COLA or Ad Hoc COLA.

For 2017, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

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

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 24,873,053	\$ 17,923,423	\$ 12,101,690

Actuarial Assumptions - STRS Ohio

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented below:

	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment rate of return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll increases	3 percent	3.5 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For the July 1, 2016 actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the July 1 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

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

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

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$ 86,819,061	\$ 60,565,834	\$ 38,451,424

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the District's surcharge obligation was \$162,155.

**FINDLAY CITY SCHOOL DISTRICT
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FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$213,956 for fiscal year 2018. Of this amount, \$170,564 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability prior measurement date	0.29966242%	0.25250113%	
Proportion of the net OPEB liability current measurement date	<u>0.30388660%</u>	<u>0.25495806%</u>	
Change in proportionate share	<u>0.00422418%</u>	<u>0.00245693%</u>	
Proportionate share of the net OPEB liability	\$ 8,155,518	\$ 9,947,523	\$ 18,103,041
OPEB expense	\$ 509,524	\$ (3,016,676)	\$ (2,507,152)

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HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 574,233	\$ 574,233
Difference between District contributions and proportionate share of contributions/change in proportionate share	63,140	112,626	175,766
District contributions subsequent to the measurement date	<u>213,956</u>	<u>-</u>	<u>213,956</u>
Total deferred outflows of resources	<u>\$ 277,096</u>	<u>\$ 686,859</u>	<u>\$ 963,955</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	\$ 21,537	\$ 425,180	\$ 446,717
Changes of assumptions	<u>773,916</u>	<u>801,306</u>	<u>1,575,222</u>
Total deferred inflows of resources	<u>\$ 795,453</u>	<u>\$ 1,226,486</u>	<u>\$ 2,021,939</u>

\$213,956 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2019	\$ (262,912)	\$ (125,370)	\$ (388,282)
2020	(262,912)	(125,370)	(388,282)
2021	(201,104)	(125,370)	(326,474)
2022	(5,385)	(125,370)	(130,755)
2023	-	(19,075)	(19,075)
Thereafter	<u>-</u>	<u>(19,072)</u>	<u>(19,072)</u>
Total	<u>\$ (732,313)</u>	<u>\$ (539,627)</u>	<u>\$ (1,271,940)</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.56 percent
Prior measurement date	2.92 percent
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.63 percent
Prior measurement date	2.98 percent
Medical trend assumption:	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

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

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
District's proportionate share of the net OPEB liability	\$ 9,848,826	\$ 8,155,518	\$ 6,813,985

	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
District's proportionate share of the net OPEB liability	\$ 6,617,592	\$ 8,155,518	\$ 10,190,990

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Payroll increases	3 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended discount rate of return	4.13 percent
Health care cost trends	6 to 11 percent initial, 4.5 percent ultimate

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

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

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

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

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

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

**FINDLAY CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net OPEB liability	\$ 13,354,390	\$ 9,947,523	\$ 7,254,985
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 6,911,112	\$ 9,947,523	\$ 13,943,794

**FINDLAY CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ (2,186,396)
Net adjustment for revenue accruals	(1,926,245)
Net adjustment for expenditure accruals	(219,394)
Net adjustment for other sources/uses	(913,819)
Funds budgeted elsewhere*	(273,609)
Adjustment for encumbrances	<u>1,428,173</u>
GAAP basis	<u>\$ (4,091,290)</u>

*Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the special trust fund, the uniform school supplies fund, the special services rotary fund, the public school support fund, the special enterprises fund and the internal services rotary fund.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 15 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are 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 effect on the financial position of the District at June 30, 2018.

B. Litigation

The District is not involved in pending litigation that would have a material effect on the financial condition of the District.

C. Foundation Funding

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

NOTE 16 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2017	\$ -
Current year set-aside requirement	983,002
Current year qualifying expenditures	(705,505)
Current year offsets	<u>(2,027,385)</u>
Total	<u>\$ (1,749,888)</u>
Balance carried forward to fiscal year 2019	<u>\$ -</u>
Set-aside balance June 30, 2018	<u><u>\$ -</u></u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 17 - OTHER COMMITMENTS

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

<u>Fund Type</u>	<u>Year-End Encumbrances</u>
General fund	\$ 1,249,177
Nonmajor governmental funds	<u>953,628</u>
 Total	 <u>\$ 2,202,805</u>

NOTE 18 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Findlay entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) program with the taxing districts of the District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, the City of Findlay has entered into such agreements. Under these agreements, the District’s property taxes were reduced by \$692,927.

NOTE 19 - FINDLAY DIGITAL ACADEMY

Findlay Digital Academy (the “Academy”) is a Conversion Community School established pursuant to Ohio Revised Code Chapter 3314, and sponsored by the Findlay City Schools (FCS) to serve ninth through twelfth grade students living in the Findlay City School District. The Academy’s mission is to enhance and facilitate student learning by combining state-of-the-art digital curriculum with access to local school resources to complement that instruction and prepare students to become lifelong learners and productive citizens.

A. Description of the Digital Academy

The Academy is an innovative program operated as a cooperative effort between the Digital Academy Board of Directors and the Findlay City School District (“FCSD”). The Academy was approved for operation under a contract with the Findlay City School District (the “Sponsor”) commencing on April 1, 2004 and expiring on June 30, 2008. Three additional contracts have been signed. The most recent contract was signed in June 2018 and expires June 30, 2021. The Academy enrolled its first students in January 2005. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The Academy is governed by a seven-member Board of Directors. The majority of the Board is composed of public officials or public sector employees who have a professional interest in furthering the establishment of the Academy. The Board may also include one or more parents of enrolled students and community civic leaders. The FCSD Treasurer serves as a Sponsor Representative.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)

The Academy uses distance-learning technology to deliver instruction via computers to students, either in their homes or a group-learning environment such as a computer classroom at school. Although the Academy cannot exercise control over the home environments in which instruction will be received, it attempts to take reasonable steps to ensure compliance with health and safety standards deemed available to its students and within the Academy's control.

The Academy has entered into a purchased services agreement contract with the META Solutions for technology and services. See Note 19.I. for detail on the Academy's purchased services agreement contract with META Solutions.

B. Summary of Significant Accounting Policies

The financial statements of the Academy have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units and nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Academy's significant accounting policies are described below.

Basis of Presentation: The Academy's basic financial statements consist of a statement of net position; a statement of revenue, expenses, and changes in net position; and a statement of cash flows. Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows.

Measurement Focus: Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statement of net position. The statement of changes in net position presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position. The statement of cash flows provides information about how the Academy finances and meets the cash flow needs of its enterprise activities.

Basis of Accounting: Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Academy's financial statements are prepared using the accrual basis of accounting.

Non-exchange transactions, in which the Academy receives value without directly giving equal value in return, include grants, entitlements, and donations. 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 resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis.

Expenses are recognized at the time they are incurred.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)

Budgetary Process: Community schools are statutorily required to adopt a budget by Ohio Revised Code 3314.032(C). However, unlike traditional public schools located in the State of Ohio, community schools are not required to follow the specific budgetary process and limits set forth in the Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the Academy and its Sponsor. The contract between the Academy and its Sponsor does not require the Academy to follow the provisions Ohio Revised Code Chapter 5705; therefore, no budgetary information is presented in the basic financial statements.

Cash and Investments: To improve cash management, cash received by the Academy is pooled and reported as “cash and cash equivalents” or “investments”. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Academy’s records.

During fiscal year 2018, investments were limited to Federal Home Loan Mortgage Corporation (FHLMC) bonds, Federal National Mortgage Association (FNMA) notes, negotiable certificates of deposit (negotiable CD’s), and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value which is based on quoted market prices.

During fiscal year 2018, the Academy invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The Academy measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

For presentation on the financial statements, investments with original maturities of three months or less at the time they are purchased by the Academy are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments. Investments are further classified on the statement of net position as either current or non-current. Current investments have a maturity date in the subsequent fiscal year while non-current investments have a maturity date beyond the subsequent fiscal year.

At June 30, 2018, investments are reported at fair value. The fluctuation in the fair value of investments is reported as a component of interest revenue. From June 30, 2017 to June 30, 2018, the fair value of investments decreased \$7,435 and accrued interest receivable on investments increased \$122. Interest revenue reported on the statement of revenue, expenses and changes in net position was \$11,655 while interest receipts reported on the statements of cash flows was \$18,968. Although the fair value of investments can fluctuate, it’s the Academy’s policy to hold investments till maturity.

An analysis of the Academy’s deposits and investments at fiscal year-end is provided in Note 19.D.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)

Prepaid Items: Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

Capital Assets: Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value. The Academy maintains a capitalization threshold of five hundred dollars. The Academy does not possess any infrastructure. Depreciation of furniture and equipment is computed using the straight-line method over an estimated useful life of five years.

Net Position: Net position represents the difference between assets and liabilities. The net position component "investment in capital assets," consists of capital assets, net of accumulated depreciation. The Academy had no outstanding balances of borrowings used for the acquisition, construction or improvement of its capital assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Academy or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Academy applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Operating Revenues and Expenses: Operating revenues are those revenues that are generated directly from the primary activities. For the Academy, these revenues are primarily foundation payments from the State. Operating expenses are necessary costs which are incurred to provide the good or service that is the primary activity of the Academy. Revenues and expenses not meeting this definition are reported as non-operating.

Intergovernmental Revenues: The Academy currently participates in the State Foundation Program, the Ohio Public Connectivity grant, the IDEA Part B grant, the Title I-A Improving Basic Programs grant, Title II-A Supporting Effective Instruction grant and the Title IV-A Student Support and Academic Enrichment grant. Revenue from the State Foundation Program is recognized as operating revenue in the accounting period in which all eligibility requirements have been met. Amounts awarded under State Foundation Program for fiscal year 2018 school year, excluding all other State and Federal grants, totaled \$312,953.

Revenues received from the remaining programs are recognized as non-operating revenues in the accompanying financial statements. Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. State and Federal grants revenue for fiscal year 2018 was \$108,716.

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

Fair Market Value: The Academy categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)

C. Changes in Accounting Policies

For fiscal year 2018, the Academy has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", GASB Statement No. 81 "Irrevocable Split-Interest Agreements" GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 did not have an effect on the financial statements of the Academy.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the Academy.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the Academy.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the Academy.

D. Deposits and Investments

The Academy's investment policy allows the Treasurer to invest in instruments authorized by Ohio Revised Code Chapter 135. The Academy had the following deposits and investments at year-end:

Deposits: At June 30, 2018, the carrying amount of Academy deposits was \$19,438 and the bank balance of Academy deposits was \$152,811. The entire bank balance of \$152,811 was covered by the FDIC. There are no significant statutory restrictions regarding the deposit and investment of funds by the non-profit corporation.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)

Investments: At June 30, 2018, the Academy had the following investment and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair Value:						
Negotiable CD's	\$ 521,417	\$ 299,855	\$ -	\$ 124,164	\$ -	\$ 97,398
FHLMC Notes	99,523	-	-	-	-	99,523
FNMA Notes	313,761	-	-	-	170,955	142,806
Amortized Cost:						
STAR Ohio	372,083	372,083	-	-	-	-
Total	<u>\$ 1,306,784</u>	<u>\$ 671,938</u>	<u>\$ -</u>	<u>\$ 124,164</u>	<u>\$ 170,955</u>	<u>\$ 339,727</u>

The weighted average maturity of investments is 0.95 years. Investments in negotiable CD's and federal agency securities can be sold prior to maturity on the secondary market if immediate cash flow is needed.

The Academy's investments in federal agency securities (FHLMC Notes, FNMA Notes) and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the Academy manages its exposure to declines in fair value of an investment.

Credit Risk - The Academy's investments in federal agency securities were rated AA+ and Aaa by Standards & Poor's and Moody's Investor Services, respectively. The Academy's investment in STAR Ohio obtained an AAAM money market rating by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized rating agency. The negotiable certificates of deposit were fully covered by the FDIC. The Academy's investment policy does not specifically address credit risk beyond requiring the Academy to only invest in securities authorized by State statute.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Academy will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent. The Academy's investment policy does not specifically address custodial risk beyond the requirement in State statute.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Academy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Academy at June 30, 2018:

<u>Measurement/ Investment type</u>	<u>Measurement</u>	
	<u>Value</u>	<u>% to Total</u>
Fair Value:		
Negotiable CD's	\$ 521,417	39.90
FHLMC Notes	99,523	7.62
FNMA Notes	313,761	24.01
Amortized Cost:		
STAR Ohio	<u>372,083</u>	<u>28.47</u>
Total	<u>\$ 1,306,784</u>	<u>100.00</u>

Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2018:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 19,438
Investments	<u>1,306,784</u>
Total	<u>\$ 1,326,222</u>
<u>Cash and investments per statement of net position</u>	
Cash and cash equivalents	\$ 391,521
Investments - current	299,855
Investments - noncurrent	<u>634,846</u>
Total	<u>\$ 1,326,222</u>

E. Receivables

Receivables at June 30, 2018 consisted of accounts receivable in the amount of \$3,100, accrued interest in the amount of \$3,424 and an intergovernmental receivable in the amount of \$252. These receivables are expected to be collected in the subsequent year.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)

F. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018 follows:

	<u>Balance</u> <u>06/30/17</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/18</u>
<i>Capital assets, being depreciated:</i>				
Furniture and equipment	\$ 303,877	\$ 10,816	\$ -	\$ 314,693
Less: accumulated depreciation	<u>(163,391)</u>	<u>(56,655)</u>	<u>-</u>	<u>(220,046)</u>
Capital assets, net	<u>\$ 140,486</u>	<u>\$ (45,839)</u>	<u>\$ -</u>	<u>\$ 94,647</u>

G. Long-Term Obligations

Long-term obligations at June 30, 2018 consist of \$578,376 owed to the Ohio Department of Education as a result of the full-time equivalent (FTE) enrollment review for fiscal year 2016. This amount will be repaid over a five-year period by reducing the Academy's Foundation revenue by \$9,640 monthly. The reductions will begin with the July 1, 2019 foundation payment. See Note 19.K for more detail on the FTE review.

During fiscal year 2018, the Academy had the following activity in long-term obligations:

	<u>Balance</u> <u>06/30/2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>06/30/2018</u>	<u>Due in</u> <u>One Year</u>
Intergovernmental payable	<u>\$ -</u>	<u>\$ 578,376</u>	<u>\$ -</u>	<u>\$ 578,376</u>	<u>\$ -</u>

H. Risk Management

The Academy is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Academy is covered under the liability and property policies of the Findlay City School District.

Insurance coverage for the Academy follows:

Property:	\$ 204,448,316
General Liability:	
Per Occurrence	1,000,000
Aggregate	3,000,000
Educators Legal Liability	3,000,000

Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years and there has been no significant reduction in insurance coverage from the previous year.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)

I. Purchased Service Expenses

For fiscal year ended June 30, 2018, purchased services expenses were as follows:

Professional and technical services	\$ 1,007,864
Property services	58,029
Travel mileage/meeting expenses	8,814
Tuition and similar payments	<u>9,168</u>
Total	<u>\$ 1,083,875</u>

J. Payments to Sponsor / Related Party Transaction

The Academy has entered into a Sponsorship Contract with the FCSD, its Sponsor, as described in Note 19.A. The Sponsorship Contract states that the FCSD may direct its Treasurer to serve as the Academy's fiscal officer. However, for fiscal year 2018, the Academy contracted its Treasurer functions from the Hancock County Educational Service Center. The Treasurer of the Academy performs the following functions for the Academy:

- A. Assumes responsibility for receipt, safekeeping and disbursement of all Academy funds;
- B. Directs and manages all financial accounting programs and systems; and
- C. Completes and files all forms, reports, papers and other requirements as prescribed by the Auditor of State, Department of Education, or other state or local agencies.

In addition to the Treasurer, the Academy contracts through the Hancock County Educational Service Center the services of the Executive Director through July 31, 2018, Academy Coordinator, Administrative Assistant and the EMIS Coordinator. During fiscal year 2018 there was a transition of EMIS Coordinators and for a couple months the EMIS Coordinator was contracted with Warren County ESC to fill the gap.

The Sponsor contracts out all employees to the Academy, except as mentioned above, including the transition of the New Executive Director.

During the year ended June 30, 2018, the Academy incurred \$633,505 in expenses payable to its Sponsor, the FCSD, for:

Salaries and benefits	\$ 475,837
Other (computers/rent/supplies)	9,165
Millstream Career Center	125,099
Sponsor fees	<u>23,404</u>
Total	<u>\$ 633,505</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)

K. Contingencies

Grants: The Academy receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the Academy.

State Funding: Academy foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. However, there is an important nexus between attendance and enrollment for Foundation funding purposes. Community schools must provide documentation that clearly demonstrates students have participated in learning opportunities. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end.

Under Ohio Rev. Code Section 3314.08, ODE may also perform a FTE Review subsequent to the fiscal year end that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance. As of the date of this report, ODE has performed such a review on the Academy for fiscal year 2018.

As of the date of this report, additional ODE adjustments for fiscal year 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the Academy.

In addition, the Academy's contracts with their Sponsor require payment based on revenues received from the State. As discussed above, additional FTE adjustments for fiscal year 2018 are not finalized. Until such adjustments are finalized by ODE, the impact on the fiscal year 2018 financial statements, related to additional reconciliation necessary with these contracts, is not determinable. Management believes this may result in either an additional receivable to, or liability of, the Academy.

Litigation: The Academy is not a party to legal proceedings that, in the opinion of management, would have a material adverse effect on the financial statements.

L. Contract with META

The Academy entered into a contract on July 1, 2017, for fiscal year 2018, with META. Under the contract, the following terms were agreed upon:

- META shall provide, via online delivery, its standardized digital curriculum, as described at the website of the META Digital Academy.
- META shall cooperate with the Academy in conducting assessments and in developing a draft evaluation team report as part of any required initial evaluation of a Suspected Disabled Student or reevaluation of a Suspected Disabled Student.
- META shall provide for the participation of the teacher(s) of the Disabled Student, in person or by telephone, in IEP or related meetings.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)

- META shall communicate with the Academy regarding educational or related service that are mandated by a Disabled Student's IEP but which META has reasons to believe are not being provided.
- META shall provide such other services, including but not limited to the standard hardware and software package, and the standard technical and administrative services, as are provided generally by META to students.
- META shall promptly notify the Academy if, at any time, META has reason to believe it (or any contractor) is not fulfilling its obligations hereunder to Disabled or Suspected Disabled Students.
- All personnel providing services on behalf of MEA shall possess any certification, licensure training and experience that may be required by lay.

For fiscal year 2018, \$63,641 was paid to META. To obtain META's audited June 30, 2018 financial statements please contact Jessica Wake, Treasurer, at 100 Executive Drive, Marion, Ohio 43302.

M. Operating Lease

The Findlay Digital Academy entered into a lease agreement on July 7th, 2016 with TLB Corporate Center, LLC to lease office space located at the TLB Corporate Center at 1219 West Main Cross Street, Findlay, Ohio. The agreement is for three years, ending on September 30, 2019 and requiring a monthly lease payment of \$4,233. In accordance with the lease agreement, the Academy shall have use of leased space for office purposes only. The Academy makes payments related to the lease agreement directly to the TLB Corporate Center, LLC.

N. Subsequent Event

On July 1, 2018, Steve Earnest became the Treasurer of the Academy.

REQUIRED SUPPLEMENTARY INFORMATION

**FINDALY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.29998470%	0.29663630%	0.29175810%	0.28344800%	0.28344800%
District's proportionate share of the net pension liability	\$ 17,923,423	\$ 21,711,040	\$ 16,648,000	\$ 14,345,142	\$ 16,855,743
District's covered payroll	\$ 10,258,343	\$ 9,906,671	\$ 8,783,445	\$ 8,236,450	\$ 7,787,168
District's proportionate share of the net pension liability as a percentage of its covered payroll	174.72%	219.16%	189.54%	174.17%	216.46%
Plan fiduciary net position as a percentage of the total pension liability	69.50%	62.98%	69.16%	71.70%	65.52%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**FINDALY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.25495806%	0.25250113%	0.24742744%	0.24652338%	0.24652338%
District's proportionate share of the net pension liability	\$ 60,565,834	\$ 84,519,739	\$ 68,381,707	\$ 59,963,018	\$ 71,427,554
District's covered payroll	\$ 28,109,257	\$ 27,235,021	\$ 25,814,907	\$ 25,187,877	\$ 24,787,677
District's proportionate share of the net pension liability as a percentage of its covered payroll	215.47%	310.33%	264.89%	238.06%	288.16%
Plan fiduciary net position as a percentage of the total pension liability	75.30%	66.80%	72.10%	74.70%	69.30%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**FINDALY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,398,614	\$ 1,436,168	\$ 1,386,934	\$ 1,157,658
Contributions in relation to the contractually required contribution	<u>(1,398,614)</u>	<u>(1,436,168)</u>	<u>(1,386,934)</u>	<u>(1,157,658)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,360,104	\$ 10,258,343	\$ 9,906,671	\$ 8,783,445
Contributions as a percentage of covered payroll	13.50%	14.00%	14.00%	13.18%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 1,141,572	\$ 1,077,744	\$ 1,081,230	\$ 1,057,230	\$ 1,151,236	\$ 820,196
<u>(1,141,572)</u>	<u>(1,077,744)</u>	<u>(1,081,230)</u>	<u>(1,057,230)</u>	<u>(1,151,236)</u>	<u>(820,196)</u>
<u>\$ -</u>	<u>\$ -</u>				
\$ 8,236,450	\$ 7,787,168	\$ 8,038,885	\$ 8,410,740	\$ 8,502,482	\$ 8,335,325
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%

**FINDALY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 4,225,893	\$ 3,935,296	\$ 3,812,903	\$ 3,614,087
Contributions in relation to the contractually required contribution	<u>(4,225,893)</u>	<u>(3,935,296)</u>	<u>(3,812,903)</u>	<u>(3,614,087)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 30,184,950	\$ 28,109,257	\$ 27,235,021	\$ 25,814,907
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 3,274,424	\$ 3,222,398	\$ 3,335,090	\$ 3,524,123	\$ 3,535,033	\$ 3,481,650
<u>(3,274,424)</u>	<u>(3,222,398)</u>	<u>(3,335,090)</u>	<u>(3,524,123)</u>	<u>(3,535,033)</u>	<u>(3,481,650)</u>
<u>\$ -</u>					
\$ 25,187,877	\$ 24,787,677	\$ 25,654,538	\$ 27,108,638	\$ 27,192,562	\$ 26,781,923
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**FINDALY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TWO FISCAL YEARS

	2018	2017
District's proportion of the net OPEB liability	0.30388660%	0.29966242%
District's proportionate share of the net OPEB liability	\$ 8,155,518	\$ 8,541,488
District's covered payroll	\$ 10,258,343	\$ 9,906,671
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	79.50%	86.22%
Plan fiduciary net position as a percentage of the total OPEB liability	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**FINDALY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TWO FISCAL YEARS

	2018	2017
District's proportion of the net OPEB liability	0.25495806%	0.25250113%
District's proportionate share of the net OPEB liability	\$ 9,947,523	\$ 13,503,826
District's covered payroll	\$ 28,109,257	\$ 27,235,021
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	35.39%	49.58%
Plan fiduciary net position as a percentage of the total OPEB liability	47.10%	37.30%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**FINDALY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 213,956	\$ 163,181	\$ 147,572	\$ 211,212
Contributions in relation to the contractually required contribution	<u>(213,956)</u>	<u>(163,181)</u>	<u>(147,572)</u>	<u>(211,212)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,360,104	\$ 10,258,343	\$ 9,906,671	\$ 8,783,445
Contributions as a percentage of covered payroll	2.07%	1.59%	1.49%	2.40%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 143,976	\$ 145,191	\$ 171,068	\$ 248,163	\$ 161,169	\$ 465,648
<u>(143,976)</u>	<u>(145,191)</u>	<u>(171,068)</u>	<u>(248,163)</u>	<u>(161,169)</u>	<u>(465,648)</u>
<u>\$ -</u>					
\$ 8,236,450	\$ 7,787,168	\$ 8,038,885	\$ 8,410,740	\$ 8,502,482	\$ 8,335,325
1.75%	1.86%	2.13%	2.95%	1.90%	5.59%

**FINDALY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 30,184,950	\$ 28,109,257	\$ 27,235,021	\$ 25,814,907
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 251,879	\$ 247,877	\$ 256,545	\$ 271,086	\$ 271,926	\$ 267,819
<u>(251,879)</u>	<u>(247,877)</u>	<u>(256,545)</u>	<u>(271,086)</u>	<u>(271,926)</u>	<u>(267,819)</u>
<u>\$ -</u>					
\$ 25,187,877	\$ 24,787,677	\$ 25,654,538	\$ 27,108,638	\$ 27,192,562	\$ 26,781,923
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

**FINDALY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.

(Continued)

**FINDALY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2017-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

**FINDLAY CITY SCHOOL DISTRICT
COMBINING STATEMENTS - GOVERNMENTAL FUND DESCRIPTIONS**

MAJOR GOVERNMENTAL FUNDS

General Fund

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. These general fund's activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation and administration.

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. A description of the District's special revenue funds follows:

Food Service Fund

Section 3313.81, Revised Code

A fund used to account for financial transactions related to food service operations.

Special Trust Fund - Special Revenue

Section 5705.09, Revised Code

A fund used to account for assets held by a school system in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

Other Grants Fund

Sections 5705.09 and 5705.13, Revised Code

A fund used to account for the proceeds of specific revenue sources (except for state and federal grants) that are legally restricted to expenditures for specified purposes.

Classroom Facilities Maintenance Fund

Section 3318.06, Revised Code

A fund used to account for the proceeds of a levy for the maintenance of facilities.

District Managed Activity Fund

Section 3313.062, Revised Code

A fund used to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund usually includes athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services Fund

Current Budget Bill. appropriation line item 200-511

A fund used to account for receipts and expenditures incurred in providing services and materials to pupils attending non-public schools within the District.

Data Communication Fund

Section 5705.09, Revised Code

A fund used to account for monies appropriated for the costs incurred in connecting schools to the Ohio Educational Computer Network.

SchoolNet Professional Development Fund

State Line Item Appropriations 200-426

A fund used to account for a limited number of professional development subsidy grants.

**FINDLAY CITY SCHOOL DISTRICT
COMBINING STATEMENTS - GOVERNMENTAL FUND DESCRIPTIONS**

Nonmajor Special Revenue Funds - (Continued)

Miscellaneous State Grants Fund

Section 5705.12, Revised Code

A fund used to account for various monies received from State agencies not classified elsewhere.

IDEA Part B Grants Fund

Education of the Handicapped Act, PL 91-230
CFDA #84.027 & CFDA #84.391

A fund used to account for Federal monies which assist states in the identification of handicapped children, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Vocational Education Fund

Carl D. Perkins Vocational Education Act of 1984, PL 98-524
CFDA #84.048

A fund used to account for the provision of funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects, including sex equity grants. Funds are administered by the Ohio Department of Education, Division of Vocational and Career Education.

Stimulus Title II D Fund

American Recovery and Reinvestment Act
CFDA #84.318

Grant focus on Professional Development and Student Learning. Through sustained, collaborative, job-embedded professional development and the use of research-based methods, teachers will experience new models and strategies for teaching and learning.

Limited English Proficiency Fund

CFDA #84.365

A fund to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Title I Disadvantaged Children Fund

PL 97-35; Title I EESA 1965
CFDA #84.010 & CFDA #84.389

A fund used to provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children. Included are the Even Start and Comprehensive School Reform programs.

IDEA Preschool-Handicapped Fund

Education of the Handicapped Act Amendments,
PL 99-457. Catalog of Federal Domestic Assistance #84.173
& CFDA #84.392

A fund used to account for the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

**FINDLAY CITY SCHOOL DISTRICT
COMBINING STATEMENTS - GOVERNMENTAL FUND DESCRIPTIONS**

Nonmajor Special Revenue Funds - (Continued)

Improving Teacher Quality Fund

CFDA #84.340

A fund used to account for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund

Section 5705.12, Revised Code

A fund used to account for various monies received from the federal government directly or through state agencies which are not classified elsewhere.

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis). These funds are not included in the combining statements for the nonmajor special revenue funds since they are reported in the general fund (GAAP basis); however, the budgetary schedules for these funds are presented in this section.

Uniform School Supplies Fund

Section 3313.81, Revised Code

A fund used to account for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

Special Services Rotary Fund

Section 5705.12, Revised Code

A fund used to account for income and expenses made in connection with goods and services provided by the District. Activities using this fund tend to be curricular in nature.

Internal Services Rotary Fund

Section 5705.12, Revised Code

A fund provided to account for operations that provide goods or services to other governmental units on a cost-reimbursement basis. The use of the fund may be applied to situations where the district acts as fiscal agent for a multi-district program.

Public School Support Fund

Section 5705.12, Revised Code

A fund used to account for specific local revenue sources (i.e.: profits from vending machines, etc.), other than taxes or expendable trusts, that are restricted to expenditures for specified purposes approved by Board resolution. Such expenditures may include curricular and extra-curricular related purposes.

Special Enterprise Fund

Section 755.14, Revised Code

A fund used to account for the financial transactions related to before and after school childcare operations.

Special Trust Fund - General

Section 5705.09, Revised Code

A fund used to account for assets for specific local revenue sources that are used for expenditures for specified purposes assigned by the District treasurer.

**FINDLAY CITY SCHOOL DISTRICT
COMBINING STATEMENTS - GOVERNMENTAL FUND DESCRIPTIONS**

Nonmajor Debt Service Fund

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. A description of the District's nonmajor debt service fund follows:

Bond Retirement Fund

Section 5705.09, Revised Code

The bond retirement fund is used to account for the retirement of serial bonds and short term loans. All revenues derived from general or special levies, either within or exceeding the statutory unvoted ten-mill limitation, which is levied for debt service on bonds or loans paid into this fund. Since the District maintains only one debt service fund, no combining statements are presented.

Nonmajor Capital Projects Fund

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. A description of the District's nonmajor capital projects funds follows:

Permanent Improvement Fund

Section 5705.10, Revised Code

A fund used to account for all transactions related to the acquisition or construction of such permanent improvements as are authorized by Chapter 5705 of the Revised Code.

Building Fund

Section 5705.09, Revised Code

This building fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities or and other capital assets.

Nonmajor Permanent Fund

Permanent funds should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs - that is, for the benefit of the government or its citizenry. Permanent funds do not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments. A description of the District's nonmajor permanent fund follows:

Endowment Fund

Section 5705.09, Revised Code

The endowment fund is used to account for revenues which have been set aside as an investment for public school purposes. Interest revenue may be expended, but the principal must remain intact. The interest revenue is used to support scholarships. Since the District maintains only one permanent fund, no combining statements are presented.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 3,657,003	\$ 1,054,579	\$ 3,358,685	\$ 670,731	\$ 8,740,998
Receivables:					
Property taxes	-	3,131,268	1,808,071	-	4,939,339
Payment in lieu of taxes	-	13,869	8,172	-	22,041
Accounts	10,486	-	-	-	10,486
Accrued interest	-	-	458	-	458
Intergovernmental	62,307	-	-	-	62,307
Prepayments	1,686	-	-	-	1,686
Materials and supplies inventory	7,719	-	-	-	7,719
Inventory held for resale	14,522	-	-	-	14,522
Total assets	<u>\$ 3,753,723</u>	<u>\$ 4,199,716</u>	<u>\$ 5,175,386</u>	<u>\$ 670,731</u>	<u>\$ 13,799,556</u>
Liabilities:					
Accounts payable	\$ 40,210	\$ -	\$ 363,851	\$ -	\$ 404,061
Contracts payable	44,470	-	248,550	-	293,020
Accrued wages and benefits payable	218,758	-	-	-	218,758
Intergovernmental payable	2,215	-	-	-	2,215
Pension and postemployment benefits payable	75,324	-	-	-	75,324
Total liabilities	<u>380,977</u>	<u>-</u>	<u>612,401</u>	<u>-</u>	<u>993,378</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	-	2,796,644	1,615,265	-	4,411,909
Payment in lieu of taxes levied for the next fiscal year	-	12,485	7,356	-	19,841
Delinquent property tax revenue not available	-	90,080	51,958	-	142,038
Intergovernmental revenue not available	48,897	-	-	-	48,897
Total deferred inflows of resources	<u>48,897</u>	<u>2,899,209</u>	<u>1,674,579</u>	<u>-</u>	<u>4,622,685</u>
Fund balances:					
Nonspendable:					
Materials and supplies inventory	7,719	-	-	-	7,719
Prepays	1,686	-	-	-	1,686
Permanent fund	-	-	-	618,000	618,000
Restricted:					
Debt service	-	1,300,507	-	-	1,300,507
Capital improvements	-	-	2,663,406	-	2,663,406
Classroom facilities maintenance	1,829,931	-	-	-	1,829,931
Food service operations	376,043	-	-	-	376,043
Non-public schools	18,112	-	-	-	18,112
Other purposes	768,331	-	-	-	768,331
Extracurricular	490,316	-	-	-	490,316
Scholarships	-	-	-	52,731	52,731
Committed:					
Capital improvements	-	-	225,000	-	225,000
Unassigned (deficit)	(168,289)	-	-	-	(168,289)
Total fund balances	<u>3,323,849</u>	<u>1,300,507</u>	<u>2,888,406</u>	<u>670,731</u>	<u>8,183,493</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,753,723</u>	<u>\$ 4,199,716</u>	<u>\$ 5,175,386</u>	<u>\$ 670,731</u>	<u>\$ 13,799,556</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
From local sources:					
Property taxes	\$ -	\$ 2,859,167	\$ 1,652,782	\$ -	\$ 4,511,949
Payment in lieu of taxes	-	28,884	17,081	-	45,965
Earnings on investments	10,803	-	32,727	7,006	50,536
Charges for services	570,330	-	-	-	570,330
Extracurricular	659,643	-	-	-	659,643
Rental income	365,550	-	-	-	365,550
Contributions and donations	314,731	-	109,824	51,331	475,886
Other local revenues	488,217	-	-	-	488,217
Intergovernmental - state	437,031	394,015	225,327	-	1,056,373
Intergovernmental - federal	4,287,398	649,928	225,000	-	5,162,326
Change in fair value of investments	-	-	(5,651)	-	(5,651)
Total revenues	7,133,703	3,931,994	2,257,090	58,337	13,381,124
Expenditures:					
Current:					
Instruction:					
Regular	472,141	-	1,063,888	45,500	1,581,529
Special	2,508,391	-	-	-	2,508,391
Vocational	186,152	-	-	-	186,152
Other	27,133	-	-	-	27,133
Support services:					
Pupil	150,402	-	-	-	150,402
Instructional staff	123,564	-	-	-	123,564
Administration	10,577	-	-	-	10,577
Business	-	-	140,567	-	140,567
Operations and maintenance	577,109	-	179,949	-	757,058
Pupil transportation	43,683	-	-	-	43,683
Operation of non-instructional services:					
Other non-instructional services	410,091	-	-	-	410,091
Food service operations	1,598,158	-	-	-	1,598,158
Extracurricular activities	619,326	-	9,175	-	628,501
Facilities acquisition and construction	-	-	810,280	-	810,280
Debt service:					
Principal retirement	-	687,135	-	-	687,135
Interest and fiscal charges	-	2,676,440	-	-	2,676,440
Accretion on capital appreciation bonds	-	747,865	-	-	747,865
Total expenditures	6,726,727	4,111,440	2,203,859	45,500	13,087,526
Excess (deficiency) of revenues over (under) expenditures	406,976	(179,446)	53,231	12,837	293,598
Other financing sources (uses):					
Transfers in	48,471	-	-	-	48,471
Transfers (out)	-	-	(48,471)	-	(48,471)
Total other financing sources (uses)	48,471	-	(48,471)	-	-
Net change in fund balances	455,447	(179,446)	4,760	12,837	293,598
Fund balances at beginning of year	2,872,758	1,479,953	2,883,646	657,894	7,894,251
Decrease in reserve for inventory	(4,356)	-	-	-	(4,356)
Fund balances at end of year	\$ 3,323,849	\$ 1,300,507	\$ 2,888,406	\$ 670,731	\$ 8,183,493

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>Food Service</u>	<u>Special Trust</u>	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>
Assets:				
Equity in pooled cash and investments	\$ 393,011	\$ 439,370	\$ 317,302	\$ 1,888,817
Receivables:				
Accounts	-	-	10,486	-
Intergovernmental	-	-	-	-
Prepayments	1,398	83	-	-
Materials and supplies inventory	7,719	-	-	-
Inventory held for resale	14,522	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 416,650</u>	<u>\$ 439,453</u>	<u>\$ 327,788</u>	<u>\$ 1,888,817</u>
Liabilities:				
Accounts payable	\$ 419	\$ -	\$ 2,788	\$ 14,416
Contracts payable	-	-	-	44,470
Accrued wages and benefits payable	25,956	-	8,470	-
Intergovernmental payable	59	-	75	-
Pension and postemployment benefits payable	5,056	-	752	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>31,490</u>	<u>-</u>	<u>12,085</u>	<u>58,886</u>
Deferred inflows of resources:				
Intergovernmental revenue not available	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	7,719	-	-	-
Prepays	1,398	83	-	-
Restricted:				
Classroom facilities maintenance	-	-	-	1,829,931
Food service operations	376,043	-	-	-
Non-public schools	-	-	-	-
Other purposes	-	439,370	315,703	-
Extracurricular	-	-	-	-
Unassigned (deficit)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficit)	<u>385,160</u>	<u>439,453</u>	<u>315,703</u>	<u>1,829,931</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows and fund balances	<u>\$ 416,650</u>	<u>\$ 439,453</u>	<u>\$ 327,788</u>	<u>\$ 1,888,817</u>

District Managed Activity	Auxillary Services	Miscellaneous State Grants	IDEA Part B Grants	Vocational Education	Title I Disadvantaged Children
\$ 496,457	\$ 29,050	\$ 13,504	\$ 46,702	\$ 1	\$ 23,554
-	-	-	-	-	-
-	-	9,668	38,970	-	13,410
-	165	40	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 496,457</u>	<u>\$ 29,215</u>	<u>\$ 23,212</u>	<u>\$ 85,672</u>	<u>\$ 1</u>	<u>\$ 36,964</u>
\$ 1,445	\$ -	\$ 2,001	\$ 2,550	\$ -	\$ 14,766
-	-	-	-	-	-
-	9,438	3,921	18,674	-	152,299
-	137	57	-	-	1,887
4,696	1,363	1,677	34,821	1,114	25,845
<u>6,141</u>	<u>10,938</u>	<u>7,656</u>	<u>56,045</u>	<u>1,114</u>	<u>194,797</u>
-	-	9,668	38,970	-	-
-	-	-	-	-	-
-	165	40	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	18,112	-	-	-	-
-	-	5,848	-	-	-
490,316	-	-	-	-	-
-	-	-	(9,343)	(1,113)	(157,833)
<u>490,316</u>	<u>18,277</u>	<u>5,888</u>	<u>(9,343)</u>	<u>(1,113)</u>	<u>(157,833)</u>
<u>\$ 496,457</u>	<u>\$ 29,215</u>	<u>\$ 23,212</u>	<u>\$ 85,672</u>	<u>\$ 1</u>	<u>\$ 36,964</u>

(continued)

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Assets:		
Equity in pooled cash and investments	\$ 9,235	\$ 3,657,003
Receivables:		
Accounts	-	10,486
Intergovernmental	259	62,307
Prepayments	-	1,686
Materials and supplies inventory	-	7,719
Inventory held for resale	-	14,522
	<u>9,494</u>	<u>3,753,723</u>
Total assets	<u>\$ 9,494</u>	<u>\$ 3,753,723</u>
Liabilities:		
Accounts payable	\$ 1,825	\$ 40,210
Contracts payable	-	44,470
Accrued wages and benefits payable	-	218,758
Intergovernmental payable	-	2,215
Pension and postemployment benefits payable	-	75,324
	<u>1,825</u>	<u>380,977</u>
Total liabilities	<u>1,825</u>	<u>380,977</u>
Deferred inflows of resources:		
Intergovernmental revenue not available	259	48,897
	<u>259</u>	<u>48,897</u>
Fund balances:		
Nonspendable:		
Materials and supplies inventory	-	7,719
Prepays	-	1,686
Restricted:		
Classroom facilities maintenance	-	1,829,931
Food service operations	-	376,043
Non-public schools	-	18,112
Other purposes	7,410	768,331
Extracurricular	-	490,316
Unassigned (deficit)	-	(168,289)
	<u>7,410</u>	<u>3,323,849</u>
Total fund balances (deficit)	<u>7,410</u>	<u>3,323,849</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 9,494</u>	<u>\$ 3,753,723</u>

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**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Food Service</u>	<u>Special Trust</u>	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>
Revenues:				
From local sources:				
Earnings on investments	\$ 3,083	\$ 3,098	\$ -	\$ -
Charges for services	570,330	-	-	-
Extracurricular	-	-	-	-
Rental income	-	-	-	365,550
Contributions and donations	-	313,561	-	-
Other local revenues	500	2,123	393,643	-
Intergovernmental - state	4,275	-	-	-
Intergovernmental - federal	1,078,607	-	-	-
Total revenues	<u>1,656,795</u>	<u>318,782</u>	<u>393,643</u>	<u>365,550</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	1,003	184,552	-
Special	-	-	-	-
Vocational	-	816	-	-
Other	-	-	27,133	-
Support services:				
Pupil	-	-	2,740	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Operations and maintenance	-	126,379	-	447,283
Pupil transportation	-	-	36,991	-
Operation of non-instructional services:				
Other non-instructional services	-	-	9,151	-
Food service operations	1,598,158	-	-	-
Extracurricular activities	-	-	-	-
Total expenditures	<u>1,598,158</u>	<u>128,198</u>	<u>260,567</u>	<u>447,283</u>
Excess (deficiency) of revenues over (under) expenditures	<u>58,637</u>	<u>190,584</u>	<u>133,076</u>	<u>(81,733)</u>
Other financing sources:				
Transfers in	-	-	-	48,471
Net change in fund balances	58,637	190,584	133,076	(33,262)
Fund balances (deficit) at beginning of year	330,879	248,869	182,627	1,863,193
Decrease in reserve for inventory	(4,356)	-	-	-
Fund balances (deficit) at end of year	<u>\$ 385,160</u>	<u>\$ 439,453</u>	<u>\$ 315,703</u>	<u>\$ 1,829,931</u>

District Managed Activity	Auxiliary Services	Data Communication	Miscellaneous State Grants	IDEA Part B Grants
\$ 3,906	\$ 716	\$ -	\$ -	\$ -
-	-	-	-	-
659,643	-	-	-	-
-	-	-	-	-
1,170	-	-	-	-
91,951	-	-	-	-
-	360,482	23,400	48,874	-
-	-	-	-	1,140,105
<u>756,670</u>	<u>361,198</u>	<u>23,400</u>	<u>48,874</u>	<u>1,140,105</u>
-	-	23,400	-	1,356
-	-	-	-	950,211
-	-	-	-	-
-	-	-	-	-
-	-	-	29,502	115,508
-	-	-	23,930	47,242
-	-	-	-	-
3,447	-	-	-	-
6,692	-	-	-	-
-	368,564	-	-	-
-	-	-	-	-
619,326	-	-	-	-
<u>629,465</u>	<u>368,564</u>	<u>23,400</u>	<u>53,432</u>	<u>1,114,317</u>
<u>127,205</u>	<u>(7,366)</u>	<u>-</u>	<u>(4,558)</u>	<u>25,788</u>
-	-	-	-	-
127,205	(7,366)	-	(4,558)	25,788
363,111	25,643	-	10,446	(35,131)
-	-	-	-	-
<u>\$ 490,316</u>	<u>\$ 18,277</u>	<u>\$ -</u>	<u>\$ 5,888</u>	<u>\$ (9,343)</u>

(continued)

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Vocational Education</u>	<u>Limited English Proficiency</u>	<u>Title I Disadvantaged Children</u>	<u>IDEA Preschool- Handicapped</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Rental income	-	-	-	-
Contributions and donations	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	198,685	20,488	1,483,815	40,955
Total revenues	<u>198,685</u>	<u>20,488</u>	<u>1,483,815</u>	<u>40,955</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	20,188	12,719	-
Special	-	-	1,517,225	40,955
Vocational	185,336	-	-	-
Other	-	-	-	-
Support services:				
Pupil	2,652	-	-	-
Instructional staff	-	300	14,265	-
Administration	10,577	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	-	-	22,310	-
Food service operations	-	-	-	-
Extracurricular activities	-	-	-	-
Total expenditures	<u>198,565</u>	<u>20,488</u>	<u>1,566,519</u>	<u>40,955</u>
Excess (deficiency) of revenues over (under) expenditures	<u>120</u>	<u>-</u>	<u>(82,704)</u>	<u>-</u>
Other financing sources:				
Transfers in	-	-	-	-
Net change in fund balances	120	-	(82,704)	-
Fund balances (deficit) at beginning of year	(1,233)	-	(75,129)	-
Decrease in reserve for inventory	-	-	-	-
Fund balances (deficit) at end of year	<u>\$ (1,113)</u>	<u>\$ -</u>	<u>\$ (157,833)</u>	<u>\$ -</u>

Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 10,803
-	-	570,330
-	-	659,643
-	-	365,550
-	-	314,731
-	-	488,217
-	-	437,031
189,778	134,965	4,287,398
189,778	134,965	7,133,703
138,499	90,424	472,141
-	-	2,508,391
-	-	186,152
-	-	27,133
-	-	150,402
1,127	36,700	123,564
-	-	10,577
-	-	577,109
-	-	43,683
9,635	431	410,091
-	-	1,598,158
-	-	619,326
149,261	127,555	6,726,727
40,517	7,410	406,976
-	-	48,471
40,517	7,410	455,447
(40,517)	-	2,872,758
-	-	(4,356)
\$ -	\$ 7,410	\$ 3,323,849

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Food Service Fund</u>				
Total Revenues and Other Financing Sources	\$ 2,000,000	\$ 2,000,000	\$ 1,554,348	\$ (445,652)
Total Expenditures and Other Financing Uses	2,116,352	2,116,352	1,692,445	423,907
Net Change in Fund Balance	(116,352)	(116,352)	(138,097)	(21,745)
Fund Balance, July 1	246,196	246,196	246,196	-
Prior Year Encumbrances Appropriated	116,352	116,352	116,352	-
Fund Balance, June 30	<u>\$ 246,196</u>	<u>\$ 246,196</u>	<u>\$ 224,451</u>	<u>\$ (21,745)</u>
<u>Special Trust Fund - Special Revenue</u>				
Total Revenues and Other Financing Sources	\$ 338,812	\$ 338,812	\$ 318,824	\$ (19,988)
Total Expenditures and Other Financing Uses	484,517	484,517	188,281	296,236
Net Change in Fund Balance	(145,705)	(145,705)	130,543	276,248
Fund Balance, July 1	176,098	176,098	176,098	-
Prior Year Encumbrances Appropriated	80,289	80,289	80,289	-
Fund Balance, June 30	<u>\$ 110,682</u>	<u>\$ 110,682</u>	<u>\$ 386,930</u>	<u>\$ 276,248</u>
<u>Other Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 374,000	\$ 374,000	\$ 289,224	\$ (84,776)
Total Expenditures and Other Financing Uses	385,565	385,565	280,067	105,498
Net Change in Fund Balance	(11,565)	(11,565)	9,157	20,722
Fund Balance, July 1	297,485	297,485	297,485	-
Prior Year Encumbrances Appropriated	2,565	2,565	2,565	-
Fund Balance, June 30	<u>\$ 288,485</u>	<u>\$ 288,485</u>	<u>\$ 309,207</u>	<u>\$ 20,722</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Classroom Facilities Maintenance Fund</u>				
Total Revenues and Other Financing Sources	\$ 414,021	\$ 414,021	\$ 414,021	\$ -
Total Expenditures and Other Financing Uses	889,396	889,396	658,679	230,717
Net Change in Fund Balance	(475,375)	(475,375)	(244,658)	230,717
Fund Balance, July 1	1,597,571	1,597,571	1,597,571	-
Prior Year Encumbrances Appropriated	290,396	290,396	290,396	-
Fund Balance, June 30	<u>\$ 1,412,592</u>	<u>\$ 1,412,592</u>	<u>\$ 1,643,309</u>	<u>\$ 230,717</u>
<u>District Managed Activity Fund</u>				
Total Revenues and Other Financing Sources	\$ 500,000	\$ 500,000	\$ 756,670	\$ 256,670
Total Expenditures and Other Financing Uses	741,069	741,069	711,613	29,456
Net Change in Fund Balance	(241,069)	(241,069)	45,057	286,126
Fund Balance, July 1	337,411	337,411	337,411	-
Prior Year Encumbrances Appropriated	42,069	42,069	42,069	-
Fund Balance, June 30	<u>\$ 138,411</u>	<u>\$ 138,411</u>	<u>\$ 424,537</u>	<u>\$ 286,126</u>
<u>Auxiliary Services Fund</u>				
Total Revenues and Other Financing Sources	\$ 390,000	\$ 390,000	\$ 361,198	\$ (28,802)
Total Expenditures and Other Financing Uses	444,280	444,280	415,927	28,353
Net Change in Fund Balance	(54,280)	(54,280)	(54,729)	(449)
Fund Balance, July 1	11,261	11,261	11,261	-
Prior Year Encumbrances Appropriated	45,280	45,280	45,280	-
Fund Balance, June 30	<u>\$ 2,261</u>	<u>\$ 2,261</u>	<u>\$ 1,812</u>	<u>\$ (449)</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Data Communication Fund</u>				
Total Revenues and Other Financing Sources	\$ 30,000	\$ 30,000	\$ 23,400	\$ (6,600)
Total Expenditures and Other Financing Uses	<u>30,000</u>	<u>30,000</u>	<u>23,400</u>	<u>6,600</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>SchoolNet Professional Development Fund</u>				
Total Revenues and Other Sources	\$ 9,000	\$ 9,000	\$ -	\$ (9,000)
Total Expenditures and Other Uses	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net Change in Fund Balances	8,000	8,000	-	(8,000)
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ (8,000)</u>
<u>Miscellaneous State Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 90,000	\$ 90,000	\$ 55,117	\$ (34,883)
Total Expenditures and Other Financing Uses	<u>99,512</u>	<u>99,512</u>	<u>54,696</u>	<u>44,816</u>
Net Change in Fund Balance	(9,512)	(9,512)	421	9,933
Fund Balance, July 1	9,875	9,875	9,875	-
Prior Year Encumbrances Appropriated	<u>512</u>	<u>512</u>	<u>512</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 875</u>	<u>\$ 875</u>	<u>\$ 10,808</u>	<u>\$ 9,933</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>IDEA Part B Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 1,370,000	\$ 1,370,000	\$ 1,140,105	\$ (229,895)
Total Expenditures and Other Financing Uses	1,300,000	1,300,000	1,097,198	202,802
Net Change in Fund Balance	70,000	70,000	42,907	(27,093)
Fund Balance, July 1	1	1	1	-
Fund Balance, June 30	<u>\$ 70,001</u>	<u>\$ 70,001</u>	<u>\$ 42,908</u>	<u>\$ (27,093)</u>
<u>Vocational Education Fund</u>				
Total Revenues and Other Financing Sources	\$ 239,000	\$ 239,000	\$ 207,226	\$ (31,774)
Total Expenditures and Other Financing Uses	219,000	219,000	208,685	10,315
Net Change in Fund Balance	20,000	20,000	(1,459)	(21,459)
Fund Balance, July 1	1,460	1,460	1,460	-
Fund Balance, June 30	<u>\$ 21,460</u>	<u>\$ 21,460</u>	<u>\$ 1</u>	<u>\$ (21,459)</u>
<u>Stimulus Title II D Fund</u>				
Total Revenues and Other Financing Sources	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Total Expenditures and Other Financing Uses	1,000	1,000	-	1,000
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Limited English Proficiency Fund</u>				
Total Revenues and Other Financing Sources	\$ 25,000	\$ 25,000	\$ 20,488	\$ (4,512)
Total Expenditures and Other Financing Uses	<u>25,000</u>	<u>25,000</u>	<u>20,488</u>	<u>4,512</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Title I Disadvantaged Children Fund</u>				
Total Revenues and Other Financing Sources	\$ 1,560,000	\$ 1,686,000	\$ 1,671,365	\$ (14,635)
Total Expenditures and Other Financing Uses	<u>1,503,856</u>	<u>1,690,856</u>	<u>1,689,130</u>	<u>1,726</u>
Net Change in Fund Balance	56,144	(4,856)	(17,765)	(12,909)
Fund Balance, July 1	281	281	281	-
Prior Year Encumbrances Appropriated	<u>4,856</u>	<u>4,856</u>	<u>4,856</u>	<u>-</u>
Fund Balance (deficit), June 30	<u>\$ 61,281</u>	<u>\$ 281</u>	<u>\$ (12,628)</u>	<u>\$ (12,909)</u>
<u>IDEA Preschool-Handicapped Fund</u>				
Total Revenues and Other Financing Sources	\$ 21,000	\$ 41,000	\$ 40,955	\$ (45)
Total Expenditures and Other Financing Uses	<u>21,000</u>	<u>41,000</u>	<u>40,955</u>	<u>45</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Improving Teacher Quality Fund</u>				
Total Revenues and Other Financing Sources	\$ 230,000	\$ 230,000	\$ 189,778	\$ (40,222)
Total Expenditures and Other Financing Uses	<u>229,000</u>	<u>229,000</u>	<u>189,778</u>	<u>39,222</u>
Net Change in Fund Balance	1,000	1,000	-	(1,000)
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ (1,000)</u>
<u>Miscellaneous Federal Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 29,000	\$ 169,000	\$ 134,965	\$ (34,035)
Total Expenditures and Other Financing Uses	<u>29,000</u>	<u>169,000</u>	<u>134,964</u>	<u>34,036</u>
Net Change in Fund Balance	-	-	1	1
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Uniform School Supplies Fund</u>				
Total Revenues and Other Financing Sources	\$ 300,000	\$ 300,000	\$ 353,846	\$ 53,846
Total Expenditures and Other Financing Uses	404,589	404,589	395,038	9,551
Net Change in Fund Balance	(104,589)	(104,589)	(41,192)	63,397
Fund Balance, July 1	349,274	349,274	349,274	-
Prior Year Encumbrances Appropriated	54,589	54,589	54,589	-
Fund Balance, June 30	<u>\$ 299,274</u>	<u>\$ 299,274</u>	<u>\$ 362,671</u>	<u>\$ 63,397</u>
<u>Special Services Rotary Fund</u>				
Total Revenues and Other Financing Sources	\$ 125,000	\$ 125,000	\$ 110,814	\$ (14,186)
Total Expenditures and Other Financing Uses	180,138	180,138	142,453	37,685
Net Change in Fund Balance	(55,138)	(55,138)	(31,639)	23,499
Fund Balance, July 1	80,693	80,693	80,693	-
Prior Year Encumbrances Appropriated	5,138	5,138	5,138	-
Fund Balance, June 30	<u>\$ 30,693</u>	<u>\$ 30,693</u>	<u>\$ 54,192</u>	<u>\$ 23,499</u>
<u>Internal Services Rotary Fund</u>				
Total Revenues and Other Financing Sources	\$ 805,000	\$ 805,000	\$ 790,489	\$ (14,511)
Total Expenditures and Other Financing Uses	1,001,846	1,126,846	1,063,981	62,865
Net Change in Fund Balance	(196,846)	(321,846)	(273,492)	48,354
Fund Balance, July 1	425,722	425,722	425,722	-
Prior Year Encumbrances Appropriated	846	846	846	-
Fund Balance, June 30	<u>\$ 229,722</u>	<u>\$ 104,722</u>	<u>\$ 153,076</u>	<u>\$ 48,354</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Public School Support Fund</u>				
Total Revenues and Other Financing Sources	\$ 150,000	\$ 150,000	\$ 204,783	\$ 54,783
Total Expenditures and Other Financing Uses	187,173	217,173	213,428	3,745
Net Change in Fund Balance	(37,173)	(67,173)	(8,645)	58,528
Fund Balance, July 1	127,535	127,535	127,535	-
Prior Year Encumbrances Appropriated	7,173	7,173	7,173	-
Fund Balance, June 30	<u>\$ 97,535</u>	<u>\$ 67,535</u>	<u>\$ 126,063</u>	<u>\$ 58,528</u>
<u>Special Enterprise Fund</u>				
Total Revenues and Other Financing Sources	\$ 170,000	\$ 170,000	\$ 153,974	\$ (16,026)
Total Expenditures and Other Financing Uses	205,286	205,286	193,601	11,685
Net Change in Fund Balance	(35,286)	(35,286)	(39,627)	(4,341)
Fund Balance, July 1	150,704	150,704	150,704	-
Prior Year Encumbrances Appropriated	286	286	286	-
Fund Balance, June 30	<u>\$ 115,704</u>	<u>\$ 115,704</u>	<u>\$ 111,363</u>	<u>\$ (4,341)</u>
<u>Special Trust Fund - General</u>				
Total Revenues and Other Financing Sources	\$ 25,599	\$ 25,599	\$ 24,089	\$ (1,510)
Total Expenditures and Other Financing Uses	15,663	15,663	22,671	(7,008)
Net Change in Fund Balance	9,936	9,936	1,418	(8,518)
Fund Balance, July 1	59,276	59,276	59,276	-
Prior Year Encumbrances Appropriated	142	142	142	-
Fund Balance, June 30	<u>\$ 69,354</u>	<u>\$ 69,354</u>	<u>\$ 60,836</u>	<u>\$ (8,518)</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Bond Retirement Fund</u>				
Total Revenues and Other Financing Sources	\$ 4,120,608	\$ 4,123,443	\$ 4,189,916	\$ 66,473
Total Expenditures and Other Financing Uses	4,111,440	4,111,440	4,111,440	-
Net Change in Fund Balance	9,168	12,003	78,476	66,473
Fund Balance, July 1	976,103	976,103	976,103	-
Fund Balance, June 30	<u>\$ 985,271</u>	<u>\$ 988,106</u>	<u>\$ 1,054,579</u>	<u>\$ 66,473</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2018

	Permanent Improvement Fund	Building Fund	Total Nonmajor Capital Project Funds
Assets:			
Equity in pooled cash and investments	\$ 2,979,014	\$ 379,671	\$ 3,358,685
Receivables:			
Property taxes	1,808,071	-	1,808,071
Payment in lieu of taxes	8,172	-	8,172
Accrued interest	-	458	458
Total assets	<u>\$ 4,795,257</u>	<u>\$ 380,129</u>	<u>\$ 5,175,386</u>
Liabilities:			
Accounts payable	363,851	-	363,851
Contracts payable	<u>248,550</u>	<u>-</u>	<u>248,550</u>
Total liabilities	<u>612,401</u>	<u>-</u>	<u>612,401</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	1,615,265	-	1,615,265
Payment in lieu of taxes levied for the next fiscal year . . .	7,356	-	7,356
Delinquent property tax revenue not available	<u>51,958</u>	<u>-</u>	<u>51,958</u>
Total deferred inflows of resources	<u>1,674,579</u>	<u>-</u>	<u>1,674,579</u>
Fund balances:			
Restricted:			
Capital improvements	2,283,277	380,129	2,663,406
Committed:			
Capital improvements	<u>225,000</u>	<u>-</u>	<u>225,000</u>
Total fund balances	<u>2,508,277</u>	<u>380,129</u>	<u>2,888,406</u>
Total liabilities, deferred inflows and fund balances.	<u>\$ 4,795,257</u>	<u>\$ 380,129</u>	<u>\$ 5,175,386</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Permanent Improvement Fund	Building Fund	Total Nonmajor Capital Project Funds
Revenues:			
From local sources:			
Property taxes	\$ 1,652,782	\$ -	\$ 1,652,782
Payment in lieu of taxes	17,081	-	17,081
Earnings on investments	30,040	2,687	32,727
Contributions and donations	109,824	-	109,824
Intergovernmental - state	225,327	-	225,327
Intergovernmental - federal	225,000	-	225,000
Change in fair value of investments	-	(5,651)	(5,651)
	<u>2,260,054</u>	<u>(2,964)</u>	<u>2,257,090</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,063,888	-	1,063,888
Support services:			
Business	140,567	-	140,567
Operations and maintenance	179,829	120	179,949
Extracurricular activities	9,175	-	9,175
Facilities acquisition and construction	570,825	239,455	810,280
	<u>1,964,284</u>	<u>239,575</u>	<u>2,203,859</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures.	<u>295,770</u>	<u>(242,539)</u>	<u>53,231</u>
Other financing (uses):			
Transfer out.	(48,471)	-	(48,471)
Total other financing (uses).	<u>(48,471)</u>	<u>-</u>	<u>(48,471)</u>
Net change in fund balances.	247,299	(242,539)	4,760
Fund balances at beginning of year	<u>2,260,978</u>	<u>622,668</u>	<u>2,883,646</u>
Fund balances at end of year	<u>\$ 2,508,277</u>	<u>\$ 380,129</u>	<u>\$ 2,888,406</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Permanent Improvement Fund</u>				
Total Revenues and Other Financing Sources	\$ 2,276,486	\$ 2,276,205	\$ 2,408,514	\$ 132,309
Total Expenditures and Other Financing Uses	<u>3,258,923</u>	<u>3,258,923</u>	<u>3,000,106</u>	<u>258,817</u>
Net Change in Fund Balance	(982,437)	(982,718)	(591,592)	391,126
Fund Balance, July 1	1,544,291	1,544,291	1,544,291	-
Prior Year Encumbrances Appropriated	<u>1,007,402</u>	<u>1,007,402</u>	<u>1,007,402</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,569,256</u>	<u>\$ 1,568,975</u>	<u>\$ 1,960,101</u>	<u>\$ 391,126</u>
<u>Building Fund</u>				
Total Revenues and Other Financing Sources	\$ 10,000	\$ 10,000	\$ 2,317	\$ (7,683)
Total Expenditures and Other Financing Uses	<u>550,000</u>	<u>550,000</u>	<u>239,575</u>	<u>310,425</u>
Net Change in Fund Balance	(540,000)	(540,000)	(237,258)	302,742
Fund Balance, July 1	<u>624,649</u>	<u>624,649</u>	<u>624,649</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 84,649</u>	<u>\$ 84,649</u>	<u>\$ 387,391</u>	<u>\$ 302,742</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Endowment Fund</u>				
Total Revenues and Other Financing Sources	\$ 30,000	\$ 30,000	\$ 58,337	\$ 28,337
Total Expenditures and Other Financing Uses	61,500	61,500	49,000	12,500
Net Change in Fund Balance	(31,500)	(31,500)	9,337	40,837
Fund Balance, July 1	626,394	626,394	626,394	-
Prior Year Encumbrances Appropriated	31,500	31,500	31,500	-
Fund Balance, June 30	<u>\$ 626,394</u>	<u>\$ 626,394</u>	<u>\$ 667,231</u>	<u>\$ 40,837</u>

**FINDLAY CITY SCHOOL DISTRICT
PROPRIETARY FUND DESCRIPTION**

Nonmajor Internal Service Fund

Employee Benefits Self Insurance Fund

Section 5705.09, Revised Code

The employee benefits self insurance fund is used to account for monies received from other funds as payment for providing medical, hospitalization, life, dental, vision, and any other similar employee benefits. Since the District maintains only one internal service fund, no combining statements are presented.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Employee Benefits Self Insurance Fund</u>				
Total Revenues and Other Financing Sources	\$ 8,000,000	\$ 8,900,000	\$ 9,820,484	\$ 920,484
Total Expenses and Other Financing Uses	8,650,000	9,650,000	9,289,081	360,919
Net Change in Fund Balance	(650,000)	(750,000)	531,403	1,281,403
Fund Balance, July 1	1,280,730	1,280,730	1,280,730	-
Fund Balance, June 30	<u>\$ 630,730</u>	<u>\$ 530,730</u>	<u>\$ 1,812,133</u>	<u>\$ 1,281,403</u>

**FINDLAY CITY SCHOOL DISTRICT
FIDUCIARY FUND DESCRIPTIONS**

Private Purpose Trust Fund

Scholarship Fund

Section 5705.09, Revised Code

The scholarship fund is used to account for local revenues donated to support scholarships. Since the District maintains only one private purpose trust fund, no combining statements are presented.

Agency Fund

District Agency Fund

Section 3313.062, Revised Code

A fund used to account for assets held by the District as an agent for individuals, private organizations, and other governmental units.

Student Managed Activity Fund

Section 3313.062, Revised Code

A fund used to account for those student activity programs which have student participation in the activity and have student involvement in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Scholarship Fund</u>				
Total Revenues and Other Financing Sources	\$ 39,589	\$ 39,589	\$ 37,254	\$ (2,335)
Total Expenditures and Other Financing Uses	44,661	44,661	35,087	9,574
Net Change in Fund Balance	(5,072)	(5,072)	2,167	7,239
Fund Balance, July 1	16,695	16,695	16,695	-
Prior Year Encumbrances Appropriated	19,410	19,410	19,410	-
Fund Balance, June 30	<u>\$ 31,033</u>	<u>\$ 31,033</u>	<u>\$ 38,272</u>	<u>\$ 7,239</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Beginning Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance June 30, 2018</u>
<u>District Agency Fund</u>				
Assets:				
Equity in pooled cash and investments	\$ 1,036	\$ 89,561	\$ (90,597)	\$ -
Total assets	<u>\$ 1,036</u>	<u>\$ 89,561</u>	<u>\$ (90,597)</u>	<u>\$ -</u>
Liabilities:				
Due to students	1,036	89,561	(90,597)	-
Total liabilities	<u>\$ 1,036</u>	<u>\$ 89,561</u>	<u>\$ (90,597)</u>	<u>\$ -</u>
<u>Student Managed Activity Fund</u>				
Assets:				
Equity in pooled cash and investments	\$ 137,521	\$ 106,871	\$ (117,633)	\$ 126,759
Total assets	<u>\$ 137,521</u>	<u>\$ 106,871</u>	<u>\$ (117,633)</u>	<u>\$ 126,759</u>
Liabilities:				
Accounts payable	\$ -	\$ 2,209	\$ -	\$ 2,209
Due to students	137,521	104,662	(117,633)	124,550
Total liabilities	<u>\$ 137,521</u>	<u>\$ 106,871</u>	<u>\$ (117,633)</u>	<u>\$ 126,759</u>
<u>Total Agency Funds</u>				
Assets:				
Equity in pooled cash and investments	\$ 138,557	\$ 196,432	\$ (208,230)	\$ 126,759
Total assets	<u>\$ 138,557</u>	<u>\$ 196,432</u>	<u>\$ (208,230)</u>	<u>\$ 126,759</u>
Liabilities:				
Accounts payable	\$ -	\$ 2,209	\$ -	\$ 2,209
Due to students	138,557	194,223	(208,230)	124,550
Total liabilities	<u>\$ 138,557</u>	<u>\$ 196,432</u>	<u>\$ (208,230)</u>	<u>\$ 126,759</u>

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STATISTICAL SECTION

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**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

STATISTICAL SECTION

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial position.

<u>Contents</u>	<u>Page</u>
Financial Trends: These schedules present trend information to demonstrate how the District's financial position and financial performance have changed over time.	S2 - S13
Revenue Capacity: These schedules present information to identify the capacity of the District's most significant local revenue source, property taxes.	S14 - S21
Debt Capacity: These schedules present information to assess the capacity of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	S22 - S25
Demographic and Economic Information: These schedules present information to show demographic and economic indicators of the environment within which the District's financial operations occur.	S26 - S27
Operating Information: These schedules present information about how the District's basic financial statements relate to the programs and services the District provides and the activities it performs.	S28 - S36
Sources: Sources are noted on the individual schedules.	

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NET POSITION BY COMPONENT
ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

<u>Governmental Activities</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Net Position:</u>				
Net investment in capital assets	\$ 48,369,602	\$ 49,016,340	\$ 47,538,520	\$ 43,804,562
Restricted	7,967,684	7,138,085	6,411,757	9,259,238
Unrestricted (deficit)	<u>(72,095,398)</u>	<u>(98,695,235)</u>	<u>(71,189,360)</u>	<u>(70,709,656)</u>
Total governmental activities net position (deficit)	<u>\$ (15,758,112)</u>	<u>\$ (42,540,810)</u>	<u>\$ (17,239,083)</u>	<u>\$ (17,645,856)</u>

Source: Findlay CSD, Treasurer's Office.

Notes:

2012 amounts have been restated due to the implementation of GASB Statement No. 65.

2014 amounts have been restated due to implementation of GASB Statements No. 68 and No. 71.

2017 amounts have been restated due to implementation of GASB Statements No. 75.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 40,058,592	\$ 36,707,854	\$ 33,870,976	\$ 17,194,091	\$ 15,084,461	\$ 13,598,457
11,663,339	11,034,090	9,747,567	24,592,513	22,508,530	3,546,125
(72,178,719)	9,369,113	10,025,932	6,919,739	4,627,370	4,826,479
<u>\$ (20,456,788)</u>	<u>\$ 57,111,057</u>	<u>\$ 53,644,475</u>	<u>\$ 48,706,343</u>	<u>\$ 42,220,361</u>	<u>\$ 21,971,061</u>

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
 CHANGES IN NET POSITION
 ACCRUAL BASIS OF ACCOUNTING
 LAST TEN FISCAL YEARS

Governmental Activities	2018	2017	2016	2015
Expenses:				
Instruction:				
Regular	\$ 14,882,418	\$ 29,049,482	\$ 24,498,426	\$ 24,614,019
Special	5,184,025	11,027,071	8,993,961	8,667,445
Vocational	2,616,170	3,945,264	3,530,574	3,261,293
Adult/continuing	9,392	29,835	30,268	48,764
Other	5,949,491	6,477,905	6,028,071	5,868,375
Support services:				
Pupil	1,704,517	3,334,374	2,811,482	2,623,398
Instructional staff	1,563,946	3,307,013	2,767,588	2,689,001
Board of education	190,311	191,696	178,336	191,883
Administration	2,328,662	4,662,980	4,042,315	4,259,706
Fiscal	1,127,219	1,446,548	1,354,689	1,325,530
Business	140,567	-	32,028	251,543
Operations and maintenance	4,728,957	6,772,689	8,987,724	7,031,705
Pupil transportation	1,529,225	2,871,394	2,392,247	2,279,661
Central	95,211	172,565	138,237	160,818
Operation of non-instructional services:				
Other non-instructional services	577,932	852,959	718,193	651,026
Food service operations	1,222,446	1,906,801	1,709,784	1,802,043
Extracurricular activities	974,264	1,762,566	1,309,874	1,374,947
Interest and fiscal charges	2,743,854	2,843,954	2,869,740	2,889,685
Total governmental activities expenses	<u>\$ 47,568,607</u>	<u>\$ 80,655,096</u>	<u>\$ 72,393,537</u>	<u>\$ 69,990,842</u>

Note: 2012 amounts have been restated due to the implementation of GASB Statement No. 65.

	2014	2013	2012	2011	2010	2009
\$	24,083,569	\$ 22,985,792	\$ 23,783,570	\$ 24,035,747	\$ 24,815,455	\$ 25,159,062
	8,265,718	6,886,178	6,927,703	7,731,994	7,632,767	7,380,789
	3,200,325	2,849,763	2,671,736	2,847,494	2,980,116	3,589,139
	71,734	95,473	92,038	112,119	128,224	154,366
	6,202,914	5,561,892	5,027,978	4,233,845	3,399,411	2,753,803
	2,558,309	3,883,659	2,715,860	2,945,192	3,148,186	3,116,136
	2,441,485	4,451,017	4,571,308	4,829,089	4,926,352	4,482,244
	147,509	135,643	133,632	181,030	162,047	95,943
	3,746,934	3,730,286	3,818,259	4,209,417	4,105,906	4,152,921
	1,235,660	1,383,421	1,467,637	1,543,490	1,488,289	1,483,958
	338,924	-	-	-	-	44,109
	5,594,361	3,248,967	5,412,920	5,365,383	5,958,054	6,467,052
	2,271,051	2,185,744	2,131,581	2,113,301	2,126,078	2,165,597
	257,891	117,913	151,120	165,664	156,585	198,870
	602,798	649,898	577,016	596,615	659,606	715,273
	1,367,641	1,625,835	1,911,192	1,881,937	2,081,952	1,876,647
	1,656,885	1,267,489	1,154,589	1,421,284	1,360,886	1,404,405
	2,916,386	2,942,525	2,962,353	2,994,671	1,257,804	87,045
\$	<u>66,960,094</u>	<u>\$ 64,001,495</u>	<u>\$ 65,510,492</u>	<u>\$ 67,208,272</u>	<u>\$ 66,387,718</u>	<u>\$ 65,327,359</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

CHANGES IN NET POSITION - (Continued)
ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

<u>Governmental Activities</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Program Revenues:</u>				
Charges for services:				
Instruction:				
Regular	\$ 2,097,803	\$ 2,434,671	\$ 1,909,417	\$ 2,022,101
Special	640,415	950,681	368,081	76,735
Vocational	384,974	145,419	285,536	381,012
Adult/continuing	12,283	29,561	25,564	42,285
Other	-	15	-	-
Support services:				
Pupil	51,012	95,075	57,551	1,545
Instructional staff	361,671	539,949	458,285	426,753
Board of education	-	-	-	276
Administration	7,475	10,492	7,445	10,618
Fiscal	166	146	-	157
Business	-	-	4,204	-
Operations and maintenance	376,011	393,548	415,064	421,842
Pupil transportation	1,298	5,112	5,489	4,313
Central	5,690	5,507	5,602	3,653
Operation of non-instructional services:				
Other non-instructional services	152,608	217,058	206,365	195,906
Food service operations	570,330	557,316	574,497	608,977
Extracurricular activities	660,655	574,992	598,620	516,143
Operating grants and contributions:				
Instruction:				
Regular	668,245	547,126	445,267	567,485
Special	5,534,185	5,469,236	4,974,263	5,153,370
Vocational	643,497	683,699	563,460	450,782
Adult/continuing	-	-	-	-
Other	40,990	8,958	121,112	112,991
Support services:				
Pupil	160,566	182,352	197,766	229,965
Instructional staff	129,263	278,038	243,707	307,107
Administration	10,583	11,720	8,235	9,304
Fiscal	-	-	-	-
Operations and maintenance	314,259	320,119	325,578	308,462
Pupil transportation	185,427	160,367	158,838	117,438
Central	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	408,130	433,863	419,623	425,164
Food service operations	1,086,465	1,152,071	1,207,150	1,196,485
Extracurricular activities	97,027	102,053	58,168	61,318
Capital grants and contributions:				
Instruction:				
Regular	255,633	191,768	108,396	120,071
Support services:				
Pupil	-	-	-	-
Board of education	-	-	-	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Business	33,776	-	1,938	2,171
Operations and maintenance	43,210	3,843	14,344	3,453
Pupil transportation	-	-	-	-
Extracurricular activities	2,205	5,889	4,109	1,105
Total governmental activities program revenues	<u>\$ 14,935,852</u>	<u>\$ 15,510,644</u>	<u>\$ 13,773,674</u>	<u>\$ 13,778,987</u>
Net Revenue/(Expense)	<u>\$ (32,632,755)</u>	<u>\$ (65,144,452)</u>	<u>\$ (58,619,863)</u>	<u>\$ (56,211,855)</u>

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	1,847,438	\$ 1,580,078	\$ 1,781,710	\$ 1,988,965	\$ 1,986,350	\$ 2,497,334
	526,559	517,515	672,592	435,144	448,454	488,310
	785,502	743,312	716,532	929,015	1,058,036	304,113
	-	-	-	-	-	-
	-	-	290	-	-	-
	-	-	-	-	-	-
	-	-	-	-	2	-
	439	-	-	-	-	-
	12,099	-	-	-	1,748	5,854
	123	-	-	-	-	17
	-	-	-	-	-	-
	412,041	289,108	160,018	37,051	70,474	56,178
	20,487	7,170	-	-	459	2,365
	7,082	-	-	-	952	1,785
	181,632	159,904	-	-	157,449	163,838
	528,281	520,556	624,541	736,579	894,769	884,000
	688,814	467,293	554,939	520,371	479,054	512,494
	387,026	581,536	546,041	2,119,682	938,302	1,324,528
4,708,837	3,324,901	3,077,825	3,759,551	1,944,128	2,947,794	
392,353	393,492	411,411	303,867	381,644	403,721	
-	-	-	-	86,920	-	
184,879	16,800	42,058	242,953	-	845	
250,377	244,165	284,880	295,454	309,615	301,711	
290,662	1,019,780	1,008,606	1,254,666	1,072,593	1,010,815	
11,530	17,956	17,279	17,972	18,939	17,883	
-	-	-	-	-	327	
294,957	312,536	314,011	276,576	282,329	258,053	
111,015	100,728	93,044	173,935	73,492	89,528	
-	-	20,960	5,000	23,485	52,930	
439,458	480,775	429,531	409,875	475,578	499,572	
1,114,686	1,068,542	1,239,951	1,108,268	1,217,708	1,059,803	
52,304	112,994	54,889	706,197	580,973	18,098	
590,524	-	11,000	-	-	121,271	
-	-	-	-	-	8,004	
77,678	-	-	-	-	-	
140,845	-	-	-	-	-	
444,078	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	13,295	
-	-	-	-	-	158,378	
13,540	100,000	-	-	-	5,236	
<u>\$ 14,515,246</u>	<u>\$ 12,059,141</u>	<u>\$ 12,062,108</u>	<u>\$ 15,321,121</u>	<u>\$ 12,503,453</u>	<u>\$ 13,208,080</u>	
<u>\$ (52,444,848)</u>	<u>\$ (51,942,354)</u>	<u>\$ (53,448,384)</u>	<u>\$ (51,887,151)</u>	<u>\$ (53,884,265)</u>	<u>\$ (52,119,279)</u>	

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

CHANGES IN NET POSITION - (Continued)
ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

<u>Governmental Activities</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Revenues and				
<u>Other Changes in Net Position:</u>				
Property taxes levied for:				
General purposes	\$ 24,773,900	\$ 26,466,556	\$ 25,079,958	\$ 24,777,271
Debt service	2,857,665	3,041,848	2,861,429	2,835,907
Capital projects	1,651,816	1,770,793	1,701,291	1,684,842
Grants and entitlements				
not restricted to specific programs	28,904,401	29,344,856	28,752,689	28,843,874
Grants and entitlements restricted for				
Ohio School Facilities Commission	-	-	-	-
Investment earnings	289,133	241,396	269,681	272,024
Increase (decrease) in fair value of investments	(411,200)	47,786	154,578	31,773
Payments in-lieu of taxes	364,507	171,444	170,058	170,693
Gain on sale of assets	-	-	-	-
Miscellaneous	985,231	640,179	772,909	406,403
Total governmental activities general revenues	<u>\$ 59,415,453</u>	<u>\$ 61,724,858</u>	<u>\$ 59,762,593</u>	<u>\$ 59,022,787</u>
<u>Special Item:</u>				
Repayment of OFCC funding	\$ -	\$ -	\$ (735,957)	\$ -
Change in Net Position	<u>\$ 26,782,698</u>	<u>\$ (3,419,594)</u>	<u>\$ 406,773</u>	<u>\$ 2,810,932</u>

Source: Findlay CSD, Treasurer's Office.

Note: 2012 amounts have been restated due to the implementation of GASB Statement No. 65.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	25,863,927	\$ 24,466,445	\$ 26,068,254	\$ 25,022,687	\$ 22,896,396	\$ 25,284,305
	2,978,497	2,864,622	3,148,655	2,891,446	1,702,134	108,061
	1,770,634	1,687,333	1,825,682	1,743,558	1,622,185	1,793,374
	26,971,165	25,516,833	26,451,719	27,200,127	27,944,202	25,247,868
	-	-	-	-	18,410,485	-
	314,511	780,537	673,443	788,385	854,036	694,018
	165,012	(812,351)	-	-	-	-
	174,910	-	-	-	-	-
	-	-	-	-	144,042	-
	505,648	905,517	693,998	726,930	560,085	708,370
\$	<u>58,744,304</u>	<u>\$ 55,408,936</u>	<u>\$ 58,861,751</u>	<u>\$ 58,373,133</u>	<u>\$ 74,133,565</u>	<u>\$ 53,835,996</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	<u>6,299,456</u>	<u>\$ 3,466,582</u>	<u>\$ 5,413,367</u>	<u>\$ 6,485,982</u>	<u>\$ 20,249,300</u>	<u>\$ 1,716,717</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

FUND BALANCES - GOVERNMENTAL FUNDS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

Governmental Funds	2018	2017	2016	2015
<u>General Fund:</u>				
Fund Balance:				
Nonspendable	\$ 146,312	\$ 153,880	\$ 124,996	\$ 89,854
Committed	-	189,310	-	-
Assigned	3,743,852	6,559,230	4,803,067	3,820,944
Unassigned	2,810,253	3,972,968	7,840,529	8,909,353
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>\$ 6,700,417</u>	<u>\$ 10,875,388</u>	<u>\$ 12,768,592</u>	<u>\$ 12,820,151</u>
<u>Other Governmental Funds:</u>				
Fund Balance:				
Nonspendable	\$ 627,405	\$ 626,102	\$ 614,910	\$ 618,000
Restricted	7,499,377	7,332,159	6,508,323	9,212,582
Committed	225,000	88,000	168,000	180,000
Unassigned (deficit)	(168,289)	(152,010)	(255,949)	(124,702)
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Permanent fund	-	-	-	-
Total other governmental funds	<u>\$ 8,183,493</u>	<u>\$ 7,894,251</u>	<u>\$ 7,035,284</u>	<u>\$ 9,885,880</u>
Total governmental funds	<u>\$ 14,883,910</u>	<u>\$ 18,769,639</u>	<u>\$ 19,803,876</u>	<u>\$ 22,706,031</u>

Source: Findlay CSD, Treasurer's Office.

Note: The District implemented GASB Statement No. 54 in 2011, which changed the fund balance classifications.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 88,850	\$ 118,446	\$ 118,456	\$ 153,624	\$ -	\$ -
-	-	-	-	-	-
2,145,977	3,401,843	1,236,841	1,964,729	-	-
9,814,605	5,889,856	8,660,868	5,122,427	-	-
-	-	-	-	2,881,936	3,811,682
-	-	-	-	3,335,028	3,393,209
<u>\$ 12,049,432</u>	<u>\$ 9,410,145</u>	<u>\$ 10,016,165</u>	<u>\$ 7,240,780</u>	<u>\$ 6,216,964</u>	<u>\$ 7,204,891</u>
\$ 637,756	\$ 636,057	\$ 634,886	\$ 641,382	\$ -	\$ -
11,302,752	12,357,926	36,614,180	70,597,302	-	-
100,000	228,736	707,531	200,000	-	-
(601)	(83,806)	(64,758)	(61,130)	-	-
-	-	-	-	2,807,585	1,597,917
-	-	-	-	1,649,729	1,033,743
-	-	-	-	54,459,468	783,510
-	-	-	-	96,811	68,440
<u>\$ 12,039,907</u>	<u>\$ 13,138,913</u>	<u>\$ 37,891,839</u>	<u>\$ 71,377,554</u>	<u>\$ 59,013,593</u>	<u>\$ 3,483,610</u>
<u>\$ 24,089,339</u>	<u>\$ 22,549,058</u>	<u>\$ 47,908,004</u>	<u>\$ 78,618,334</u>	<u>\$ 65,230,557</u>	<u>\$ 10,688,501</u>

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

Governmental Funds	2018	2017	2016	2015
Revenues:				
From local sources:				
Taxes	\$ 29,299,531	\$ 31,234,489	\$ 29,984,910	\$ 29,366,155
Payment in lieu of taxes	364,507	171,444	170,058	170,693
Tuition	3,080,099	3,686,288	2,739,118	2,446,199
Earnings on investments	281,439	238,155	282,990	259,501
Charges for services	570,330	557,316	574,497	608,977
Extracurricular	670,176	586,282	608,638	526,340
Classroom materials and fees	381,179	383,768	366,140	374,768
Rental income	376,011	393,548	415,064	421,842
Contributions and donations	487,158	445,184	487,956	430,433
Contract services	110,054	165,205	106,306	105,689
Other local revenues	1,678,802	1,185,495	1,156,043	856,912
Intergovernmental - Intermediate	663,186	-	-	-
Intergovernmental - State	31,500,871	32,465,146	31,652,781	31,172,018
Intergovernmental - Federal	5,395,807	5,578,863	5,277,136	6,075,959
Change in fair value of investments	(411,200)	47,786	154,578	31,773
Total revenues	74,447,950	77,138,969	73,976,215	72,847,259
Expenditures:				
Current:				
Instruction:				
Regular	27,094,351	27,347,160	25,120,565	24,944,049
Special	10,695,096	9,963,828	8,741,792	8,533,770
Vocational	3,709,450	3,487,720	3,329,692	2,986,698
Adult/continuing	17,666	28,000	30,523	49,227
Other	6,058,427	6,463,638	5,997,447	5,911,925
Support services:				
Pupil	3,240,635	3,032,569	2,781,717	2,661,930
Instructional staff	2,668,938	3,009,427	2,716,480	2,571,724
Board of education	190,311	191,696	178,336	191,883
Administration	4,365,655	4,218,250	3,931,083	4,230,431
Fiscal	1,386,680	1,320,033	1,262,799	1,261,457
Business	140,567	253,487	32,028	251,543
Operations and maintenance	6,328,177	7,118,322	8,996,967	6,953,020
Pupil transportation	2,476,011	2,858,691	2,215,245	2,123,938
Central	170,717	160,510	135,994	126,967
Operation of non-instructional services:				
Other non-instructional services	600,086	690,361	589,586	589,435
Food service operations	1,598,158	1,756,110	1,747,512	1,738,087
Extracurricular activities	1,582,997	1,651,230	1,557,840	1,357,825
Facilities acquisition and construction	810,280	451,993	2,773,463	3,717,892
Debt service:				
Principal retirement	687,135	1,395,000	1,245,000	1,220,000
Interest and fiscal charges	2,676,440	2,715,143	2,766,150	2,807,165
Accretion on capital appreciation bonds	747,865	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	77,245,642	78,113,168	76,150,219	74,228,966
Excess (deficiency) of revenues over (under) expenditures	(2,797,692)	(974,199)	(2,174,004)	(1,381,707)
Other Financing Sources (Uses):				
Transfers in	48,471	40,288	2,256,437	27,167
Transfers (out)	(1,048,471)	(40,288)	(2,256,437)	(27,167)
Sale of capital assets	-	-	-	-
Sale of bonds	-	-	-	-
Premium on bonds	-	-	-	-
Total other financing sources (uses)	(1,000,000)	-	-	-
Special Item:				
Repayment of OFCC funding	-	-	(735,957)	-
Net change in fund balances	\$ (3,797,692)	\$ (974,199)	\$ (2,909,961)	\$ (1,381,707)
Debt service as a percentage of noncapital expenditures	5.38%	5.52%	5.69%	5.83%

Source: Findlay CSD, Treasurer's Office.

	2014	2013	2012	2011	2010	2009
\$	30,706,695	\$ 29,016,594	\$ 31,115,695	\$ 29,657,440	\$ 26,173,376	\$ 28,225,572
	174,910	202,827	164,014	160,004	-	-
	2,775,017	2,584,716	2,754,251	2,922,363	3,200,512	2,988,178
	282,481	797,745	895,844	692,126	692,725	829,673
	528,281	520,556	624,541	736,579	833,365	884,000
	720,617	484,423	565,694	533,387	493,079	532,585
	406,042	367,008	375,215	372,291	400,580	406,072
	412,041	270,014	160,018	165,277	48,655	42,764
	1,581,188	494,554	366,731	377,333	355,576	394,901
	60,069	58,219	30,903	45,454	60,152	-
	759,346	756,389	677,759	438,692	557,258	758,709
	-	-	-	-	-	-
	29,213,125	28,028,512	29,970,887	41,535,537	30,197,993	28,723,675
	5,801,140	5,649,228	6,410,389	7,994,456	6,884,097	4,486,472
	165,012	(812,351)	-	-	-	-
	<u>73,585,964</u>	<u>68,418,434</u>	<u>74,111,941</u>	<u>85,630,939</u>	<u>69,897,368</u>	<u>68,272,601</u>

	24,081,493	23,021,813	23,527,813	24,239,559	24,749,868	24,630,850
	8,068,212	6,773,630	6,842,708	7,860,250	7,685,426	7,207,072
	2,957,248	2,634,910	2,568,092	2,827,020	2,999,561	3,433,998
	71,287	96,140	92,651	112,271	128,340	155,179
	6,202,914	5,561,892	5,028,013	4,233,845	3,399,411	2,768,086
	2,524,652	5,090,474	4,218,995	2,949,238	3,239,492	3,057,755
	2,400,412	4,384,397	4,572,768	4,914,694	4,911,676	4,557,078
	147,509	135,643	133,632	181,030	162,047	96,451
	3,634,690	3,847,219	3,787,213	4,142,449	4,050,210	4,112,967
	1,200,695	1,406,882	1,457,419	1,528,310	1,472,052	1,450,467
	338,924	-	-	-	-	44,346
	5,913,734	5,631,954	5,645,094	5,664,620	5,936,118	6,420,137
	2,600,092	2,076,964	2,057,066	2,375,884	2,029,893	2,544,164
	173,464	121,610	161,638	183,106	158,250	191,755
	540,297	607,178	549,242	595,773	623,539	658,433
	1,638,844	1,625,328	1,879,055	1,839,679	2,089,882	1,893,068
	1,609,160	1,412,382	1,463,091	1,432,812	1,364,871	1,412,921
	3,489,851	25,055,954	36,606,836	2,949,104	3,286,354	1,202,504
	1,560,548	1,499,571	1,295,510	1,258,396	401,812	388,149
	2,852,534	2,892,806	2,923,859	2,948,324	1,014,501	88,219
	-	-	-	-	-	-
	-	-	-	-	500,721	-
	<u>72,006,560</u>	<u>93,876,747</u>	<u>104,810,695</u>	<u>72,236,364</u>	<u>70,204,024</u>	<u>66,313,599</u>

	<u>1,579,404</u>	<u>(25,458,313)</u>	<u>(30,698,754)</u>	<u>13,394,575</u>	<u>(306,656)</u>	<u>1,959,002</u>
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	22,574	150,624	271,394	348,273	39,591,629	75,000
	(22,574)	(150,624)	(271,394)	(348,273)	(39,591,629)	(75,000)
	-	92,972	-	20	152,500	-
	-	-	-	-	54,192,135	-
	-	-	-	-	509,424	-
	-	<u>92,972</u>	-	<u>20</u>	<u>54,854,059</u>	-

\$	<u>1,579,404</u>	<u>\$ (25,365,341)</u>	<u>\$ (30,698,754)</u>	<u>\$ 13,394,595</u>	<u>\$ 54,547,403</u>	<u>\$ 1,959,002</u>
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6.62%

6.80%

6.40%

6.14%

2.87%

0.75%

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUATION OF TAXABLE PROPERTY
LAST TEN CALENDAR YEARS

Calendar Year	Real Estate Property		General Tangible Personal Property		Public Utility Tangible Personal Property	
	Assessed Valuation	Estimated Actual Valuation (a)	Assessed Valuation	Estimated Actual Valuation (a)	Assessed Valuation	Estimated Actual Valuation (a)
2018	\$ 769,150,440	2,197,572,686	\$ -	\$ -	\$ 48,755,000	\$ 55,403,409
2017	772,328,730	2,206,653,514	-	-	44,265,910	50,302,170
2016	744,674,000	2,127,640,000	-	-	38,702,510	43,980,125
2015	739,502,700	2,112,864,857	-	-	33,679,160	38,271,773
2014	736,299,030	2,103,711,514	-	-	32,567,900	37,008,977
2013	745,725,300	2,130,643,714	-	-	24,973,460	28,378,932
2012	741,894,780	2,119,699,371	-	-	23,297,920	26,474,909
2011	745,637,250	2,130,392,143	-	-	22,501,820	25,570,250
2010	784,269,630	2,240,770,371	-	-	21,541,150	24,478,580
2009	780,240,270	2,229,257,914	1,358,660	5,434,640	20,228,090	22,986,466

Source: Hancock County Auditor.

(a) These amounts are calculated based on the following percentages:

Real estate property is assessed at 35 percent of estimated actual value for 2014.

Public utility tangible personal property is assessed at 88 percent of estimated actual value for 2014.

Total Property		Assessed Valuation as a Percent of Estimated Actual Valuation		Direct Property Tax Rate
Assessed Valuation	Estimated Actual Valuation			
\$ 817,905,440	\$ 2,252,976,095	36.30%	\$	64.95
816,594,640	2,256,955,685	36.18%		64.95
783,376,510	2,171,620,125	36.07%		64.94
773,181,860	2,151,136,630	35.94%		64.95
768,866,930	2,140,720,492	35.92%		64.95
770,698,760	2,159,022,646	35.70%		64.95
765,192,700	2,146,174,281	35.65%		64.95
768,139,070	2,155,962,393	35.63%		64.99
805,810,780	2,265,248,951	35.57%		64.18
801,827,020	2,257,679,020	35.52%		60.75

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**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)

LAST TEN CALENDAR YEARS

Calendar Year	Direct Rates					Overlapping Rates					Total
	Voted			Unvoted	Total Direct	City of Findlay	Hancock County	Hancock County Park District	Findlay Hancock Public Library		
	General	Bond	Permanent Improvement								
2018	\$ 52.95	\$ 4.20	\$ 2.50	\$ 5.30	\$ 64.95	\$ 3.20	\$ 8.40	\$ 0.80	\$ 0.50	77.85	
2017	52.95	4.20	2.50	5.30	64.95	3.20	7.80	0.80	0.50	77.25	
2016	52.95	4.19	2.50	5.30	64.94	3.20	7.80	0.80	0.50	77.24	
2015	52.95	4.20	2.50	5.30	64.95	3.20	7.80	0.80	0.50	77.25	
2014	52.95	4.20	2.50	5.30	64.95	3.20	7.80	0.80	0.50	77.25	
2013	52.95	4.20	2.50	5.30	64.95	3.20	7.80	0.80	0.50	77.25	
2012	52.95	4.20	2.50	5.30	64.95	3.20	7.80	0.80	0.50	77.25	
2011	52.95	4.24	2.50	5.30	64.99	3.20	7.80	0.80	0.50	77.29	
2010	52.95	3.43	2.50	5.30	64.18	3.20	7.80	0.80	-	75.98	
2009	52.95	-	2.50	5.30	60.75	3.20	7.80	0.80	-	72.55	

Source: Hancock County Auditor.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

PRINCIPAL TAXPAYERS
REAL ESTATE PROPERTY

DECEMBER 31, 2017 AND DECEMBER 31, 2008

December 31, 2017			
Taxpayer	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Vereit Findlay OH LLC	\$ 10,236,440	1	1.25%
Marathon Oil Co.	9,622,620	2	1.18%
Findlay Shopping Center, Inc.	4,722,360	3	0.58%
Nissin Brake	4,602,770	4	0.56%
Kohl's Department Stores, Inc.	4,447,270	5	0.54%
Flag City Station, LLC	3,648,980	6	0.45%
LP Investment Company	3,550,400	7	0.43%
Ohio Logistics II, LLC	2,612,820	8	0.32%
DDC Hotels, Inc.	2,294,980	9	0.28%
Lowe's Home Center, Inc.	2,113,850	10	0.26%
Total	\$ 47,852,490		\$ 816,594,640

December 31, 2008			
Taxpayer	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Marathon Oil Co.	\$ 10,646,930	1	1.29%
Cooper Tire & Rubber Co.	8,950,190	2	1.09%
Findlay Shopping Center, Inc.	6,460,380	3	0.78%
Kohl's Department Stores, Inc.	5,250,000	4	0.64%
Ohio Logistics II, LLC	3,844,010	5	0.47%
RG Findlay LTD	3,051,060	6	0.37%
BB Findlay Limited Partnership	2,969,670	7	0.36%
Meijer Stores	2,837,080	8	0.34%
Lowe's Home Center, Inc.	2,348,110	9	0.29%
LP Investment Company	2,285,420	10	0.28%
Total	\$ 48,642,850		\$ 823,046,370

Source: Hancock County Auditor.

Note: Tax information is available on a calendar year basis. Therefore, principal taxpayer information for real estate property taxes is presented for December 31, 2017 (the most recent information available) and December 31, 2008 (nine years prior, in accordance with GASB Statement No. 44).

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**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN CALENDAR YEARS

<u>Calendar Year</u>	<u>Current Taxes Levied</u>	<u>Delinquent Taxes Levied</u>	<u>Total Taxes Levied</u>	<u>Current Taxes Collected</u>	<u>Percent of Current Tax Levy Collected</u>
2017	\$ 31,320,194	\$ 1,221,822	\$ 32,542,016	\$ 30,290,535	96.71%
2016	31,124,453	1,151,676	32,276,129	29,466,542	94.67%
2015	30,197,809	1,210,915	31,408,724	28,806,150	95.39%
2014	29,646,307	1,619,180	31,265,486	28,666,392	96.69%
2013	29,426,706	1,928,138	31,354,844	28,088,483	95.45%
2012	29,184,426	1,687,688	30,872,114	28,026,040	96.03%
2011	28,946,533	1,629,467	30,576,000	28,039,998	96.87%
2010	28,973,886	1,787,797	30,761,683	27,474,394	94.82%
2009	25,476,595	1,581,190	27,057,785	24,393,739	95.75%
2008	25,255,090	1,439,707	26,694,797	25,050,955	99.19%

Source: Hancock County Auditor.

An adjustment was made to 2009 and 2010 total taxes collected due to an estimate made by the treasurer of amounts paid ahead, Board of Revision adjustments and penalty fees.

Delinquent Taxes Collected	Total Taxes Collected	Total Taxes Collected as a Percent of Total Tax Levy
\$ 795,855	\$ 31,086,390	95.53%
871,460	30,338,002	94.00%
929,475	29,735,625	94.67%
1,180,537	29,846,929	95.46%
880,527	28,969,010	92.39%
863,835	28,889,875	93.58%
926,797	28,966,795	94.74%
994,922	28,469,316	92.55%
789,927	25,183,666	93.07%
966,563	26,017,518	97.46%

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Long-Term Debt				Total Long-Term Debt	Total Long-Term Debt Per Student	Total Long-Term Debt Per Capita	Percentage of Total Long-Term Debt to Total Personal Income
	Asbestos Removal Loans	Capital Leases	General Obligation Bonds	Energy Conservation Loans				
2018	\$ -	\$ -	\$ 45,915,377	\$ -	\$ 45,915,377	\$ 8,104	\$ 1,102	3.02%
2017	-	-	47,281,362	-	47,281,362	8,299	1,141	4.68%
2016	-	-	48,543,019	-	48,543,019	8,316	1,178	4.83%
2015	-	-	49,680,878	-	49,680,878	8,485	1,209	4.88%
2014	-	-	50,815,409	-	50,815,409	8,718	1,167	4.70%
2013	-	355,548	51,952,871	-	52,308,419	9,086	1,260	4.81%
2012	30,700	694,419	53,030,165	-	53,755,284	9,268	1,305	5.31%
2011	103,101	1,017,528	53,889,727	-	55,010,356	9,642	1,335	5.43%
2010	203,415	1,325,610	54,709,439	-	56,238,464	9,610	1,443	5.94%
2009	311,476	1,619,361	-	-	1,930,837	324	50	0.20%

Source: Findlay CSD, Treasurer's Office.

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST NINE FISCAL YEARS

Fiscal Year	General Obligation Net Bonded Debt			Percentage of Actual Taxable Value of Property	Net Bonded Debt Per Capita
	General Obligation Bonds	Debt Service Available Balance (a)	Net Bonded Debt		
2018	\$ 45,915,377	\$ 1,300,507	\$ 44,614,870	1.98%	\$ 1,071
2017	47,281,362	1,479,953	45,801,409	2.03%	1,106
2016	48,543,019	1,355,578	47,187,441	2.17%	1,145
2015	49,680,878	1,341,762	48,339,116	2.25%	1,176
2014	50,815,409	1,394,652	49,420,757	2.31%	1,135
2013	51,952,871	1,225,964	50,726,907	2.35%	1,222
2012	53,030,165	1,252,581	51,777,584	2.41%	1,257
2011	53,889,727	1,246,050	52,643,677	2.44%	1,278
2010	54,709,439	1,023,729	53,685,710	2.37%	1,378

Source: Findlay CSD, Treasurer's Office.

(a) Modified accrual fund balance of the debt service fund.

The District did not have general obligation bonds outstanding prior to fiscal year 2010.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

DIRECT AND OVERLAPPING DEBT

JUNE 30, 2018

<u>Government Entity</u>	<u>Governmental Activities Outstanding Debt</u>	<u>Percentage Applicable to the District (a)</u>	<u>Amount Applicable to the District</u>
<u>Direct debt:</u>			
Findlay City School District	\$ 45,915,377	100.00%	\$ 45,915,377
Total direct debt	<u>45,915,377</u>		<u>45,915,377</u>
<u>Overlapping debt:</u>			
City of Findlay	5,785,000	86.35%	4,995,348
Hancock County	9,941,778	42.48%	4,223,267
Total overlapping debt	<u>15,726,778</u>		<u>9,218,615</u>
Total direct and overlapping debt	<u>\$ 61,642,155</u>		<u>\$ 55,133,992</u>

Sources: Findlay CSD, Treasurer's Office; City of Findlay; and Hancock County 2017 CAFRs.

(a) Percentages applicable to the District were determined by dividing the 2017 assessed valuation of the government entity located within the boundaries of the District by the 2017 assessed valuation of the government entity in total.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

LEGAL VOTED DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Legal Voted Debt Limitation (a)	Total Debt Applicable to Limitation	Debt Service Available Balance	Net Debt Applicable to Limitation	Legal Voted Debt Margin	Net Debt Applicable to Limitation as a Percent of Voted Debt Limitation
2018	\$ 73,611,490	\$ 45,560,000	\$ 1,300,507	\$ 44,259,493	\$ 29,351,997	60.13%
2017	73,493,518	46,247,135	1,479,953	44,767,182	28,726,336	60.91%
2016	70,503,886	47,642,135	1,355,578	46,286,557	24,217,329	65.65%
2015	69,586,367	48,887,135	1,341,762	47,545,373	22,040,994	68.33%
2014	69,198,024	50,107,135	1,394,652	48,712,483	20,485,541	70.40%
2013	69,362,888	51,312,135	1,225,964	50,086,171	19,276,717	72.21%
2012	68,867,343	52,442,135	1,252,581	51,189,554	17,677,789	74.33%
2011	69,132,516	53,342,135	1,246,050	52,096,085	17,036,431	75.36%
2010	72,517,597	54,192,135	1,023,729	53,168,406	19,349,191	73.32%
2009	70,221,624	-	-	-	70,221,624	0.00%

Source: Findlay CSD, Treasurer's Office.

(a) Ohio Revised Code states that the legal voted debt limitation is 9% of the total assessed valuation.

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Average Daily Membership	Population	Total Personal Income	Per Capita Personal Income	Median Age	Unemployment Rates		
						Hancock County	Ohio	United States
2018	5,666	41,652	\$ 1,522,172,340	\$ 36,545	36.7	3.6%	5.0%	4.4%
2017	5,697	41,422	1,010,406,846	24,393	36.6	4.4%	6.0%	4.8%
2016	5,837	41,200	1,004,991,600	24,393	34.9	4.4%	5.7%	5.1%
2015	5,855	41,098	1,018,531,734	24,783	34.7	4.6%	5.2%	5.5%
2014	5,829	43,537	1,081,676,765	24,845	35.9	4.0%	5.7%	5.9%
2013	5,757	41,526	1,086,693,894	26,169	35.9	5.6%	7.5%	7.3%
2012	5,800	41,202	1,012,291,938	24,569	36.0	8.4%	7.2%	8.2%
2011	5,705	41,202	1,012,291,938	24,569	35.9	8.9%	9.7%	9.7%
2010	5,852	38,967	946,742,232	24,296	34.8	9.5%	10.1%	9.6%
2009	5,956	38,375	974,456,375	25,393	35.0	9.1%	10.5%	10.2%

Sources: Findlay CSD, Treasurer's Office; City of Findlay; Hancock County; Ohio Department of Education; Ohio Department Of Development; and U.S. Census Bureau, ODJFS

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

PRINCIPAL EMPLOYERS

DECEMBER 31, 2017 AND DECEMBER 31, 2008

December 31, 2017			
Employer	Employees	Rank	Percentage of Total Employment
Whirlpool Corporation	2,376	1	19.49%
Cooper Tire & Rubber Company	2,212	2	18.15%
Marathon/Ashland Petroleum	2,200	3	18.05%
Blanchard Valley Regional Health Center	1,729	4	14.18%
Findlay City School District	847	5	6.95%
The University of Findlay	640	6	5.25%
Lowe's Distribution Center	600	7	4.92%
Nissin Brake	553	8	4.54%
Hancock County	524	9	4.30%
Kohl's Distributiion Center	508	10	4.17%
Total	12,189		100.00%

December 31, 2008			
Employer	Employees	Rank	Percentage of Total Employment
Blanchard Valley Regional Health Center	1,981	1	17.41%
Cooper Tire & Rubber Company	1,832	2	16.10%
Whirlpool Corporation	1,800	3	15.82%
Marathon Oil Company	1,565	4	13.76%
Findlay City School District	818	5	7.19%
Nissan Brake	792	6	6.96%
Lowe's Distribution Center	729	7	6.41%
The University of Findlay	668	8	5.87%
Hancock County	605	9	5.32%
Wal-Mart Stores	586	10	5.15%
Total	11,376		100.00%

Source: City of Findlay.

Note: Total employment was not available.

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

STAFFING STATISTICS
FULL TIME EQUIVALENTS BY TYPE AND FUNCTION
LAST TEN FISCAL YEARS

Staff Type	2018	2017	2016	2015	2014
Teaching Staff:					
Elementary School	177	180	175	155	152
Middle School	86	83	83	81	82
High School	107	111	111	118	106
Administration:					
District	43	43	46	49	49
Auxiliary Staff:					
Counselors	16	16	16	12	12
Librarians	1	1	1	1	1
Psychologists	6	6	6	4	4
Speech, Physical and Occupational Therapists	11	10	10	8	8
Nurses and Mental Health Specialists	10	9	7	1	1
Support Staff:					
Secretarial, Finance Clerks, EMIS	43	42	44	44	44
Aides	102	106	96	80	80
Program Directors (After / Before School & Alumni)	4	5	5	5	5
Food Services	27	32	33	32	30
Monitors and Security	27	29	31	33	33
Custodial	40	44	43	42	42
Maintenance	6	7	8	6	6
Bus Drivers	34	34	33	23	23
Mechanics	2	2	2	2	2
Extracurricular Coaches	43	47	52	101	99
Total	785	807	802	797	779

Staff Function	2018	2017	2016	2015	2014
Instruction:					
Regular	370	374	372	364	347
Other	143	150	142	110	115
Support Services:					
Pupil	28	26	24	28	28
Administration	86	85	89	83	83
Fiscal	6	6	6	6	6
Operations and maintenance	73	83	82	80	78
Pupil transportation	36	36	35	25	23
Extracurricular activities	43	47	52	101	99
Total	785	807	802	797	779

Source: Findlay CSD, Treasurer's Office.

2013	2012	2011	2010	2009
149	145	153	180	188
81	80	91	95	97
115	112	118	127	128
49	52	52	53	50
12	12	13	14	14
1	1	1	1	1
4	6	6	6	5
9	8	10	8	8
1	1	1	7	7
45	46	46	47	49
81	87	99	74	73
5	5	5	6	5
38	30	44	33	33
21	21	28	20	25
37	40	43	44	46
6	7	7	8	8
26	25	23	22	22
2	2	3	3	3
110	106	126	96	105
792	786	869	844	867

2013	2012	2011	2010	2009
322	315	386	380	389
122	127	87	125	128
31	32	34	38	38
84	83	91	80	78
6	7	7	7	7
83	83	107	89	91
32	31	29	29	29
112	108	128	96	107
792	786	869	844	867

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

CAPITAL ASSET STATISTICS

LAST TEN FISCAL YEARS

Governmental Activities	2018	2017	2016	2015
<u>Capital Assets:</u>				
Land	\$ 1,722,570	\$ 1,722,570	\$ 1,722,570	\$ 1,646,894
Land improvements	2,862,819	3,062,421	3,053,071	3,238,288
Buildings and improvements	80,958,992	82,248,233	82,313,846	82,557,868
Equipment and furniture	5,605,590	5,386,509	5,075,369	3,728,190
Vehicles	1,776,411	1,923,352	1,844,232	1,869,787
Infrastructure	1,358,597	-	-	-
Construction in progress	-	2,163,908	1,862,968	60,955
Total	\$ 94,284,979	\$ 96,506,993	\$ 95,872,056	\$ 93,101,982

Source: Findlay CSD, Treasurer's Office.

Note: Capital asset amounts reported above are presented net of accumulated depreciation.

2014	2013	2012	2011	2010	2009
\$ 903,313	\$ 903,313	\$ 903,313	\$ 903,313	\$ 903,313	\$ 416,459
3,352,387	3,468,709	1,337,825	1,114,696	1,173,880	775,784
81,068,090	10,487,397	10,837,623	11,050,215	10,707,832	10,811,313
2,974,232	2,237,965	1,933,872	1,782,181	1,793,395	1,887,798
1,893,753	1,534,134	1,635,930	1,747,985	1,549,718	1,637,940
-	-	-	-	-	-
402,539	68,304,656	42,097,591	4,392,858	2,010,671	-
<u>\$ 90,594,314</u>	<u>\$ 86,936,174</u>	<u>\$ 58,746,154</u>	<u>\$ 20,991,248</u>	<u>\$ 18,138,809</u>	<u>\$ 15,529,294</u>

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
 BUILDING INFORMATION
 LAST TEN FISCAL YEARS

Building	2018	2017	2016	2015	2014
<u>High School</u>					
Square footage	246,608	246,608	246,608	246,608	246,608
Student enrollment	1,465	1,617	1,617	1,887	1,895
<u>Central Middle School</u>					
Square footage	-	-	-	-	-
Student enrollment	-	-	-	-	-
<u>Donnell Middle School</u>					
Square footage	116,884	116,884	116,884	116,884	116,884
Student enrollment	560	587	587	608	576
<u>Glenwood Middle School</u>					
Square footage	112,545	112,545	112,545	112,545	112,545
Student enrollment	574	603	603	570	617
<u>Bigelow Hill Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	264	250	250	281	288
<u>Chamberlin Hill Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	319	275	275	228	248
<u>Jacobs Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	268	323	323	306	348
<u>Jefferson Elementary School</u>					
Square footage	25,509	25,509	25,509	25,509	25,509
Student enrollment	319	325	325	241	237
<u>Lincoln Elementary School</u>					
Square footage	57,892	57,892	57,892	57,892	57,892
Student enrollment	346	374	374	397	349
<u>Northview Elementary School</u>					
Square footage	36,246	36,246	36,246	36,246	36,246
Student enrollment	305	351	351	355	339
<u>Washington Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	240	203	203	148	110
<u>Whittier Elementary School</u>					
Square footage	31,930	31,930	31,930	31,930	31,930
Student enrollment	329	337	337	428	414
<u>Wilson Vance Elementary School</u>					
Square footage	38,193	38,193	38,193	38,193	38,193
Student enrollment	308	316	316	406	408
<u>Bus Garage</u>					
Square footage	8,580	3,000	3,000	3,000	3,000
<u>Maintenance Building</u>					
Square footage	5,000	5,000	5,000	5,000	5,000
<u>Millstream East</u>					
Square footage	-	-	-	-	-
<u>Millstream South</u>					
Square footage	-	-	-	-	-
<u>Millstream Career Center</u>					
Square footage	85,467	85,467	85,467	85,467	85,467

Source: Findlay CSD, Treasurer's Office.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
246,608	246,608	246,608	246,608	246,608
1,916	2,020	1,859	1,924	2,145
-	105,912	105,912	105,912	105,912
-	821	429	435	433
116,884	70,605	70,605	70,605	70,605
595	-	461	467	487
112,545	70,605	70,605	70,605	70,605
620	437	396	383	370
31,645	31,645	31,645	31,645	31,645
202	198	227	266	280
31,645	31,645	31,645	31,645	31,645
249	243	235	253	254
31,645	31,645	31,645	31,645	31,645
276	287	289	271	260
25,509	25,509	25,509	25,509	25,509
224	222	219	221	241
57,892	57,892	57,892	57,892	57,892
334	357	391	432	434
36,246	36,246	36,246	36,246	36,246
370	346	243	253	252
31,645	31,645	31,645	31,645	31,645
211	203	208	228	219
31,930	31,930	31,930	31,930	31,930
395	402	408	372	346
38,193	38,193	38,193	38,193	38,193
365	362	340	346	367
3,000	3,000	3,000	3,000	3,000
5,000	5,000	5,000	5,000	5,000
-	28,152	28,152	28,152	28,152
-	21,000	21,000	21,000	21,000
85,467	-	-	-	-

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Governmental Funds		Average Daily Membership	ADM Percent Change
	Expenses	Expense Per Pupil	Expenditures	Expenditure Per Pupil		
2018	47,568,607	\$ 8,395	\$ 77,245,642	13,633	5,666	-0.54%
2017	80,655,096	14,157	78,113,168	13,711	5,697	-2.40%
2016	72,393,537	12,403	76,150,219	13,046	5,837	-0.31%
2015	69,990,842	11,954	74,228,966	12,678	5,855	0.45%
2014	66,960,094	11,487	72,006,560	12,353	5,829	1.25%
2013	64,001,495	11,117	93,876,747	16,307	5,757	3.02%
2012	65,528,482	11,726	104,810,695	18,756	5,588	-2.05%
2011	67,208,272	11,781	72,236,364	12,662	5,705	-2.51%
2010	66,387,718	11,344	70,204,024	11,997	5,852	-1.75%
2009	65,327,359	10,968	66,313,599	11,134	5,956	-0.60%

Source: Findlay CSD, Treasurer's Office. Attendance is from ODE Report Card.

Student Attendance Percentage	Students on Free & Reduced Lunches	Percentage of Students on Free & Reduced Lunches	Teaching Staff	Student/Teacher Ratio
95.8%	2,170	38.3%	407	13.92
95.4%	2,180	38.3%	403	14.14
95.9%	2,378	40.7%	404	14.45
95.6%	2,544	43.5%	354	16.54
95.7%	2,390	41.0%	340	17.14
95.4%	2,280	39.6%	345	16.69
95.5%	2,488	44.5%	337	16.58
95.6%	2,269	39.8%	362	15.76
95.5%	1,855	31.7%	418	14.00
95.5%	2,330	39.1%	440	13.54

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
 CERTIFIED STAFF STATISTICS
 JUNE 30, 2018

<u>Education</u>	<u>Number of Certified Staff</u>	<u>Percentage of Certified Staff</u>	<u>Salary Range</u>	<u>Average Salary</u>
Bachelor's Degree	71	17.44%	\$35,597-\$59,764	\$ 42,638
Bachelor's Degree plus 15 hours	23	5.65%	\$36,462-\$61,885	48,877
Bachelor's Degree plus 30 hours	19	4.67%	\$37,323-\$66,104	55,370
Master's Degree	130	31.94%	\$39,053-\$70,315	57,100
Master's Degree plus 15 hours	57	14.00%	\$47,376-\$75,825	65,709
Master's Degree plus 30 hours	100	24.57%	\$44,891-\$80,303	71,838
Non-Degree	<u>7</u>	<u>1.72%</u>	\$37,793-\$57,575	49,708
Total	<u><u>407</u></u>	<u><u>100.00%</u></u>		

<u>Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Teachers</u>	<u>Salary Range</u>	<u>Average Salary</u>
0 - 5 years	81	19.90%	\$35,597-\$49,654	\$ 40,613
6 - 10 years	106	26.04%	\$27,412-\$63,939	52,147
11 - 20 years	139	34.15%	\$50,288-\$74,291	65,799
Over 20 years	<u>81</u>	<u>19.90%</u>	\$57,073-\$80,303	71,389
Total	<u><u>407</u></u>	<u><u>100.00%</u></u>		

Source: Findlay CSD, Treasurer's Office.

Note: Certified staff include teachers, librarians, speech therapists, psychologist and other auxillary positions

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

SUPPLEMENTAL REPORTS

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2018**

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**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

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**FINDLAY CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Child Nutrition Cluster:			
(D) School Breakfast Program	10.553	2018	\$ 156,681
(D) National School Lunch Program	10.555	2018	803,272
(C) National School Lunch Program - Food Donation	10.555	2018	102,447
Total National School Lunch Program			<u>905,719</u>
Total Child Nutrition Cluster			<u>1,062,400</u>
Total U.S. Department of Agriculture			<u>1,062,400</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Title I Grants to Local Educational Agencies	84.010	2017	198,783
Title I Grants to Local Educational Agencies	84.010	2018	1,394,165
Total Title I Grants to Local Educational Agencies			<u>1,592,948</u>
Special Education Cluster:			
Special Education_ Grants to States	84.027	2018	1,093,404
Special Education_Preschool Grants	84.173	2018	40,955
Total Special Education Cluster			<u>1,134,359</u>
Career and Technical Education Basic Grants to States	84.048	2018	198,685
English Language Acquisition Grants	84.365	2018	20,488
Supporting Effective Instruction State Grants	84.367	2018	189,778
Student Support and Academic Enrichment Program	84.424A	2018	24,879
Rural Education	84.358	2018	100,851
Total U.S. Department of Education			<u>3,261,988</u>
Total Federal Financial Assistance			<u>\$ 4,324,388</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

- (A) OAKS did not assign pass-through numbers for fiscal year 2018.
- (B) This schedule includes the federal award activity of the Findlay City School District under programs of the federal government for the fiscal year ended June 30, 2018 and is prepared in accordance with the cash basis of accounting. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Findlay City School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Findlay City School District.
- (C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.
- (D) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (E) CFR 200.414 allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. Findlay City School District has not elected to use the 10% de minimis indirect cost rate.

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**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Required by *Government Auditing Standards***

Findlay City School District
Hancock County
2019 Broad Avenue
Findlay, Ohio 45840

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the discretely presented component unit, its major fund, and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Findlay City School District's basic financial statements and have issued our report thereon dated December 27, 2018, wherein we noted as discussed in Note 3, the Findlay City School District adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Julian & Grube, Inc.
December 27, 2018



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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance and Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Findlay City School District
Hancock County
2019 Broad Avenue
Findlay, Ohio 45840

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Findlay City School District's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Findlay City School District's major federal program for the fiscal year ended June 30, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Findlay City School District's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the Findlay City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

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

We have also audited the financial statements of the governmental activities, the discretely presented component unit, its major fund and the aggregate remaining fund information of the Findlay City School District as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Findlay City School District's basic financial statements. We issued our unmodified report thereon dated December 27, 2018. Our opinion also explained that the Findlay City School District adopted *Governmental Accounting Standard No. 75* during the fiscal year. We conducted our audit to opine on the Findlay City School District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.
December 27, 2018

**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2018**

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

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OHIO AUDITOR OF STATE KEITH FABER



FINDLAY CITY SCHOOL DISTRICT

HANCOCK 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
FEBRUARY 26, 2019**