

***FINDLAY CITY SCHOOL DISTRICT***

***HANCOCK COUNTY***

**Audit Report**

**For the Year Ended June 30, 2011**

***CHARLES E. HARRIS & ASSOCIATES, INC.***  
Certified Public Accountants and Government Consultants





# Dave Yost • Auditor of State

Board of Education  
Findlay City School District  
1219 West Main Cross, Suite 101  
Findlay, Ohio 45840

We have reviewed the *Report of Independent Accountants* of the Findlay City School District, Hancock County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2010 through June 30, 2011. 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 "Dave Yost".

Dave Yost  
Auditor of State

March 21, 2012

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**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY  
AUDIT REPORT  
For the Year Ending June 30, 2011**

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**FINDLAY CITY SCHOOL DISTRICT**  
Schedule of Federal Awards Expenditures  
For the Year Ending June 30, 2011

Federal Grantor/Pass Through Grantor Number/Program Title	Pass Through Entity Number	CFDA Number	Federal Receipts	Federal Disbursements
<b><u>U.S. Department of Agriculture</u></b>				
Nutrition Cluster:				
Pass through Ohio Department of Education:				
National School Lunch Program	043984-LLP4-2011	10.555	\$730,847	\$730,847
Breakfast Program	043984-05PU-2011	10.553	126,586	126,586
Direct Program:				
Non-Cash Assistance:				
National School Lunch Program - Food Commodities - Note 2	N/A	10.555	129,091	129,091
<b>Total Nutrition Cluster</b>			<b>986,524</b>	<b>986,524</b>
Pass through Ohio Department of Education:				
Team Nutrition	N/A	10.574	2,300	0
<b>Total U.S. Department of Agriculture</b>			<b>988,824</b>	<b>986,524</b>
<b><u>U.S. Department of Education</u></b>				
Pass through Ohio Department of Education				
McKinney Homeless Grant				
ARRA McKinney Grant - FY10	N/A	84.387A	(284)	0
ARRA McKinney Grant - FY11	N/A	84.387A	2,075	1,616
<b>Total McKinney Grant</b>			<b>1,791</b>	<b>1,616</b>
Race to the Top				
	N/A	84.412	4,250	3,835
ESEA Title I, Part A, Title I Grants to Local Education Agencies				
Title I Subsidy	N/A	84.010	(5,146)	8,962
Title I School Improvement A - FY 11	N/A	84.010	5,146	5,146
Title I School Improvement G - FY 11	N/A	84.010	119,950	119,950
Title I FY 10	N/A	84.010	73,666	113,150
Title I FY 11	N/A	84.010	896,558	771,789
ARRA - Title I FY 10	N/A	84.389	23,708	7,730
ARRA - Title I FY 11	N/A	84.389	478,835	434,810
<b>Total Title I - Grants to Local Education Agencies</b>			<b>1,592,717</b>	<b>1,461,537</b>
Title VI - B, Special Education - Assistance to States for Education of Handicapped Children				
Title VI - B - FY 10	043984-6BSF-2010	84.027	8,464	88,218
Title VI - B - FY 11	043984-6BSF-2011	84.027	1,341,415	1,221,964
IDEA Early Childhood - FY 10	N/A	84.173	0	506
IDEA Early Childhood - FY 11	N/A	84.173	19,464	19,464
ARRA - IDEA Early Childhood - FY 10	N/A	84.392	0	1,052
ARRA - Title VI - B - 2010	N/A	84.391	52,628	79,688
ARRA - Title VI - B - 2011	N/A	84.391	735,277	784,727
<b>Total Title VI - B</b>			<b>2,157,248</b>	<b>2,195,619</b>
Drug - Free School Grant				
Drug - Free School Grant - FY10	043984-DRS1-2010	84.186	(231)	250
Drug - Free School Grant - FY11	043984-DRS1-2011	84.186	231	231
<b>Total Drug - Free School Grant</b>			<b>0</b>	<b>481</b>
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act - 2011				
	N/A	84.394	1,400,997	1,347,823
Title II-D Technology				
Title II-D Technology - FY 10	043984-TJS1-2010	84.318	(201)	567
Title II-D Technology - FY 11	043984-TJS1-2011	84.318	5,741	4,642
ARRA - Title II-D	N/A	84.386	225,504	223,782
<b>Total II-D Technology</b>			<b>231,044</b>	<b>228,991</b>
Title III LEP - FY 11				
	043984-T3S2-2011	84.365	22,609	22,609
Title II-A				
	N/A	84.367	274,860	267,503
Career and Technical Education -- Basic Grants to States				
Perkins Grant - FY10	N/A	84.048	0	13,313
Perkins Grant - FY11	N/A	84.048	208,172	191,262
<b>Total Career and Technical Education</b>			<b>208,172</b>	<b>204,575</b>
<b>Total U.S. Department of Education</b>			<b>5,893,688</b>	<b>5,734,589</b>
<b><u>U.S. Department of Health &amp; Human Services</u></b>				
Pass through Ohio Department of Administrative Services				
Medicaid Reimbursement	N/A	93.778	180,403	180,403
<b>Total U.S. Department of Health &amp; Human Services</b>			<b>180,403</b>	<b>180,403</b>
<b><u>U.S. Department of Homeland Security</u></b>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
	N/A	97.036	168,749	168,749
<b>Total U.S. Department of Homeland Security</b>			<b>168,749</b>	<b>168,749</b>
<b>Total Federal Awards</b>			<b>\$7,231,664</b>	<b>\$7,070,265</b>

See accompanying Notes to the Schedule of Federal Awards Expenditures

**FINDLAY CITY SCHOOL DISTRICT**  
**Hancock County, Ohio**  
**Notes to the Schedule of Federal Awards Expenditures**  
**For the Year Ended June 30, 2011**

**1. Significant Accounting Policies**

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred.

**2. Food Distribution**

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2011, the District had food commodities in inventory.

**3. N/A – Information not available.**

**4. Transfer of Funds**

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. These transfers resulted in the Schedule reporting negative receipts.

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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

Findlay City School District  
Hancock County  
1219 West Main Cross  
Suite 101  
Findlay, Ohio 45840

To the Board of Education:

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Findlay City School District, (District), Hancock County, Ohio, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 30, 2011, wherein we noted the District implemented Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." We did not audit the financial statements of the Findlay Digital Academy, Findlay City School District's only discretely presented component unit. Findlay Digital Academy's financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the included for the Findlay City School District is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Controls Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

*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 more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and timely corrected.

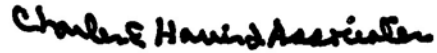
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.



**Compliance and Other Matters**

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

We intend this report solely for the information and use of management, the audit committee, the Board of Education, federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Charles E. Harris". The signature is written in a cursive, slightly slanted style.

***Charles E. Harris and Associates, Inc.***

December 30, 2011

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Findlay City School District  
Hancock County  
1219 West Main Cross  
Suite #101  
Findlay, OH 45840-3377

To the Board of Education:

**Compliance**

We have audited the Findlay City School District, Hancock County, Ohio's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

The Findlay City School District's basic financial statements include the operations of Findlay Digital Academy, which received \$122,281 and expended \$116,093 in federal awards which is not included in the Findlay City School District's schedule of receipts and expenditures of federal awards for the fiscal year ended June 30, 2011. Our audit of Federal awards, described below, did not include the operations of Findlay Digital Academy. This component unit expended less than \$500,000 for the fiscal year ended June 30, 2011 and thus was not required to have an audit of its federal awards in accordance with OMB Circular A-133.

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

In our opinion, the Findlay City School District, Hancock County, Ohio complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

### Internal Control Over Compliance

Management of the Findlay City School District, Hancock County Ohio, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### Schedule of Federal Awards Expenditures

We have also audited the financial statements of governmental activities, each major fund, and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio (the District) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 30, 2011. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying Schedule of Federal Awards Expenditures provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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 used to prepare the financial statements. This Schedule was subject 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.

However, we noted certain matters involving federal compliance not requiring inclusion in this report, that we have reported to management of the District in a separate letter dated December 30, 2011.

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



**CHARLES E. HARRIS & ASSOCIATES, INC.**  
December 30, 2011

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 SECTION .505**

**Findlay City School District  
Hancock County  
June 30, 2011**

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any significant deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any significant deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	Special Education - CFDA #84.027 ARRA - Special Education - CFDA #84.391 IDEA Early Childhood - CFDA #84.173 ARRA - IDEA Early Childhood - CFDA #84.392 Title I - CFDA #84.010 ARRA - Title I - CFDA #84.389 ARRA - State Fiscal Stabilization Fund CFDA #84.394
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

**SCHEDULE OF FINDINGS - (continued)**  
**OMB CIRCULAR A-133 SECTION .505**

**Findlay City School District**  
**Hancock County**  
**June 30, 2011**

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

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

**SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2011**

The prior audit report, for the year ending June 30, 2010, reported no material citations or recommendations.

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE**

Findlay City School District  
Hancock County  
1219 West Main Cross  
Suite #101  
Findlay, Ohio 45840

To the Board of Education:

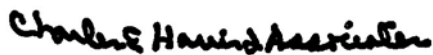
Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Findlay City School District has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We noted the Board of Education amended its anti-harassment policy at its meeting on April 12, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, the Board of Education and is not intended to be and should not be used by anyone other than these specified parties.



*Charles E. Harris & Associates, Inc.*  
December 30, 2011

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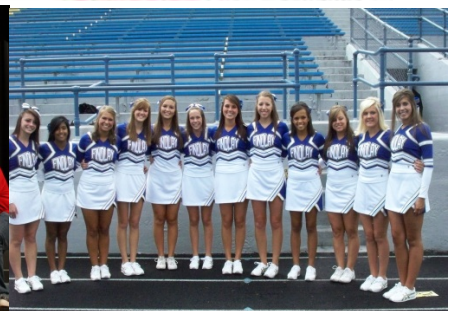
# Findlay City School District

Findlay, Ohio

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

For Fiscal Year Ended June 30, 2011





**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**OF THE**

**FINDLAY, OHIO**

**CITY SCHOOL DISTRICT**

**FOR THE**

**FISCAL YEAR ENDED JUNE 30, 2011**

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

**1219 WEST MAIN CROSS, SUITE 101  
FINDLAY, OHIO 45840**

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# INTRODUCTORY SECTION

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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# Findlay City Schools

December 30, 2011

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, 2011. 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 2010 CAFR and the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for the 2010 CAFR.
2. The Financial Section, which includes the Independent Accountants' Report, the Management's Discussion and Analysis, the Basic Financial Statements, the Notes to the Basic Financial Statements, 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 918 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 5,705 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". 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 \$768,139,070 and a tax rate of \$64.99 per \$1,000.00 of assessed valuation, the District has a sound financial base. A sexennial reappraisal of all real property was completed in 2010. This resulted in a valuation loss of approximately five percent. However, property tax revenue grew due to the recently passed 4.3 mill bond levy complemented by the State of Ohio's HB 920 effect where property taxes do not necessarily increase nor decrease to the same degree as valuation changes. 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. The District will need to pass a 4.9 mill, 5 year renewal levy in 2012.

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. To begin the 2011-2012 school year, the Governor and General Assembly passed a new biennium budget in mid-June which adopted a simplified temporary funding system that is merely based on the past year's funding levels and adjusts for enrollment changes. This transitional method is referred to as the "bridge" formula Evidence Based Model (EBM). The District continues to be proactive in cost containment and is not optimistic for any solutions from the State given the current stagnant national and local economies, as well as the history of school funding's susceptibility to political whims.

Total budgeted revenues for fiscal year 2012 are forecast to remain steady but fiscal year 2013 revenues are projected to drop by \$1.2 million, primarily due to anticipated reductions in state funding. Negotiated raises of zero percent (0.0%) and estimated health care increases of ten percent (10.0%) are projected to be completely offset by plan design changes as budgeted in fiscal year 2012. This will put the total expected expenditures for fiscal year 2012 at about \$400,000 less than the actual expenditures of fiscal year 2011. Fiscal year 2013 base salary will not increase, however step progression will proceed which amounts to \$400,000 in additional costs.

Ohio school districts cannot generate significant additional revenue from taxes except by the vote of the people. On May 8, 2007, the voters elected to replace an expiring 4.9 mill levy. Voters will need to renew or replace that levy before the end of calendar year 2012 when collections end. On November 4, 2008, the voters replaced a 5.9 mill levy for which collections will expire in December 2014. Resources of the general fund will be impacted in the future by the struggling economy and past Ohio tax reforms including the recent elimination of tangible personal property taxes, as well as increasing health care costs, although the District continually looks for ways to contain those increasing costs.

## **MAJOR INITIATIVES**

The District focuses on the four strategies approved by the Board of Education as part of its Strategic Plan, which was redeveloped in 2005 and reauthorized in 2010:

- Strategy 1: To continually align our curriculum with State standards and effectively utilize data and the best instructional practices to help every student achieve a proficient or higher rating on all State of Ohio assessments.
- Strategy 2: To develop and implement plans to ensure sufficient funding for current and future operations, programs, and facilities.
- Strategy 3: To nurture and foster trusting relationships among all members of the school and community partnership in order to improve the communication, understanding, and commitment necessary to achieve the mission and objectives.
- Strategy 4: To design a system to assist students in setting, achieving, and assessing personally challenging educational goals related to their unique talents, purpose, and dreams.

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 as well as the relocation of Washington intermediate school from a 1915 building to a 1969 building. 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 will pay the debt service on \$54,195,000 that is needed to cover the local share and locally funded initiatives to build two (2) middle schools and a career tech building. The District will consolidate the south, north, and east campuses of Millstream Career and Technology Center into one location. The District will also convert its three (3) small middle schools into two (2) larger, more efficient, newly constructed middle schools. Funding for these building consolidations has been pursued through the Ohio School Facilities Committee (OSFC) under their Exceptional Needs Program (ENP). The ENP helps school districts address specific facility needs within a district rather than the OSFC's usual practice of addressing all of the buildings within a district. Funding is provided for construction based on the OSFC's specifications where the school district must provide a local match based on the district's property values. In the case of Findlay City Schools, the local required match is sixty eight percent (68%) while OSFC will provide thirty-two percent (32%). The Millstream career tech building is expected to be complete for the start of the 2012-13 school year, while the new middle schools will accept students in January 2013.

The District now supports one high school, two middle schools, and nine elementary buildings along with three campuses for vocational education, which includes a former elementary building, space within the high school, and a rental location. The District also owns and operates a transportation facility. These district buildings range in age from 42 to 86 years old. The District's enrollment is on a steady decline that is projected to continue. This is allowing for building consolidation opportunities. A committee is now reviewing the potential for one less elementary building that will lead to lower operating costs.

## **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 an immediate target to maintain forty true days cash with the expectation for that figure to gradually grow. 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 function level of expenditures in the general fund and at the fund level of expenditures 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 2011 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 balance in net assets of \$1,448,936 at June 30, 2011, compared to a deficit of net assets of \$118,696 at June 30, 2010, reflecting an increase in net assets of \$1,567,632.

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 an agency fund. The private-purpose trust fund had net assets of \$32,568 at June 30, 2011, compared to net assets of \$31,793 at June 30, 2010.

## **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 maintain its excellent rating on the Ohio Report Card. Part of this effort is the adoption of a more rigorous high school program and the implementation of all day everyday kindergarten. However, due to anticipated future budget restraints, the District will not offer courses without sufficient demand and expects that class sizes will need to increase throughout the District.

Full implementation of the overall Strategic Plan will help 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 Aa3 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, 2010. 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 (20) 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, 2010. 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 (20) 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.

The District continues to receive the Ohio Auditor of State Award with Distinction (formerly known as Making Your Tax Dollars Count Award) from the Auditor of State of Ohio's office. Fewer than five percent of all Ohio government agencies are eligible for the award. The District received it for its 2010 CAFR and its clean audit report. We believe that our current report continues to conform to the Auditor of State Award with Distinction, and expect to receive it again for our 2011 CAFR.

## **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.

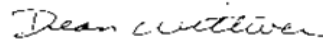
Special appreciation is expressed to Mr. Randy Tucker, of Julian & Grube, Inc., who compiled this report in compliance with GAO guidance, and to the auditors of Charles E. Harris & Associates, Inc., who audited this report.

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



Dean A. Wittwer  
Superintendent

**FINDLAY CITY SCHOOL DISTRICT**

**LIST OF PRINCIPAL OFFICIALS**

**JUNE 30, 2011**

**BOARD OF EDUCATION**

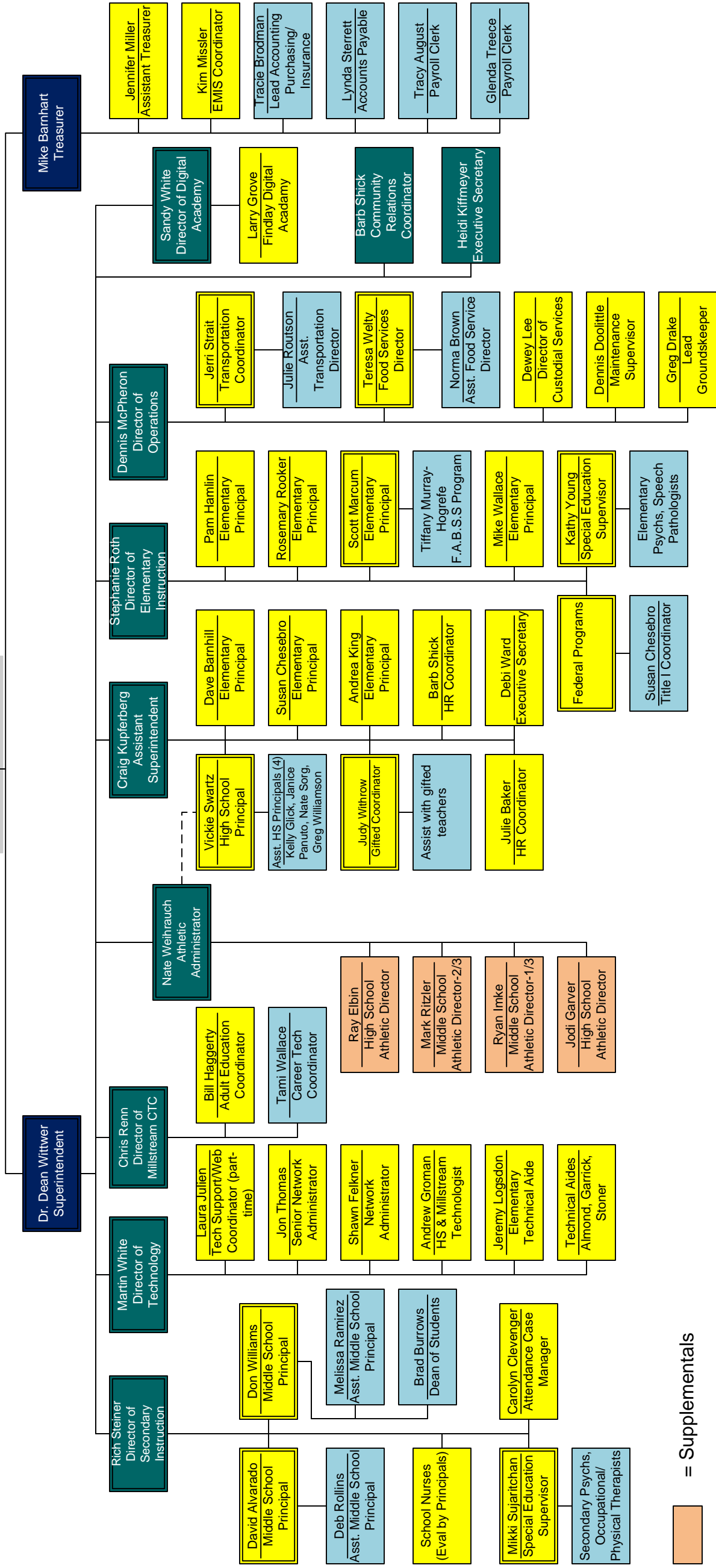
Mr. Rick Hoffman . . . . . President  
Mrs. Barbara Lockard . . . . . Vice-President  
Mrs. Barbara Dysinger . . . . . Member  
Mr. Jeff Shrader . . . . . Member  
Mr. Shane Pochard . . . . . Member

**ADMINISTRATION**

Mr. Dean A. Wittwer . . . . . Superintendent  
Mr. Craig Kupferberg . . . . . Assistant Superintendent  
Mr. Michael T. Barnhart . . . . . Treasurer  
Mrs. Jennifer Miller . . . . . Assistant Treasurer  
Ms. Stephanie Roth . . . . . Director of Elementary Curriculum  
Mrs. Nancy Allison . . . . . Director of Secondary Curriculum  
Dr. Kathy Crates . . . . . Director of Student Services  
Mr. Martin White . . . . . Director of Technology  
Mr. Dennis McPheron . . . . . Director of Facilities



# Findlay City Schools 2010 – 2011 Leadership Team



= Supplementals

Note: Reduction of 2 Elementary Principals, Dir. Student Services, Restructure Central Office EMIS, etc., Technical Aide.

# 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, 2010

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



*Linda C. Davison*

President

*Jeffrey R. Emer*

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This 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, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

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# FINANCIAL SECTION

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614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Findlay City School District  
Hancock County  
1219 West Main Cross  
Suite 101  
Findlay, OH 45840-3377

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio, (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Findlay Digital Academy, Findlay City School District's only discretely presented component unit. Findlay Digital Academy's financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Findlay City School District is based on the report of other auditors.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio, as of June 30, 2011, and the respective changes in financial position and cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the District implemented Governmental Accounting Standard Board Statement No.54, "Fund Balance Reporting and Governmental Fund Type Definitions."

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2011, on our consideration of the Findlay City School District, Hancock County, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject 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.



**Charles E. Harris & Associates, Inc.**  
December 30, 2011



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

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, 2011. 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 2011 are as follows:

- In total, net assets of governmental activities increased \$6,485,982 which represents a 15.36% increase from 2010.
- General revenues accounted for \$58,373,133 in revenue or 79.21% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$15,321,121 or 20.79% of total revenues of \$73,694,254.
- The District had \$67,208,272 in expenses related to governmental activities; only \$15,321,121 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 \$58,373,133 were adequate to provide for these programs.
- The District's major governmental funds are the general fund, the building fund and the classroom facilities fund. The general fund had \$56,768,423 in revenues and other financing sources and \$56,134,078 in expenditures and other financing uses. During fiscal 2011, the general fund's fund balance increased \$625,222 from a restated balance of \$6,615,558 to a balance of \$7,240,780.
- The building fund had \$112,698 in revenues and \$666,596 in expenditures. During fiscal 2011, the building fund's fund balance decreased \$553,898 from a balance of 14,807,535 to a balance of \$14,253,637.
- The classroom facilities fund had \$13,226,568 in revenues and \$2,168,374 in expenditures. During fiscal 2011, the classroom facilities fund's fund balance increased \$11,058,194 from a balance of \$39,817,914 to a balance of \$50,876,108.

**Using this Comprehensive Annual Financial Report (CAFR)**

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 Assets* 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, the building fund, and the classroom facilities fund are the most significant funds, and the governmental funds reported as major funds.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

**Reporting the District as a Whole**

*Statement of Net Assets 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 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, 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.

These two statements report the District's *net assets* and changes in those assets. This change in net assets 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 Assets 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.

The District's statement of net assets and statement of activities can be found on pages F13-F14 of this report.

**Reporting the District's Most Significant Funds**

*Fund Financial Statements*

The analysis of the District's major governmental fund begins on page F9. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, the building fund, and the classroom facilities 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 Assets and the Statement of Activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages F15-F19 of this report.

*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. The basic proprietary fund financial statements can be found on pages F20-F22 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

***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 Assets and Changes in Fiduciary Net Assets on pages F23 and F24. 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. These notes to the basic financial statements can be found on pages F25-F65 of this report.

**The District as a Whole**

The Statement of Net Assets provides the perspective of the District as a whole.

The table below provides a summary of the District's net assets at June 30, 2011 and June 30, 2010.

	<b>Net Assets</b>	
	Governmental Activities <u>2011</u>	Governmental Activities <u>2010</u>
<b><u>Assets</u></b>		
Current and other assets	\$ 122,224,749	\$ 120,510,391
Capital assets	<u>20,991,248</u>	<u>18,138,809</u>
Total assets	<u>143,215,997</u>	<u>138,649,200</u>
<b><u>Liabilities</u></b>		
Current liabilities	35,256,673	36,467,295
Long-term liabilities	<u>59,252,981</u>	<u>59,961,544</u>
Total liabilities	<u>94,509,654</u>	<u>96,428,839</u>
<b><u>Net Assets</u></b>		
Invested in capital assets, net of related debt	17,194,091	15,084,461
Restricted	24,592,513	22,508,530
Unrestricted	<u>6,919,739</u>	<u>4,627,370</u>
Total net assets	<u>\$ 48,706,343</u>	<u>\$ 42,220,361</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2011, the District's assets exceeded liabilities by \$48,706,343. Of this total \$24,592,513 is restricted in use. This includes \$19,565,081 restricted for capital projects.

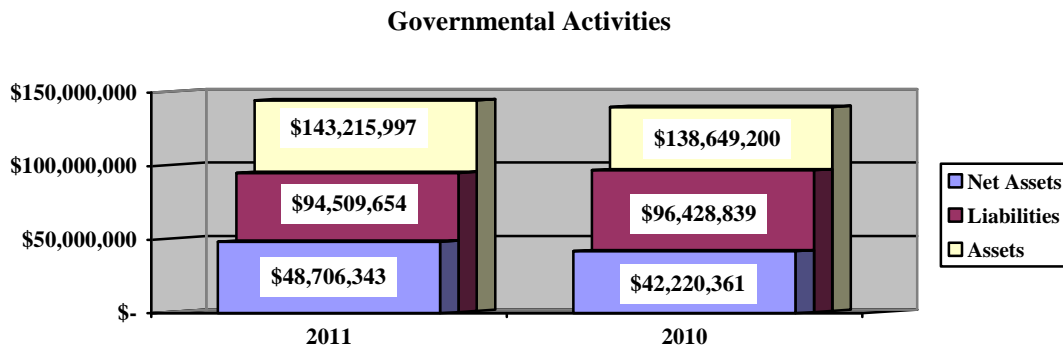
**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

At year-end, capital assets represented 14.66% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2011, were \$17,194,091. 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 assets, \$24,592,513, represents resources that are subject to external restriction on how they may be used.

The table below illustrates the District's assets, liabilities and net assets at June 30, 2011 and 2010.



The table below shows the change in net assets for fiscal year 2011 and 2010.

**Change in Net Assets**

	Governmental Activities 2011	Governmental Activities 2010
<b>Revenues</b>		
Program revenues:		
Charges for services and sales	\$ 4,647,125	\$ 5,097,747
Operating grants and contributions	10,673,996	7,405,706
General revenues:		
Property taxes	29,657,691	26,220,715
Grants and entitlements	27,200,127	27,944,202
Grants and entitlements restricted for OSFC programs	-	18,410,485
Investment earnings	788,385	854,036
Gain on sale of assets	-	144,042
Miscellaneous	726,930	560,085
<b>Total revenues</b>	<b>73,694,254</b>	<b>86,637,018</b>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

**Change in Net Assets**

	<u>Governmental Activities 2011</u>	<u>Governmental Activities 2010</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 24,035,747	\$ 24,815,455
Special	7,731,994	7,632,767
Vocational	2,847,494	2,980,116
Adult/continuing	112,119	128,224
Other	4,233,845	3,399,411
Support services:		
Pupil	2,945,192	3,148,186
Instructional staff	4,829,089	4,926,352
Board of education	181,030	162,047
Administration	4,209,417	4,105,906
Fiscal	1,543,490	1,488,289
Operation and maintenance	5,365,383	5,958,054
Pupil transportation	2,113,301	2,126,078
Central	165,664	156,585
Operation of non-instructional services	596,615	659,606
Food service operations	1,881,937	2,081,952
Extracurricular activities	1,421,284	1,360,886
Interest and fiscal charges	<u>2,994,671</u>	<u>1,257,804</u>
Total expenses	<u>67,208,272</u>	<u>66,387,718</u>
Change in net assets	6,485,982	20,249,300
Net assets, beginning of year	<u>42,220,361</u>	<u>21,971,061</u>
Net assets, end of year	<u>\$ 48,706,343</u>	<u>\$ 42,220,361</u>

**Governmental Activities**

Net assets of the District's governmental activities increased \$6,485,982. Total governmental expenses of \$67,208,272 were offset by program revenues of \$15,321,121 and general revenues of \$58,373,133. Program revenues supported 22.80% of the total governmental expenses.

In the area of program revenues, the significant increase was in operating grants and contributions which increased \$3,268,290. This increase is attributable primarily to \$1,735,030 in funding through the State of Ohio for Pathway for Student Success (PASS) funding which offsets special education costs and \$882,711 in Ed Jobs grant funding from the federal government. PASS funding has been reported as program revenue in fiscal year 2011 versus general revenue in fiscal year 2010.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 77.15% of total governmental revenue. Real estate property is reappraised every six years.

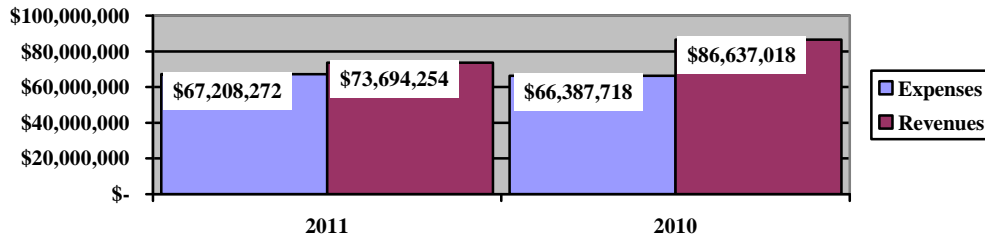
**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

The largest expense of the District is for instructional programs. Instruction expenses totaled \$38,961,199 or 57.97% of total governmental expenses for fiscal 2011.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2011 and 2010.

**Governmental Activities - Revenues and Expenses**



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**

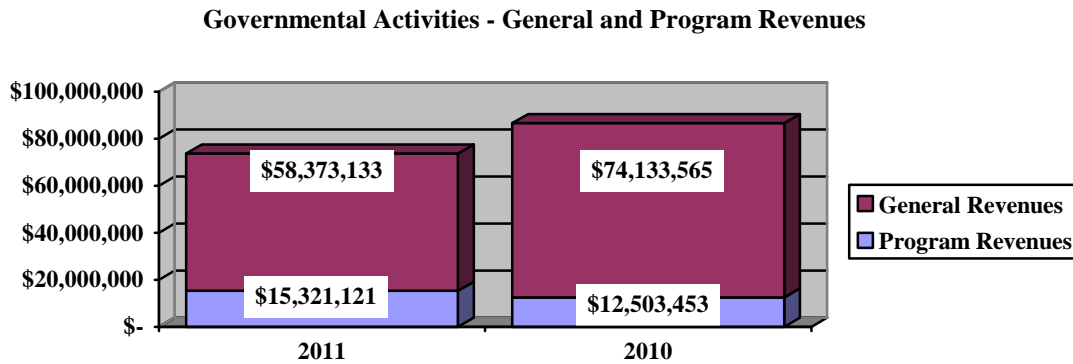
	Total Cost of Services <u>2011</u>	Net Cost of Services <u>2011</u>	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2010</u>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 24,035,747	\$ 19,927,100	\$ 24,815,455	\$ 21,890,803
Special	7,731,994	3,537,299	7,632,767	5,240,185
Vocational	2,847,494	1,614,612	2,980,116	1,540,436
Adult/continuing	112,119	112,119	128,224	41,304
Other	4,233,845	3,990,892	3,399,411	3,399,411
Support services:				
Pupil	2,945,192	2,649,738	3,148,186	2,838,571
Instructional staff	4,829,089	3,574,423	4,926,352	3,853,757
Board of education	181,030	181,030	162,047	162,047
Administration	4,209,417	4,191,445	4,105,906	4,085,219
Fiscal	1,543,490	1,543,490	1,488,289	1,488,289
Operations and maintenance	5,365,383	5,051,756	5,958,054	5,605,251
Pupil transportation	2,113,301	1,939,366	2,126,078	2,052,127
Central	165,664	160,664	156,585	132,148
Operations of non-instructional services	596,615	186,740	659,606	26,579
Food service operations	1,881,937	37,090	2,081,952	(30,525)
Extracurricular activities	1,421,284	194,716	1,360,886	300,859
Interest and fiscal charges	2,994,671	2,994,671	1,257,804	1,257,804
<b>Total expenses</b>	<u>\$ 67,208,272</u>	<u>\$ 51,887,151</u>	<u>\$ 66,387,718</u>	<u>\$ 53,884,265</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

The dependence upon tax and other general revenues for governmental activities is apparent; 74.90% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 77.20%. The District's taxpayers, and unrestricted grants and entitlements are the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2011 and 2010.



**The District's Funds**

The District's governmental funds (as presented on the balance sheet on page F15) reported a combined fund balance of \$78,618,334, which is higher than last year's total of \$65,230,557. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2011 and 2010. The District restated fund balance at June 30, 2010 as described in Note 3.B.

	Fund Balance <u>June 30, 2011</u>	Restated Fund Balance <u>June 30, 2010</u>	Increase <u>(Decrease)</u>
General	\$ 7,240,780	\$ 6,615,558	\$ 625,222
Building	14,253,637	14,807,535	(553,898)
Classroom facilities	50,876,108	39,817,914	11,058,194
Other Governmental	<u>6,247,809</u>	<u>3,989,550</u>	<u>2,258,259</u>
Total	<u>\$ 78,618,334</u>	<u>\$ 65,230,557</u>	<u>\$13,387,777</u>

**General Fund**

The District's general fund balance increased \$625,222. Revenues exceeded expenditures by \$709,325 in fiscal 2011. This increase was primarily the result of an increase in tax revenue from fiscal year 2010 to fiscal year 2011 and overall revenues exceeding expenditures.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

	<u>2011</u>	<u>Restated</u> <u>2010</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 25,176,157	\$ 23,091,895	9.03 %
Tuition	2,922,363	3,200,512	(8.69) %
Earnings on investments	259,077	511,252	(49.32) %
Intergovernmental	27,671,836	27,709,641	(0.14) %
Other revenues	<u>738,970</u>	<u>805,925</u>	(8.31) %
Total	<u>\$ 56,768,403</u>	<u>\$ 55,319,225</u>	2.62 %
<b><u>Expenditures</u></b>			
Instruction	\$ 35,432,951	\$ 35,335,866	0.27 %
Support services	20,042,911	20,255,714	(1.05) %
Extracurricular activities	214,908	219,695	(2.18) %
Debt service	<u>368,308</u>	<u>368,307</u>	0.00 %
Total	<u>\$ 56,059,078</u>	<u>\$ 56,179,582</u>	(0.21) %

Tax revenues increased from fiscal 2010 to fiscal 2011 due to an increase in cash tax receipts and an increase in the amount of tax advances available. Earnings on investments decreased from fiscal 2010 to fiscal 2011 due to a decrease in interest rates on the District's investments. All other revenues and expenditures remained consistent with the prior fiscal year.

***Building Fund***

The building fund had \$112,698 in revenues and \$666,596 in expenditures. During fiscal 2011, the building fund's fund balance decreased \$553,898 from a balance of \$14,807,535 to a balance of \$14,253,637.

***Classroom Facilities Fund***

The classroom facilities fund had \$13,226,568 in revenues and \$2,168,374 in expenditures. During fiscal year 2011, the classroom facilities fund's fund balance increased \$11,058,194 from a balance of \$39,817,914 to a balance of \$50,876,108.

***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 2011, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were \$54,849,432, which was lower than the original budget estimate of \$55,059,532. This decrease is due to lower estimates regarding property taxes. Actual revenues and other financing sources for fiscal year 2011 were \$54,729,711. This represents a \$119,721 decrease from final budgeted revenues.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

General fund original appropriations (appropriated expenditures plus other financing uses) of \$57,474,187 were increased to \$58,050,687 in the final budget. The \$576,500 increase is due mainly to a rise in unexpected costs, primarily in other instructional expenditures. The actual budget basis expenditures and other financing uses for fiscal year 2011 totaled \$56,199,216, which was \$1,851,471 less than the final budget appropriations.

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2011, the District had \$20,991,248 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles, net of accumulated depreciation. This entire amount is reported in governmental activities. The following table shows fiscal year 2011 balances compared to 2010:

**Capital Assets at June 30  
(Net of Depreciation)**

	Governmental Activities	
	2011	2010
Land	\$ 903,313	\$ 903,313
Construction in progress	4,392,858	2,010,671
Land improvements	1,114,696	1,173,880
Building and improvements	11,050,215	10,707,832
Furniture and equipment	1,782,181	1,793,395
Vehicles	1,747,985	1,549,718
Total	\$ 20,991,248	\$ 18,138,809

Total additions to capital assets for 2011 were \$3,759,903. The overall increase in capital assets of \$2,852,439 is primarily due to additions exceeding the recording of \$862,800 in depreciation expense and disposals of \$44,664 (net of accumulated depreciation) for fiscal 2011. See Note 9 to the basic financial statements for additional information on the District's capital assets.

*Debt Administration*

At June 30, 2011, the District had \$54,526,861 in general obligation bonds, asbestos removal loans and capital lease obligations outstanding. Of this total, \$1,295,510 is due within one year and \$53,231,351 is due in greater than one year. The following table summarizes the debt obligations outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities	Governmental Activities
	2011	2010
General obligation bonds	\$ 53,406,232	\$ 54,207,641
Asbestos removal loans	103,101	203,415
Capital lease obligations	1,017,528	1,325,610
Total	\$ 54,526,861	\$ 55,736,666

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

See Notes 10 and 11 to the basic financial statements for additional information on the District's debt administration.

**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 the uncertainty of the economy and the impact it will have on revenues, especially the revenue that comes from the State of Ohio, which amounts to nearly one-third of the District's general fund. The District's ongoing challenge of addressing its facility needs was heightened by two major floods that hit the Findlay community in August 2007 and February 2009. The District suffered major damage to its administrative offices, which were located in the basement of Central Middle School, as well as damage to a lesser extent at seven other buildings. The District has sought reimbursement from FEMA and the State of Ohio for over \$2.5 million in damages and expects to receive enough financial support to cover all but \$600,000 of the costs of the flood.

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 2010, when voters approved a 4.3 mill, 28-year bond levy which will pay the debt service on \$54,195,000 that is needed to cover the local share and locally funded initiatives to build two middle schools and a career tech building. The District will consolidate the south, north, and east campuses of Millstream Career and Technology Center into one location. The District will also convert its three small middle schools into two larger, more efficient, newly constructed middle schools. Funding for these building consolidations has been pursued through the Ohio School Facilities Commission (OSFC) under their Exceptional Needs Program (ENP). The ENP helps school districts address specific facility needs within a district rather than the OSFC's usual practice of addressing all of the buildings within a district. Funding will be provided for construction based on the OSFC's specifications where the school district must provide a local match based on the district's property values. In the case of Findlay City Schools, the local required match is sixty eight percent while OSFC will provide thirty-two percent. The Millstream career tech building is expected to be complete for the start of the 2012-13 school year, while the first middle school will accept students in January 2013, and the second middle school will be ready for the start of the 2013-14 school year.

In November 2009, the District replaced a five-year 5.9 mill operating levy that was scheduled to expire at the end of calendar year 2010 with another five-year 5.9 mill operating levy where collections began in calendar year 2010. This levy will retain present collections of \$4.1 million in addition to another \$0.6 million.

In order to meet past challenges, the District developed and implemented a fiscal health plan for 2006 through 2010. 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 and works through the present national economic recession. 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, 1219 West Main Cross, Suite 111, Findlay, Ohio 45840.

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

STATEMENT OF NET ASSETS  
JUNE 30, 2011

	<u>Governmental Activities</u>	<u>Component Unit</u>
<b>Assets:</b>		
Equity in pooled cash, cash equivalents and investments . . .	\$ 86,000,078	\$ 1,048,175
Receivables:		
Taxes . . . . .	30,460,740	-
Payment in lieu of taxes . . . . .	127,652	-
Accounts . . . . .	7,070	-
Intergovernmental . . . . .	4,652,351	-
Accrued interest . . . . .	324,617	-
Prepayments . . . . .	112,946	-
Materials and supplies inventory . . . . .	64,060	-
Unamortized bond issuance costs . . . . .	475,235	-
Capital assets:		
Land and construction in progress . . . . .	5,296,171	-
Depreciable capital assets, net . . . . .	15,695,077	121,415
Capital assets, net . . . . .	<u>20,991,248</u>	<u>121,415</u>
Total assets . . . . .	<u>143,215,997</u>	<u>1,169,590</u>
<b>Liabilities:</b>		
Accounts payable . . . . .	152,387	20,935
Contracts payable . . . . .	43,888	-
Accrued wages and benefits . . . . .	4,866,075	-
Pension obligation payable . . . . .	1,392,331	-
Intergovernmental payable . . . . .	236,672	-
Unearned revenue . . . . .	26,733,564	-
Claims payable . . . . .	1,598,973	-
Accrued interest payable . . . . .	232,783	-
Long-term liabilities:		
Due within one year . . . . .	2,421,832	-
Due in more than one year . . . . .	56,831,149	-
Total liabilities . . . . .	<u>94,509,654</u>	<u>20,935</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt . . . . .	17,194,091	121,415
Restricted for:		
Capital projects . . . . .	19,565,081	-
Locally funded programs . . . . .	105,310	-
State funded programs . . . . .	27,977	-
Federally funded programs . . . . .	980,105	-
Student activities . . . . .	365,239	-
Classroom facilities maintenance . . . . .	845,443	-
Debt service . . . . .	1,158,728	-
Scholarships:		
Nonexpendable . . . . .	618,000	-
Expendable . . . . .	90,525	-
Other purposes . . . . .	836,105	-
Unrestricted . . . . .	<u>6,919,739</u>	<u>1,027,240</u>
Total net assets . . . . .	<u>\$ 48,706,343</u>	<u>\$ 1,148,655</u>

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, 2011

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Component Unit
<b>Governmental activities:</b>					
Instruction:					
Regular . . . . .	\$ 24,035,747	\$ 1,988,965	\$ 2,119,682	\$ (19,927,100)	\$ -
Special . . . . .	7,731,994	435,144	3,759,551	(3,537,299)	-
Vocational . . . . .	2,847,494	929,015	303,867	(1,614,612)	-
Adult/continuing . . . . .	112,119	-	-	(112,119)	-
Other . . . . .	4,233,845	-	242,953	(3,990,892)	-
Support services:					
Pupil . . . . .	2,945,192	-	295,454	(2,649,738)	-
Instructional staff . . . . .	4,829,089	-	1,254,666	(3,574,423)	-
Board of education . . . . .	181,030	-	-	(181,030)	-
Administration . . . . .	4,209,417	-	17,972	(4,191,445)	-
Fiscal . . . . .	1,543,490	-	-	(1,543,490)	-
Operations and maintenance . . . . .	5,365,383	37,051	276,576	(5,051,756)	-
Pupil transportation . . . . .	2,113,301	-	173,935	(1,939,366)	-
Central . . . . .	165,664	-	5,000	(160,664)	-
Operation of non-instructional services . . . . .	596,615	-	409,875	(186,740)	-
Food service operations . . . . .	1,881,937	736,579	1,108,268	(37,090)	-
Extracurricular activities . . . . .	1,421,284	520,371	706,197	(194,716)	-
Interest and fiscal charges . . . . .	2,994,671	-	-	(2,994,671)	-
Total governmental activities . . . . .	67,208,272	4,647,125	10,673,996	(51,887,151)	-
<b>Component Unit</b>					
Findlay Digital Academy . . . . .	689,609	-	783,605	-	93,996
Total component unit . . . . .	689,609	-	783,605	-	93,996
Totals . . . . .	\$ 67,897,881	\$ 4,647,125	\$ 11,457,601	(51,887,151)	93,996
<b>General revenues:</b>					
Property taxes levied for:					
General purposes . . . . .				25,022,687	-
Debt service . . . . .				2,891,446	-
Capital projects . . . . .				1,743,558	-
Grants and entitlements not restricted					
to specific programs . . . . .				27,200,127	125,115
Investment earnings . . . . .				788,385	25,983
Miscellaneous . . . . .				726,930	-
Total general revenues . . . . .				58,373,133	151,098
Change in net assets . . . . .				6,485,982	245,094
<b>Net assets at beginning of year . . . . .</b>				42,220,361	903,561
<b>Net assets at end of year . . . . .</b>				\$ 48,706,343	\$ 1,148,655

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

	<u>General</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents. . . . .	\$ 11,483,816	\$ 14,250,815	\$ 50,895,162	\$ 6,353,691	\$ 82,983,484
<b>Receivables:</b>					
Taxes . . . . .	25,644,629	-	-	4,816,111	30,460,740
Payment in lieu of taxes . . . . .	111,310	-	-	16,342	127,652
Accounts . . . . .	1,136	-	-	5,934	7,070
Intergovernmental. . . . .	48,455	-	3,512,736	1,091,160	4,652,351
Accrued interest . . . . .	126,109	53,728	144,780	-	324,617
Prepayments. . . . .	112,946	-	-	-	112,946
Materials and supplies inventory. . . . .	40,678	-	-	23,382	64,060
<b>Total assets . . . . .</b>	<b>\$ 37,569,079</b>	<b>\$ 14,304,543</b>	<b>\$ 54,552,678</b>	<b>\$ 12,306,620</b>	<b>\$ 118,732,920</b>
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 116,562	\$ -	\$ -	\$ 35,825	\$ 152,387
Contracts payable. . . . .	-	-	26,659	17,229	43,888
Accrued wages and benefits. . . . .	4,519,828	-	-	346,247	4,866,075
Compensated absences payable . . . . .	392,910	-	-	31,814	424,724
Pension obligation payable . . . . .	1,307,151	-	-	85,180	1,392,331
Intergovernmental payable . . . . .	217,030	-	-	19,642	236,672
Deferred revenue . . . . .	1,396,163	50,906	3,649,911	1,136,650	6,233,630
Unearned revenue. . . . .	22,347,340	-	-	4,386,224	26,733,564
Claims payable . . . . .	31,315	-	-	-	31,315
<b>Total liabilities. . . . .</b>	<b>30,328,299</b>	<b>50,906</b>	<b>3,676,570</b>	<b>6,058,811</b>	<b>40,114,586</b>
<b>Fund balances:</b>					
<b>Nonspendable:</b>					
Materials and supplies inventory. . . . .	40,678	-	-	23,382	64,060
Prepayments . . . . .	112,946	-	-	-	112,946
Permanent fund . . . . .	-	-	-	618,000	618,000
<b>Restricted:</b>					
Debt service . . . . .	-	-	-	1,246,050	1,246,050
Capital improvements . . . . .	-	14,253,637	50,876,108	1,797,854	66,927,599
Classroom facilities maintenance . . . . .	-	-	-	845,443	845,443
Food service operations . . . . .	-	-	-	296,165	296,165
Special education . . . . .	-	-	-	11,755	11,755
Targeted academic assistance . . . . .	-	-	-	71,006	71,006
Vocational education. . . . .	-	-	-	23,225	23,225
Other purposes. . . . .	-	-	-	720,295	720,295
Extracurricular activities . . . . .	-	-	-	365,239	365,239
Permanent fund . . . . .	-	-	-	90,525	90,525
<b>Committed:</b>					
Capital improvements . . . . .	-	-	-	200,000	200,000
<b>Assigned:</b>					
Student instruction . . . . .	559,853	-	-	-	559,853
Student and staff support. . . . .	776,472	-	-	-	776,472
Extracurricular activities . . . . .	1,313	-	-	-	1,313
Facilities acquisition and construction . . . . .	17,406	-	-	-	17,406
School supplies . . . . .	266,459	-	-	-	266,459
Other purposes. . . . .	343,226	-	-	-	343,226
Unassigned (deficit) . . . . .	5,122,427	-	-	(61,130)	5,061,297
<b>Total fund balances . . . . .</b>	<b>7,240,780</b>	<b>14,253,637</b>	<b>50,876,108</b>	<b>6,247,809</b>	<b>78,618,334</b>
<b>Total liabilities and fund balances . . . . .</b>	<b>\$ 37,569,079</b>	<b>\$ 14,304,543</b>	<b>\$ 54,552,678</b>	<b>\$ 12,306,620</b>	<b>\$ 118,732,920</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2011

<b>Total governmental fund balances</b>		\$	78,618,334
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			20,991,248
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes receivable	\$	1,452,827	
Intergovernmental revenue receivable		4,466,613	
Accrued interest receivable		314,190	
Total		6,233,630	6,233,630
Unamortized bond issuance costs are not recognized in the funds.			475,235
Unamortized premiums on bond issuance costs are not recognized in the funds.			(483,495)
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 in the statement of net assets.			1,448,936
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds			(232,783)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Asbestos removal loans loan		(103,101)	
Capital lease obligations		(1,017,528)	
Compensated absences		(3,817,901)	
General obligation bonds		(53,406,232)	
Total		(58,344,762)	(58,344,762)
<b>Net assets of governmental activities</b>		\$	48,706,343

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, 2011

	<u>General</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
From local sources:					
Taxes . . . . .	\$ 25,036,006	\$ -	\$ -	\$ 4,621,434	\$ 29,657,440
Payment in lieu of taxes . . . . .	140,151	-	-	19,853	160,004
Tuition . . . . .	2,922,363	-	-	-	2,922,363
Earnings on investments . . . . .	259,077	112,698	258,819	61,532	692,126
Charges for services . . . . .	-	-	-	736,579	736,579
Extracurricular . . . . .	13,016	-	-	520,371	533,387
Classroom materials and fees . . . . .	372,291	-	-	-	372,291
Rental income . . . . .	31,541	-	-	133,736	165,277
Contributions and donations . . . . .	10,008	-	-	367,325	377,333
Contract services . . . . .	45,454	-	-	-	45,454
Other local revenues . . . . .	266,660	-	-	172,032	438,692
Intergovernmental - state . . . . .	27,322,684	-	12,967,749	1,245,104	41,535,537
Intergovernmental - federal . . . . .	349,152	-	-	7,645,304	7,994,456
<b>Total revenues . . . . .</b>	<b>56,768,403</b>	<b>112,698</b>	<b>13,226,568</b>	<b>15,523,270</b>	<b>85,630,939</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	22,799,468	-	-	1,440,091	24,239,559
Special . . . . .	5,783,501	-	-	2,076,749	7,860,250
Vocational . . . . .	2,738,979	-	-	88,041	2,827,020
Adult/continuing . . . . .	112,088	-	-	183	112,271
Other . . . . .	3,998,915	-	-	234,930	4,233,845
Support services:					
Pupil . . . . .	2,653,163	-	-	296,075	2,949,238
Instructional staff . . . . .	3,693,195	-	-	1,221,499	4,914,694
Board of education . . . . .	180,295	-	735	-	181,030
Administration . . . . .	4,124,866	-	-	17,583	4,142,449
Fiscal . . . . .	1,528,310	-	-	-	1,528,310
Operations and maintenance . . . . .	5,521,172	-	-	143,448	5,664,620
Pupil transportation . . . . .	2,128,910	-	-	246,974	2,375,884
Central . . . . .	53,747	1,734	-	127,625	183,106
Operation of non-instructional services . . . . .	159,253	-	-	436,520	595,773
Food service operations . . . . .	-	-	-	1,839,679	1,839,679
Extracurricular activities . . . . .	214,908	-	-	1,217,904	1,432,812
Facilities acquisition and construction . . . . .	-	664,862	2,167,639	116,603	2,949,104
Debt service:					
Principal retirement . . . . .	308,082	-	-	950,314	1,258,396
Interest and fiscal charges . . . . .	60,226	-	-	2,888,098	2,948,324
<b>Total expenditures . . . . .</b>	<b>56,059,078</b>	<b>666,596</b>	<b>2,168,374</b>	<b>13,342,316</b>	<b>72,236,364</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	709,325	(553,898)	11,058,194	2,180,954	13,394,575
<b>Other financing sources (uses):</b>					
Sale of assets . . . . .	20	-	-	-	20
Transfers in . . . . .	-	-	-	348,273	348,273
Transfers (out) . . . . .	(75,000)	-	-	(273,273)	(348,273)
<b>Total other financing sources (uses) . . . . .</b>	<b>(74,980)</b>	<b>-</b>	<b>-</b>	<b>75,000</b>	<b>20</b>
Net change in fund balances . . . . .	634,345	(553,898)	11,058,194	2,255,954	13,394,595
<b>Fund balances at beginning of year (restated) . . . . .</b>	<b>6,615,558</b>	<b>14,807,535</b>	<b>39,817,914</b>	<b>3,989,550</b>	<b>65,230,557</b>
<b>Increase (decrease) in reserve for inventory . . . . .</b>	<b>(9,123)</b>	<b>-</b>	<b>-</b>	<b>2,305</b>	<b>(6,818)</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 7,240,780</b>	<b>\$ 14,253,637</b>	<b>\$ 50,876,108</b>	<b>\$ 6,247,809</b>	<b>\$ 78,618,334</b>

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, 2011

<b>Net change in fund balances - total governmental funds</b>	\$		13,394,595
<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. This is the amount by which capital outlays (\$3,759,903) exceeds depreciation expense (\$862,800) in the current period.			2,897,103
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.			(44,664)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities they are reported as an expense when consumed.			(6,818)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Delinquent property taxes	\$	251	
Intergovernmental		(12,050,826)	
Accrued interest		84,994	
Total			(11,965,581)
Repayments of loan, capital lease obligation and bond principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net assets.			1,258,396
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 recorded in the statement of activities:			
Decrease in accrued interest payable		1,931	
Accreted interest on capital appreciation bonds		(48,591)	
Amortization of bond premium		18,303	
Amortization of bond issue costs		(17,990)	
Total			(46,347)
Some expenses reported in the statement of activities, such as compensated absences, future retirement obligations, and pension obligations, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			(568,334)
The 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 revenue (expense) of the internal service fund is allocated among the governmental activities.			1,567,632
<b>Change in net assets of governmental activities</b>	<b>\$</b>		<b>6,485,982</b>

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 24,347,287	\$ 24,137,187	\$ 24,575,006	\$ 437,819
Payment in lieu of taxes . . . . .	100,000	100,000	140,151	40,151
Tuition. . . . .	2,060,000	2,060,000	1,925,409	(134,591)
Earnings on investments . . . . .	430,000	430,000	400,990	(29,010)
Classroom materials and fees . . . . .	11,000	11,000	11,415	415
Rental income . . . . .	125,000	125,000	31,541	(93,459)
Contributions and donations . . . . .	5,000	5,000	2,095	(2,905)
Other local revenues . . . . .	220,000	220,000	189,241	(30,759)
Intergovernmental - state . . . . .	27,566,945	27,566,945	27,233,247	(333,698)
Intergovernmental - federal . . . . .	190,000	190,000	180,403	(9,597)
Total revenues . . . . .	<u>55,055,232</u>	<u>54,845,132</u>	<u>54,689,498</u>	<u>(155,634)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	23,188,581	23,219,067	22,982,518	236,549
Special. . . . .	5,944,547	5,976,092	5,723,261	252,831
Vocational. . . . .	2,787,233	2,762,971	2,555,477	207,494
Other. . . . .	3,605,815	4,134,603	4,131,910	2,693
Support services:				
Pupil. . . . .	2,664,457	2,701,995	2,502,638	199,357
Instructional staff . . . . .	3,338,332	3,250,477	3,249,792	685
Board of education . . . . .	196,707	198,086	188,018	10,068
Administration. . . . .	4,258,547	4,325,234	4,163,314	161,920
Fiscal . . . . .	1,592,917	1,604,086	1,520,452	83,634
Operations and maintenance. . . . .	6,861,347	6,825,874	6,525,286	300,588
Pupil transportation . . . . .	2,311,077	2,318,092	2,291,257	26,835
Central. . . . .	86,826	82,400	49,974	32,426
Extracurricular activities. . . . .	236,617	240,290	212,399	27,891
Facilities acquisition and construction . . . . .	33,684	33,920	18,920	15,000
Total expenditures . . . . .	<u>57,106,687</u>	<u>57,673,187</u>	<u>56,115,216</u>	<u>1,557,971</u>
Excess of expenditures over revenues . . . . .	<u>(2,051,455)</u>	<u>(2,828,055)</u>	<u>(1,425,718)</u>	<u>1,402,337</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	1,000	1,000	40,193	39,193
Refund of prior year's receipts. . . . .	(2,500)	(2,500)	-	2,500
Transfers (out). . . . .	(75,000)	(85,000)	(84,000)	1,000
Advances (out) . . . . .	(290,000)	(290,000)	-	290,000
Sale of capital assets . . . . .	3,300	3,300	20	(3,280)
Total other financing sources (uses) . . . . .	<u>(363,200)</u>	<u>(373,200)</u>	<u>(43,787)</u>	<u>329,413</u>
Net change in fund balance . . . . .	(2,414,655)	(3,201,255)	(1,469,505)	1,731,750
<b>Fund balance at beginning of year (restated) . . . . .</b>	<b>9,685,740</b>	<b>9,685,740</b>	<b>9,685,740</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>984,615</b>	<b>984,615</b>	<b>984,615</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b><u>\$ 8,255,700</u></b>	<b><u>\$ 7,469,100</u></b>	<b><u>\$ 9,200,850</u></b>	<b><u>\$ 1,731,750</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2011

	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and cash equivalents . . . . .	<u>\$ 3,016,594</u>
Total assets. . . . .	<u>3,016,594</u>
<b>Liabilities:</b>	
Claims payable . . . . .	<u>1,567,658</u>
Total liabilities . . . . .	<u>1,567,658</u>
<b>Net assets:</b>	
Unrestricted. . . . .	<u>1,448,936</u>
Total net assets . . . . .	<u>\$ 1,448,936</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues:</b>	
Charges for services. . . . .	\$ 8,365,630
Total operating revenues . . . . .	<u>8,365,630</u>
<b>Operating expenses:</b>	
Purchased services. . . . .	716,928
Claims . . . . .	<u>6,125,978</u>
Total operating expenses. . . . .	<u>6,842,906</u>
Operating income . . . . .	<u>1,522,724</u>
<b>Nonoperating revenues:</b>	
Interest revenue . . . . .	44,908
Total nonoperating revenues. . . . .	<u>44,908</u>
Change in net assets. . . . .	1,567,632
<b>Net assets (deficit) at beginning of year .</b>	<u>(118,696)</u>
<b>Net assets at end of year. . . . .</b>	<u>\$ 1,448,936</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, 2011

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services . . . . .	\$ 8,365,630
Cash payments for contractual services . . . . .	(716,928)
Cash payments for claims . . . . .	<u>(6,292,600)</u>
Net cash provided by operating activities . . . . .	<u>1,356,102</u>
<b>Cash flows from investing activities:</b>	
Interest received . . . . .	<u>44,908</u>
Net cash provided by investing activities . . . . .	<u>44,908</u>
Net increase in cash and cash cash equivalents . . . . .	1,401,010
<b>Cash and cash equivalents at beginning of year . . .</b>	<u>1,615,584</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u><u>\$ 3,016,594</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income . . . . .	\$ 1,522,724
<b>Changes in assets and liabilities:</b>	
Decrease in claims payable . . . . .	<u>(166,622)</u>
Net cash provided by operating activities. . . . .	<u><u>\$ 1,356,102</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2011

	<b>Private Purpose Trust</b>	
	<b>Scholarship</b>	<b>Agency</b>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 32,618	\$ 112,974
<b>Receivables:</b>		
Accounts . . . . .	-	1,029
Total assets. . . . .	32,618	\$ 114,003
<b>Liabilities:</b>		
Accounts payable. . . . .	50	\$ 659
Intergovernmental payable . . . . .	-	16
Due to students. . . . .	-	113,328
Total liabilities . . . . .	50	\$ 114,003
<b>Net assets:</b>		
Held in trust for scholarships . . . . .	32,568	
Total net assets . . . . .	\$ 32,568	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<b>Private Purpose Trust</b>
	<b>Scholarship</b>
<b>Additions:</b>	
Interest . . . . .	\$ 537
Gifts and contributions . . . . .	27,976
Total additions . . . . .	28,513
<b>Deductions:</b>	
Scholarships awarded . . . . .	27,738
Change in net assets . . . . .	775
<b>Net assets at beginning of year . . . . .</b>	<b>31,793</b>
<b>Net assets at end of year . . . . .</b>	<b>\$ 32,568</b>

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, 2011  
(UNAUDITED)

**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 362 certified teaching personnel, 473 classified support personnel, and 45 administrators.

The District is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. 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.

The District ranks as the 52<sup>nd</sup> largest (among 918 public school districts and community schools) in terms of total enrollment in the State, and the largest in Hancock County. It currently operates 9 elementary schools, 3 middle schools, 1 high school, and a vocational center, to provide services to approximately 5,705 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 also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. 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”, and as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units”. The reporting entity is comprised 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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 those of the District (the primary government) and the component unit.

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 District'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 Michael Barnhart, Treasurer, Findlay City School District, at 1219 W. Main Cross, 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, should the Academy discontinue operations for any reason, the District is legally entitled to the Academy's resources. Based on the District's relationship with the Academy and due to the 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.



**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*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 12.B. for further details on this alternative rating plan.

**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 liabilities is reported as fund balance. The following are the District's major governmental funds:

General fund -The general fund is used to account for 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.

Building fund - This fund is used to account for transactions associated with building construction and improvements.

Classroom facilities fund - The classroom facilities capital projects fund is used to account for financial resources and expenditures related to the school facilities construction project.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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 of 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 and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*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 assets and changes in net assets. The District's fiduciary funds include a private-purpose trust fund and an agency fund. 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 only agency fund accounts for student activities.

**C. Measurement Focus**

*Government-wide Financial Statements* - The statement of net assets 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 activity is eliminated to avoid "doubling up" revenues and expenses.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

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

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

*Fund Financial Statements* - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reported 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 all liabilities associated with the operation of this fund are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. 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.

**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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*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.

*Unearned Revenue and Deferred Revenue* - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes and payment in lieu of taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2012 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2011 are recorded as deferred revenue in the governmental funds.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

*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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**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.

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 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 of estimated resources 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 certificates 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(UNAUDITED)

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

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 cash equivalents" on the basic financial statements.

During fiscal year 2011, investments were limited to nonnegotiable certificates of deposits, federal agency securities, U.S. Treasury notes, a U.S. Treasury money market fund, a U.S. government money market mutual fund, 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.

The District has invested funds in STAR Ohio during fiscal year 2011. STAR 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2011.

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 2011 amounted to \$259,077, which includes \$70,996 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.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**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.

**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 assets, 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 fair market values as of the date received. The District maintains a capitalization threshold of \$2,500. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not 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:

Description	Governmental Activities Estimated Lives
Land improvements	20 years
Buildings and improvements	25 - 50 years
Equipment and furniture	5 - 20 years
Vehicles	5 - 10 years

**I. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column on the statement of net assets. The District did not have any outstanding interfund loans at June 30, 2011.

**J. 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.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. The liability is an estimate based on the District’s past experience of making termination payments.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2011, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

**K. Accrued Liabilities and Long-Term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments 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.

**L. Fund Balance Reserves**

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.



**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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.

**M. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents the amount restricted by State statute for food service, special trust and uniform school supplies.

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

**N. 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.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(UNAUDITED)

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

**O. 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.

**P. Restricted Assets**

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The District had no restricted assets at June 30, 2011.

**Q. 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.

**R. Parochial Schools**

St. Michael's Elementary, Primary Christian School and Heritage Christian School are all 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.

**S. 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. Neither type of transaction occurred during fiscal year 2011.

**T. Unamortized Issuance Costs/Bond Premium**

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Unamortized issuance costs are recorded as a separate line item on the statement of net assets.

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.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

On the government fund financial statements, issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 11.A.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2011, the District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 59, "Financial Instruments Omnibus".

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types.

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 did not have an effect on the financial statements of the District.

**B. Fund Reclassifications**

Fund reclassifications are required in order to report funds in accordance with GASB Statement No 54. These fund reclassifications had the following effect on the District's governmental fund balances as previously reported:

	<u>General</u>	<u>Building Fund</u>	<u>Classroom Facilities</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Fund balance as previously reported	\$ 6,216,964	\$ 14,807,535	\$ 39,817,914	\$ 4,388,144	\$ 65,230,557
Fund reclassifications:					
Special trust fund	53,943	-	-	(53,943)	-
Uniform school supplies fund	249,375	-	-	(249,375)	-
Rotary fund	44,826	-	-	(44,826)	-
Public school support fund	50,140	-	-	(50,140)	-
Special enterprises fund	310	-	-	(310)	-
Total fund reclassifications	<u>398,594</u>	<u>-</u>	<u>-</u>	<u>(398,594)</u>	<u>-</u>
Restated fund balance at July 1, 2010	<u>\$ 6,615,558</u>	<u>\$ 14,807,535</u>	<u>\$ 39,817,914</u>	<u>\$ 3,989,550</u>	<u>\$ 65,230,557</u>

The fund reclassifications did not have an effect on net assets as previously reported.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**C. Budgetary Prior Period Adjustment**

In prior years certain funds that are legally budgeted in separate special revenue funds were considered part of the general fund on a budgetary basis. The District has elected to present only the legally budgeted general fund in the budgetary statement; therefore, a restatement to the beginning budgetary balance is required. The restatement of the general fund's budgetary-basis fund balance at June 30, 2010 is as follows:

**Budgetary Basis**

	General Fund
Balance at June 30, 2010	\$ 9,839,534
Funds budgeted elsewhere	(153,794)
Restated balance at July 1, 2010	\$ 9,685,740

**D. Deficit Fund Balances**

Fund balances at June 30, 2011 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Auxiliary services	\$ 8,495
Management information systems	20,960
Title III - limited english proficiency	23
Improving teacher quality	31,652

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

**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.

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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**A. Cash on Hand**

At fiscal year end, the District had \$2,200 in undeposited cash on hand which is included on the financial statements of the District as part of “equity in pool cash and cash equivalents”.

**B. Deposits with Financial Institutions**

At June 30, 2011, the carrying amount of all District deposits was \$15,053,560. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2011, \$4,571,923 of the District’s bank balance of \$15,979,016 was covered by the Federal Deposit Insurance Corporation, while \$11,407,093 was exposed to custodial risk as discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the District’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions’ trust department and 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, 2011, the District had the following investments and maturities:

Investment	Fair Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	More than 24 months
FNMA	\$ 34,394,218	\$ 5,044,450	\$ 2,321,505	\$ -	\$ 1,508,565	\$ 25,519,698
FHLB	26,076,145	4,011,900	2,210,274	2,504,550	-	17,349,421
FFCB	2,980,637	-	-	-	-	2,980,637
FHLMC	5,591,757	-	3,019,950	-	-	2,571,807
U.S. Treasury notes	298,665	-	-	-	-	298,665
U.S. Treasury money market fund	1,742,626	1,742,626	-	-	-	-
STAR Ohio	5,862	5,862	-	-	-	-
Total	<u>\$ 71,089,910</u>	<u>\$ 10,804,838</u>	<u>\$ 7,551,729</u>	<u>\$ 2,504,550</u>	<u>\$ 1,508,565</u>	<u>\$ 48,720,228</u>

The weighted average maturity of investments is 2.52 years.

*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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Credit Risk:* The District’s investments, except for STAR Ohio, were rated AAA 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 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 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.

*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, 2011:

<u>Investment</u>	<u>Fair Value</u>	<u>Percent of Total</u>
FNMA	\$ 34,394,218	48.38
FHLB	26,076,145	36.68
FFCB	2,980,637	4.19
FHLMC	5,591,757	7.87
U.S. Treasury notes	298,665	0.42
U.S. Treasury money market fund	1,742,626	2.45
STAR Ohio	<u>5,862</u>	<u>0.01</u>
Total	<u>\$ 71,089,910</u>	<u>100.00</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**D. Reconciliation of Cash and Investments to the Statement of Net Assets**

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 assets as of June 30, 2011:

<u>Cash and investments per note disclosure</u>	
Carrying amount of deposits	\$ 15,053,560
Investments	71,089,910
Cash on hand	<u>2,200</u>
Total	<u>\$ 86,145,670</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 86,000,078
Private-purpose trust funds	32,618
Agency funds	<u>112,974</u>
Total	<u>\$ 86,145,670</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

Interfund transfers for the fiscal year ended June 30, 2011 consisted of the following transfers, as reported in the fund financial statements:

	<u>Amount</u>
<u>Transfers from general fund to:</u>	
Nonmajor governmental funds	\$ 75,000
 <u>Transfers from nonmajor governmental funds to:</u>	
Nonmajor governmental funds	273,273

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. Transfers in the amount of \$273,273 were made during fiscal year 2011 from the permanent improvement fund (a nonmajor governmental fund) to fund the classroom facilities maintenance fund (a nonmajor governmental fund) as required by the Ohio School Facilities Commission.

All 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.



**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**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, public utility property, and certain tangible personal (used in business) property located in the District. Real property tax revenues received in calendar year 2011 represent the collection of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed values as of January 1, 2010, 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 2011 represent the collection of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien on December 31, 2009, were levied after April 1, 2010, 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.

Tangible personal property tax revenues received in the District's fiscal year ended June 30, 2011 (other than public utility property) generally represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009 on the value as of December 31, 2009. Amounts paid by multi-county taxpayers were due September 20, 2010. Single county taxpayers could pay annually or semiannually. If paid semiannually, the first payment was due April 30, 2010, with the remainder payable by September 20, 2010.

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, 2011, are available to finance fiscal year 2011 operations. The amount available as an advance at June 30, 2011 was \$2,187,000 in the general fund, \$261,000 in the bond retirement fund (a nonmajor governmental fund) and \$154,000 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2010 was \$1,726,000 in the general fund, \$179,000 in the bond retirement fund (a nonmajor governmental fund) and \$124,000 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, 2011 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 unearned revenue.

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 deferred.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 6 - PROPERTY TAXES - (Continued)**

The assessed values upon which the fiscal year 2011 taxes were collected are:

	2010 Second Half Collections		2011 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 784,269,630	97.33	\$ 745,637,250	97.07
Public utility personal	<u>21,541,150</u>	<u>2.67</u>	<u>22,501,820</u>	<u>2.93</u>
Total	<u>\$ 805,810,780</u>	<u>100.00</u>	<u>\$ 768,139,070</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	3.43		4.24	

**NOTE 7 - PAYMENT IN LIEU OF TAXES**

According to State law, Hancock County has entered into agreements 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 \$160,004 in payments in lieu of taxes during fiscal year 2011, and a receivable of \$127,652 has been reported on the statement of net assets.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2011 consisted of 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 assets follows:

**Governmental activities:**

Taxes	\$ 30,460,740
PILOT	127,652
Accounts	7,070
Intergovernmental	4,652,351
Accrued interest	<u>324,617</u>
Total	<u><u>\$ 35,572,430</u></u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected in the subsequent year, with the exception of the Ohio School Facilities Commission intergovernmental receivable of \$3,512,736, which will be collected over the duration of the construction project.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Balance			Balance
<u>Governmental activities:</u>	<u>06/30/10</u>	<u>Additions</u>	<u>Deductions</u>	<u>06/30/11</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 903,313	\$ -	\$ -	\$ 903,313
Construction in progress	2,010,671	3,096,642	(714,455)	4,392,858
<i>Total capital assets, not being depreciated</i>	<u>2,913,984</u>	<u>3,096,642</u>	<u>(714,455)</u>	<u>5,296,171</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,950,024	11,768	(319,666)	1,642,126
Buildings and improvements	27,949,950	792,231	(6,478)	28,735,703
Equipment and furniture	10,831,373	262,837	(28,350)	11,065,860
Vehicles	3,520,966	310,880	-	3,831,846
<i>Total capital assets, being depreciated</i>	<u>44,252,313</u>	<u>1,377,716</u>	<u>(354,494)</u>	<u>45,275,535</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(776,144)	(44,440)	293,154	(527,430)
Buildings and improvements	(17,242,118)	(444,450)	1,080	(17,685,488)
Equipment and furniture	(9,037,978)	(261,297)	15,596	(9,283,679)
Vehicles	(1,971,248)	(112,613)	-	(2,083,861)
<i>Total accumulated depreciation</i>	<u>(29,027,488)</u>	<u>(862,800)</u>	<u>309,830</u>	<u>(29,580,458)</u>
Total capital assets, net	<u>\$ 18,138,809</u>	<u>\$ 3,611,558</u>	<u>\$ (759,119)</u>	<u>\$ 20,991,248</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 371,575
Special	66,336
Vocational	98,139
<u>Support services:</u>	
Pupil	17,965
Instructional staff	28,171
Administration	34,404
Fiscal	15,108
Operations and maintenance	62,688
Pupil transportation	109,074
Other non-instructional services	33,333
Extracurricular activities	12,353
Food service operations	13,654
Total depreciation expense	<u>\$ 862,800</u>

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - CAPITALIZED LEASES - LESSEE DISCLOSURE**

In prior fiscal years, the District entered into leases for the acquisition of buildings, vehicles, equipment, and musical instruments. These lease agreements meet the criteria of a capital lease as defined by generally accepted accounting principles, which defines a capital lease generally as one which transfers the benefits and risks of ownership to the lessee.

Capital assets acquired by capital lease have been capitalized in the amount of \$4,709,477. This amount represents the present value of the minimum lease payments at the time of acquisition. Of this amount, \$3,976,043 is reported in buildings and improvements, \$612,328 in equipment and furniture, and \$121,106 in vehicles. For fiscal year 2011, depreciation expense on capital assets acquired by capital lease totaled \$97,853. At June 30, 2011, accumulated depreciation on capital assets acquired by capital lease equaled \$1,733,043, and net capital assets acquired by capital lease totaled \$2,976,434. A corresponding liability has been recorded on the government-wide financial statements.

Capital lease payments are reported as function/program expenditures in the budgetary statements. These payments have been reclassified and are reflected as debt service expenditures in the governmental fund financial statements. For fiscal year 2011, principal and interest payments in the general fund equaled \$308,082 and \$60,226, respectively.

The following is a long-term schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2011:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 368,307
2013	368,307
2014	<u>368,454</u>
Total minimum lease payments	1,105,068
Less: amount representing interest	<u>(87,540)</u>
Total	<u>\$ 1,017,528</u>

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - LONG-TERM OBLIGATIONS**

- A. During fiscal year 2011, the following changes occurred in governmental activities long-term obligations:

<u><b>Governmental activities:</b></u>	<u>Balance</u>			<u>Balance</u>	<u>Amount</u>
	<u>06/30/10</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/11</u>	<u>Due in</u>
					<u>One Year</u>
<u>General obligation bonds</u>					
G.O. current interest bonds payable - 2010	\$ 53,975,000	\$ -	\$ (850,000)	\$ 53,125,000	\$ 900,000
G.O. capital appreciation bonds payable	217,135	-	-	217,135	-
Capital appreciation bonds - accreted interest	15,506	48,591	-	64,097	-
Total general obligation bonds	<u>54,207,641</u>	<u>48,591</u>	<u>(850,000)</u>	<u>53,406,232</u>	<u>900,000</u>
<u>Loans payable</u>					
Asbestos removal loans	203,415	-	(100,314)	103,101	72,401
Total loans payable	<u>203,415</u>	<u>-</u>	<u>(100,314)</u>	<u>103,101</u>	<u>72,401</u>
<u>Other long-term obligations</u>					
Capital lease obligation	1,325,610	-	(308,082)	1,017,528	323,109
Compensated absences	3,723,080	1,486,558	(967,013)	4,242,625	1,126,322
Total other long-term obligations	<u>5,048,690</u>	<u>1,486,558</u>	<u>(1,275,095)</u>	<u>5,260,153</u>	<u>1,449,431</u>
Total governmental activities	<u>\$ 59,459,746</u>	<u>\$ 1,535,149</u>	<u>\$ (2,225,409)</u>	58,769,486	<u>\$ 2,421,832</u>
				<u>Unamortized premium on bonds</u>	<u>483,495</u>
				<u>Total on statement of net assets</u>	<u>\$ 59,252,981</u>

The asbestos removal loans were issued during fiscal year 1993, mature in fiscal year 2013, and are interest-free. Proceeds of the loans were used for capitalized improvements for school buildings throughout the District. Principal payments on the asbestos removal loans are made out of the bond retirement debt service fund (a nonmajor governmental fund).

See Note 10 for detailed information on the capital lease obligation.

Compensated absences will be paid out of the fund in 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. On the government-wide financial statements, principal payments reduce the liability reported on the statement of net assets.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - 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 capital appreciation bonds mature December 1, 2017 (stated interest 20.000%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$965,000. Total accreted interest of \$64,097 has been included on the statement of net assets at June 30, 2011.

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			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 900,000	\$ 2,878,660	\$ 3,778,660	\$ -	\$ -	\$ -
2013	1,130,000	2,863,373	3,993,373	-	-	-
2014	1,205,000	2,839,627	4,044,627	-	-	-
2015	1,220,000	2,807,165	4,027,165	-	-	-
2016	1,245,000	2,766,150	4,011,150	-	-	-
2017 - 2021	6,470,000	13,077,223	19,547,223	217,135	747,865	965,000
2022 - 2026	9,370,000	11,078,209	20,448,209	-	-	-
2027 - 2031	11,385,000	8,100,068	19,485,068	-	-	-
2032 - 2036	13,845,000	4,217,968	18,062,968	-	-	-
2037 - 2038	6,355,000	401,094	6,756,094	-	-	-
<b>Total</b>	<b>\$ 53,125,000</b>	<b>\$51,029,537</b>	<b>\$ 104,154,537</b>	<b>\$ 217,135</b>	<b>\$ 747,865</b>	<b>\$ 965,000</b>

The District had \$51,149,102 in unspent bond proceeds at June 30, 2011.

- C. As of June 30, 2011, principal and interest requirements to retire the asbestos removal loans are as follows:

Fiscal Year Ending June 30,	Asbestos Removal Loans		
	Principal	Interest	Total
2012	\$ 72,401	\$ -	\$ 72,401
2013	30,700	-	30,700
<b>Total</b>	<b>\$ 103,101</b>	<b>\$ -</b>	<b>\$ 103,101</b>

**D. 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.

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**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

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, 2011 are a voted debt margin of \$17,036,431, an unvoted debt margin of \$768,139, and an energy conservation debt margin of \$6,913,252.

**NOTE 12 - 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 2011, the District contracted with the Indiana Insurance Company for property and general liability insurance.

Professional liability is provided by the Indiana Insurance Company with a \$5,000,000 annual aggregate (includes \$3,000,000 umbrella coverage) / \$1,000,000 single occurrence limit and a \$5,000 deductible. Vehicles are covered by the Indiana Insurance Company and carry a \$1,000 (buses) and \$250 (other vehicles) deductible for comprehensive and a \$1,000 (buses) and \$500 (other vehicles) 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>
2011	\$ 41,115	\$ 175,085	\$ (184,885)	\$ 31,315
2010	-	74,007	(32,892)	41,115



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**NOTE 12 - 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 four comprehensive medical/surgical plans: Original Plan, Option A Plan, Option B Plan and Option C (HAS) Plan. The mass majority of employees do not participate in the other insurance programs other than the Original Plan. The Original Plan still 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 \$125,000 per employee. The District and employees pay into the self-insurance internal service fund. The District's monthly portion of the majority of its employees is \$1,225 for family coverage and \$453 for single coverage. The employee's monthly portion of the majority employees is \$115 for family coverage and \$34 for single coverage. 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 \$86.68 monthly for family coverage and \$31.52 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 \$1,567,658 reported in the Employee Benefits Self Insurance fund at June 30, 2011 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>
2011	\$ 1,734,280	\$ 6,125,978	\$ (6,292,600)	\$ 1,567,658
2010	1,695,682	7,136,349	(7,097,751)	1,734,280

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14. As such, no provisions are required by the District.

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**NOTE 13 - PENSION PLANS**

**A. School Employees Retirement System**

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under "*Media/Financial Report*".

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2011, 11.77 percent and 0.04 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2011, 2010 and 2009 were \$993,308, \$1,086,617 and \$757,681, respectively; 61.03 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

**B. State Teachers Retirement System of Ohio**

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org) under "*Publications*".

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. 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 DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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**NOTE 13 - PENSION PLANS - (Continued)**

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor 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 - For fiscal year 2011, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010 and 2009 were \$3,524,123, \$3,535,033 and \$3,481,650, respectively; 83.10 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. Contributions to the DC and Combined Plans for fiscal year 2011 were \$125,146 made by the District and \$89,390 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2011, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

**NOTE 14 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Chapter 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2011 was \$96.40 and SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under "Media/Financial Report".

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**NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)**

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2011, 1.43 percent of covered payroll was allocated 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 according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the actuarially determined amount was \$35,800.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2011, 2010, and 2009 were \$248,163, \$161,169 and \$465,648, respectively; 61.03 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2011, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were \$63,922, \$64,619 and \$62,515, respectively; 61.03 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

**B. State Teachers Retirement System of Ohio**

Plan Description - The District contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) under "Publications" or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2011, 2010 and 2009 were \$271,086, \$271,926 and \$267,819, respectively; 83.10 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

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**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts 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) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP 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	\$ (1,469,505)
Net adjustment for revenue accruals	336,335
Net adjustment for expenditure accruals	186,139
Net adjustment for other sources/uses	(31,193)
Funds budgeted elsewhere*	234,212
Adjustment for encumbrances	1,378,357
GAAP basis	\$ 634,345

\*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 rotary fund, the public school support fund and the special enterprises fund.

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**NOTE 16 - 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 District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

**B. Litigation**

The District is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and spending projects. The District management is of the opinion that disposition of the claim and legal proceedings will not have a material effect, if any, on the financial condition of the District.

**NOTE 17 - SET-ASIDES**

The District is required by State statute to annually set-aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount 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. These amounts must be carried forward to be used for the same purposes in future years.

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

	<u>Textbooks</u>	<u>Capital Improvements</u>
Set-aside balance June 30, 2010	\$ (7,573,897)	\$ -
Current year set-aside requirement	859,267	859,267
Current year qualifying expenditures	(1,707,639)	(1,384,074)
Current year offsets	<u>-</u>	<u>(1,946,118)</u>
Total	<u>\$ (8,422,269)</u>	<u>\$ (2,470,925)</u>
Balance carried forward to fiscal year 2012	<u>\$ -</u>	<u>\$ -</u>
Set-aside balance June 30, 2011	<u>\$ -</u>	<u>\$ -</u>

The District had qualifying disbursements and offsets during the fiscal year that reduced the textbook set-aside amount to below zero. Effective July 1, 2011, the textbook set-aside is no longer required and has been removed from existing law. This negative balance is therefore not being presented as being carried forward to the future fiscal year. Although the District had qualifying disbursements and offsets during the fiscal year that reduced the set-aside amount to below zero for the capital improvements set-aside, this amount may not be used to reduce the set-aside requirement for future fiscal years. The negative balance is therefore not presented as being carried forward to future fiscal years.

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**NOTE 18 - CONTRACTUAL COMMITMENTS**

As a result of the Ohio School Facilities Project that was in progress at June 30, 2011, the District had the following outstanding contractual commitments at fiscal year end:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
ACI Construction Company	\$ 10,862,000	\$ -	\$ 10,862,000
R.A.M.E., Inc.	1,175,000	-	1,175,000
C&T Design and Equipment	487,615	-	487,615
Vulcan Enterprises, Inc.	290,742	-	290,742
L.R. Babcock Plumbing & Heating, Inc.	1,126,370	-	1,126,370
Vaughn Industries, LTD.	8,125,000	-	8,125,000
Jackson & Sons	1,079,834	(380,423)	699,411
Johnson Controls	675,900	-	675,900
Telamon Construction	8,242,000	-	8,242,000
Kelley Brothers Roofing	1,699,000	-	1,699,000
Burkett Restaurant Equipment	265,500	-	265,500
Slagle Mechanical Contractors	851,200	-	851,200
The Hoffman & Harpst. Company	1,719,000	-	1,719,000
Koester Electric, Inc.	2,206,500	-	2,206,500
Charles Construction	10,863,200	-	10,863,200
L.R. Babcock Plumbing & Heating, Inc.	923,866	-	923,866
Solimann Electric Company	<u>2,300,309</u>	<u>-</u>	<u>2,300,309</u>
Total	<u>\$ 52,893,036</u>	<u>\$ (380,423)</u>	<u>\$ 52,512,613</u>

**NOTE 19 - OTHER COMMITMENTS**

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are reservations of fund balance for subsequent-year expenditures and 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	\$ 1,292,032
Building fund	1,310,175
Classroom facilities fund	1,248,193
Other governmental funds	<u>608,825</u>
Total	<u>\$ 4,459,225</u>

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**NOTE 20 - FINDLAY DIGITAL ACADEMY**

The Findlay Digital Academy (the “Academy”) has been determined to be a discretely presented component unit of the District. The District’s management has determined that the Academy is significant. Therefore, the component unit has been included in the District’s basic financial statements. 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 Michael Barnhart, Treasurer, Findlay Digital Academy at 1219 W. Main Cross, Findlay, Ohio 45840.

**A. Description of the Digital Academy**

The Academy is a Conversion Community School established pursuant to Ohio Revised Code Chapter 3314, and 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 an innovative program operated as a cooperative effort between the Academy’s Board of Directors and the District. The Academy was approved for operation under a contract with the District commencing on April 1, 2004 and expiring on June 30, 2008. Another contract was signed in June 2008 to go through June 30, 2013. The Academy enrolled its first students in January 2005. The District 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 Board is comprised of the District’s Superintendent, the District’s High School Principal, and one other licensed administrator who is employed by the District. The Board also includes three other persons who are neither officers nor employees of the Academy who serve as voting members. Those three may include a public educator or other public official representing a governmental entity that desires to further the establishment and operation of the Academy, one parent of a student enrolled in the Academy, and a representative from the Tri-Rivers Educational Computer Association (TRECA) who within one year following the Academy’s incorporation may be replaced by a District administrator. The District’s Treasurer serves as a nonvoting ex-officio member of the Board.

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.

**B. Summary of Significant Accounting Policies**

The basic financial statements of the Academy have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Academy also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989 to its governmental and proprietary activities, provided it does not conflict with or contradict GASB pronouncements. The Academy’s significant accounting policies are described below.



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 20 - FINDLAY DIGITAL ACADEMY - (Continued)**

Basis of Presentation: The Academy's basic financial statements consist of a statement of net assets; a statement of revenue, expenses, and changes in net assets; and a statement of cash flows. Enterprise fund reporting focuses on the determination of the change in net assets, 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 assets. The statement of changes in net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. 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 in the basic financial statements. The Academy's basic financial statements are prepared using the accrual basis of accounting.

Nonexchange 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.

Budgetary Process: Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions 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 the District does not prescribe a budgetary process for the Academy; therefore no budgetary information is presented in the basic financial statements.

Cash and Cash Equivalents: All monies received by the Academy are accounted for by the Academy's fiscal agent, the District. All cash received by the fiscal agent is maintained in separate accounts in the Academy's name. For purposes of the statement of cash flows and presentation on the statement of net assets, investments with original maturities of three months or less at the time they are purchased by the Academy are considered to be cash equivalents. In fiscal year 2011, the Academy purchased a five-year Federal Home Loan Bank (FHLB) note for \$150,000 which is due in May, 2016, but callable as early as May, 2013. In fiscal year 2011, the Academy also purchased one more certificate of deposit totaling \$150,000. The Academy owns seven certificates of deposits totaling \$744,016 in six different banks and earning annual interest anywhere between 1.55-4.65% per year. In fiscal year 2011, a \$100,000 Fannie Mae note was called in March, 2011 and a \$99,000 CD came due in April, 2011. Investment income of \$25,982 was received in fiscal year 2011.

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 fair market value as of the date received. The Academy maintains a capitalization threshold of one-thousand dollars. The Academy does not possess any infrastructure.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

**NOTE 20 - FINDLAY DIGITAL ACADEMY - (Continued)**

Depreciation of furniture and equipment is computed using the straight-line method over an estimated useful life of five years.

Net Assets: Net assets represent the difference between assets and liabilities. Invested in Capital Assets consists of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use 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 assets are 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 goods or services that are the primary activity of the Academy. Revenues and expenses not meeting this definition are reported as nonoperating.

Intergovernmental Revenues: The Academy currently participates in the State Foundation Program. Revenues received from this program are recognized as operating revenues in the accounting period in which all eligibility requirements are met.

Federal and State grants are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. 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 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.

The Academy participates in various programs through the Ohio Department of Education. These include Title VI-B, Title I, Title II-A, Title II-D, ARRA federal stimulus funding and an EMIS subsidy grant.

Estimates: The preparation of basic financial statements in conformity with generally accepted accounting principles 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.

**C. Deposits and Investments**

Deposits: At fiscal year end, the carrying amount of the Academy's deposits was \$59,822 and the bank balance was \$115,820. Of the bank balance, \$115,820 was covered by the Federal Deposit Insurance Corporation.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

**NOTE 20 - FINDLAY DIGITAL ACADEMY - (Continued)**

Investments: At fiscal year end, the Academy had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Percent of Total</u>
STAR Ohio	\$ 94,337	9.54
CD's & FHLB note	<u>894,016</u>	<u>90.46</u>
Total	<u>\$ 988,353</u>	<u>100.00</u>

The weighted maturity of the investment in STAR Ohio is one day and the weighted maturity of the FHLB note is 2.72 years.

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 interest rate risk and declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with the investment policy, the Academy manages its exposure to credit risk by limiting their investment to STAR Ohio and Government Sponsored Enterprises (GSE's). Investments in STAR Ohio were rated AAAM by Standard & Poor's. The investment in FHLB was rated AAA by Standard & Poor's.

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. In accordance with the investment policy, the Academy allows investments in certificates of deposits or in financial institutions within the State of Ohio as designated by the Federal Reserve Board. The Academy has invested monies with no weighted maturity through STAR Ohio. All other investments can be sold on the secondary market if immediate cash flow is needed.

Custodial credit risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Academy can access \$500,000 of net equity protection from the Securities Investor Protection Corporation through Ridge Clearing, which is the custodian of our non-STAR Ohio investments. All of the Academy's investments are held in the name of the Academy.

**D. Intergovernmental Receivables and Payables**

There were no intergovernmental receivables at June 30, 2011. There were no intergovernmental payables at June 30, 2011.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

**NOTE 20 - FINDLAY DIGITAL ACADEMY - (Continued)**

**E. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2011:

	<u>Balance</u>		<u>Balance</u>
	<u>07/01/10</u>	<u>Additions</u>	<u>06/30/11</u>
Furniture and Equipment	\$134,615	\$ 76,775	\$(32,248)
Less: Accumulated Depreciation	<u>(57,569)</u>	<u>(32,406)</u>	<u>32,248</u>
Capital Assets, Net	<u>\$ 77,046</u>	<u>\$ 44,369</u>	<u>\$ -</u>

**F. 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 District.

Coverages are as follows:

General Liability:	
Per Occurrence	\$ 1,000,000
Aggregate	4,000,000
Personal and Advertising Injury	3,000,000
Property	153,818,737

There have been no claims filed against or on behalf of the Academy.

**G. Fiscal Agent and Payments to Sponsor**

The Sponsorship Contract states that the District may direct its treasurer to serve as the Academy's fiscal officer. The treasurer 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, the Sponsorship Contract states that the Academy shall secure the services of an Executive Director who shall be the chief operating officer of the Academy. This position is filled by the Secondary Curriculum Director of the District.

With the exception of the Executive Director, who is contracted through the Hancock County ESC, the Sponsor contracts out all employees to the Academy including the Treasurer, EMIS Coordinator, Academy Coordinator and Teachers. For the 2010-2011 school year, the Academy Coordinator will be contracted through the Hancock County ESC.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

**NOTE 20 - FINDLAY DIGITAL ACADEMY - (Continued)**

During the fiscal year ended June 30, 2011, the Academy incurred \$174,292 in expenses payable to the District for:

Salaries and benefits	\$ 93,279
Fiscal services	11,249
EMIS services	8,231
Other	<u>61,533</u>
Total	<u>\$ 174,292</u>

**H. Contingencies**

Grants: The Academy received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions as specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2011.

State Funding: The Ohio Department of Education reviews enrollment data and full time equivalency (FTE) calculations made by the schools. These reviews ensure the schools are reporting accurate student enrollment data to the State, upon which State Foundation Funding is calculated. As of the date of this report, the Academy has not received the review for fiscal year 2011.

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

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

House Bill 79: In March 2007, the Ohio General Assembly enacted House Bill 79, which contained confusing language that implied that if a school employee is serving on the Academy's Board of Directors, that school employee's full-time job could be in jeopardy. As a result, the Academy made some changes to its Board of Directors based on advice from legal counsel. The Ohio Attorney General issued an opinion on August 11, 2010 concerning operational independence which supports the Academy's present organizational structure with only minor changes needed to better define the Sponsor's oversight process

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

**NOTE 20 - FINDLAY DIGITAL ACADEMY - (Continued)**

**I. Purchased Service Expenses**

For the fiscal year ended June 30, 2011, purchased service expenses were payments for services rendered by various vendors, as follows:

Tri-Rivers Educational Computer Assn. (TRECA)	\$ 296,651
Sponsor, management fees and expenses	131,114
Hancock County ESC	122,581
Wood County ESC	8,340
Balestra, Harr & Scherer, CPAs	5,200
Plato, Inc.	5,100
Western Buckeye ESC	4,862
TLB Corporate Center	4,500
Other	<u>9,808</u>
Total	<u>\$ 588,156</u>

**J. Related Party Transactions**

The Academy's Board of Directors includes two members who are employees of the District and two members who is an employee of the Hancock County Educational Service Center, as contracted out by the District. However, that changed in fiscal year 2007 due to House Bill 79 (See Note 20.H. above). In addition, other employees of the District provide additional services to the Academy; however, no such services were provided in fiscal year 2011. Payments to the following related parties (other than travel reimbursement) were as follows:

Findlay City School District (sponsor)	<u>\$ 131,114</u>
Total	<u>\$ 131,114</u>

**K. Contract With TRECA**

The Academy entered into a contract on June 4, 2010, for fiscal year 2011, with TRECA. Under the contract, the following terms were agreed upon:

- TRECA shall provide the Academy with instructional, administrative, staff training, and technical services sufficient to substantially implement the Academy's educational plan and the Academy's assessment and accountability plan.
- All personnel providing services to the Academy on behalf of TRECA under the agreement shall be employees of TRECA and TRECA shall be solely responsible for all payroll functions, including retirement system contributions and all other legal withholding and/or payroll taxes, with respect to such personnel. All shall possess any certification or licensure which may be required by law.
- The technical services provided by TRECA to the Academy shall include access to, and the use of, computer software, computer hardware, networking hardware, network services, and the services of technical support personnel necessary to implement the plan of operation.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

**NOTE 20 - FINDLAY DIGITAL ACADEMY - (Continued)**

- The Academy shall secure the services of an Executive Director, who shall be the chief operating officer of the Academy, with primary responsibility for day-to-day operation of the Academy.
- Curricular services provided by TRECA shall be limited to the basic standardized curriculum developed by TRECA. Basic services do not include special education and related services.
- In exchange for the services and support (including equipment) provided by TRECA, the Academy shall pay to TRECA \$3,900 per full-time student enrolled in the Academy for the 2010-2011 school year. Part-time students may be enrolled on such terms as agreed to by the parties.
- In the case of students enrolled in the Academy who are Disabled or Suspected Disabled, as defined in the Exhibit entitled “TRECA Enhancement Services and Special Education Obligations of the Academy and TRECA”, the Academy shall additionally pay to TRECA the fees and costs described in Section II of such exhibit.

For fiscal year 2011, \$296,651 was paid to TRECA. \$20,712 was payable to TRECA at June 30, 2011.

To obtain TRECA’s audited June 30, 2011 financial statements, please contact Scott Armstrong, Treasurer, at [scott@treca.org](mailto:scott@treca.org).

**L. Tax Exempt Status**

The Academy’s legal counsel issued a tax opinion stating the Academy is not required to pay federal income tax or file federal tax returns because it qualifies as an integral part of the Findlay City Schools which is a political subdivision of the State of Ohio. The tax opinion also indicates that as a further protection, they structured the Academy’s incorporation documents in such a way that, in the unlikely event the Internal Revenue Service ever reaches a contrary conclusion regarding the Academy’s tax status, the Academy should qualify as a tax-exempt organization under either Section 501(c)(3) or 501(c)(4) of the Internal Revenue code, retroactive to the date of incorporation. Thus, the Academy should avoid liability for any taxes or penalties imposed by the Internal Revenue Code.

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COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

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**FINDLAY CITY SCHOOL DISTRICT  
COMBINING STATEMENTS - MAJOR FUNDS**

**MAJOR 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.

**OTHER MAJOR FUNDS**

**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 other capital assets.

**Classroom Facilities Fund**

Section 3318.080 and 3318.15, Revised Code

A fund provided to account for monies received and expended in connection with contracts entered into by the school district and the Ohio Department of Education for the building and equipping of classroom facilities.

**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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Building Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 10,000	\$ 160,000	\$ 184,272	\$ 24,272
Total Expenditures and Other Financing Uses	<u>982,000</u>	<u>2,285,568</u>	<u>2,019,508</u>	<u>266,060</u>
Net Change in Fund Balance	(972,000)	(2,125,568)	(1,835,236)	290,332
Fund Balance, July 1	14,774,044	14,774,044	14,774,044	-
Prior Year Encumbrances Appropriated	<u>53,568</u>	<u>53,568</u>	<u>53,568</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 13,855,612</u>	<u>\$ 12,702,044</u>	<u>\$ 12,992,376</u>	<u>\$ 290,332</u>
 <b><u>Classroom Facilities Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 40,000	\$ 3,040,000	\$ 13,464,797	\$ 10,424,797
Total Expenditures and Other Financing Uses	<u>4,935,000</u>	<u>5,695,023</u>	<u>3,615,511</u>	<u>2,079,512</u>
Net Change in Fund Balance	(4,895,000)	(2,655,023)	9,849,286	12,504,309
Fund Balance, July 1	39,195,770	39,195,770	39,195,770	-
Prior Year Encumbrances Appropriated	<u>760,023</u>	<u>760,023</u>	<u>760,023</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 35,060,793</u>	<u>\$ 37,300,770</u>	<u>\$ 49,805,079</u>	<u>\$ 12,504,309</u>

**FINDLAY CITY SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS**

**Nonmajor Special Revenue Funds**

Special revenue funds are used to account for revenues from specific sources which are restricted, legally or otherwise, to expenditures for specific purposes. 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** 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.

**Management Information System Fund** Am. Sub. HB 111

A fund used to account for monies associated with the state-wide requirements of the Education Management Information System (EMIS).

**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.

**Vocational Education Enhancements Fund** State Line Item Appropriation GRF 200-545

A fund used to account for Vocational Education Enhancements that: 1) expand the number of students enrolled in tech prep programs; 2) enable students to develop career plans, to identify initial educational and career goals, and develop a career passport which provides a clear understanding of the student's knowledge, skills and credentials to present to future employers, universities, and other training institutes, and; 3) replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

**Miscellaneous State Grants Fund** Section 5705.12, Revised Code

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

**Education Jobs Fund**

This fund accounts for federal monies whose purpose is to create education jobs for the 2010-2011 schoolyear. Jobs funded under this program include those that provide educational and related services for early childhood, elementary and secondary education.

**FINDLAY CITY SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS**

**Nonmajor Special Revenue Funds**

**Race to the Top Fund**

To establish a new program or expand an existing program aligned to an approved scope of work. An approved scope of work must support Race to the Top initiatives in the areas of Standard and Assessments, Using Data to Improve Instruction, Great Teachers and Leaders, Turning Around the Lowest Achieving Schools.

**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.

**Education Stabilization Fund**

American Recovery and Reinvestment Act  
CFDA #84.394

Grant from the American Recovery and Reinvestment Act (ARRA) in State Fiscal Stabilization Funds (SFSF) to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services.

**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.

**School Improvement Stimulus A Fund**

American Recovery and Reinvestment Act  
CFDA #84.010

To provide supplemental funding to economically disadvantaged districts and some of their eligible schools for improving educational outcomes for students who are failing or at risk of failing to meet State standards.

**School Improvement Subsidy G Fund**

American Recovery and Reinvestment Act  
CFDA #84.377

For implementing a school improvement plan that is focused on the specific reasons a building was identified for school improvement under the No Child Left Behind Act.

**Nutrition Education and Training Program Fund**

Catalog of Federal Domestic Assistance #10.564

To encourage the effective dissemination of scientifically valid information to children participating or eligible to participate in the school lunch and related nutrition programs.

**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 account for monies which are to: 1) establish or improve programs designed to meet the special educational needs of children of migratory agricultural workers or migratory fisherman, and; 2) enable state education agencies to coordinate their state and local migrant education programs and projects with similar programs and projects in other states, including the transfer of school records and other information about children of migrant workers.

**Drug Free School Grant Fund**

CFDA #84.166

A fund used to account for funds to local educational agencies and consortia of these agencies to establish, operate, and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, training, technical assistance, and coordination activities.

**FINDLAY CITY SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS**

**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.

**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 General Fund**

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  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS**

**Nonmajor Debt Service Fund**

**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 projects funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Since the Permanent Improvement Fund is the only non-major capital projects fund at June 30, 2010, no combining statements are presented. A description of the District's capital projects fund 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.

**Nonmajor Permanent Fund**

**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.



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

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and cash equivalents. . .	\$ 2,599,034	\$ 985,050	\$ 2,061,082	\$ 708,525	\$ 6,353,691
Receivables:					
Taxes. . . . .	-	3,040,855	1,775,256	-	4,816,111
Payment in lieu of taxes . . . . .	-	10,280	6,062	-	16,342
Accounts. . . . .	5,934	-	-	-	5,934
Intergovernmental . . . . .	1,091,160	-	-	-	1,091,160
Materials and supplies inventory . . . . .	23,382	-	-	-	23,382
Total assets. . . . .	<u>\$ 3,719,510</u>	<u>\$ 4,036,185</u>	<u>\$ 3,842,400</u>	<u>\$ 708,525</u>	<u>\$ 12,306,620</u>
<b>Liabilities:</b>					
Accounts payable. . . . .	\$ 35,825	\$ -	\$ -	\$ -	\$ 35,825
Contracts payable. . . . .	-	-	17,229	-	17,229
Accrued wages and benefits . . . . .	346,247	-	-	-	346,247
Compensated absences payable . . . . .	31,814	-	-	-	31,814
Pension obligation payable. . . . .	85,180	-	-	-	85,180
Intergovernmental payable . . . . .	19,642	-	-	-	19,642
Deferred revenue . . . . .	905,422	145,461	85,767	-	1,136,650
Unearned revenue . . . . .	-	2,644,674	1,741,550	-	4,386,224
Total liabilities . . . . .	<u>1,424,130</u>	<u>2,790,135</u>	<u>1,844,546</u>	<u>-</u>	<u>6,058,811</u>
<b>Fund balances:</b>					
Nonspendable:					
Materials and supplies inventory. . . . .	23,382	-	-	-	23,382
Permanent fund . . . . .	-	-	-	618,000	618,000
Restricted:					
Debt service . . . . .	-	1,246,050	-	-	1,246,050
Capital improvements . . . . .	-	-	1,797,854	-	1,797,854
Classroom facilities maintenance. . . . .	845,443	-	-	-	845,443
Food service operations . . . . .	296,165	-	-	-	296,165
Special education. . . . .	11,755	-	-	-	11,755
Targeted academic assistance . . . . .	71,006	-	-	-	71,006
Vocational education. . . . .	23,225	-	-	-	23,225
Other purposes . . . . .	720,295	-	-	-	720,295
Extracurricular . . . . .	365,239	-	-	-	365,239
Permanent fund . . . . .	-	-	-	90,525	90,525
Committed:					
Capital improvements . . . . .	-	-	200,000	-	200,000
Unassigned (deficit) . . . . .	(61,130)	-	-	-	(61,130)
Total fund balances . . . . .	<u>2,295,380</u>	<u>1,246,050</u>	<u>1,997,854</u>	<u>708,525</u>	<u>6,247,809</u>
Total liabilities and fund balances . . . . .	<u>\$ 3,719,510</u>	<u>\$ 4,036,185</u>	<u>\$ 3,842,400</u>	<u>\$ 708,525</u>	<u>\$ 12,306,620</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, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
From local sources:					
Taxes . . . . .	\$ -	\$ 2,876,175	\$ 1,745,259	\$ -	\$ 4,621,434
Payment in lieu of taxes . . . . .	-	12,207	7,646	-	19,853
Earnings on investments . . . . .	20,836	-	27,889	12,807	61,532
Charges for services . . . . .	736,579	-	-	-	736,579
Extracurricular . . . . .	520,371	-	-	-	520,371
Rental income . . . . .	128,226	-	5,510	-	133,736
Contributions and donations . . . . .	367,325	-	-	-	367,325
Other local revenues . . . . .	105,366	-	66,666	-	172,032
Intergovernmental - state . . . . .	652,728	361,517	230,859	-	1,245,104
Intergovernmental - federal . . . . .	6,634,470	810,834	200,000	-	7,645,304
Total revenues . . . . .	<u>9,165,901</u>	<u>4,060,733</u>	<u>2,283,829</u>	<u>12,807</u>	<u>15,523,270</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	1,012,714	-	408,284	19,093	1,440,091
Special . . . . .	2,076,749	-	-	-	2,076,749
Vocational . . . . .	88,041	-	-	-	88,041
Adult/continuing . . . . .	183	-	-	-	183
Other . . . . .	234,930	-	-	-	234,930
Support services:					
Pupil . . . . .	296,075	-	-	-	296,075
Instructional staff . . . . .	1,221,499	-	-	-	1,221,499
Administration . . . . .	17,583	-	-	-	17,583
Operations and maintenance . . . . .	108,778	-	34,670	-	143,448
Pupil transportation . . . . .	117,228	-	129,746	-	246,974
Central . . . . .	127,625	-	-	-	127,625
Operation of non-instructional services . . . . .	436,520	-	-	-	436,520
Food service operations . . . . .	1,839,679	-	-	-	1,839,679
Extracurricular activities . . . . .	1,206,136	-	11,768	-	1,217,904
Facilities acquisition and construction . . . . .	-	-	116,603	-	116,603
Debt service:					
Principal retirement . . . . .	-	950,314	-	-	950,314
Interest and fiscal charges . . . . .	-	2,888,098	-	-	2,888,098
Total expenditures . . . . .	<u>8,783,740</u>	<u>3,838,412</u>	<u>701,071</u>	<u>19,093</u>	<u>13,342,316</u>
Excess of revenues over (under) expenditures . . . . .	382,161	222,321	1,582,758	(6,286)	2,180,954
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	348,273	-	-	-	348,273
Transfers out . . . . .	-	-	(273,273)	-	(273,273)
Total other financing sources (uses) . . . . .	<u>348,273</u>	<u>-</u>	<u>(273,273)</u>	<u>-</u>	<u>75,000</u>
Net change in fund balances . . . . .	730,434	222,321	1,309,485	(6,286)	2,255,954
<b>Fund balances at beginning of year (restated) . . . . .</b>	<b>1,562,641</b>	<b>1,023,729</b>	<b>688,369</b>	<b>714,811</b>	<b>3,989,550</b>
<b>Increase in reserve for inventory . . . . .</b>	<b>2,305</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,305</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 2,295,380</b>	<b>\$ 1,246,050</b>	<b>\$ 1,997,854</b>	<b>\$ 708,525</b>	<b>\$ 6,247,809</b>

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2011

	<b>Food Service</b>	<b>Special Trust</b>	<b>Other Grants</b>	<b>Classroom Facilities Maintenance</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 335,622	\$ 572,744	\$ 108,180	\$ 845,443
Receivables:				
Accounts. . . . .	702	242	-	-
Intergovernmental . . . . .	-	-	-	-
Materials and supplies inventory . . . . .	23,382	-	-	-
Total assets. . . . .	<u>\$ 359,706</u>	<u>\$ 572,986</u>	<u>\$ 108,180</u>	<u>\$ 845,443</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 1,898	\$ 56	\$ 2,870	\$ -
Accrued wages and benefits . . . . .	11,074	-	-	-
Compensated absences payable . . . . .	-	-	-	-
Pension obligation payable. . . . .	24,037	-	-	-
Intergovernmental payable . . . . .	3,150	-	-	-
Deferred revenue . . . . .	-	-	-	-
Total liabilities. . . . .	<u>40,159</u>	<u>56</u>	<u>2,870</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory. . . . .	23,382	-	-	-
Restricted:				
Classroom facilities maintenance. . . . .	-	-	-	845,443
Food service operations. . . . .	296,165	-	-	-
Special education. . . . .	-	-	-	-
Targeted academic assistance . . . . .	-	-	-	-
Vocational education . . . . .	-	-	-	-
Other purposes . . . . .	-	572,930	105,310	-
Extracurricular. . . . .	-	-	-	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances (deficit). . . . .	<u>319,547</u>	<u>572,930</u>	<u>105,310</u>	<u>845,443</u>
Total liabilities and fund balances. . . . .	<u>\$ 359,706</u>	<u>\$ 572,986</u>	<u>\$ 108,180</u>	<u>\$ 845,443</u>

<b>District Managed Activity</b>	<b>Auxillary Services</b>	<b>Management Information System</b>	<b>Vocational Education Enhancements</b>	<b>Miscellaneous State Grants</b>	<b>Education Jobs</b>	<b>Race To The Top</b>
\$ 369,189	\$ 48,559	\$ 18,883	\$ 4	\$ 29,013	\$ -	\$ 415
4,990	-	-	-	-	-	-
-	-	-	-	-	882,711	10,332
-	-	-	-	-	-	-
<u>\$ 374,179</u>	<u>\$ 48,559</u>	<u>\$ 18,883</u>	<u>\$ 4</u>	<u>\$ 29,013</u>	<u>\$ 882,711</u>	<u>\$ 10,747</u>
\$ 5,775	\$ 13,194	\$ -	\$ -	\$ -	\$ -	\$ -
-	36,978	4,130	-	-	-	454
-	-	31,814	-	-	-	-
3,031	5,596	3,613	-	386	-	280
134	1,286	286	-	76	-	4
-	-	-	-	-	882,711	-
<u>8,940</u>	<u>57,054</u>	<u>39,843</u>	<u>-</u>	<u>462</u>	<u>882,711</u>	<u>738</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	4	28,551	-	10,009
365,239	-	-	-	-	-	-
-	(8,495)	(20,960)	-	-	-	-
<u>365,239</u>	<u>(8,495)</u>	<u>(20,960)</u>	<u>4</u>	<u>28,551</u>	<u>-</u>	<u>10,009</u>
<u>\$ 374,179</u>	<u>\$ 48,559</u>	<u>\$ 18,883</u>	<u>\$ 4</u>	<u>\$ 29,013</u>	<u>\$ 882,711</u>	<u>\$ 10,747</u>

(continued)

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2011

	<b>IDEA Part B Grants</b>	<b>Vocational Education Enhancements</b>	<b>Stimulus Title II D</b>	<b>School Improvement Stimulus A</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 72,076	\$ 16,920	\$ 2,820	\$ -
Receivables:				
Accounts. . . . .	-	-	-	-
Intergovernmental . . . . .	108,357	6,524	-	60,525
Materials and supplies inventory . . . . .	-	-	-	-
Total assets. . . . .	\$ 180,433	\$ 23,444	\$ 2,820	\$ 60,525
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 11,727	\$ -	\$ 186	\$ -
Accrued wages and benefits . . . . .	124,057	-	1,042	-
Compensated absences payable . . . . .	-	-	-	-
Pension obligation payable. . . . .	26,288	-	292	-
Intergovernmental payable . . . . .	6,750	219	109	-
Deferred revenue . . . . .	-	-	-	-
Total liabilities. . . . .	168,822	219	1,629	-
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory. . . . .	-	-	-	-
Restricted:				
Classroom facilities maintenance. . . . .	-	-	-	-
Food service operations. . . . .	-	-	-	-
Special education. . . . .	11,611	-	-	-
Targeted academic assistance . . . . .	-	-	-	60,525
Vocational education . . . . .	-	23,225	-	-
Other purposes . . . . .	-	-	1,191	-
Extracurricular. . . . .	-	-	-	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances (deficit). . . . .	11,611	23,225	1,191	60,525
Total liabilities and fund balances. . . . .	\$ 180,433	\$ 23,444	\$ 2,820	\$ 60,525

<b>Nutrition Education and Training Program</b>	<b>Limited English Proficiency</b>	<b>Title I Disadvantaged Children</b>	<b>IDEA Preschool- Handicapped</b>	<b>Improving Teacher Quality</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ 2,300	\$ -	\$ 169,252	\$ 257	\$ 7,357	\$ 2,599,034
-	-	-	-	-	5,934
-	-	22,711	-	-	1,091,160
-	-	-	-	-	23,382
<u>\$ 2,300</u>	<u>\$ -</u>	<u>\$ 191,963</u>	<u>\$ 257</u>	<u>\$ 7,357</u>	<u>\$ 3,719,510</u>
\$ -	\$ -	\$ 119	\$ -	\$ -	\$ 35,825
-	-	134,954	-	33,558	346,247
-	-	-	-	-	31,814
-	-	17,475	-	4,182	85,180
-	23	6,223	113	1,269	19,642
-	-	22,711	-	-	905,422
-	23	181,482	113	39,009	1,424,130
-	-	-	-	-	23,382
-	-	-	-	-	845,443
-	-	-	-	-	296,165
-	-	-	144	-	11,755
-	-	10,481	-	-	71,006
-	-	-	-	-	23,225
2,300	-	-	-	-	720,295
-	-	-	-	-	365,239
-	(23)	-	-	(31,652)	(61,130)
<u>2,300</u>	<u>(23)</u>	<u>10,481</u>	<u>144</u>	<u>(31,652)</u>	<u>2,295,380</u>
<u>\$ 2,300</u>	<u>\$ -</u>	<u>\$ 191,963</u>	<u>\$ 257</u>	<u>\$ 7,357</u>	<u>\$ 3,719,510</u>

**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, 2011

	<u>Food Service</u>	<u>Special Trust</u>	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 5,555	\$ 7,542	\$ -	\$ -
Charges for services . . . . .	736,579	-	-	-
Extracurricular . . . . .	-	-	-	-
Rental income . . . . .	-	-	-	128,226
Contributions and donations . . . . .	-	320,325	47,000	-
Other local revenues . . . . .	-	1,188	58,243	-
Intergovernmental - state . . . . .	231,225	-	-	24,798
Intergovernmental - federal . . . . .	871,488	-	-	-
Total revenues . . . . .	<u>1,844,847</u>	<u>329,055</u>	<u>105,243</u>	<u>153,024</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	19,633	23,475	-
Special . . . . .	-	-	547	-
Vocational . . . . .	-	426	671	-
Adult/continuing . . . . .	-	-	-	-
Other . . . . .	-	-	372	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff . . . . .	-	-	-	-
Administration . . . . .	-	-	-	-
Operations and maintenance . . . . .	-	108,778	-	-
Pupil transportation . . . . .	-	114	-	-
Central . . . . .	-	-	-	-
Operation of non-instructional services . . . . .	-	-	113	-
Food service operations . . . . .	1,839,679	-	-	-
Extracurricular activities . . . . .	-	-	-	-
Total expenditures . . . . .	<u>1,839,679</u>	<u>128,951</u>	<u>25,178</u>	<u>-</u>
Excess of revenues over (under) expenditures . . . . .	<u>5,168</u>	<u>200,104</u>	<u>80,065</u>	<u>153,024</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	-	-	-	273,273
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,273</u>
Net change in fund balances . . . . .	5,168	200,104	80,065	426,297
<b>Fund balances (deficit)</b>				
at beginning of year (restated) . . . . .	312,074	372,826	25,245	419,146
Increase in reserve for inventory . . . . .	2,305	-	-	-
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 319,547</u>	<u>\$ 572,930</u>	<u>\$ 105,310</u>	<u>\$ 845,443</u>



<u>District Managed</u>	<u>Auxiliary Services</u>	<u>Management Information System</u>	<u>Data Communication</u>	<u>Vocational Education Enhancements</u>	<u>Miscellaneous State Grants</u>	<u>Race To The Top</u>
\$ 6,371	\$ 1,368	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
520,371	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
35,935	-	-	-	-	10,000	-
-	332,580	5,000	34,125	-	25,000	-
-	-	-	-	-	-	14,582
<u>562,677</u>	<u>333,948</u>	<u>5,000</u>	<u>34,125</u>	<u>-</u>	<u>35,000</u>	<u>14,582</u>
-	-	-	34,125	-	-	2,019
-	-	-	-	-	-	-
-	-	-	-	-	201	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	24,500	2,554
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,903	-	-	-	-	-	-
-	-	127,625	-	-	-	-
-	358,633	-	-	-	-	-
-	-	-	-	-	-	-
<u>555,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>558,449</u>	<u>358,633</u>	<u>127,625</u>	<u>34,125</u>	<u>-</u>	<u>24,701</u>	<u>4,573</u>
<u>4,228</u>	<u>(24,685)</u>	<u>(122,625)</u>	<u>-</u>	<u>-</u>	<u>10,299</u>	<u>10,009</u>
-	-	75,000	-	-	-	-
-	-	75,000	-	-	-	-
4,228	(24,685)	(47,625)	-	-	10,299	10,009
361,011	16,190	26,665	-	4	18,252	-
-	-	-	-	-	-	-
<u>\$ 365,239</u>	<u>\$ (8,495)</u>	<u>\$ (20,960)</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 28,551</u>	<u>\$ 10,009</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, 2011

	<b>IDEA Part B Grants</b>	<b>Vocational Education</b>	<b>Education Stabilization</b>	<b>Stimulus Title II D</b>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Rental income . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	-
Intergovernmental - state . . . . .	-	-	-	-
Intergovernmental - federal . . . . .	2,107,724	214,696	1,400,997	231,044
<b>Total revenues . . . . .</b>	<b>2,107,724</b>	<b>214,696</b>	<b>1,400,997</b>	<b>231,044</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	1,492	-	490,657	149,453
Special . . . . .	960,040	-	-	-
Vocational . . . . .	-	86,743	-	-
Adult/continuing . . . . .	-	-	-	-
Other . . . . .	1,195	-	122,425	-
Support services:				
Pupil . . . . .	173,674	107,785	-	-
Instructional staff . . . . .	894,333	-	38,759	80,876
Administration . . . . .	-	9,721	-	-
Operations and maintenance . . . . .	-	-	-	-
Pupil transportation . . . . .	114,211	-	-	-
Central . . . . .	-	-	-	-
Operation of non-instructional services . . . . .	37,332	-	-	-
Food service operations . . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	650,590	-
<b>Total expenditures . . . . .</b>	<b>2,182,277</b>	<b>204,249</b>	<b>1,302,431</b>	<b>230,329</b>
Excess of revenues over (under) expenditures . . . . .	(74,553)	10,447	98,566	715
<b>Other financing sources:</b>				
Transfers in . . . . .	-	-	-	-
<b>Total other financing sources . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances . . . . .	(74,553)	10,447	98,566	715
<b>Fund balances (deficit) at beginning of year (restated) . . . . .</b>	<b>86,164</b>	<b>12,778</b>	<b>(98,566)</b>	<b>476</b>
<b>Increase in reserve for inventory . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ 11,611</b>	<b>\$ 23,225</b>	<b>\$ -</b>	<b>\$ 1,191</b>

School Improvement Stimulus A	School Improvement Stimulus G	Nutrition Education and Training Program	Limited English Proficiency	Title I Disadvantaged Children	Drug Free School Grant	IDEA Preschool-Handicapped
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
60,525	119,950	2,300	22,609	1,294,231	-	19,464
<u>60,525</u>	<u>119,950</u>	<u>2,300</u>	<u>22,609</u>	<u>1,294,231</u>	<u>-</u>	<u>19,464</u>
-	-	-	21,784	1,626	-	19,721
-	-	-	-	1,115,110	-	1,052
-	-	-	-	-	-	-
-	-	-	-	183	-	-
-	-	-	-	110,938	-	-
-	-	-	-	14,616	-	-
14,093	119,950	-	816	44,729	-	362
-	-	-	-	7,862	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	40,211	231	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>14,093</u>	<u>119,950</u>	<u>-</u>	<u>22,600</u>	<u>1,335,275</u>	<u>231</u>	<u>21,135</u>
46,432	-	2,300	9	(41,044)	(231)	(1,671)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
46,432	-	2,300	9	(41,044)	(231)	(1,671)
14,093	-	-	(32)	51,525	231	1,815
-	-	-	-	-	-	-
<u>\$ 60,525</u>	<u>\$ -</u>	<u>\$ 2,300</u>	<u>\$ (23)</u>	<u>\$ 10,481</u>	<u>\$ -</u>	<u>\$ 144</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, 2011

	<b>Improving Teacher Quality</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues:</b>		
From local sources:		
Earnings on investments . . . . .	\$ -	\$ 20,836
Charges for services . . . . .	-	736,579
Extracurricular . . . . .	-	520,371
Rental income . . . . .	-	128,226
Contributions and donations . . . . .	-	367,325
Other local revenues . . . . .	-	105,366
Intergovernmental - state . . . . .	-	652,728
Intergovernmental - federal . . . . .	274,860	6,634,470
<b>Total revenues . . . . .</b>	<b>274,860</b>	<b>9,165,901</b>
 <b>Expenditures:</b>		
Current:		
Instruction:		
Regular . . . . .	248,729	1,012,714
Special . . . . .	-	2,076,749
Vocational . . . . .	-	88,041
Adult/continuing . . . . .	-	183
Other . . . . .	-	234,930
Support services:		
Pupil . . . . .	-	296,075
Instructional staff . . . . .	527	1,221,499
Administration . . . . .	-	17,583
Operations and maintenance . . . . .	-	108,778
Pupil transportation . . . . .	-	117,228
Central . . . . .	-	127,625
Operation of non-instructional services . . . . .	-	436,520
Food service operations . . . . .	-	1,839,679
Extracurricular activities . . . . .	-	1,206,136
<b>Total expenditures . . . . .</b>	<b>249,256</b>	<b>8,783,740</b>
 Excess of revenues over (under) expenditures . . . . .	 25,604	 382,161
 <b>Other financing sources:</b>		
Transfers in . . . . .	-	348,273
<b>Total other financing sources . . . . .</b>	<b>-</b>	<b>348,273</b>
 Net change in fund balances . . . . .	 25,604	 730,434
 <b>Fund balances (deficit)</b>		
at beginning of year (restated) . . . . .	(57,256)	1,562,641
<b>Increase in reserve for inventory . . . . .</b>	-	2,305
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ (31,652)</b>	<b>\$ 2,295,380</b>

**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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Food Service Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 2,100,000	\$ 2,100,000	\$ 1,830,355	\$ (269,645)
Total Expenditures and Other Financing Uses	2,230,140	2,230,140	1,921,502	308,638
Net Change in Fund Balance	(130,140)	(130,140)	(91,147)	38,993
Fund Balance, July 1	234,460	234,460	234,460	-
Prior Year Encumbrances Appropriated	130,140	130,140	130,140	-
Fund Balance, June 30	<u>\$ 234,460</u>	<u>\$ 234,460</u>	<u>\$ 273,453</u>	<u>\$ 38,993</u>
<b><u>Special Trust Fund - Special Revenue</u></b>				
Total Revenues and Other Financing Sources	\$ 226,820	\$ 226,820	\$ 328,979	\$ 102,159
Total Expenditures and Other Financing Uses	362,637	362,637	182,102	180,535
Net Change in Fund Balance	(135,817)	(135,817)	146,877	282,694
Fund Balance, July 1 (restated)	368,306	368,306	368,306	-
Prior Year Encumbrances Appropriated	5,092	5,092	5,092	-
Fund Balance, June 30	<u>\$ 237,581</u>	<u>\$ 237,581</u>	<u>\$ 520,275</u>	<u>\$ 282,694</u>
<b><u>Other Grants Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 60,000	\$ 60,000	\$ 105,626	\$ 45,626
Total Expenditures and Other Financing Uses	77,930	84,930	44,321	40,609
Net Change in Fund Balance	(17,930)	(24,930)	61,305	86,235
Fund Balance, July 1	22,349	22,349	22,349	-
Prior Year Encumbrances Appropriated	2,930	2,930	2,930	-
Fund Balance, June 30	<u>\$ 7,349</u>	<u>\$ 349</u>	<u>\$ 86,584</u>	<u>\$ 86,235</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Classroom Facilities Maintenance Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 414,021	\$ 414,021	\$ 426,297	\$ 12,276
Total Expenditures and Other Financing Uses	-	-	-	-
Net Change in Fund Balance	414,021	414,021	426,297	12,276
Fund Balance, July 1	419,146	419,146	419,146	-
Fund Balance, June 30	<u>\$ 833,167</u>	<u>\$ 833,167</u>	<u>\$ 845,443</u>	<u>\$ 12,276</u>
<b><u>District Managed Activity Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 625,000	\$ 625,000	\$ 557,702	\$ (67,298)
Total Expenditures and Other Financing Uses	692,024	692,024	588,916	103,108
Net Change in Fund Balance	(67,024)	(67,024)	(31,214)	35,810
Fund Balance, July 1	340,341	340,341	340,341	-
Prior Year Encumbrances Appropriated	27,024	27,024	27,024	-
Fund Balance, June 30	<u>\$ 300,341</u>	<u>\$ 300,341</u>	<u>\$ 336,151</u>	<u>\$ 35,810</u>
<b><u>Auxiliary Services Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 350,000	\$ 350,000	\$ 337,036	\$ (12,964)
Total Expenditures and Other Financing Uses	388,009	413,009	405,195	7,814
Net Change in Fund Balance	(38,009)	(63,009)	(68,159)	(5,150)
Fund Balance, July 1	38,732	38,732	38,732	-
Prior Year Encumbrances Appropriated	38,009	38,009	38,009	-
Fund Balance, June 30	<u>\$ 38,732</u>	<u>\$ 13,732</u>	<u>\$ 8,582</u>	<u>\$ (5,150)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Management Information System Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 86,000	\$ 86,000	\$ 80,000	\$ (6,000)
Total Expenditures and Other Financing Uses	99,084	99,084	97,595	1,489
Net Change in Fund Balance	(13,084)	(13,084)	(17,595)	(4,511)
Fund Balance, July 1	36,239	36,239	36,239	-
Prior Year Encumbrances Appropriated	84	84	84	-
Fund Balance, June 30	<u>\$ 23,239</u>	<u>\$ 23,239</u>	<u>\$ 18,728</u>	<u>\$ (4,511)</u>
<b><u>Data Communication Fund</u></b>				
Total Revenues and Other Sources	\$ 30,000	\$ 35,000	\$ 34,125	\$ (875)
Total Expenditures and Other Uses	30,000	35,000	34,125	875
Net Change in Fund Balances	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Vocational Education Enhancements Fund</u></b>				
Fund Balance, July 1	\$ 4	\$ 4	\$ 4	\$ -
Fund Balance, June 30	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 4</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Miscellaneous State Grants Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 120,000	\$ 120,000	\$ 35,033	\$ (84,967)
Total Expenditures and Other Financing Uses	127,839	127,839	25,074	102,765
Net Change in Fund Balance	(7,839)	(7,839)	9,959	17,798
Fund Balance, July 1	16,010	16,010	16,010	-
Prior Year Encumbrances Appropriated	2,839	2,839	2,839	-
Fund Balance, June 30	<u>\$ 11,010</u>	<u>\$ 11,010</u>	<u>\$ 28,808</u>	<u>\$ 17,798</u>
<b><u>Race To The Top Fund</u></b>				
Total Revenues and Other Financing Sources	\$ -	\$ 42,500	\$ 4,250	\$ (38,250)
Total Expenditures and Other Financing Uses	-	42,500	4,250	38,250
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>IDEA Part B Grants Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 2,975,000	\$ 2,975,000	\$ 2,219,319	\$ (755,681)
Total Expenditures and Other Financing Uses	2,775,675	2,775,675	2,286,754	488,921
Net Change in Fund Balance	199,325	199,325	(67,435)	(266,760)
Fund Balance, July 1	57,514	57,514	57,514	-
Prior Year Encumbrances Appropriated	51,675	51,675	51,675	-
Fund Balance, June 30	<u>\$ 308,514</u>	<u>\$ 308,514</u>	<u>\$ 41,754</u>	<u>\$ (266,760)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Vocational Education Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 201,035	\$ 215,000	\$ 208,172	\$ (6,828)
Total Expenditures and Other Financing Uses	214,348	228,013	219,209	8,804
Net Change in Fund Balance	(13,313)	(13,013)	(11,037)	1,976
Fund Balance, July 1	10	10	10	-
Prior Year Encumbrances Appropriated	13,313	13,313	13,313	-
Fund Balance, June 30	<u>\$ 10</u>	<u>\$ 310</u>	<u>\$ 2,286</u>	<u>\$ 1,976</u>
<b><u>Education Stabilization Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 1,236,500	\$ 1,391,500	\$ 1,400,997	\$ 9,497
Total Expenditures and Other Financing Uses	1,236,500	1,391,500	1,391,323	177
Net Change in Fund Balance	-	-	9,674	9,674
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,674</u>	<u>\$ 9,674</u>
<b><u>Stimulus Title II D Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 113,700	\$ 233,700	\$ 231,245	\$ (2,455)
Total Expenditures and Other Financing Uses	108,110	231,914	230,021	1,893
Net Change in Fund Balance	5,590	1,786	1,224	(562)
Fund Balance, July 1	-	-	768	768
Fund Balance, June 30	<u>\$ 5,590</u>	<u>\$ 1,786</u>	<u>\$ 1,992</u>	<u>\$ 206</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>School Improvement Stimulus A Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 5,500	\$ 5,500	\$ 5,146	\$ (354)
Total Expenditures and Other Financing Uses	19,584	19,584	19,254	330
Net Change in Fund Balance	(14,084)	(14,084)	(14,108)	(24)
Fund Balance, July 1	5,524	5,524	5,524	-
Prior Year Encumbrances Appropriated	8,584	8,584	8,584	-
Fund Balance, June 30	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ (24)</u>
<b><u>School Improvement Stimulus G Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 120,000	\$ 120,000	\$ 119,950	\$ (50)
Total Expenditures and Other Financing Uses	120,000	120,000	119,950	50
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Nutrition Education and Training Program Fund</u></b>				
Total Revenues and Other Financing Sources	\$ -	\$ -	\$ 2,300	\$ 2,300
Total Expenditures and Other Financing Uses	-	-	-	-
Net Change in Fund Balance	-	-	2,300	2,300
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,300</u>	<u>\$ 2,300</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Limited English Proficiency Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 19,400	\$ 22,645	\$ 22,609	\$ (36)
Total Expenditures and Other Financing Uses	19,400	22,645	22,609	36
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Title I Disadvantaged Children Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 1,641,500	\$ 1,652,000	\$ 1,557,795	\$ (94,205)
Total Expenditures and Other Financing Uses	1,665,121	1,675,611	1,433,366	242,245
Net Change in Fund Balance	(23,621)	(23,611)	124,429	148,040
Fund Balance, July 1	179	179	179	-
Prior Year Encumbrances Appropriated	23,611	23,611	23,611	-
Fund Balance, June 30	<u>\$ 169</u>	<u>\$ 179</u>	<u>\$ 148,219</u>	<u>\$ 148,040</u>
<b><u>Drug Free School Grant Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 232	\$ 232	\$ 231	\$ (1)
Total Expenditures and Other Financing Uses	713	713	712	1
Net Change in Fund Balance	(481)	(481)	(481)	-
Fund Balance, July 1	231	231	231	-
Prior Year Encumbrances Appropriated	250	250	250	-
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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>IDEA Preschool-Handicapped Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 21,000	\$ 21,000	\$ 19,464	\$ (1,536)
Total Expenditures and Other Financing Uses	<u>21,000</u>	<u>21,500</u>	<u>21,022</u>	<u>478</u>
Net Change in Fund Balance	-	(500)	(1,558)	(1,058)
Fund Balance, July 1	<u>1,815</u>	<u>1,815</u>	<u>1,815</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 1,815</u></u>	<u><u>\$ 1,315</u></u>	<u><u>\$ 257</u></u>	<u><u>\$ (1,058)</u></u>
<b><u>Improving Teacher Quality Fund</u></b>				
Total Revenues and Other Sources	\$ 278,000	\$ 278,000	\$ 274,860	\$ (3,140)
Total Expenditures and Other Uses	<u>274,900</u>	<u>275,200</u>	<u>267,503</u>	<u>7,697</u>
Net Change in Fund Balances	3,100	2,800	7,357	4,557
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 3,100</u></u>	<u><u>\$ 2,800</u></u>	<u><u>\$ 7,357</u></u>	<u><u>\$ 4,557</u></u>
<b><u>Miscellaneous Federal Grant Fund</u></b>				
Total Revenues and Other Sources	\$ 29,000	\$ 29,000	\$ -	\$ (29,000)
Total Expenditures and Other Uses	<u>29,000</u>	<u>29,000</u>	<u>-</u>	<u>29,000</u>
Net Change in Fund Balances	-	-	-	-
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><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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Uniform School Supplies Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 300,000	\$ 300,000	\$ 334,760	\$ 34,760
Total Expenditures and Other Financing Uses	381,789	381,789	327,562	54,227
Net Change in Fund Balance	(81,789)	(81,789)	7,198	88,987
Fund Balance, July 1	234,699	234,699	234,699	-
Prior Year Encumbrances Appropriated	21,789	21,789	21,789	-
Fund Balance, June 30	<u>\$ 174,699</u>	<u>\$ 174,699</u>	<u>\$ 263,686</u>	<u>\$ 88,987</u>
<b><u>Special Services Rotary Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 60,000	\$ 60,000	\$ 46,243	\$ (13,757)
Total Expenditures and Other Financing Uses	75,344	75,344	53,988	21,356
Net Change in Fund Balance	(15,344)	(15,344)	(7,745)	7,599
Fund Balance, July 1	42,998	42,998	42,998	-
Prior Year Encumbrances Appropriated	5,344	5,344	5,344	-
Fund Balance, June 30	<u>\$ 32,998</u>	<u>\$ 32,998</u>	<u>\$ 40,597</u>	<u>\$ 7,599</u>
<b><u>Internal Services Rotary Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 1,100,000	\$ 1,100,000	\$ 1,102,723	\$ 2,723
Total Expenditures and Other Financing Uses	1,265,891	1,265,891	964,721	301,170
Net Change in Fund Balance	(165,891)	(165,891)	138,002	303,893
Fund Balance, July 1	153,794	153,794	153,794	-
Prior Year Encumbrances Appropriated	15,891	15,891	15,891	-
Fund Balance, June 30	<u>\$ 3,794</u>	<u>\$ 3,794</u>	<u>\$ 307,687</u>	<u>\$ 303,893</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b><u>Public School Support Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 80,000	\$ -	\$ 108,273	\$ 108,273
Total Expenditures and Other Financing Uses	<u>101,950</u>	<u>101,950</u>	<u>82,591</u>	<u>19,359</u>
Net Change in Fund Balance	(21,950)	(101,950)	25,682	127,632
Fund Balance, July 1	48,574	48,574	48,574	-
Prior Year Encumbrances Appropriated	<u>1,950</u>	<u>1,950</u>	<u>1,950</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 28,574</u></u>	<u><u>\$ (51,426)</u></u>	<u><u>\$ 76,206</u></u>	<u><u>\$ 127,632</u></u>
<b><u>Special Enterprise Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 180,000	\$ 160,000	\$ 141,369	\$ (18,631)
Total Expenditures and Other Financing Uses	<u>170,279</u>	<u>170,279</u>	<u>156,769</u>	<u>13,510</u>
Net Change in Fund Balance	9,721	(10,279)	(15,400)	(5,121)
Fund Balance, July 1	21,487	21,487	21,487	-
Prior Year Encumbrances Appropriated	<u>279</u>	<u>279</u>	<u>279</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 31,487</u></u>	<u><u>\$ 11,487</u></u>	<u><u>\$ 6,366</u></u>	<u><u>\$ (5,121)</u></u>
<b><u>Special Trust General Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 23,180	\$ 23,180	\$ 33,671	\$ 10,491
Total Expenditures and Other Financing Uses	<u>35,608</u>	<u>35,608</u>	<u>12,894</u>	<u>22,714</u>
Net Change in Fund Balance	(12,428)	(12,428)	20,777	33,205
Fund Balance, July 1	53,790	53,790	53,790	-
Prior Year Encumbrances Appropriated	<u>153</u>	<u>153</u>	<u>153</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 41,515</u></u>	<u><u>\$ 41,515</u></u>	<u><u>\$ 74,720</u></u>	<u><u>\$ 33,205</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Bond Retirement Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 3,526,999	\$ 3,774,195	\$ 3,978,733	\$ 204,538
Total Expenditures and Other Financing Uses	3,838,412	3,838,412	3,838,412	-
Net Change in Fund Balance	(311,413)	(64,217)	140,321	204,538
Fund Balance, July 1	844,729	844,729	844,729	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ 533,316</u>	<u>\$ 780,512</u>	<u>\$ 985,050</u>	<u>\$ 204,538</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Permanent Improvement Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 2,200,854	\$ 2,192,983	\$ 2,187,162	\$ (5,821)
Total Expenditures and Other Financing Uses	3,415,791	3,407,566	1,611,523	1,796,043
Net Change in Fund Balance	(1,214,937)	(1,214,583)	575,639	1,790,222
Fund Balance, July 1	770,052	770,052	770,052	-
Prior Year Encumbrances Appropriated	445,770	445,770	445,770	-
Fund Balance, June 30	<u>\$ 885</u>	<u>\$ 1,239</u>	<u>\$ 1,791,461</u>	<u>\$ 1,790,222</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b><u>Endowment Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 30,000	\$ 30,000	\$ 12,807	\$ (17,193)
Total Expenditures and Other Financing Uses	<u>30,000</u>	<u>30,000</u>	<u>52,000</u>	<u>(22,000)</u>
Net Change in Fund Balance	-	-	(39,193)	(39,193)
Fund Balance, July 1	679,311	679,311	679,311	-
Prior Year Encumbrances Appropriated	<u>35,500</u>	<u>35,500</u>	<u>35,500</u>	-
Fund Balance, June 30	<u>\$ 714,811</u>	<u>\$ 714,811</u>	<u>\$ 675,618</u>	<u>\$ (39,193)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b><u>Employee Benefits Self Insurance Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 8,600,000	\$ 8,600,000	\$ 8,420,923	\$ (179,077)
Total Expenses and Other Financing Uses	<u>8,500,000</u>	<u>8,500,000</u>	<u>7,009,528</u>	<u>1,490,472</u>
Net Change in Fund Balance	100,000	100,000	1,411,395	1,311,395
Fund Balance, July 1	<u>1,605,199</u>	<u>1,605,199</u>	<u>1,605,199</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,705,199</u>	<u>\$ 1,705,199</u>	<u>\$ 3,016,594</u>	<u>\$ 1,311,395</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**

**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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Scholarship Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 24,000	\$ 24,000	\$ 28,513	\$ 4,513
Total Expenditures and Other Financing Uses	45,000	45,000	33,940	11,060
Net Change in Fund Balance	(21,000)	(21,000)	(5,427)	15,573
Fund Balance (Restated), July 1	30,293	30,293	34,358	4,065
Fund Balance, June 30	<u>\$ 9,293</u>	<u>\$ 9,293</u>	<u>\$ 28,931</u>	<u>\$ 19,638</u>

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<b>Beginning Balance July 1, 2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance June 30, 2011</b>
<b><u>Student Managed Activity Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 130,527	\$ 130,482	\$ (148,035)	\$ 112,974
Receivables				
Accounts . . . . .	1,125	1,029	(1,125)	1,029
Total assets . . . . .	<u>\$ 131,652</u>	<u>\$ 131,511</u>	<u>\$ (149,160)</u>	<u>\$ 114,003</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 871	\$ 659	\$ (871)	\$ 659
Intergovernmental payable. . . . .	21	16	(21)	16
Due to students . . . . .	130,760	130,836	(148,268)	113,328
Total liabilities. . . . .	<u>\$ 131,652</u>	<u>\$ 131,511</u>	<u>\$ (149,160)</u>	<u>\$ 114,003</u>

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><b>Contents</b></u>	<u><b>Page</b></u>
<b>Financial Trends:</b> These schedules present trend information to demonstrate how the District's financial position and financial performance have changed over time.	<b>S2 - S13</b>
<b>Revenue Capacity:</b> These schedules present information to identify the capacity of the District's most significant local revenue source, property taxes.	<b>S14 - S19</b>
<b>Debt Capacity:</b> 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.	<b>S20 - S22</b>
<b>Demographic and Economic Information:</b> These schedules present information to show demographic and economic indicators of the environment within which the District's financial operations occur.	<b>S23 - S24</b>
<b>Operating Information:</b> 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.	<b>S25 - S33</b>

**Sources:** Sources are noted on the individual schedules.

**Note:** The District implemented GASB Statement No. 34 in 2003. Schedules reporting governmental activities government-wide information present information beginning in that year.

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
NET ASSETS BY COMPONENT  
ACCRUAL BASIS OF ACCOUNTING  
LAST NINE FISCAL YEARS

<u>Governmental Activities</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b><u>Net Assets:</u></b>					
Invested in capital assets, net of related debt	\$ 17,194,091	\$ 15,084,461	\$ 13,598,457	\$ 11,666,148	\$ 8,230,530
Restricted	24,592,513	22,508,530	3,546,125	2,789,266	1,665,886
Unrestricted	6,919,739	4,627,370	4,826,479	5,798,930	5,705,257
Total governmental activities net assets	<u>\$ 48,706,343</u>	<u>\$ 42,220,361</u>	<u>\$ 21,971,061</u>	<u>\$ 20,254,344</u>	<u>\$ 15,601,673</u>

**Source:** Findlay CSD, Treasurer's Office.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 8,719,128	\$ 6,520,579	\$ 6,861,477	\$ 7,530,621
1,113,020	632,623	861,334	1,151,527
<u>157,661</u>	<u>(1,640,249)</u>	<u>(4,655,264)</u>	<u>(2,230,920)</u>
<u>\$ 9,989,809</u>	<u>\$ 5,512,953</u>	<u>\$ 3,067,547</u>	<u>\$ 6,451,228</u>

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

CHANGES IN NET ASSETS  
ACCRUAL BASIS OF ACCOUNTING

LAST NINE FISCAL YEARS

<b>Governmental Activities</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b><u>Expenses:</u></b>					
Instruction:					
Regular	\$ 24,035,747	\$ 24,815,455	\$ 25,159,062	\$ 26,196,394	\$ 23,915,567
Special	7,731,994	7,632,767	7,380,789	7,342,020	6,799,260
Vocational	2,847,494	2,980,116	3,589,139	2,974,529	2,970,104
Adult/continuing	112,119	128,224	154,366	-	-
Other	4,233,845	3,399,411	2,753,803	2,245,606	1,921,675
Support services:					
Pupil	2,945,192	3,148,186	3,116,136	2,830,187	2,658,799
Instructional staff	4,829,089	4,926,352	4,482,244	3,953,929	4,240,839
Board of education	181,030	162,047	95,943	172,550	118,748
Administration	4,209,417	4,105,906	4,152,921	3,867,750	3,822,352
Fiscal	1,543,490	1,488,289	1,483,958	1,493,860	1,468,975
Business	-	-	44,109	-	-
Operations and maintenance	5,365,383	5,958,054	6,467,052	5,410,595	5,605,278
Pupil transportation	2,113,301	2,126,078	2,165,597	2,151,281	2,279,652
Central	165,664	156,585	198,870	170,094	149,859
Operation of non-instructional services:					
Food service operations	1,881,937	2,081,952	1,876,647	1,884,913	1,720,198
Other non-instructional services	596,615	659,606	715,273	487,370	636,243
Extracurricular activities	1,421,284	1,360,886	1,404,405	1,357,637	1,288,164
Interest and fiscal charges	2,994,671	1,257,804	87,045	121,236	142,348
<b>Total governmental activities expenses</b>	<b>\$ 67,208,272</b>	<b>\$ 66,387,718</b>	<b>\$ 65,327,359</b>	<b>\$ 62,659,951</b>	<b>\$ 59,738,061</b>

	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
\$	23,318,390	\$ 22,864,137	\$ 23,486,849	\$ 22,375,563
	6,535,625	6,587,965	6,885,330	5,956,893
	2,909,064	2,791,238	2,907,647	2,811,767
	140,878	151,540	22,997	-
	1,596,879	1,316,933	966,070	866,858
	2,846,622	2,676,900	2,614,587	2,329,275
	4,029,073	4,106,395	4,316,723	3,820,351
	99,555	137,083	141,345	183,090
	3,876,566	3,507,561	3,699,470	3,345,715
	1,403,653	1,400,700	1,366,159	1,286,047
	-	-	-	-
	4,947,744	5,832,388	5,754,853	5,450,274
	2,099,169	1,977,385	2,062,403	1,929,180
	147,817	119,375	143,826	230,120
	1,685,654	1,759,738	1,707,969	1,711,038
	637,088	611,998	685,389	724,093
	624,195	1,334,990	1,353,732	1,409,969
	165,665	140,487	160,153	174,786
\$	<u>57,063,637</u>	<u>\$ 57,316,813</u>	<u>\$ 58,275,502</u>	<u>\$ 54,605,019</u>

(continued)

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

CHANGES IN NET ASSETS  
ACCRUAL BASIS OF ACCOUNTING

LAST NINE FISCAL YEARS

<u>Governmental Activities</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b><u>Program Revenues:</u></b>					
Charges for services:					
Instruction:					
Regular	\$ 1,988,965	\$ 1,986,350	\$ 2,497,334	\$ 2,452,073	\$ 1,656,483
Special	435,144	448,454	488,310	397,500	427,012
Vocational	929,015	1,058,036	304,113	603,375	758,526
Other	-	-	-	70,000	70,000
Support services:					
Pupil	-	-	-	-	-
Instructional staff	-	2	-	141	-
Board of education	-	-	-	-	-
Administration	-	1,748	5,854	10,327	1,555
Fiscal	-	-	17	-	39
Operations and maintenance	37,051	70,474	56,178	79,575	71,215
Pupil transportation	-	459	2,365	969	6
Central	-	952	1,785	-	386
Operation of non-instructional services:					
Food service operations	736,579	894,769	884,000	851,519	916,764
Other non-instructional services	-	157,449	163,838	48,618	149,192
Extracurricular activities	520,371	479,054	512,494	447,455	559,006
Operating grants and contributions:					
Instruction:					
Regular	2,119,682	938,302	1,324,528	604,819	1,876,450
Special	3,759,551	1,944,128	2,947,794	2,932,001	2,667,431
Vocational	303,867	381,644	403,721	392,516	438,074
Adult/continuing	-	86,920	-	-	-
Other	242,953	-	845	8	35,954
Support services:					
Pupil	295,454	309,615	301,711	308,060	343,123
Instructional staff	1,254,666	1,072,593	1,010,815	950,239	1,177,811
Administration	17,972	18,939	17,883	17,347	21,245
Fiscal	-	-	327	-	-
Operations and maintenance	276,576	282,329	258,053	385,098	451,959
Pupil transportation	173,935	73,492	89,528	84,846	91,738
Central	5,000	23,485	52,930	21,989	27,108
Operation of non-instructional services:					
Food service operations	1,108,268	1,217,708	1,059,803	903,208	896,264
Other non-instructional services	409,875	475,578	499,572	468,226	454,785
Extracurricular activities	706,197	580,973	18,098	17,976	16,055
Capital grants and contributions:					
Instruction:					
Regular	-	-	121,271	233,259	74,601
Support services:					
Pupil	-	-	8,004	31,767	-
Operations and maintenance	-	-	13,295	297	-
Pupil transportation	-	-	158,378	20,071	16,375
Extracurricular activities	-	-	5,236	7,613	-
Total governmental activities program revenues	<u>\$ 15,321,121</u>	<u>\$ 12,503,453</u>	<u>\$ 13,208,080</u>	<u>\$ 12,340,892</u>	<u>\$ 13,199,157</u>
<b>Net Revenue/(Expense)</b>	<u>\$ (51,887,151)</u>	<u>\$ (53,884,265)</u>	<u>\$ (52,119,279)</u>	<u>\$ (50,319,059)</u>	<u>\$ (46,538,904)</u>

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	1,512,624	\$ 2,374,274	\$ 1,977,485	\$ 1,876,229
	299,111	-	274,954	-
	140,361	262,919	363,625	318,196
	86,361	-	-	47,649
	126,193	-	-	-
	158,216	-	-	2,114
	5,110	-	-	-
	193,363	-	-	-
	71,657	-	-	-
	264,997	4,382	15,978	11,042
	130,801	-	7,834	168
	6,874	-	-	-
	986,582	959,673	873,692	1,003,356
	159,541	563,926	361,729	417,741
	460,840	582,406	717,304	636,902
	584,900	692,205	494,408	695,115
	862,771	907,967	953,117	751,677
	136,363	87,544	100,482	98,361
	-	-	-	-
	17	31,655	-	317,813
	385,658	180,353	176,260	128,264
	966,238	1,509,883	1,037,155	898,482
	18,281	11,070	11,790	54,724
	1,662	-	-	-
	43,889	64,827	71,070	455,184
	-	-	-	-
	33,535	20,249	30,131	110,245
	814,692	882,758	931,470	580,924
	457,241	331,054	340,985	296,409
	-	-	-	-
	-	49,875	-	88,072
	-	-	-	-
	-	-	-	66,667
	-	-	-	-
	-	-	-	-
\$	<u>8,907,878</u>	<u>\$ 9,517,020</u>	<u>\$ 8,739,469</u>	<u>\$ 8,855,334</u>
\$	<u>(48,155,759)</u>	<u>\$ (47,799,793)</u>	<u>\$ (49,536,033)</u>	<u>\$ (45,749,685)</u>

(continued)

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
 CHANGES IN NET ASSETS  
 ACCRUAL BASIS OF ACCOUNTING  
 LAST NINE FISCAL YEARS

<u>Governmental Activities</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>General Revenues and</b>					
<b><u>Other Changes in Net Assets:</u></b>					
Property taxes levied for:					
General purposes	\$ 25,022,687	\$ 22,896,396	\$ 25,284,305	\$ 27,357,581	\$ 28,441,147
Debt service	2,891,446	1,702,134	108,061	108,061	106,330
Capital projects	1,743,558	1,622,185	1,793,374	1,995,210	1,106,943
Grants and entitlements not restricted to specific programs	27,200,127	27,944,202	25,247,868	24,497,427	20,714,263
Grants and entitlements restricted for Ohio School Facilities Commission	-	18,410,485	-	-	-
Investment earnings	788,385	854,036	694,018	509,130	1,069,510
Gain on sale of assets	-	144,042	-	-	-
Miscellaneous	726,930	560,085	708,370	504,321	712,575
Total governmental activities general revenues	<u>\$ 58,373,133</u>	<u>\$ 74,133,565</u>	<u>\$ 53,835,996</u>	<u>\$ 54,971,730</u>	<u>\$ 52,150,768</u>
<b>Change in Net Assets</b>	<u>\$ 6,485,982</u>	<u>\$ 20,249,300</u>	<u>\$ 1,716,717</u>	<u>\$ 4,652,671</u>	<u>\$ 5,611,864</u>

Source: Findlay CSD, Treasurer's Office.



	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	29,122,910	\$ 28,074,070	\$ 25,610,581	\$ 25,808,314
	108,061	108,061	108,062	108,061
	-	-	-	-
	21,941,335	21,047,772	20,151,186	19,021,043
	-	-	-	-
	489,690	208,720	174,636	275,635
	-	-	-	-
	970,619	806,576	601,258	389,506
\$	<u>52,632,615</u>	<u>\$ 50,245,199</u>	<u>\$ 46,645,723</u>	<u>\$ 45,602,559</u>
\$	<u>4,476,856</u>	<u>\$ 2,445,406</u>	<u>\$ (2,890,310)</u>	<u>\$ (147,126)</u>

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

FUND BALANCES - GOVERNMENTAL FUNDS  
MODIFIED ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

<b>Governmental Funds</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>General Fund:</b>					
<b>Fund Balance:</b>					
Nonspendable	\$ 153,624	\$ -	\$ -	\$ -	\$ -
Assigned	1,964,729	-	-	-	-
Unassigned (deficit)	5,122,427	-	-	-	-
Reserved	-	2,881,936	3,811,682	2,971,277	2,975,065
Unreserved	-	3,335,028	3,393,209	2,815,693	2,110,152
Total general fund	<u>\$ 7,240,780</u>	<u>\$ 6,216,964</u>	<u>\$ 7,204,891</u>	<u>\$ 5,786,970</u>	<u>\$ 5,085,217</u>
<b>Other Governmental Funds:</b>					
<b>Fund Balance:</b>					
Nonspendable	\$ 641,382	\$ -	\$ -	\$ -	\$ -
Restricted	70,597,302	-	-	-	-
Committed	200,000	-	-	-	-
Unassigned (deficit)	(61,130)	-	-	-	-
Reserved	-	2,807,585	1,597,917	2,059,883	1,789,430
Unreserved, reported in:					
Special revenue funds	-	1,649,729	1,033,743	662,125	438,552
Capital projects funds	-	54,459,468	783,510	148,734	(144,932)
Permanent fund	-	96,811	68,440	60,841	54,297
Total other governmental funds	<u>\$ 71,377,554</u>	<u>\$ 59,013,593</u>	<u>\$ 3,483,610</u>	<u>\$ 2,931,583</u>	<u>\$ 2,137,347</u>
Total governmental funds	<u>\$ 78,618,334</u>	<u>\$ 65,230,557</u>	<u>\$ 10,688,501</u>	<u>\$ 8,718,553</u>	<u>\$ 7,222,564</u>

Source: Findlay CSD, Treasurer's Office.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
3,013,053	3,551,749	2,816,147	2,035,148	2,541,786
<u>(1,710,892)</u>	<u>(4,031,490)</u>	<u>(3,338,528)</u>	<u>(638,731)</u>	<u>(68,669)</u>
<u>\$ 1,302,161</u>	<u>\$ (479,741)</u>	<u>\$ (522,381)</u>	<u>\$ 1,396,417</u>	<u>\$ 2,473,117</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,236,298	1,562,345	623,866	757,149	138,302
656,201	167,442	232,401	(34,745)	476,846
(361,931)	(1,428,827)	(654,172)	(707,584)	(775,795)
30,273	631,738	178,194	175,610	-
<u>\$ 1,560,841</u>	<u>\$ 932,698</u>	<u>\$ 380,289</u>	<u>\$ 190,430</u>	<u>\$ (160,647)</u>
<u>\$ 2,863,002</u>	<u>\$ 452,957</u>	<u>\$ (142,092)</u>	<u>\$ 1,586,847</u>	<u>\$ 2,312,470</u>

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

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
MODIFIED ACCRUAL BASIS OF ACCOUNTING  
LAST TEN FISCAL YEARS

<b>Governmental Funds</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Revenues:</b>					
From local sources:					
Taxes	\$ 29,657,440	\$ 26,173,376	\$ 28,225,572	\$ 29,267,804	\$ 29,598,094
Payment in lieu of taxes	160,004	-	-	-	-
Tuition	2,922,363	3,200,512	2,988,178	2,561,600	2,656,155
Earnings on investments	692,126	692,725	829,673	664,436	835,528
Charges for services	736,579	833,365	884,000	851,519	916,764
Extracurricular	533,387	493,079	532,585	475,029	573,569
Classroom materials and fees	372,291	400,580	406,072	358,127	365,305
Rental income	165,277	48,655	42,764	-	-
Donations	377,333	355,576	394,901	-	-
Contract services	45,454	60,152	-	-	-
Other local revenues	438,692	557,258	758,709	1,062,082	1,178,209
Other revenue	-	-	-	-	-
Intergovernmental - Intermediate	-	-	-	-	-
Intergovernmental - State	41,535,537	30,197,993	28,723,675	26,078,163	24,510,586
Intergovernmental - Federal	7,994,456	6,884,097	4,486,472	5,561,700	4,311,602
<b>Total revenues</b>	<b>85,630,939</b>	<b>69,897,368</b>	<b>68,272,601</b>	<b>66,880,460</b>	<b>64,945,812</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	24,239,559	24,749,868	24,630,850	26,634,467	23,456,663
Special	7,860,250	7,685,426	7,207,072	7,120,328	6,712,383
Vocational	2,827,020	2,999,561	3,433,998	2,835,411	2,864,128
Adult	112,271	128,340	155,179	-	-
Other	4,233,845	3,399,411	2,768,086	2,222,197	1,921,652
Support services:					
Pupil	2,949,238	3,239,492	3,057,755	2,774,078	2,649,120
Instructional staff	4,914,694	4,911,676	4,557,078	3,752,110	4,181,270
Board of education	181,030	162,047	96,451	170,763	118,748
Administration	4,142,449	4,050,210	4,112,967	3,743,620	3,816,757
Fiscal	1,528,310	1,472,052	1,450,467	1,457,330	1,443,722
Business	-	-	44,346	-	-
Operations and maintenance	5,664,620	5,936,118	6,420,137	6,297,877	5,545,420
Pupil transportation	2,375,884	2,029,893	2,544,164	2,138,796	2,191,111
Central	183,106	158,250	191,755	166,780	147,223
Operation of non-instructional services:					
Food service operations	1,839,679	2,089,882	1,893,068	1,839,020	1,694,138
Other non-instructional services	595,773	623,539	658,433	437,777	603,278
Extracurricular activities	1,432,812	1,364,871	1,412,921	1,348,542	1,276,019
Facilities acquisition and construction	2,949,104	3,286,354	1,202,504	1,353,395	1,294,927
Debt service:					
Principal retirement	1,258,396	401,812	388,149	959,328	514,167
Interest and fiscal charges	2,948,324	1,014,501	88,219	124,867	144,066
Bond issuance costs	-	500,721	-	-	-
<b>Total expenditures</b>	<b>72,236,364</b>	<b>70,204,024</b>	<b>66,313,599</b>	<b>65,376,686</b>	<b>60,574,792</b>
Excess (deficiency) of revenues over (under) expenditures	13,394,575	(306,656)	1,959,002	1,503,774	4,371,020
<b>Other Financing Sources (Uses):</b>					
Transfers in	348,273	39,591,629	75,000	665,000	1,255,000
Transfers (out)	(348,273)	(39,591,629)	(75,000)	(665,000)	(1,255,000)
Sale of capital assets	20	152,500	-	-	-
Proceeds of loans	-	-	-	-	-
Sale of bonds	-	54,192,135	-	-	-
Premium on bonds	-	509,424	-	-	-
<b>Total other financing sources (uses)</b>	<b>20</b>	<b>54,854,059</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 13,394,595</b>	<b>\$ 54,547,403</b>	<b>\$ 1,959,002</b>	<b>\$ 1,503,774</b>	<b>\$ 4,371,020</b>
Debt service as a percentage of noncapital expenditures	6.07%	2.86%	0.76%	1.76%	1.11%

Source: Findlay CSD, Treasurer's Office.

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	29,144,263	\$ 27,278,445	\$ 25,764,840	\$ 24,943,804	\$ 25,584,455
	-	-	-	-	-
	2,773,147	2,528,218	2,344,604	2,097,962	584,678
	419,503	189,744	181,235	258,138	328,856
	986,582	961,169	873,692	915,532	-
	487,563	579,910	547,674	641,279	584,164
	355,339	326,309	314,614	-	-
	-	-	-	-	-
	-	293,109	-	234,738	-
	-	-	-	-	-
	970,619	864,178	1,113,275	1,445,815	780,918
	-	-	-	66,744	-
	115,870	1,263	-	-	-
	22,519,432	21,761,800	20,620,247	19,811,935	19,616,413
	3,719,171	4,086,262	4,001,791	2,674,921	2,225,223
	<u>61,491,489</u>	<u>58,870,407</u>	<u>55,761,972</u>	<u>53,090,868</u>	<u>49,704,707</u>
	23,841,116	22,851,215	22,677,188	22,197,626	20,966,922
	6,633,764	6,562,357	6,698,490	5,876,409	5,367,983
	2,870,132	2,774,174	2,830,388	2,716,560	2,627,251
	140,288	151,806	22,115	-	-
	1,590,336	1,319,245	966,151	870,279	280,148
	2,821,732	2,660,619	2,571,763	2,317,505	2,203,531
	4,008,697	4,166,714	4,290,418	3,688,968	3,172,173
	99,138	137,324	141,345	183,090	159,968
	3,766,790	3,555,187	3,629,330	3,251,163	3,020,575
	1,383,808	1,396,875	1,353,401	1,268,227	1,185,346
	-	-	-	-	-
	5,036,278	5,442,055	5,693,012	5,393,900	4,997,667
	2,002,206	1,869,871	2,099,609	1,795,382	1,781,043
	147,729	119,694	140,790	229,529	175,560
	1,666,276	1,775,874	1,715,056	1,489,419	-
	616,342	588,603	668,136	694,726	389,418
	729,828	1,342,774	1,349,432	1,416,183	1,468,230
	1,818,243	573,018	44,188	94,152	53,727
	441,312	403,946	439,334	399,511	457,173
	152,355	140,487	160,153	174,786	191,226
	-	-	-	-	-
	<u>59,766,370</u>	<u>57,831,838</u>	<u>57,490,299</u>	<u>54,057,415</u>	<u>48,497,941</u>
	1,725,119	1,038,569	(1,728,327)	(966,547)	1,206,766
	1,280,000	590,000	-	3,212	-
	(1,280,000)	(590,000)	-	(3,212)	-
	-	6,375	7,551	17,937	101
	713,611	95,651	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	<u>713,611</u>	<u>102,026</u>	<u>7,551</u>	<u>17,937</u>	<u>101</u>
\$	<u>2,438,730</u>	<u>\$ 1,140,595</u>	<u>\$ (1,720,776)</u>	<u>\$ (948,610)</u>	<u>\$ 1,206,867</u>
	1.03%	0.95%	1.05%	1.07%	1.36%

**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)
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
2008	774,075,810	2,211,645,171	30,088,700	120,354,800	18,881,860	21,456,659
2007	732,408,130	2,092,594,657	61,443,228	245,772,912	22,421,120	25,478,545
2006	721,298,790	2,060,853,686	89,606,733	358,426,932	22,255,930	25,290,830
2005	709,762,130	2,027,891,800	121,231,428	484,925,712	22,704,310	25,800,352
2004	648,032,840	1,851,522,400	119,542,954	478,171,816	22,348,380	25,395,886
2003	628,600,880	1,796,002,514	141,389,687	565,558,748	22,109,380	25,124,295
2002	612,660,110	1,750,457,457	145,107,726	580,430,904	21,725,890	24,688,511

**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, and has a weighted average direct rate of 30.98% for 2010.

Public utility tangible personal property is assessed at 88 percent of estimated actual value, and has a weighted average direct rate of 0.95% for 2010.

<b>Total Property</b>		<b>Assessed Valuation as a Percent of Estimated Actual Valuation</b>	<b>Direct Property Tax Rate</b>
<b>Assessed Valuation</b>	<b>Estimated Actual Valuation</b>		
\$ 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
823,046,370	2,353,456,631	34.97%	60.75
816,272,478	2,363,846,115	34.53%	60.75
833,161,453	2,444,571,447	34.08%	58.25
853,697,868	2,538,617,864	33.63%	58.25
789,924,174	2,355,090,102	33.54%	53.35
792,099,947	2,386,685,558	33.19%	53.35
779,493,726	2,355,576,873	33.09%	53.35

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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		
	General	Bond	Permanent Improvement							
2011	\$ 52.95	\$ 4.24	\$ 2.50	\$ 5.30	\$ 64.99	\$ 3.20	\$ 7.80	\$ 0.80	\$ 76.79	
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	
2008	52.95	-	2.50	5.30	60.75	3.20	7.80	0.80	72.55	
2007	52.95	-	2.50	5.30	60.75	3.20	7.80	0.80	72.55	
2006	52.95	-	-	5.30	58.25	3.20	5.00	0.80	67.25	
2005	52.95	-	-	5.30	58.25	3.20	5.00	0.80	67.25	
2004	48.05	-	-	5.30	53.35	3.20	5.51	0.80	62.86	
2003	48.05	-	-	5.30	53.35	3.20	5.51	0.80	62.86	
2002	48.05	-	-	5.30	53.35	3.20	5.12	0.80	62.47	

Source: Hancock County Auditor.

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

PRINCIPAL TAXPAYERS  
REAL ESTATE PROPERTY

DECEMBER 31, 2010 AND DECEMBER 31, 2001

<b>December 31, 2010</b>			
<b>Taxpayer</b>	<b>Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Marathon Oil Co.	\$ 10,652,250	1	1.43%
Cooper Tire and Rubber Co.	6,066,350	2	0.81%
Findlay Shopping Center	5,537,090	3	0.74%
Logistic Solutions	3,995,060	4	0.54%
LP Investment Co.	3,314,690	5	0.44%
Hyway Warehousing Inc.	2,522,200	6	0.34%
Garden, Phillip	2,170,820	7	0.29%
Findlex Corporation	2,069,330	8	0.28%
DDC Hotels, Inc (Drury Inn)	1,999,740	9	0.27%
Dow Chemical	1,815,700	10	0.24%
	<b>\$ 40,143,230</b>		<b>\$ 745,637,250</b>

<b>December 31, 2001</b>			
<b>Taxpayer</b>	<b>Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Ohio Power Company	\$ 12,581,480	1	2.19%
Marathon Oil Company	11,616,120	2	2.02%
Cooper Tire & Rubber	7,798,280	3	1.36%
Findlay Shopping Center	5,830,950	4	1.01%
Ohio Bell Telephone Company	5,580,600	5	0.97%
Ohio Logistics Ltd.	3,588,720	6	0.62%
Best Buy Distribution Center	2,768,240	7	0.48%
GE Subsidiary, Inc	2,388,040	8	0.41%
	<b>\$ 52,152,430</b>		<b>\$ 575,436,570</b>

**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, 2010 (the most recent information available) and December 31, 2001 (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

Calendar Year	Current Taxes Levied	Delinquent Taxes Levied	Total Taxes Levied	Current Taxes Collected	Percent of Current Tax Levy Collected
2010	28,721,771	1,787,797	30,509,568	28,771,013	100.17%
2009	25,476,595	1,581,190	27,057,785	24,293,739	95.36%
2008	25,255,090	1,439,707	26,694,797	25,050,955	99.19%
2007	27,606,133	1,425,582	29,031,715	26,762,857	96.95%
2006	25,261,004	1,413,478	26,674,482	24,452,652	96.80%
2005	25,029,980	1,017,364	26,047,344	24,220,645	96.77%
2004	19,877,400	792,485	20,669,885	19,531,217	98.26%
2003	22,087,221	880,588	22,967,809	21,333,848	96.59%
2002	20,020,190	628,528	20,648,718	19,488,041	97.34%
2001	20,559,429	767,855	21,327,284	19,927,521	96.93%

**Source:** Hancock County Auditor.

2010 calendar year taxes collected are higher than 2010 calendar year taxes levied due to amounts payed ahead, Board of Revision adjustments and penalty fees.

<b>Delinquent Taxes Collected</b>	<b>Total Taxes Collected</b>	<b>Total Taxes Collected as a Percent of Total Tax Levy</b>
1,552,333	30,323,346	99.39%
789,927	25,083,666	92.70%
966,563	26,017,518	97.46%
880,735	27,643,592	95.22%
787,587	25,240,239	94.62%
694,439	24,915,084	95.65%
569,908	20,101,125	97.25%
622,508	21,956,356	95.60%
444,321	19,932,362	96.53%
93,904	20,021,425	91.23%

**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	Ratio of Total Long-Term Debt to Median Income	Percentage of Total Long-Term Debt to Total Personal Income
	Asbestos Removal Loans	Capital Leases	General Obligation Bonds	Energy Conservation Loans					
2011	\$ 103,101	\$ 1,017,528	\$ 53,342,135	\$ -	\$ 54,462,764	\$ 9,546	\$ 1,322	\$ 1,313	3.19%
2010	203,415	1,325,610	54,192,135	-	55,721,160	9,522	1,430	1,163	2.98%
2009	311,476	1,619,361	-	-	1,930,837	324	50	37	0.10%
2008	419,537	1,899,449	-	-	2,318,986	387	62	50	0.13%
2007	527,598	2,166,510	-	584,206	3,278,314	499	86	73	0.19%
2006	635,659	2,421,149	-	735,673	3,792,481	577	98	84	0.21%
2005	743,721	2,680,810	-	95,651	3,520,182	541	88	78	0.19%
2004	851,782	2,976,695	-	-	3,828,477	599	97	85	0.22%
2003	959,844	3,307,967	-	-	4,267,811	661	109	95	0.24%
2002	1,067,905	3,599,417	-	-	4,667,322	722	119	103	0.26%

Source: Findlay CSD, Treasurer's Office.

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

DIRECT AND OVERLAPPING DEBT

JUNE 30, 2011

<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	\$ 54,462,764	100.00%	\$ 54,462,764
Total direct debt	<u>54,462,764</u>		<u>54,462,764</u>
<u>Overlapping debt:</u>			
City of Findlay	9,495,000	92.46%	8,779,077
Hancock County	18,215,804	48.56%	8,845,594
Total overlapping debt	<u>27,710,804</u>		<u>17,624,671</u>
Total direct and overlapping debt	<u>\$ 82,173,568</u>		<u>\$ 72,087,435</u>

**Sources:** Findlay CSD, Treasurer's Office; City of Findlay; and Hancock County.

(a) Percentages applicable to the District were determined by dividing the 2010 assessed valuation of the government entity located within the boundaries of the District by the 2010 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
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	844,729	53,347,406	19,170,191	73.56%
2009	70,221,624	-	-	-	70,221,624	0.00%
2008	69,666,823	-	-	-	69,666,823	0.00%
2007	65,916,732	-	-	-	65,916,732	0.00%
2006	74,984,531	-	1,731	(1,731)	74,986,262	0.00%
2005	76,832,808	-	365	(365)	76,833,173	0.00%
2004	71,093,176	-	-	-	71,093,176	0.00%
2003	71,288,995	-	-	-	71,288,995	0.00%
2002	70,154,435	-	-	-	70,154,435	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	Median Age	Median Income	Total Personal Income	Unemployment Rates		
						Hancock County	Ohio	United States
2011	5,705	41,202	35.9	\$ 41,482	\$ 1,709,141,364	8.9%	9.7%	9.7%
2010	5,852	38,967	34.8	47,909	1,866,870,003	9.5%	10.1%	9.6%
2009	5,956	38,375	35.0	51,910	1,992,046,250	9.1%	10.5%	10.2%
2008	5,992	37,492	37.6	46,597	1,747,014,724	5.1%	5.7%	3.6%
2007	6,565	38,173	37.2	45,117	1,722,251,241	4.5%	5.6%	4.6%
2006	6,571	39,118	37.2	45,117	1,764,886,806	4.4%	5.4%	4.3%
2005	6,507	40,175	37.2	45,117	1,812,575,475	4.9%	7.4%	5.1%
2004	6,388	39,421	37.2	45,117	1,778,557,257	5.1%	6.0%	5.5%
2003	6,458	39,307	37.2	45,117	1,773,413,919	5.1%	6.1%	6.0%
2002	6,468	39,193	37.2	45,117	1,768,270,581	4.4%	5.9%	5.8%

**Sources:** Findlay CSD, Treasurer's Office; City of Findlay; Hancock County; Ohio Department of Education; Ohio Department Of Development; and U.S. Census Bureau.

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

PRINCIPAL EMPLOYERS

DECEMBER 31, 2010 AND DECEMBER 31, 2001

<b>December 31, 2010</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
Cooper Tire and Rubber Co.	2,040	1	5.43%
Whirlpool Corporation	1,670	2	4.44%
Marathon Oil Co.	1,565	3	4.16%
Blanchard Valley Health	1,282	4	3.41%
Consolidated Biscuit	1,100	5	2.93%
Findlay City School District	859	6	2.28%
Nissan Brakes (dba Fledlex Corporation)	670	7	1.78%
Lowe's Distribution Center	600	9	1.60%
University of Findlay	542	8	1.44%
Kohls	450	10	1.20%
<b>Total</b>	<b>10,778</b>		<b>28.66%</b>
<b>Total employment (a)</b>	<b>37,600</b>		

<b>December 31, 2001</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
Whirlpool Corporation	2,000	1	n/a
Cooper Tire and Rubber Co.	1,994	2	n/a
Blanchard Valley Regional Health Center	1,288	5	n/a
Marathon Oil Co.	1,283	3	n/a
Kohls Distribution	932	4	n/a
Findlay City School District	793	6	n/a
Hancock County	626	7	n/a
Fledlex Corporation	584	8	n/a
University of Findlay	519	9	n/a
Hisan Corporation	480	10	n/a
Ball Metal Container Group	457	11	n/a
<b>Total</b>	<b>10,956</b>		<b>n/a</b>
<b>Total employment</b>	<b>n/a</b>		

**Source:** City of Findlay.

**(a) Source:** [www.findlayhancockchamber.com/demographics](http://www.findlayhancockchamber.com/demographics)

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

STAFFING STATISTICS  
FULL TIME EQUIVALENTS BY TYPE AND FUNCTION  
LAST TEN FISCAL YEARS

<b>Staff Type</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Teaching Staff:					
Elementary School	153	180	188	182	189
Middle School	91	95	97	99	97
High School	118	127	128	128	138
Administration:					
District	45	53	50	51	49
Auxiliary Staff:					
Counselors	13	14	14	14	14
Librarians	1	1	1	1	1
Psychologists	6	6	5	4	6
Speech, Physical and Occupational Therapists	10	8	8	8	9
Nurses and Mental Health Specialists	1	7	7	6	7
Support Staff:					
Secretarial, Finance Clerks, EMIS	46	47	49	44	43
Aides	99	74	73	73	65
Program Directors (After / Before School & Alumni)	5	6	5	6	6
Food Services	52	33	33	34	34
Monitors and Security	28	20	25	19	16
Custodial	43	44	46	47	48
Maintenance	7	8	8	10	10
Bus Drivers	33	22	22	24	22
Mechanics	3	3	3	3	3
Extracurricular Coaches	126	96	105	105	105
<b>Total</b>	<b>880</b>	<b>844</b>	<b>867</b>	<b>858</b>	<b>862</b>

<b>Staff Function</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Instruction:					
Regular	386	380	389	385	393
Other	87	125	128	123	119
Support Services:					
Pupil	34	38	38	37	40
Administration	91	80	78	73	72
Fiscal	7	7	7	7	7
Operations and maintenance	107	89	91	95	96
Pupil transportation	40	29	29	31	28
Extracurricular activities	128	96	107	107	107
<b>Total</b>	<b>880</b>	<b>844</b>	<b>867</b>	<b>858</b>	<b>862</b>

**Source:** Findlay CSD, Treasurer's Office.

<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
184	187	199	200	199
107	109	117	118	117
140	141	152	153	155
50	50	48	46	43
14	13	24	24	26
1	1	4	4	6
7	7	11	7	9
8	8	9	8	8
7	7	6	6	6
43	43	45	45	42
71	74	77	80	69
7	6	10	11	13
36	35	33	34	32
12	11	12	10	11
51	48	54	50	54
10	10	10	10	9
27	28	28	27	27
3	3	3	3	2
108	108	103	106	111
<b>886</b>	<b>889</b>	<b>945</b>	<b>942</b>	<b>939</b>

<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
399	396	413	415	403
123	133	154	156	161
40	38	57	53	59
73	74	74	72	66
7	7	7	7	7
101	97	101	98	99
33	34	34	33	32
110	110	105	108	112
<b>886</b>	<b>889</b>	<b>945</b>	<b>942</b>	<b>939</b>

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
 CAPITAL ASSET STATISTICS  
 LAST NINE FISCAL YEARS

<u>Governmental Activities</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b><u>Capital Assets:</u></b>				
Land	\$ 903,313	\$ 903,313	\$ 416,459	\$ 416,459
Land improvements	1,114,696	1,173,880	775,784	342,671
Buildings and improvements	11,050,215	10,707,832	10,811,313	10,161,543
Equipment and furniture	1,782,181	1,793,395	1,887,798	1,862,297
Vehicles	1,747,985	1,549,718	1,637,940	1,202,164
Construction in progress	4,392,858	2,010,671	-	-
Total	<u>\$ 20,991,248</u>	<u>\$ 18,138,809</u>	<u>\$ 15,529,294</u>	<u>\$ 13,985,134</u>

**Source:** Findlay CSD, Treasurer's Office.

**Note:** Capital asset amounts reported above are presented net of accumulated depreciation.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 416,459	\$ 416,459	\$ 416,459	\$ 416,459	\$ 416,459
299,982	313,496	214,037	234,007	257,388
8,574,033	8,843,491	7,530,937	7,853,690	8,177,206
1,085,859	1,038,673	509,283	681,393	903,409
1,132,511	528,158	583,970	652,623	590,755
-	-	242,588	-	-
<u>\$ 11,508,844</u>	<u>\$ 11,140,277</u>	<u>\$ 9,497,274</u>	<u>\$ 9,838,172</u>	<u>\$ 10,345,217</u>

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO  
BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

<b>Building</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<u>High School</u>					
Square footage	246,608	246,608	246,608	246,608	246,608
Student enrollment	1,859	1,924	2,145	2,121	2,325
<u>Central Middle School</u>					
Square footage	105,912	105,912	105,912	105,912	105,912
Student enrollment	429	435	433	449	492
<u>Donnell Middle School</u>					
Square footage	70,605	70,605	70,605	70,605	70,605
Student enrollment	461	467	487	420	460
<u>Glenwood Middle School</u>					
Square footage	70,605	70,605	70,605	70,605	70,605
Student enrollment	396	383	370	391	428
<u>Bigelow Hill Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	227	266	280	230	252
<u>Chamberlin Hill Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	235	253	254	225	247
<u>Jacobs Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	289	271	260	288	315
<u>Jefferson Elementary School</u>					
Square footage	25,509	25,509	25,509	25,509	25,509
Student enrollment	219	221	241	249	273
<u>Lincoln Elementary School</u>					
Square footage	57,892	57,892	57,892	57,892	57,892
Student enrollment	391	432	434	396	434
<u>Northview Elementary School</u>					
Square footage	36,246	36,246	36,246	36,246	36,246
Student enrollment	243	253	252	277	303
<u>Washington Elementary School</u>					
Square footage	31,645	31,645	31,645	40,287	40,287
Student enrollment	208	228	219	203	222
<u>Whittier Elementary School</u>					
Square footage	31,930	31,930	31,930	31,930	31,930
Student enrollment	408	372	346	356	390
<u>Wilson Vance Elementary School</u>					
Square footage	38,193	38,193	38,193	38,193	38,193
Student enrollment	340	346	367	387	424
<u>Bus Garage</u>					
Square footage	3,000	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	28,152	28,152	28,152	28,152	28,152
<u>Millstream South</u>					
Square footage	21,000	21,000	21,000	31,645	31,645

Source: Findlay CSD, Treasurer's Office.



<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
246,608	246,608	246,608	246,608	246,608
2,293	2,209	2,150	2,162	2,172
105,912	105,912	105,912	105,912	105,912
467	487	536	536	514
70,605	70,605	70,605	70,605	70,605
473	467	480	480	455
70,605	70,605	70,605	70,605	70,605
441	440	417	417	429
31,645	31,645	31,645	31,645	31,645
245	245	264	277	291
31,645	31,645	31,645	31,645	31,645
247	264	258	264	243
31,645	31,645	31,645	31,645	31,645
308	297	283	299	305
25,509	25,509	25,509	25,509	25,509
272	244	244	259	281
57,892	57,892	57,892	57,892	57,892
471	490	478	478	489
36,246	36,246	36,246	36,246	36,246
319	308	278	286	297
40,287	40,287	40,287	40,287	40,287
240	265	224	224	244
31,930	31,930	31,930	31,930	31,930
383	384	402	402	393
38,193	38,193	38,193	38,193	38,193
412	407	374	374	355
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	28,152
31,645	31,645	31,645	31,645	31,645

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities (a)		Governmental Funds		Average Daily Membership	ADM Percent Change
	Expenses	Expense Per Pupil	Expenditures	Expenditure Per Pupil		
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%
2008	62,659,951	10,457	65,376,686	10,911	5,992	-8.73%
2007	59,738,061	9,099	60,574,792	9,227	6,565	-0.09%
2006	57,063,637	8,684	59,766,370	9,095	6,571	0.98%
2005	57,316,813	8,808	57,831,838	8,888	6,507	1.86%
2004	58,275,502	9,123	57,490,299	9,000	6,388	-1.08%
2003	54,605,019	8,455	54,057,415	8,371	6,458	-0.15%
2002	n/a	n/a	48,497,941	7,498	6,468	1.94%
2001	n/a	n/a	47,425,379	7,474	6,345	-1.03%

Source: Findlay CSD, Treasurer's Office.

(a) The District implemented GASB Statement No. 34 in fiscal year 2003.

<b>Student Attendance Percentage</b>	<b>Students on Free &amp; Reduced Lunches</b>	<b>Percentage of Students on Free &amp; Reduced Lunches</b>	<b>Teaching Staff</b>	<b>Student/Teacher Ratio</b>
93.1%	2,269	39.8%	362	15.76
95.5%	1,855	31.7%	418	14.00
93.9%	2,330	39.1%	440	13.54
93.9%	2,161	36.1%	454	13.20
95.4%	1,911	29.1%	424	15.48
95.4%	2,037	31.0%	431	15.25
95.4%	1,874	28.8%	437	14.89
95.7%	1,701	26.6%	468	13.65
95.7%	1,459	22.6%	471	13.71
95.9%	1,673	25.9%	471	13.73
95.5%	1,356	21.4%	456	13.91

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
 TEACHER STATISTICS  
 JUNE 30, 2011

<b>Education</b>	<b>Number of Teachers</b>	<b>Percentage of Teachers</b>	<b>Salary Range</b>	<b>Average Salary</b>
Bachelor's Degree	38	10.50%	\$21,073 - \$54,387	\$ 40,908
Bachelor's Degree plus 15 hours	24	6.63%	45,567-57,315	45,567
Bachelor's Degree plus 30 hours	30	8.29%	52,660-60,239	52,660
Master's Degree	114	31.49%	50,989-66,478	50,989
Master's Degree plus 15 hours	51	14.09%	60,852-70,225	60,852
Master's Degree plus 30 hours	104	28.73%	74,373-68,599	68,599
Non-Degree	1	0.28%	52,363-44,000	44,001
Total	362	100.00%		

<b>Experience</b>	<b>Number of Teachers</b>	<b>Percentage of Teachers</b>	<b>Salary Range</b>	<b>Average Salary</b>
0 - 5 years	78	21.55%	23,032-50,481	\$ 39,957
6 - 10 years	72	19.89%	21,073-61,423	50,886
11 - 20 years	124	34.25%	60,796-70,245	60,796
Over 20 years	88	24.31%	67,748-74,373	67,748
Total	362	100.00%		

Source: Findlay CSD, Treasurer's Office.



# Dave Yost • Auditor of State

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  
MARCH 29, 2012