

Findlay City School District

Findlay, Ohio

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

For Fiscal Year Ended June 30, 2015





Dave Yost • Auditor of State

Board of Education
Findlay City School District
1100 Broad Avenue
Findlay, Ohio 45840

We have reviewed the *Independent Auditor's Report* of the Findlay City School District, Hancock County, prepared by Julian & Grube, Inc., for the audit period July 1, 2014 through June 30, 2015. 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.

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Dave Yost
Auditor of State

February 10, 2016

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**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

FINDLAY, OHIO

CITY SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2015

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

**1100 BROAD AVENUE
FINDLAY, OHIO 45840**

INTRODUCTORY SECTION

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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HANCOCK COUNTY, OHIO**

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

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Findlay City Schools

December 24, 2015

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, 2015. 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 2014 CAFR, and the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for the 2014 CAFR.
2. The Financial Section, which includes the Independent Auditor's Report, the Management's Discussion and Analysis, the Basic Financial Statements, the Notes to the Basic Financial Statements, Required Supplementary Information, and the Combining Statements and Individual Fund Schedules.
3. The Statistical Section, which is unaudited, includes various tables which reflect financial and demographic information, financial trends, and the fiscal capacity of the District.

SCHOOL DISTRICT ORGANIZATION

Findlay City School District is one of 896 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 5,800 students in pre-kindergarten through grade 12. The District is located in northwestern Ohio, approximately 65 miles south of the City of Toledo. 98 percent of the District's territory is within the City of Findlay, the county seat. The District serves an area of approximately 37 square miles.

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

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

THE REPORTING ENTITY

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

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

ECONOMIC OUTLOOK

With a total assessed valuation of \$773,181,860 and a tax rate of \$64.95 per \$1,000.00 of assessed valuation, the District has a sound financial base. A sexennial reappraisal of all real property was completed in 2010. This resulted in a valuation loss of approximately five percent. The Findlay community continues to explore solutions to frequent flooding issues that were most notable from the August 2007 flood and another large flood that hit in February 2008. The District is concerned with the ability and willingness of its taxpayers to support future levies given the financial hardships that voters may be experiencing as a result of past and future flooding; however, taxpayers did step up to approve a 5.9 mill replacement levy in November 2008; and a 4.3 mill, 28 year bond levy in November 2009 after a failed attempt in August 2009. Voters also passed a 4.9 mill, 5 year renewal levy in March 2012 as well as a 5.9 mill continuing levy in May 2014—both by historically large margins.

The District’s financial condition continues to be an area of focus for the Board of Education and Administration and is closely monitored through the five-year forecast. To begin the 2015-2016 school year, the Governor and General Assembly passed a new biennium budget which attempted to restructure the funding formula from many past attempts. The District benefited from the new formula which is based on various components; however a large portion of property tax allocation is being phased out and offsetting new formula gains. The District continues to be locally proactive in cost containment and is not optimistic for any solutions from the State given the history of school funding’s susceptibility to political whims.

Total budgeted general fund revenues for fiscal year 2016 are forecast to remain about the same. The District’s total expected expenditures for fiscal year 2016 will be about \$2.1 million more than the actual expenditures of fiscal year 2015. This is due to negotiated salary increases as well as additional costs for school choice where the District must pay at least \$5,900 for each student going to other districts or charter schools.

Ohio school districts cannot generate significant additional revenue from taxes except by the vote of the people. On May 6, 2014 voters renewed an expiring 5.9 mill levy for a continuous basis. On March 6, 2012, the voters elected to replace an expiring 4.9 mill levy for five years. 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. However, the biggest improvement to the District's facility needs was made possible in November 2009, when voters approved a 4.3 mill, 28-year bond levy which pays the debt service on \$54,195,000 that was needed to cover the local share and locally funded initiatives used to build two (2) middle schools and a career tech building. The District consolidated the south, north, and east campuses of Millstream Career Center into one location. The District also converted its three (3) small middle schools into two (2) larger, more efficient, newly constructed middle schools. The Millstream Career Center was completed for the start of the 2012-13 school year, while the new middle schools first accepted students in January 2013.

The District now supports one high school, two middle schools, and eight elementary buildings along with Millstream Career Center for vocational education, and a former elementary school that now serves as a preschool and central administration building. The District also owns and operates a transportation facility. These district buildings range in age from 45 to 89 years old, except for those that are newly built. The District's enrollment is on a steady incline that is projected to continue.

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 year 2015 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 position of \$571,141 at June 30, 2015, compared to a balance of net position of \$1,525,249 at June 30, 2014, reflecting a decrease in net position of \$954,108.

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 position of \$30,789 at June 30, 2015, compared to net position of \$23,266 at June 30, 2014.

LONG-TERM FINANCIAL PLANNING

The District will continue to implement new courses of study in an ongoing effort to meet, and exceed, the national and state standards to affect student outcomes in order to achieve an A grade on the Ohio Report Card. Part of this effort is the adoption of a more rigorous high school program, all day every day kindergarten and the expansion of preschool to serve a larger population. However, the District will remain financially prudent and will not offer courses without sufficient demand and expects that class sizes may slightly 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, 2014. 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-four (24) 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, 2014. 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-four (24) years. We believe that our current report continues to conform to the Certificate of Excellence program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

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

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

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

Respectfully,



Michael T. Barnhart, CPA
Treasurer



Ed Kurt,
Superintendent

FINDLAY CITY SCHOOL DISTRICT

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2015

BOARD OF EDUCATION

Mrs. Barbara Dysinger President
Mrs. Jane Robertson. Vice-President
Dr. Kathy Siebenaler Wilson Member
Mr. Shane Pochard. Member
Mrs. Barbara Lockard. Member

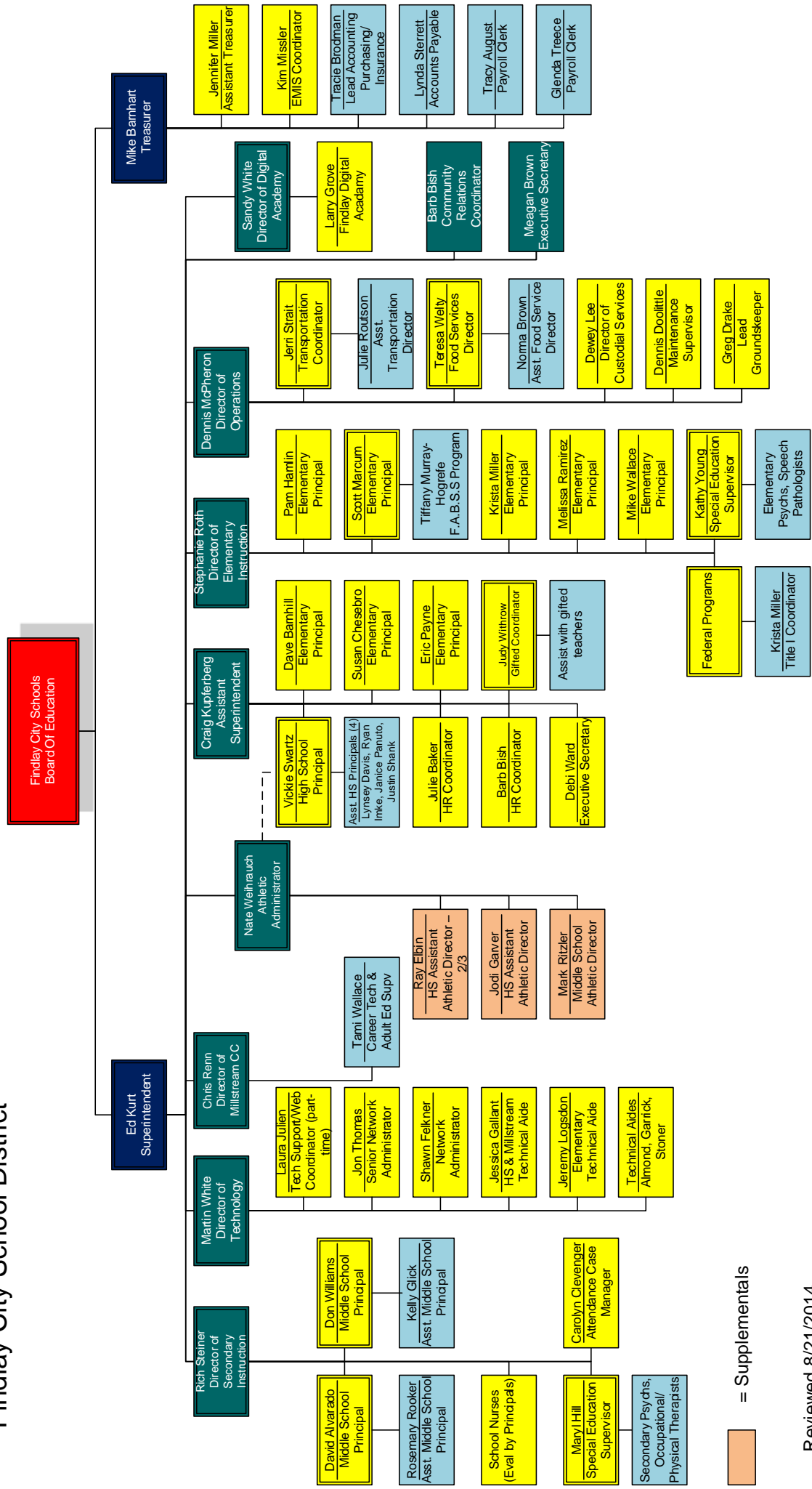
ADMINISTRATION

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

Board of Education Form
Findlay City School District

Findlay City Schools
2014 – 2015 Leadership Team

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= Supplementals

Reviewed 8/21/2014



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Findlay City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Association of School Business Officials International

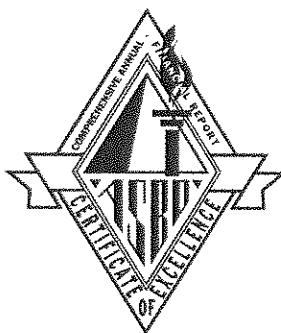


*The Certificate of Excellence in Financial Reporting Award
is presented to*

Findlay City School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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



A handwritten signature in black ink, appearing to read 'Mark C. Pepera'.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director

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FINANCIAL SECTION

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Julian & Grube, Inc.
Serving Ohio Local Governments

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

Independent Auditor's Report

Findlay City School District
Hancock County
1100 Broad Avenue
Findlay, Ohio 45840

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, its major fund, and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Findlay City School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, its major fund, and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Board of Education
Findlay City School District

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2015, the Findlay City School District adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the statements and schedules 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, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2015, on our consideration of the Findlay City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Findlay City School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
December 24, 2015

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

- In total, net position of governmental activities increased \$2,810,932 which represents a 13.74% increase from 2014's restated net position.
- General revenues accounted for \$59,022,787 in revenue or 81.07% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$13,778,987 or 18.93% of total revenues of \$72,801,774.
- The District had \$69,990,842 in expenses related to governmental activities; only \$13,778,987 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$59,022,787 were adequate to provide for these programs.
- The District's major governmental fund is the general fund. The general fund had \$59,375,008 in revenues and \$58,604,289 in expenditures and other financing uses. During fiscal year 2015, the general fund's fund balance increased \$770,719 from a balance of \$12,049,432 to a balance of \$12,820,151.

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

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

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

The District's statement of net position and statement of activities can be found on pages F15-F16 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page F11. Fund financial reports provide detailed information about the District's major fund. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental fund is the general fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages F17-F21 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 F22-F24 of this report.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages F25 and F26. 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 F27-F71 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability. The required supplementary information can be found on pages F72 through F78 of this report.

The District as a Whole

The table below provides a summary of the District's net position at June 30, 2015 and June 30, 2014. The net position at June 30, 2014 has been restated as described in Note 3.A.

	Net Position	
	Governmental Activities 2015	Restated Governmental Activities 2014
<u>Assets</u>		
Current and other assets	\$ 58,500,304	\$ 59,640,939
Capital assets, net	<u>93,101,982</u>	<u>90,594,314</u>
Total assets	<u>151,602,286</u>	<u>150,235,253</u>
<u>Deferred Outflows of Resources</u>		
Pension	<u>5,471,111</u>	<u>4,415,996</u>
<u>Liabilities</u>		
Current liabilities	7,872,374	7,956,058
Long-term liabilities:		
Due within one year	2,593,428	2,458,031
Due in more than one year:		
Net pension liability	74,308,160	88,283,297
Other amounts	<u>51,385,924</u>	<u>52,592,136</u>
Total liabilities	<u>136,159,886</u>	<u>151,289,522</u>
<u>Deferred Inflows of Resources</u>		
Property taxes and PILOTs levied for next year	25,137,724	23,818,515
Pensions	<u>13,421,643</u>	<u>-</u>
Total deferred inflows of resources	<u>38,559,367</u>	<u>23,818,515</u>
<u>Net Position</u>		
Net investment in capital assets	43,804,562	40,058,592
Restricted	9,259,238	11,663,339
Unrestricted (deficit)	<u>(70,709,656)</u>	<u>(72,178,719)</u>
Total net position (deficit)	<u>\$ (17,645,856)</u>	<u>\$ (20,456,788)</u>

During 2015, the District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

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

Under the new standards required by GASB 68, the net pension liability equals the District's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

As a result of implementing GASB 68, the District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from \$63,410,513 to (\$20,456,788).

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2015, the District's liabilities and deferred inflows exceeded assets and deferred outflows by \$17,645,856. Of this total \$9,259,238 is restricted in use. This includes \$4,148,808 restricted for capital projects.

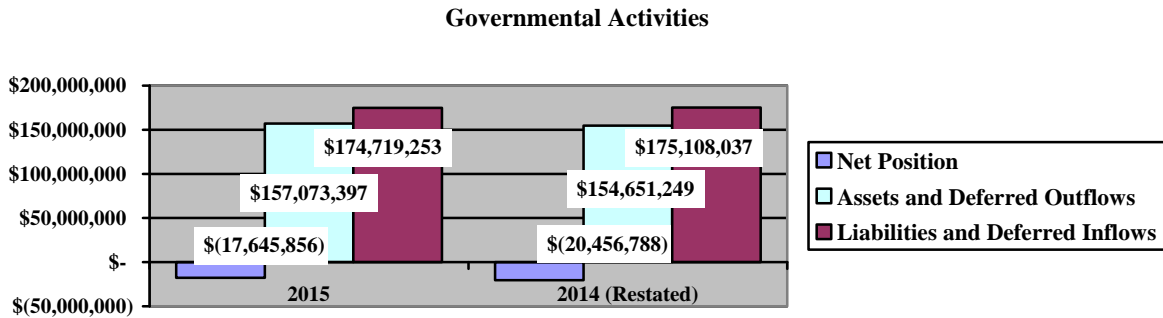
**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

At year-end, capital assets represented 61.41% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment and furniture and vehicles. The District's net investment in capital assets at June 30, 2015, was \$43,804,562. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$9,259,238, represents resources that are subject to external restriction on how they may be used.

The graph below shows the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2015 and June 30, 2014. The amounts at June 30, 2014 have been restated as described in Note 3.A.



The table below shows the change in net position for fiscal years 2015 and 2014. The net position at June 30, 2014 has been restated as described in Note 3.A.

	Change in Net Position	
	Governmental Activities 2015	(Restated) Governmental Activities 2014
Revenues		
Program revenues:		
Charges for services and sales	\$ 4,712,316	\$ 5,010,497
Operating grants and contributions	8,939,871	8,238,084
Capital grants and contributions	126,800	1,266,665
General revenues:		
Property taxes	29,298,020	30,613,058
Payments in lieu of taxes	170,693	174,910
Grants and entitlements	28,843,874	26,971,165
Investment earnings	272,024	314,511
Change in fair value of investments	31,773	165,012
Miscellaneous	406,403	505,648
Total revenues	72,801,774	73,259,550

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Change in Net Position	
	Governmental	(Restated) Governmental
	Activities 2015	Activities 2014
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 24,614,019	\$ 24,083,569
Special	8,667,445	8,265,718
Vocational	3,261,293	3,200,325
Adult/continuing	48,764	71,734
Other	5,868,375	6,202,914
Support services:		
Pupil	2,623,398	2,558,309
Instructional staff	2,689,001	2,441,485
Board of education	191,883	147,509
Administration	4,259,706	3,746,934
Fiscal	1,325,530	1,235,660
Business	251,543	338,924
Operations and maintenance	7,031,705	5,594,361
Pupil transportation	2,279,661	2,271,051
Central	160,818	257,891
Other non-instructional services	651,026	602,798
Food service operations	1,802,043	1,367,641
Extracurricular activities	1,374,947	1,656,885
Interest and fiscal charges	<u>2,889,685</u>	<u>2,916,386</u>
Total expenses	<u>69,990,842</u>	<u>66,960,094</u>
Change in net position	2,810,932	6,299,456
Net position (deficit), beginning of year (restated)	<u>(20,456,788)</u>	<u>N/A</u>
Net position (deficit), end of year	<u>\$ (17,645,856)</u>	<u>\$ (20,456,788)</u>

Governmental Activities

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$4,415,996 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$3,163,136.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	\$ 69,990,842
Pension expense under GASB 68	(3,163,136)
2015 contractually required contributions	<u>4,771,745</u>
Adjusted 2015 program expenses	71,599,451
Total 2014 program expenses under GASB 27	<u>66,960,094</u>
Increase in program expenses not related to pension	<u>\$ 4,639,357</u>

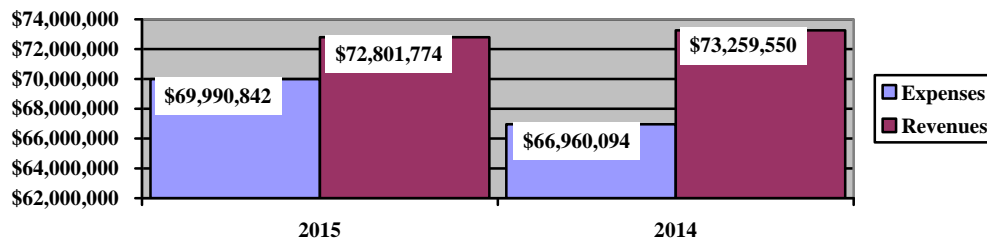
Net position of the District's governmental activities increased \$2,810,932. Total governmental expenses of \$69,990,842 were offset by program revenues of \$13,778,987 and general revenues of \$59,022,787. Program revenues supported 19.69% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 79.86% of total governmental revenue. Real estate property is reappraised every six years.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$42,459,896 or 60.66% of total governmental expenses for fiscal year 2015.

The graph below presents the District's governmental activities revenues and expenses for fiscal years 2015 and 2014.

Governmental Activities - Revenues and Expenses



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

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>2015</u>	Net Cost of Services <u>2015</u>	Total Cost of Services <u>2014</u>	Net Cost of Services <u>2014</u>
Program expenses				
Instruction:				
Regular	\$ 24,614,019	\$ 21,904,362	\$ 24,083,569	\$ 21,258,581
Special	8,667,445	3,437,340	8,265,718	3,030,322
Vocational	3,261,293	2,429,499	3,200,325	2,022,470
Adult/continuing	48,764	6,479	71,734	71,734
Other	5,868,375	5,755,384	6,202,914	6,018,035
Support services:				
Pupil	2,623,398	2,391,888	2,558,309	2,307,932
Instructional staff	2,689,001	1,955,141	2,441,485	2,150,823
Board of education	191,883	191,607	147,509	69,392
Administration	4,259,706	4,239,784	3,746,934	3,582,460
Fiscal	1,325,530	1,325,373	1,235,660	791,459
Business	251,543	249,372	338,924	338,924
Operations and maintenance	7,031,705	6,297,948	5,594,361	4,887,363
Pupil transportation	2,279,661	2,157,910	2,271,051	2,139,549
Central	160,818	157,165	257,891	250,809
Other non-instructional services	651,026	29,956	602,798	(18,292)
Food service operations	1,802,043	(3,419)	1,367,641	(275,326)
Extracurricular activities	1,374,947	796,381	1,656,885	902,227
Interest and fiscal charges	2,889,685	2,889,685	2,916,386	2,916,386
Total expenses	<u>\$ 69,990,842</u>	<u>\$ 56,211,855</u>	<u>\$ 66,960,094</u>	<u>\$ 52,444,848</u>

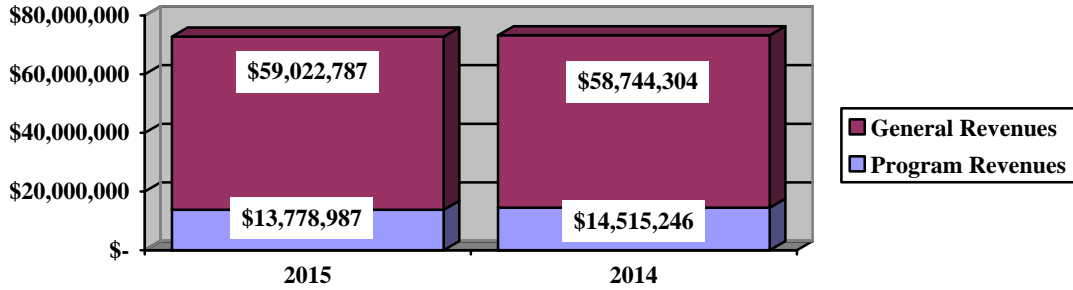
The dependence upon tax and other general revenues for governmental activities is apparent; as 78.98% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 80.31%. The District's taxpayers, and unrestricted grants and entitlements are the primary support for District's students.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

The graph below presents the District's governmental activities revenue for fiscal years 2015 and 2014.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds (as presented on the balance sheet on page F17) reported a combined fund balance of \$22,706,031, which is less than last year's total of \$24,089,339. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2015 and 2014.

	Fund Balance June 30, 2015	Fund Balance June 30, 2014	Increase (Decrease)
General	\$ 12,820,151	\$ 12,049,432	\$ 770,719
Other Governmental	<u>9,885,880</u>	<u>12,039,907</u>	<u>(2,154,027)</u>
Total	<u>\$ 22,706,031</u>	<u>\$ 24,089,339</u>	<u>\$ (1,383,308)</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

General Fund

The District's general fund balance increased \$770,719. This increase was primarily the result of increases intergovernmental state revenue outpacing a slight increase in total expenditures.

	<u>2015</u> <u>Amount</u>	<u>2014</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes and payments in lieu of taxes	\$ 24,981,359	\$ 26,093,830	(4.26) %
Tuition	2,446,199	2,775,017	(11.85) %
Earnings on investments	225,606	379,898	(40.61) %
Intergovernmental	30,649,956	28,412,666	7.87 %
Other revenues	<u>1,071,888</u>	<u>1,126,142</u>	(4.82) %
Total	<u>\$ 59,375,008</u>	<u>\$ 58,787,553</u>	1.00 %
<u>Expenditures</u>			
Instruction	\$ 38,531,092	\$ 37,820,807	1.88 %
Support services	19,285,049	17,066,384	13.00 %
Extracurricular activities	778,791	851,799	(8.57) %
Facilities acquisition and construction	8,485	-	100.00 %
Debt service	<u>-</u>	<u>368,454</u>	(100.00) %
Total	<u>\$ 58,603,417</u>	<u>\$ 56,107,444</u>	4.45 %

Tax revenues decreased from fiscal year 2014 to fiscal year 2015 due to a decrease in the amount of tax advances available. The amount of taxes collected and available as an advance is recorded as tax revenue on the modified accrual basis of accounting and can vary depending upon when tax bills are sent out by the County Auditor. Tuition revenue decreased due to a decrease in open enrollment foundation revenues. Earnings on investments decreased from fiscal year 2014 to fiscal year 2015 due to fair market value adjustments. Intergovernmental revenues increased primarily due to increases in State foundation revenues. Support services increased primarily due to increases in principal services and operation and maintenance of plant services along with increased wages and benefits costs. All other revenues and expenditures remained consistent with the prior year.

General Fund Budgeting Highlights

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

During the course of fiscal year 2015, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were \$58,338,546, which was more than the original budget estimate of \$57,865,355. This increase is due to higher estimates regarding property taxes. Actual revenues and other financing sources for fiscal year 2015 were \$58,928,968. This represents a \$590,422 increase from final budgeted revenues. The increase was primarily a result of increases in state and federal intergovernmental revenue and refund of prior year expenditures outpacing a decrease in property taxes.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$58,653,773 were increased to \$59,053,773 in the final budget. Actual budget basis expenditures and other financing uses for fiscal year 2015 totaled \$58,804,446, which was \$249,327 less than the final budget appropriations. There were no significant variances in any one function between final and actual expenditures.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2015, the District had \$93,101,982 invested in land, construction in progress, land improvements, buildings and improvements, equipment and furniture and vehicles, net of accumulated depreciation. This entire amount is reported in governmental activities. The following table shows fiscal year 2015 balances compared to 2014:

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

	Governmental Activities	
	2015	2014
Land	\$ 1,052,394	\$ 903,313
Construction in progress	60,955	402,539
Land improvements	3,832,788	3,352,387
Buildings and improvements	82,557,868	81,068,090
Equipment and Furniture	3,728,190	2,974,232
Vehicles	1,869,787	1,893,753
Total	\$ 93,101,982	\$ 90,594,314

Total additions to capital assets for fiscal year 2015 were \$5,113,316. The overall increase in capital assets of \$2,507,668 is primarily due to additions relating to ongoing projects exceeding the recording of \$2,534,823 in depreciation expense and disposals of \$70,825 (net of accumulated depreciation) for fiscal year 2015. See Note 9 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2015, the District had \$49,270,593 in general obligation bonds outstanding. Of this total, \$1,245,000 is due within one year and \$48,025,593 is due in greater than one year. The following table summarizes the debt obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities	Governmental Activities
	2015	2014
General obligation bonds	\$ 49,270,593	\$ 50,386,822

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

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-half of the District's general fund. The District is also paying special attention to its enrollment to attract and retain students while adjusting operations accordingly. For instance the District has added modular classrooms and teachers to reduce teacher ratios in the primary grades.

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

In May 2014 the District's five-year 5.9 mill operating levy collections was renewed on a continuous basis. This levy amounts to \$4.5 million per year. The District also has a five-year 4.9 mill operating levy for which collections will end in December 2017.

In order to meet ongoing challenges, the District developed and implemented a fiscal health plan in 2006 and continues to update it with the last update taking place in June, 2014. 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, 1100 Broad Avenue, Findlay, Ohio 45840.

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

STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Component Unit Findlay Digital Academy
Assets:		
Equity in pooled cash, cash equivalents and investments	\$ 26,243,819	\$ 1,417,639
Receivables:		
Property taxes	30,807,372	-
Payment in lieu of taxes	134,528	-
Accounts	10,333	-
Accrued interest	78,796	2,843
Intergovernmental	909,812	84,638
Prepayments	89,854	4,217
Inventory held for resale	18,155	-
Due from component unit	207,635	-
Capital assets:		
Nondepreciable capital assets	1,113,349	-
Depreciable capital assets, net	91,988,633	186,971
Capital assets, net	93,101,982	186,971
Total assets	151,602,286	1,696,308
Deferred outflows of resources:		
Pension - STRS	4,191,361	-
Pension - SERS	1,279,750	-
Total deferred outflows of resources	5,471,111	-
Liabilities:		
Accounts payable	341,667	7,356
Accrued wages and benefits payable	4,758,559	-
Intergovernmental payable	135,791	94,969
Due to primary government	-	100,498
Pension and postemployment benefits payable	882,710	-
Accrued interest payable	220,951	-
Claims payable	1,532,696	-
Long-term liabilities:		
Due within one year	2,593,428	-
Due in more than one year:		
Net pension liability	74,308,160	-
Other amounts due in more than one year	51,385,924	-
Total liabilities	136,159,886	202,823
Deferred inflows of resources:		
Property taxes levied for the next fiscal year	25,003,196	-
Payment in lieu of taxes levied for the next fiscal year	134,528	-
Pension - STRS	11,093,386	-
Pension - SERS	2,328,257	-
Total deferred inflows of resources	38,559,367	-
Net position:		
Net investment in capital assets	43,804,562	186,971
Restricted for:		
Capital projects	4,148,808	-
Permanent fund - expendable	42,818	-
Permanent fund - nonexpendable	618,000	-
Classroom facilities maintenance	2,121,053	-
Debt service	856,873	-
Locally funded programs	229,390	851
State funded programs	56,277	-
Federally funded programs	144,155	-
Student activities	337,843	-
Other purposes	704,021	-
Unrestricted (deficit)	(70,709,656)	1,305,663
Total net position (deficit)	\$ (17,645,856)	\$ 1,493,485

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, 2015

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Component Unit Findlay Digital Academy</u>
Governmental activities:						
Instruction:						
Regular	\$ 24,614,019	\$ 2,022,101	\$ 567,485	\$ 120,071	\$ (21,904,362)	\$ -
Special	8,667,445	76,735	5,153,370	-	(3,437,340)	-
Vocational	3,261,293	381,012	450,782	-	(2,429,499)	-
Adult/continuing.	48,764	42,285	-	-	(6,479)	-
Other	5,868,375	-	112,991	-	(5,755,384)	-
Support services:						
Pupil.	2,623,398	1,545	229,965	-	(2,391,888)	-
Instructional staff	2,689,001	426,753	307,107	-	(1,955,141)	-
Board of education	191,883	276	-	-	(191,607)	-
Administration.	4,259,706	10,618	9,304	-	(4,239,784)	-
Fiscal.	1,325,530	157	-	-	(1,325,373)	-
Business.	251,543	-	-	2,171	(249,372)	-
Operations and maintenance . .	7,031,705	421,842	308,462	3,453	(6,297,948)	-
Pupil transportation.	2,279,661	4,313	117,438	-	(2,157,910)	-
Central	160,818	3,653	-	-	(157,165)	-
Operation of non-instructional services:						
Other non-instructional services	651,026	195,906	425,164	-	(29,956)	-
Food service operations	1,802,043	608,977	1,196,485	-	3,419	-
Extracurricular activities.	1,374,947	516,143	61,318	1,105	(796,381)	-
Interest and fiscal charges	2,889,685	-	-	-	(2,889,685)	-
Total governmental activities . . .	<u>69,990,842</u>	<u>4,712,316</u>	<u>8,939,871</u>	<u>126,800</u>	<u>(56,211,855)</u>	<u>-</u>
Component unit:						
Findlay Digital Academy	1,186,529	-	987,946	-	-	(198,583)
Total component unit	<u>1,186,529</u>	<u>-</u>	<u>987,946</u>	<u>-</u>	<u>-</u>	<u>(198,583)</u>
Totals	<u>\$ 71,177,371</u>	<u>\$ 4,712,316</u>	<u>\$ 9,927,817</u>	<u>\$ 126,800</u>	<u>(56,211,855)</u>	<u>(198,583)</u>
General revenues:						
Property taxes levied for:						
General purposes					24,777,271	-
Debt service.					2,835,907	-
Capital outlay.					1,684,842	-
Grants and entitlements not restricted to specific programs					28,843,874	98,647
Investment earnings					272,024	14,258
Increase in fair value of investments					31,773	-
Payments in-lieu of taxes					170,693	-
Miscellaneous					406,403	-
Total general revenues					<u>59,022,787</u>	<u>112,905</u>
Change in net position					2,810,932	(85,678)
Net position (deficit) at beginning of year (restated) .					<u>(20,456,788)</u>	<u>1,579,163</u>
Net position (deficit) at end of year.					<u>\$ (17,645,856)</u>	<u>\$ 1,493,485</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 14,879,902	\$ 9,268,586	\$ 24,148,488
Receivables:			
Property taxes	26,055,894	4,751,478	30,807,372
Payment in lieu of taxes	117,474	17,054	134,528
Accounts	10,333	-	10,333
Accrued interest	76,019	2,777	78,796
Interfund loans	15,000	-	15,000
Intergovernmental	474,535	435,277	909,812
Prepayments	89,854	-	89,854
Inventory held for resale	-	18,155	18,155
Due from component unit	207,635	-	207,635
Total assets	<u>\$ 41,926,646</u>	<u>\$ 14,493,327</u>	<u>\$ 56,419,973</u>
Liabilities:			
Accounts payable	\$ 214,665	\$ 127,002	\$ 341,667
Accrued wages and benefits payable	4,461,123	297,436	4,758,559
Compensated absences payable	609,639	26,610	636,249
Intergovernmental payable	125,878	9,913	135,791
Pension and postemployment benefits payable	766,059	116,651	882,710
Interfund loans payable	-	15,000	15,000
Claims payable	8,506	-	8,506
Total liabilities	<u>6,185,870</u>	<u>592,612</u>	<u>6,778,482</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	21,205,343	3,797,853	25,003,196
Payment in lieu of taxes levied for the next fiscal year	117,474	17,054	134,528
Delinquent property tax revenue not available	1,029,239	190,518	1,219,757
Intergovernmental revenue not available	422,523	7,068	429,591
Accrued interest not available	45,548	2,342	47,890
Tuition revenue not available	100,498	-	100,498
Total deferred inflows of resources	<u>22,920,625</u>	<u>4,014,835</u>	<u>26,935,460</u>
Fund balances:			
Nonspendable:			
Prepays	89,854	-	89,854
Permanent fund	-	618,000	618,000
Restricted:			
Debt service	-	1,341,762	1,341,762
Capital improvements	-	4,075,468	4,075,468
Classroom facilities maintenance	-	2,121,053	2,121,053
Food service operations	-	335,025	335,025
Non-public schools	-	50,074	50,074
Targeted academic assistance	-	175,858	175,858
Vocational education	-	4,041	4,041
Other purposes	-	728,640	728,640
Extracurricular	-	337,843	337,843
Permanent fund	-	42,818	42,818
Committed:			
Capital improvements	-	180,000	180,000
Assigned:			
Student instruction	440,804	-	440,804
Student and staff support	487,291	-	487,291
Extracurricular activities	125,400	-	125,400
Facilities acquisition and construction	12,515	-	12,515
Subsequent year's appropriations	1,754,483	-	1,754,483
School supplies	335,308	-	335,308
Other purposes	665,143	-	665,143
Unassigned (deficit)	8,909,353	(124,702)	8,784,651
Total fund balances	<u>12,820,151</u>	<u>9,885,880</u>	<u>22,706,031</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 41,926,646</u>	<u>\$ 14,493,327</u>	<u>\$ 56,419,973</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2015

Total governmental fund balances		\$	22,706,031
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			93,101,982
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	1,219,757	
Tuition receivable		100,498	
Accrued interest receivable		47,890	
Intergovernmental receivable		429,591	
Total		429,591	1,797,736
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.			571,141
Unamortized premiums on bonds issued are not recognized in the funds.			(410,285)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(220,951)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred outflows of resources - pension		5,471,111	
Deferred inflows of resources - pension		(13,421,643)	
Net pension liability		(74,308,160)	
Total		(74,308,160)	(82,258,692)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(49,270,593)	
Compensated absences		(3,662,225)	
Total		(52,932,818)	(52,932,818)
Net position of governmental activities			\$ (17,645,856)

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, 2015

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
From local sources:			
Property taxes	\$ 24,832,288	\$ 4,533,867	\$ 29,366,155
Payment in lieu of taxes	149,071	21,622	170,693
Tuition	2,446,199	-	2,446,199
Earnings on investments	189,887	69,614	259,501
Charges for services	-	608,977	608,977
Extracurricular	13,633	512,707	526,340
Classroom materials and fees	374,768	-	374,768
Rental income	43,392	378,450	421,842
Contributions and donations	4,713	425,720	430,433
Contract services	105,689	-	105,689
Other local revenues	529,693	327,219	856,912
Intergovernmental - state	30,086,444	1,085,574	31,172,018
Intergovernmental - federal	563,512	5,512,447	6,075,959
Change in fair value of investments	35,719	(3,946)	31,773
Total revenues	<u>59,375,008</u>	<u>13,472,251</u>	<u>72,847,259</u>
Expenditures:			
Current:			
Instruction:			
Regular	23,633,258	1,310,791	24,944,049
Special	6,142,626	2,391,144	8,533,770
Vocational	2,875,040	111,658	2,986,698
Adult/continuing	49,223	4	49,227
Other	5,830,945	80,980	5,911,925
Support services:			
Pupil	2,412,345	249,585	2,661,930
Instructional staff	2,269,658	302,066	2,571,724
Board of education	191,883	-	191,883
Administration	4,220,387	10,044	4,230,431
Fiscal	1,261,457	-	1,261,457
Business	-	251,543	251,543
Operations and maintenance	6,539,103	413,917	6,953,020
Pupil transportation	2,111,334	12,604	2,123,938
Central	126,967	-	126,967
Operation of non-instructional services:			
Other non-instructional services	151,915	437,520	589,435
Food service operations	-	1,738,087	1,738,087
Extracurricular activities	778,791	579,034	1,357,825
Facilities acquisition and construction	8,485	3,709,407	3,717,892
Debt service:			
Principal retirement	-	1,220,000	1,220,000
Interest and fiscal charges	-	2,807,165	2,807,165
Total expenditures	<u>58,603,417</u>	<u>15,625,549</u>	<u>74,228,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>771,591</u>	<u>(2,153,298)</u>	<u>(1,381,707)</u>
Other financing sources (uses):			
Transfers in	-	27,167	27,167
Transfers (out)	(872)	(26,295)	(27,167)
Total other financing sources (uses)	<u>(872)</u>	<u>872</u>	<u>-</u>
Net change in fund balances	770,719	(2,152,426)	(1,381,707)
Fund balances at beginning of year	12,049,432	12,039,907	24,089,339
Decrease in reserve for inventory	-	(1,601)	(1,601)
Fund balances at end of year	<u>\$ 12,820,151</u>	<u>\$ 9,885,880</u>	<u>\$ 22,706,031</u>

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, 2015

Net change in fund balances - total governmental funds \$ (1,381,707)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital asset additions	\$	5,113,316	
Current year depreciation		(2,534,823)	
Total			2,578,493

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. (70,825)

Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed. (1,601)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes		(68,135)	
Tuition		100,498	
Earnings on investments		4,458	
Intergovernmental		(144,942)	
Total			(108,121)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were: 1,220,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:

Decrease in accrued interest payable		2,949	
Accreted interest on capital appreciation bonds		(103,771)	
Amortization of bond premiums		18,302	
Total			(82,520)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows. 4,771,745

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (3,163,136)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 2,712

An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net expense of the internal service fund is allocated among the governmental activities. (954,108)

Change in net position of governmental activities \$ 2,810,932

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Property taxes	\$ 26,215,284	\$ 26,688,475	\$ 25,455,004	\$ (1,233,471)
Payment in lieu of taxes.	149,071	149,071	149,071	-
Tuition.	1,970,000	1,970,000	1,721,124	(248,876)
Earnings on investments	130,000	130,000	181,893	51,893
Classroom materials and fees	11,000	11,000	9,413	(1,587)
Rental income	35,000	35,000	43,392	8,392
Contributions and donations	5,000	5,000	1,640	(3,360)
Other local revenues	250,929	250,929	282,465	31,536
Intergovernmental - state	28,824,071	28,824,071	30,071,583	1,247,512
Intergovernmental - federal	210,000	210,000	563,512	353,512
Total revenues	<u>57,800,355</u>	<u>58,273,546</u>	<u>58,479,097</u>	<u>205,551</u>
Expenditures:				
Current:				
Instruction:				
Regular	23,565,945	23,843,300	23,827,998	15,302
Special.	5,823,029	6,098,029	6,044,147	53,882
Vocational.	2,722,192	2,822,192	2,811,715	10,477
Other.	6,319,079	5,934,079	5,928,273	5,806
Support services:				
Pupil.	2,385,134	2,435,134	2,402,115	33,019
Instructional staff	1,799,803	1,885,581	1,862,906	22,675
Board of education	212,100	241,595	236,217	5,378
Administration.	4,060,231	3,988,103	3,987,385	718
Fiscal	1,352,868	1,352,868	1,348,394	4,474
Operations and maintenance.	6,522,275	6,822,275	6,816,278	5,997
Pupil transportation	2,407,408	2,406,908	2,390,182	16,726
Central.	115,056	130,056	128,880	1,176
Extracurricular activities.	915,602	915,602	903,084	12,518
Facilities acquisition and construction	38,551	38,551	21,000	17,551
Total expenditures	<u>58,239,273</u>	<u>58,914,273</u>	<u>58,708,574</u>	<u>205,699</u>
Excess of expenditures over revenues	(438,918)	(640,727)	(229,477)	411,250
Other financing sources (uses):				
Refund of prior year's expenditures	50,000	50,000	438,521	388,521
Refund of prior year's receipts.	(24,500)	(24,500)	-	24,500
Transfers (out).	(100,000)	(100,000)	(80,872)	19,128
Advances (out)	(290,000)	(15,000)	(15,000)	-
Sale of capital assets	15,000	15,000	11,350	(3,650)
Total other financing sources (uses)	<u>(349,500)</u>	<u>(74,500)</u>	<u>353,999</u>	<u>428,499</u>
Net change in fund balance	(788,418)	(715,227)	124,522	839,749
Fund balance at beginning of year	11,083,812	11,083,812	11,083,812	-
Prior year encumbrances appropriated	1,429,194	1,429,194	1,429,194	-
Fund balance at end of year	\$ 11,724,588	\$ 11,797,779	\$ 12,637,528	\$ 839,749

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2015

	Governmental Activities - Internal Service Fund
Assets:	
Equity in pooled cash, cash equivalents and investments	<u>\$ 2,095,331</u>
Total assets.	<u>2,095,331</u>
Liabilities:	
Claims payable	<u>1,524,190</u>
Total liabilities	<u>1,524,190</u>
Net position:	
Unrestricted.	<u>571,141</u>
Total net position.	<u>\$ 571,141</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Governmental Activities - Internal Service Fund
Operating revenues:	
Sales/charges for services.	\$ 6,400,771
Total operating revenues	<u>6,400,771</u>
 Operating expenses:	
Personal services.	177,039
Purchased services.	1,230,360
Claims	<u>5,968,948</u>
Total operating expenses.	<u>7,376,347</u>
 Operating loss	 <u>(975,576)</u>
 Nonoperating revenues:	
Interest revenue	<u>21,468</u>
Total nonoperating revenues.	<u>21,468</u>
 Change in net position	 (954,108)
 Net position at beginning of year.	 <u>1,525,249</u>
 Net position at end of year	 <u>\$ 571,141</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, 2015

	<u>Governmental Activities - Internal Service Fund</u>
Cash flows from operating activities:	
Cash received from charges for services	\$ 6,400,771
Cash payments for personal services.	(177,039)
Cash payments for contractual services	(1,230,360)
Cash payments for claims	<u>(5,887,439)</u>
 Net cash used in operating activities	 <u>(894,067)</u>
Cash flows from investing activities:	
Interest received	<u>21,468</u>
 Net cash provided by investing activities	 <u>21,468</u>
 Net decrease in cash and cash cash equivalents	 <u>(872,599)</u>
 Cash and cash equivalents at beginning of year . . .	 <u>2,967,930</u>
Cash and cash equivalents at end of year	<u>\$ 2,095,331</u>
 Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (975,576)
 Changes in assets and liabilities: Increase in claims payable	 <u>81,509</u>
 Net cash used in operating activities	 <u>\$ (894,067)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>Private-Purpose Trust</u>	
	<u>Scholarship</u>	<u>Agency</u>
Assets:		
Equity in pooled cash, cash equivalents and investments	\$ 32,073	\$ 115,310
Total assets.	<u>32,073</u>	<u>\$ 115,310</u>
Liabilities:		
Accounts payable.	1,284	\$ 2,027
Intergovernmental payable	-	59
Due to students.	<u>-</u>	<u>113,224</u>
Total liabilities	<u>1,284</u>	<u>\$ 115,310</u>
Net position:		
Held in trust for scholarships	<u>30,789</u>	
Total net position.	<u>\$ 30,789</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Private-Purpose Trust
	Scholarship
Additions:	
Interest.	\$ 221
Gifts and contributions.	26,686
Total additions.	26,907
Deductions:	
Scholarships awarded	19,384
Change in net position	7,523
Net position at beginning of year.	23,266
Net position at end of year	\$ 30,789

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, 2015**

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 340 certified teaching personnel, 390 classified support personnel, and 49 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.

It currently operates 9 elementary schools, 2 middle schools, 1 high school, and a vocational center, to provide services to approximately 5,855 students in grades K-12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

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

DISCRETELY PRESENTED COMPONENT UNIT

Findlay Digital Academy

The Findlay Digital Academy (the “Academy”) is a Conversion Community School established pursuant to Ohio Revised Code, Chapter 3314. The Academy is sponsored by the District to serve ninth through twelfth grade students living in the District. The Academy’s mission is to enhance and facilitate student learning by combining state-of-the-art digital curriculum with access to local school resources to complement that instruction and prepare students to become lifelong learners and productive citizens. The Academy is governed by a seven-member Board of Directors, the majority of which are public officials or public sector employees who have a professional interest in furthering the establishment of the Academy, the District’s Superintendent, who serves as the non-voting Board President, and can also include one or more parents of enrolled students and community civic leaders. The Academy’s Treasurer serves as a non-voting ex-officio member of the Board. The Academy issues a publicly available, stand-alone financial report that includes basic financial statements and supplementary information. This report may be obtained by writing to Greg Spiess, Treasurer, Findlay Digital Academy at 7746 County Road 140, Findlay, Ohio 45840.

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

JOINTLY GOVERNED ORGANIZATION

Northwest Ohio Area Computer Services Cooperative

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

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

PUBLIC ENTITY RISK POOL

Workers’ Compensation Retrospective Ratings Plan

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition 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, (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest and (d) resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs.

PROPRIETARY FUNDS

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

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

FIDUCIARY FUNDS

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

C. Measurement Focus

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund 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.

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 deferred outflows and current liabilities and current deferred inflows 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 deferred outflows and all liabilities and deferred inflows associated with the operation of this fund are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources have been reported for the following two items related the District's net pension liability: (1) the difference between expected and actual experience of the pension systems, and (2) the District's contributions to the pension systems subsequent to the measurement date.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes, intergovernmental grants, accrued interest and tuition revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

The District also reports a deferred inflow of resources for the net difference between projected and actual earnings on pension plan investments related to the District's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

E. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund and first two digits of function level for the general fund and at the fund level for all other funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education.

Tax Budget:

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

Estimated Resources:

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

Appropriations:

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

The Board may pass supplemental fund appropriations as long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, all supplemental appropriations were legally enacted.

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

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

F. Cash and Investments

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

During fiscal year 2015, investments were limited to nonnegotiable certificates of deposits, negotiable certificates of deposit, federal agency securities, 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 2015. 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, 2015.

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 2015 amounted to \$189,887, which includes \$58,798 assigned from other District funds.

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

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

G. Inventory

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

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

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deletions during the year. Donated capital assets are recorded at their 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

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

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

I. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2015, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, employees age 50 with at least 10 years of service and any employees with at least 15 years of service regardless of their age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2015 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.

J. Accrued Liabilities and Long-Term Obligations

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, loans and capital lease obligations are recognized as a liability on the fund financial statements when due.

K. Fund Balance

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

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

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

L. Net Position

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

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

M. Prepayments

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

N. Estimates

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

O. Interfund Activity

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

P. Parochial Schools

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2015.

R. Bond Premium

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

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

S. Pensions

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For fiscal year 2015, the District has implemented GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*", GASB Statement No. 69 "*Government Combinations and Disposals of Government Operations*", and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*".

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 68 improves the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of GASB Statement No. 68 affected the District's pension plan disclosures, as presented in Note 12 to the financial statements, and added required supplementary information which is presented on pages 72 - 78.

GASB Statement No. 71 improves the accounting and financial reporting by addressing an issue in GASB Statement No. 68, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities.

A net position restatement is required in order to implement GASB Statement No 68 and 71. The governmental activities at July 1, 2014 have been restated as follows:

	Governmental Activities
Net position as previously reported	\$ 63,410,513
Deferred outflows - payments subsequent to measurement date	4,415,996
Net pension liability	(88,283,297)
Restated net position (deficit) at July 1, 2014	\$ (20,456,788)

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

B. Deficit Fund Balance

Fund balances at June 30, 2015 included the following individual fund deficit:

<u>Nonmajor fund</u>	<u>Deficit</u>
IDEA Part-B	\$ 124,702

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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.

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

A. Cash on Hand

At fiscal year end, the District had \$3,427 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pool cash and investments".

B. Deposits with Financial Institutions

At June 30, 2015, the carrying amount of all District deposits was \$(140,430). A liability was not recorded for the negative carrying amount of deposits because there was no actual overdraft, due to the "zero-balance" of the District's bank accounts. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2015, \$1,250,132 of the District's bank balance of \$1,545,077 was covered by the Federal Deposit Insurance Corporation, while \$294,945 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of June 30, 2015, the District had the following investments and maturities:

<u>Investment</u>	<u>Fair Value</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>More than 24 months</u>
FNMA	\$ 4,870,982	\$ -	\$ 252,835	\$ -	\$ -	\$ 4,618,147
FHLB	5,781,483	-	-	-	-	5,781,483
FFCB	3,786,699	-	-	-	-	3,786,699
FHLMC	4,998,163	-	-	-	804,392	4,193,771
U.S. Treasury money market fund	981,330	981,330	-	-	-	-
Negotiable CD's	6,103,437	-	-	-	401,615	5,701,822
STAR Ohio	6,111	6,111	-	-	-	-
Total	\$ 26,528,205	\$ 987,441	\$ 252,835	\$ -	\$ 1,206,007	\$ 24,081,922

The weighted average maturity of investments is 3.22 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.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District's investment policy addresses concentration of credit risk by requiring investments to be diversified in order to reduce the risk of loss resulting from the over concentration of assets in a specific type of security, the erosion of market value, or by default. However, the District's investment policy does not place any limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2015:

<u>Investment</u>	<u>Fair Value</u>	<u>Percent of Total</u>
FNMA	\$ 4,870,982	18.36
FHLB	5,781,483	21.79
FFCB	3,786,699	14.27
FHLMC	4,998,163	18.84
U.S. Treasury money market fund	981,330	3.70
Negotiable CD's	6,103,437	23.01
STAR Ohio	<u>6,111</u>	<u>0.03</u>
Total	<u>\$ 26,528,205</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note disclosure above to cash and investments as reported on the statement of net position as of June 30, 2015:

<u>Cash and investments per note disclosure</u>	
Carrying amount of deposits	\$ (140,430)
Investments	26,528,205
Cash on hand	<u>3,427</u>
Total	<u>\$ 26,391,202</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 26,243,819
Private-purpose trust funds	32,073
Agency funds	<u>115,310</u>
Total	<u>\$ 26,391,202</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the fiscal year ended June 30, 2015 consisted of the following transfers, as reported in the fund financial statements:

<u>Transfers from general fund to:</u>	<u>Amount</u>
Nonmajor governmental fund	\$ 872
 <u>Transfers from nonmajor governmental fund to:</u>	
Nonmajor governmental fund	<u>26,295</u>
Total	<u>\$ 27,167</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

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

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.

- B.** Interfund balances at June 30, 2015 as reported on the fund statements, consist of the following interfund loans receivable and interfund loans payable:

<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	<u>\$ 15,000</u>

The purpose of loans receivable/payable is to cover negative cash balances in the agency funds. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund loans between governmental funds are eliminated for reporting in the statement of net position.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2015 represent the collection of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed values as of January 1, 2014, 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 2015 represent the collection of calendar year 2014 taxes. Public utility real and personal property taxes received in calendar year 2015 became a lien on December 31, 2013, were levied after April 1, 2014, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 6 - PROPERTY TAXES - (Continued)

The District receives property taxes from Hancock County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2015, are available to finance fiscal year 2015 operations. The amount available as an advance at June 30, 2015 was \$3,821,312 in the general fund, \$478,558 in the bond retirement fund (a nonmajor governmental fund) and \$284,549 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2014 was \$4,444,028 in the general fund, \$549,161 in the bond retirement fund (a nonmajor governmental fund) and \$326,675 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, 2015 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

The assessed values upon which the fiscal year 2015 taxes were collected are:

	2014 Second Half Collections		2015 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 736,299,030	95.76	\$ 739,502,700	95.64
Public utility personal	<u>32,567,900</u>	<u>4.24</u>	<u>33,679,160</u>	<u>4.36</u>
Total	<u>\$ 768,866,930</u>	<u>100.00</u>	<u>\$ 773,181,860</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General operations	\$58.25		\$58.25	
Permanent improvements	2.50		2.50	
Bond retirement	4.20		4.20	

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 7 - PAYMENT IN LIEU OF TAXES

According to State law, Hancock County has entered into agreements with property owners under which Hancock County has granted property tax abatements to those property owners and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to Hancock County to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been abated. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners. The District received \$170,693 in payments in lieu of taxes during fiscal year 2015, and a receivable of \$134,528 has been reported on the statement of net position.

NOTE 8 - RECEIVABLES

Receivables at June 30, 2015 consisted of property taxes, payments in lieu of taxes (PILOT), accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the receivables reported on the statement of net position follows:

Governmental activities:

Property taxes	\$ 30,807,372
PILOT	134,528
Accounts	10,333
Intergovernmental	909,812
Accrued interest	<u>78,796</u>
Total	<u>\$ 31,940,841</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

<u>Governmental activities:</u>	Balance <u>06/30/14</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>06/30/15</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 903,313	\$ 149,081	\$ -	\$ 1,052,394
Construction in progress	402,539	2,373,508	(2,715,092)	60,955
<i>Total capital assets, not being depreciated</i>	<u>1,305,852</u>	<u>2,522,589</u>	<u>(2,715,092)</u>	<u>1,113,349</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	4,352,067	666,952	-	5,019,019
Buildings and improvements	99,873,316	3,355,495	-	103,228,811
Equipment and furniture	9,043,938	1,098,617	(22,257)	10,120,298
Vehicles	4,048,188	184,755	(386,801)	3,846,142
<i>Total capital assets, being depreciated</i>	<u>117,317,509</u>	<u>5,305,819</u>	<u>(409,058)</u>	<u>122,214,270</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(999,680)	(186,551)	-	(1,186,231)
Buildings and improvements	(18,805,226)	(1,865,717)	-	(20,670,943)
Equipment and furniture	(6,069,706)	(337,240)	14,838	(6,392,108)
Vehicles	(2,154,435)	(145,315)	323,395	(1,976,355)
<i>Total accumulated depreciation</i>	<u>(28,029,047)</u>	<u>(2,534,823)</u>	<u>338,233</u>	<u>(30,225,637)</u>
Total capital assets, net	<u>\$ 90,594,314</u>	<u>\$ 5,293,585</u>	<u>\$ (2,785,917)</u>	<u>\$ 93,101,982</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 1,005,200
Special	271,097
Vocational	330,298
<u>Support services:</u>	
Pupil	70,034
Instructional staff	90,729
Administration	136,730
Fiscal	62,165
Operations and maintenance	177,019
Pupil transportation	172,236
Other non-instructional services	137,287
Extracurricular activities	58,736
Food service operations	23,292
Total depreciation expense	<u>\$ 2,534,823</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 10 - LONG-TERM OBLIGATIONS

- A. During fiscal year 2015, the following changes occurred in governmental activities long-term obligations. The long-term obligations at June 30, 2014 have been restated as described in Note 3.A.

<u>Governmental activities:</u>	(Restated) Balance 06/30/14	<u>Increases</u>	<u>Decreases</u>	Balance 06/30/15	Amount Due in One Year
<u>General obligation bonds</u>					
G.O. current interest bonds payable - 2010	\$ 49,890,000	\$ -	\$ (1,220,000)	\$ 48,670,000	\$ 1,245,000
G.O. capital appreciation bonds payable	217,135	-	-	217,135	-
Capital appreciation bonds - accreted interest	<u>279,687</u>	<u>103,771</u>	<u>-</u>	<u>383,458</u>	<u>-</u>
Total general obligation bonds	<u>50,386,822</u>	<u>103,771</u>	<u>(1,220,000)</u>	<u>49,270,593</u>	<u>1,245,000</u>
<u>Other long-term obligations</u>					
Net pension liability	88,283,297	-	(13,975,137)	74,308,160	-
Compensated absences	<u>4,234,758</u>	<u>1,246,866</u>	<u>(1,183,150)</u>	<u>4,298,474</u>	<u>1,348,428</u>
Total other long-term obligations	<u>92,518,055</u>	<u>1,246,866</u>	<u>(15,158,287)</u>	<u>78,606,634</u>	<u>1,348,428</u>
Total governmental activities	<u>\$ 142,904,877</u>	<u>\$ 1,350,637</u>	<u>\$ (16,378,287)</u>	127,877,227	<u>\$ 2,593,428</u>
			Unamortized premium on bonds	<u>410,285</u>	
			Total on statement of net position	<u>\$ 128,287,512</u>	

See Note 12 for details of the Net Pension Liability.

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

B. General obligation bonds

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

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%) 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 \$383,458 has been included on the statement of net position at June 30, 2015.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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
2016	\$ 1,245,000	\$ 2,766,150	\$ 4,011,150	\$ -	\$ -	\$ -
2017	1,395,000	2,715,143	4,110,143	-	-	-
2018	470,000	2,676,440	3,146,440	217,135	747,865	965,000
2019	1,450,000	2,633,347	4,083,347	-	-	-
2020	1,555,000	2,563,818	4,118,818	-	-	-
2021 - 2025	8,940,000	11,558,106	20,498,106	-	-	-
2026 - 2030	10,960,000	8,769,427	19,729,427	-	-	-
2031 - 2035	13,305,000	5,066,406	18,371,406	-	-	-
2036 - 2038	9,350,000	891,875	10,241,875	-	-	-
Total	\$ 48,670,000	\$ 39,640,712	\$ 88,310,712	\$ 217,135	\$ 747,865	\$ 965,000

C. Legal Debt Margins

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

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

The effects of these debt limitations at June 30, 2015 are a voted debt margin of \$22,040,994 (including available funds of \$1,341,762), and an unvoted debt margin of \$773,182.

NOTE 11 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2015, the District contracted with the McGowan Governmental Underwriters for property and general liability insurance.

**FINDLAY CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 11 - RISK MANAGEMENT - (Continued)

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

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

B. Workers' Compensation

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

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

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2015	\$ 41,106	\$ 17,760	\$ (50,360)	\$ 8,506
2014	12,131	30,714	(1,739)	41,106

C. Employee Health Insurance

The District's health insurance is funded through a self-insurance program. The District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The District offers three comprehensive medical/surgical plans: Original Plan, Option B Plan and Option C (HSA) Plan. About half participate in the original plan while the other half participated in Option C and very few are on Option B. The Original Plan retains a deductible of \$200 for family coverage and \$100 for single coverage for all out of network providers. The District's Original Plan is a preferred Provider Program through the Anthem network, which has co-pays ranging from \$20 to \$50. Maximum out-of-pocket expenses for employees are \$900 in addition to the deductibles. The District purchases stop-loss coverage of \$125,000 per employee. The District and employees pay into the self-insurance internal service fund. The District's monthly portion of the original plan is \$1,219 for family coverage and \$452 for single coverage. The employee's monthly portion of the majority employees is \$305 for family coverage and \$113 for single coverage. For Option C (HSA) the District's monthly portion is \$975 for family coverage and \$361 for single coverage. However, employees are responsible for a \$2,000 per individual deductible with a \$4,000 per family out-of-pocket maximum. The premiums are paid by the fund that pays the salary for the employees and is based on historical cost information.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 11 - RISK MANAGEMENT - (Continued)

Dental and vision coverage is also provided on self-insured basis through Employee Benefit Consultants (EBC). Premiums for its coverage are \$87.63 monthly for family coverage and \$32.45 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 \$1,524,190 reported in the Employee Benefits Self Insurance fund at June 30, 2015 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>
2015	\$ 1,442,681	\$ 5,968,948	\$ (5,887,439)	\$ 1,524,190
2014	1,521,154	5,446,489	(5,524,962)	1,442,681

NOTE 12 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

**FINDLAY CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The District's contractually required contribution to SERS was \$1,157,658 for fiscal year 2015. Of this amount \$111,428 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$3,614,087 for fiscal year 2015. Of this amount, \$565,734 is reported as pension and postemployment benefits payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 14,345,142	\$ 59,963,018	\$ 74,308,160
Proportion of the net pension liability	0.283448%	0.24652338%	
Pension expense	\$ 837,136	\$ 2,326,000	\$ 3,163,136

**FINDLAY CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 122,092	\$ 577,274	\$ 699,366
District contributions subsequent to the measurement date	1,157,658	3,614,087	4,771,745
Total deferred outflows of resources	\$ 1,279,750	\$ 4,191,361	\$ 5,471,111
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	\$ 2,328,257	\$ 11,093,386	\$ 13,421,643
Total deferred inflows of resources	\$ 2,328,257	\$ 11,093,386	\$ 13,421,643

\$4,771,745 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2016	\$ (551,541)	\$ (2,629,028)	\$ (3,180,569)
2017	(551,541)	(2,629,028)	(3,180,569)
2018	(551,541)	(2,629,028)	(3,180,569)
2019	(551,542)	(2,629,028)	(3,180,570)
Total	\$ (2,206,165)	\$ (10,516,112)	\$ (12,722,277)

Actuarial Assumptions - SERS

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 20,466,254	\$ 14,345,142	\$ 9,196,757

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

**FINDLAY CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS’ investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	<u>1.00</u>	3.00
Total	<u><u>100.00 %</u></u>	

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 85,843,597	\$ 59,963,018	\$ 38,076,756

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) 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 as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was \$20,450. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2015, the District's surcharge obligation was \$150,982.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

The District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$211,212, \$143,976, and \$145,191, respectively. For fiscal year 2015, 91.39 percent has been contributed, with the balance being reported as pension and postemployment benefits payable. The full amount has been contributed for fiscal years 2014 and 2013.

B. State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$253,797, and \$247,877 respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

(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	\$ 124,522
Net adjustment for revenue accruals	(492,652)
Net adjustment for expenditure accruals	198,388
Net adjustment for other sources/uses	(354,871)
Funds budgeted elsewhere*	168,815
Adjustment for encumbrances	<u>1,126,517</u>
GAAP basis	<u>\$ 770,719</u>

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

NOTE 15 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District at June 30, 2015.

B. Litigation

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 15 - CONTINGENCIES - (Continued)

C. Foundation Funding

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

NOTE 16 - SET-ASIDES

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2014	\$ -
Current year set-aside requirement	959,248
Current year offsets	<u>(1,961,529)</u>
Total	<u>\$ (1,002,281)</u>
Balance carried forward to fiscal year 2016	<u>\$ -</u>
Set-aside balance June 30, 2015	<u>\$ -</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 17 - OTHER COMMITMENTS

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

<u>Fund Type</u>	<u>Year-End Encumbrances</u>
General fund	\$ 989,964
Nonmajor governmental funds	<u>1,338,085</u>
 Total	 <u>\$ 2,328,049</u>

NOTE 18 - FINDLAY DIGITAL ACADEMY

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

A. Description of the Digital Academy

The Academy is an innovative program operated as a cooperative effort between the Digital Academy Board of Directors and the Findlay City School District (FCSD). The Academy was approved for operation under a contract with the Findlay City School District (the "Sponsor") commencing on April 1, 2004 and expiring on June 30, 2008. Another contract was signed in June 2008 that went through June 30, 2013. In June 2013, the Academy approved the current contract with the Sponsor that begins July 1, 2013 and expires June 30, 2018. The Academy enrolled its first students in January 2005. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

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

The Academy has entered into a purchased services agreement contracts with META Solutions (META) for technology and services. See Note 18K for detail on Academy's purchased services agreement contract with META.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 18 - FINDLAY DIGITAL ACADEMY - (Continued)

B. Summary of Significant Accounting Policies

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

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

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

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

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

Expenses are recognized at the time they are incurred.

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 its Sponsor does not prescribe a budgetary process for the Academy; therefore no budgetary information is presented in the financial statements.

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

During fiscal year 2015, investments were limited to Federal Home Loan Bank (FHLB) bonds, Federal National Mortgage Association (FNMA) bonds, negotiable certificates of deposit (negotiable CD's), and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value which is based on quoted market prices.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 18 - FINDLAY DIGITAL ACADEMY - (Continued)

The Academy has invested funds in STAR Ohio during fiscal year 2015. 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, 2015.

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

At June 30, 2015, investments are reported at fair value. The fluctuation in the fair value of investments is reported as a component of interest revenue. From June 30, 2014 to June 30, 2015, the fair value of investments increased \$542 and accrued interest receivable on investments decreased \$11. Interest revenue reported on the statement of revenue, expenses and changes in net position was \$14,258 while interest receipts reported on the statements of cash flows was \$13,727. Although the fair value of investments can fluctuate, it's the Academy's policy to hold investments till maturity.

An analysis of the Academy's deposits and investments at fiscal year-end is provided in Note 18.D.

Prepaid Items: Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed. The Academy had no prepaid items at June 30, 2015.

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 five hundred dollars. The Academy does not possess any infrastructure. Depreciation of furniture and equipment is computed using the straight-line method over an estimated useful life of five years.

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 18 - FINDLAY DIGITAL ACADEMY - (Continued)

Intergovernmental Revenues: The Academy currently participates in the State Foundation Program, the IDEA Part B grant and the Title I School Improvement grant. Revenue from the State Foundation Program is recognized as operating revenue in the accounting period in which all eligibility requirements have been met. Amounts awarded under State Foundation Program for fiscal year 2015 school year, excluding all other State and Federal grants, totaled \$894,558.

Revenues received from the remaining programs are recognized as non-operating revenues in the accompanying financial statements. Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. State and Federal grants revenue for fiscal year 2015 was \$98,647.

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

C. Changes in Accounting Policies

For fiscal year 2015, the Academy has implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27", GASB Statement No. 69 "Government Combinations and Disposals of Government Operations", and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68".

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the Academy.

GASB Statement No. 68 improves the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of GASB Statement No. 68 did not have an effect on the financial statements of the Academy.

GASB Statement No. 71 improves the accounting and financial reporting by addressing an issue in GASB Statement No. 68, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. The implementation of GASB Statement No. 68 did not have an effect on the financial statements of the Academy.

D. Deposits and Investments

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

Deposits: At June 30, 2015, the carrying amount of the Academy's deposits was \$356,048. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2015, \$221,050 of the District's bank balance of \$471,050 was exposed to custodial risk as discussed below, while \$250,000 was covered by the FDIC.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 18 - FINDLAY DIGITAL ACADEMY - (Continued)

Investments: At June 30, 2015, the Academy had the following investment and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
FHLB Bond	\$ 149,520	\$ -	\$ -	\$ -	\$ -	\$ 149,520
FNMA Notes	149,625	-	-	-	-	149,625
Negotiable CDs	700,089	150,523	-	98,061	200,448	251,057
STAR Ohio	<u>62,357</u>	<u>62,357</u>	-	-	-	-
	<u>\$ 1,061,591</u>	<u>\$ 212,880</u>	<u>\$ -</u>	<u>\$ 98,061</u>	<u>\$ 200,448</u>	<u>\$ 550,202</u>

The weighted average maturity of investments is 1.63 years. Investments in negotiable CD's and federal agency securities can be sold prior to maturity on the secondary market if immediate cash flow is needed.

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

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

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

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Academy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Academy at June 30, 2015:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB Bond	149,520	14.08
FNMA Notes	149,625	14.09
Negotiable CD	700,089	65.96
STAR Ohio	<u>62,357</u>	<u>5.87</u>
Total	<u>\$ 1,061,591</u>	<u>100.00</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 18 - FINDLAY DIGITAL ACADEMY - (Continued)

Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2015:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 356,048
Investments	<u>1,061,591</u>
Total	<u>\$ 1,417,639</u>
 <u>Cash and investments per statement of net position</u>	
Cash and cash equivalents	\$ 418,405
Investments - current	150,523
Investments - noncurrent	<u>848,711</u>
Total	<u>\$ 1,417,639</u>

E. Receivables

Receivables at June 30, 2015 consisted of accrued interest in the amount of \$2,843 and an intergovernmental receivable in the amount of \$84,638. These receivables are expected to be collected in the subsequent year.

F. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 follows:

	Balance 06/30/14	Additions	Reductions	Balance 06/30/15
<i>Capital assets, being depreciated:</i>				
Furniture and equipment	\$ 383,411	\$ 64,664	\$ (55,768)	\$ 392,307
Less: accumulated depreciation	<u>(183,540)</u>	<u>(71,673)</u>	<u>49,877</u>	<u>(205,336)</u>
Capital assets, net	<u>\$ 199,871</u>	<u>\$ (7,009)</u>	<u>\$ (5,891)</u>	<u>\$ 186,971</u>

G. Risk Management

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 18 - FINDLAY DIGITAL ACADEMY - (Continued)

Insurance coverage for the Academy follows:

Property:	\$ 188,703,219
General Liability:	
Per Occurrence	1,000,000
Aggregate	3,000,000
Educators Legal Liability	3,000,000

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

H. Purchased Service Expenses

For fiscal year ended June 30, 2015, purchased services expenses were as follows:

Professional and technical services	\$ 997,034
Property services	54,718
Travel mileage/meeting expenses	9,024
Tuition and similar payments	<u>11,881</u>
Total	<u>\$ 1,072,657</u>

I. Payments to Sponsor / Related Party Transaction

The Academy has entered into a Sponsorship Contract with the FCSD, its Sponsor, as described in Note 1. The Sponsorship Contract states that the FCSD may direct its Treasurer to serve as the Academy's fiscal officer. For fiscal year 2015, the Academy contracted its Treasurer functions from the Hancock County Educational Service Center. The Treasurer of the Academy performs the following functions for the Academy:

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

In addition, 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 retired Secondary Curriculum Director of the Academy's Sponsor, the FCSD.

In addition to the Treasurer, the Academy contracts through the Hancock County Educational Service Center the services of the Academy Coordinator and the EMIS Coordinator.

The Sponsor contracts out all employees to the Academy, including the Teachers, except as mentioned above.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 18 - FINDLAY DIGITAL ACADEMY - (Continued)

During the year ended June 30, 2015, the Academy incurred \$381,873 in expenses payable to its Sponsor, the FCSD, for:

Salaries and benefits	\$ 294,741
Other (computers/rent/supplies)	4,516
Millstream Career Center	53,082
Sponsor fees	<u>29,534</u>
Total	<u>\$ 381,873</u>

J. Contingencies

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

State Funding: The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which State foundation funding is calculated. As a result of the review after fiscal year end, the Academy owes \$94,969 to the Ohio Department of Education. This amount is reflected as an intergovernmental payable on the basic financial statements. As a result of the second review after fiscal year end, the Academy was owed \$84,638 from the Ohio Department of Education. This amount is reflected as an intergovernmental receivable on the basic financial statements.

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

K. Contract with META

The Academy entered into a contract on July 29, 2014, for fiscal year 2015, with META. Under the contract, the following terms were agreed upon:

- META 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 META under the agreement shall be employees of META and META 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 META 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, 2015**

NOTE 18 - 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 META shall be limited to the basic standardized curriculum developed by META. Basic services do not include special education and related services.
- In exchange for the services and support (including equipment) provided by META, the Academy shall pay to META \$5,250 per full-time student enrolled in the Academy for the 2014-2015 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 “META Enhancement Services and Special Education Obligations of the Academy and META,” the Academy shall additionally pay to META the fees and costs described in Section II of such exhibit.

For fiscal year 2015, \$231,846 was paid to META. There were no payables to META at June 30, 2015 or June 30, 2014. To obtain META’s audited June 30, 2015 financial statements please contact Scott Armstrong, Treasurer, at scott@meta.org.

L. Operating Lease

The Sponsor entered into a lease agreement on June 24, 2013 with TLB Corporate Center, LLC to lease office space located at the TLB Corporate Center at 1219 West Main Cross Street, Findlay, Ohio. The agreement is for three years, ending on September 30, 2016 and requiring a monthly lease payment of \$4,217. In accordance with the lease agreement, the Academy shall have use of leased space for office purposes only. The Academy makes payments related to the lease agreement directly to the TLB Corporate Center, LLC. Lease payments in fiscal year 2015 totaled \$50,605.

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REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS

	2014	2013
District's proportion of the net pension liability	0.28344800%	0.28344800%
District's proportionate share of the net pension liability	\$ 14,345,142	\$ 16,855,743
District's covered-employee payroll	\$ 8,236,450	\$ 7,787,168
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	174.17%	216.46%
Plan fiduciary net position as a percentage of the total pension liability	71.70%	65.52%

Note: Information prior to fiscal year 2013 was unavailable.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS

	2014	2013
District's proportion of the net pension liability	0.24652338%	0.24652338%
District's proportionate share of the net pension liability	\$ 59,963,018	\$ 71,427,554
District's covered-employee payroll	\$ 25,187,877	\$ 24,787,677
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	238.06%	288.16%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	69.30%

Note: Information prior to fiscal year 2013 was unavailable.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 1,157,658	\$ 1,141,572	\$ 1,077,744	\$ 1,081,230
Contributions in relation to the contractually required contribution	<u>(1,157,658)</u>	<u>(1,141,572)</u>	<u>(1,077,744)</u>	<u>(1,081,230)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 8,783,445	\$ 8,236,450	\$ 7,787,168	\$ 8,038,885
Contributions as a percentage of covered-employee payroll	13.18%	13.86%	13.84%	13.45%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 1,057,230	\$ 1,151,236	\$ 820,196	\$ 782,471	\$ 841,329	\$ 832,705
<u>(1,057,230)</u>	<u>(1,151,236)</u>	<u>(820,196)</u>	<u>(782,471)</u>	<u>(841,329)</u>	<u>(832,705)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,410,740	\$ 8,502,482	\$ 8,335,325	\$ 7,968,136	\$ 7,877,612	\$ 7,870,558
12.57%	13.54%	9.84%	9.82%	10.68%	10.58%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 3,614,087	\$ 3,274,424	\$ 3,222,398	\$ 3,335,090
Contributions in relation to the contractually required contribution	<u>(3,614,087)</u>	<u>(3,274,424)</u>	<u>(3,222,398)</u>	<u>(3,335,090)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 25,814,907	\$ 25,187,877	\$ 24,787,677	\$ 25,654,538
Contributions as a percentage of covered-employee payroll	14.00%	13.00%	13.00%	13.00%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 3,524,123	\$ 3,535,033	\$ 3,481,650	\$ 3,405,244	\$ 3,435,930	\$ 3,477,344
<u>(3,524,123)</u>	<u>(3,535,033)</u>	<u>(3,481,650)</u>	<u>(3,405,244)</u>	<u>(3,435,930)</u>	<u>(3,477,344)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 27,108,638	\$ 27,192,562	\$ 26,781,923	\$ 26,194,185	\$ 26,430,231	\$ 26,748,800
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Information about factors that significantly affect trends in the amounts reported in the schedules should be presented as notes to the schedule.

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal year 2014 and 2015.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal year 2014 and 2015.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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

MAJOR GOVERNMENTAL FUNDS

General Fund

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

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

Food Service Fund Section 3313.81, Revised Code

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

Special Trust Fund 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.

Entry Year Programs Fund Section 3317.024(T) Revised Code

A fund used to account for implement of entry-year programs.

Data Communication Fund Section 5705.09, Revised Code

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

SchoolNet Professional Development Fund State Line Item Appropriations 200-426

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

Ohio Reads Fund State Line Item Appropriations 200-566

A fund used to account for monies intended 1) to improve reading outcomes, especially on the fourth grade reading proficiency test and 2) for volunteer coordinators in public school buildings, for educational service centers for costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

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

Nonmajor Special Revenue Funds - (Continued)

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.

Race to the Top Fund

CFDA #84.395A

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.

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.

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.

IDEA Preschool-Handicapped Fund

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

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

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

Nonmajor Special Revenue Funds - (Continued)

Improving Teacher Quality Fund

CFDA #84.340

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

Miscellaneous Federal Grants Fund

Section 5705.12, Revised Code

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

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

Uniform School Supplies Fund

Section 3313.81, Revised Code

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

Special Services Rotary Fund

Section 5705.12, Revised Code

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

Internal Services Rotary Fund

Section 5705.12, Revised Code

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

Public School Support Fund

Section 5705.12, Revised Code

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

Special Enterprise Fund

Section 755.14, Revised Code

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

Special Trust 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.

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).

Nonmajor Debt Service Fund

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

Bond Retirement Fund

Section 5705.09, Revised Code

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

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

Nonmajor Capital Projects Fund

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

Building Fund

Section 5705.09, Revised Code

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

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.

Nonmajor Permanent Fund

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

Endowment Fund

Section 5705.09, Revised Code

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

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in pooled cash, cash equivalents and investments	\$ 3,673,699	\$ 863,204	\$ 4,070,865	\$ 660,818	\$ 9,268,586
Receivables:					
Property taxes	-	2,981,079	1,770,399	-	4,751,478
Payment in lieu of taxes	-	10,726	6,328	-	17,054
Accrued interest	-	-	2,777	-	2,777
Intergovernmental	435,277	-	-	-	435,277
Inventory held for resale	18,155	-	-	-	18,155
Total assets	<u>\$ 4,127,131</u>	<u>\$ 3,855,009</u>	<u>\$ 5,850,369</u>	<u>\$ 660,818</u>	<u>\$ 14,493,327</u>
Liabilities:					
Accounts payable	\$ 26,621	\$ -	\$ 100,381	\$ -	\$ 127,002
Accrued wages and benefits payable	297,436	-	-	-	297,436
Compensated absences payable	26,610	-	-	-	26,610
Intergovernmental payable	9,913	-	-	-	9,913
Pension and postemployment benefits payable	116,651	-	-	-	116,651
Interfund loans payable	15,000	-	-	-	15,000
Total liabilities	<u>492,231</u>	<u>-</u>	<u>100,381</u>	<u>-</u>	<u>592,612</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	-	2,383,001	1,414,852	-	3,797,853
Payment in lieu of taxes levied for the next fiscal year	-	10,726	6,328	-	17,054
Delinquent property tax revenue not available	-	119,520	70,998	-	190,518
Intergovernmental revenue not available	7,068	-	-	-	7,068
Accrued interest not available	-	-	2,342	-	2,342
Total deferred inflows of resources	<u>7,068</u>	<u>2,513,247</u>	<u>1,494,520</u>	<u>-</u>	<u>4,014,835</u>
Fund balances:					
Nonspendable:					
Permanent fund	-	-	-	618,000	618,000
Restricted:					
Debt service	-	1,341,762	-	-	1,341,762
Capital improvements	-	-	4,075,468	-	4,075,468
Classroom facilities maintenance	2,121,053	-	-	-	2,121,053
Food service operations	335,025	-	-	-	335,025
Non-public schools	50,074	-	-	-	50,074
Targeted academic assistance	175,858	-	-	-	175,858
Vocational education	4,041	-	-	-	4,041
Other purposes	728,640	-	-	-	728,640
Extracurricular activities	337,843	-	-	-	337,843
Permanent fund	-	-	-	42,818	42,818
Committed:					
Capital improvements	-	-	180,000	-	180,000
Unassigned (deficit)	(124,702)	-	-	-	(124,702)
Total fund balances	<u>3,627,832</u>	<u>1,341,762</u>	<u>4,255,468</u>	<u>660,818</u>	<u>9,885,880</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,127,131</u>	<u>\$ 3,855,009</u>	<u>\$ 5,850,369</u>	<u>\$ 660,818</u>	<u>\$ 14,493,327</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, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
From local sources:					
Property taxes	\$ -	\$ 2,844,095	\$ 1,689,772	\$ -	\$ 4,533,867
Payment in lieu of taxes	-	13,590	8,032	-	21,622
Earnings on investments	7,529	-	56,211	5,874	69,614
Charges for services	608,977	-	-	-	608,977
Extracurricular	512,707	-	-	-	512,707
Rental income	378,450	-	-	-	378,450
Contributions and donations	309,220	-	116,500	-	425,720
Other local revenues	316,919	-	10,300	-	327,219
Intergovernmental - state	470,138	385,805	229,631	-	1,085,574
Intergovernmental - federal	4,601,662	730,785	180,000	-	5,512,447
Decrease in fair market value of investments	-	-	(3,946)	-	(3,946)
Total revenues	7,205,602	3,974,275	2,286,500	5,874	13,472,251
Expenditures:					
Current:					
Instruction:					
Regular	474,357	-	818,101	18,333	1,310,791
Special	2,391,144	-	-	-	2,391,144
Vocational	111,658	-	-	-	111,658
Adult/continuing	4	-	-	-	4
Other	80,980	-	-	-	80,980
Support services:					
Pupil	249,585	-	-	-	249,585
Instructional staff	302,066	-	-	-	302,066
Administration	10,044	-	-	-	10,044
Business	-	-	251,543	-	251,543
Operations and maintenance	381,984	-	31,933	-	413,917
Pupil transportation	12,604	-	-	-	12,604
Operation of non-instructional services:					
Other non-instructional services	437,520	-	-	-	437,520
Food service operations	1,738,087	-	-	-	1,738,087
Extracurricular activities	571,815	-	7,219	-	579,034
Facilities acquisition and construction	-	-	3,709,407	-	3,709,407
Debt service:					
Principal retirement	-	1,220,000	-	-	1,220,000
Interest and fiscal charges	-	2,807,165	-	-	2,807,165
Total expenditures	6,761,848	4,027,165	4,818,203	18,333	15,625,549
Excess of expenditures over revenues	443,754	(52,890)	(2,531,703)	(12,459)	(2,153,298)
Other financing sources (uses):					
Transfers in	27,167	-	-	-	27,167
Transfers out	-	-	(26,295)	-	(26,295)
Total other financing sources (uses)	27,167	-	(26,295)	-	872
Net change in fund balances	470,921	(52,890)	(2,557,998)	(12,459)	(2,152,426)
Fund balances at beginning of year	3,158,512	1,394,652	6,813,466	673,277	12,039,907
Decrease in reserve for inventory	(1,601)	-	-	-	(1,601)
Fund balances at end of year	\$ 3,627,832	\$ 1,341,762	\$ 4,255,468	\$ 660,818	\$ 9,885,880

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Food Service	Special Trust	Other Grants	Classroom Facilities Maintance
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 364,575	\$ 447,919	\$ 238,682	\$ 2,125,461
Receivables:				
Intergovernmental	-	-	-	-
Inventory held for resale	18,155	-	-	-
Total assets.	<u>\$ 382,730</u>	<u>\$ 447,919</u>	<u>\$ 238,682</u>	<u>\$ 2,125,461</u>
Liabilities:				
Accounts payable.	\$ 154	\$ 693	\$ 433	\$ 4,358
Accrued wages and benefits payable	9,788	-	5,902	-
Compensated absences payable	6,922	-	-	-
Intergovernmental payable	1,221	-	234	50
Pension and postemployment benefits payable	29,620	-	2,544	-
Interfund loans payable.	-	-	-	-
Total liabilities.	<u>47,705</u>	<u>693</u>	<u>9,113</u>	<u>4,408</u>
Deferred inflows of resources:				
Intergovernmental revenue not available	-	-	-	-
Fund balances:				
Restricted:				
Classroom facilities maintenance.	-	-	-	2,121,053
Food service operations.	335,025	-	-	-
Non-public schools.	-	-	-	-
Targeted academic assistance	-	-	-	-
Vocational education	-	-	-	-
Other purposes	-	447,226	229,569	-
Extracurricular.	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit).	<u>335,025</u>	<u>447,226</u>	<u>229,569</u>	<u>2,121,053</u>
Total liabilities, deferred inflows and fund balances.	<u>\$ 382,730</u>	<u>\$ 447,919</u>	<u>\$ 238,682</u>	<u>\$ 2,125,461</u>

District Managed Activity	Auxillary Services	Vocational Education Enhancements	Miscellaneous State Grants	Race To The Top	IDEA Part B Grants
\$ 343,572	\$ 77,631	\$ -	\$ 22,617	\$ 24,571	\$ 11,197
-	-	-	-	25,051	-
-	-	-	-	-	-
<u>\$ 343,572</u>	<u>\$ 77,631</u>	<u>\$ -</u>	<u>\$ 22,617</u>	<u>\$ 49,622</u>	<u>\$ 11,197</u>
\$ 2,002	\$ 9,582	\$ -	\$ -	\$ -	\$ 3,523
-	14,486	-	-	113	93,507
-	-	-	-	-	7,358
59	394	-	91	59	3,236
3,668	3,095	-	1,093	2,198	28,275
-	-	-	-	15,000	-
<u>5,729</u>	<u>27,557</u>	<u>-</u>	<u>1,184</u>	<u>17,370</u>	<u>135,899</u>
-	-	-	-	1,840	-
-	-	-	-	-	-
-	-	-	-	-	-
-	50,074	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	21,433	30,412	-
337,843	-	-	-	-	-
-	-	-	-	-	(124,702)
<u>337,843</u>	<u>50,074</u>	<u>-</u>	<u>21,433</u>	<u>30,412</u>	<u>(124,702)</u>
<u>\$ 343,572</u>	<u>\$ 77,631</u>	<u>\$ -</u>	<u>\$ 22,617</u>	<u>\$ 49,622</u>	<u>\$ 11,197</u>

(continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Vocational Education	School Improvement Stimulus A	Limited English Proficiency	Title I Disadvantaged Children
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 778	\$ -	\$ -	\$ 16,696
Receivables:				
Intergovernmental	22,968	-	-	336,451
Inventory held for resale	-	-	-	-
Total assets.	\$ 23,746	\$ -	\$ -	\$ 353,147
Liabilities:				
Accounts payable	\$ 750	\$ -	\$ -	\$ 5,126
Accrued wages and benefits payable	11,098	-	-	124,993
Compensated absences payable	-	-	-	12,330
Intergovernmental payable	375	-	-	3,423
Pension and postemployment benefits payable	7,482	-	-	33,860
Interfund loans payable	-	-	-	-
Total liabilities.	19,705	-	-	179,732
Deferred inflows of resources:				
Intergovernmental revenue not available	-	-	-	-
Fund balances:				
Restricted:				
Classroom facilities maintenance	-	-	-	-
Food service operations	-	-	-	-
Non-public schools	-	-	-	-
Targeted academic assistance	-	-	-	173,415
Vocational education	4,041	-	-	-
Other purposes	-	-	-	-
Extracurricular	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit).	4,041	-	-	173,415
Total liabilities, deferred inflows and fund balances.	\$ 23,746	\$ -	\$ -	\$ 353,147

Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$ -	\$ 3,673,699
50,807	435,277
-	18,155
<u>\$ 50,807</u>	<u>\$ 4,127,131</u>
\$ -	\$ 26,621
37,549	297,436
-	26,610
771	9,913
4,816	116,651
-	15,000
<u>43,136</u>	<u>492,231</u>
<u>5,228</u>	<u>7,068</u>
-	2,121,053
-	335,025
-	50,074
2,443	175,858
-	4,041
-	728,640
-	337,843
-	(124,702)
<u>2,443</u>	<u>3,627,832</u>
<u>\$ 50,807</u>	<u>\$ 4,127,131</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, 2015

	<u>Food Service</u>	<u>Special Trust</u>	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>
Revenues:				
From local sources:				
Earnings on investments	\$ 1,930	\$ 2,183	\$ -	\$ -
Charges for services	608,977	-	-	-
Extracurricular	-	-	-	-
Rental income	-	-	-	378,450
Contributions and donations	-	309,080	-	-
Other local revenues	500	1,143	256,624	-
Intergovernmental - state	24,455	-	-	-
Intergovernmental - federal	1,169,600	-	-	-
Total revenues	<u>1,805,462</u>	<u>312,406</u>	<u>256,624</u>	<u>378,450</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	1,102	92,286	-
Special	-	-	-	-
Vocational	-	1,000	3,360	-
Adult/continuing	-	-	-	-
Other	-	-	39,382	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Operations and maintenance	-	164,408	-	217,576
Pupil transportation	-	-	10,458	-
Operation of non-instructional services:				
Other non-instructional services	-	-	4,049	-
Food service operations	1,738,087	-	-	-
Extracurricular activities	-	-	-	-
Total expenditures	<u>1,738,087</u>	<u>166,510</u>	<u>149,535</u>	<u>217,576</u>
Excess (deficiency) of revenues over (under) expenditures	<u>67,375</u>	<u>145,896</u>	<u>107,089</u>	<u>160,874</u>
Other financing sources:				
Transfers in	-	-	-	26,295
Net change in fund balances	67,375	145,896	107,089	187,169
Fund balances (deficit) at beginning of year	269,251	301,330	122,480	1,933,884
Decrease in reserve for inventory	(1,601)	-	-	-
Fund balances (deficit) at end of year	<u>\$ 335,025</u>	<u>\$ 447,226</u>	<u>\$ 229,569</u>	<u>\$ 2,121,053</u>

District Managed	Auxiliary Services	Data Communication	Vocational Education Enhancements	Miscellaneous State Grants	Race To The Top
\$ 2,756	\$ 660	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
512,707	-	-	-	-	-
-	-	-	-	-	-
140	-	-	-	-	-
58,652	-	-	-	-	-
-	381,845	19,800	-	44,038	-
-	-	-	-	-	83,596
<u>574,255</u>	<u>382,505</u>	<u>19,800</u>	<u>-</u>	<u>44,038</u>	<u>83,596</u>
-	-	19,800	-	-	23,572
-	-	-	-	-	-
-	-	-	-	1,221	-
-	-	-	4	-	-
-	-	-	-	-	-
-	-	-	-	19,092	-
-	-	-	-	24,891	48,466
-	-	-	-	-	-
-	-	-	-	-	-
2,146	-	-	-	-	-
-	399,342	-	-	-	-
-	-	-	-	-	-
571,815	-	-	-	-	-
<u>573,961</u>	<u>399,342</u>	<u>19,800</u>	<u>4</u>	<u>45,204</u>	<u>72,038</u>
294	(16,837)	-	(4)	(1,166)	11,558
872	-	-	-	-	-
1,166	(16,837)	-	(4)	(1,166)	11,558
336,677	66,911	-	4	22,599	18,854
-	-	-	-	-	-
<u>\$ 337,843</u>	<u>\$ 50,074</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,433</u>	<u>\$ 30,412</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, 2015

	IDEA Part B Grants	Vocational Education	School Improvement Stimulus A	Limited English Proficiency
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Rental income	-	-	-	-
Contributions and donations	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	1,333,112	211,544	-	21,820
Total revenues	1,333,112	211,544	-	21,820
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	22,094
Special	1,208,774	-	-	-
Vocational	-	106,077	-	-
Adult/continuing	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	118,252	112,241	-	-
Instructional staff	132,505	-	(284)	956
Administration	-	10,044	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	8,413	-	-	-
Food service operations	-	-	-	-
Extracurricular activities	-	-	-	-
Total expenditures	1,467,944	228,362	(284)	23,050
Excess (deficiency) of revenues over (under) expenditures	(134,832)	(16,818)	284	(1,230)
Other financing sources:				
Transfers in	-	-	-	-
Net change in fund balances	(134,832)	(16,818)	284	(1,230)
Fund balances (deficit) at beginning of year	10,130	20,859	(284)	1,230
Decrease in reserve for inventory	-	-	-	-
Fund balances (deficit) at end of year	\$ (124,702)	\$ 4,041	\$ -	\$ -

(continued)

Title I Disadvantaged Children	IDEA Preschool- Handicapped	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 7,529
-	-	-	608,977
-	-	-	512,707
-	-	-	378,450
-	-	-	309,220
-	-	-	316,919
-	-	-	470,138
<u>1,542,013</u>	<u>18,577</u>	<u>221,400</u>	<u>4,601,662</u>
<u>1,542,013</u>	<u>18,577</u>	<u>221,400</u>	<u>7,205,602</u>
99,363	-	216,140	474,357
1,163,793	18,577	-	2,391,144
-	-	-	111,658
-	-	-	4
41,598	-	-	80,980
-	-	-	249,585
93,032	-	2,500	302,066
-	-	-	10,044
-	-	-	381,984
-	-	-	12,604
25,716	-	-	437,520
-	-	-	1,738,087
-	-	-	571,815
<u>1,423,502</u>	<u>18,577</u>	<u>218,640</u>	<u>6,761,848</u>
<u>118,511</u>	<u>-</u>	<u>2,760</u>	<u>443,754</u>
-	-	-	27,167
118,511	-	2,760	470,921
54,904	-	(317)	3,158,512
-	-	-	(1,601)
<u>\$ 173,415</u>	<u>\$ -</u>	<u>\$ 2,443</u>	<u>\$ 3,627,832</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Food Service Fund</u>				
Total Revenues and Other Financing Sources	\$ 2,100,000	\$ 2,100,000	\$ 1,679,354	\$ (420,646)
Total Expenditures and Other Financing Uses	2,186,712	2,186,712	1,712,251	474,461
Net Change in Fund Balance	(86,712)	(86,712)	(32,897)	53,815
Fund Balance, July 1	210,583	210,583	210,583	-
Prior Year Encumbrances Appropriated	86,712	86,712	86,712	-
Fund Balance, June 30	<u>\$ 210,583</u>	<u>\$ 210,583</u>	<u>\$ 264,398</u>	<u>\$ 53,815</u>
<u>Special Trust Fund - Special Revenue</u>				
Total Revenues and Other Financing Sources	\$ 241,058	\$ 241,058	\$ 312,472	\$ 71,414
Total Expenditures and Other Financing Uses	430,826	531,226	581,258	(50,032)
Net Change in Fund Balance	(189,768)	(290,168)	(268,786)	21,382
Fund Balance, July 1	199,691	199,691	199,691	-
Prior Year Encumbrances Appropriated	105,955	105,955	105,955	-
Fund Balance (deficit), June 30	<u>\$ 115,878</u>	<u>\$ 15,478</u>	<u>\$ 36,860</u>	<u>\$ 21,382</u>
<u>Other Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 90,000	\$ 90,000	\$ 256,624	\$ 166,624
Total Expenditures and Other Financing Uses	101,751	176,751	141,667	35,084
Net Change in Fund Balance	(11,751)	(86,751)	114,957	201,708
Fund Balance, July 1	120,492	120,492	120,492	-
Prior Year Encumbrances Appropriated	2,751	2,751	2,751	-
Fund Balance, June 30	<u>\$ 111,492</u>	<u>\$ 36,492</u>	<u>\$ 238,200</u>	<u>\$ 201,708</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Classroom Facilities Maintenance Fund</u>				
Total Revenues and Other Financing Sources	\$ 414,021	\$ 414,021	\$ 404,745	\$ (9,276)
Total Expenditures and Other Financing Uses	434,092	434,092	325,576	108,516
Net Change in Fund Balance	(20,071)	(20,071)	79,169	99,240
Fund Balance, July 1	1,904,891	1,904,891	1,904,891	-
Prior Year Encumbrances Appropriated	35,092	35,092	35,092	-
Fund Balance, June 30	<u>\$ 1,919,912</u>	<u>\$ 1,919,912</u>	<u>\$ 2,019,152</u>	<u>\$ 99,240</u>
<u>District Managed Activity Fund</u>				
Total Revenues and Other Financing Sources	\$ 625,000	\$ 625,000	\$ 575,127	\$ (49,873)
Total Expenditures and Other Financing Uses	660,250	660,250	610,043	50,207
Net Change in Fund Balance	(35,250)	(35,250)	(34,916)	334
Fund Balance, July 1	281,240	281,240	281,240	-
Prior Year Encumbrances Appropriated	60,250	60,250	60,250	-
Fund Balance, June 30	<u>\$ 306,240</u>	<u>\$ 306,240</u>	<u>\$ 306,574</u>	<u>\$ 334</u>
<u>Auxiliary Services Fund</u>				
Total Revenues and Other Financing Sources	\$ 375,000	\$ 375,000	\$ 382,505	\$ 7,505
Total Expenditures and Other Financing Uses	450,951	450,951	421,157	29,794
Net Change in Fund Balance	(75,951)	(75,951)	(38,652)	37,299
Fund Balance, July 1	9,014	9,014	9,014	-
Prior Year Encumbrances Appropriated	70,951	70,951	70,951	-
Fund Balance, June 30	<u>\$ 4,014</u>	<u>\$ 4,014</u>	<u>\$ 41,313</u>	<u>\$ 37,299</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Entry Year Programs Fund</u>				
Total Revenues and Other Financing Sources	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Total Expenditures and Other Financing Uses	-	-	-	-
Net Change in Fund Balance	5,000	5,000	-	(5,000)
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ (5,000)</u>
<u>Data Communication Fund</u>				
Total Revenues and Other Sources	\$ 30,000	\$ 30,000	\$ 19,800	\$ (10,200)
Total Expenditures and Other Uses	30,000	30,000	19,800	10,200
Net Change in Fund Balances	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>School Net Professional Development Fund</u>				
Total Revenues and Other Financing Sources	\$ 9,000	\$ 9,000	\$ -	\$ (9,000)
Total Expenditures and Other Financing Uses	1,000	1,000	-	1,000
Net Change in Fund Balance	8,000	8,000	-	(8,000)
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ (8,000)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Ohio Reads Fund</u>				
Total Revenues and Other Financing Sources	\$ 18,000	\$ 18,000	\$ -	\$ (18,000)
Total Expenditures and Other Financing Uses	1,000	1,000	-	1,000
Net Change in Fund Balance	17,000	17,000	-	(17,000)
Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Fund Balance, June 30	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ -</u>	<u>\$ (17,000)</u>
<u>Vocational Education Enhancements Fund</u>				
Total Expenditures and Other Financing Uses	\$ 4	\$ 4	\$ 4	\$ -
Net Change in Fund Balance	(4)	(4)	(4)	-
Fund Balance, July 1	\$ 4	\$ 4	\$ 4	\$ -
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Miscellaneous State Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 90,000	\$ 90,000	\$ 44,038	\$ (45,962)
Total Expenditures and Other Financing Uses	99,000	99,000	45,055	53,945
Net Change in Fund Balance	(9,000)	(9,000)	(1,017)	7,983
Fund Balance, July 1	23,634	23,634	23,634	-
Fund Balance, June 30	<u>\$ 14,634</u>	<u>\$ 14,634</u>	<u>\$ 22,617</u>	<u>\$ 7,983</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Race To The Top Fund</u>				
Total Revenues and Other Financing Sources	\$ 74,400	\$ 89,400	\$ 75,385	\$ (14,015)
Total Expenditures and Other Financing Uses	94,181	109,181	95,423	13,758
Net Change in Fund Balance	(19,781)	(19,781)	(20,038)	(257)
Fund Balance, July 1	13,328	13,328	13,328	-
Prior Year Encumbrances Appropriated	6,781	6,781	6,781	-
Fund Balance, June 30	<u>\$ 328</u>	<u>\$ 328</u>	<u>\$ 71</u>	<u>\$ (257)</u>
<u>IDEA Part B Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 1,409,000	\$ 1,409,000	\$ 1,333,112	\$ (75,888)
Total Expenditures and Other Financing Uses	1,526,009	1,526,009	1,476,225	49,784
Net Change in Fund Balance	(117,009)	(117,009)	(143,113)	(26,104)
Fund Balance, July 1	120,042	120,042	120,042	-
Prior Year Encumbrances Appropriated	26,009	26,009	26,009	-
Fund Balance, June 30	<u>\$ 29,042</u>	<u>\$ 29,042</u>	<u>\$ 2,938</u>	<u>\$ (26,104)</u>
<u>Vocational Education Fund</u>				
Total Revenues and Other Financing Sources	\$ 221,000	\$ 221,000	\$ 204,612	\$ (16,388)
Total Expenditures and Other Financing Uses	222,872	228,872	222,993	5,879
Net Change in Fund Balance	(1,872)	(7,872)	(18,381)	(10,509)
Fund Balance, July 1	1,537	1,537	1,537	-
Prior Year Encumbrances Appropriated	16,872	16,872	16,872	-
Fund Balance, June 30	<u>\$ 16,537</u>	<u>\$ 10,537</u>	<u>\$ 28</u>	<u>\$ (10,509)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Stimulus Title II D Fund</u>				
Total Revenues and Other Financing Sources	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Total Expenditures and Other Financing Uses	1,000	1,000	-	1,000
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Limited English Proficiency Fund</u>				
Total Revenues and Other Financing Sources	\$ 25,000	\$ 25,000	\$ 21,820	\$ (3,180)
Total Expenditures and Other Financing Uses	25,000	25,000	23,050	1,950
Net Change in Fund Balance	-	-	(1,230)	(1,230)
Fund Balance, July 1	1,230	1,230	1,230	-
Fund Balance, June 30	<u>\$ 1,230</u>	<u>\$ 1,230</u>	<u>\$ -</u>	<u>\$ (1,230)</u>
<u>Title I Disadvantaged Children Fund</u>				
Total Revenues and Other Financing Sources	\$ 1,857,000	\$ 1,857,000	\$ 1,375,624	\$ (481,376)
Total Expenditures and Other Financing Uses	1,628,535	1,828,535	1,410,336	418,199
Net Change in Fund Balance	228,465	28,465	(34,712)	(63,177)
Fund Balance, July 1	(103,819)	(103,819)	(103,819)	-
Prior Year Encumbrances Appropriated	138,535	138,535	138,535	-
Fund Balance, June 30	<u>\$ 263,181</u>	<u>\$ 63,181</u>	<u>\$ 4</u>	<u>\$ (63,177)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>IDEA Preschool-Handicapped Fund</u>				
Total Revenues and Other Financing Sources	\$ 21,000	\$ 21,000	\$ 18,577	\$ (2,423)
Total Expenditures and Other Financing Uses	21,000	21,000	18,577	2,423
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Improving Teacher Quality Fund</u>				
Total Revenues and Other Sources	\$ 250,000	\$ 250,000	\$ 175,821	\$ (74,179)
Total Expenditures and Other Uses	250,000	250,000	175,821	74,179
Net Change in Fund Balances	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Miscellaneous Federal Grant Fund</u>				
Total Revenues and Other Sources	\$ 29,000	\$ 29,000	\$ -	\$ (29,000)
Total Expenditures and Other Uses	29,000	29,000	-	29,000
Net Change in Fund Balances	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Uniform School Supplies Fund</u>				
Total Revenues and Other Financing Sources	\$ 300,000	\$ 300,000	\$ 339,938	\$ 39,938
Total Expenditures and Other Financing Uses	<u>373,732</u>	<u>373,732</u>	<u>321,210</u>	<u>52,522</u>
Net Change in Fund Balance	(73,732)	(73,732)	18,728	92,460
Fund Balance, July 1	277,644	277,644	277,644	-
Prior Year Encumbrances Appropriated	<u>23,732</u>	<u>23,732</u>	<u>23,732</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 227,644</u>	<u>\$ 227,644</u>	<u>\$ 320,104</u>	<u>\$ 92,460</u>
<u>Special Services Rotary Fund</u>				
Total Revenues and Other Financing Sources	\$ 60,000	\$ 60,000	\$ 106,228	\$ 46,228
Total Expenditures and Other Financing Uses	<u>73,477</u>	<u>108,477</u>	<u>86,288</u>	<u>22,189</u>
Net Change in Fund Balance	(13,477)	(48,477)	19,940	68,417
Fund Balance, July 1	54,593	54,593	54,593	-
Prior Year Encumbrances Appropriated	<u>3,477</u>	<u>3,477</u>	<u>3,477</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 44,593</u>	<u>\$ 9,593</u>	<u>\$ 78,010</u>	<u>\$ 68,417</u>
<u>Internal Services Rotary Fund</u>				
Total Revenues and Other Financing Sources	\$ 788,000	\$ 788,000	\$ 567,943	\$ (220,057)
Total Expenditures and Other Financing Uses	<u>788,213</u>	<u>788,213</u>	<u>596,613</u>	<u>191,600</u>
Net Change in Fund Balance	(213)	(213)	(28,670)	(28,457)
Fund Balance, July 1	377,379	377,379	377,379	-
Prior Year Encumbrances Appropriated	<u>1,213</u>	<u>1,213</u>	<u>1,213</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 378,379</u>	<u>\$ 378,379</u>	<u>\$ 349,922</u>	<u>\$ (28,457)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Public School Support Fund</u>				
Total Revenues and Other Financing Sources	\$ 80,000	\$ 80,000	\$ 144,895	\$ 64,895
Total Expenditures and Other Financing Uses	104,274	164,274	158,950	5,324
Net Change in Fund Balance	(24,274)	(84,274)	(14,055)	70,219
Fund Balance, July 1	121,787	121,787	121,787	-
Prior Year Encumbrances Appropriated	4,274	4,274	4,274	-
Fund Balance, June 30	<u>\$ 101,787</u>	<u>\$ 41,787</u>	<u>\$ 112,006</u>	<u>\$ 70,219</u>
<u>Special Enterprise Fund</u>				
Total Revenues and Other Financing Sources	\$ 170,000	\$ 170,000	\$ 196,823	\$ 26,823
Total Expenditures and Other Financing Uses	160,000	160,000	155,533	4,467
Net Change in Fund Balance	10,000	10,000	41,290	31,290
Fund Balance, July 1	82,577	82,577	82,577	-
Fund Balance, June 30	<u>\$ 92,577</u>	<u>\$ 92,577</u>	<u>\$ 123,867</u>	<u>\$ 31,290</u>
<u>Special Trust General Fund</u>				
Total Revenues and Other Financing Sources	\$ 19,184	\$ 19,184	\$ 28,824	\$ 9,640
Total Expenditures and Other Financing Uses	53,400	53,400	28,338	25,062
Net Change in Fund Balance	(34,216)	(34,216)	486	34,702
Fund Balance, July 1	57,633	57,633	57,633	-
Prior Year Encumbrances Appropriated	35	35	35	-
Fund Balance, June 30	<u>\$ 23,452</u>	<u>\$ 23,452</u>	<u>\$ 58,154</u>	<u>\$ 34,702</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Management Information System Fund</u>				
Total Revenues and Other Financing Sources	\$ -	\$ -	\$ 80,000	\$ 80,000
Total Expenditures and Other Financing Uses	979	979	-	979
Net Change in Fund Balance	(979)	(979)	80,000	80,979
Fund Balance, July 1	3,345	3,345	3,345	-
Prior Year Encumbrances Appropriated	979	979	979	-
Fund Balance, June 30	<u>\$ 3,345</u>	<u>\$ 3,345</u>	<u>\$ 84,324</u>	<u>\$ 80,979</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Bond Retirement Fund</u>				
Total Revenues and Other Financing Sources	\$ 4,049,241	\$ 4,058,573	\$ 4,044,878	\$ (13,695)
Total Expenditures and Other Financing Uses	4,027,165	4,027,165	4,027,165	-
Net Change in Fund Balance	22,076	31,408	17,713	(13,695)
Fund Balance, July 1	845,491	845,491	845,491	-
Fund Balance, June 30	<u>\$ 867,567</u>	<u>\$ 876,899</u>	<u>\$ 863,204</u>	<u>\$ (13,695)</u>

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2015

	Permanent Improvement Fund	Building Fund	Classroom Facilities Fund	Total Nonmajor Capital Project Funds
Assets:				
Equity in pooled cash, cash equivalents and investments . . .	\$ 931,539	\$ 171,847	\$ 2,967,479	\$ 4,070,865
Receivables:				
Property taxes	1,770,399	-	-	1,770,399
Payment in lieu of taxes	6,328	-	-	6,328
Accrued interest	-	307	2,470	2,777
Total assets	<u>\$ 2,708,266</u>	<u>\$ 172,154</u>	<u>\$ 2,969,949</u>	<u>\$ 5,850,369</u>
Liabilities:				
Accounts payable	\$ 87,735	\$ 12,646	\$ -	\$ 100,381
Total liabilities	<u>87,735</u>	<u>12,646</u>	<u>-</u>	<u>100,381</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	1,414,852	-	-	1,414,852
Payment in lieu of taxes levied for the next fiscal year . . .	6,328	-	-	6,328
Delinquent property tax revenue not available	70,998	-	-	70,998
Accrued interest not available	-	259	2,083	2,342
Total deferred inflows of resources	<u>1,492,178</u>	<u>259</u>	<u>2,083</u>	<u>1,494,520</u>
Fund balances:				
Restricted:				
Capital improvements	948,353	159,249	2,967,866	4,075,468
Committed:				
Capital improvements	180,000	-	-	180,000
Total fund balances	<u>1,128,353</u>	<u>159,249</u>	<u>2,967,866</u>	<u>4,255,468</u>
Total liabilities, deferred inflows and fund balances.	<u>\$ 2,708,266</u>	<u>\$ 172,154</u>	<u>\$ 2,969,949</u>	<u>\$ 5,850,369</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Permanent Improvement Fund	Building Fund	Classroom Facilities Fund	Total Nonmajor Capital Project Funds
Revenues:				
From local sources:				
Property taxes	\$ 1,689,772	\$ -	\$ -	\$ 1,689,772
Payment in lieu of taxes	8,032	-	-	8,032
Earnings on investments	18,114	2,241	35,856	56,211
Contributions and donations	116,500	-	-	116,500
Other local revenues	10,300	-	-	10,300
Intergovernmental - state	229,631	-	-	229,631
Intergovernmental - federal	180,000	-	-	180,000
Decrease in fair market value of investments	-	(615)	(3,331)	(3,946)
Total revenues	2,252,349	1,626	32,525	2,286,500
Expenditures:				
Current:				
Instruction:				
Regular	784,077	34,024	-	818,101
Business	14,177	22,304	215,062	251,543
Operations and maintenance	22,547	9,386	-	31,933
Extracurricular activities	7,219	-	-	7,219
Facilities acquisition and construction.	3,546,846	164,188	(1,627)	3,709,407
Total expenditures	4,374,866	229,902	213,435	4,818,203
Excess of expenditures over revenues	(2,122,517)	(228,276)	(180,910)	(2,531,703)
Other financing uses:				
Transfers out	(26,295)	-	-	(26,295)
Net change in fund balances	(2,148,812)	(228,276)	(180,910)	(2,557,998)
Fund balances at beginning of year	3,277,165	387,525	3,148,776	6,813,466
Fund balances at end of year	\$ 1,128,353	\$ 159,249	\$ 2,967,866	\$ 4,255,468

**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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Permanent Improvement Fund</u>				
Total Revenues and Other Financing Sources	\$ 2,117,932	\$ 2,122,797	\$ 2,294,475	\$ 171,678
Total Expenditures and Other Financing Uses	5,348,042	5,463,042	5,352,620	110,422
Net Change in Fund Balance	(3,230,110)	(3,340,245)	(3,058,145)	282,100
Fund Balance, July 1	1,736,247	1,736,247	1,736,247	-
Prior Year Encumbrances Appropriated	1,604,021	1,604,021	1,604,021	-
Fund Balance, June 30	<u>\$ 110,158</u>	<u>\$ 23</u>	<u>\$ 282,123</u>	<u>\$ 282,100</u>
<u>Building Fund</u>				
Total Revenues and Other Financing Sources	\$ 1,500,000	\$ 1,500,000	\$ 277,241	\$ (1,222,759)
Total Expenditures and Other Financing Uses	1,712,866	1,712,866	544,451	1,168,415
Net Change in Fund Balance	(212,866)	(212,866)	(267,210)	(54,344)
Fund Balance, July 1	178,204	178,204	178,204	-
Prior Year Encumbrances Appropriated	212,866	212,866	212,866	-
Fund Balance, June 30	<u>\$ 178,204</u>	<u>\$ 178,204</u>	<u>\$ 123,860</u>	<u>\$ (54,344)</u>
<u>Classroom Facilities Fund</u>				
Total Revenues and Other Financing Sources	\$ 50,000	\$ 50,000	\$ 35,856	\$ (14,144)
Total Expenditures and Other Financing Uses	2,629,825	1,719,825	241,416	1,478,409
Net Change in Fund Balance	(2,579,825)	(1,669,825)	(205,560)	1,464,265
Fund Balance, July 1	2,513,840	2,513,840	2,513,840	-
Prior Year Encumbrances Appropriated	629,825	629,825	629,825	-
Fund Balance, June 30	<u>\$ 563,840</u>	<u>\$ 1,473,840</u>	<u>\$ 2,938,105</u>	<u>\$ 1,464,265</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Endowment Fund</u>				
Total Revenues and Other Financing Sources	\$ 30,000	\$ 30,000	\$ 5,874	\$ (24,126)
Total Expenditures and Other Financing Uses	33,666	33,666	20,166	13,500
Net Change in Fund Balance	(3,666)	(3,666)	(14,292)	(10,626)
Fund Balance, July 1	669,611	669,611	669,611	-
Prior Year Encumbrances Appropriated	3,666	3,666	3,666	-
Fund Balance, June 30	<u>\$ 669,611</u>	<u>\$ 669,611</u>	<u>\$ 658,985</u>	<u>\$ (10,626)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Employee Benefits Self Insurance Fund</u>				
Total Revenues and Other Financing Sources	\$ 7,000,000	\$ 7,000,000	\$ 6,422,239	\$ (577,761)
Total Expenses and Other Financing Uses	7,000,000	7,500,000	7,294,838	205,162
Net Change in Fund Balance	-	(500,000)	(872,599)	(372,599)
Fund Balance, July 1	2,967,930	2,967,930	2,967,930	-
Fund Balance, June 30	<u>\$ 2,967,930</u>	<u>\$ 2,467,930</u>	<u>\$ 2,095,331</u>	<u>\$ (372,599)</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.

District Agency Fund

Section 3313.062, Revised Code

A fund used to account for assets held by the District as an agent for individuals, private organizations, and other governmental units.

**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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Scholarship Fund</u>				
Total Revenues and Other Financing Sources	\$ 23,758	\$ 23,758	\$ 26,907	\$ 3,149
Total Expenditures and Other Financing Uses	62,560	62,560	33,693	28,867
Net Change in Fund Balance	(38,802)	(38,802)	(6,786)	32,016
Fund Balance, July 1	20,318	20,318	20,318	-
Prior Year Encumbrances Appropriated	7,196	7,196	7,196	-
Fund Balance, June 30	<u>\$ (11,288)</u>	<u>\$ (11,288)</u>	<u>\$ 20,728</u>	<u>\$ 32,016</u>

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Beginning Balance July 1, 2014	Additions	Deductions	Ending Balance June 30, 2015
<u>District Agency Fund</u>				
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ (1,792)	\$ 116,817	\$ (109,544)	\$ 5,481
Total assets	<u>\$ (1,792)</u>	<u>\$ 116,817</u>	<u>\$ (109,544)</u>	<u>\$ 5,481</u>
Liabilities:				
Intergovernmental payable	\$ 44	\$ 59	\$ (44)	\$ 59
Due to students	(1,836)	116,758	(109,500)	5,422
Total liabilities	<u>\$ (1,792)</u>	<u>\$ 116,817</u>	<u>\$ (109,544)</u>	<u>\$ 5,481</u>
<u>Student Managed Activity Fund</u>				
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 114,293	\$ 117,983	\$ (122,447)	\$ 109,829
Receivables Accounts	716	-	(716)	-
Total assets	<u>\$ 115,009</u>	<u>\$ 117,983</u>	<u>\$ (123,163)</u>	<u>\$ 109,829</u>
Liabilities:				
Accounts payable	\$ 414	\$ 2,027	\$ (414)	\$ 2,027
Intergovernmental payable	4	-	(4)	-
Due to students	114,591	115,956	(122,745)	107,802
Total liabilities	<u>\$ 115,009</u>	<u>\$ 117,983</u>	<u>\$ (123,163)</u>	<u>\$ 109,829</u>
<u>Total Agency Funds</u>				
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 112,501	\$ 234,800	\$ (231,991)	\$ 115,310
Receivables Accounts	716	-	(716)	-
Total assets	<u>\$ 113,217</u>	<u>\$ 234,800</u>	<u>\$ (232,707)</u>	<u>\$ 115,310</u>
Liabilities:				
Accounts payable	\$ 414	\$ 2,027	\$ (414)	\$ 2,027
Intergovernmental payable	48	59	(48)	59
Due to students	112,755	232,714	(232,245)	113,224
Total liabilities	<u>\$ 113,217</u>	<u>\$ 234,800</u>	<u>\$ (232,707)</u>	<u>\$ 115,310</u>

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STATISTICAL SECTION

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

STATISTICAL SECTION

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial position.

<u>Contents</u>	<u>Page</u>
Financial Trends: These schedules present trend information to demonstrate how the District's financial position and financial performance have changed over time.	S2 - S13
Revenue Capacity: These schedules present information to identify the capacity of the District's most significant local revenue source, property taxes.	S14 - S19
Debt Capacity: These schedules present information to assess the capacity of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	S20 - S23
Demographic and Economic Information: These schedules present information to show demographic and economic indicators of the environment within which the District's financial operations occur.	S24 - S25
Operating Information: These schedules present information about how the District's basic financial statements relate to the programs and services the District provides and the activities it performs.	S26 - S34
Sources: Sources are noted on the individual schedules.	

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NET POSITION BY COMPONENT
ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS

<u>Governmental Activities</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Net Position:</u>				
Net investment in capital assets	\$ 43,804,562	\$ 40,058,592	\$ 36,707,854	\$ 33,870,976
Restricted	9,259,238	11,663,339	11,034,090	9,747,567
Unrestricted (deficit)	<u>(70,709,656)</u>	<u>(72,178,719)</u>	<u>9,369,113</u>	<u>10,025,932</u>
Total governmental activities net position (deficit)	<u>\$ (17,645,856)</u>	<u>\$ (20,456,788)</u>	<u>\$ 57,111,057</u>	<u>\$ 53,644,475</u>

Source: Findlay CSD, Treasurer's Office.

Notes:

2012 amounts have been restated due to the implementation of GASB Statement No. 65.
2014 amounts have been restated due to implementation of GASB Statements No. 68 and No. 71.

2011	2010	2009	2008	2007	2006
\$ 17,194,091	\$ 15,084,461	\$ 13,598,457	\$ 11,666,148	\$ 8,230,530	\$ 8,719,128
24,592,513	22,508,530	3,546,125	2,789,266	1,665,886	1,113,020
6,919,739	4,627,370	4,826,479	5,798,930	5,705,257	157,661
<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>	<u>\$ 9,989,809</u>

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

CHANGES IN NET POSITION
ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

Governmental Activities	2015	2014	2013	2012
<u>Expenses:</u>				
Instruction:				
Regular	\$ 24,614,019	\$ 24,083,569	\$ 22,985,792	\$ 23,783,570
Special	8,667,445	8,265,718	6,886,178	6,927,703
Vocational	3,261,293	3,200,325	2,849,763	2,671,736
Adult/continuing	48,764	71,734	95,473	92,038
Other	5,868,375	6,202,914	5,561,892	5,027,978
Support services:				
Pupil	2,623,398	2,558,309	3,883,659	2,715,860
Instructional staff	2,689,001	2,441,485	4,451,017	4,571,308
Board of education	191,883	147,509	135,643	133,632
Administration	4,259,706	3,746,934	3,730,286	3,818,259
Fiscal	1,325,530	1,235,660	1,383,421	1,467,637
Business	251,543	338,924	-	-
Operations and maintenance	7,031,705	5,594,361	3,248,967	5,412,920
Pupil transportation	2,279,661	2,271,051	2,185,744	2,131,581
Central	160,818	257,891	117,913	151,120
Operation of non-instructional services:				
Other non-instructional services	651,026	602,798	649,898	577,016
Food service operations	1,802,043	1,367,641	1,625,835	1,911,192
Extracurricular activities	1,374,947	1,656,885	1,267,489	1,154,589
Interest and fiscal charges	2,889,685	2,916,386	2,942,525	2,962,353
Total governmental activities expenses	<u>\$ 69,990,842</u>	<u>\$ 66,960,094</u>	<u>\$ 64,001,495</u>	<u>\$ 65,510,492</u>

Note: 2012 amounts have been restated due to the implementation of GASB Statement No. 65.

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	24,035,747	\$ 24,815,455	\$ 25,159,062	\$ 26,196,394	\$ 23,915,567	\$ 23,318,390
	7,731,994	7,632,767	7,380,789	7,342,020	6,799,260	6,535,625
	2,847,494	2,980,116	3,589,139	2,974,529	2,970,104	2,909,064
	112,119	128,224	154,366	-	-	140,878
	4,233,845	3,399,411	2,753,803	2,245,606	1,921,675	1,596,879
	2,945,192	3,148,186	3,116,136	2,830,187	2,658,799	2,846,622
	4,829,089	4,926,352	4,482,244	3,953,929	4,240,839	4,029,073
	181,030	162,047	95,943	172,550	118,748	99,555
	4,209,417	4,105,906	4,152,921	3,867,750	3,822,352	3,876,566
	1,543,490	1,488,289	1,483,958	1,493,860	1,468,975	1,403,653
	-	-	44,109	-	-	-
	5,365,383	5,958,054	6,467,052	5,410,595	5,605,278	4,947,744
	2,113,301	2,126,078	2,165,597	2,151,281	2,279,652	2,099,169
	165,664	156,585	198,870	170,094	149,859	147,817
	596,615	659,606	715,273	487,370	636,243	637,088
	1,881,937	2,081,952	1,876,647	1,884,913	1,720,198	1,685,654
	1,421,284	1,360,886	1,404,405	1,357,637	1,288,164	624,195
	2,994,671	1,257,804	87,045	121,236	142,348	165,665
\$	<u>67,208,272</u>	<u>\$ 66,387,718</u>	<u>\$ 65,327,359</u>	<u>\$ 62,659,951</u>	<u>\$ 59,738,061</u>	<u>\$ 57,063,637</u>

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

CHANGES IN NET POSITION
ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

<u>Governmental Activities</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Program Revenues:</u>				
Charges for services:				
Instruction:				
Regular	\$ 2,022,101	\$ 1,847,438	\$ 1,580,078	\$ 1,781,710
Special	76,735	526,559	517,515	672,592
Vocational	381,012	785,502	743,312	716,532
Adult	42,285	-	-	-
Other	-	-	-	290
Support services:				
Pupil	1,545	-	-	-
Instructional staff	426,753	-	-	-
Board of education	276	439	-	-
Administration	10,618	12,099	-	-
Fiscal	157	123	-	-
Operations and maintenance	421,842	412,041	289,108	160,018
Pupil transportation	4,313	20,487	7,170	-
Central	3,653	7,082	-	-
Operation of non-instructional services:				
Other non-instructional services	195,906	181,632	159,904	-
Food service operations	608,977	528,281	520,556	624,541
Extracurricular activities	516,143	688,814	467,293	554,939
Operating grants and contributions:				
Instruction:				
Regular	567,485	387,026	581,536	546,041
Special	5,153,370	4,708,837	3,324,901	3,077,825
Vocational	450,782	392,353	393,492	411,411
Adult/continuing	-	-	-	-
Other	112,991	184,879	16,800	42,058
Support services:				
Pupil	229,965	250,377	244,165	284,880
Instructional staff	307,107	290,662	1,019,780	1,008,606
Administration	9,304	11,530	17,956	17,279
Fiscal	-	-	-	-
Operations and maintenance	308,462	294,957	312,536	314,011
Pupil transportation	117,438	111,015	100,728	93,044
Central	-	-	-	20,960
Operation of non-instructional services:				
Other non-instructional services	425,164	439,458	480,775	429,531
Food service operations	1,196,485	1,114,686	1,068,542	1,239,951
Extracurricular activities	61,318	52,304	112,994	54,889
Capital grants and contributions:				
Instruction:				
Regular	120,071	590,524	-	11,000
Support services:				
Pupil	-	-	-	-
Board of education	-	77,678	-	-
Administration	-	140,845	-	-
Fiscal	-	444,078	-	-
Business	2,171	-	-	-
Operations and maintenance	3,453	-	-	-
Pupil transportation	-	-	-	-
Extracurricular activities	1,105	13,540	100,000	-
Total governmental activities program revenues	<u>\$ 13,778,987</u>	<u>\$ 14,515,246</u>	<u>\$ 12,059,141</u>	<u>\$ 12,062,108</u>
Net Revenue/(Expense)	<u>\$ (56,211,855)</u>	<u>\$ (52,444,848)</u>	<u>\$ (51,942,354)</u>	<u>\$ (53,448,384)</u>

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	1,988,965	\$ 1,986,350	\$ 2,497,334	\$ 2,452,073	\$ 1,656,483	\$ 1,512,624
	435,144	448,454	488,310	397,500	427,012	299,111
	929,015	1,058,036	304,113	603,375	758,526	140,361
	-	-	-	-	-	-
	-	-	-	70,000	70,000	86,361
	-	-	-	-	-	126,193
	-	2	-	141	-	158,216
	-	-	-	-	-	5,110
	-	1,748	5,854	10,327	1,555	193,363
	-	-	17	-	39	71,657
	37,051	70,474	56,178	79,575	71,215	264,997
	-	459	2,365	969	6	130,801
	-	952	1,785	-	386	6,874
	-	157,449	163,838	48,618	149,192	159,541
	736,579	894,769	884,000	851,519	916,764	986,582
	520,371	479,054	512,494	447,455	559,006	460,840
	2,119,682	938,302	1,324,528	604,819	1,876,450	584,900
	3,759,551	1,944,128	2,947,794	2,932,001	2,667,431	862,771
	303,867	381,644	403,721	392,516	438,074	136,363
	-	86,920	-	-	-	-
	242,953	-	845	8	35,954	17
	295,454	309,615	301,711	308,060	343,123	385,658
	1,254,666	1,072,593	1,010,815	950,239	1,177,811	966,238
	17,972	18,939	17,883	17,347	21,245	18,281
	-	-	327	-	-	1,662
	276,576	282,329	258,053	385,098	451,959	43,889
	173,935	73,492	89,528	84,846	91,738	-
	5,000	23,485	52,930	21,989	27,108	33,535
	409,875	475,578	499,572	468,226	454,785	457,241
	1,108,268	1,217,708	1,059,803	903,208	896,264	814,692
	706,197	580,973	18,098	17,976	16,055	-
	-	-	121,271	233,259	74,601	-
	-	-	8,004	31,767	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	13,295	297	-	-
	-	-	158,378	20,071	16,375	-
	-	-	5,236	7,613	-	-
\$	<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>	<u>\$ 8,907,878</u>
\$	<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>\$ (48,155,759)</u>

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
 CHANGES IN NET POSITION
 ACCRUAL BASIS OF ACCOUNTING
 LAST TEN FISCAL YEARS

<u>Governmental Activities</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Revenues and Other Changes in Net Position:				
Property taxes levied for:				
General purposes	\$ 24,777,271	\$ 25,863,927	\$ 24,466,445	\$ 26,068,254
Debt service	2,835,907	2,978,497	2,864,622	3,148,655
Capital projects	1,684,842	1,770,634	1,687,333	1,825,682
Grants and entitlements				
not restricted to specific programs	28,843,874	26,971,165	25,516,833	26,451,719
Grants and entitlements restricted for				
Ohio School Facilities Commission	-	-	-	-
Investment earnings	272,024	314,511	780,537	673,443
Increase (decrease) in fair value of investments	31,773	165,012	(812,351)	-
Payments in-lieu of taxes	170,693	174,910	-	-
Gain on sale of assets	-	-	-	-
Miscellaneous	406,403	505,648	905,517	693,998
Total governmental activities general revenues	<u>\$ 59,022,787</u>	<u>\$ 58,744,304</u>	<u>\$ 55,408,936</u>	<u>\$ 58,861,751</u>
Change in Net Position	<u>\$ 2,810,932</u>	<u>\$ 6,299,456</u>	<u>\$ 3,466,582</u>	<u>\$ 5,413,367</u>

Source: Findlay CSD, Treasurer's Office.

Note: 2012 amounts have been restated due to the implementation of GASB Statement No. 65.

2011	2010	2009	2008	2007	2006
\$ 25,022,687	\$ 22,896,396	\$ 25,284,305	\$ 27,357,581	\$ 28,441,147	\$ 29,122,910
2,891,446	1,702,134	108,061	108,061	106,330	108,061
1,743,558	1,622,185	1,793,374	1,995,210	1,106,943	-
27,200,127	27,944,202	25,247,868	24,497,427	20,714,263	21,941,335
-	18,410,485	-	-	-	-
788,385	854,036	694,018	509,130	1,069,510	489,690
-	-	-	-	-	-
-	-	-	-	-	-
-	144,042	-	-	-	-
726,930	560,085	708,370	504,321	712,575	970,619
<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>	<u>\$ 52,632,615</u>
<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>	<u>\$ 4,476,856</u>

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

FUND BALANCES - GOVERNMENTAL FUNDS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

<u>Governmental Funds</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>General Fund:</u>				
Fund Balance:				
Nonspendable	\$ 89,854	\$ 88,850	\$ 118,446	\$ 118,456
Assigned	3,820,944	2,145,977	3,401,843	1,236,841
Unassigned	8,909,353	9,814,605	5,889,856	8,660,868
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>\$ 12,820,151</u>	<u>\$ 12,049,432</u>	<u>\$ 9,410,145</u>	<u>\$ 10,016,165</u>
<u>Other Governmental Funds:</u>				
Fund Balance:				
Nonspendable	\$ 618,000	\$ 637,756	\$ 636,057	\$ 634,886
Restricted	9,212,582	11,302,752	12,357,926	36,614,180
Committed	180,000	100,000	228,736	707,531
Unassigned (deficit)	(124,702)	(601)	(83,806)	(64,758)
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Permanent fund	-	-	-	-
Total other governmental funds	<u>\$ 9,885,880</u>	<u>\$ 12,039,907</u>	<u>\$ 13,138,913</u>	<u>\$ 37,891,839</u>
Total governmental funds	<u>\$ 22,706,031</u>	<u>\$ 24,089,339</u>	<u>\$ 22,549,058</u>	<u>\$ 47,908,004</u>

Source: Findlay CSD, Treasurer's Office.

Note: The District implemented GASB Statement No. 54 in 2011, which changed the fund balance classifications.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 153,624	\$ -	\$ -	\$ -	\$ -	\$ -
1,964,729	-	-	-	-	-
5,122,427	-	-	-	-	-
-	2,881,936	3,811,682	2,971,277	2,975,065	3,013,053
-	3,335,028	3,393,209	2,815,693	2,110,152	(1,710,892)
<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>	<u>\$ 1,302,161</u>
\$ 641,382	\$ -	\$ -	\$ -	\$ -	\$ -
70,597,302	-	-	-	-	-
200,000	-	-	-	-	-
(61,130)	-	-	-	-	-
-	2,807,585	1,597,917	2,059,883	1,789,430	1,236,298
-	1,649,729	1,033,743	662,125	438,552	656,201
-	54,459,468	783,510	148,734	(144,932)	(361,931)
-	96,811	68,440	60,841	54,297	30,273
<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>	<u>\$ 1,560,841</u>
<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>	<u>\$ 2,863,002</u>

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

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

Governmental Funds	2015	2014	2013	2012
Revenues:				
From local sources:				
Taxes	\$ 29,366,155	\$ 30,706,695	\$ 29,016,594	\$ 31,115,695
Payment in lieu of taxes	170,693	174,910	202,827	164,014
Tuition	2,446,199	2,775,017	2,584,716	2,754,251
Earnings on investments	259,501	282,481	797,745	895,844
Charges for services	608,977	528,281	520,556	624,541
Extracurricular	526,340	720,617	484,423	565,694
Classroom materials and fees	374,768	406,042	367,008	375,215
Rental income	421,842	412,041	270,014	160,018
Contributions and donations	430,433	1,581,188	494,554	366,731
Contract services	105,689	60,069	58,219	30,903
Other local revenues	856,912	759,346	756,389	677,759
Intergovernmental - Intermediate	-	-	-	-
Intergovernmental - State	31,172,018	29,213,125	28,028,512	29,970,887
Intergovernmental - Federal	6,075,959	5,801,140	5,649,228	6,410,389
Increase (decrease) in fair value of investments	31,773	165,012	(812,351)	-
Total revenues	72,847,259	73,585,964	68,418,434	74,111,941
Expenditures:				
Current:				
Instruction:				
Regular	24,944,049	24,081,493	23,021,813	23,527,813
Special	8,533,770	8,068,212	6,773,630	6,842,708
Vocational	2,986,698	2,957,248	2,634,910	2,568,092
Adult/continuing	49,227	71,287	96,140	92,651
Other	5,911,925	6,202,914	5,561,892	5,028,013
Support services:				
Pupil	2,661,930	2,524,652	5,090,474	4,218,995
Instructional staff	2,571,724	2,400,412	4,384,397	4,572,768
Board of education	191,883	147,509	135,643	133,632
Administration	4,230,431	3,634,690	3,847,219	3,787,213
Fiscal	1,261,457	1,200,695	1,406,882	1,457,419
Business	251,543	338,924	-	-
Operations and maintenance	6,953,020	5,913,734	5,631,954	5,645,094
Pupil transportation	2,123,938	2,600,092	2,076,964	2,057,066
Central	126,967	173,464	121,610	161,638
Operation of non-instructional services:				
Other non-instructional services	589,435	540,297	607,178	549,242
Food service operations	1,738,087	1,638,844	1,625,328	1,879,055
Extracurricular activities	1,357,825	1,609,160	1,412,382	1,463,091
Facilities acquisition and construction	3,717,892	3,489,851	25,055,954	36,606,836
Debt service:				
Principal retirement	1,220,000	1,560,548	1,499,571	1,295,510
Interest and fiscal charges	2,807,165	2,852,534	2,892,806	2,923,859
Bond issuance costs	-	-	-	-
Total expenditures	74,228,966	72,006,560	93,876,747	104,810,695
Excess (deficiency) of revenues over (under) expenditures	(1,381,707)	1,579,404	(25,458,313)	(30,698,754)
Other Financing Sources (Uses):				
Transfers in	27,167	22,574	150,624	271,394
Transfers (out)	(27,167)	(22,574)	(150,624)	(271,394)
Sale of capital assets	-	-	92,972	-
Proceeds of loans	-	-	-	-
Sale of bonds	-	-	-	-
Premium on bonds	-	-	-	-
Total other financing sources (uses)	-	-	92,972	-
Net change in fund balances	\$ (1,381,707)	\$ 1,579,404	\$ (25,365,341)	\$ (30,698,754)
Debt service as a percentage of noncapital expenditures	5.83%	6.62%	6.80%	6.40%

Source: Findlay CSD, Treasurer's Office.

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	29,657,440	\$ 26,173,376	\$ 28,225,572	\$ 29,267,804	\$ 29,598,094	\$ 29,144,263
	160,004	-	-	-	-	-
	2,922,363	3,200,512	2,988,178	2,561,600	2,656,155	2,773,147
	692,126	692,725	829,673	664,436	835,528	419,503
	736,579	833,365	884,000	851,519	916,764	986,582
	533,387	493,079	532,585	475,029	573,569	487,563
	372,291	400,580	406,072	358,127	365,305	355,339
	165,277	48,655	42,764	-	-	-
	377,333	355,576	394,901	-	-	-
	45,454	60,152	-	-	-	-
	438,692	557,258	758,709	1,062,082	1,178,209	970,619
	-	-	-	-	-	115,870
	41,535,537	30,197,993	28,723,675	26,078,163	24,510,586	22,519,432
	7,994,456	6,884,097	4,486,472	5,561,700	4,311,602	3,719,171
	-	-	-	-	-	-
	<u>85,630,939</u>	<u>69,897,368</u>	<u>68,272,601</u>	<u>66,880,460</u>	<u>64,945,812</u>	<u>61,491,489</u>
	24,239,559	24,749,868	24,630,850	26,634,467	23,456,663	23,841,116
	7,860,250	7,685,426	7,207,072	7,120,328	6,712,383	6,633,764
	2,827,020	2,999,561	3,433,998	2,835,411	2,864,128	2,870,132
	112,271	128,340	155,179	-	-	140,288
	4,233,845	3,399,411	2,768,086	2,222,197	1,921,652	1,590,336
	2,949,238	3,239,492	3,057,755	2,774,078	2,649,120	2,821,732
	4,914,694	4,911,676	4,557,078	3,752,110	4,181,270	4,008,697
	181,030	162,047	96,451	170,763	118,748	99,138
	4,142,449	4,050,210	4,112,967	3,743,620	3,816,757	3,766,790
	1,528,310	1,472,052	1,450,467	1,457,330	1,443,722	1,383,808
	-	-	44,346	-	-	-
	5,664,620	5,936,118	6,420,137	6,297,877	5,545,420	5,036,278
	2,375,884	2,029,893	2,544,164	2,138,796	2,191,111	2,002,206
	183,106	158,250	191,755	166,780	147,223	147,729
	595,773	623,539	658,433	437,777	603,278	616,342
	1,839,679	2,089,882	1,893,068	1,839,020	1,694,138	1,666,276
	1,432,812	1,364,871	1,412,921	1,348,542	1,276,019	729,828
	2,949,104	3,286,354	1,202,504	1,353,395	1,294,927	1,818,243
	1,258,396	401,812	388,149	959,328	514,167	441,312
	2,948,324	1,014,501	88,219	124,867	144,066	152,355
	-	500,721	-	-	-	-
	<u>72,236,364</u>	<u>70,204,024</u>	<u>66,313,599</u>	<u>65,376,686</u>	<u>60,574,792</u>	<u>59,766,370</u>
	13,394,575	(306,656)	1,959,002	1,503,774	4,371,020	1,725,119
	348,273	39,591,629	75,000	665,000	1,255,000	1,280,000
	(348,273)	(39,591,629)	(75,000)	(665,000)	(1,255,000)	(1,280,000)
	20	152,500	-	-	-	-
	-	-	-	-	-	713,611
	-	54,192,135	-	-	-	-
	-	509,424	-	-	-	-
	<u>20</u>	<u>54,854,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>713,611</u>
\$	<u>13,394,595</u>	<u>54,547,403</u>	<u>1,959,002</u>	<u>1,503,774</u>	<u>4,371,020</u>	<u>2,438,730</u>
	6.14%	2.87%	0.75%	1.76%	1.11%	1.03%

**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)
2015	\$ 739,502,700	2,112,864,857	\$ -	\$ -	\$ 33,679,160	\$ 38,271,773
2014	736,299,030	2,103,711,514	-	-	32,567,900	37,008,977
2013	745,725,300	2,130,643,714	-	-	24,973,460	28,378,932
2012	741,894,780	2,119,699,371	-	-	23,297,920	26,474,909
2011	745,637,250	2,130,392,143	-	-	22,501,820	25,570,250
2010	784,269,630	2,240,770,371	-	-	21,541,150	24,478,580
2009	780,240,270	2,229,257,914	1,358,660	5,434,640	20,228,090	22,986,466
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

Source: Hancock County Auditor.

(a) These amounts are calculated based on the following percentages:

Real estate property is assessed at 35 percent of estimated actual value for 2014.

Public utility tangible personal property is assessed at 88 percent of estimated actual value for 2014.

Total Property		Assessed Valuation as a Percent of Estimated Actual Valuation	Direct Property Tax Rate
Assessed Valuation	Estimated Actual Valuation		
\$ 773,181,860	\$ 2,151,136,630	35.94%	\$ 64.95
768,866,930	2,140,720,492	35.92%	64.95
770,698,760	2,159,022,646	35.70%	64.95
765,192,700	2,146,174,281	35.65%	64.95
768,139,070	2,155,962,393	35.63%	64.99
805,810,780	2,265,248,951	35.57%	64.18
801,827,020	2,257,679,020	35.52%	60.75
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

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

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)

LAST TEN CALENDAR YEARS

Calendar Year	Direct Rates					Overlapping Rates					Total
	Voted			Unvoted	Total Direct	City of Findlay	Hancock County	Hancock County Park District	Findlay Hancock Public Library		
	General	Bond	Permanent Improvement								
2015	\$ 52.95	\$ 4.20	\$ 2.50	\$ 5.30	\$ 64.95	\$ 3.20	\$ 7.80	\$ 0.80	\$ 0.50	77.25	
2014	52.95	4.20	2.50	5.30	64.95	3.20	7.80	0.80	0.50	77.25	
2013	52.95	4.20	2.50	5.30	64.95	3.20	7.80	0.80	0.50	77.25	
2012	52.95	4.20	2.50	5.30	64.95	3.20	7.80	0.80	0.50	77.25	
2011	52.95	4.24	2.50	5.30	64.99	3.20	7.80	0.80	0.50	77.29	
2010	52.95	3.43	2.50	5.30	64.18	3.20	7.80	0.80	-	75.98	
2009	52.95	-	2.50	5.30	60.75	3.20	7.80	0.80	-	72.55	
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	

Source: Hancock County Auditor.

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

PRINCIPAL TAXPAYERS
REAL ESTATE PROPERTY

DECEMBER 31, 2014 AND DECEMBER 31, 2005

December 31, 2014			
Taxpayer	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Ohio Power	\$ 48,635,140	1	6.29%
Marathon Oil Company	29,701,080	2	3.84%
Wells Fargo Bank	23,954,190	3	3.10%
BB Findlay Limited Partnership	20,286,000	4	2.62%
Whirlpool	19,011,760	5	2.46%
Ohio Lagistics LTD	18,191,030	6	2.35%
Findlay Shopping Center	15,820,400	7	2.05%
Ball Metal	15,420,260	8	1.99%
Grob Systems Inc.	13,202,660	9	1.71%
Nissin Brake Ohio	12,557,400	10	1.62%
	\$ 216,779,920		\$ 773,181,860

December 31, 2005			
Taxpayer	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Ohio Power	\$ 31,384,940	1	3.77%
Whirlpool	30,695,490	2	3.68%
Cooper Tire & Rubber	29,880,830	3	3.59%
BB Findlay Limited Partnership	19,937,700	4	2.39%
Marathon Oil Company	19,630,920	5	2.36%
Ball Metal	16,065,510	6	1.93%
Owens-Brockway Plastic	15,469,140	7	1.86%
Findlex	12,259,290	8	1.47%
Consolidated Buscuit	10,873,620	9	1.31%
Kohls	8,726,260	10	1.05%
	\$ 194,923,700		\$ 833,161,453

Source: Hancock County Auditor.

Note: Tax information is available on a calendar year basis. Therefore, principal taxpayer information for real estate property

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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
2014	\$ 29,646,307	\$ 1,619,180	\$ 31,265,486	\$ 28,666,392	96.69%
2013	29,426,706	1,928,138	31,354,844	28,088,483	95.45%
2012	29,184,426	1,687,688	30,872,114	28,026,040	96.03%
2011	28,946,533	1,629,467	30,576,000	28,039,998	96.87%
2010	28,973,886	1,787,797	30,761,683	27,474,394	94.82%
2009	25,476,595	1,581,190	27,057,785	24,393,739	95.75%
2008	25,255,090	1,439,707	26,694,797	25,050,955	99.19%
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%

Source: Hancock County Auditor.

An adjustment was made to 2009 and 2010 total taxes collected due to an estimate made by the treasurer of amounts paid ahead, Board of Revision adjustments and penalty fees.

Delinquent Taxes Collected	Total Taxes Collected	Total Taxes Collected as a Percent of Total Tax Levy
\$ 1,180,537	\$ 29,846,929	95.46%
880,527	28,969,010	92.39%
863,835	28,889,875	93.58%
926,797	28,966,795	94.74%
994,922	28,469,316	92.55%
789,927	25,183,666	93.07%
966,563	26,017,518	97.46%
880,735	27,643,592	95.22%
787,587	25,240,239	94.62%
694,439	24,915,084	95.65%

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Long-Term Debt				Total Long-Term Debt	Total Long-Term Debt Per Student	Total Long-Term Debt Per Capita	Percentage of Total Long-Term Debt to Total Personal Income
	Asbestos Removal Loans	Capital Leases	General Obligation Bonds	Energy Conservation Loans				
2015	\$ -	\$ -	\$ 49,680,878	\$ -	\$ 49,680,878	\$ 8,485	\$ 1,209	4.88%
2014	-	-	50,815,409	-	50,815,409	8,718	1,167	4.70%
2013	-	355,548	51,952,871	-	52,308,419	9,086	1,260	4.81%
2012	30,700	694,419	53,030,165	-	53,755,284	9,268	1,305	5.31%
2011	103,101	1,017,528	53,889,727	-	55,010,356	9,642	1,335	5.43%
2010	203,415	1,325,610	54,709,439	-	56,238,464	9,610	1,443	5.94%
2009	311,476	1,619,361	-	-	1,930,837	324	50	0.20%
2008	419,537	1,899,449	-	-	2,318,986	387	62	0.24%
2007	527,598	2,166,510	-	584,206	3,278,314	499	86	0.34%
2006	635,659	2,421,149	-	735,673	3,792,481	577	98	0.39%

Source: Findlay CSD, Treasurer's Office.

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST SIX FISCAL YEARS

Fiscal Year	General Obligation Bonded Debt			Percentage of Actual Taxable Value of Property	Net Bonded Debt Per Capita
	General Obligation Bonds	Restricted for Debt Service	Net Bonded Debt		
2015	\$ 49,680,878	\$ 856,873	\$ 48,824,005	2.27%	\$ 1,188
2014	50,815,409	1,018,773	49,796,636	2.33%	1,144
2013	51,952,871	942,579	51,010,292	2.36%	1,228
2012	53,030,165	1,158,768	51,871,397	2.42%	1,259
2011	53,889,727	1,158,728	52,730,999	2.45%	1,280
2010	54,709,439	924,761	53,784,678	2.37%	1,380

Source: Findlay CSD, Treasurer's Office.

The District did not have general obligation bonds outstanding prior to fiscal year 2010.

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

DIRECT AND OVERLAPPING DEBT

JUNE 30, 2015

<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	\$ 49,680,878	100.00%	\$ 49,680,878
Total direct debt	<u>49,680,878</u>		<u>49,680,878</u>
<u>Overlapping debt:</u>			
City of Findlay	6,535,000	87.74%	5,733,809
Hancock County	9,054,460	44.57%	4,035,573
Total overlapping debt	<u>15,589,460</u>		<u>9,769,382</u>
Total direct and overlapping debt	<u>\$ 65,270,338</u>		<u>\$ 59,450,260</u>

Sources: Findlay CSD, Treasurer's Office; City of Findlay; and Hancock County 2014 CAFRs.

(a) Percentages applicable to the District were determined by dividing the 2014 assessed valuation of the government entity located within the boundaries of the District by the 2014 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
2015	\$ 69,586,367	\$ 48,887,135	\$ 1,341,762	\$ 47,545,373	\$ 22,040,994	68.33%
2014	69,198,024	50,107,135	1,394,652	48,712,483	20,485,541	70.40%
2013	69,362,888	51,312,135	1,225,964	50,086,171	19,276,717	72.21%
2012	68,867,343	52,442,135	1,252,581	51,189,554	17,677,789	74.33%
2011	69,132,516	53,342,135	1,246,050	52,096,085	17,036,431	75.36%
2010	72,517,597	54,192,135	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%

Source: Findlay CSD, Treasurer's Office.

(a) Ohio Revised Code states that the legal voted debt limitation is 9% of the total assessed valuation.

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Average Daily Membership	Population	Total Personal Income	Per Capita Personal Income (1)	Median Age	Unemployment Rates		
						Hancock County	Ohio	United States
2015	5,855	41,098	\$ 1,018,531,734	\$ 24,783	34.7	4.6%	5.2%	5.5%
2014	5,829	43,537	1,081,676,765	24,845	35.9	4.0%	5.7%	5.9%
2013	5,757	41,526	1,086,693,894	26,169	35.9	5.6%	7.5%	7.3%
2012	5,800	41,202	1,012,291,938	24,569	36.0	8.4%	7.2%	8.2%
2011	5,705	41,202	1,012,291,938	24,569	35.9	8.9%	9.7%	9.7%
2010	5,852	38,967	946,742,232	24,296	34.8	9.5%	10.1%	9.6%
2009	5,956	38,375	974,456,375	25,393	35.0	9.1%	10.5%	10.2%
2008	5,992	37,492	979,703,452	26,131	37.6	5.1%	5.7%	3.6%
2007	6,565	38,173	978,106,779	25,623	37.2	4.5%	5.6%	4.6%
2006	6,571	39,118	974,351,144	24,908	37.2	4.4%	5.4%	4.3%
2005	6,507	40,175	966,891,725	24,067	37.2	4.9%	7.4%	5.1%

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

(1) Per capita personal income information was not available to the Findlay CSD. The information was obtained from the City of Findlay CAFR.

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

PRINCIPAL EMPLOYERS

DECEMBER 31, 2014 AND DECEMBER 31, 2005

December 31, 2014			
Employer	Employees	Rank	Percentage of Total Employment
Cooper Tire and Rubber Co.	2,040	1	5.44%
Whirlpool Corporation	2,000	2	5.33%
Marathon Oil Co.	1,565	3	4.17%
Consolidated Biscuit	1,269	4	3.38%
Blanchard Valley Health	1,268	5	3.38%
Findlay City School District	792	6	2.11%
Lowe's Distribution Center	755	7	2.01%
University of Findlay	595	8	1.59%
Kohls Distribution	450	9	1.20%
Ball Metal	400	10	1.07%
	450	11	1.20%
Total	11,584		30.88%
Total employment (a)	37,500		

December 31, 2005			
Employer	Employees	Rank	Percentage of Total Employment
Cooper Tire and Rubber Co.	2,196	1	5.84%
Whirlpool Corporation	2,100	2	5.59%
Blanchard Valley Regional Health Center	1,630	3	4.34%
Marathon Oil Co.	1,409	4	3.75%
Consolidated Biscuit Co.	1,070	5	2.85%
DTR Industries	810	6	2.15%
Findlay City School District	800	7	2.13%
Nissan Brakes (dba Fledlex Corporation)	754	8	2.01%
Lowe's Distribution Center	740	9	1.97%
Hisan	725	10	1.93%
Total	12,234		32.54%
Total employment	37,600		

Source: City of Findlay.

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
 STAFFING STATISTICS
 FULL TIME EQUIVALENTS BY TYPE AND FUNCTION
 LAST TEN FISCAL YEARS

Staff Type	2015	2014	2013	2012	2011
Teaching Staff:					
Elementary School	155	152	149	145	153
Middle School	81	82	81	80	91
High School	118	106	115	112	118
Administration:					
District	49	49	49	52	52
Auxiliary Staff:					
Counselors	12	12	12	12	13
Librarians	1	1	1	1	1
Psychologists	4	4	4	6	6
Speech, Physical and Occupational Therapists	8	8	9	8	10
Nurses and Mental Health Specialists	1	1	1	1	1
Support Staff:					
Secretarial, Finance Clerks, EMIS	44	44	45	46	46
Aides	80	80	81	87	99
Program Directors (After / Before School & Alumni)	5	5	5	5	5
Food Services	32	30	38	30	44
Monitors and Security	33	33	21	21	28
Custodial	42	42	37	40	43
Maintenance	6	6	6	7	7
Bus Drivers	23	23	26	25	23
Mechanics	2	2	2	2	3
Extracurricular Coaches	101	99	110	106	126
Total	797	779	792	786	869

Staff Function	2015	2014	2013	2012	2011
Instruction:					
Regular	364	347	322	315	386
Other	110	115	122	127	87
Support Services:					
Pupil	28	28	31	32	34
Administration	83	83	84	83	91
Fiscal	6	6	6	7	7
Operations and maintenance	80	78	83	83	107
Pupil transportation	25	23	32	31	29
Extracurricular activities	101	99	112	108	128
Total	797	779	792	786	869

Source: Findlay CSD, Treasurer's Office.

2010	2009	2008	2007	2006
180	188	182	189	184
95	97	99	97	107
127	128	128	138	140
53	50	51	49	50
14	14	14	14	14
1	1	1	1	1
6	5	4	6	7
8	8	8	9	8
7	7	6	7	7
47	49	44	43	43
74	73	73	65	71
6	5	6	6	7
33	33	34	34	36
20	25	19	16	12
44	46	47	48	51
8	8	10	10	10
22	22	24	22	27
3	3	3	3	3
96	105	105	105	108
844	867	858	862	886

2010	2009	2008	2007	2006
380	389	385	393	399
125	128	123	119	123
38	38	37	40	40
80	78	73	72	73
7	7	7	7	7
89	91	95	96	101
29	29	31	28	33
96	107	107	107	110
844	867	858	862	886

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

<u>Governmental Activities</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Capital Assets:</u>				
Land	\$ 1,052,394	\$ 903,313	\$ 903,313	\$ 903,313
Land improvements	3,832,788	3,352,387	3,468,709	1,337,825
Buildings and improvements	82,557,868	81,068,090	10,487,397	10,837,623
Equipment and furniture	3,728,190	2,974,232	2,237,965	1,933,872
Vehicles	1,869,787	1,893,753	1,534,134	1,635,930
Construction in progress	60,955	402,539	68,304,656	42,097,591
Total	<u>\$ 93,101,982</u>	<u>\$ 90,594,314</u>	<u>\$ 86,936,174</u>	<u>\$ 58,746,154</u>

Source: Findlay CSD, Treasurer's Office.

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

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 903,313	\$ 903,313	\$ 416,459	\$ 416,459	\$ 416,459	\$ 416,459
1,114,696	1,173,880	775,784	342,671	299,982	313,496
11,050,215	10,707,832	10,811,313	10,161,543	8,574,033	8,843,491
1,782,181	1,793,395	1,887,798	1,862,297	1,085,859	1,038,673
1,747,985	1,549,718	1,637,940	1,202,164	1,132,511	528,158
4,392,858	2,010,671	-	-	-	-
<u>\$ 20,991,248</u>	<u>\$ 18,138,809</u>	<u>\$ 15,529,294</u>	<u>\$ 13,985,134</u>	<u>\$ 11,508,844</u>	<u>\$ 11,140,277</u>

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

Building	2015	2014	2013	2012	2011
<u>High School</u>					
Square footage	246,608	246,608	246,608	246,608	246,608
Student enrollment	1,887	1,895	1,916	2,020	1,859
<u>Central Middle School</u>					
Square footage	-	-	-	105,912	105,912
Student enrollment	-	-	-	821	429
<u>Donnell Middle School</u>					
Square footage	116,884	116,884	116,884	70,605	70,605
Student enrollment	608	576	595	-	461
<u>Glenwood Middle School</u>					
Square footage	112,545	112,545	112,545	70,605	70,605
Student enrollment	570	617	620	437	396
<u>Bigelow Hill Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	281	288	202	198	227
<u>Chamberlin Hill Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	228	248	249	243	235
<u>Jacobs Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	306	348	276	287	289
<u>Jefferson Elementary School</u>					
Square footage	25,509	25,509	25,509	25,509	25,509
Student enrollment	241	237	224	222	219
<u>Lincoln Elementary School</u>					
Square footage	57,892	57,892	57,892	57,892	57,892
Student enrollment	397	349	334	357	391
<u>Northview Elementary School</u>					
Square footage	36,246	36,246	36,246	36,246	36,246
Student enrollment	355	339	370	346	243
<u>Washington Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	148	110	211	203	208
<u>Whittier Elementary School</u>					
Square footage	31,930	31,930	31,930	31,930	31,930
Student enrollment	428	414	395	402	408
<u>Wilson Vance Elementary School</u>					
Square footage	38,193	38,193	38,193	38,193	38,193
Student enrollment	406	408	365	362	340
<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
<u>Millstream South</u>					
Square footage	-	-	-	21,000	21,000
<u>Millstream Career Center</u>					
Square footage	85,467	85,467	85,467	-	-

Source: Findlay CSD, Treasurer's Office.

2010	2009	2008	2007	2006
246,608	246,608	246,608	246,608	246,608
1,924	2,145	2,121	2,325	2,293
105,912	105,912	105,912	105,912	105,912
435	433	449	492	467
70,605	70,605	70,605	70,605	70,605
467	487	420	460	473
70,605	70,605	70,605	70,605	70,605
383	370	391	428	441
31,645	31,645	31,645	31,645	31,645
266	280	230	252	245
31,645	31,645	31,645	31,645	31,645
253	254	225	247	247
31,645	31,645	31,645	31,645	31,645
271	260	288	315	308
25,509	25,509	25,509	25,509	25,509
221	241	249	273	272
57,892	57,892	57,892	57,892	57,892
432	434	396	434	471
36,246	36,246	36,246	36,246	36,246
253	252	277	303	319
31,645	31,645	40,287	40,287	40,287
228	219	203	222	240
31,930	31,930	31,930	31,930	31,930
372	346	356	390	383
38,193	38,193	38,193	38,193	38,193
346	367	387	424	412
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
21,000	21,000	31,645	31,645	31,645
-	-	-	-	-

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

Fiscal Year	Governmental Activities		Governmental Funds		Average Daily Membership	ADM Percent Change
	Expenses	Expense Per Pupil	Expenditures	Expenditure Per Pupil		
2015	\$ 69,990,842	\$ 11,954	\$ 74,228,966	\$ 12,678	5,855	0.45%
2014	66,960,094	11,487	72,006,560	12,353	5,829	1.25%
2013	64,001,495	11,117	93,876,747	16,307	5,757	3.02%
2012	65,528,482	11,726	104,810,695	18,756	5,588	-2.05%
2011	67,208,272	11,781	72,236,364	12,662	5,705	-2.51%
2010	66,387,718	11,344	70,204,024	11,997	5,852	-1.75%
2009	65,327,359	10,968	66,313,599	11,134	5,956	-0.60%
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%

Source: Findlay CSD, Treasurer's Office.

Student Attendance Percentage	Students on Free & Reduced Lunches	Percentage of Students on Free & Reduced Lunches	Teaching Staff	Student/Teacher Ratio
93.8%	2,544	43.5%	354	16.54
96.6%	2,390	41.0%	340	17.14
95.4%	2,280	39.6%	345	16.69
91.2%	2,488	44.5%	337	16.58
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

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
 CERTIFIED STAFF STATISTICS
 JUNE 30, 2015

Education	Number of Certified Staff	Percentage of Certified Staff	Salary Range	Average Salary
Bachelor's Degree	64	17.25%	\$18,038-\$56,446	\$ 39,762
Bachelor's Degree plus 15 hours	22	5.93%	\$35,047-\$58,485	46,686
Bachelor's Degree plus 30 hours	16	4.31%	\$21,004-\$62,519	51,138
Master's Degree	118	31.81%	\$12,447-\$66,591	53,892
Master's Degree plus 15 hours	56	15.09%	\$20,832-\$72,884	62,427
Master's Degree plus 30 hours	88	23.72%	\$18,197-\$77,188	69,364
Non-Degree	7	1.89%	\$45,336-\$54,345	50,812
Total	371	100.00%		

Experience	Number of Teachers	Percentage of Teachers	Salary Range	Average Salary
0 - 5 years	80	21.56%	\$18,038-\$77,188	\$ 39,000
6 - 10 years	88	23.72%	\$20,832-\$61,459	49,879
11 - 20 years	132	35.58%	\$50,096-\$71,409	63,234
Over 20 years	71	19.14%	\$54,859-\$77,188	68,291
Total	371	100.00%		

Source: Findlay CSD, Treasurer's Office.

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Findlay City Schools

1100 Broad Avenue

Findlay, OH 45840

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

SUPPLEMENTAL REPORTS

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

MICHAEL T. BARNHART, CPA, TREASURER

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

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**FINDLAY CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(E) PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Nutrition Grant Cluster:			
(C) (D) School Breakfast Program	10.553	2015	\$ 172,835
(C) (D) National School Lunch Program	10.555	2015	918,458
(B) (C) National School Lunch Program - Food Donation	10.555	2015	43,155
Total National School Lunch Program			961,613
Total Nutrition Cluster			1,134,448
Total U.S. Department of Agriculture and Nutrition Grant Cluster			1,134,448
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Title I Grants to Local Educational Agencies	84.010	2014	208,589
Title I Grants to Local Educational Agencies	84.010	2015	1,185,014
Total Title I Grants to Local Educational Agencies			1,393,603
Special Education Grant Cluster:			
(F)(G) Special Education_Grants to States	84.027	2014	143,976
(F)(G) Special Education_Grants to States	84.027	2015	1,321,916
Total Special Education_Grants to States			1,465,892
(F) Special Education_Preschool Grants	84.173	2015	18,577
Total Special Education Grant Cluster			1,484,469
Vocational Education_Basic Grants to States	84.048	2014	34,435
Vocational Education_Basic Grants to States	84.048	2015	187,809
Total Vocational Education_Basic Grants to States			222,244
English Language Acquisition Grants	84.365	2014	1,230
English Language Acquisition Grants	84.365	2015	21,820
Total English Language Acquisition Grants			23,050
Improving Teacher Quality State Grants	84.367	2015	175,821
(G) ARRA - Race to the Top Grant, Recovery Act	84.395A	2014	20,109
(G) ARRA - Race to the Top Grant, Recovery Act	84.395A	2015	50,814
Total ARRA - Race to the Top Grant, Recovery Act			70,923
Total U.S. Department of Education			3,370,110
Total Federal Financial Assistance			\$ 4,504,558

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

- (A) This schedule was prepared on the cash basis of accounting.
- (B) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are valued at the entitlement value.
- (C) Included as part of "Nutrition Grant Cluster" in determining major programs.
- (D) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (E) OAKS did not assign pass-through number for fiscal year 2015.
- (F) Included as part of "Special Education Grant Cluster" in determining major programs.
- (G) The District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30th and spent by September 30th). However, with Ohio Department of Education ("ODE")'s approval, a District can transfer unspent Federal assistance to the succeeding year, thus allowing the District a total of 27 months to spend the assistance. Schools can document this by using special cost centers for each year's activity, and transferring the amounts ODE approves between the cost centers. During fiscal year 2015, the ODE authorized the following transfers:

Program Title	CFDA	Grant Year	Transfers Out	Transfers In
Special Education_Grants to States	84.027	2014	\$ 14,424	
Special Education_Grants to States	84.027	2015		\$ 14,424
Race to the Top	84.395A	2014	7,986	
Race to the Top	84.395A	2015		7,986



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**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Required by *Government Auditing Standards***

Findlay City School District
Hancock County
1100 Broad Avenue
Findlay, Ohio 45840

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the discretely presented component unit, its major fund, and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Findlay City School District's basic financial statements and have issued our report thereon dated December 24, 2015, wherein we noted as discussed in Note 3, the Findlay City School District adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Findlay City School District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Findlay City School District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Findlay City School District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Education
Findlay City School District

Compliance and Other Matters

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Findlay City School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Findlay City School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
December 24, 2015



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**Independent Auditor's Report on Compliance With Requirements Applicable to The
Major Federal Program and on Internal Control Over Compliance
Required by OMB Circular A-133 and the Schedule of
Expenditures of Federal Awards**

Findlay City School District
Hancock County
1100 Broad Avenue
Findlay, Ohio 45840

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Findlay City School District's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Findlay City School District's major federal program for the fiscal year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Findlay City School District's major federal program.

Management's Responsibility

The Findlay City School District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Findlay City School District's compliance for the Findlay City School District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Findlay City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Findlay City School District's major program. However, our audit does not provide a legal determination of the Findlay City School District's compliance.

Board of Education
Findlay City School District

The District's basic financial statements include the operations of the Findlay Digital Academy, which received and expended \$88,560 in federal awards which is not included in the District's Schedule of Expenditures of Federal Awards for the fiscal year ended June 30, 2015. Our audit of federal awards, described below, did not include the operations of the Findlay Digital Academy because the component unit is legally separate from the primary government which this report addresses, and because it expended less than \$500,000 of federal awards for the fiscal year ended June 30, 2015, it was not subject to OMB Circular A-133 audit requirements.

Opinion on the Major Federal Program

In our opinion, the Findlay City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect the major federal program for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

The Findlay City School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Findlay City School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Findlay City School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Board of Education
Findlay City School District

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have also audited the financial statements of the governmental activities, the discretely presented component unit, its major fund and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Findlay City School District's basic financial statements. We issued our unmodified report thereon dated December 24, 2015. Our opinion also explained that the Findlay City School District adopted *Governmental Accounting Standard No. 68 and 71* during the fiscal year. We conducted our audit to opine on the Findlay City School District's basic financial statements. The accompanying schedule of expenditures of federal awards presents additional analysis 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 management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.
December 24, 2015

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2015**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Child Nutrition Cluster: School Breakfast Program (CFDA #10.553); National School Lunch Program (CFDA #10.555)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

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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 1, 2016**