

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

FINDLAY

CITY SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2004

PREPARED BY
TREASURER'S DEPARTMENT
PAMELA S. BARBER, TREASURER

227 SOUTH WEST STREET
FINDLAY, OHIO 45840-3377

THIS PAGE INTENTIONALLY BLANK

INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY BLANK

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Title Page	
Table of Contents	I 1
Letter of Transmittal	I 4
Principal Officials	I 9
Organizational Chart	I 10
Certificate of Achievement for Excellence in Financial Reporting	I 11
Certificate of Excellence in Financial Reporting	I 12

II. FINANCIAL SECTION

Independent Auditor's Report	F 1
Management's Discussion and Analysis	F 3
Basic Financial Statements:	
Statement of Net Assets	F 13
Statement of Activities	F 14
Balance Sheet - Governmental Funds	F 15
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	F 16
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Governmental Funds	F 17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F 18
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	F 19
Statement of Net Assets - Proprietary Fund	F 20
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund	F 21
Statement of Cash Flows - Proprietary Fund	F 22
Statement of Fiduciary Net Assets - Fiduciary Funds	F 23
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund	F 24
Notes to the Basic Financial Statements	F 25

Combining Statements and Individual Fund Schedules:

Nonmajor Funds:

Fund Descriptions	F 51
Combining Balance Sheet - Nonmajor Governmental Funds	F 55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Nonmajor Governmental Funds	F 56
Combining Balance Sheet - Nonmajor Special Revenue Funds	F 57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Nonmajor Special Revenue Funds	F 63

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis):

Food Service Fund	F 69
Special Trust Fund	F 69
Uniform School Supplies Fund	F 69
Special Services Rotary Fund	F 70
Special Enterprise Fund	F 70
Public School Support Fund	F 70
Other Grants Fund	F 71
District Managed Activity Fund	F 71
Auxiliary Services Fund	F 71
Management Information Systems Fund	F 72
Entry Year Programs Fund	F 72
Disadvantaged Pupil Impact Aid Fund	F 72
Data Communication Fund	F 73
SchoolNet Professional Development Fund	F 73
Ohio Reads Fund	F 73
Summer Intervention Fund	F 74
Vocational Education Enhancements Fund	F 74
Miscellaneous State Grants Fund	F 74
Eisenhower Professional Development Fund	F 75
IDEA Part B Grants Fund	F 75
Vocational Education Fund	F 75
Title I Disadvantaged Children Fund	F 76
Title V Innovative Education Program Fund	F 76
Emergency Immigrant Education Assistance Fund	F 76
Emergency School Repair Fund	F 77
Drug Free School Grant Fund	F 77
IDEA Preschool - Handicapped Fund	F 77
Telecommunications Act Grant Fund	F 78
Improving Teacher Quality Fund	F 78
Miscellaneous Federal Grants Fund	F 78

Combining Statements and Individual Fund Schedules (Continued):

Bond Retirement Fund	F 79
Permanent Improvement Fund	F 80
SchoolNet Equipment/Infrastructure Fund	F 80
Endowment Fund	F 81
Employee Benefits Self Insurance Fund	F 82
Scholarship Fund	F 83

III. STATISTICAL SECTION

Governmental Activities Expenses by Program and General Fund Expenditures by Function - Last Ten Fiscal Years	S 1
Governmental Activities Revenues by Source and General Fund Revenues by Source - Last Ten Fiscal Years	S 3
Property Tax Levies and Collections - Real and Public Utility Real Property Tax - Last Ten Collection Years	S 5
Assessed and Estimated Actual Value of Taxable Property - Last Ten Calendar Years	S 6
Property Tax Rates - Direct and Overlapping Governments - Last Ten Collection Years (Per \$1,000 of Assessed Valuation)	S 7
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita and Per Student - Last Ten Fiscal Years	S 8
Computation of Legal Debt Margin - June 30, 2004	S 9
Computation of Direct and All Overlapping General Obligation Debt - June 30, 2004	S 10
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Fund Expenditures - Last Ten Fiscal Years	S 11
Real Property Value, New Construction, and Financial Institution Deposits - Last Ten Calendar Years	S 12
Student Enrollment Information - Last Ten Fiscal Years	S 13
Principal Taxpayers - June 30, 2004	S 15
General Fund Expenditures, Average Daily Membership, and Expenditures Per Pupil - Last Ten Fiscal Years	S 16
Teacher Education and Experience - June 30, 2004	S 17

THIS PAGE INTENTIONALLY BLANK



Findlay City Schools

Superintendent
Robert J. Lotz
419.425.8212
fn_supt@noacsc.org

Assistant Superintendent
Dr. Mary Anne Ashworth
419.425.8202
fn_ashworth@noacsc.org

Treasurer
Pamela S. Barber
419.425.8237
fn_treas@noacsc.org

Board of Education
President Lauree Miller
Jeffery C. Shrader Paul Miserlian
Vice President Martha F. Rothey
Thomas P. Adams

December 31, 2004

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

We are pleased to submit to you the Findlay City School District's Comprehensive Annual Financial Report (CAFR). This report provides full disclosure of the financial operation of the Findlay City School District (the "District") for the fiscal year ended June 30, 2004. This 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 report 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, major taxpayers, 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 this Letter of Transmittal, a Table of Contents, List of Principal Officials, Organizational Chart, and awards received from the Government Finance Officers Association and the Association of School Business Officials International for the 2003 CAFR report.
2. The Financial Section, which includes the Independent Auditor's Report, the Management's Discussion and Analysis, the Basic Financial Statements and Notes, 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 613 public school districts in the State of Ohio and one of eight school districts in Hancock County. It provides education to approximately 6,388 students in 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 of the District, 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 Statement No. 14, *The Financial Reporting Entity*. 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. The District also participates in NOACSC's Workers' Compensation Group Rating Program, an insurance purchasing pool.

Economic Outlook

With a total assessed valuation of \$789,924,174 and a tax rate of \$53.35 per \$1,000.00 of assessed valuation, the District has a sound financial base. A sexennial reappraisal of all real property was completed in 1999. Subsequently, property tax revenue increased by approximately four percent.

The District's financial condition continues to be an area of focus for the Board of Education and Administration. In litigation now referred to as the "DeRolph Case", the Perry County Court of Common Pleas in 1995 declared the State's method of funding school districts to be unconstitutional. On March 24, 1997, the Ohio Supreme Court upheld most of the Perry County ruling by declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's school foundation program, which provides significant amounts of monetary support to the District.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined that they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Supreme Court. The Supreme Court upheld their initial ruling in May, 2000, and after further modifications to the funding plan by the legislature, the Court issued an opinion on September 6, 2001 that listed areas which required further modification if the funding plan was to be considered constitutional. On September 17, 2001, the State of Ohio petitioned the Court to reconsider and clarify its decision. On November 2, 2001, the Court granted this request. On December 1, 2002, the Ohio Supreme Court again ruled that the State's school foundation program is unconstitutional. School districts will continue to operate under the laws that the Common Pleas Court declared unconstitutional.

As of the date of these financial statements, the District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations. See Note 15 to the Basic Financial Statements for further details on the State school funding decision.

Most areas of the budget for fiscal 2005 will remain constant, with little difference in revenues or expenditures. There will be no millage increase for the budget. The budget requires no increase in the total property tax rate. Ohio school districts cannot generate significant additional revenue from taxes except by the vote of the people. On November 4, 2003, the voters elected to renew an expiring 5.9 mill levy, beginning in January 2005. Resources of the general fund will be impacted in the future by the need for additional classrooms and the need to renovate the three middle schools, which were built in 1925, and one elementary school, which was built in 1915.

Major Initiatives

The 2003-2004 school year was an excellent one for Findlay City Schools. The District has made remarkable progress with its Strategic Plan, which was developed in 1999. The District spent the year focusing on the seven goals approved by the Board of Education:

- Goal 1-Implement Site Plans – Strategy 1 to involve parents, community members and staff to create site plans for continuous academic improvement.
- Goal 2-Emphasize the Nine Virtues – Strategy 2 to involve parents, community members and staff in teaching, modeling and reinforcing the virtues throughout the school environment.
- Goal 3-Improvement of Instructional Practices – Strategy 3 will identify and implement the instructional practices which are most likely to result in the greatest increase in student achievement.
- Goal 4-Plan Community Service Projects – Strategy 4 will develop and implement plans to incorporate annual service projects at all levels of the organization.
- Goal 5-Develop and Implement Plans to Seek Alternative Sources of Funding – Strategy 5 will develop and implement plans to seek alternative sources of funding as well as assure all expenditures are making an optimum contribution toward achieving our mission and objectives.
- Goal 6-Enhance Technology in the Classroom – Strategy 6 will integrate technology into all aspects of the schools to help us best meet our mission and objectives.
- Goal 7-Improve Communication – Strategy 7 will continue to improve communication among all members of the school and community partnership in order to improve the understanding and commitment needed to achieve the mission and objectives.

FINANCIAL INFORMATION

Internal Accounting and Budgetary Control. The District’s accounting system is organized on a fund basis. Each fund is a distinct self-balancing accounting entity. Governmental 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 private-purpose trust 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 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 is furnished monthly 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 various 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 Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2004 and the outlook for the future. Because that discussion focuses on major funds, the financial highlights provided in this letter focus on certain non major funds of the District.

Internal Service Fund - The only internal service fund of the District is the Employee Benefits Self Insurance fund. The internal service fund had net assets of \$(46,883) at June 30, 2003 and net assets of \$(132,541) at June 30, 2004, reflecting a decrease of \$85,658.

Fiduciary Funds - The fiduciary funds account for assets held by the District in a trustee capacity, or as an agent, for individuals, other district organizations or other funds. The District maintains a private purpose trust fund and an agency fund. The private purpose trust fund had net assets of \$47,599 at June 30, 2004 and the agency fund had net assets of \$104,953 at June 30, 2004.

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 be 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.

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 CAFR for the fiscal year ended June 30, 2003. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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 (ASBO) for the District's CAFR for the fiscal year ended June 30, 2003. 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. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

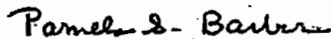
ACKNOWLEDGMENTS

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.

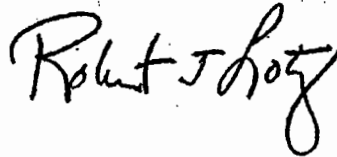
Special appreciation is expressed to Ms. Nicole Duling, Assistant Treasurer, who compiled this report; to Mr. Alexander J. Fait, of Trimble, Julian & Grube, Inc., who assisted in the preparation of this report in compliance with the GAO guidance; and to Mr. Brad Smith, of Trimble, Julian & Grube, Inc., 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,



Pamela S. Barber
Treasurer



Robert J. Lotz
Superintendent

FINDLAY CITY SCHOOL DISTRICT

PRINCIPAL OFFICIALS

JUNE 30, 2004

BOARD OF EDUCATION

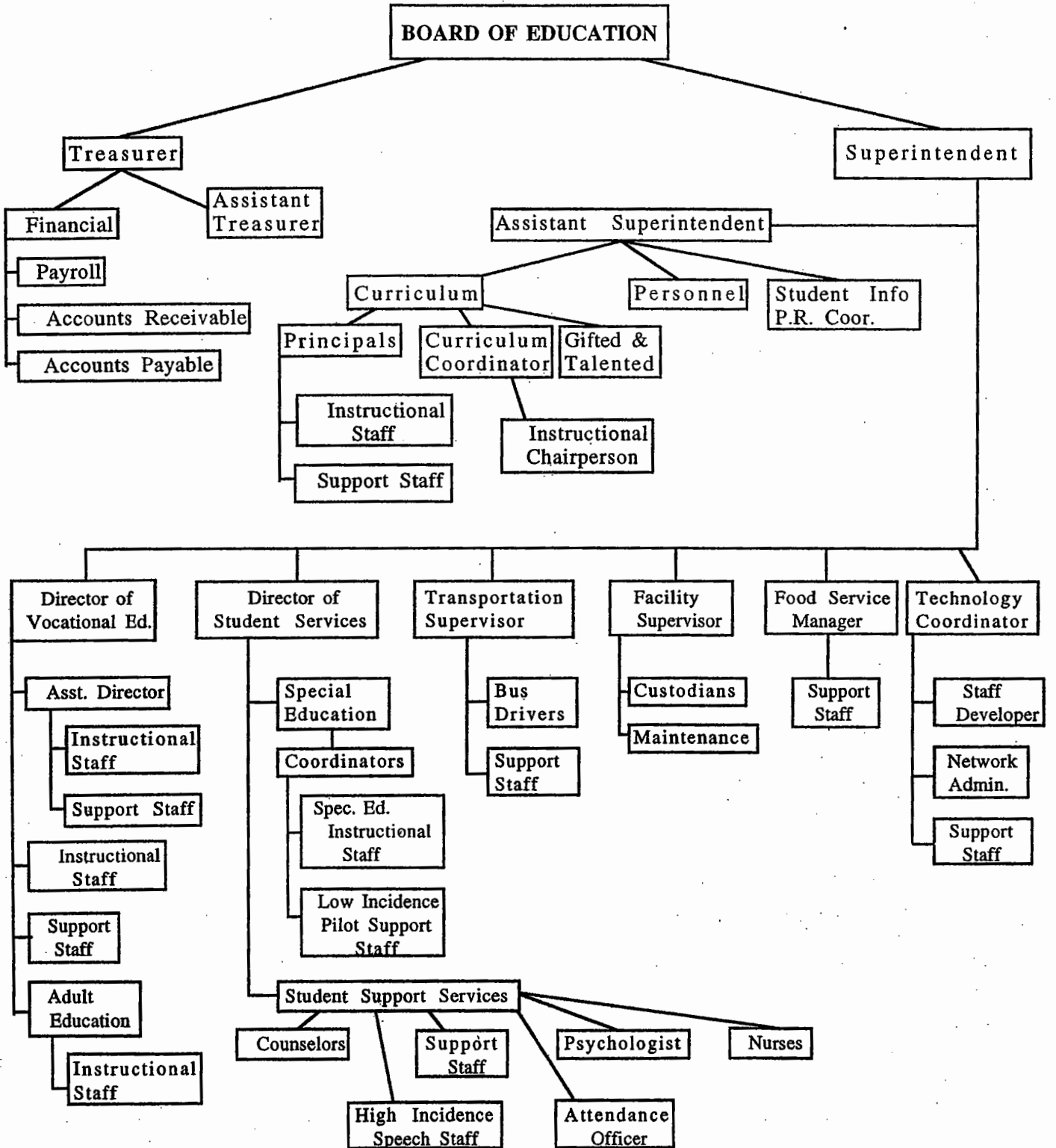
Mr. Jeffery Shrader.....President
Mrs. Martha Rothery.....Vice-President
Mrs. Julie Brown.....Member
Mr. John Cavalero.....Member
Mr. Paul Miserlian.....Member

ADMINISTRATION

Mr. Robert J. Lotz.....Superintendent
Dr. Mary Anne Ashworth.....Assistant Superintendent
Mrs. Pamela S. Barber.....Treasurer
Mrs. Nicole Duling.....Assistant Treasurer
Mr. Mark Froning.....Director Student Services
Dr. Kathy Siebenaler Wilson.....Director Vocational Education

FINDLAY CITY SCHOOL DISTRICT

ORGANIZATIONAL CHART



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, 2003

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



Nancy L. Zjella

President

Jeffrey R. Enos

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

FINDLAY CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2003

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

William A. Fall
President

Barbara W. Keller
Executive Director

THIS PAGE INTENTIONALLY BLANK

FINANCIAL SECTION

THIS PAGE INTENTIONALLY BLANK

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor’s Report

Board of Education
Findlay City School District
227 S. West Street
Findlay, Ohio 45840-3377

We have audited the accompanying financial statements of the governmental activities, its major fund and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio, (the “District”), as of and for the fiscal year ended June 30, 2004, which collectively comprise the District’s basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District’s management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, its major fund, and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 3.A., the District restated capital assets due to errors and omissions.

Independent Auditor's Report
Findlay City School District
Page Two

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2004, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Trimble, Julian & Grube, Inc.
December 8, 2004

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
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, 2004. 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 2004 are as follows:

- In total, net assets of governmental activities decreased \$2,890,310 which represents a 48.51% decrease from 2003.
- General revenues accounted for \$46,645,723 in revenue or 84.22% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$8,739,469 or 15.78% of total revenues of \$55,385,192.
- The District had \$58,275,502 in expenses related to governmental activities; only \$8,739,469 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$46,645,723 were not adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$48,718,192 in revenues and other financing sources and \$50,631,402 in expenditures. During fiscal 2004, the general fund's fund balance decreased \$1,918,798 from \$1,396,417 to a deficit of \$522,381.

Using the Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant fund 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 Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2004?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

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

In the Statement of Net Assets and the Statement of Activities, the Governmental Activities include the District's programs and services, including instruction, support services, operations and maintenance, non-instructional services, pupil transportation, operations of services, extracurricular activities, interest on fiscal charges, and food service operations.

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund begins on page F9. Fund financial reports provide detailed information about the District's major 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 fund. The District's only 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* than can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages F15-F19 of this report.

Proprietary Funds

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for self-insurance. The basic proprietary fund financial statements can be found on pages F20-F22 of this report.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages F23 and F24. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F25-F50 of this report.

The District as a Whole

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

The table below provides a summary of the District's net assets for 2004.

	Net Assets	
	Governmental Activities 2004	Restated Governmental Activities 2003
<u>Assets</u>		
Current and other assets	\$ 34,098,323	\$ 37,094,857
Capital assets	<u>9,838,172</u>	<u>10,345,217</u>
Total assets	<u>43,936,495</u>	<u>47,440,074</u>
<u>Liabilities</u>		
Current liabilities	33,377,670	33,975,438
Long-term liabilities	<u>7,491,278</u>	<u>7,506,779</u>
Total liabilities	<u>40,868,948</u>	<u>41,482,217</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	6,861,477	7,037,250
Restricted	861,334	1,151,527
Unrestricted	<u>(4,655,264)</u>	<u>(2,230,920)</u>
Total net assets	<u>\$ 3,067,547</u>	<u>\$ 5,957,857</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2004, the District's assets exceeded liabilities by \$3,067,547.

At year-end, capital assets represented 22.39% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2004, were \$6,861,477. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

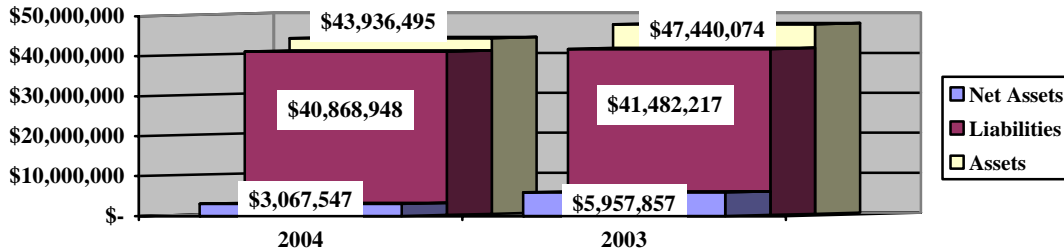
A portion of the District's net assets, \$861,334, represents resources that are subject to external restriction on how they may be used.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

The table below illustrates the District's assets, liabilities and net assets at June 30, 2004 and 2003.

Governmental Activities



The table below shows the change in net assets for fiscal year 2004 and 2003.

Change in Net Assets

	Governmental Activities 2004	Governmental Activities 2003
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 4,592,601	\$ 4,313,397
Operating grants and contributions	4,146,868	4,387,198
Capital grants and contributions	-	154,739
General revenues:		
Property taxes	25,718,643	25,916,375
Grants and entitlements	20,151,186	19,021,043
Investment earnings	174,636	275,635
Miscellaneous	601,258	389,506
Total revenues	55,385,192	54,457,893

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

Change in Net Assets

	Governmental Activities 2004	Restated Governmental Activities 2003
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 23,486,849	\$ 22,868,934
Special	6,885,330	5,956,893
Vocational	2,907,647	2,811,767
Adult/continuing	22,997	-
Other	966,070	866,858
Support services:		
Pupil	2,614,587	2,329,275
Instructional staff	4,316,723	3,820,351
Board of education	141,345	183,090
Administration	3,699,470	3,345,715
Fiscal	1,366,159	1,286,047
Operation and maintenance	5,754,853	5,450,274
Pupil transportation	2,062,403	1,929,180
Central	143,826	230,120
Operation of non-instructional services	685,389	724,093
Extracurricular activities	1,353,732	1,409,969
Food service operations	1,707,969	1,711,038
Interest and fiscal charges	<u>160,153</u>	<u>174,786</u>
Total expenses	<u>58,275,502</u>	<u>55,098,390</u>
Change in net assets	(2,890,310)	(640,497)
Net assets, beginning of year (restated)	<u>5,957,857</u>	<u>6,598,354</u>
Net assets, end of year	<u>\$ 3,067,547</u>	<u>\$ 5,957,857</u>

Governmental Activities

Net assets of the District's governmental activities decreased \$2,890,310. Total governmental expenses of \$58,275,502 were more than program revenues of \$8,739,469 and general revenues of \$46,645,723. Program revenues supported 15.78% of the total governmental expenses.

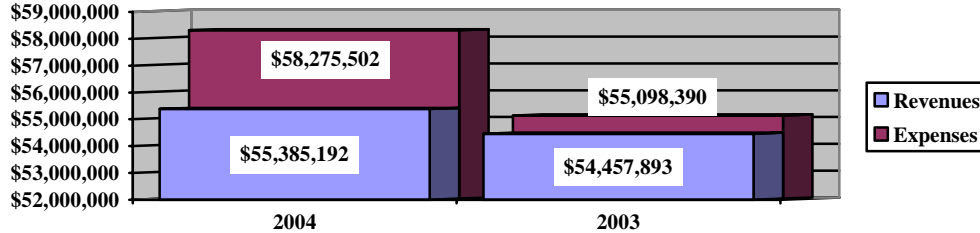
The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 82.82% of total governmental revenue. Real estate property is reappraised every six years.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2004 and 2003.

Governmental Activities - Revenues and Expenses



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

Governmental Activities

	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2004</u>	Restated Total Cost of Services <u>2003</u>	Restated Net Cost of Services <u>2003</u>
Program expenses				
Instruction:				
Regular	\$23,486,849	\$21,014,956	\$22,868,934	\$20,209,518
Special	6,885,330	5,657,259	5,956,893	5,205,216
Vocational	2,907,647	2,443,540	2,811,767	2,395,210
Adult/continuing	22,997	22,997	-	-
Other	966,070	966,070	866,858	501,396
Support services:				
Pupil	2,614,587	2,438,327	2,329,275	2,201,011
Instructional staff	4,316,723	3,279,568	3,820,351	2,919,755
Board of education	141,345	141,345	183,090	183,090
Administration	3,699,470	3,687,680	3,345,715	3,290,991
Fiscal	1,366,159	1,366,159	1,286,047	1,286,047
Operations and maintenance	5,754,853	5,667,805	5,450,274	4,917,381
Pupil transportation	2,062,403	2,054,569	1,929,180	1,929,012
Central	143,826	113,695	230,120	119,875
Operations of non-instructional services	685,389	(17,325)	724,093	9,943
Extracurricular activities	1,353,732	636,428	1,409,969	773,067
Food service operations	1,707,969	(97,193)	1,711,038	126,758
Interest and fiscal charges	160,153	160,153	174,786	174,786
Total expenses	<u>\$58,275,502</u>	<u>\$49,536,033</u>	<u>\$55,098,390</u>	<u>\$46,243,056</u>

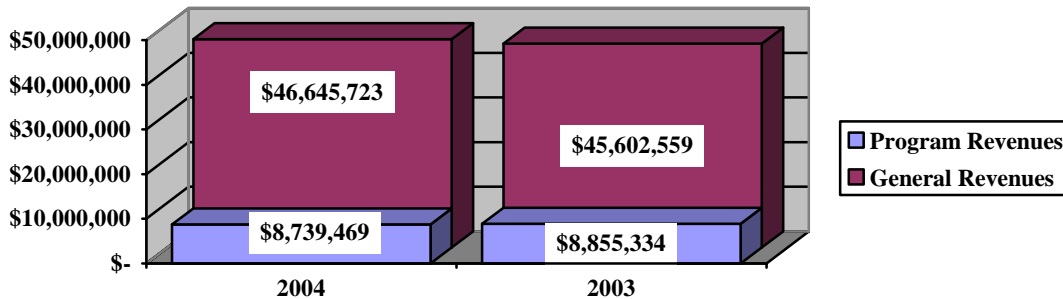
**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

The dependence upon tax and other general revenues for governmental activities is apparent, 87.85% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 85.00%. The District's taxpayers, as a whole, are by far the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2004 and 2003.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds (as presented on the balance sheet on page F15) reported a combined fund balance of (\$142,092), which is lower than last year's total of \$396,417. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2004 and 2003.

	Fund Balance <u>June 30, 2004</u>	Fund Balance <u>June 30, 2003</u>	Increase <u>(Decrease)</u>
General	\$ (522,381)	\$ 1,396,417	\$ (1,918,798)
Other Governmental	<u>380,289</u>	<u>190,430</u>	<u>189,859</u>
Total	<u>\$ (142,092)</u>	<u>\$ 1,586,847</u>	<u>\$ (1,728,939)</u>

General Fund

The District's general fund balance decreased \$1,918,798. The decrease in fund balance can be attributed to a 7.03% increase in expenditures versus a 5.07% increase in revenues. Expenditures exceeded revenues \$1,920,761 in fiscal 2004. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

	<u>2004</u> <u>Amount</u>	<u>2003</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 25,656,778	\$ 24,835,743	3.31 %
Tuition	2,071,486	1,542,989	34.25 %
Earnings on investments	155,547	237,858	(34.61) %
Intergovernmental	20,151,186	19,021,043	5.94 %
Other revenues	<u>675,644</u>	<u>722,240</u>	(6.45) %
Total	<u>\$ 48,710,641</u>	<u>\$ 46,359,873</u>	5.07 %
<u>Expenditures</u>			
Instruction	\$ 30,979,686	\$ 29,553,176	4.83 %
Support services	18,355,573	16,427,858	11.73 %
Extracurricular activities	797,375	786,978	1.32 %
Facilities acquisition and construction	25,088	89,454	(71.95) %
Debt service	<u>473,680</u>	<u>448,490</u>	5.62 %
Total	<u>\$ 50,631,402</u>	<u>\$ 47,305,956</u>	7.03 %

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 2004, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were \$47,391,705, which was lower than the original budget estimate of \$47,853,775. Actual revenues and other financing sources for fiscal 2004 was \$48,063,269. This represents a \$671,564 increase over final budgeted revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$51,011,085 were increased to \$52,561,127 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2004 totaled \$51,396,311, which was \$1,164,816 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2004, the District had \$9,838,172 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2004 balances compared to 2003:

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

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

	Governmental Activities	
	2004	(Restated) 2003
Land	\$ 416,459	\$ 416,459
Land improvements	234,007	257,388
Building and improvements	7,853,690	8,177,206
Furniture and equipment	681,393	903,409
Vehicles	652,623	590,755
Total	\$ 9,838,172	\$ 10,345,217

Total additions to capital assets for 2004 were \$245,226 and total disposals were \$5,040 (net of accumulated depreciation). The overall decrease in capital assets of \$502,005 is primarily due to the recording of \$747,231 in depreciation expense for fiscal 2004.

See Note 8 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2004, the District had \$851,782 in an asbestos removal loans outstanding. Of this total, \$108,061 is due within one year and \$743,721 is due in greater than one year. The following table summarizes the loans outstanding.

Outstanding Debt, at Year End

	Governmental Activities	Governmental Activities
	2004	2003
Asbestos removal loans	\$ 851,782	\$ 959,844
Total	\$ 851,782	\$ 959,844

The asbestos removal loans were received in prior years. These loans are scheduled to mature in fiscal year 2013 and are interest free as long as the District remains current on repayment. Payment of the asbestos removal loans are being made from the debt service fund.

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, 2004
UNAUDITED**

Current Financial Related Activities

The District has carefully managed its finances in order to maximize dollars spent on educating students. With the passage of the 5.9 mill replacement levy in November 2003 and recent passage of the 4.9 mill operating levy in November 2004, the district's operating finances are stabilized.

The District does face some financial challenges over the next 2-3 years. Facilities remain a top concern for the District. Our aging middle schools and Washington Intermediate School are in need of serious renovation. The District's initial attempt to pass a bond issue to build three new middle schools and renovate Washington Intermediate School failed in May 2003.

The School Board then invited a diverse group of community members and school personnel to serve on a committee to study facility needs. The group met over a period of 12 months and submitted a recommendation in October 2004 to the Board of Education to renovate all three middle schools or renovate two schools and build one new school if an alternative use was found for Central Middle School.

The District has also realized significant decreases in tangible personal property tax collections due to the sluggish economy and state legislation accelerating the phasing out of the tax collection. The District will continue to experience decreases in tangible personal property revenue as the tax will eventually be phased out completely.

The District has committed itself to educational and financial excellence and the District's Board and management team will work with the community it serves to provide adequate resources to support the education program and challenges of the future.

Contacting the District's Financial Management

This financial report is designed to provide our citizen's 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 Ms. Pamela Barber, Treasurer, Findlay City School District, 227 S. West Street, Findlay, Ohio 45840-3377.

**BASIC
FINANCIAL STATEMENTS**

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

STATEMENT OF NET ASSETS
JUNE 30, 2004

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents . . .	\$ 6,705,980
Receivables:	
Taxes	26,635,221
Accounts	242,140
Intergovernmental.	416,083
Accrued interest.	50,943
Prepayments.	144
Materials and supplies inventory	47,812
Capital assets:	
Land	416,459
Depreciable capital assets, net	9,421,713
Total capital assets, net	9,838,172
 Total assets	 43,936,495
 Liabilities:	
Accounts payable	219,608
Accrued wages and benefits.	5,513,395
Pension obligation payable	1,487,862
Intergovernmental payable	772,817
Deferred revenue	24,230,587
Claims payable	1,153,401
Long-term liabilities:	
Due within one year	1,005,931
Due in more than one year	6,485,347
 Total liabilities	 40,868,948
 Net Assets:	
Invested in capital assets, net of related debt	6,861,477
Restricted for:	
Other purposes.	221,525
Perpetual care:	
Nonexpendable.	611,000
Expendable.	28,809
Unrestricted (deficit)	(4,655,264)
 Total net assets	 \$ 3,067,547

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, 2004

	Expenses	Program Revenues		Net Expense and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 23,486,849	\$ 1,977,485	\$ 494,408	\$ (21,014,956)
Special	6,885,330	274,954	953,117	(5,657,259)
Vocational	2,907,647	363,625	100,482	(2,443,540)
Adult/continuing	22,997	-	-	(22,997)
Other	966,070	-	-	(966,070)
Support services:				
Pupil	2,614,587	-	176,260	(2,438,327)
Instructional staff	4,316,723	-	1,037,155	(3,279,568)
Board of education	141,345	-	-	(141,345)
Administration	3,699,470	-	11,790	(3,687,680)
Fiscal	1,366,159	-	-	(1,366,159)
Operations and maintenance	5,754,853	15,978	71,070	(5,667,805)
Pupil transportation	2,062,403	7,834	-	(2,054,569)
Central	143,826	-	30,131	(113,695)
Operation of non-instructional services	685,389	361,729	340,985	17,325
Extracurricular activities	1,353,732	717,304	-	(636,428)
Food service operations	1,707,969	873,692	931,470	97,193
Interest and fiscal charges	160,153	-	-	(160,153)
Totals	\$ 58,275,502	\$ 4,592,601	\$ 4,146,868	(49,536,033)

General Revenues:

Property taxes levied for:	
General purposes	25,610,581
Debt service	108,062
Grants and entitlements	
not restricted to specific programs	20,151,186
Investment earnings	174,636
Miscellaneous	601,258
Total general revenues	46,645,723
Change in net assets	(2,890,310)
Net assets at beginning of year (restated).	5,957,857
Net assets at end of year	\$ 3,067,547

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 3,885,400	\$ 1,539,841	\$ 5,425,241
Receivables:			
Property taxes	26,527,160	108,061	26,635,221
Accounts	168,506	62,817	231,323
Intergovernmental.	158,200	257,883	416,083
Accrued interest.	50,943	-	50,943
Interfund loans	228,845	-	228,845
Prepayments	144	-	144
Materials and supplies inventory.	8,970	38,842	47,812
Restricted assets:			
Equity in pooled cash and cash equivalents.	270,696	-	270,696
Total assets.	<u>\$ 31,298,864</u>	<u>\$ 2,007,444</u>	<u>\$ 33,306,308</u>
Liabilities:			
Accounts payable.	\$ 155,689	\$ 63,919	\$ 219,608
Accrued wages and benefits	5,232,958	280,437	5,513,395
Compensated absences payable.	236,062	753	236,815
Pension obligation payable	806,001	70,919	876,920
Intergovernmental payable	714,491	58,326	772,817
Interfund loans payable.	-	228,845	228,845
Deferred revenue	24,676,044	923,956	25,600,000
Total liabilities	<u>31,821,245</u>	<u>1,627,155</u>	<u>33,448,400</u>
Fund Balances:			
Reserved for encumbrances	670,337	123,409	793,746
Reserved for prepayments	144	-	144
Reserved for materials and supplies inventory.	8,970	38,842	47,812
Reserved for tax revenue unavailable for appropriation.	1,866,000	-	1,866,000
Reserved for BWC refunds	270,696	-	270,696
Reserved for perpetual care	-	461,615	461,615
Unreserved, undesignated (deficit), reported in:			
General fund	(3,338,528)	-	(3,338,528)
Special revenue funds.	-	232,401	232,401
Capital projects funds.	-	(654,172)	(654,172)
Permanent fund	-	178,194	178,194
Total fund balances	<u>(522,381)</u>	<u>380,289</u>	<u>(142,092)</u>
Total liabilities and fund balances	<u>\$ 31,298,864</u>	<u>\$ 2,007,444</u>	<u>\$ 33,306,308</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2004

Total governmental fund balances		\$	(142,092)
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			9,838,172
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes	\$	1,205,301	
Intergovernmental revenue		149,228	
Accrued interest		14,884	
Total			1,369,413
An internal service fund is used by management to charge the costs of health and dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets.			(132,541)
Long-term liabilities, including loans payable and capital lease obligation, are not due and payable in the current period and therefore are not reported in the funds.			
Asbestos removal loans		851,782	
Capital lease obligation		2,976,695	
Compensated absences		3,425,986	
Pension obligation		610,942	
Total			(7,865,405)
Net assets of governmental activities		\$	3,067,547

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
From local sources:			
Taxes	\$ 25,656,778	\$ 108,062	\$ 25,764,840
Tuition	2,071,486	273,118	2,344,604
Earnings on investments	155,547	25,688	181,235
Charges for services	-	873,692	873,692
Extracurricular	-	547,674	547,674
Classroom materials and fees	7,834	306,780	314,614
Other local revenues	667,810	445,465	1,113,275
Intergovernmental - State	19,917,137	703,110	20,620,247
Intergovernmental - Federal	234,049	3,767,742	4,001,791
Total revenues	<u>48,710,641</u>	<u>7,051,331</u>	<u>55,761,972</u>
Expenditures:			
Current:			
Instruction:			
Regular	21,703,146	974,042	22,677,188
Special	5,752,975	945,515	6,698,490
Vocational	2,659,268	171,120	2,830,388
Adult/continuing	7,996	14,119	22,115
Other	856,301	109,850	966,151
Support Services:			
Pupil	2,260,950	310,813	2,571,763
Instructional staff	3,346,435	943,983	4,290,418
Board of education	141,345	-	141,345
Administration	3,608,586	20,744	3,629,330
Fiscal	1,353,231	170	1,353,401
Operations and maintenance	5,452,654	240,358	5,693,012
Pupil transportation	2,098,393	1,216	2,099,609
Central	93,979	46,811	140,790
Operation of non-instructional services	-	668,136	668,136
Extracurricular activities	797,375	552,057	1,349,432
Facilities acquisition and construction	25,088	19,100	44,188
Food service operations	-	1,715,056	1,715,056
Debt service:			
Principal retirement	316,052	123,282	439,334
Interest and fiscal charges	157,628	2,525	160,153
Total expenditures	<u>50,631,402</u>	<u>6,858,897</u>	<u>57,490,299</u>
Excess of revenues under expenditures	<u>(1,920,761)</u>	<u>192,434</u>	<u>(1,728,327)</u>
Other financing sources:			
Proceeds from sale of capital assets	7,551	-	7,551
Total other financing sources	<u>7,551</u>	<u>-</u>	<u>7,551</u>
Net change in fund balances	(1,913,210)	192,434	(1,720,776)
Fund balances at beginning of year	1,396,417	190,430	1,586,847
Decrease in reserve for inventory	(5,588)	(2,575)	(8,163)
Fund balances (deficit) at end of year	\$ (522,381)	\$ 380,289	\$ (142,092)

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, 2004

Net change in fund balances - total governmental funds	\$	(1,720,776)
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$747,231) exceeds capital outlays (\$245,226) in the current period.		(502,005)
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals, sales, trade-ins, and donations) is to decrease net assets.		(5,040)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities they are reported as an expense when consumed.		(8,163)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(381,891)
Repayment of bond and capital lease obligation principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net assets.		439,334
Some expenses reported in the statement of activities, such as compensated absences and pension obligations, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(626,111)
The internal service fund used by management to charge the costs of health and dental insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue of the internal service fund is allocated among the governmental activities.		(85,658)
		<hr style="border-top: 1px solid black;"/>
Change in net assets of governmental activities	\$	(2,890,310)
		<hr style="border-top: 3px double black;"/>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Taxes	\$ 24,702,634	\$ 24,464,109	\$ 24,810,778	\$ 346,669
Tuition.	2,067,487	2,047,524	2,076,538	29,014
Earnings on investments.	147,396	145,973	148,042	2,069
Classroom materials and fees	7,063	6,995	7,094	99
Other local revenues.	659,626	653,257	662,514	9,257
Intergovernmental - state	19,772,415	19,581,495	19,858,975	277,480
Intergovernmental - federal.	137,277	135,951	137,877	1,926
Total revenues	<u>47,493,898</u>	<u>47,035,304</u>	<u>47,701,818</u>	<u>666,514</u>
Expenditures:				
Current:				
Instruction:				
Regular	22,003,484	22,489,888	22,257,247	232,641
Special	5,544,984	5,788,397	5,734,582	53,815
Vocational	2,727,359	2,703,325	2,617,502	85,823
Other instruction	565,055	909,263	859,290	49,973
Support Services:				
Pupil	2,258,588	2,322,087	2,236,696	85,391
Instructional staff.	3,623,803	3,703,322	3,473,618	229,704
Board of education.	175,024	163,097	134,232	28,865
Administration.	3,479,984	3,600,356	3,574,267	26,089
Fiscal.	1,297,076	1,396,514	1,372,791	23,723
Operations and maintenance.	6,192,110	6,230,287	5,972,646	257,641
Pupil transportation	2,075,608	2,177,338	2,131,574	45,764
Central	121,579	106,013	94,533	11,480
Extracurricular activities.	788,731	813,546	785,338	28,208
Facilities acquisition and construction.	10,200	10,227	25,519	(15,292)
Total expenditures	<u>50,863,585</u>	<u>52,413,660</u>	<u>51,269,835</u>	<u>1,143,825</u>
Excess of revenues under expenditures.	<u>(3,369,687)</u>	<u>(5,378,356)</u>	<u>(3,568,017)</u>	<u>1,810,339</u>
Other financing sources (uses):				
Refund of prior year expenditures.	18,618	18,438	18,699	261
Refund of prior year receipts.	(2,500)	(2,467)	-	2,467
Transfers in	7,444	7,372	7,476	104
Transfers (out)	-	(7,476)	(7,476)	-
Advances in.	326,297	323,146	327,725	4,579
Advances (out)	(145,000)	(137,524)	(119,000)	18,524
Proceeds from sale of capital assets	7,518	7,445	7,551	106
Total other financing sources (uses).	<u>212,377</u>	<u>208,934</u>	<u>234,975</u>	<u>26,041</u>
Net change in fund balance	(3,157,310)	(5,169,422)	(3,333,042)	1,836,380
Fund balance at beginning of year				
(restated)	5,664,609	5,664,609	5,664,609	-
Prior year encumbrances appropriated	995,114	995,114	995,114	-
Fund balance at end of year	<u>\$ 3,502,413</u>	<u>\$ 1,490,301</u>	<u>\$ 3,326,681</u>	<u>\$ 1,836,380</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

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

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2004

	<u>Governmental Activities - Internal Service Fund</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 1,010,043
Receivables:	
Accounts	<u>10,817</u>
Total assets	<u>1,020,860</u>
Liabilities:	
Claims payable	<u>1,153,401</u>
Total liabilities	<u>1,153,401</u>
Net assets:	
Unrestricted (deficit)	<u>(132,541)</u>
Total net assets	<u><u>\$ (132,541)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Governmental Activities - Internal Service Fund</u>
Operating revenues:	
Charges for services.	\$ 7,296,100
Other	10,817
	<hr/>
Total operating revenues	7,306,917
	<hr/>
Operating expenses:	
Purchased services.	504,636
Claims	6,893,050
	<hr/>
Total operating expenses	7,397,686
	<hr/>
Operating loss	(90,769)
	<hr/>
Nonoperating revenues:	
Interest revenue	5,111
	<hr/>
Total nonoperating revenues	5,111
	<hr/>
Change in net assets.	(85,658)
	<hr/>
Net assets (deficit) at beginning of year. .	(46,883)
	<hr/>
Net assets (deficit) at end of year	\$ (132,541)
	<hr/> <hr/>

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, 2004

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	\$ 7,296,100
Cash payments for purchased services	(504,636)
Cash payments for claims.	<u>(6,731,292)</u>
Net cash provided by operating activities	<u>60,172</u>
Cash flows from investing activities:	
Interest received.	<u>5,111</u>
Net cash provided by investing activities	<u>5,111</u>
Net increase in cash and cash equivalents	65,283
Cash and cash equivalents at beginning of year. . .	<u>944,760</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,010,043</u></u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (90,769)
Changes in assets and liabilities:	
(Increase) in accounts receivable	(10,817)
Increase in claims payable	<u>161,758</u>
Net cash provided by operating activities	<u><u>\$ 60,172</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2004

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents.	\$ 47,965	\$ 104,953
Total assets	47,965	\$ 104,953
Liabilities:		
Accounts payable.	366	\$ 190
Due to students	-	104,763
Total liabilities	366	\$ 104,953
Net Assets:		
Held in trust for scholarships.	47,599	
Total net assets	\$ 47,599	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 574
Gifts and contributions.	22,476
	23,050
Total additions.	23,050
Deductions:	
Scholarships awarded	27,658
	(4,608)
Change in net assets	(4,608)
Net assets at beginning of year	52,207
Net assets at end of year.	\$ 47,599

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

THIS PAGE INTENTIONALLY BLANK

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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 all 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 594 certified teaching personnel, 310 non-certified support personnel, and 39 administrators.

The District is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four year terms.

The District ranks as the 47th largest (among 613 public school districts) in terms of total enrollment in the state, and the largest in Hancock County. It currently operates 9 elementary schools, 3 middle schools, a vocational center, and 1 high school to provide services to approximately 6,388 students in grades K-12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity". The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. 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, preschool 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 organizations' 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 organizations 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. Based upon the application of this criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government). The following organizations are described due to their relationship to the District:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

JOINTLY GOVERNED ORGANIZATIONS

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 Michael Wildermuth, who serves as director, at 645 South Main Street, Lima, Ohio 45804.

PUBLIC ENTITY RISK POOLS

The District participates in the Northwest Ohio Area Computer Services Cooperative Workers' Compensation Group Rating Program, an insurance purchasing pool. See Note 11.B. for further details on this insurance purchasing pool.

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

General Fund - The general fund is used to account for all financial resources except those required to be accounted for 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 to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds; (b) activity relating to the repayment of general long-term debt principal, interest and related costs; (c) for grants and other resources whose use is restricted to a particular purpose, and; (d) food service and uniform school supplies operations.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

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 goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides insurance benefits to employees.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to 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 own 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 fund accounts for student activities.

C. Measurement Focus

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

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's internal service fund are charges for sales and services. Operating expenses for internal service funds include the cost of sales and services 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.

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 Non-exchange 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).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

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 Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2004, but which were levied to finance fiscal year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities received during the 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. Allocation 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 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:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased tax rates). By no later than January 20, the Board-adopted budget is filed with the Hancock County Budget Commission for rate determination.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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 Commissions' Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year 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 final amended Certificate 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 any level of control. Any revisions that alter the fund or function level for 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, none were significant.

The appropriation resolution is subject to amendment by the Board throughout the 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 year.

Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Cash disbursements plus encumbrances 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 in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the basic financial statements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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

During fiscal year 2004, investments were limited to overnight repurchase agreements, nonnegotiable certificates of deposits, federal agency securities, money market mutual funds, 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 repurchase agreements and nonnegotiable certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal 2004. 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 share price which is the price the investment could be sold for on June 30, 2004.

Under existing Ohio statutes all investment earning are assigned to the general fund unless statutorily required to be credited to a specific fund. 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 2004 amounted to \$155,547, which includes \$30,305 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 Treasurer's investment account at year-end is provided in Note 4.

G. Inventory

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

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

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deletions during the year. Donated capital assets are recorded at their fair market values as of the date received. The District 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, 2004

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

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

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

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column on the Statement of Net Assets.

J. Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the District's past experience of making termination payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

K. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions 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 are recognized as a liability on the fund financial statements when due.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

L. Fund Balance Reserves

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, prepayments, materials and supplies inventory, tax revenue unavailable for appropriation, advances, BWC refunds and perpetual care. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under state statute.

M. Net Assets

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

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

N. Prepayments

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

O. Estimates

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

P. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set-aside for Bureau of Workers' Compensation (BWC) refunds. See Note 16 for details.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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

Q. Interfund Activity

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

R. Parochial Schools

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2004.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Prior Period Adjustment

A prior period adjustment is required to properly state capital assets at June 30, 2003 due to errors and omissions reported in prior years. This restatement had the following effect on net assets at June 30, 2003:

Net assets as previously reported	\$ 6,451,228
Restatement for capital assets	<u>(493,371)</u>
Net assets, restated at July 1, 2003	<u>\$ 5,957,857</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances/Net Assets

Fund balances/net assets at June 30, 2004 included the following individual fund deficits:

	Deficit
<u>Major</u>	
General	\$ 522,381
<u>Nonmajor Governmental</u>	
Special Trust	69,377
Auxiliary Services	31,626
Management Information Systems	393
Entry Year Programs	148
Disadvantaged Pupil Impact Aid	999
Miscellaneous State Grants	1,463
IDEA Part B Grants	12,468
Vocational Education	2,855
Title I Disadvantaged Children	99,003
Emergency Immigrant Education Assistance	462
Drug-Free School Grant	5,221
IDEA Preschool-Handicapped	645
Improving Teacher Quality	22,043
Permanent Improvement	636,615
<u>Proprietary</u>	
Employee Benefits Self-Insurance	132,541

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit balances resulted from adjustments for accrued liabilities.

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the basic financial statements as "Equity in Pooled Cash and Cash Equivalents". Statutes require the classification of 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 the Board of Education has identified as not required for use within the current two-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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

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 one year from the date of deposit or by savings accounts, including passbook accounts.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the finance 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.

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 or 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 2% 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 division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not the exceed 25% of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt instrument rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

Cash on hand: At fiscal year-end, the District had \$1,827 in undeposited cash on hand which is included on the basic financial statements of the District as part of "Equity in Pooled Cash and Cash Equivalents".

The following information classifies deposits and investments by categories of custodial credit risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements".

Deposits: At fiscal year-end, the carrying amount of the District's deposits was \$2,850,273 and the bank balance was \$2,877,980. These balances included \$1,500,000 in nonnegotiable certificates of deposit. Of the bank balance:

1. \$300,000 was covered by federal depository insurance; and
2. \$2,577,980 was uninsured and uncollateralized as defined by GASB although it was secured by collateral held by third party trustees, pursuant to section 135.181 Ohio Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions; these securities not being in the name of the District. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

Collateral is required for demand deposits and certificates of deposit in excess of all deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State of Ohio and its municipalities, and obligations of the other states. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required.

Investments: The District's investments are categorized below to give an indication of the level of custodial credit risk assumed by the entity at fiscal year-end. Category 1 includes investments that are insured or registered or securities held by the District. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department, but not in the District's name. Investments in STAR Ohio and money market mutual funds are not categorized as they are not evidenced by securities that exist in physical or book entry form.

	Category <u>2</u>	Category <u>3</u>	Reported <u>Amount</u>	Fair <u>Value</u>
Repurchase agreements	\$ -	\$ 64	\$ 64	\$ 64
Federal agency securities	3,977,857	-	3,977,857	3,977,857
Money market mutual fund	-	-	5,734	5,734
Investment in STAR Ohio	-	-	<u>23,143</u>	<u>23,143</u>
Total investments	<u>\$ 3,977,857</u>	<u>\$ 64</u>	<u>\$ 4,006,798</u>	<u>\$ 4,006,798</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the basic financial statements and the classification per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$ 6,858,898	\$ -
Investments of the cash management pool:		
Repurchase agreements	(64)	64
Investment in STAR Ohio	(23,143)	23,143
Federal agency securities	(3,977,857)	3,977,857
Money market mutual fund	(5,734)	5,734
Cash on hand	(1,827)	-
GASB Statement No. 3	<u>\$ 2,850,273</u>	<u>\$ 4,006,798</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund balances at June 30, 2004 as reported on the fund financial statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	<u>\$ 228,845</u>

All payable funds are nonmajor governmental funds. The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District's 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, public utility and tangible personal property located in the District. Property tax revenue received during calendar 2004 for real and public utility property taxes represent collections of calendar 2003 taxes. Property tax payments received during calendar 2004 for tangible personal property (other than public utility property) are for calendar 2004 taxes.

2004 real property taxes are levied after April 1, 2003 on the assessed value listed as of the prior January 1, 2003 the lien date. Assessed values are established by state law at thirty-five percent of appraised market value.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 6 - PROPERTY TAXES - (Continued)

Public utility tangible personal property currently is assessed at varying percentages of true values; public utility real property is assessed at thirty-five percent of true value. 2004 public utility property taxes became a lien December 31, 2002, are levied after April 1, 2003 and are collected in 2004 with real property taxes.

2004 tangible personal property taxes are levied after April 1, 2004, on the values as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments are twenty-five percent of true value, with the exception of inventories, which are currently assessed at twenty-three percent of true value.

The assessed values upon which the fiscal year 2004 taxes were collected are:

	2003 Second Half Collections		2004 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 628,600,880	79.36	\$ 648,032,840	82.04
Public utility personal property	141,389,687	17.85	119,542,954	15.13
Tangible personal property	<u>22,109,380</u>	<u>2.79</u>	<u>22,348,380</u>	<u>2.83</u>
Total	<u>\$ 792,099,947</u>	<u>100.00</u>	<u>\$ 789,924,174</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 53.35		\$ 53.35	

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. This year, the June 2004 tangible personal property tax settlement was received prior to fiscal year-end.

The Hancock County Treasurer collects property tax on behalf of the District. The Hancock County Auditor periodically remits to the District its portion of the taxes collected. These tax "advances" are based on statutory cash flow collection rates. Final "settlements" are made each February and August. The amounts available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, personal property and public utility taxes which became measurable as of June 30, 2004 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current fiscal year operations. The late settlement of tangible personal property taxes and the amount available as an advance at June 30 are recognized as revenue.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 6 - PROPERTY TAXES - (Continued)

The amount available as an advance at June 30, 2004, was \$1,866,000 and is recognized as revenue in the general fund. The amount available as an advance for the general fund at June 30, 2003 was \$1,020,000. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2004 consisted of taxes, 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 items of receivables reported on the Statement of Net Assets follows:

Governmental Activities

Taxes	\$ 26,635,221
Accounts	242,140
Intergovernmental	416,083
Accrued interest	<u>50,943</u>
Total	<u>\$ 27,344,387</u>

Receivables have been disaggregated on the face of the basic finance statements, and are expected to be collected in the subsequent year.

NOTE 8 - CAPITAL ASSETS

- A. The capital asset balances of the governmental activities have been restated due to prior years errors and omissions.

	Balance <u>June 30, 2003</u>	<u>Adjustments</u>	Restated Balance <u>June 30, 2003</u>
Governmental Activities			
Capital assets, not being depreciated:			
Land	\$ 416,459	\$ -	\$ 416,459
Total capital assets, not being depreciated	<u>416,459</u>	<u>-</u>	<u>416,459</u>
Capital assets, being depreciated:			
Land improvements	1,008,409	30,941	1,039,350
Building/improvements	22,451,380	-	22,451,380
Furniture/equipment	9,273,404	(524,312)	8,749,092
Vehicles	<u>2,107,202</u>	<u>-</u>	<u>2,107,202</u>
Total capital assets, being depreciated	<u>34,840,395</u>	<u>(493,371)</u>	<u>34,347,024</u>
Governmental activities capital assets	<u>\$ 35,256,854</u>	<u>\$ (493,371)</u>	<u>\$ 34,763,483</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 8 - CAPITAL ASSETS - (Continued)

B. Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

	Restated Balance <u>06/30/03</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>06/30/04</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 416,459	\$ -	\$ -	\$ 416,459
<i>Capital assets, being depreciated:</i>				
Land improvements	1,039,350	-	-	1,039,350
Building and improvements	22,451,380	-	-	22,451,380
Furniture and equipment	8,749,092	53,245	(16,347)	8,785,990
Vehicles	<u>2,107,202</u>	<u>191,981</u>	<u>(38,080)</u>	<u>2,261,103</u>
Total capital assets, being depreciated	<u>34,347,024</u>	<u>245,226</u>	<u>(54,427)</u>	<u>34,537,823</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(781,962)	(23,381)	-	(805,343)
Building and improvements	(14,274,174)	(323,516)	-	(14,597,690)
Furniture and equipment	(7,845,683)	(274,029)	15,115	(8,104,597)
Vehicles	<u>(1,516,447)</u>	<u>(126,305)</u>	<u>34,272</u>	<u>(1,608,480)</u>
Total accumulated depreciation	<u>(24,418,266)</u>	<u>(747,231)</u>	<u>49,387</u>	<u>(25,116,110)</u>
Governmental activities capital assets, net	<u>\$ 10,345,217</u>	<u>\$ (502,005)</u>	<u>\$ (5,040)</u>	<u>\$ 9,838,172</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 319,889
Special	45,576
Vocational	73,770
<u>Support Services:</u>	
Pupil	11,344
Instructional staff	20,337
Administration	58,015
Fiscal	10,442
Operations and maintenance	25,072
Pupil transportation	137,579
Operation of non-instructional	23,103
Extracurricular activities	5,590
Food service operations	<u>16,514</u>
Total depreciation expense	<u>\$ 747,231</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the District entered into capitalized leases for the acquisition of buildings, vehicles, equipment and musical instruments. These lease agreements met the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets acquired by capital lease have been capitalized in the amount of \$4,673,210. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2004 totaled \$316,052 paid by the general fund and \$15,220 paid by the Special Trust nonmajor governmental fund.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2004:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2005	\$ 436,372
2006	386,054
2007	368,306
2008	368,307
2009	368,307
2010 - 2014	<u>1,841,683</u>
Total minimum lease payments	3,769,029
Less amount representing interest	<u>(792,334)</u>
Total	<u>\$ 2,976,695</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 10 - LONG-TERM OBLIGATIONS

- A. During the fiscal year 2004, the following changes occurred in governmental activities long-term obligations:

	<u>Balance at</u> <u>06/30/03</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at</u> <u>06/30/04</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental Activities:					
<u>Loan Payable:</u>					
Asbestos removal loan	\$ 959,844	\$ -	\$ (108,062)	\$ 851,782	\$ 108,061
Total loans payable	<u>959,844</u>	<u>-</u>	<u>(108,062)</u>	<u>851,782</u>	<u>108,061</u>
<u>Other Long-Term Obligations:</u>					
Capital lease obligation	3,307,967	-	(331,272)	2,976,695	295,885
Compensated absences	<u>3,238,968</u>	<u>1,089,045</u>	<u>(665,212)</u>	<u>3,662,801</u>	<u>601,985</u>
Total other long-term obligations	<u>6,546,935</u>	<u>1,089,045</u>	<u>(996,484)</u>	<u>6,639,496</u>	<u>897,870</u>
Total governmental activities	<u>\$ 7,506,779</u>	<u>\$ 1,089,045</u>	<u>\$ (1,104,546)</u>	<u>\$ 7,491,278</u>	<u>\$ 1,005,931</u>

The asbestos removal loans were issued during fiscal year 1993, mature in fiscal year 2013, and are interest-free. Principal payments on the asbestos removal loans are made from the Bond Retirement debt service fund. See Note 9 for detailed information on the capital lease obligations. Compensated absences will be paid from the fund from which the employee is paid. The payments will primarily be made from the general fund.

- B. Principal and interest requirements to retire the asbestos removal loans outstanding at June 30, 2004, are as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Asbestos</u> <u>Loan</u>
2005	\$ 108,061
2006	108,061
2007	108,061
2008	108,061
2009	108,061
2010 - 2013	<u>311,477</u>
Total	851,782
Less: interest	<u>-</u>
Total	<u>\$ 851,782</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

C. Legal Debt Margin

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 effects of these debt limitations at June 30, 2004 are a voted debt margin of \$71,093,176 and an unvoted debt margin of \$789,924.

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 2004, the District contracted with Utica National Insurance Group for property and general liability insurance. Utica National Insurance Group also covers boiler and machinery with a \$19,000,000 aggregate limit and a \$1,000 deductible.

Professional liability is provided by the Utica National Insurance Group with a \$5,000,000 annual aggregate/\$1,000,000 single occurrence limit and a \$5,000 deductible. Vehicles are covered by Utica National Insurance Group and carry no deductible for comprehensive and a \$100 deductible for collision. Automobile liability has a \$2,000,000 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 participates in the Northwest Ohio Area Computer Services Cooperative Workers' Compensation Group Rating Program (the "Plan"), an insurance purchasing pool. The Plan is intended to reduce premiums for the participants. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the state based on the rate for the Plan rather than its individual rate. Participation in the Plan is limited to educational entities that can meet the Plan's selection criteria. Each participant must apply annually. The Plan provides the participants with a centralized program for processing, analysis and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement. The Plan's business and affairs are conducted by a twenty-five member Board of Directors consisting of two representatives from each county elected by a majority vote of all charter member schools within each county plus one representative from the fiscal agency data acquisition site (NOACSC; see Note 2.A.). The Treasurer of the District serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the Plan to cover the costs of administering the program.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 11 - RISK MANAGEMENT - (Continued)

C. Employee Health Insurance

The District has elected to provide two options for employee medical/surgical benefits, each 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. One plan provides a comprehensive medical/surgical plan with deductibles ranging from \$200 for family coverage and \$100 for single coverage. The other plan is a Preferred Provider Program, which has co-pays ranging from \$10 to \$25 and includes a drug card. Deductibles above apply to the PPO Plan for out-of-network services only. Maximum out of pocket expenses for employees is \$900 in addition to the deductibles; this will apply to the PPO Plan for out-of-network services only. A third party administrator, (either) Medical Mutual of Ohio or Mutual Health Services, reviews all claims, which are then paid by the District. The District purchases stop loss coverage of \$100,000 per employee. The District and employees pay into the self-insurance internal service fund. The District's monthly portion ranges from \$597.44 for family coverage to \$229.70 for single coverage. The employee's monthly portion ranges from \$15.00 for family coverage to \$4.95 for single coverage. The premiums are paid by the fund that pays the salary for the employees and is based on historical cost information.

Dental and vision coverage is also provided on self-insured basis through Administrative Service Consultants. Premiums for its coverage are \$60.19 monthly for family coverage and \$23.06 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 liability of \$1,153,401 reported in the fund at June 30, 2004, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the District's third party administrator. Changes in the fund's claims liability for the current and prior fiscal year are as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2004	\$991,643	\$6,893,050	\$(6,731,292)	\$1,153,401
2003	924,259	4,910,955	(4,843,571)	991,643

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 13. As such, no provisions are required by the District.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statute Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476, or by calling (614) 222-5853.

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2004, 9.09% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2003, 8.17% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$725,113, \$1,070,605, and \$994,811, respectively; 40.0% has been contributed for fiscal year 2004 and 100% for the fiscal years 2003 and 2002. \$437,501, represents the unpaid contribution for fiscal year 2004.

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2004, 13% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2003, 13% of annual covered salary was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employee contributions. The District's required contributions to STRS for pension obligations for the fiscal years ended June 30, 2004, 2003, and 2002 were \$3,430,153, \$3,541,606, and \$3,391,185, respectively; 83.18% has been contributed for fiscal year 2004 and 100% for the fiscal years 2003 and 2002. \$576,955, represents the unpaid contribution for fiscal year 2004. Contributions to the DC and Combined Plans for fiscal year 2004 were \$21,886 made by the District and \$50,044 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. As of June 30, 2004, certain members of the Board of Education have elected Social Security. The District's liability is 6.2% of wages paid.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

NOTE 13 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through STRS, and to retired non-certified employees and their dependents through SERS. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligations to contribute are established by STRS and SERS based on authority granted by state statute. Both STRS and SERS are funded on a pay-as-you-go-basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For this fiscal year, the State Teachers Retirement Board allocated employer contributions equal to 1% of covered payroll to the Health Care Reserve fund. For the District, this amount equaled \$263,858 during fiscal 2004.

STRS pays health care benefits from the Health Care Reserve fund. The balance in the Health Care Reserve fund was \$2.8 billion at June 30, 2003 (the latest information available). For the fiscal year ended June 30, 2003 (the latest information available), net health care costs paid by STRS were \$352.301 million and STRS had 108,294 eligible benefit recipients.

For SERS, coverage is made available to service retirees with 10 or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 4.91% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2004, the minimum pay has been established at \$25,400. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2003 (the latest information available) were \$204.931 million and the target level was \$307.4 million. At June 30, 2003, (the latest information available) SERS had net assets available for payment of health care benefits of \$303.6 million and SERS had approximately 50,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$611,261 during the 2004 fiscal year.

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

The Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (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 a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP 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	\$ (3,333,042)
Net adjustment for revenue accruals	1,008,823
Net adjustment for expenditure accruals	(221,803)
Net adjustment for other sources/uses	(227,424)
Adjustment for encumbrances	<u>860,236</u>
 GAAP basis	 <u>\$ (1,913,210)</u>

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

B. Litigation

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

C. State School Funding Decision

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 15 - CONTINGENCIES - (Continued)

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

NOTE 16 - STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by Statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2004, the reserve activity was as follows:

	<u>Instructional Materials</u>	<u>Capital Acquisition</u>	<u>BWC Refunds</u>
Set-aside cash balance as of June 30, 2003	\$ (983,588)	\$ -	\$ 270,696
Current year set-aside requirement	901,787	901,787	-
Qualifying disbursements	<u>(1,682,860)</u>	<u>(1,652,219)</u>	<u>-</u>
Total	<u>\$ (1,764,661)</u>	<u>\$ (750,432)</u>	<u>\$ 270,696</u>
Balance carried forward to FY 2005	<u>\$ (1,764,661)</u>	<u>\$ -</u>	<u>\$ 270,696</u>

Monies representing BWC refunds that were received prior to April 10, 2001, have been shown as a restricted asset and reserved fund balance in the general fund since allowable expenditures are restricted by state statute. The District is still required by state law to maintain the textbook reserve and the capital acquisition reserve.

Although the District had qualifying disbursements during the year that reduced the set-aside amounts below zero for the capital acquisition reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

A schedule of the governmental fund restricted assets at June 30, 2004 follows:

Amount restricted for BWC refunds	<u>\$ 270,696</u>
Total restricted assets	<u>\$ 270,696</u>

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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

Nonmajor Special Revenue Funds

Special revenue funds are used to account for revenues from specific sources which are restricted, legally or otherwise, to expenditures for specific purposes. A description of the District's special revenue funds follows:

Food Service Fund Section 3313.81, Revised Code

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

Special Trust Fund Section 5705.09, Revised Code

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

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.

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.

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.

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.

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.

Career Development Fund Current Budget Bill, appropriation line item 200-524

A fund used to account for State monies intended to support programs encouraging achievement in science and math through teacher in-service and instructional enhancements; to implement mandated competency based instruction in the areas of written expression, math and reading; to support the implementation of energy conservation measures; or to supplement the local acquisition of textbooks, instructional supplies, or computer equipment and software.

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

Nonmajor Special Revenue Funds

Teacher Development Fund

Current Budget Bill, appropriation line item 200-527

A fund used to account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs for professional staff.

Management Information Systems 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).

Entry Year Programs Fund

Section 3313.024, Revised Code

A fund used to assist in the implementation of entry-year programs pursuant to division (T) of section 3313.024 of the Ohio Revised Code.

Disadvantaged Pupil Impact Aid Fund

Current Budget Bill

A fund used to account for monies received for disadvantaged pupil impact aid.

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

Section 5705.09, Revised Code

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

Ohio Reads Fund

State Line Item Appropriation GRF 200-455 and 200-566

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

Summer Intervention Fund

State Line Item Appropriation GRF 200-513

A fund used to account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Ohio Revised Code.

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.

Extended Learning Opportunity Fund

Current Budget Bill, appropriation line item 200-513

A fund used to account for a grant from the Ohio Department of Education, which is intended to assist the District with the costs of remedial instruction for those students identified as 'at risk' of not passing the Fourth-Grade Proficiency Test.

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

Nonmajor Special Revenue Funds

Miscellaneous State Grants Fund

Section 5705.12, Revised Code

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

Eisenhower Professional Development Fund

National Defense Education Act, 1958

A fund used to account for Federal monies received through the Ohio Department of Education for the purpose of improving the skills of teachers (science, foreign languages, and computer learning), and increasing the access of all students to that instruction.

IDEA Part B Grants Fund

Education of the Handicapped Act, PL 91-230

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

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.

Title I Disadvantaged Children Fund

PL 97-35; Title I EESA 1965

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.

Title V Innovative Education Program Fund

PL 97-35; EESA 1965

A fund used to account for Federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, and in-service and staff development.

Emergency Immigrant Education Assistance Fund

Emergency Immigrant Education Act of 1984,
Catalog of Federal Domestic Assistance #84-162

A fund used to account for financial assistance to state educational agencies for educational services and costs for eligible immigrant children enrolled in elementary and secondary public and non-profit private schools.

Emergency School Repair Fund

Catalog of Federal Domestic Assistance #84-155

A fund used to account for financial assistance to State educational agencies, and through them, local educational agencies, and intermediate educational units to pay for all or part of the costs of altering existing buildings and equipment to remove architectural barriers to the handicapped.

Drug Free School Grant Fund

Catalog of Federal Domestic Assistance #84-166

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

FINDLAY CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR FUNDS

Nonmajor Special Revenue Funds

IDEA Preschool-Handicapped Fund

Education of the Handicapped Act Amendments,
PL 99-457. Catalog of Federal Domestic Assistance #84-173

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

Telecommunications Act Grant Fund

Catalog of Federal Domestic Assistance #88-001

A fund used to account for a federal grant which is paid directly to the telecommunication service provider.

Improving Teacher Quality Fund

Catalog of Domestic Assistance #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.

Nonmajor Debt Service 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

Nonmajor Capital Projects Fund

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's capital projects funds follows:

Permanent Improvement Fund

Section 5705.10, Revised Code

A fund used to account for all transactions related to the acquisition or construction of such permanent improvements as are authorized by Chapter 5705 of the Revised Code. Since the District maintains only one capital projects fund, no combining statements are presented.

Nonmajor Permanent 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.

Nonmajor Internal Service 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.

Nonmajor Private Purpose Fund

Section 5705.09, Revised Code

The scholarship fund is used to account for local revenues donated to support scholarships.

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents. . .	\$ 869,980	\$ -	\$ 30,052	\$ 639,809	\$ 1,539,841
Receivables:					
Property taxes	-	108,061	-	-	108,061
Accounts.	62,817	-	-	-	62,817
Intergovernmental	257,883	-	-	-	257,883
Materials and supplies inventory	38,842	-	-	-	38,842
Total assets.	\$ 1,229,522	\$ 108,061	\$ 30,052	\$ 639,809	\$ 2,007,444
Liabilities:					
Accounts payable.	\$ 63,919	\$ -	\$ -	\$ -	\$ 63,919
Accrued wages and benefits	280,437	-	-	-	280,437
Compensated absences payable	753	-	-	-	753
Pension obligation payable.	70,919	-	-	-	70,919
Intergovernmental payable	58,326	-	-	-	58,326
Interfund loan payable	228,845	-	-	-	228,845
Deferred revenue	149,228	108,061	666,667	-	923,956
Total liabilities	852,427	108,061	666,667	-	1,627,155
Fund balances (deficits):					
Reserved for encumbrances.	105,852	-	17,557	-	123,409
Reserved for materials and supplies inventory .	38,842	-	-	-	38,842
Reserved for perpetual care.	-	-	-	461,615	461,615
Unreserved:					
Undesignated, reported in:					
Special revenue funds	232,401	-	-	-	232,401
Capital projects funds	-	-	(654,172)	-	(654,172)
Permanent fund	-	-	-	178,194	178,194
Total fund balances (deficits)	377,095	-	(636,615)	639,809	380,289
Total liabilities and fund balances.	\$ 1,229,522	\$ 108,061	\$ 30,052	\$ 639,809	\$ 2,007,444

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
From local sources:					
Taxes	\$ -	\$ 108,062	\$ -	\$ -	\$ 108,062
Tuition	273,118	-	-	-	273,118
Earnings on investments	7,528	-	422	17,738	25,688
Charges for services	873,692	-	-	-	873,692
Extracurricular	547,674	-	-	-	547,674
Classroom materials and fees	306,780	-	-	-	306,780
Other local revenues	372,432	-	70,937	2,096	445,465
Intergovernmental - state	703,110	-	-	-	703,110
Intergovernmental - federal	3,767,742	-	-	-	3,767,742
Total revenues	<u>6,852,076</u>	<u>108,062</u>	<u>71,359</u>	<u>19,834</u>	<u>7,051,331</u>
Expenditures:					
Current:					
Instruction:					
Regular	974,042	-	-	-	974,042
Special	945,515	-	-	-	945,515
Vocational	171,120	-	-	-	171,120
Adult/continuing	14,119	-	-	-	14,119
Other	92,600	-	-	17,250	109,850
Support services:					
Pupil	310,813	-	-	-	310,813
Instructional staff	943,983	-	-	-	943,983
Administration	20,744	-	-	-	20,744
Fiscal	170	-	-	-	170
Operations and maintenance	239,968	-	390	-	240,358
Pupil transportation	1,216	-	-	-	1,216
Central	46,811	-	-	-	46,811
Operation of non-instructional services	668,136	-	-	-	668,136
Extracurricular activities	552,057	-	-	-	552,057
Facilities acquisition and construction	19,100	-	-	-	19,100
Food service operations	1,715,056	-	-	-	1,715,056
Debt service:					
Principal retirement	15,220	108,062	-	-	123,282
Interest and fiscal charges	2,525	-	-	-	2,525
Total expenditures	<u>6,733,195</u>	<u>108,062</u>	<u>390</u>	<u>17,250</u>	<u>6,858,897</u>
Net change in fund balances	118,881	-	70,969	2,584	192,434
Fund balances (deficits), July 1	260,789	-	(707,584)	637,225	190,430
Decrease in reserve for inventory	(2,575)	-	-	-	(2,575)
Fund balances (deficits), June 30	<u>\$ 377,095</u>	<u>\$ -</u>	<u>\$ (636,615)</u>	<u>\$ 639,809</u>	<u>\$ 380,289</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004

	Food Service	Special Trust	Uniform School Supplies	Special Services Rotary
Assets:				
Equity in pooled cash and cash equivalents.	\$ 23,962	\$ 81,086	\$ 155,188	\$ 21,734
Receivables:				
Accounts.	30,112	254	1,493	14
Intergovernmental	98,464	-	-	-
Materials and supplies inventory	38,842	-	-	-
Total assets.	\$ 191,380	\$ 81,340	\$ 156,681	\$ 21,748
Liabilities:				
Accounts payable.	\$ 5,627	\$ 25,364	\$ 10,860	\$ -
Accrued wages and benefits	10,929	-	-	-
Compensated absences payable	753	-	-	-
Pension obligation payable.	13,953	-	-	-
Intergovernmental payable	11,850	508	-	-
Interfund loan payable	100,000	124,845	-	-
Deferred revenue.	-	-	-	-
Total liabilities.	143,112	150,717	10,860	-
Fund balances (deficits):				
Reserved for encumbrances	14,152	30,670	4,540	264
Reserved for materials and supplies inventory	38,842	-	-	-
Unreserved-undesignated (deficit)	(4,726)	(100,047)	141,281	21,484
Total fund balances (deficits)	48,268	(69,377)	145,821	21,748
Total liabilities and fund balances.	\$ 191,380	\$ 81,340	\$ 156,681	\$ 21,748

Public School Support	Other Grants	Special Enterprise	District Managed Activity	Auxiliary Services	Management Information Systems	Entry Year Programs
\$ 58,462	\$ 24,698	\$ 14,205	\$ 219,074	\$ 6,464	\$ -	\$ -
2,105	-	13,063	15,242	-	-	-
-	-	10,191	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 60,567</u>	<u>\$ 24,698</u>	<u>\$ 37,459</u>	<u>\$ 234,316</u>	<u>\$ 6,464</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 835	\$ 1,218	\$ 361	\$ 5,882	\$ 947	\$ -	\$ -
-	-	13,588	-	28,420	-	-
-	-	-	-	-	-	-
-	1,144	6,884	-	4,959	-	-
-	65	3,702	16	3,764	393	148
-	1,000	-	-	-	-	-
-	-	-	-	-	-	-
<u>835</u>	<u>3,427</u>	<u>24,535</u>	<u>5,898</u>	<u>38,090</u>	<u>393</u>	<u>148</u>
1,544	45	1,214	3,611	3,459	-	-
-	-	-	-	-	-	-
<u>58,188</u>	<u>21,226</u>	<u>11,710</u>	<u>224,807</u>	<u>(35,085)</u>	<u>(393)</u>	<u>(148)</u>
<u>59,732</u>	<u>21,271</u>	<u>12,924</u>	<u>228,418</u>	<u>(31,626)</u>	<u>(393)</u>	<u>(148)</u>
<u>\$ 60,567</u>	<u>\$ 24,698</u>	<u>\$ 37,459</u>	<u>\$ 234,316</u>	<u>\$ 6,464</u>	<u>\$ -</u>	<u>\$ -</u>

-continued

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

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004

	Disadvantaged Pupil Impact Aid	SchoolNet Professional Development	Ohio Reads	Summer Intervention
Assets:				
Equity in pooled cash and cash equivalents.	\$ -	\$ 2,840	\$ 14,462	\$ 36,528
Receivables:				
Accounts.	-	-	-	534
Intergovernmental	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets.	\$ -	\$ 2,840	\$ 14,462	\$ 37,062
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ 2,816
Accrued wages and benefits	-	-	-	1,486
Compensated absences payable	-	-	-	-
Pension obligation payable.	-	-	-	7,147
Intergovernmental payable	999	40	990	822
Interfund loan payable	-	-	-	-
Deferred revenue.	-	-	-	-
Total liabilities.	999	40	990	12,271
Fund balances (deficits):				
Reserved for encumbrances	-	-	14,462	4,578
Reserved for materials and supplies inventory . . .	-	-	-	-
Unreserved-undesignated (deficit)	(999)	2,800	(990)	20,213
Total fund balances (deficits)	(999)	2,800	13,472	24,791
Total liabilities and fund balances.	\$ -	\$ 2,840	\$ 14,462	\$ 37,062

<u>Vocational Education Enhancements</u>	<u>Miscellaneous State Grants</u>	<u>IDEA Part B Grants</u>	<u>Vocational Education</u>	<u>Title I Disadvantaged Children</u>	<u>Title V Innovative Education Program</u>	<u>Emergency Immigrant Education Assistance</u>
\$ 6,596	\$ 3,860	\$ 38,009	\$ 13,437	\$ 64,924	\$ 6,302	\$ -
-	-	-	-	-	-	-
-	-	-	-	149,228	-	-
-	-	-	-	-	-	-
<u>\$ 6,596</u>	<u>\$ 3,860</u>	<u>\$ 38,009</u>	<u>\$ 13,437</u>	<u>\$ 214,152</u>	<u>\$ 6,302</u>	<u>\$ -</u>
\$ 25	\$ 180	\$ 256	\$ 6,926	\$ 332	\$ 754	\$ -
-	3,600	30,634	7,624	128,818	-	-
-	-	-	-	-	-	-
-	1,185	7,425	-	20,888	-	-
-	358	12,162	1,742	13,889	-	462
3,000	-	-	-	-	-	-
-	-	-	-	149,228	-	-
<u>3,025</u>	<u>5,323</u>	<u>50,477</u>	<u>16,292</u>	<u>313,155</u>	<u>754</u>	<u>462</u>
6,566	170	7,373	6,511	126	3,988	-
-	-	-	-	-	-	-
<u>(2,995)</u>	<u>(1,633)</u>	<u>(19,841)</u>	<u>(9,366)</u>	<u>(99,129)</u>	<u>1,560</u>	<u>(462)</u>
<u>3,571</u>	<u>(1,463)</u>	<u>(12,468)</u>	<u>(2,855)</u>	<u>(99,003)</u>	<u>5,548</u>	<u>(462)</u>
<u>\$ 6,596</u>	<u>\$ 3,860</u>	<u>\$ 38,009</u>	<u>\$ 13,437</u>	<u>\$ 214,152</u>	<u>\$ 6,302</u>	<u>\$ -</u>

-continued

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

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004

	Drug Free School Grant	IDEA Preschool- Handicapped	Telecommunications Act Grant	Improving Teacher Quality
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,415	\$ 970	\$ 27,200	\$ 38,416
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets.	\$ 1,415	\$ 970	\$ 27,200	\$ 38,416
Liabilities:				
Accounts payable.	\$ 56	\$ -	\$ 1,480	\$ -
Accrued wages and benefits	5,360	1,118	-	48,860
Compensated absences payable	-	-	-	-
Pension obligation payable.	600	177	-	6,557
Intergovernmental payable	620	320	-	5,042
Interfund loan payable	-	-	-	-
Deferred revenue.	-	-	-	-
Total liabilities.	6,636	1,615	1,480	60,459
Fund balances (deficits):				
Reserved for encumbrances	1,239	-	121	128
Reserved for materials and supplies inventory . . .	-	-	-	-
Unreserved-undesignated (deficit)	(6,460)	(645)	25,599	(22,171)
Total fund balances (deficits)	(5,221)	(645)	25,720	(22,043)
Total liabilities and fund balances.	\$ 1,415	\$ 970	\$ 27,200	\$ 38,416

<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 10,148	\$ 869,980
-	62,817
-	257,883
-	38,842
<u>\$ 10,148</u>	<u>\$ 1,229,522</u>
\$ -	\$ 63,919
-	280,437
-	753
-	70,919
434	58,326
-	228,845
-	149,228
<u>434</u>	<u>852,427</u>
1,091	105,852
-	38,842
<u>8,623</u>	<u>232,401</u>
<u>9,714</u>	<u>377,095</u>
<u>\$ 10,148</u>	<u>\$ 1,229,522</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform School Supplies</u>	<u>Special Services Rotary</u>
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on investments	1,738	397	-	298
Charges for services	873,692	-	-	-
Extracurricular	-	1,372	-	-
Classroom materials and fees.	-	14,606	287,686	-
Other local revenues	-	186,631	9	56,032
Intergovernmental - state	26,809	-	-	-
Intergovernmental - federal	904,661	-	-	-
Total revenues	<u>1,806,900</u>	<u>203,006</u>	<u>287,695</u>	<u>56,330</u>
Expenditures:				
Current:				
Instruction:				
Regular.	-	13,004	253,156	-
Special	-	-	63	-
Vocational	-	367	81	57,698
Adult/continuing	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	-	-	-
Administration	-	-	-	-
Fiscal.	-	170	-	-
Operations and maintenance	-	182,713	-	-
Pupil transportation	-	1,209	-	-
Central	-	16,346	-	-
Operation of non-instructional services.	-	-	-	-
Extracurricular activities	-	912	-	-
Facilities acquisition and construction	-	-	-	-
Food service operations.	1,715,056	-	-	-
Debt service:				
Principal retirement	-	15,220	-	-
Interest and fiscal charges	-	2,525	-	-
Total expenditures	<u>1,715,056</u>	<u>232,466</u>	<u>253,300</u>	<u>57,698</u>
Net change in fund balances.	91,844	(29,460)	34,395	(1,368)
Fund balances (deficits), July 1	(41,001)	(39,917)	111,426	23,116
Decrease in reserve for inventory	(2,575)	-	-	-
Fund balances (deficits), June 30	<u>\$ 48,268</u>	<u>\$ (69,377)</u>	<u>\$ 145,821</u>	<u>\$ 21,748</u>

<u>Public School Support</u>	<u>Other Grants</u>	<u>Special Enterprise</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Management Information Systems</u>
\$ -	\$ -	\$ 273,118	\$ -	\$ -	\$ -
846	-	206	3,626	417	-
-	-	-	-	-	-
15,873	-	-	530,429	-	-
4,488	-	-	-	-	-
62,334	48,153	-	6,541	-	-
-	-	-	-	340,985	23,249
-	-	-	-	-	-
<u>83,541</u>	<u>48,153</u>	<u>273,324</u>	<u>540,596</u>	<u>341,402</u>	<u>23,249</u>
69,740	26,650	-	-	-	-
-	-	-	-	-	-
-	7,966	-	-	-	-
-	-	-	-	-	-
-	344	-	-	-	-
-	-	-	-	-	-
-	3,340	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	7	-	-	-
-	-	-	-	-	23,527
-	315	266,228	-	366,672	-
15,548	-	-	535,597	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>85,288</u>	<u>38,615</u>	<u>266,235</u>	<u>535,597</u>	<u>366,672</u>	<u>23,527</u>
(1,747)	9,538	7,089	4,999	(25,270)	(278)
61,479	11,733	5,835	223,419	(6,356)	(115)
-	-	-	-	-	-
<u>\$ 59,732</u>	<u>\$ 21,271</u>	<u>\$ 12,924</u>	<u>\$ 228,418</u>	<u>\$ (31,626)</u>	<u>\$ (393)</u>

-continued

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Entry Year Programs</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Data Communication</u>	<u>SchoolNet Professional Development</u>
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees.	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	9,900	59,051	48,000	4,140
Intergovernmental - federal	-	-	-	-
Total revenues	<u>9,900</u>	<u>59,051</u>	<u>48,000</u>	<u>4,140</u>
Expenditures:				
Current:				
Instruction:				
Regular.	10,001	48,184	48,000	3,674
Special	-	-	-	-
Vocational	-	-	-	-
Adult/continuing	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	-	-	-
Administration	-	-	-	-
Fiscal.	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services.	-	-	-	-
Extracurricular activities	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Food service operations.	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>10,001</u>	<u>48,184</u>	<u>48,000</u>	<u>3,674</u>
Net change in fund balances.	(101)	10,867	-	466
Fund balances (deficits), July 1	(47)	(11,866)	-	2,334
Decrease in reserve for inventory	-	-	-	-
Fund balances (deficits), June 30	<u><u>\$ (148)</u></u>	<u><u>\$ (999)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,800</u></u>

<u>Ohio Reads</u>	<u>Summer Intervention</u>	<u>Vocational Education Enhancements</u>	<u>Extended Learning Opportunity</u>	<u>Miscellaneous State Grants</u>	<u>Eisenhower Professional Development</u>	<u>IDEA Part B Grants</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	534	-	98	12,100	-	-
102,000	-	47,236	-	29,989	-	-
-	112,375	-	-	-	-	909,073
<u>102,000</u>	<u>112,909</u>	<u>47,236</u>	<u>98</u>	<u>42,089</u>	<u>-</u>	<u>909,073</u>
28,500	55,091	7,726	-	3,801	-	-
-	-	-	-	-	-	44,498
-	-	3,000	-	14,779	-	-
-	-	3,429	-	-	-	-
3,166	-	-	-	-	-	-
-	-	23,612	-	-	15,067	122,196
60,847	33,027	-	-	23,806	-	716,717
-	-	-	-	1,073	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	8,392
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>92,513</u>	<u>88,118</u>	<u>37,767</u>	<u>-</u>	<u>43,459</u>	<u>15,067</u>	<u>891,803</u>
9,487	24,791	9,469	98	(1,370)	(15,067)	17,270
3,985	-	(5,898)	(98)	(93)	15,067	(29,738)
-	-	-	-	-	-	-
<u>\$ 13,472</u>	<u>\$ 24,791</u>	<u>\$ 3,571</u>	<u>\$ -</u>	<u>\$ (1,463)</u>	<u>\$ -</u>	<u>\$ (12,468)</u>

-continued

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Vocational Education</u>	<u>Title I Disadvantaged Children</u>	<u>Title V Innovative Education Program</u>	<u>Emergency Immigrant Education Assistance</u>
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees.	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	252,294	935,524	54,650	27,306
Total revenues	<u>252,294</u>	<u>935,524</u>	<u>54,650</u>	<u>27,306</u>
Expenditures:				
Current:				
Instruction:				
Regular.	-	-	48,218	528
Special	-	847,329	-	27,768
Vocational	87,229	-	-	-
Adult/continuing	-	-	-	-
Other	-	55,115	1,785	-
Support services:				
Pupil	112,754	-	-	-
Instructional staff.	-	47,874	239	-
Administration	11,139	8,532	-	-
Fiscal.	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	6,938	-	-	-
Operation of non-instructional services.	-	21,954	3,365	-
Extracurricular activities	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Food service operations.	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>218,060</u>	<u>980,804</u>	<u>53,607</u>	<u>28,296</u>
Net change in fund balances.	34,234	(45,280)	1,043	(990)
Fund balances (deficits), July 1	(37,089)	(53,723)	4,505	528
Decrease in reserve for inventory	-	-	-	-
Fund balances (deficits), June 30	<u>\$ (2,855)</u>	<u>\$ (99,003)</u>	<u>\$ 5,548</u>	<u>\$ (462)</u>

Emergency School Repair	Drug Free School Grant	IDEA Preschool- Handicapped	Telecommunications Act Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 273,118
-	-	-	-	-	-	7,528
-	-	-	-	-	-	873,692
-	-	-	-	-	-	547,674
-	-	-	-	-	-	306,780
-	-	-	-	-	-	372,432
11,751	-	-	-	-	-	703,110
-	30,444	21,413	71,070	361,885	87,047	3,767,742
<u>11,751</u>	<u>30,444</u>	<u>21,413</u>	<u>71,070</u>	<u>361,885</u>	<u>87,047</u>	<u>6,852,076</u>
-	-	-	-	331,652	26,117	974,042
-	-	-	-	-	25,857	945,515
-	-	-	-	-	-	171,120
-	-	-	-	-	10,690	14,119
-	100	1,994	-	-	30,096	92,600
-	27,762	7,299	-	-	2,123	310,813
-	-	14,678	-	32,622	10,833	943,983
-	-	-	-	-	-	20,744
-	-	-	-	-	-	170
-	-	-	57,255	-	-	239,968
-	-	-	-	-	-	1,216
-	-	-	-	-	-	46,811
-	1,210	-	-	-	-	668,136
-	-	-	-	-	-	552,057
19,100	-	-	-	-	-	19,100
-	-	-	-	-	-	1,715,056
-	-	-	-	-	-	15,220
-	-	-	-	-	-	2,525
<u>19,100</u>	<u>29,072</u>	<u>23,971</u>	<u>57,255</u>	<u>364,274</u>	<u>105,716</u>	<u>6,733,195</u>
(7,349)	1,372	(2,558)	13,815	(2,389)	(18,669)	118,881
7,349	(6,593)	1,913	11,905	(19,654)	28,383	260,789
-	-	-	-	-	-	(2,575)
<u>\$ -</u>	<u>\$ (5,221)</u>	<u>\$ (645)</u>	<u>\$ 25,720</u>	<u>\$ (22,043)</u>	<u>\$ 9,714</u>	<u>\$ 377,095</u>

INDIVIDUAL FUND SCHEDULES
OF REVENUES, EXPENDITURES/EXPENSES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)

**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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Food Service Fund</u>				
Total Revenues and Other Financing Sources	\$ 1,715,000	\$ 1,815,000	\$ 1,700,583	\$ (114,417)
Total Expenditures and Other Financing Uses	<u>1,785,677</u>	<u>1,892,413</u>	<u>1,773,813</u>	<u>118,600</u>
Net Change in Fund Balance	(70,677)	(77,413)	(73,230)	4,183
Fund Balance, July 1	6,736	6,736	6,736	-
Prior Year Encumbrances Appropriated	<u>70,677</u>	<u>70,677</u>	<u>70,677</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 6,736</u>	<u>\$ -</u>	<u>\$ 4,183</u>	<u>\$ 4,183</u>
<u>Special Trust Fund</u>				
Total Revenues and Other Financing Sources	\$ 315,499	\$ 234,000	\$ 202,959	\$ (31,041)
Total Expenditures and Other Financing Uses	<u>349,913</u>	<u>318,807</u>	<u>263,711</u>	<u>55,096</u>
Net Change in Fund Balance	(34,414)	(84,807)	(60,752)	24,055
Fund Balance, July 1	47,082	47,082	47,082	-
Prior Year Encumbrances Appropriated	<u>38,722</u>	<u>38,722</u>	<u>38,722</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 51,390</u>	<u>\$ 997</u>	<u>\$ 25,052</u>	<u>\$ 24,055</u>
<u>Uniform School Supplies Fund</u>				
Total Revenues and Other Financing Sources	\$ 256,000	\$ 256,000	\$ 287,489	\$ 31,489
Total Expenditures and Other Financing Uses	<u>276,822</u>	<u>291,632</u>	<u>261,851</u>	<u>29,781</u>
Net Change in Fund Balance	(20,822)	(35,632)	25,638	61,270
Fund Balance, July 1	94,357	94,357	94,357	-
Prior Year Encumbrances Appropriated	<u>20,822</u>	<u>20,822</u>	<u>20,822</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 94,357</u>	<u>\$ 79,547</u>	<u>\$ 140,817</u>	<u>\$ 61,270</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Special Services Rotary Fund</u>				
Total Revenues and Other Financing Sources	\$ 54,000	\$ 54,000	\$ 56,316	\$ 2,316
Total Expenditures and Other Financing Uses	<u>54,728</u>	<u>70,728</u>	<u>58,280</u>	<u>12,448</u>
Net Change in Fund Balance	(728)	(16,728)	(1,964)	14,764
Fund Balance, July 1	22,706	22,706	22,706	-
Prior Year Encumbrances Appropriated	<u>728</u>	<u>728</u>	<u>728</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 22,706</u>	<u>\$ 6,706</u>	<u>\$ 21,470</u>	<u>\$ 14,764</u>
<u>Special Enterprise Fund</u>				
Total Revenues and Other Financing Sources	\$ 340,000	\$ 340,000	\$ 263,849	\$ (76,151)
Total Expenditures and Other Financing Uses	<u>341,149</u>	<u>341,149</u>	<u>263,595</u>	<u>77,554</u>
Net Change in Fund Balance	(1,149)	(1,149)	254	1,403
Fund Balance, July 1	11,227	11,227	11,227	-
Prior Year Encumbrances Appropriated	<u>1,149</u>	<u>1,149</u>	<u>1,149</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 11,227</u>	<u>\$ 11,227</u>	<u>\$ 12,630</u>	<u>\$ 1,403</u>
<u>Public School Support Fund</u>				
Total Revenues and Other Financing Sources	\$ 100,000	\$ 100,000	\$ 82,738	\$ (17,262)
Total Expenditures and Other Financing Uses	<u>102,653</u>	<u>100,585</u>	<u>86,182</u>	<u>14,403</u>
Net Change in Fund Balance	(2,653)	(585)	(3,444)	(2,859)
Fund Balance, July 1	57,711	57,711	57,711	-
Prior Year Encumbrances Appropriated	<u>2,651</u>	<u>2,651</u>	<u>2,651</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 57,709</u>	<u>\$ 59,777</u>	<u>\$ 56,918</u>	<u>\$ (2,859)</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Other Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 43,093	\$ 68,453	\$ 59,136	\$ (9,317)
Total Expenditures and Other Financing Uses	<u>36,809</u>	<u>83,122</u>	<u>50,370</u>	<u>32,752</u>
Net Change in Fund Balance	6,284	(14,669)	8,766	23,435
Fund Balance, July 1	12,765	12,765	12,765	-
Prior Year Encumbrances Appropriated	<u>1,904</u>	<u>1,904</u>	<u>1,904</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 20,953</u>	<u>\$ -</u>	<u>\$ 23,435</u>	<u>\$ 23,435</u>
<u>District Managed Activity Fund</u>				
Total Revenues and Other Financing Sources	\$ 635,000	\$ 635,000	\$ 535,558	\$ (99,442)
Total Expenditures and Other Financing Uses	<u>650,940</u>	<u>633,839</u>	<u>543,131</u>	<u>90,708</u>
Net Change in Fund Balance	(15,940)	1,161	(7,573)	(8,734)
Fund Balance, July 1	202,306	202,306	202,306	-
Prior Year Encumbrances Appropriated	<u>15,940</u>	<u>15,940</u>	<u>15,940</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 202,306</u>	<u>\$ 219,407</u>	<u>\$ 210,673</u>	<u>\$ (8,734)</u>
<u>Auxiliary Services Fund</u>				
Total Revenues and Other Financing Sources	\$ 322,536	\$ 340,985	\$ 341,402	\$ 417
Total Expenditures and Other Financing Uses	<u>378,853</u>	<u>398,218</u>	<u>396,544</u>	<u>1,674</u>
Net Change in Fund Balance	(56,317)	(57,233)	(55,142)	2,091
Fund Balance, July 1	916	916	916	-
Prior Year Encumbrances Appropriated	<u>56,317</u>	<u>56,317</u>	<u>56,317</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 916</u>	<u>\$ -</u>	<u>\$ 2,091</u>	<u>\$ 2,091</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Management Information Systems Fund</u>				
Total Revenues and Other Financing Sources	\$ 23,100	\$ 23,249	\$ 23,249	\$ -
Total Expenditures and Other Financing Uses	<u>23,100</u>	<u>23,249</u>	<u>23,249</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Entry Year Programs Fund</u>				
Total Revenues and Other Financing Sources	\$ -	\$ 9,900	\$ 9,900	\$ -
Total Expenditures and Other Financing Uses	<u>-</u>	<u>9,900</u>	<u>9,900</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Disadvantaged Pupil Impact Aid Fund</u>				
Total Revenues and Other Financing Sources	\$ 59,000	\$ 59,051	\$ 59,051	\$ -
Total Expenditures and Other Financing Uses	<u>59,000</u>	<u>59,051</u>	<u>59,051</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Data Communication Fund</u>				
Total Revenues and Other Financing Sources	\$ -	\$ 48,000	\$ 48,000	\$ -
Total Expenditures and Other Financing Uses	-	48,000	48,000	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>SchoolNet Professional Development Fund</u>				
Total Revenues and Other Financing Sources	\$ -	\$ 4,140	\$ 4,140	\$ -
Total Expenditures and Other Financing Uses	-	6,507	3,667	2,840
Net Change in Fund Balance	-	(2,367)	473	2,840
Fund Balance, July 1	2,367	2,367	2,367	-
Fund Balance, June 30	<u>\$ 2,367</u>	<u>\$ -</u>	<u>\$ 2,840</u>	<u>\$ 2,840</u>
<u>Ohio Reads Fund</u>				
Total Revenues and Other Financing Sources	\$ -	\$ 102,000	\$ 102,000	\$ -
Total Expenditures and Other Financing Uses	4,615	106,615	106,615	-
Net Change in Fund Balance	(4,615)	(4,615)	(4,615)	-
Fund Balance, July 1	4,615	4,615	4,615	-
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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<u>Summer Intervention Fund</u>				
Total Revenues and Other Financing Sources	\$ -	\$ 112,375	\$ 112,375	\$ -
Total Expenditures and Other Financing Uses	-	112,375	83,241	29,134
Net Change in Fund Balance	-	-	29,134	29,134
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,134</u>	<u>\$ 29,134</u>
<u>Vocational Education Enhancements Fund</u>				
Total Revenues and Other Financing Sources	\$ 61,898	\$ 60,237	\$ 60,236	\$ (1)
Total Expenditures and Other Financing Uses	69,067	67,406	67,400	6
Net Change in Fund Balance	(7,169)	(7,169)	(7,164)	5
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	7,169	7,169	7,169	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>
<u>Miscellaneous State Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ -	\$ 42,089	\$ 42,089	\$ -
Total Expenditures and Other Financing Uses	-	40,276	38,579	1,697
Net Change in Fund Balance	-	1,813	3,510	1,697
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 1,813</u>	<u>\$ 3,510</u>	<u>\$ 1,697</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Eisenhower Professional Development Fund</u>				
Total Revenues and Other Financing Sources	\$ -	\$ 12,217	\$ 12,217	\$ -
Total Expenditures and Other Financing Uses	<u>2,850</u>	<u>15,067</u>	<u>15,067</u>	<u>-</u>
Net Change in Fund Balance	(2,850)	(2,850)	(2,850)	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>2,850</u>	<u>2,850</u>	<u>2,850</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>IDEA Part B Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 741,000	\$ 909,073	\$ 909,073	\$ -
Total Expenditures and Other Financing Uses	<u>741,000</u>	<u>909,073</u>	<u>878,437</u>	<u>30,636</u>
Net Change in Fund Balance	-	-	30,636	30,636
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 30,636</u></u>	<u><u>\$ 30,636</u></u>
<u>Vocational Education Fund</u>				
Total Revenues and Other Financing Sources	\$ 252,295	\$ 252,295	\$ 252,295	\$ -
Total Expenditures and Other Financing Uses	<u>282,965</u>	<u>282,965</u>	<u>282,965</u>	<u>-</u>
Net Change in Fund Balance	(30,670)	(30,670)	(30,670)	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>30,670</u>	<u>30,670</u>	<u>30,670</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Title I Disadvantaged Children Fund</u>				
Total Revenues and Other Financing Sources	\$ 884,180	\$ 1,084,752	\$ 935,524	\$ (149,228)
Total Expenditures and Other Financing Uses	<u>885,115</u>	<u>1,140,802</u>	<u>927,108</u>	<u>213,694</u>
Net Change in Fund Balance	(935)	(56,050)	8,416	64,466
Fund Balance, July 1	55,115	55,115	55,115	-
Prior Year Encumbrances Appropriated	<u>935</u>	<u>935</u>	<u>935</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 55,115</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 64,466</u></u>	<u><u>\$ 64,466</u></u>
<u>Title V Innovative Education Program Fund</u>				
Total Revenues and Other Financing Sources	\$ 38,634	\$ 54,650	\$ 54,650	\$ -
Total Expenditures and Other Financing Uses	<u>41,366</u>	<u>59,167</u>	<u>57,607</u>	<u>1,560</u>
Net Change in Fund Balance	(2,732)	(4,517)	(2,957)	1,560
Fund Balance, July 1	1,785	1,785	1,785	-
Prior Year Encumbrances Appropriated	<u>2,732</u>	<u>2,732</u>	<u>2,732</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 1,785</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,560</u></u>	<u><u>\$ 1,560</u></u>
<u>Emergency Immigrant Education Assistance Fund</u>				
Total Revenues and Other Financing Sources	\$ 23,843	\$ 27,306	\$ 27,306	\$ -
Total Expenditures and Other Financing Uses	<u>24,371</u>	<u>27,834</u>	<u>27,834</u>	<u>-</u>
Net Change in Fund Balance	(528)	(528)	(528)	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>528</u>	<u>528</u>	<u>528</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Emergency School Repair Fund</u>				
Total Revenues and Other Financing Sources	\$ 11,751	\$ 11,751	\$ 11,751	\$ -
Total Expenditures and Other Financing Uses	<u>30,851</u>	<u>30,851</u>	<u>30,851</u>	<u>-</u>
Net Change in Fund Balance	(19,100)	(19,100)	(19,100)	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>19,100</u>	<u>19,100</u>	<u>19,100</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Drug Free School Grant Fund</u>				
Total Revenues and Other Financing Sources	\$ 32,000	\$ 30,444	\$ 30,444	\$ -
Total Expenditures and Other Financing Uses	<u>32,000</u>	<u>30,544</u>	<u>30,424</u>	<u>120</u>
Net Change in Fund Balance	-	(100)	20	120
Fund Balance, July 1	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 100</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 120</u></u>	<u><u>\$ 120</u></u>
<u>IDEA Preschool-Handicapped Fund</u>				
Total Revenues and Other Financing Sources	\$ 21,000	\$ 21,413	\$ 21,413	\$ -
Total Expenditures and Other Financing Uses	<u>21,000</u>	<u>23,407</u>	<u>22,437</u>	<u>970</u>
Net Change in Fund Balance	-	(1,994)	(1,024)	970
Fund Balance, July 1	<u>1,994</u>	<u>1,994</u>	<u>1,994</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 1,994</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 970</u></u>	<u><u>\$ 970</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Telecommunications Act Grant Fund</u>				
Total Revenues and Other Financing Sources	\$ 55,000	\$ 55,000	\$ 71,070	\$ 16,070
Total Expenditures and Other Financing Uses	<u>66,286</u>	<u>66,905</u>	<u>55,896</u>	<u>11,009</u>
Net Change in Fund Balance	(11,286)	(11,905)	15,174	27,079
Fund Balance, July 1	619	619	619	-
Prior Year Encumbrances Appropriated	<u>11,286</u>	<u>11,286</u>	<u>11,286</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 619</u>	<u>\$ -</u>	<u>\$ 27,079</u>	<u>\$ 27,079</u>
<u>Improving Teacher Quality Fund</u>				
Total Revenues and Other Financing Sources	\$ 293,629	\$ 361,885	\$ 361,885	\$ -
Total Expenditures and Other Financing Uses	<u>294,579</u>	<u>362,933</u>	<u>324,645</u>	<u>38,288</u>
Net Change in Fund Balance	(950)	(1,048)	37,240	38,288
Fund Balance, July 1	98	98	98	-
Prior Year Encumbrances Appropriated	<u>950</u>	<u>950</u>	<u>950</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ 38,288</u>	<u>\$ 38,288</u>
<u>Miscellaneous Federal Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 19,011	\$ 87,047	\$ 87,047	\$ -
Total Expenditures and Other Financing Uses	<u>39,615</u>	<u>170,333</u>	<u>161,276</u>	<u>9,057</u>
Net Change in Fund Balance	(20,604)	(83,286)	(74,229)	9,057
Fund Balance, July 1	62,682	62,682	62,682	-
Prior Year Encumbrances Appropriated	<u>20,604</u>	<u>20,604</u>	<u>20,604</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 62,682</u>	<u>\$ -</u>	<u>\$ 9,057</u>	<u>\$ 9,057</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Bond Retirement Fund</u>				
Total Revenues and Other Financing Sources	\$ 108,062	\$ 108,062	\$ 108,062	\$ -
Total Expenditures and Other Financing Uses	<u>108,062</u>	<u>108,062</u>	<u>108,062</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Permanent Improvement Fund</u>				
Total Revenues and Other Financing Sources	\$ 14,000	\$ 14,000	\$ 4,693	\$ (9,307)
Total Expenditures and Other Financing Uses	<u>14,000</u>	<u>25,000</u>	<u>17,947</u>	<u>7,053</u>
Net Change in Fund Balance	-	(11,000)	(13,254)	(2,254)
Fund Balance, July 1	<u>25,749</u>	<u>25,749</u>	<u>25,749</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 25,749</u></u>	<u><u>\$ 14,749</u></u>	<u><u>\$ 12,495</u></u>	<u><u>\$ (2,254)</u></u>
<u>SchoolNet Equipment/Infrastructure Fund</u>				
Total Expenditures and Other Financing Uses	<u>\$ 2,788</u>	<u>\$ 2,788</u>	<u>\$ 2,788</u>	<u>\$ -</u>
Net Change in Fund Balance	(2,788)	(2,788)	(2,788)	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>2,788</u>	<u>2,788</u>	<u>2,788</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<u>Endowment Fund</u>				
Total Revenues and Other Financing Sources	\$ 8,000	\$ 8,000	\$ 19,834	\$ 11,834
Total Expenditures and Other Financing Uses	<u>8,000</u>	<u>18,000</u>	<u>17,250</u>	<u>750</u>
Net Change in Fund Balance	-	(10,000)	2,584	12,584
Fund Balance, July 1	<u>637,225</u>	<u>637,225</u>	<u>637,225</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 637,225</u></u>	<u><u>\$ 627,225</u></u>	<u><u>\$ 639,809</u></u>	<u><u>\$ 12,584</u></u>

**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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Employee Benefits Self Insurance Fund</u>				
Total Revenues and Other Financing Sources	\$ 5,045,000	\$ 7,200,000	\$ 7,301,211	\$ 101,211
Total Expenses and Other Financing Uses	<u>5,048,095</u>	<u>7,485,500</u>	<u>7,238,360</u>	<u>247,140</u>
Net Change in Fund Balance	(3,095)	(285,500)	62,851	348,351
Fund Balance, July 1	941,665	941,665	941,665	-
Prior Year Encumbrances Appropriated	<u>3,095</u>	<u>3,095</u>	<u>3,095</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 941,665</u>	<u>\$ 659,260</u>	<u>\$ 1,007,611</u>	<u>\$ 348,351</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Scholarship Fund</u>				
Total Revenues and Other Financing Sources	\$ 39,501	\$ 23,627	\$ 23,050	\$ (577)
Total Expenditures and Other Financing Uses	<u>43,809</u>	<u>39,915</u>	<u>33,017</u>	<u>30,358</u>
Net Change in Fund Balance	(4,308)	(16,288)	(9,967)	29,781
Fund Balance, July 1	<u>52,207</u>	<u>52,207</u>	<u>52,207</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 47,899</u></u>	<u><u>\$ 35,919</u></u>	<u><u>\$ 42,240</u></u>	<u><u>\$ 29,781</u></u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

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

GOVERNMENTAL ACTIVITIES EXPENSES BY PROGRAM
AND GENERAL FUND EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

	2004		2003		2002
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Modified Accrual
Instruction:					
Regular	\$ 23,486,849	\$ 22,677,188	\$ 22,868,934	\$ 22,197,626	\$ 19,971,753
Special	6,885,330	6,698,490	5,956,893	5,876,409	4,941,397
Vocational	2,907,647	2,830,388	2,811,767	2,716,560	2,483,246
Adult/continuing	22,997	22,115	-	-	-
Other	966,070	966,151	866,858	870,279	252,180
Support services:					
Pupil	2,614,587	2,571,763	2,329,275	2,317,505	1,955,732
Instructional staff	4,316,723	4,290,418	3,820,351	3,688,968	2,364,395
Board of Education	141,345	141,345	183,090	183,090	159,968
Administration	3,699,470	3,629,330	3,345,715	3,251,163	3,007,013
Fiscal	1,366,159	1,353,401	1,286,047	1,268,227	1,185,346
Business	-	-	-	-	-
Operations and maintenance	5,754,853	5,693,012	5,450,274	5,393,900	4,907,948
Pupil transportation	2,062,403	2,099,609	1,929,180	1,795,382	1,780,993
Central	143,826	140,790	230,120	229,529	105,749
Operation of non-instructional services	685,389	668,136	724,093	694,726	-
Extracurricular activities	1,353,732	1,349,432	1,409,969	1,416,183	811,686
Food service operations	1,707,969	1,715,056	1,711,038	1,489,419	-
Facilities acquisition and construction	-	44,188	-	94,152	53,727
Capital outlay	-	-	-	-	-
Debt service	160,153	599,487	174,786	574,297	540,339
Total	\$ 58,275,502	\$ 57,490,299	\$ 55,098,390	\$ 54,057,415	\$ 44,521,472

Source: School District financial records.

Note: Data from fiscal years 2003-2004 represent governmental activities expenditures. Data from fiscal years 1995-2002 represent general fund expenditures.

2001	2000	1999	1998	1997	1996	1995
Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual
\$ 19,014,188	\$ 17,942,563	\$ 16,701,247	\$ 15,991,803	\$ 15,383,566	\$ 14,860,942	\$ 14,145,554
4,672,979	4,420,789	4,133,119	3,873,984	3,667,224	3,476,323	3,359,931
2,248,995	1,977,505	2,382,456	2,389,945	2,340,991	2,200,197	2,099,190
-	-	-	-	-	-	526
251,695	183,780	143,565	86,659	90,954	72,532	69,963
1,939,613	1,919,114	1,776,873	1,716,136	1,657,213	1,569,529	1,501,925
2,112,782	2,463,465	2,400,937	2,180,993	1,995,493	1,871,615	1,744,486
161,133	161,443	117,511	141,499	94,717	124,734	120,805
2,905,566	2,672,400	2,569,290	2,433,345	2,260,445	2,203,079	2,056,648
1,170,793	907,028	832,979	800,238	784,296	787,179	707,666
-	-	-	-	-	75,068	67,530
4,603,293	8,484,122	4,235,864	3,890,721	3,941,409	3,731,584	3,322,752
1,419,056	1,377,209	1,407,436	1,103,197	1,418,002	1,076,375	962,908
161,444	41,799	12,735	12,498	-	-	-
-	-	-	-	-	-	-
1,096,001	619,623	587,564	533,797	497,340	446,576	423,263
-	-	-	-	-	-	-
163	-	-	-	-	-	-
-	7,250	10,000	-	-	-	-
453,075	341,184	14,046	57,953	78,080	86,483	-
<u>\$ 42,210,776</u>	<u>\$ 43,519,274</u>	<u>\$ 37,325,622</u>	<u>\$ 35,212,768</u>	<u>\$ 34,209,730</u>	<u>\$ 32,582,216</u>	<u>\$ 30,583,147</u>

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

GOVERNMENTAL ACTIVITIES REVENUES BY SOURCE
AND GENERAL FUND REVENUES BY SOURCE

LAST TEN FISCAL YEARS

	2004		2003		2002
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Modified Accrual
Program revenues:					
Charges for services and sales	\$ 4,592,601	n/a	\$ 4,313,397	n/a	n/a
Operating grants and contributions	4,146,868	n/a	4,387,198	n/a	n/a
Capital grants and contributions	-	n/a	154,739	n/a	n/a
General revenues:					
Taxes	25,718,643	\$ 25,764,840	25,916,375	\$ 24,943,804	\$ 25,476,395
Tuition	-	2,344,604	-	2,097,962	584,678
Earnings on investments	174,636	181,235	275,635	258,138	310,512
Charges for services	-	873,692	-	915,532	-
Extracurricular	-	547,674	-	641,279	-
Classroom materials and fees	-	314,614	-	-	-
Other local revenues	601,258	1,113,275	389,506	1,445,815	457,373
Donations	-	-	-	234,738	-
Intergovernmental	20,151,186	24,622,038	19,021,043	22,553,600	19,007,730
Total	\$ 55,385,192	\$ 55,761,972	\$ 54,457,893	\$ 53,090,868	\$ 45,836,688

Source: School District financial records.

Note: Data from fiscal years 2003-2004 represent governmental activities revenues. Data from fiscal years 1995-2002 represent general fund revenues.

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
\$ 24,380,691	\$ 24,335,248	\$ 24,271,803	\$ 23,480,162	\$ 20,883,311	\$ 20,761,563	\$ 18,048,291
349,597	364,994	845,136	618,284	917,752	715,460	795,058
707,789	659,325	543,369	543,134	474,839	297,740	265,716
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
627,221	370,875	268,222	310,859	309,744	331,941	578,076
-	-	-	-	-	-	-
<u>15,347,695</u>	<u>14,487,514</u>	<u>14,342,639</u>	<u>13,507,278</u>	<u>12,864,428</u>	<u>12,526,045</u>	<u>11,627,676</u>
<u>\$ 41,412,993</u>	<u>\$ 40,217,956</u>	<u>\$ 40,271,169</u>	<u>\$ 38,459,717</u>	<u>\$ 35,450,074</u>	<u>\$ 34,632,749</u>	<u>\$ 31,314,817</u>

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

PROPERTY TAX LEVIES AND COLLECTIONS
REAL AND PUBLIC UTILITY REAL PROPERTY TAX (1)
LAST TEN COLLECTION YEARS

Collection Year (2)	Current Taxes Levied	Delinquent Levy (3)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
2003	\$ 22,087,221	\$ 880,588	\$ 22,967,809	\$ 21,333,848	96.6%	\$ 622,508	\$ 21,956,356	95.6%
2002	20,020,190	628,528	20,648,718	19,488,041	97.3%	444,321	19,932,362	96.5%
2001	20,559,429	767,855	21,327,284	19,927,521	96.9%	93,904	20,021,425	93.9%
2000	21,349,381	768,653	22,118,034	17,774,665	83.3%	51,751	17,826,416	80.6%
1999	20,702,645	554,703	21,257,348	17,077,965	82.5%	81,158	17,159,123	80.7%
1998	19,189,586	410,586	19,600,172	16,381,485	85.4%	57,449	16,438,934	83.9%
1997	18,395,084	381,176	18,776,260	17,355,052	94.3%	223,098	17,578,150	93.6%
1996	18,082,431	487,283	18,569,714	17,048,194	94.3%	254,668	17,302,862	93.2%
1995	17,645,884	496,436	18,142,320	16,581,199	94.0%	242,475	16,823,674	92.7%
1994	17,167,480	405,569	17,573,049	16,341,216	95.2%	223,989	16,565,205	94.3%

Source: Hancock County Auditor - Data is presented on a calendar year basis because the tax levy year and the tax collection year are on a calendar year basis.

- (1) Includes state-mandated tax-reduction amounts, which are subsequently reimbursed to the District by the State, and reported as Intergovernmental revenue.
- (2) Fiscal year 2004 information cannot be presented because all collections have not been made as of the District's June 30 fiscal year e
- (3) This amount cannot be calculated from other data in this table because of retroactive additions and deletions.

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

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN CALENDAR YEARS

Tax Collection Year	Agricultural and Residential Real Estate	Other Real Estate	General Tangible Personal Property	Public Utility Tangible Personal Property	Total Assessed Value	Estimated Actual Value (1)	Assessed Value as a Percent of Actual Value
2004	\$ 487,846,690	\$ 160,186,150	\$ 22,348,380	\$ 119,542,954	\$ 789,924,174	\$ 2,305,001,967	34.27%
2003	473,218,080	155,382,800	22,109,380	141,389,687	792,099,947	2,323,075,062	34.10%
2002	461,949,680	150,710,430	21,725,890	145,107,726	779,493,726	2,290,425,226	34.03%
2001	429,683,030	145,753,540	28,606,450	137,351,370	741,394,390	2,163,251,543	34.27%
2000	420,128,190	145,235,090	27,638,130	151,295,302	744,296,712	2,183,302,151	34.09%
1999	409,083,090	143,512,010	30,406,010	141,159,293	724,160,403	2,113,389,485	34.27%
1998	347,336,590	130,330,170	30,015,680	138,399,321	646,081,761	1,889,061,141	34.20%
1997	338,211,750	130,095,930	30,165,800	122,724,525	621,198,005	1,806,489,618	34.39%
1996	329,917,900	127,456,390	30,264,910	110,080,996	597,720,196	1,730,195,010	34.55%
1995	285,122,330	125,865,660	32,758,220	108,541,736	552,287,946	1,594,658,677	34.63%

Source: Hancock County Auditor. The data is presented on a calendar year basis because the tax levy year and the tax collection year are on a calendar year basis.

- (1) This amount is calculated based on the following percentages for tax year 2004:
 Real property is assessed at 35% of actual value.
 General tangible personal property is assessed at 25% of actual value.
 Public utility tangible personal property is assessed at 88% of actual value.

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

.PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN COLLECTION YEARS
(PER \$1,000 OF ASSESSED VALUATION)

Tax Collection Year	City of Findlay	Hancock County	Hancock County Park District	Findlay City School District	Total
2004	\$ 3.20	\$ 5.51	\$ 0.80	\$ 53.35	\$ 62.86
2003	3.20	5.51	0.80	53.35	62.86
2002	3.20	5.12	0.80	53.35	62.47
2001	3.20	5.14	0.80	53.35	62.49
2000	3.20	5.15	0.80	53.35	62.50
1999	3.20	5.14	0.80	53.35	62.49
1998	3.20	5.18	0.80	53.35	62.53
1997	3.20	5.18	0.80	53.35	62.53
1996	3.20	4.90	0.80	53.35	62.25
1995	3.20	4.91	0.80	53.35	62.26

Source: Hancock County Auditor

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

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND
NET GENERAL OBLIGATION BONDED DEBT PER CAPITA AND PER STUDENT
LAST TEN FISCAL YEARS

Fiscal Year	Total Assessed Valuation	Gross Bonded Debt (1)	Less: Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Population (2)	Net Bonded Debt Per Capita	Enrollment	Net Bonded Debt Per Student
2004	\$ 789,924,174	\$ -	\$ -	\$ -	N/A	39,421	\$ -	6,388	\$ -
2003	792,099,947	-	-	-	N/A	39,307	-	6,476	-
2002	779,493,726	-	-	-	N/A	39,193	-	6,468	-
2001	741,394,390	-	-	-	N/A	39,080	-	6,345	-
2000	744,296,712	-	-	-	N/A	38,967	-	6,411	-
1999	724,160,403	-	-	-	N/A	37,132	-	6,386	-
1998	646,081,761	-	-	-	N/A	37,025	-	6,315	-
1997	621,198,005	-	-	-	N/A	36,910	-	6,378	-
1996	597,720,196	-	-	-	N/A	36,809	-	6,216	-
1995	552,287,946	-	(4,576)	-	0.00%	36,692	-	6,183	-

Source: Hancock County Auditor

- (1) Gross Bonded Debt does not include asbestos loans, capital lease obligations or compensated absences.
- (2) Years 1995-1999 and 2001-2003 are estimated; year 2000 is actual, U.S. Census Bureau.

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

COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2004

Assessed Valuation (2004)	<u>\$ 789,924,174</u>
Voted Debt Limit - 9% of Assessed Value (1)	\$ 71,093,176
Amount of Debt Applicable to Debt Limit: Net Bonded Debt	-
Amount Available in Debt Service Fund	<u>-</u>
Voted Debt Margin	<u><u>\$ 71,093,176</u></u>
Bonded Debt Limit - 0.10% of Assessed Value (1)	\$ 789,924
Amount of Debt Applicable	<u>-</u>
Unvoted Debt Margin	<u><u>\$ 789,924</u></u>

Source: Hancock County Auditor and School District Financial records

(1) Ohio Bond Law sets a limit of 9% of assessed value for voted debt and 1/10 of 1% for unvoted debt.

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

COMPUTATION OF DIRECT AND ALL OVERLAPPING GENERAL OBLIGATION DEBT
JUNE 30, 2004

<u>Jurisdiction</u>	<u>Assessed Valuation</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Findlay City School District	\$ 789,924,174	\$ -	N/A	\$ -
Hancock County	1,498,193,933	<u>11,495,062</u>	52.73%	<u>6,060,782</u>
Total		<u>\$ 11,495,062</u>		<u>\$ 6,060,782</u>

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

(1) Determined, on a percentage basis, by dividing the assessed valuation of the political subdivision within the boundaries of the School District by the total assessed valuation of the subdivision.

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

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest (1)	Total Debt Service (2)	Total General Fund Expenditures (3)	Ratio of Debt Service to General Fund Expenditures (Percentage)
2004	\$ -	\$ -	\$ -	\$ 58,275,502	0.00%
2003	-	-	-	47,305,956	0.00%
2002	-	-	-	44,521,472	0.00%
2001	-	-	-	42,210,776	0.00%
2000	-	-	-	43,519,274	0.00%
1999	-	-	-	37,325,622	0.00%
1998	-	-	-	35,212,768	0.00%
1997	-	-	-	34,209,730	0.00%
1996	-	-	-	32,582,216	0.00%
1995	140,000	26,239	166,239	30,583,147	0.54%

Source: School District Financial Records

- (1) Includes Interest on Tax Anticipation Note.
- (2) Total Debt Service does not include EPA School Asbestos Loans.
- (3) Total General Fund Expenditures exclude other financing uses.

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

REAL PROPERTY VALUE, NEW CONSTRUCTION, AND FINANCIAL INSTITUTION DEPOSITS
LAST TEN CALENDAR YEARS

Year	Estimated Actual Real Property Value (1)	New Commercial & Industrial Construction		New Residential Construction		Financial Institution Deposits (3)
		Number of Units	Value (2)	Number of Units	Value (2)	
2003	\$ 1,851,522,400	93	\$ 21,464,985	657	\$ 36,156,947	\$ 799,944,000
2002	1,746,886,086	87	17,930,974	680	27,836,181	870,754,000
2001	1,640,402,942	97	19,521,233	649	41,728,176	716,662,000
2000	1,644,104,486	111	78,267,638	525	24,194,546	796,580,000
1999	1,615,323,657	137	32,084,295	540	25,894,507	736,464,000
1998	1,578,843,143	163	34,823,784	657	37,219,838	725,770,000
1997	1,364,762,171	117	28,332,110	562	27,885,972	708,092,000
1996	1,338,021,943	102	16,832,097	377	21,463,137	666,501,000
1995	1,306,783,686	99	32,092,584	392	21,094,213	677,990,000
1994	1,174,251,400	127	15,708,458	325	13,745,571	676,286,000

(1) Actual value is estimated from assessed value, which is 35% of appraised value.

(2) Source: City of Findlay Engineering Department

(3) Source: Federal Reserve Bank of Cleveland; includes all of Hancock County.

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

**STUDENT ENROLLMENT INFORMATION
LAST TEN FISCAL YEARS**

<u>Building</u>	<u>2003/04</u>	<u>2002/03</u>	<u>2001/02</u>	<u>2000/01</u>
Elementaries:				
Bigelow	264	277	291	292
Chamberlin	258	264	243	232
Jacobs	283	299	305	297
Jefferson	244	259	281	270
Lincoln	478	478	489	497
Northview	278	286	297	309
Wilson Vance	374	374	355	340
Washington	224	224	244	260
Whittier	402	402	393	393
Total Elementary enrollment	<u>2,805</u>	<u>2,863</u>	<u>2,898</u>	<u>2,890</u>
Middle Schools:				
Central	536	536	514	473
Donnell	480	480	455	466
Glenwood	417	417	429	395
Total Middle School enrollment	<u>1,433</u>	<u>1,433</u>	<u>1,398</u>	<u>1,334</u>
High School				
Total High School enrollment	<u>2,150</u>	<u>2,162</u>	<u>2,172</u>	<u>2,121</u>
Total Enrollment	<u><u>6,388</u></u>	<u><u>6,458</u></u>	<u><u>6,468</u></u>	<u><u>6,345</u></u>

Source: School District Attendance Records

<u>1999/00</u>	<u>1998/99</u>	<u>1997/98</u>	<u>1996/97</u>	<u>1995/96</u>	<u>1994/95</u>
280	284	288	302	296	302
258	259	247	225	246	257
319	348	340	378	353	334
249	227	233	264	261	253
524	509	504	492	456	432
315	333	328	306	319	332
329	317	298	292	270	291
269	253	244	265	291	310
369	368	339	340	328	319
<u>2,912</u>	<u>2,898</u>	<u>2,821</u>	<u>2,864</u>	<u>2,820</u>	<u>2,830</u>
451	442	441	437	457	432
455	478	479	475	449	443
416	445	459	484	472	467
<u>1,322</u>	<u>1,365</u>	<u>1,379</u>	<u>1,396</u>	<u>1,378</u>	<u>1,342</u>
<u>2,177</u>	<u>2,123</u>	<u>2,115</u>	<u>2,118</u>	<u>2,018</u>	<u>2,011</u>
<u>6,411</u>	<u>6,386</u>	<u>6,315</u>	<u>6,378</u>	<u>6,216</u>	<u>6,183</u>

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

PRINCIPAL TAXPAYERS
JUNE 30, 2004

REAL PROPERTY			
<u>Name of Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Real Property Valuation</u>	<u>Percentage of Total Property Valuation</u>
Ohio Power Company	\$ 11,829,007	1.83%	1.50%
Marathon Oil Company	11,553,890	1.78%	1.46%
Cooper Tire & Rubber	7,872,470	1.21%	1.00%
Ohio Bell Telephone Co.	5,835,410	0.90%	0.74%
Findlay Shopping Center	5,830,950	0.90%	0.74%
Logistics Solutions of Ohio	3,588,720	0.55%	0.45%
G.E. Subsidiary (Intersil)	2,388,040	0.37%	0.30%
Lowe's Home Centers Inc.	2,384,000	0.37%	0.30%
LP Investment Co.	2,343,930	0.36%	0.30%
Columbia Gas of Ohio	2,159,610	0.33%	0.27%
Total	<u>\$55,786,027</u>	<u>8.60%</u>	<u>7.06%</u>

PERSONAL PROPERTY			
<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Personal Property Valuation</u>	<u>Percentage of Total Property Valuation</u>
Cooper Tire & Rubber Company	\$ 20,962,399	14.77%	2.65%
Findlex	9,431,160	6.65%	1.19%
Dow Chemical	6,916,770	4.87%	0.88%
Marathon Oil Company	4,235,210	2.98%	0.54%
Findlay Industries	3,630,170	2.56%	0.46%
Massachusetts Cable	3,459,000	2.44%	0.44%
Findlay Products	3,008,580	2.12%	0.38%
Bridgestone APM	2,908,300	2.05%	0.37%
Hercules Rubber	2,784,980	1.96%	0.35%
Findlay Ford	2,685,710	1.89%	0.34%
Total	<u>\$60,022,279</u>	<u>42.29%</u>	<u>7.60%</u>

Source: Hancock County Auditor

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

GENERAL FUND EXPENDITURES, AVERAGE DAILY MEMBERSHIP,
AND EXPENDITURES PER PUPIL
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Membership</u>	<u>General Fund Expenditure Per Pupil</u>
2004	\$58,275,502	6,388	\$9,123
2003	47,305,956	6,458	7,325
2002	44,521,472	6,468	6,883
2001	42,210,776	6,345	6,653
2000	43,519,274	6,411	6,788
1999	37,325,622	6,386	5,845
1998	35,212,768	6,315	5,576
1997	34,209,730	6,378	5,364
1996	32,582,216	6,216	5,242
1995	30,583,147	6,183	4,946

Source: School District Financial Records

(1) General Fund expenditures exclude other financing uses.

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

**TEACHER EDUCATION AND EXPERIENCE
AS OF JUNE 30, 2004**

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	84	17.9%
Bachelor's +15 (hours)	46	9.8%
Bachelor's +30	57	12.1%
Master's Degree	109	23.2%
Master's +15	55	11.7%
Master's +30	119	25.3%
Total	<u>470</u>	<u>100.00%</u>
<u>Years of Experience</u>		
0 -5	121	25.7%
6 - 10	76	16.2%
11 and Over	273	58.1%
Total	<u>470</u>	<u>100.00%</u>

Source: School District Personnel Records