

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

OF THE

FINDLAY, OHIO

CITY SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2005

PREPARED BY

TREASURER'S DEPARTMENT

MICHAEL T. BARNHART, CPA, TREASURER

227 S. WEST STREET, FINDLAY, OHIO, 45840

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# INTRODUCTORY SECTION

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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# Findlay City Schools

December 31, 2005

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

We are pleased to submit to you the Comprehensive Annual Financial Report of the Findlay City School District. This Comprehensive Annual Financial Report (CAFR) provides full disclosure of the financial operation of the Findlay City School District (the "District") for the fiscal year ended June 30, 2005. The CAFR, which includes an opinion from the Independent Public Accounting Firm that performed the District's audit, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This CAFR will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be made available to the Chamber of Commerce, 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 a Table of Contents, this Letter of Transmittal, a List of Principal Officials, an Organizational Chart, the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the 2004 CAFR, and the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for the 2004 CAFR.
2. The Financial Section, which includes the Independent Auditor's Report, the Management's Discussion and Analysis, the Basic Financial Statements, the Notes to the Basic Financial Statements, 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 614 public school districts in the State of Ohio and one of eight school districts in Hancock County. It provides education to approximately 6,507 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 (GASB) Statement No. 14, "The Financial Reporting Entity", and as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units.

Excluded from the reporting entity, because they are fiscally independent of the District, are the City of Findlay, the Parent-Teacher Association, and the Booster Clubs. The Northwest Ohio Area Computer Services Cooperative (NOACSC) is reported as a jointly governed organization. The District also participates in NOACSC's Workers' Compensation Group Rating Program, an insurance purchasing pool.

## **ECONOMIC OUTLOOK**

With a total assessed valuation of \$853,697,868 and a tax rate of \$58.25 per \$1,000.00 of assessed valuation, the District has a sound financial base. A sexennial reappraisal of all real property was completed in 2004. Subsequently, property tax revenue increased by approximately eight percent. However, property tax revenue is expected to decrease in the future as the State of Ohio begins to phase out tangible personal property taxes.

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 Court ruling by declaring certain portions of the Ohio school funding plan unconstitutional. The Ohio Supreme 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 Ohio Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Courts. The Perry County Court of Common Pleas 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 Ohio Supreme Court upheld their initial ruling in May, 2000, and after further modifications to the funding plan by the legislature, the Ohio Supreme 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 Ohio Supreme Court to reconsider and clarify its decision. On November 2, 2001, the Ohio Supreme 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 Perry County Court of Common Pleas 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 2006 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 and expiring in December 2009. On November 2, 2004, the voters approved an additional 4.9 mill levy, which also began in January 2005 but will expire in December 2007. Resources of the general fund will be impacted in the future by recent Ohio tax reforms including the eventual elimination of tangible personal property taxes, increasing health care costs, 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**

Fiscal year 2005 was an excellent year for the District. The District has made remarkable progress with its Strategic Plan, which was redeveloped in 2005. The District now focuses on the four strategies approved by the Board of Education:

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

## **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 funds are presented on the modified accrual basis, whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Proprietary and fiduciary funds are presented on the accrual basis, whereby revenues are recognized when earned and expenses when incurred.

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

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

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

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

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

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation, plus any additional appropriations made to date. In addition to interim financial statements, each administrator and school principal 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 Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for fiscal 2005 and the outlook for the future. Because that discussion focuses on major funds, the financial highlights provided in this letter focus on certain nonmajor funds of the District.

Internal Service Fund - The only internal service fund of the District is the Employee Benefits Self Insurance Fund. This internal service fund had net assets of \$(139,381) at June 30, 2005, compared to net assets of \$(132,541) at June 30, 2004, reflecting a decrease in net assets of \$6,840.

Fiduciary Funds - The fiduciary funds account for assets held by the District in a trustee capacity, or as an agent, for other funds, governments, organizations, or individuals. The District maintains a private-purpose trust fund and an agency fund. The private-purpose trust fund had net assets of \$38,787 at June 30, 2005. The agency fund had assets of \$117,453 at June 30, 2005.

## **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 comprehensive annual financial report for the fiscal year ended June 30, 2004. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The District has also received a Certificate of Excellence in Financial Reporting in School Districts from the Association of School Business Officials International (ASBO) for the District's CAFR for the fiscal year ended June 30, 2004. 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 that our current report continues to conform to the Certificate of Excellence program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

## ACKNOWLEDGMENTS

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

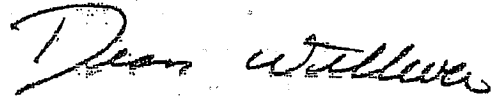
Special appreciation is expressed to Mr. Alexander J. Fait, of Julian & Grube, Inc., who compiled this report in compliance with GAO guidance, and to Mr. Brad Smith, of Julian & Grube, Inc., who audited this report.

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

Respectfully,



Michael T. Barnhart, CPA  
Treasurer



Dean Wittwer  
Superintendent

**FINDLAY CITY SCHOOL DISTRICT**

**PRINCIPAL OFFICIALS**

**JUNE 30, 2005**

**BOARD OF EDUCATION**

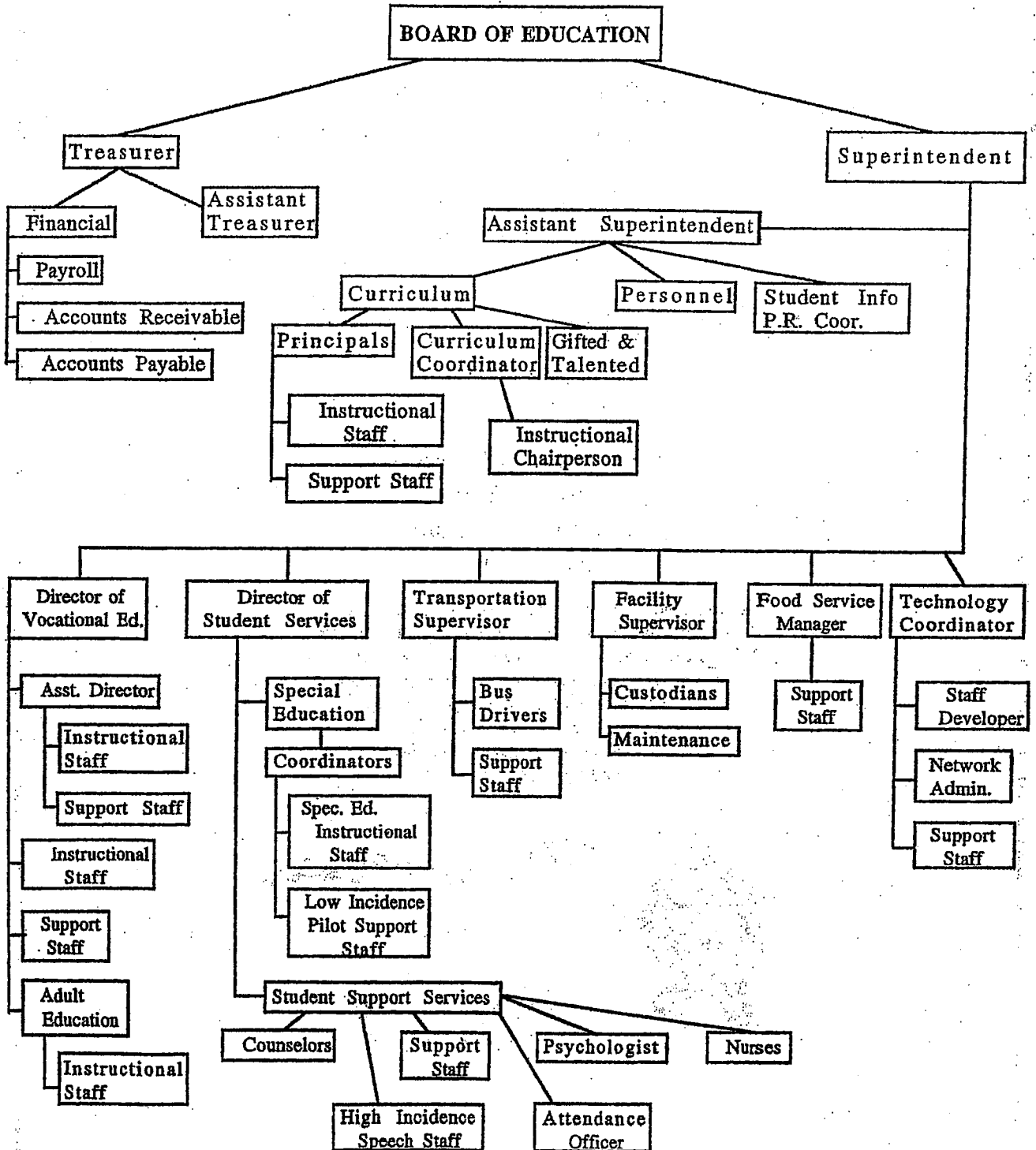
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**Mrs. Julie Brown.....Vice-President**  
Mr. John Cavallero.....Member  
Mr. Paul Miserlian.....Member  
Mr. Jeffery Shrader.....Member

**ADMINISTRATION**

**Mr. Dean Wittwer.....Superintendent**  
**Mr. Paul Blaine.....Assistant Superintendent**  
**Mr. Michael T. Barnhart.....Treasurer**  
**Mrs. Jennifer Miller.....Assistant Treasurer**  
Mrs. Kathy Crates.....Director of Student Services  
Dr. Kathy Siebenaler Wilson.....Director of 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, 2004

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. Zelle*

President

*Jeffrey R. Emer*

Executive Director



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**Findlay City School District**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2004

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

President

Executive Director

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# FINANCIAL SECTION

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## **Julian & Grube, Inc.**

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### 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, 2005, 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, 2005, and the respective changes in financial position and cash flows, where applicable, 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 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Technical Bulletin No. 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers" for the fiscal year ended June 30, 2005.

Independent Auditor's Report  
Findlay City School District

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2005, 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 on pages F3 through F12, 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.



Julian & Grube, Inc.  
December 15, 2005

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
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, 2005. 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 2005 are as follows:

- In total, net assets of governmental activities increased \$2,445,406 which represents a 79.72% increase from 2004.
- General revenues accounted for \$50,245,199 in revenue or 84.08% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$9,517,020 or 15.92% of total revenues of \$59,762,219.
- The District had \$57,316,813 in expenses related to governmental activities; only \$9,517,020 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$50,245,199 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$51,257,408 in revenues and other financing sources and \$50,763,738 in expenditures and other financing uses. During fiscal 2005, the general fund's fund deficit balance decreased \$543,180 from \$1,022,921 to \$479,741.

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

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

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant 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 2005?" 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, 2005  
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, 2005  
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-F51 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 2005 and 2004.

	<b>Net Assets</b>	
	Governmental Activities 2005	Governmental Activities 2004
<b><u>Assets</u></b>		
Current and other assets	\$ 39,091,577	\$ 34,098,323
Capital assets	<u>9,497,274</u>	<u>9,838,172</u>
Total assets	<u>48,588,851</u>	<u>43,936,495</u>
<b><u>Liabilities</u></b>		
Current liabilities	35,988,114	33,377,670
Long-term liabilities	<u>7,087,784</u>	<u>7,491,278</u>
Total liabilities	<u>43,075,898</u>	<u>40,868,948</u>
<b><u>Net Assets</u></b>		
Invested in capital assets, net of related debt	6,520,579	6,861,477
Restricted	632,623	861,334
Unrestricted (deficit)	<u>(1,640,249)</u>	<u>(4,655,264)</u>
Total net assets	<u>\$ 5,512,953</u>	<u>\$ 3,067,547</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2005, the District's assets exceeded liabilities by \$5,512,953.

At year-end, capital assets represented 19.55% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, vehicles and construction in progress. Capital assets, net of related debt to acquire the assets at June 30, 2005, were \$6,520,579. 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.

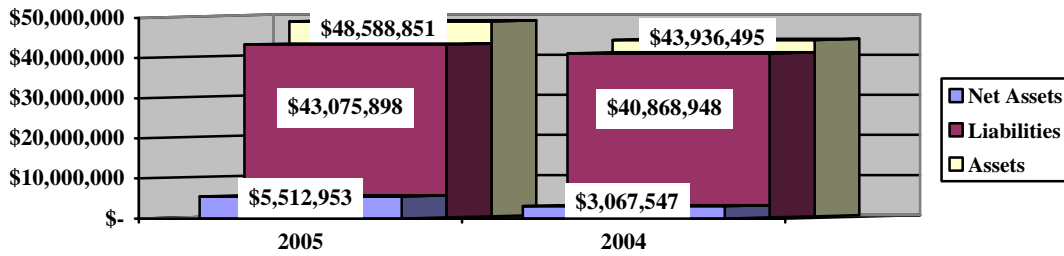
A portion of the District's net assets, \$632,623, represents resources that are subject to external restriction on how they may be used.

**FINDLAY CITY SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
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The table below illustrates the District's assets, liabilities and net assets at June 30, 2005 and 2004.

**Governmental Activities**



The table below shows the change in net assets for fiscal year 2005 and 2004.

**Change in Net Assets**

	Governmental Activities 2005	Governmental Activities 2004
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 4,747,580	\$ 4,592,601
Operating grants and contributions	4,719,565	4,146,868
Capital grants and contributions	49,875	-
General revenues:		
Property taxes	28,182,131	25,718,643
Grants and entitlements	21,047,772	20,151,186
Investment earnings	208,720	174,636
Miscellaneous	806,576	601,258
Total revenues	<u>59,762,219</u>	<u>55,385,192</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
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**Change in Net Assets**

	Governmental Activities 2005	Restated Governmental Activities 2004
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 22,864,137	\$ 23,486,849
Special	6,587,965	6,885,330
Vocational	2,791,238	2,907,647
Adult/continuing	151,540	22,997
Other	1,316,933	966,070
Support services:		
Pupil	2,676,900	2,614,587
Instructional staff	4,106,395	4,316,723
Board of education	137,083	141,345
Administration	3,507,561	3,699,470
Fiscal	1,400,700	1,366,159
Operation and maintenance	5,832,388	5,754,853
Pupil transportation	1,977,385	2,062,403
Central	119,375	143,826
Operation of non-instructional services	611,998	685,389
Extracurricular activities	1,334,990	1,353,732
Food service operations	1,759,738	1,707,969
Interest and fiscal charges	140,487	160,153
<b>Total expenses</b>	<b><u>57,316,813</u></b>	<b><u>58,275,502</u></b>
Change in net assets	2,445,406	(2,890,310)
Net assets, beginning of year	<u>3,067,547</u>	<u>5,957,857</u>
Net assets, end of year	<u><u>\$ 5,512,953</u></u>	<u><u>\$ 3,067,547</u></u>

**Governmental Activities**

Net assets of the District's governmental activities increased \$2,445,406. This increase in net assets is primarily due to an increase in property tax revenues, which is the result of a sexennial reappraisal of all real property that was completed in 2004. Total governmental expenses of \$57,316,813 were offset by program revenues of \$9,517,020 and general revenues of \$50,245,199. Program revenues supported 16.60% of the total governmental expenses.

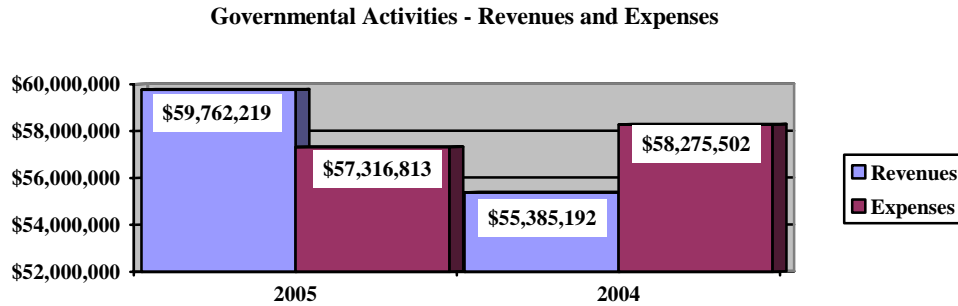
The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 82.38% of total governmental revenue. Real estate property is reappraised every six years.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$33,711,813 or 58.82% of total governmental expenses for fiscal 2005.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
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The graph below presents the District's governmental activities revenue and expenses for fiscal years 2005 and 2004.



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**

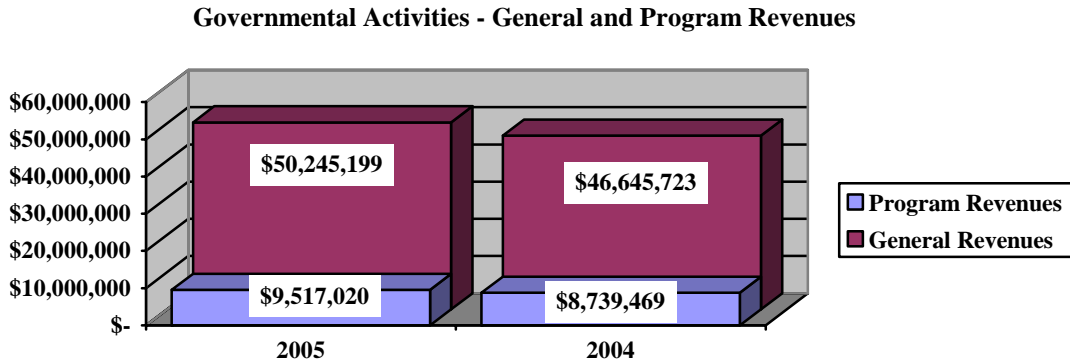
	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2004</u>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 22,864,137	\$ 19,747,783	\$ 23,486,849	\$ 21,014,956
Special	6,587,965	5,679,998	6,885,330	5,657,259
Vocational	2,791,238	2,440,775	2,907,647	2,443,540
Adult/continuing	151,540	151,540	22,997	22,997
Other	1,316,933	1,285,278	966,070	966,070
Support services:				
Pupil	2,676,900	2,496,547	2,614,587	2,438,327
Instructional staff	4,106,395	2,596,512	4,316,723	3,279,568
Board of education	137,083	137,083	141,345	141,345
Administration	3,507,561	3,496,491	3,699,470	3,687,680
Fiscal	1,400,700	1,400,700	1,366,159	1,366,159
Operations and maintenance	5,832,388	5,763,179	5,754,853	5,667,805
Pupil transportation	1,977,385	1,977,385	2,062,403	2,054,569
Central	119,375	99,126	143,826	113,695
Operations of non-instructional services	611,998	(282,982)	685,389	(17,325)
Extracurricular activities	1,334,990	752,584	1,353,732	636,428
Food service operations	1,759,738	(82,693)	1,707,969	(97,193)
Interest and fiscal charges	140,487	140,487	160,153	160,153
<b>Total expenses</b>	<u>\$ 57,316,813</u>	<u>\$ 47,799,793</u>	<u>\$ 58,275,502</u>	<u>\$ 49,536,033</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The dependence upon tax and other general revenues for governmental activities is apparent, 86.93% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 83.40%. 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 2005 and 2004.



**The District's Funds**

The District's governmental funds (as presented on the balance sheet on page F15) reported a combined fund balance of \$452,957, which is higher than last year's deficit total of \$753,033. The June 30, 2004 fund balances have been restated as described in Note 3.A. to the basic financial statements. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2005 and 2004.

	Fund Balance (Deficit) <u>June 30, 2005</u>	Restated Fund Balance (Deficit) <u>June 30, 2004</u>	<u>Increase</u>
General	\$ (479,741)	\$ (1,022,921)	\$ 543,180
Other Governmental	<u>932,698</u>	<u>269,888</u>	<u>662,810</u>
Total	<u>\$ 452,957</u>	<u>\$ (753,033)</u>	<u>\$ 1,205,990</u>

**General Fund**

The District's general fund balance increased \$543,180. The increase in fund balance can be attributed to a 5.22% increase in revenues versus a 1.87% decrease in expenditures. Revenues exceeded expenditures by \$1,080,310 in fiscal 2005. 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, 2005  
UNAUDITED

	<u>2005</u>	<u>Restated</u> <u>2004</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 27,170,384	\$ 25,656,778	5.90 %
Tuition	2,368,860	2,071,486	14.36 %
Earnings on investments	162,767	155,547	4.64 %
Intergovernmental	21,047,772	20,151,186	4.45 %
Other revenues	<u>504,265</u>	<u>675,644</u>	(25.37) %
Total	<u>\$ 51,254,048</u>	<u>\$ 48,710,641</u>	5.22 %
<b><u>Expenditures</u></b>			
Instruction	\$ 31,487,868	\$ 31,001,337	1.57 %
Support services	17,471,279	18,826,162	(7.20) %
Extracurricular activities	795,965	805,675	(1.21) %
Facilities acquisition and construction	-	25,088	(100.00) %
Debt service	<u>418,626</u>	<u>473,680</u>	(11.62) %
Total	<u>\$ 50,173,738</u>	<u>\$ 51,131,942</u>	(1.87) %

***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 2005, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were \$50,234,811, which was higher than the original budget estimate of \$47,956,000. Actual revenues and other financing sources for fiscal 2005 was \$51,012,729. This represents a \$777,918 increase over final budgeted revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$51,085,123 were increased to \$52,973,323 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2005 totaled \$52,605,739, which was \$367,584 less than the final budget appropriations.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal 2005, the District had \$9,497,274 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and construction in progress, net of accumulated depreciation. This entire amount is reported in governmental activities. The following table shows fiscal 2005 balances compared to 2004:

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
UNAUDITED

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

	Governmental Activities	
	2005	2004
Land	\$ 416,459	\$ 416,459
Land improvements	214,037	234,007
Building and improvements	7,530,937	7,853,690
Furniture and equipment	509,283	681,393
Vehicles	583,970	652,623
Construction in progress	242,588	-
Total	<u>\$ 9,497,274</u>	<u>\$ 9,838,172</u>

Total additions to capital assets for 2005 were \$355,549 and total disposals were \$8,889 (net of accumulated depreciation). The overall decrease in capital assets of \$340,898 is primarily due to the recording of \$687,558 in depreciation expense for fiscal 2005.

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

***Debt Administration***

At June 30, 2005, the District had \$3,520,182 in asbestos removal loans, energy conservation loans and capital lease obligations outstanding. Of this total, \$367,723 is due within one year and \$3,152,459 is due in greater than one year. The following table summarizes the loans and lease obligations outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities	Governmental Activities
	2005	2004
Asbestos removal loans	\$ 743,721	\$ 851,782
Energy conservation loans	95,651	-
Capital lease obligations	2,680,810	2,976,695
Total	<u>\$ 3,520,182</u>	<u>\$ 3,828,477</u>

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

At June 30, 2005 the District's overall legal debt margin was \$76,833,173 and an unvoted debt margin of \$853,698.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
UNAUDITED**

**Current Financial Related Activities**

The District has carefully managed its finances in order to maximize the dollars spent on educating students; however, unpredictable costs and limited revenue streams continue to make it more and more difficult. The District faces two immediate financial challenges: 1) coping with the trend of double-digit increases in health care costs, and 2) management of future needs given the uncertainty of tax reform measures passed in the State's biennial budget, a.k.a. House Bill 66. These challenges are evident in the fact that even though the District is in its first full fiscal year of collections on a new 4.9 mill three year operating levy passed in November 2004, the District is projecting to spend more in fiscal year 2006 than it receives.

Health care costs continue to become a larger percentage of district expenditures, thus making less available for salaries and student expenditures. The District's total health care costs were \$4,080,284 in fiscal year 2001, or 9.7% of the District's \$42,216,062 in total expenditures as shown on the five-year forecast. For fiscal year 2005, the District's total health care costs have grown to \$6,931,811 or 13.8% of the District's \$50,278,092 in total expenditures on the five-year forecast. The District will continue its efforts to work with its employees in order to reduce the growth of health care costs by negotiating for greater employee contributions, plan design changes, and the promotion of healthier employee lifestyles.

The State of Ohio's biennial budget put into motion many new tax reforms. The tax reform that will most impact school districts is the eventual replacement of the tangible personal property tax with a new commercial activity tax (CAT). The stated intent is that as the tangible taxes are phased out, the revenues from the CAT and new economic growth will replace the lost tangible property tax revenue. Tangible property taxes are currently collected by the county auditors and distributed to the school district in which the taxed business is located. The CAT will be collected by the State and distributed to school districts and other governmental units as the State sees fit. While school districts are supposed to be held harmless at fiscal year 2004 levels, the complexities of school funding and the interaction of property valuations and the school funding formula make revenue projections uncertain. Tangible property taxes made up 13.5% of the District's general fund revenue in fiscal year 2005.

Another challenge facing the District continues to be its facilities. The three (3) middle schools and Washington Intermediate School are in need of serious renovations. The District also hopes to eventually consolidate the south, north, and east campuses of Millstream Career and Technology Center into one location. Multiple options are being reviewed by the District, but limited resources are making such options cost prohibitive.

In order to meet these challenges, the District is in the process of developing and implementing a fiscal health plan. The plan will include strategies for diversifying revenue sources and reducing expenditures. 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 the best education and the best resources possible to its students, teachers, employees and community.

**Contacting the District's Financial Management**

This financial report is designed to provide our 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 Mr. Michael T. Barnhart, 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, 2005

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . .	\$ 6,903,002
Receivables:	
Taxes . . . . .	31,159,200
Accounts . . . . .	122,672
Intergovernmental. . . . .	589,423
Accrued interest. . . . .	111,253
Prepayments. . . . .	92,820
Materials and supplies inventory . . . . .	113,207
Capital assets:	
Land and construction in progress . . . . .	659,047
Depreciable capital assets, net . . . . .	8,838,227
Total capital assets, net . . . . .	9,497,274
 Total assets . . . . .	 48,588,851
 <b>Liabilities:</b>	
Accounts payable . . . . .	209,820
Contracts payable . . . . .	208,867
Retainage payable . . . . .	23,761
Accrued wages and benefits. . . . .	4,943,462
Pension obligation payable . . . . .	1,358,613
Intergovernmental payable . . . . .	532,192
Deferred revenue . . . . .	27,535,461
Claims payable . . . . .	1,175,938
Long-term liabilities:	
Due within one year . . . . .	1,222,650
Due within more than one year . . . . .	5,865,134
 Total liabilities . . . . .	 43,075,898
 <b>Net Assets:</b>	
Invested in capital assets, net of related debt . . . . .	6,520,579
Restricted for:	
Debt projects. . . . .	17,870
Capital projects. . . . .	227
Locally funded programs . . . . .	3,357
State funded programs. . . . .	50,631
Federally funded programs . . . . .	98,777
Student activities . . . . .	244,233
Other purposes . . . . .	217,528
Unrestricted (deficit) . . . . .	(1,640,249)
 Total net assets . . . . .	 \$ 5,512,953

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, 2005

	Expenses	Program Revenues		Capital Grants and Contributions	Net Expense and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions		
<b>Governmental activities:</b>					
Instruction:					
Regular . . . . .	\$ 22,864,137	\$ 2,374,274	\$ 692,205	\$ 49,875	\$ (19,747,783)
Special . . . . .	6,587,965	-	907,967	-	(5,679,998)
Vocational . . . . .	2,791,238	262,919	87,544	-	(2,440,775)
Adult/continuing . . . . .	151,540	-	-	-	(151,540)
Other . . . . .	1,316,933	-	31,655	-	(1,285,278)
Support services:					
Pupil . . . . .	2,676,900	-	180,353	-	(2,496,547)
Instructional staff . . . . .	4,106,395	-	1,509,883	-	(2,596,512)
Board of education . . . . .	137,083	-	-	-	(137,083)
Administration . . . . .	3,507,561	-	11,070	-	(3,496,491)
Fiscal . . . . .	1,400,700	-	-	-	(1,400,700)
Operations and maintenance . . . . .	5,832,388	4,382	64,827	-	(5,763,179)
Pupil transportation . . . . .	1,977,385	-	-	-	(1,977,385)
Central . . . . .	119,375	-	20,249	-	(99,126)
Operation of non-instructional services . . . . .	611,998	563,926	331,054	-	282,982
Extracurricular activities . . . . .	1,334,990	582,406	-	-	(752,584)
Food service operations . . . . .	1,759,738	959,673	882,758	-	82,693
Interest and fiscal charges . . . . .	140,487	-	-	-	(140,487)
<b>Total governmental activities . . . . .</b>	<b>\$ 57,316,813</b>	<b>\$ 4,747,580</b>	<b>\$ 4,719,565</b>	<b>\$ 49,875</b>	<b>(47,799,793)</b>
<b>General Revenues:</b>					
Property taxes levied for:					
					28,074,070
					108,061
Grants and entitlements					
					21,047,772
					208,720
					806,576
					<u>50,245,199</u>
					2,445,406
					<u>3,067,547</u>
					<u>\$ 5,512,953</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2005

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 3,331,455	\$ 2,273,014	\$ 5,604,469
Receivables:			
Property taxes . . . . .	31,051,139	108,061	31,159,200
Accounts . . . . .	89,909	22,550	112,459
Intergovernmental. . . . .	161,498	427,925	589,423
Accrued interest. . . . .	111,253	-	111,253
Interfund loans . . . . .	309,545	-	309,545
Prepayments . . . . .	92,820	-	92,820
Materials and supplies inventory. . . . .	58,480	54,727	113,207
Restricted assets:			
Equity in pooled cash and cash equivalents. . . . .	270,696	-	270,696
Total assets. . . . .	<u>\$ 35,476,795</u>	<u>\$ 2,886,277</u>	<u>\$ 38,363,072</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ 126,586	\$ 81,741	\$ 208,327
Contracts payable. . . . .	-	208,867	208,867
Retainage payable. . . . .	-	23,761	23,761
Accrued wages and benefits . . . . .	4,659,645	283,817	4,943,462
Compensated absences payable. . . . .	545,017	-	545,017
Pension obligation payable . . . . .	1,268,891	89,722	1,358,613
Intergovernmental payable . . . . .	486,530	45,662	532,192
Interfund loans payable. . . . .	-	309,545	309,545
Deferred revenue . . . . .	28,869,867	910,464	29,780,331
Total liabilities . . . . .	<u>35,956,536</u>	<u>1,953,579</u>	<u>37,910,115</u>
<b>Fund Balances:</b>			
Reserved for encumbrances . . . . .	887,753	1,507,253	2,395,006
Reserved for debt services . . . . .	-	365	365
Reserved for materials and supplies inventory. . . . .	58,480	54,727	113,207
Reserved for tax revenue unavailable for appropriation. . . . .	2,242,000	-	2,242,000
Reserved for BWC refunds . . . . .	270,696	-	270,696
Reserved for prepayments . . . . .	92,820	-	92,820
Unreserved, undesignated (deficit), reported in:			
General fund . . . . .	(4,031,490)	-	(4,031,490)
Special revenue funds. . . . .	-	167,442	167,442
Capital projects funds. . . . .	-	(1,428,827)	(1,428,827)
Permanent fund . . . . .	-	631,738	631,738
Total fund balances . . . . .	<u>(479,741)</u>	<u>932,698</u>	<u>452,957</u>
Total liabilities and fund balances . . . . .	<u>\$ 35,476,795</u>	<u>\$ 2,886,277</u>	<u>\$ 38,363,072</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, 2005

<b>Total governmental fund balances</b>		\$ 452,957
<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.		9,497,274
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	\$ 2,108,987	
Intergovernmental revenue	118,378	
Accrued interest	17,505	
Total		2,244,870
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.		(139,381)
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	743,721	
Energy conservation loans	95,651	
Capital lease obligation	2,680,810	
Compensated absences	3,022,585	
Total		(6,542,767)
<b>Net assets of governmental activities</b>		<b>\$ 5,512,953</b>

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, 2005

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
From local sources:			
Taxes . . . . .	\$ 27,170,384	\$ 108,061	\$ 27,278,445
Tuition . . . . .	2,368,860	159,358	2,528,218
Earnings on investments . . . . .	162,767	26,977	189,744
Charges for services . . . . .	-	961,169	961,169
Extracurricular . . . . .	-	579,910	579,910
Classroom materials and fees . . . . .	5,414	320,895	326,309
Donations . . . . .	-	293,109	293,109
Other local revenues . . . . .	498,851	365,327	864,178
Intergovernmental - Intermediate . . . . .	-	1,263	1,263
Intergovernmental - State . . . . .	20,931,294	830,506	21,761,800
Intergovernmental - Federal . . . . .	116,478	3,969,784	4,086,262
Total revenue . . . . .	<u>51,254,048</u>	<u>7,616,359</u>	<u>58,870,407</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular . . . . .	21,832,107	1,019,108	22,851,215
Special . . . . .	5,573,348	989,009	6,562,357
Vocational . . . . .	2,667,814	106,360	2,774,174
Adult/continuing . . . . .	145,239	6,567	151,806
Other . . . . .	1,269,360	49,885	1,319,245
Support Services:			
Pupil . . . . .	2,318,796	341,823	2,660,619
Instructional staff . . . . .	2,976,984	1,189,730	4,166,714
Board of education . . . . .	137,324	-	137,324
Administration . . . . .	3,535,993	19,194	3,555,187
Fiscal . . . . .	1,396,408	467	1,396,875
Operations and maintenance . . . . .	5,188,071	253,984	5,442,055
Pupil transportation . . . . .	1,827,513	42,358	1,869,871
Central . . . . .	90,190	29,504	119,694
Operation of non-instructional services . . . . .	-	588,603	588,603
Extracurricular activities . . . . .	795,965	546,809	1,342,774
Facilities acquisition and construction . . . . .	-	573,018	573,018
Food service operations . . . . .	-	1,775,874	1,775,874
Debt service:			
Principal retirement . . . . .	279,866	124,080	403,946
Interest and fiscal charges . . . . .	138,760	1,727	140,487
Total expenditures . . . . .	<u>50,173,738</u>	<u>7,658,100</u>	<u>57,831,838</u>
Excess of revenues over expenditures . . . . .	<u>1,080,310</u>	<u>(41,741)</u>	<u>1,038,569</u>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	-	590,000	590,000
Transfers (out) . . . . .	(590,000)	-	(590,000)
Loan issuance . . . . .	-	95,651	95,651
Sale of capital assets . . . . .	3,360	3,015	6,375
Total other financing sources (uses) . . . . .	<u>(586,640)</u>	<u>688,666</u>	<u>102,026</u>
Net change in fund balances . . . . .	493,670	646,925	1,140,595
<b>Fund balances (deficit)</b>			
at beginning of year (restated) . . . . .	(1,022,921)	269,888	(753,033)
Increase in reserve for inventory . . . . .	49,510	15,885	65,395
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ (479,741)</u>	<u>\$ 932,698</u>	<u>\$ 452,957</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

<b>Net change in fund balances - total governmental funds</b>	\$	1,140,595
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$687,558) exceeds capital outlays (\$355,549) in the current period.		(332,009)
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals, sales, trade-ins, and donations) is to decrease net assets.		(8,889)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities they are reported as an expense when consumed.		65,395
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		875,457
Proceeds of energy conservation loans are recorded as revenue in the funds, however, on the statement of activities, they are not reported as revenues as they increase in liabilities on the statement of net assets.		(95,651)
Repayment of loan and capital lease obligation principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net assets.		403,946
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		403,402
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 loss of the internal service fund is allocated among the governmental activities.		(6,840)
<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b>2,445,406</b>

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, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 25,818,238	\$ 27,045,089	\$ 27,463,899	\$ 418,810
Tuition . . . . .	1,498,130	1,569,319	1,593,621	24,302
Earnings on investments . . . . .	146,584	153,550	155,928	2,378
Classroom materials and fees . . . . .	5,413	5,670	5,758	88
Other local revenues . . . . .	475,410	498,001	505,713	7,712
Intergovernmental - state . . . . .	19,731,749	20,669,378	20,989,456	320,078
Intergovernmental - federal . . . . .	178,630	187,118	190,016	2,898
Total revenue . . . . .	<u>47,854,154</u>	<u>50,128,125</u>	<u>50,904,391</u>	<u>776,266</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	22,188,321	23,008,442	22,848,786	159,656
Special . . . . .	5,563,906	5,769,558	5,729,523	40,035
Vocational . . . . .	2,659,201	2,757,490	2,738,356	19,134
Other instruction . . . . .	1,431,778	1,484,699	1,474,397	10,302
Support Services:				
Pupil . . . . .	2,191,973	2,272,992	2,257,220	15,772
Instructional staff . . . . .	2,530,137	2,623,656	2,605,450	18,206
Board of education . . . . .	154,293	159,996	158,886	1,110
Administration . . . . .	3,493,858	3,622,997	3,597,857	25,140
Fiscal . . . . .	1,382,100	1,433,185	1,423,240	9,945
Operations and maintenance . . . . .	6,060,864	6,284,884	6,241,273	43,611
Pupil transportation . . . . .	1,822,887	1,890,264	1,877,147	13,117
Central . . . . .	88,903	92,189	91,549	640
Extracurricular activities . . . . .	764,595	792,857	787,355	5,502
Total expenditures . . . . .	<u>50,332,816</u>	<u>52,193,209</u>	<u>51,831,039</u>	<u>362,170</u>
Excess of revenues under expenditures . . . . .	<u>(2,478,662)</u>	<u>(2,065,084)</u>	<u>(926,648)</u>	<u>1,138,436</u>
<b>Other financing sources (uses):</b>				
Refund of prior year expenditure . . . . .	919	963	978	15
Transfers (out) . . . . .	(572,946)	(594,123)	(590,000)	4,123
Advances in . . . . .	97,768	102,414	104,000	1,586
Advances (out) . . . . .	(179,361)	(185,991)	(184,700)	1,291
Proceeds from sale of capital assets . . . . .	3,159	3,309	3,360	51
Total other financing sources (uses) . . . . .	<u>(650,461)</u>	<u>(673,428)</u>	<u>(666,362)</u>	<u>7,066</u>
Net change in fund balance . . . . .	(3,129,123)	(2,738,512)	(1,593,010)	1,145,502
<b>Fund balance at beginning of year . . . . .</b>	3,326,681	3,326,681	3,326,681	-
<b>Prior year encumbrances appropriated . . . . .</b>	860,236	860,236	860,236	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,057,794</u>	<u>\$ 1,448,405</u>	<u>\$ 2,593,907</u>	<u>\$ 1,145,502</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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

STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2005

	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and cash equivalents . . . . .	\$ 1,027,837
Receivables:	
Accounts . . . . .	<u>10,213</u>
Total assets . . . . .	<u>1,038,050</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable . . . . .	1,493
Claims payable . . . . .	<u>1,175,938</u>
Total liabilities . . . . .	<u>1,177,431</u>
<b>Net assets:</b>	
Unrestricted (deficit) . . . . .	<u>(139,381)</u>
Total net assets . . . . .	<u><u>\$ (139,381)</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, 2005

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues:</b>	
Charges for services . . . . .	\$ 6,922,432
Other . . . . .	10,213
	6,932,645
Total operating revenues . . . . .	6,932,645
<b>Operating expenses:</b>	
Purchased services . . . . .	686,356
Claims . . . . .	6,269,484
	6,955,840
Total operating expenses . . . . .	6,955,840
Operating loss . . . . .	(23,195)
<b>Nonoperating revenues:</b>	
Interest revenue . . . . .	16,355
	16,355
Total nonoperating revenues . . . . .	16,355
Change in net assets . . . . .	(6,840)
<b>Net assets (deficit) at beginning of year. .</b>	<b>(132,541)</b>
<b>Net assets (deficit) at end of year . . . . .</b>	<b>\$ (139,381)</b>

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, 2005

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services . . . . .	\$ 6,933,249
Cash payments for purchased services . . . . .	(684,863)
Cash payments for claims. . . . .	<u>(6,246,947)</u>
Net cash provided by operating activities . . . . .	<u>1,439</u>
<b>Cash flows from investing activities:</b>	
Interest received. . . . .	<u>16,355</u>
Net cash provided by investing activities . . . . .	<u>16,355</u>
Net increase in cash and cash equivalents . . . . .	17,794
<b>Cash and cash equivalents at beginning of year . .</b>	<u>1,010,043</u>
<b>Cash and cash equivalents at end of year. . . . .</b>	<u><u>\$ 1,027,837</u></u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>	
Operating loss . . . . .	\$ (23,195)
<b>Changes in assets and liabilities:</b>	
Decrease in accounts receivable. . . . .	604
Increase in accounts payable . . . . .	1,493
Increase in claims payable . . . . .	<u>22,537</u>
Net cash provided by operating activities . . . . .	<u><u>\$ 1,439</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, 2005

	<b>Private-Purpose Trust</b>	
	<b>Scholarship</b>	<b>Agency</b>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents. . . . .	\$ 38,787	\$ 115,871
Receivables:		
Accounts . . . . .	-	1,582
	38,787	117,453
Total assets . . . . .	38,787	\$ 117,453
<b>Liabilities:</b>		
Accounts payable. . . . .	-	\$ 1,689
Intergovernmental payable . . . . .	-	73
Due to students . . . . .	-	115,691
	-	117,453
Total liabilities . . . . .	-	\$ 117,453
<b>Net Assets:</b>		
Held in trust for scholarships. . . . .	38,787	
Total net assets . . . . .	\$ 38,787	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<b>Private-Purpose Trust</b>
	<b>Scholarship</b>
<b>Additions:</b>	
Interest . . . . .	\$ 708
Gifts and contributions. . . . .	16,493
	17,201
Total additions. . . . .	17,201
<b>Reductions:</b>	
Scholarships awarded . . . . .	26,013
	(8,812)
Change in net assets . . . . .	(8,812)
<b>Net assets at beginning of year . . . . .</b>	<b>47,599</b>
<b>Net assets at end of year. . . . .</b>	<b>\$ 38,787</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

**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 614 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 6,507 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", and as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the 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 these 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:

*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 Ray Burden, 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:



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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; (b) activity relating to the repayment of general long-term debt principal, interest and related costs; (c) grants and other resources whose use is restricted to a particular purpose; and (d) food service and uniform school supplies operations.

*PROPRIETARY FUNDS*

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

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

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net assets and changes in net assets. The 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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).

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, 2005, but which were levied to finance fiscal year 2006 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

**E. Budgets**

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

Tax Budget:

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

Estimated Resources:

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the 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 original and final amended certificates issued during the fiscal year.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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.

During fiscal year 2005, 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 2005. 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, 2005.

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 2005 amounted to \$162,767, which includes \$47,501 assigned from other District funds.

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

An analysis of the District's investment account at 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

**H. Capital Assets**

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

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

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

Description	Governmental Activities Estimated Lives
Land improvements	20 years
Buildings and improvements	25 - 50 years
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 total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2005, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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.

**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, materials and supplies inventory, tax revenue unavailable for appropriation, prepayments, BWC refunds and debt service. 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.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

**O. Estimates**

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

**P. Restricted Assets**

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. 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.

**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 2005.



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Prior Period Adjustment**

For fiscal year 2005, the District has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures" and GASB Technical Bulletin 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers".

GASB Statement No. 40 establishes and modified disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modified disclosure requirements for custodial credit risk on deposits.

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

The implementation of GASB Statement No. 40 did not have an effect on the financial statements of the District, however additional note disclosure can be found in Note 4. The implementation of GASB Technical Bulletin No. 2004-2 had the following effect on the fund balances of the major and non-major funds of the District as they were previously reported as of June 30, 2004:

	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
Fund Balances, June 30, 2004	\$ (522,381)	\$ 380,289	\$ (142,092)
GASB Technical Bulletin No. 2004-2	<u>(500,540)</u>	<u>(110,401)</u>	<u>(610,941)</u>
Restated Fund Balance, June 30, 2004	<u>\$ (1,022,921)</u>	<u>\$ 269,888</u>	<u>\$ (753,033)</u>

**B. Deficit Fund Balances/Net Assets**

Fund balances/net assets at June 30, 2005 included the following individual fund deficits:

	<u>Deficit</u>
<u>Major</u>	
General	\$ 479,741
<u>Nonmajor Governmental</u>	
Auxiliary Services	20,435
Management Information Systems	3,008
Ohio Reads	5,862
Miscellaneous State Grants	1,080
Title I Disadvantaged Children	69,694
Drug Free School Grant	6,055
Improving Teacher Quality	27,610
Special Enterprise	14,329
Special Trust	118,079
Permanent Improvement	194,360
<u>Proprietary</u>	
Employee Benefits Self Insurance	139,381

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

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 - DEPOSITS AND INVESTMENTS**

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

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

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

Interim deposits are deposits of interim monies. Interim moneys 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 or deposit accounts including passbook accounts.

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in 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;

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time: and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

**A. Cash on Hand**

At year-end, the District had \$14,827 in undeposited cash on hand which is included in the basic financial statements of the District as part of "Equity in Pooled Cash and Cash Equivalents."

**B. Deposits with Financial Institutions**

At June 30, 2005, the carrying amount of all District deposits was \$2,264,904. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2005, \$698,000 of the District's bank balance of \$2,716,459 was covered by the Federal Deposit Insurance Corporation, while \$2,018,459 was exposed to custodial risk as discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

**C. Investments**

As of June 30, 2005, the District had the following investments and maturities:

<u>Investment type</u>	Balance at <u>Fair Value</u>	<u>Investment Maturities</u>			
		6 months or <u>less</u>	7 to 12 <u>months</u>	13 to 18 <u>months</u>	19 to 24 <u>months</u>
Money Market-Fifth Third	\$ 79,348	\$ 79,348	\$ -	\$ -	\$ -
STAR Ohio	692,319	692,319	-	-	-
Treasury Bill	199,090	199,090	-	-	-
Freddie Mac	462,047	164,124	199,102	98,821	-
FHLB	633,392	259,360	243,910	-	130,122
FHLB Discount	149,520	149,520	-	-	-
FRE Discount	699,013	699,013	-	-	-
FNM Discount NT	934,864	934,864	-	-	-
Fannie Mae	678,017	439,178	119,326	-	119,513
U.S. Treasury N/B	250,319	250,319	-	-	-
	<u>\$4,777,929</u>	<u>\$3,867,135</u>	<u>\$ 562,338</u>	<u>\$ 98,821</u>	<u>\$ 249,635</u>

The weighted average maturity of investments is .34 years.

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* The District's investments were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating.

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2005:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
U.S. Treasury Money Market Fund	\$ 79,348	1.66
U.S. Treasury Bills	199,090	4.17
Federal Agency Securities	3,556,853	74.44
U.S. Treasury NB	250,319	5.24
STAR Ohio	692,319	14.49
	<u>\$ 4,777,929</u>	<u>100.00</u>

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of June 30, 2005:

<u>Cash and investments per footnote</u>	
Carrying amount of deposits	\$ 2,264,904
Investments	4,777,929
Cash on hand	<u>14,827</u>
Total	<u>\$ 7,057,660</u>

<u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 6,903,002
Private-purpose trust funds	38,787
Agency funds	<u>115,871</u>
Total	<u>\$ 7,057,660</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

- A. Interfund balances at June 30, 2005 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 Fund	Nonmajor governmental funds	\$ 309,545

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.

- B. Interfund transfers for the year ended June 30, 2005, consisted of the following, as reported on the fund financial statements:

<u>Transfers from General fund to:</u>	<u>Amount</u>
Nonmajor Governmental funds	\$ 590,000

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported on the Statement of Activities.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**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 2005 for real and public utility property taxes represent collections of calendar 2004 taxes. Property tax payments received during calendar 2005 for tangible personal property (other than public utility property) are for calendar 2005 taxes.

2005 real property taxes are levied after April 1, 2004 on the assessed value listed as of the prior January 1, 2004 the lien date. Assessed values are established by state law at thirty-five percent of appraised market value.

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. 2005 public utility property taxes became a lien December 31, 2003, are levied after April 1, 2004 and are collected in 2005 with real property taxes.

2005 tangible personal property taxes are levied after April 1, 2005, on the values as of December 31, 2004. Collections are made in 2005. 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 2005 taxes were collected are:

	2004 Second Half Collections		2005 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 648,032,840	82.04	\$ 709,762,130	83.14
Public utility personal property	119,542,954	15.13	22,704,310	2.66
Tangible personal property	<u>22,348,380</u>	<u>2.83</u>	<u>121,231,428</u>	<u>14.20</u>
Total	<u>\$ 789,924,174</u>	<u>100.00</u>	<u>\$ 853,697,868</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 53.35		\$ 58.25	

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 2005 tangible personal property tax settlement was received prior to fiscal year-end.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

**NOTE 6 - PROPERTY TAXES - (Continued)**

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, 2005 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.

The amount available as an advance at June 30, 2005 was \$2,242,000 and is recognized as revenue in the general fund. The amount available as an advance at June 30, 2004 in the general fund was \$1,866,000. The amount available as an advance at fiscal year-end can vary depending on when tax bills are sent. 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, 2005 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 receivables reported on the Statement of Net Assets follows:

**Governmental Activities**

Taxes	\$ 31,159,200
Accounts	122,672
Intergovernmental	589,423
Accrued interest	<u>111,253</u>
Total	<u>\$ 31,982,548</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 8 - CAPITAL ASSETS**

**B.** Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	<u>Balance 06/30/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 06/30/05</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 416,459	\$ -	\$ -	\$ 416,459
Construction in progress	-	242,588	-	242,588
Land	<u>\$ 416,459</u>	<u>\$ 242,588</u>	<u>\$ -</u>	<u>\$ 659,047</u>
<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	8,785,990	87,250	(8,206)	8,865,034
Vehicles	<u>2,261,103</u>	<u>25,711</u>	<u>(23,238)</u>	<u>2,263,576</u>
Total capital assets, being depreciated	<u>34,537,823</u>	<u>112,961</u>	<u>(31,444)</u>	<u>34,619,340</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(805,343)	(19,970)	-	(825,313)
Building and improvements	(14,597,690)	(322,753)	-	(14,920,443)
Furniture and equipment	(8,104,597)	(252,795)	1,641	(8,355,751)
Vehicles	<u>(1,608,480)</u>	<u>(92,040)</u>	<u>20,914</u>	<u>(1,679,606)</u>
Total accumulated depreciation	<u>(25,116,110)</u>	<u>(687,558)</u>	<u>22,555</u>	<u>(25,781,113)</u>
Governmental activities capital assets, net	<u>\$ 9,838,172</u>	<u>\$ (332,009)</u>	<u>\$ (8,889)</u>	<u>\$ 9,497,274</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 285,130
Special	56,813
Vocational	79,223

Support Services:

Pupil	11,926
Instructional staff	19,892
Administration	46,220
Fiscal	10,589
Operations and maintenance	30,936
Pupil transportation	103,178
Operation of non-instructional	22,992
Extracurricular activities	6,151
Food service operations	<u>14,508</u>
Total depreciation expense	<u>\$ 687,558</u>



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**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 2005 totaled \$279,866 paid by the General fund and \$16,019 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, 2005:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2006	\$ 386,054
2007	368,306
2008	368,307
2009	368,307
2010	368,307
2011 - 2014	<u>1,473,376</u>
Total minimum lease payments	3,332,657
Less amount representing interest	<u>(651,847)</u>
Total	<u><u>\$ 2,680,810</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 10 - LONG-TERM OBLIGATIONS**

- A. During the fiscal year 2005, the following changes occurred in governmental activities long-term obligations:

	Balance at <u>06/30/04</u>	<u>Increases</u>	<u>(Decreases)</u>	Balance at <u>06/30/05</u>	Amounts Due in <u>One Year</u>
<b><u>Governmental Activities:</u></b>					
<b><u>Loans Payable</u></b>					
Asbestos removal loan	\$ 851,782	\$ -	\$(108,061)	\$ 743,721	\$ 108,062
Energy conservation loan	<u>-</u>	<u>95,651</u>	<u>-</u>	<u>95,651</u>	<u>-</u>
Total loans payable	<u>851,782</u>	<u>95,651</u>	<u>(108,061)</u>	<u>839,372</u>	<u>108,062</u>
<b><u>Other Long-Term Obligations</u></b>					
Capital lease obligation	2,976,695	-	(295,885)	2,680,810	259,661
Compensated absences	<u>3,662,801</u>	<u>405,599</u>	<u>(500,798)</u>	<u>3,567,602</u>	<u>854,927</u>
Total other long-term obligations	<u>6,639,496</u>	<u>405,599</u>	<u>(796,683)</u>	<u>6,248,412</u>	<u>1,114,588</u>
Total governmental activities	<u>\$ 7,491,278</u>	<u>\$501,250</u>	<u>\$ (904,744)</u>	<u>\$ 7,087,784</u>	<u>\$ 1,222,650</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.

During fiscal 2005, the District entered into a new H.B. 264 Energy Conservation Loan. As of June 30, 2005, the District had not received the entire amount of proceeds from the loan, and there was no amortization schedule available. The District did not make any principal or interest payments on the loan in fiscal 2005. This information will be reported in the subsequent year.

- B. Principal and interest requirements to retire the asbestos removal loans outstanding at June 30, 2005, are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Asbestos Loan</u>
2006	\$ 108,062
2007	108,061
2008	108,061
2009	108,061
2010	108,061
2011 - 2013	<u>203,415</u>
Total	743,721
Less: interest	<u>-</u>
Total	<u>\$ 743,721</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

**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, 2005 are a voted debt margin of \$76,833,173 and an unvoted debt margin of \$853,698.

**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 2005, 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, 2005

**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 \$1,175,938 reported in the fund at June 30, 2005, 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>
2005	\$1,153,401	\$6,269,484	\$(6,246,947)	\$1,175,938
2004	991,643	6,893,050	(6,731,292)	1,153,401

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, 2005

**NOTE 12 - DEFINED BENEFIT PENSION PLAN**

**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 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 43215-3746, 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 2005, 10.57% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09% 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, 2005, 2004, and 2003 were \$834,605, \$725,113 and \$1,070,605, respectively; 45.58% has been contributed for fiscal year 2005 and 100% for the fiscal years 2004 and 2003. \$454,160 represents the unpaid contribution for fiscal year 2005 and is recorded as a liability within the respective funds.

**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 43215-3371, by calling (614) 227-4090, or by visiting the STRS website at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. 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. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

**NOTE 12 - DEFINED BENEFIT PENSION PLAN - (Continued)**

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member 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 years 2005 and 2004, 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 for pension obligations to the DB plan for the fiscal years ended June 30, 2005, 2004, and 2003 were \$3,506,255, \$3,430,153, and \$3,541,606, respectively; 83.71% has been contributed for fiscal year 2005 and 100% for the fiscal years 2004 and 2003. \$571,090 represents the unpaid contribution for fiscal year 2005 and is recorded as a liability within the respective funds. Contributions to the DC and Combined Plans for fiscal 2005 were \$22,005 made by the District and \$48,045 made by plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement Systems/State Teachers Retirement System. As of June 30, 2005, certain members of the Board of Education have elected Social Security. The District's liability is 6.2% of wages paid.

**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 fiscal year 2005, the State Teachers Retirement Board allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund. For the District, this amount equaled \$269,712 during fiscal 2005.

STRS pays health care benefits from the Health Care Stabilization Fund. The balance in the Health Care Stabilization Fund was \$3.1 billion at June 30, 2004 (the latest information available). For the fiscal year ended June 30, 2004 (the latest information available), net health care costs paid by STRS were \$268.739 million and STRS had 111,853 eligible benefit recipients.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

**NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)**

For SERS, coverage is made available to service retirees with 10 or more years of qualifying service credit, and disability and survivor benefit recipients. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status. A safety net is in place for retirees whose household income falls below federal poverty levels. Premiums are reduced by 50% for those who apply.

For fiscal year 2005, employer contributions to fund health care benefits were 3.43% 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 2005, the minimum pay has been established at \$27,400. 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, before premium deduction. Gross expenses for health care at June 30, 2004 (the latest information available) were \$223.444 million and the target level was \$335.2 million. At June 30, 2004, (the latest information available) SERS had net assets available for payment of health care benefits of \$300.8 million and SERS had approximately 62,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$387,693 during the 2005 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);
- (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).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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:

<b>Net Change in Fund Balance</b>	<u>General Fund</u>
Budget basis	\$ (1,593,010)
Net adjustment for revenue accruals	349,657
Net adjustment for expenditure accruals	652,725
Net adjustment for other sources/uses	79,722
Adjustment for encumbrances	<u>1,004,576</u>
GAAP basis	<u>\$ 493,670</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.

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.



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**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, 2005, 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, 2004	\$ (1,764,661)	\$ -	\$ 270,696
Current year set-aside requirement	921,625	921,625	-
Qualifying disbursements	<u>(1,123,563)</u>	<u>(1,619,294)</u>	<u>-</u>
Total	<u>\$ (1,966,599)</u>	<u>\$ (697,669)</u>	<u>\$ 270,696</u>
Balance carried forward to FY 2006	<u>\$ (1,966,599)</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, 2005 follows:

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

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COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

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

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2005

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Fund</b>	<b>Nonmajor Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents. . .	\$ 1,026,075	\$ 365	\$ 614,836	\$ 631,738	\$ 2,273,014
Receivables:					
Property taxes . . . . .	-	108,061	-	-	108,061
Accounts. . . . .	22,550	-	-	-	22,550
Intergovernmental . . . . .	427,925	-	-	-	427,925
Materials and supplies inventory . . . . .	54,727	-	-	-	54,727
Total assets. . . . .	<u>\$ 1,531,277</u>	<u>\$ 108,426</u>	<u>\$ 614,836</u>	<u>\$ 631,738</u>	<u>\$ 2,886,277</u>
<b>Liabilities:</b>					
Accounts payable. . . . .	\$ 81,741	\$ -	\$ -	\$ -	\$ 81,741
Contracts payable. . . . .	119,428	-	89,439	-	208,867
Retainage payable . . . . .	17,232	-	6,529	-	23,761
Accrued wages and benefits . . . . .	283,817	-	-	-	283,817
Pension obligation payable. . . . .	89,722	-	-	-	89,722
Intergovernmental payable . . . . .	45,662	-	-	-	45,662
Interfund loans payable. . . . .	196,545	-	113,000	-	309,545
Deferred revenue . . . . .	202,402	108,061	600,001	-	910,464
Total liabilities . . . . .	<u>1,036,549</u>	<u>108,061</u>	<u>808,969</u>	<u>-</u>	<u>1,953,579</u>
<b>Fund balances:</b>					
Reserved for encumbrances. . . . .	272,559	-	1,234,694	-	1,507,253
Reserved for debt services . . . . .	-	365	-	-	365
Reserved for materials and supplies inventory .	54,727	-	-	-	54,727
Reserved for perpetual care. . . . .	-	-	-	-	-
Unreserved, undesignated (deficit), reported in:					
Special revenue funds . . . . .	167,442	-	-	-	167,442
Capital projects funds . . . . .	-	-	(1,428,827)	-	(1,428,827)
Permanent fund . . . . .	-	-	-	631,738	631,738
Total fund balances (deficits). . . . .	<u>494,728</u>	<u>365</u>	<u>(194,133)</u>	<u>631,738</u>	<u>932,698</u>
Total liabilities and fund balances . . . . .	<u>\$ 1,531,277</u>	<u>\$ 108,426</u>	<u>\$ 614,836</u>	<u>\$ 631,738</u>	<u>\$ 2,886,277</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
From local sources:					
Taxes . . . . .	\$ -	\$ 108,061	\$ -	\$ -	\$ 108,061
Tuition . . . . .	159,358	-	-	-	159,358
Earnings on investments . . . . .	11,265	365	3,266	12,081	26,977
Charges for services . . . . .	961,169	-	-	-	961,169
Extracurricular . . . . .	579,910	-	-	-	579,910
Classroom materials and fees. . . . .	320,895	-	-	-	320,895
Donations. . . . .	293,109	-	-	-	293,109
Other local revenues . . . . .	294,061	-	66,666	4,600	365,327
Intergovernmental - Intermediate . . . . .	1,263	-	-	-	1,263
Intergovernmental - State . . . . .	780,631	-	49,875	-	830,506
Intergovernmental - Federal . . . . .	3,969,784	-	-	-	3,969,784
Total revenues . . . . .	<u>7,371,445</u>	<u>108,426</u>	<u>119,807</u>	<u>16,681</u>	<u>7,616,359</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	969,460	-	49,648	-	1,019,108
Special . . . . .	989,009	-	-	-	989,009
Vocational . . . . .	106,360	-	-	-	106,360
Adult/continuing . . . . .	6,567	-	-	-	6,567
Other . . . . .	49,885	-	-	-	49,885
Support services:					
Pupil . . . . .	341,823	-	-	-	341,823
Instructional staff. . . . .	1,189,730	-	-	-	1,189,730
Administration . . . . .	19,194	-	-	-	19,194
Fiscal. . . . .	467	-	-	-	467
Operations and maintenance . . . . .	253,854	-	130	-	253,984
Pupil transportation . . . . .	42,358	-	-	-	42,358
Central . . . . .	29,504	-	-	-	29,504
Operation of non-instructional services . . . . .	588,603	-	-	-	588,603
Extracurricular activities . . . . .	546,809	-	-	-	546,809
Facilities acquisition and construction. . . . .	259,820	-	313,198	-	573,018
Food service operations . . . . .	1,751,122	-	-	24,752	1,775,874
Debt service:					
Principal retirement . . . . .	16,019	108,061	-	-	124,080
Interest and fiscal charges. . . . .	1,727	-	-	-	1,727
Total expenditures . . . . .	<u>7,162,311</u>	<u>108,061</u>	<u>362,976</u>	<u>24,752</u>	<u>7,658,100</u>
Excess of revenues over (under) expenditures . . . . .	<u>209,134</u>	<u>365</u>	<u>(243,169)</u>	<u>(8,071)</u>	<u>(41,741)</u>
<b>Other financing sources:</b>					
Transfers in . . . . .	-	-	590,000	-	590,000
Loan issuance . . . . .	-	-	95,651	-	95,651
Sale of capital assets. . . . .	3,015	-	-	-	3,015
Total other financing sources . . . . .	<u>3,015</u>	<u>-</u>	<u>685,651</u>	<u>-</u>	<u>688,666</u>
Net change in fund balances. . . . .	212,149	365	442,482	(8,071)	646,925
<b>Fund balances (deficit)</b>					
at beginning of year (restated) . . . . .	266,694	-	(636,615)	639,809	269,888
Increase in reserve for inventory . . . . .	15,885	-	-	-	15,885
<b>Fund balances (deficit) at end of year. . .</b>	<u>\$ 494,728</u>	<u>\$ 365</u>	<u>\$ (194,133)</u>	<u>\$ 631,738</u>	<u>\$ 932,698</u>

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**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.

**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.

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

**Nonmajor Special Revenue Funds**

**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.

**Miscellaneous State Grants Fund**

Section 5705.12, Revised Code

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

**IDEA Part B Grants Fund**

Education of the Handicapped Act, PL 91-230

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.



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

**Nonmajor Special Revenue Funds**

**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.

**Limited English Proficiency Fund**

Catalog of Federal Domestic Assistance #84.365

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

**Title I Disadvantaged Children Fund**

PL 97-35; Title I EESA 1965

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.

**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.

**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.

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2005

	<b>Food Service</b>	<b>Special Trust</b>	<b>Uniform School Supplies</b>	<b>Special Services Rotary</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 103,357	\$ 148,056	\$ 164,500	\$ 21,841
Receivables:				
Accounts. . . . .	1,615	350	1,211	-
Intergovernmental . . . . .	84,663	-	-	-
Materials and supplies inventory . . . . .	54,727	-	-	-
Total assets. . . . .	\$ 244,362	\$ 148,406	\$ 165,711	\$ 21,841
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 4,797	\$ 4,980	\$ 4,457	\$ -
Contracts payable. . . . .	-	119,428	-	-
Retainage payable . . . . .	-	17,232	-	-
Accrued wages and benefits . . . . .	13,197	-	-	-
Pension obligation payable. . . . .	50,403	-	-	-
Intergovernmental payable . . . . .	8,897	-	-	-
Interfund loans payable. . . . .	69,000	124,845	-	-
Deferred revenue. . . . .	-	-	-	-
Total liabilities. . . . .	146,294	266,485	4,457	-
<b>Fund balances:</b>				
Reserved for encumbrances . . . . .	96,125	92,781	16,260	1,005
Reserved for materials and supplies inventory . . . . .	54,727	-	-	-
Unreserved-undesignated (deficit) . . . . .	(52,784)	(210,860)	144,994	20,836
Total fund balances (deficit). . . . .	98,068	(118,079)	161,254	21,841
Total liabilities and fund balances. . . . .	\$ 244,362	\$ 148,406	\$ 165,711	\$ 21,841

<u>Special Enterprise</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Entry Year Programs</u>
\$ 17,110	\$ 70,708	\$ 15,290	\$ 250,396	\$ 26,732	\$ -	\$ 4,313
3,696	14,182	-	1,496	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 20,806</u>	<u>\$ 84,890</u>	<u>\$ 15,290</u>	<u>\$ 251,892</u>	<u>\$ 26,732</u>	<u>\$ -</u>	<u>\$ 4,313</u>
\$ -	\$ 290	\$ 11,183	\$ 7,179	\$ 20,102	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13,146	-	645	-	23,638	2,478	-
20,220	-	324	-	1,131	-	-
1,769	11	-	480	2,296	530	238
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>35,135</u>	<u>301</u>	<u>12,152</u>	<u>7,659</u>	<u>47,167</u>	<u>3,008</u>	<u>238</u>
5,298	5,741	750	5,709	6,722	-	-
-	-	-	-	-	-	-
<u>(19,627)</u>	<u>78,848</u>	<u>2,388</u>	<u>238,524</u>	<u>(27,157)</u>	<u>(3,008)</u>	<u>4,075</u>
<u>(14,329)</u>	<u>84,589</u>	<u>3,138</u>	<u>244,233</u>	<u>(20,435)</u>	<u>(3,008)</u>	<u>4,075</u>
<u>\$ 20,806</u>	<u>\$ 84,890</u>	<u>\$ 15,290</u>	<u>\$ 251,892</u>	<u>\$ 26,732</u>	<u>\$ -</u>	<u>\$ 4,313</u>

-continued

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2005

	<b>Disadvantaged Pupil Impact Aid</b>	<b>SchoolNet Professional Development</b>	<b>Ohio Reads</b>	<b>Summer Intervention</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 13,576	\$ 1,245	\$ -	\$ 38,120
Receivables:				
Accounts. . . . .	-	-	-	-
Intergovernmental . . . . .	-	-	73,470	709
Materials and supplies inventory . . . . .	-	-	-	-
<b>Total assets. . . . .</b>	<b>\$ 13,576</b>	<b>\$ 1,245</b>	<b>\$ 73,470</b>	<b>\$ 38,829</b>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ -	\$ -	\$ -	\$ 606
Contracts payable. . . . .	-	-	-	-
Retainage payable . . . . .	-	-	-	-
Accrued wages and benefits . . . . .	12,307	-	-	-
Pension obligation payable. . . . .	-	-	4,754	-
Intergovernmental payable . . . . .	1,160	41	1,108	554
Interfund loans payable. . . . .	-	-	-	-
Deferred revenue. . . . .	-	-	73,470	709
<b>Total liabilities. . . . .</b>	<b>13,467</b>	<b>41</b>	<b>79,332</b>	<b>1,869</b>
<b>Fund balances:</b>				
Reserved for encumbrances . . . . .	-	-	-	2,400
Reserved for materials and supplies inventory . . . . .	-	-	-	-
Unreserved-undesignated (deficit) . . . . .	109	1,204	(5,862)	34,560
<b>Total fund balances (deficit). . . . .</b>	<b>109</b>	<b>1,204</b>	<b>(5,862)</b>	<b>36,960</b>
<b>Total liabilities and fund balances. . . . .</b>	<b>\$ 13,576</b>	<b>\$ 1,245</b>	<b>\$ 73,470</b>	<b>\$ 38,829</b>

<u>Vocational Education Enhancements</u>	<u>Miscellaneous State Grants</u>	<u>IDEA Part B Grants</u>	<u>Vocational Education</u>	<u>Limited English Proficiency</u>	<u>Title I Disadvantaged Children</u>	<u>Title V Innovative Education Program</u>
\$ 8,042	\$ 3,588	\$ 11,509	\$ 12,727	\$ 961	\$ 70,170	\$ 3,722
-	-	-	-	-	-	-
10,554	-	136,360	4,826	-	73,470	-
-	-	-	-	-	-	-
<u>\$ 18,596</u>	<u>\$ 3,588</u>	<u>\$ 147,869</u>	<u>\$ 17,553</u>	<u>\$ 961</u>	<u>\$ 143,640</u>	<u>\$ 3,722</u>
\$ 102	\$ -	\$ 17,470	\$ 9,888	\$ 263	\$ 424	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,077	37,528	-	-	128,669	-
-	1,271	11,324	-	-	-	-
-	320	12,323	963	-	10,771	-
-	-	-	1,600	-	-	-
10,554	-	-	4,826	-	73,470	-
<u>10,656</u>	<u>4,668</u>	<u>78,645</u>	<u>17,277</u>	<u>263</u>	<u>213,334</u>	<u>-</u>
-	447	22,341	2,803	661	148	2,286
-	-	-	-	-	-	-
7,940	(1,527)	46,883	(2,527)	37	(69,842)	1,436
<u>7,940</u>	<u>(1,080)</u>	<u>69,224</u>	<u>276</u>	<u>698</u>	<u>(69,694)</u>	<u>3,722</u>
<u>\$ 18,596</u>	<u>\$ 3,588</u>	<u>\$ 147,869</u>	<u>\$ 17,553</u>	<u>\$ 961</u>	<u>\$ 143,640</u>	<u>\$ 3,722</u>

-continued

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2005

	<b>Drug Free School Grant</b>	<b>IDEA Preschool- Handicapped</b>	<b>Telecommunications Act Grant</b>	<b>Improving Teacher Quality</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 290	\$ 1,512	\$ 16,750	\$ 18,223
Receivables:				
Accounts. . . . .	-	-	-	-
Intergovernmental . . . . .	-	6,544	-	26,775
Materials and supplies inventory . . . . .	-	-	-	-
<b>Total assets. . . . .</b>	<b>\$ 290</b>	<b>\$ 8,056</b>	<b>\$ 16,750</b>	<b>\$ 44,998</b>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ -	\$ -	\$ -	\$ -
Contracts payable. . . . .	-	-	-	-
Retainage payable . . . . .	-	-	-	-
Accrued wages and benefits . . . . .	5,842	885	-	42,405
Pension obligation payable. . . . .	-	295	-	-
Intergovernmental payable . . . . .	503	270	-	3,428
Interfund loans payable. . . . .	-	1,100	-	-
Deferred revenue. . . . .	-	2,044	-	26,775
<b>Total liabilities. . . . .</b>	<b>6,345</b>	<b>4,594</b>	<b>-</b>	<b>72,608</b>
<b>Fund balances:</b>				
Reserved for encumbrances . . . . .	100	-	1,482	7,500
Reserved for materials and supplies inventory . . . . .	-	-	-	-
Unreserved-undesignated (deficit) . . . . .	(6,155)	3,462	15,268	(35,110)
<b>Total fund balances (deficit). . . . .</b>	<b>(6,055)</b>	<b>3,462</b>	<b>16,750</b>	<b>(27,610)</b>
<b>Total liabilities and fund balances. . . . .</b>	<b>\$ 290</b>	<b>\$ 8,056</b>	<b>\$ 16,750</b>	<b>\$ 44,998</b>

<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 3,337	\$ 1,026,075
-	22,550
10,554	427,925
-	54,727
<u>\$ 13,891</u>	<u>\$ 1,531,277</u>
\$ -	\$ 81,741
-	119,428
-	17,232
-	283,817
-	89,722
-	45,662
-	196,545
10,554	202,402
10,554	1,036,549
2,000	272,559
-	54,727
1,337	167,442
3,337	494,728
<u>\$ 13,891</u>	<u>\$ 1,531,277</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform School Supplies</u>	<u>Special Services Rotary</u>
<b>Revenues:</b>				
From local sources:				
Tuition . . . . .	\$ -	\$ -	\$ -	\$ -
Earnings on investments . . . . .	2,792	1,132	-	388
Charges for services . . . . .	959,673	-	-	-
Extracurricular . . . . .	-	1,876	-	-
Classroom materials and fees. . . . .	-	25,172	291,341	-
Donations. . . . .	-	293,109	-	-
Other local revenues . . . . .	46	117,553	-	49,590
Intergovernmental - Intermediate . . . . .	1,263	-	-	-
Intergovernmental - State . . . . .	13,320	-	-	-
Intergovernmental - Federal . . . . .	869,438	-	-	-
Total revenues . . . . .	<u>1,846,532</u>	<u>438,842</u>	<u>291,341</u>	<u>49,978</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	-	22,093	275,865	-
Special . . . . .	-	-	-	-
Vocational . . . . .	-	361	43	-
Adult/continuing . . . . .	-	-	-	-
Other . . . . .	-	-	-	49,885
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff. . . . .	-	687	-	-
Administration . . . . .	-	-	-	-
Fiscal. . . . .	-	467	-	-
Operations and maintenance . . . . .	-	177,042	-	-
Pupil transportation . . . . .	-	550	-	-
Central . . . . .	-	6,640	-	-
Operation of non-instructional services . . . . .	-	-	-	-
Extracurricular activities. . . . .	-	2,138	-	-
Facilities acquisition and construction. . . . .	-	259,820	-	-
Food service operations . . . . .	1,751,122	-	-	-
Debt service:				
Principal retirement . . . . .	-	16,019	-	-
Interest and fiscal charges . . . . .	-	1,727	-	-
Total expenditures . . . . .	<u>1,751,122</u>	<u>487,544</u>	<u>275,908</u>	<u>49,885</u>
Excess of revenues over (under) expenditures . . . . .	<u>95,410</u>	<u>(48,702)</u>	<u>15,433</u>	<u>93</u>
<b>Other financing sources:</b>				
Sale of capital assets. . . . .	-	-	-	-
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances. . . . .	95,410	(48,702)	15,433	93
<b>Fund balances (deficit)</b>				
at beginning of year (restated) . . . . .	(13,227)	(69,377)	145,821	21,748
Increase in reserve for inventory . . . . .	15,885	-	-	-
<b>Fund balances (deficit) at end of year. . . . .</b>	<u>\$ 98,068</u>	<u>\$ (118,079)</u>	<u>\$ 161,254</u>	<u>\$ 21,841</u>



<u>Special Enterprise</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Teacher Development</u>	<u>Management Information Systems</u>
\$ 159,358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,251	-	5,037	665	-	-
-	-	-	1,496	-	-	-
-	15,384	-	562,650	-	-	-
-	4,382	-	-	-	-	-
-	-	-	-	-	-	-
-	69,929	38,304	4,839	-	-	-
-	-	-	-	-	-	-
-	-	-	-	331,054	13,324	20,249
-	-	-	-	-	-	-
<u>159,358</u>	<u>90,946</u>	<u>38,304</u>	<u>574,022</u>	<u>331,719</u>	<u>13,324</u>	<u>20,249</u>
-	47,975	31,161	-	-	-	-
-	-	-	-	-	-	-
-	-	7,069	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	5,762	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1	511	-	41,296	-	-	-
-	-	-	-	-	-	22,864
163,787	-	-	-	319,548	-	-
-	17,603	10,157	516,911	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>163,788</u>	<u>66,089</u>	<u>54,149</u>	<u>558,207</u>	<u>319,548</u>	<u>-</u>	<u>22,864</u>
<u>(4,430)</u>	<u>24,857</u>	<u>(15,845)</u>	<u>15,815</u>	<u>12,171</u>	<u>13,324</u>	<u>(2,615)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(4,430)	24,857	(15,845)	15,815	12,171	13,324	(2,615)
(9,899)	59,732	18,983	228,418	(32,606)	(13,324)	(393)
-	-	-	-	-	-	-
<u>\$ (14,329)</u>	<u>\$ 84,589</u>	<u>\$ 3,138</u>	<u>\$ 244,233</u>	<u>\$ (20,435)</u>	<u>\$ -</u>	<u>\$ (3,008)</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<b>Entry Year Programs</b>	<b>Disadvantaged Pupil Impact Aid</b>	<b>Data Communication</b>	<b>SchoolNet Professional Development</b>
<b>Revenues:</b>				
From local sources:				
Tuition . . . . .	\$ -	\$ -	\$ -	\$ -
Earnings on investments . . . . .	-	-	-	-
Charges for services . . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Classroom materials and fees. . . . .	-	-	-	-
Donations. . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	-
Intergovernmental - Intermediate . . . . .	-	-	-	-
Intergovernmental - State . . . . .	16,500	59,051	45,000	4,140
Intergovernmental - Federal . . . . .	-	-	-	-
Total revenues . . . . .	16,500	59,051	45,000	4,140
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	12,277	57,943	45,000	5,736
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 . . . . .	12,277	57,943	45,000	5,736
Excess of revenues over (under) expenditures . . . . .	4,223	1,108	-	(1,596)
<b>Other financing sources:</b>				
Sale of capital assets. . . . .	-	-	-	-
Total other financing sources . . . . .	-	-	-	-
Net change in fund balances. . . . .	4,223	1,108	-	(1,596)
<b>Fund balances (deficit)</b>				
at beginning of year (restated) . . . . .	(148)	(999)	-	2,800
Increase in reserve for inventory . . . . .	-	-	-	-
<b>Fund balances (deficit) at end of year. . . . .</b>	<b>\$ 4,075</b>	<b>\$ 109</b>	<b>\$ -</b>	<b>\$ 1,204</b>

<u>Ohio Reads</u>	<u>Summer Intervention</u>	<u>Vocational Education Enhancements</u>	<u>Miscellaneous State Grants</u>	<u>IDEA Part B Grants</u>	<u>Vocational Education</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	13,800	-	-
-	-	-	-	-	-
102,000	112,330	33,131	30,532	-	-
-	-	-	-	1,400,307	221,147
<u>102,000</u>	<u>112,330</u>	<u>33,131</u>	<u>44,332</u>	<u>1,400,307</u>	<u>221,147</u>
32,562	66,428	-	3,080	1,083	-
-	-	-	-	72,943	-
-	-	-	12,582	-	86,305
-	-	6,567	-	-	-
-	-	-	-	-	-
-	-	22,195	-	165,381	120,798
84,039	31,308	-	26,859	1,017,805	-
-	-	-	1,037	-	10,913
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	61,255	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>116,601</u>	<u>97,736</u>	<u>28,762</u>	<u>43,558</u>	<u>1,318,467</u>	<u>218,016</u>
<u>(14,601)</u>	<u>14,594</u>	<u>4,369</u>	<u>774</u>	<u>81,840</u>	<u>3,131</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>(14,601)</u>	<u>14,594</u>	<u>4,369</u>	<u>774</u>	<u>81,840</u>	<u>3,131</u>
8,739	22,366	3,571	(1,854)	(12,616)	(2,855)
-	-	-	-	-	-
<u>\$ (5,862)</u>	<u>\$ 36,960</u>	<u>\$ 7,940</u>	<u>\$ (1,080)</u>	<u>\$ 69,224</u>	<u>\$ 276</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Limited English Proficiency</u>	<u>Title I Disadvantaged Children</u>	<u>Title V Innovative Education Program</u>	<u>Emergency Immigrant Education Assistance</u>
<b>Revenues:</b>				
From local sources:				
Tuition . . . . .	\$ -	\$ -	\$ -	\$ -
Earnings on investments . . . . .	-	-	-	-
Charges for services . . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Classroom materials and fees. . . . .	-	-	-	-
Donations. . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	-
Intergovernmental - Intermediate . . . . .	-	-	-	-
Intergovernmental - State . . . . .	-	-	-	-
Intergovernmental - Federal . . . . .	35,978	983,725	26,261	462
Total revenues . . . . .	<u>35,978</u>	<u>983,725</u>	<u>26,261</u>	<u>462</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	24,910	-	24,324	-
Special . . . . .	9,722	905,253	-	-
Vocational . . . . .	-	-	-	-
Adult/continuing . . . . .	-	-	-	-
Other . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff. . . . .	648	3,153	1,790	-
Administration . . . . .	-	7,244	-	-
Fiscal. . . . .	-	-	-	-
Operations and maintenance . . . . .	-	-	-	-
Pupil transportation . . . . .	-	-	-	-
Central . . . . .	-	-	-	-
Operation of non-instructional services . . . . .	-	38,766	1,973	-
Extracurricular activities. . . . .	-	-	-	-
Facilities acquisition and construction. . . . .	-	-	-	-
Food service operations . . . . .	-	-	-	-
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
Total expenditures . . . . .	<u>35,280</u>	<u>954,416</u>	<u>28,087</u>	<u>-</u>
Excess of revenues over (under) expenditures . . . . .	<u>698</u>	<u>29,309</u>	<u>(1,826)</u>	<u>462</u>
<b>Other financing sources:</b>				
Sale of capital assets. . . . .	-	-	-	-
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances. . . . .	698	29,309	(1,826)	462
<b>Fund balances (deficit)</b>				
at beginning of year (restated) . . . . .	-	(99,003)	5,548	(462)
Increase in reserve for inventory . . . . .	-	-	-	-
<b>Fund balances (deficit) at end of year. . . . .</b>	<u>\$ 698</u>	<u>\$ (69,694)</u>	<u>\$ 3,722</u>	<u>\$ -</u>

<b>Drug Free School Grant</b>	<b>IDEA Preschool- Handicapped</b>	<b>Telecommunications Act Grant</b>	<b>Improving Teacher Quality</b>	<b>Miscellaneous Federal Grants</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159,358
-	-	-	-	-	11,265
-	-	-	-	-	961,169
-	-	-	-	-	579,910
-	-	-	-	-	320,895
-	-	-	-	-	293,109
-	-	-	-	-	294,061
-	-	-	-	-	1,263
-	-	-	-	-	780,631
32,254	29,611	64,827	279,955	25,819	3,969,784
<u>32,254</u>	<u>29,611</u>	<u>64,827</u>	<u>279,955</u>	<u>25,819</u>	<u>7,371,445</u>
-	3,064	-	285,039	30,920	969,460
-	-	-	-	1,091	989,009
-	-	-	-	-	106,360
-	-	-	-	-	6,567
-	-	-	-	-	49,885
28,249	5,200	-	-	-	341,823
365	16,831	-	483	-	1,189,730
-	-	-	-	-	19,194
-	-	-	-	-	467
-	-	76,812	-	-	253,854
-	-	-	-	-	42,358
-	-	-	-	-	29,504
3,274	-	-	-	-	588,603
-	-	-	-	-	546,809
-	-	-	-	-	259,820
-	-	-	-	-	1,751,122
-	-	-	-	-	16,019
-	-	-	-	-	1,727
<u>31,888</u>	<u>25,095</u>	<u>76,812</u>	<u>285,522</u>	<u>32,011</u>	<u>7,162,311</u>
<u>366</u>	<u>4,516</u>	<u>(11,985)</u>	<u>(5,567)</u>	<u>(6,192)</u>	<u>209,134</u>
-	-	3,015	-	-	3,015
-	-	3,015	-	-	3,015
366	4,516	(8,970)	(5,567)	(6,192)	212,149
(6,421)	(1,054)	25,720	(22,043)	9,529	266,694
-	-	-	-	-	15,885
<u>\$ (6,055)</u>	<u>\$ 3,462</u>	<u>\$ 16,750</u>	<u>\$ (27,610)</u>	<u>\$ 3,337</u>	<u>\$ 494,728</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Food Service Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 1,715,000	\$ 1,900,000	\$ 1,798,988	\$ (101,012)
Total Expenditures and Other Financing Uses	<u>1,705,455</u>	<u>1,820,455</u>	<u>1,820,390</u>	<u>65</u>
Net Change in Fund Balance	9,545	79,545	(21,402)	(100,947)
Fund Balance, July 1	4,183	4,183	4,183	-
Prior Year Encumbrances Appropriated	<u>19,779</u>	<u>19,779</u>	<u>19,779</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 33,507</u></u>	<u><u>\$ 103,507</u></u>	<u><u>\$ 2,560</u></u>	<u><u>\$ (100,947)</u></u>
<b><u>Special Trust Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 300,961	\$ 423,226	\$ 438,746	\$ 15,520
Total Expenditures and Other Financing Uses	<u>378,986</u>	<u>454,123</u>	<u>469,494</u>	<u>(15,371)</u>
Net Change in Fund Balance	(78,025)	(30,897)	(30,748)	149
Fund Balance, July 1	25,052	25,052	25,052	-
Prior Year Encumbrances Appropriated	<u>56,004</u>	<u>56,004</u>	<u>56,004</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 3,031</u></u>	<u><u>\$ 50,159</u></u>	<u><u>\$ 50,308</u></u>	<u><u>\$ 149</u></u>
<b><u>Uniform School Supplies Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 256,000	\$ 256,000	\$ 291,623	\$ 35,623
Total Expenditures and Other Financing Uses	<u>291,192</u>	<u>303,192</u>	<u>303,028</u>	<u>164</u>
Net Change in Fund Balance	(35,192)	(47,192)	(11,405)	35,787
Fund Balance, July 1	140,817	140,817	140,817	-
Prior Year Encumbrances Appropriated	<u>14,371</u>	<u>14,371</u>	<u>14,371</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 119,996</u></u>	<u><u>\$ 107,996</u></u>	<u><u>\$ 143,783</u></u>	<u><u>\$ 35,787</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b><u>Special Services Rotary Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 54,000	\$ 54,000	\$ 49,992	\$ (4,008)
Total Expenditures and Other Financing Uses	54,992	54,992	50,890	4,102
Net Change in Fund Balance	(992)	(992)	(898)	94
Fund Balance, July 1	21,470	21,470	21,470	-
Prior Year Encumbrances Appropriated	264	264	264	-
Fund Balance, June 30	<u>\$ 20,742</u>	<u>\$ 20,742</u>	<u>\$ 20,836</u>	<u>\$ 94</u>
<b><u>Special Enterprise Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 340,000	\$ 340,000	\$ 178,916	\$ (161,084)
Total Expenditures and Other Financing Uses	342,725	342,725	181,309	161,416
Net Change in Fund Balance	(2,725)	(2,725)	(2,393)	332
Fund Balance, July 1	12,630	12,630	12,630	-
Prior Year Encumbrances Appropriated	1,575	1,575	1,575	-
Fund Balance, June 30	<u>\$ 11,480</u>	<u>\$ 11,480</u>	<u>\$ 11,812</u>	<u>\$ 332</u>
<b><u>Public School Support Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 100,000	\$ 103,000	\$ 78,869	\$ (24,131)
Total Expenditures and Other Financing Uses	104,195	104,195	72,654	31,541
Net Change in Fund Balance	(4,195)	(1,195)	6,215	7,410
Fund Balance, July 1	56,918	56,918	56,918	-
Prior Year Encumbrances Appropriated	1,544	1,544	1,544	-
Fund Balance, June 30	<u>\$ 54,267</u>	<u>\$ 57,267</u>	<u>\$ 64,677</u>	<u>\$ 7,410</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Other Grants Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 70,450	\$ 70,450	\$ 38,304	\$ (32,146)
Total Expenditures and Other Financing Uses	<u>74,503</u>	<u>74,503</u>	<u>49,488</u>	<u>25,015</u>
Net Change in Fund Balance	(4,053)	(4,053)	(11,184)	(7,131)
Fund Balance, July 1	23,435	23,435	23,435	-
Prior Year Encumbrances Appropriated	<u>1,263</u>	<u>1,263</u>	<u>1,263</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 20,645</u>	<u>\$ 20,645</u>	<u>\$ 13,514</u>	<u>\$ (7,131)</u>
<b><u>District Managed Activity Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 565,000	\$ 565,000	\$ 587,818	\$ 22,818
Total Expenditures and Other Financing Uses	<u>658,499</u>	<u>658,499</u>	<u>569,108</u>	<u>89,391</u>
Net Change in Fund Balance	(93,499)	(93,499)	18,710	112,209
Fund Balance, July 1	210,673	210,673	210,673	-
Prior Year Encumbrances Appropriated	<u>8,401</u>	<u>8,401</u>	<u>8,401</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 125,575</u>	<u>\$ 125,575</u>	<u>\$ 237,784</u>	<u>\$ 112,209</u>
<b><u>Auxiliary Services Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 337,561	\$ 337,561	\$ 331,719	\$ (5,842)
Total Expenditures and Other Financing Uses	<u>344,025</u>	<u>344,025</u>	<u>338,275</u>	<u>5,750</u>
Net Change in Fund Balance	(6,464)	(6,464)	(6,556)	(92)
Fund Balance, July 1	2,091	2,091	2,091	-
Prior Year Encumbrances Appropriated	<u>4,373</u>	<u>4,373</u>	<u>4,373</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (92)</u>	<u>\$ (92)</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Management Information Systems Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 23,100	\$ 23,100	\$ 20,249	\$ (2,851)
Total Expenditures and Other Financing Uses	<u>23,100</u>	<u>23,100</u>	<u>20,249</u>	<u>2,851</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>
<b><u>Entry Year Programs Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 9,900	\$ 18,700	\$ 16,500	\$ (2,200)
Total Expenditures and Other Financing Uses	<u>9,900</u>	<u>16,500</u>	<u>12,187</u>	<u>4,313</u>
Net Change in Fund Balance	-	2,200	4,313	2,113
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>\$ 2,200</u></u>	<u><u>\$ 4,313</u></u>	<u><u>\$ 2,113</u></u>
<b><u>Disadvantaged Pupil Impact Aid Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 59,051	\$ 59,051	\$ 59,051	\$ -
Total Expenditures and Other Financing Uses	<u>59,051</u>	<u>59,051</u>	<u>45,475</u>	<u>13,576</u>
Net Change in Fund Balance	-	-	13,576	13,576
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>\$ 13,576</u></u>	<u><u>\$ 13,576</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Data Communication Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 48,000	\$ 48,000	\$ 45,000	\$ (3,000)
Total Expenditures and Other Financing Uses	<u>48,000</u>	<u>48,000</u>	<u>45,000</u>	<u>3,000</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>
<b><u>SchoolNet Professional Development Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 6,507	\$ 6,507	\$ 4,140	\$ (2,367)
Total Expenditures and Other Financing Uses	<u>9,347</u>	<u>9,347</u>	<u>5,735</u>	<u>3,612</u>
Net Change in Fund Balance	(2,840)	(2,840)	(1,595)	1,245
Fund Balance, July 1	2,840	2,840	2,840	-
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>\$ 1,245</u></u>	<u><u>\$ 1,245</u></u>
<b><u>Ohio Reads Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 102,000	\$ 102,000	\$ 102,000	\$ -
Total Expenditures and Other Financing Uses	<u>116,462</u>	<u>116,462</u>	<u>116,462</u>	<u>-</u>
Net Change in Fund Balance	(14,462)	(14,462)	(14,462)	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>14,462</u>	<u>14,462</u>	<u>14,462</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Summer Intervention Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 112,864	\$ 113,573	\$ 112,864	\$ (709)
Total Expenditures and Other Financing Uses	<u>149,392</u>	<u>150,101</u>	<u>114,278</u>	<u>35,823</u>
Net Change in Fund Balance	(36,528)	(36,528)	(1,414)	35,114
Fund Balance, July 1	29,134	29,134	29,134	-
Prior Year Encumbrances Appropriated	<u>7,394</u>	<u>7,394</u>	<u>7,394</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,114</u>	<u>\$ 35,114</u>
<b><u>Vocational Education Enhancements Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 33,132	\$ 37,132	\$ 33,131	\$ (4,001)
Total Expenditures and Other Financing Uses	<u>39,728</u>	<u>39,728</u>	<u>31,685</u>	<u>8,043</u>
Net Change in Fund Balance	(6,596)	(2,596)	1,446	4,042
Fund Balance, July 1	5	5	5	-
Prior Year Encumbrances Appropriated	<u>6,591</u>	<u>6,591</u>	<u>6,591</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 8,042</u>	<u>\$ 4,042</u>
<b><u>Miscellaneous State Grants Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 30,532	\$ 44,332	\$ 44,332	\$ -
Total Expenditures and Other Financing Uses	<u>34,392</u>	<u>48,192</u>	<u>45,051</u>	<u>3,141</u>
Net Change in Fund Balance	(3,860)	(3,860)	(719)	3,141
Fund Balance, July 1	3,510	3,510	3,510	-
Prior Year Encumbrances Appropriated	<u>350</u>	<u>350</u>	<u>350</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,141</u>	<u>\$ 3,141</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b><u>IDEA Part B Grants Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 1,366,447	\$ 1,400,307	\$ 1,263,947	\$ (136,360)
Total Expenditures and Other Financing Uses	<u>1,404,456</u>	<u>1,438,316</u>	<u>1,329,022</u>	<u>109,294</u>
Net Change in Fund Balance	(38,009)	(38,009)	(65,075)	(27,066)
Fund Balance, July 1	30,636	30,636	30,636	-
Prior Year Encumbrances Appropriated	<u>7,373</u>	<u>7,373</u>	<u>7,373</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (27,066)</u></u>	<u><u>\$ (27,066)</u></u>
<b><u>Vocational Education Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 220,111	\$ 222,886	\$ 222,747	\$ (139)
Total Expenditures and Other Financing Uses	<u>233,548</u>	<u>236,323</u>	<u>236,148</u>	<u>175</u>
Net Change in Fund Balance	(13,437)	(13,437)	(13,401)	36
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>13,437</u>	<u>13,437</u>	<u>13,437</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 36</u></u>	<u><u>\$ 36</u></u>
<b><u>Limited English Proficiency Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 35,316	\$ 35,978	\$ 35,978	\$ -
Total Expenditures and Other Financing Uses	<u>35,316</u>	<u>35,978</u>	<u>35,941</u>	<u>37</u>
Net Change in Fund Balance	-	-	37	37
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>\$ 37</u></u>	<u><u>\$ 37</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Title I Disadvantaged Children Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 999,439	\$ 1,064,364	\$ 983,725	\$ (80,639)
Total Expenditures and Other Financing Uses	<u>1,064,363</u>	<u>1,129,288</u>	<u>979,051</u>	<u>150,237</u>
Net Change in Fund Balance	(64,924)	(64,924)	4,674	69,598
Fund Balance, July 1	64,466	64,466	64,466	-
Prior Year Encumbrances Appropriated	<u>458</u>	<u>458</u>	<u>458</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,598</u>	<u>\$ 69,598</u>
 <b><u>Title V Innovative Education Program Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 29,303	\$ 31,312	\$ 26,261	\$ (5,051)
Total Expenditures and Other Financing Uses	<u>35,605</u>	<u>37,614</u>	<u>31,127</u>	<u>6,487</u>
Net Change in Fund Balance	(6,302)	(6,302)	(4,866)	1,436
Fund Balance, July 1	1,560	1,560	1,560	-
Prior Year Encumbrances Appropriated	<u>4,742</u>	<u>4,742</u>	<u>4,742</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,436</u>	<u>\$ 1,436</u>
 <b><u>Drug Free School Grant Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 32,135	\$ 32,135	\$ 32,254	\$ 119
Total Expenditures and Other Financing Uses	<u>33,550</u>	<u>33,550</u>	<u>33,479</u>	<u>71</u>
Net Change in Fund Balance	(1,415)	(1,415)	(1,225)	190
Fund Balance, July 1	120	120	120	-
Prior Year Encumbrances Appropriated	<u>1,295</u>	<u>1,295</u>	<u>1,295</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190</u>	<u>\$ 190</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b><u>IDEA Preschool-Handicapped Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 25,901	\$ 26,871	\$ 26,211	\$ (660)
Total Expenditures and Other Financing Uses	<u>26,871</u>	<u>27,841</u>	<u>27,151</u>	<u>690</u>
Net Change in Fund Balance	(970)	(970)	(940)	30
Fund Balance, July 1	970	970	970	-
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</u></u>	<u><u>\$ 30</u></u>
<b><u>Telecommunications Act Grant Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 56,000	\$ 53,760	\$ 67,842	\$ 14,082
Total Expenditures and Other Financing Uses	<u>80,960</u>	<u>80,960</u>	<u>78,292</u>	<u>2,668</u>
Net Change in Fund Balance	(24,960)	(27,200)	(10,450)	16,750
Fund Balance, July 1	27,079	27,079	27,079	-
Prior Year Encumbrances Appropriated	<u>121</u>	<u>121</u>	<u>121</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 2,240</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,750</u></u>	<u><u>\$ 16,750</u></u>
<b><u>Improving Teacher Quality Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 272,825	\$ 311,002	\$ 279,955	\$ (31,047)
Total Expenditures and Other Financing Uses	<u>311,241</u>	<u>349,418</u>	<u>307,648</u>	<u>41,770</u>
Net Change in Fund Balance	(38,416)	(38,416)	(27,693)	10,723
Fund Balance, July 1	38,288	38,288	38,288	-
Prior Year Encumbrances Appropriated	<u>128</u>	<u>128</u>	<u>128</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,723</u></u>	<u><u>\$ 10,723</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Miscellaneous Federal Grants Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 25,515	\$ 36,468	\$ 25,819	\$ (10,649)
Total Expenditures and Other Financing Uses	<u>35,663</u>	<u>46,616</u>	<u>34,630</u>	<u>11,986</u>
Net Change in Fund Balance	(10,148)	(10,148)	(8,811)	1,337
Fund Balance, July 1	9,057	9,057	9,057	-
Prior Year Encumbrances Appropriated	<u>1,091</u>	<u>1,091</u>	<u>1,091</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,337</u>	<u>\$ 1,337</u>

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

**Nonmajor Debt Service Fund**

**Bond Retirement Fund**

Section 5705.09, Revised Code

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



**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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Bond Retirement Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 108,061	\$ 108,061	\$ 108,426	\$ 365
Total Expenditures and Other Financing Uses	<u>108,061</u>	<u>108,061</u>	<u>108,061</u>	<u>-</u>
Net Change in Fund Balance	-	-	365	365
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>\$ 365</u>	<u>\$ 365</u>

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

**Nonmajor Capital Projects Funds**

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.

**Building Fund**

Section 5705.09, Revised Code

A fund used to account for the receipts and expenditures related to all special bond funds in the district. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

**SchoolNet Equipment/Infrastructure Fund**

Section 5705.09, Revised Code

A fund used to account for State grants to provide classroom wiring, which will support the transmission of voice, video, and data; to provide a computer workstation and related technology for every classroom in low-wealth districts.

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

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2005

	<b>Permanent Improvement</b>	<b>Building</b>	<b>SchoolNet Equipment/ Infrastructure</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 614,609	\$ -	\$ 227	\$ 614,836
Total assets. . . . .	\$ 614,609	\$ -	\$ 227	\$ 614,836
<b>Liabilities:</b>				
Contracts payable. . . . .	\$ 89,439	\$ -	\$ -	\$ 89,439
Retainage payable . . . . .	6,529			6,529
Interfund loans payable. . . . .	113,000	-	-	113,000
Deferred revenue . . . . .	600,001	-	-	600,001
Total liabilities . . . . .	808,969	-	-	808,969
<b>Fund balances:</b>				
Reserved for encumbrances. . . . .	521,083	713,611	-	1,234,694
Unreserved-undesignated (deficit) . . . . .	(715,443)	(713,611)	227	(1,428,827)
Total fund balances (deficits). . . . .	(194,360)	-	227	(194,133)
Total liabilities and fund balances . . . . .	\$ 614,609	\$ -	\$ 227	\$ 614,836

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<b>Permanent Improvement</b>	<b>Building</b>	<b>SchoolNet Equipment/ Infrastructure</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 3,266	\$ -	\$ -	\$ 3,266
Other local revenues . . . . .	66,666	-	-	66,666
Intergovernmental - State . . . . .	-	-	49,875	49,875
Total revenues . . . . .	69,932	-	49,875	119,807
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	-	-	49,648	49,648
Support services:				
Operations and maintenance . . . . .	130	-	-	130
Facilities acquisition and construction. . . . .	217,547	95,651	-	313,198
Total expenditures . . . . .	217,677	95,651	49,648	362,976
Excess of revenues over (under) expenditures . . . . .	(147,745)	(95,651)	227	(243,169)
<b>Other financing sources:</b>				
Transfers in . . . . .	590,000	-	-	590,000
Loan issuance . . . . .	-	95,651	-	95,651
Total other financing sources . . . . .	590,000	95,651	-	685,651
Net change in fund balances. . . . .	442,255	-	227	442,482
<b>Fund balances (deficit)</b>				
at beginning of year (restated) . . . . .	(636,615)	-	-	(636,615)
<b>Fund balances (deficit) at end of year. . .</b>	<b>\$ (194,360)</b>	<b>\$ -</b>	<b>\$ 227</b>	<b>\$ (194,133)</b>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Permanent Improvement Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 5,000	\$ 708,000	\$ 706,266	\$ (1,734)
Total Expenditures and Other Financing Uses	<u>31,557</u>	<u>732,557</u>	<u>732,232</u>	<u>325</u>
Net Change in Fund Balance	(26,557)	(24,557)	(25,966)	(1,409)
Fund Balance, July 1	12,495	12,495	12,495	-
Prior Year Encumbrances Appropriated	<u>17,557</u>	<u>17,557</u>	<u>17,557</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 3,495</u>	<u>\$ 5,495</u>	<u>\$ 4,086</u>	<u>\$ (1,409)</u>
 <b><u>Building Fund</u></b>				
Total Revenues and Other Financing Sources	\$ -	\$ 809,262	\$ 95,651	\$ (713,611)
Total Expenditures and Other Financing Uses	<u>-</u>	<u>809,262</u>	<u>809,262</u>	<u>-</u>
Net Change in Fund Balance	-	-	(713,611)	(713,611)
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>\$ (713,611)</u>	<u>\$ (713,611)</u>
 <b><u>SchoolNet Equipment/Infrastructure Fund</u></b>				
Total Revenues and Other Financing Sources	\$ -	\$ 49,875	\$ 49,875	\$ -
Total Expenditures and Other Financing Uses	<u>-</u>	<u>49,875</u>	<u>49,648</u>	<u>227</u>
Net Change in Fund Balance	-	-	227	227
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>\$ 227</u>	<u>\$ 227</u>

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

**Nonmajor Permanent Fund**

**Endowment Fund**

Section 5705.09, Revised Code

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



**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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b><u>Endowment Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 8,000	\$ 8,000	\$ 16,681	\$ 8,681
Total Expenditures and Other Financing Uses	<u>18,000</u>	<u>25,000</u>	<u>24,752</u>	<u>248</u>
Net Change in Fund Balance	(10,000)	(17,000)	(8,071)	8,929
Fund Balance, July 1	639,809	639,809	639,809	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 629,809</u>	<u>\$ 622,809</u>	<u>\$ 631,738</u>	<u>\$ 8,929</u>

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

**Nonmajor Internal Service Fund**

**Employee Benefits Self Insurance Fund**

Section 5705.09, Revised Code

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

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Employee Benefits Self Insurance Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 7,200,000	\$ 7,200,000	\$ 6,949,604	\$ (250,396)
Total Expenses and Other Financing Uses	<u>7,155,432</u>	<u>7,155,432</u>	<u>6,935,623</u>	<u>219,809</u>
Net Change in Fund Balance	44,568	44,568	13,981	(30,587)
Fund Balance, July 1	1,007,611	1,007,611	1,007,611	-
Prior Year Encumbrances Appropriated	<u>2,432</u>	<u>2,432</u>	<u>2,432</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 1,054,611</u></u>	<u><u>\$ 1,054,611</u></u>	<u><u>\$ 1,024,024</u></u>	<u><u>\$ (30,587)</u></u>

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

**FIDUCIARY FUNDS**

**FUND DESCRIPTIONS**

**Private Purpose Trust Fund**

**Scholarship Fund**

Section 5705.09, Revised Code

The scholarship fund is used to account for local revenues donated to support scholarships. Since the District maintains only one private purpose trust fund, no combining statements are presented.

**Agency Funds**

**Student Managed Activity Fund**

Section 3313.062, Revised Code

A fund used to account for those student activity programs which have student participation in the activity and have student involvement in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Scholarship Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 19,039	\$ 26,774	\$ 17,201	\$ (9,573)
Total Expenditures and Other Financing Uses	<u>32,220</u>	<u>38,383</u>	<u>31,457</u>	<u>6,926</u>
Net Change in Fund Balance	(13,181)	(11,609)	(14,256)	(2,647)
Fund Balance, July 1	42,240	42,240	42,240	-
Prior Year Encumbrances Appropriated	<u>5,725</u>	<u>5,725</u>	<u>5,725</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 34,784</u>	<u>\$ 36,356</u>	<u>\$ 33,709</u>	<u>\$ (2,647)</u>

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STATISTICAL SECTION

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

GOVERNMENTAL ACTIVITIES EXPENSES BY PROGRAM  
AND GENERAL FUND EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

	2005		2004		2003	
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual
<b>Instruction:</b>						
Regular	\$ 22,864,137	\$ 22,851,215	\$ 23,486,849	\$ 22,677,188	\$ 22,868,934	\$ 22,197,626
Special	6,587,965	6,562,357	6,885,330	6,698,490	5,956,893	5,876,409
Vocational	2,791,238	2,774,174	2,907,647	2,830,388	2,811,767	2,716,560
Adult/continuing	151,540	151,806	22,997	22,115	-	-
Other	1,316,933	1,319,245	966,070	966,151	866,858	870,279
<b>Support services:</b>						
Pupil	2,676,900	2,660,619	2,614,587	2,571,763	2,329,275	2,317,505
Instructional staff	4,106,395	4,166,714	4,316,723	4,290,418	3,820,351	3,688,968
Board of Education	137,083	137,324	141,345	141,345	183,090	183,090
Administration	3,507,561	3,555,187	3,699,470	3,629,330	3,345,715	3,251,163
Fiscal	1,400,700	1,396,875	1,366,159	1,353,401	1,286,047	1,268,227
Business	-	-	-	-	-	-
Operations and maintenance	5,832,388	5,442,055	5,754,853	5,693,012	5,450,274	5,393,900
Pupil transportation	1,977,385	1,869,871	2,062,403	2,099,609	1,929,180	1,795,382
Central	119,375	119,694	143,826	140,790	230,120	229,529
Operation of non-instructional services	611,998	588,603	685,389	668,136	724,093	694,726
Extracurricular activities	1,334,990	1,342,774	1,353,732	1,349,432	1,409,969	1,416,183
Food service operations	1,759,738	1,775,874	1,707,969	1,715,056	1,711,038	1,489,419
Facilities acquisition and construction	-	573,018	-	44,188	-	94,152
Capital outlay	-	-	-	-	-	-
Debt service	140,487	544,433	160,153	599,487	174,786	574,297
<b>Total</b>	<b>\$ 57,316,813</b>	<b>\$ 57,831,838</b>	<b>\$ 58,275,502</b>	<b>\$ 57,490,299</b>	<b>\$ 55,098,390</b>	<b>\$ 54,057,415</b>

Source: School District financial records.

Note: Data from fiscal years 2003-2005 represent governmental activities expenditures. Data from fiscal years 1996-2002 represent general fund expenditures.



<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</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>
\$ 19,971,753	\$ 19,014,188	\$ 17,942,563	\$ 16,701,247	\$ 15,991,803	\$ 15,383,566	\$ 14,860,942
4,941,397	4,672,979	4,420,789	4,133,119	3,873,984	3,667,224	3,476,323
2,483,246	2,248,995	1,977,505	2,382,456	2,389,945	2,340,991	2,200,197
-	-	-	-	-	-	-
252,180	251,695	183,780	143,565	86,659	90,954	72,532
1,955,732	1,939,613	1,919,114	1,776,873	1,716,136	1,657,213	1,569,529
2,364,395	2,112,782	2,463,465	2,400,937	2,180,993	1,995,493	1,871,615
159,968	161,133	161,443	117,511	141,499	94,717	124,734
3,007,013	2,905,566	2,672,400	2,569,290	2,433,345	2,260,445	2,203,079
1,185,346	1,170,793	907,028	832,979	800,238	784,296	787,179
-	-	-	-	-	-	75,068
4,907,948	4,603,293	8,484,122	4,235,864	3,890,721	3,941,409	3,731,584
1,780,993	1,419,056	1,377,209	1,407,436	1,103,197	1,418,002	1,076,375
105,749	161,444	41,799	12,735	12,498	-	-
-	-	-	-	-	-	-
811,686	1,096,001	619,623	587,564	533,797	497,340	446,576
-	-	-	-	-	-	-
53,727	163	-	-	-	-	-
-	-	7,250	10,000	-	-	-
540,339	453,075	341,184	14,046	57,953	78,080	86,483
<u>\$ 44,521,472</u>	<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>

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

GOVERNMENTAL ACTIVITIES REVENUES BY SOURCE  
AND GENERAL FUND REVENUES BY SOURCE

LAST TEN FISCAL YEARS

	2005		2004		2003	
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual
<b>Program revenues:</b>						
Charges for services and sales	\$ 4,747,580	n/a	\$ 4,592,601	n/a	\$ 4,313,397	n/a
Operating grants and contributions	4,719,565	n/a	4,146,868	n/a	4,387,198	n/a
Capital grants and contributions	49,875	n/a	-	n/a	154,739	n/a
<b>General revenues:</b>						
Taxes	28,182,131	\$ 27,278,445	25,718,643	\$ 25,764,840	25,916,375	\$ 24,943,804
Tuition	-	2,528,218	-	2,344,604	-	2,097,962
Earnings on investments	208,720	189,744	174,636	181,235	275,635	258,138
Charges for services	-	961,169	-	873,692	-	915,532
Extracurricular	-	579,910	-	547,674	-	641,279
Classroom materials and fees	-	326,309	-	314,614	-	-
Other local revenues	806,576	864,178	601,258	1,113,275	389,506	1,445,815
Donations	-	293,109	-	-	-	234,738
Intergovernmental	21,047,772	25,849,325	20,151,186	24,622,038	19,021,043	22,553,600
<b>Total</b>	<b>\$ 59,762,219</b>	<b>\$ 58,870,407</b>	<b>\$ 55,385,192</b>	<b>\$ 55,761,972</b>	<b>\$ 54,457,893</b>	<b>\$ 53,090,868</b>

Source: School District financial records.

Note: Data from fiscal years 2003-2005 represent governmental activities full accrual revenues and governmental funds modified accrual revenues.  
Data from fiscal years 1996-2002 represent general fund revenues.

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</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
\$ 25,476,395	\$ 24,380,691	\$ 24,335,248	\$ 24,271,803	\$ 23,480,162	\$ 20,883,311	\$ 20,761,563
584,678	349,597	364,994	845,136	618,284	917,752	715,460
310,512	707,789	659,325	543,369	543,134	474,839	297,740
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
457,373	627,221	370,875	268,222	310,859	309,744	331,941
-	-	-	-	-	-	-
<u>19,007,730</u>	<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>\$ 45,836,688</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>

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

PROPERTY TAX LEVIES AND COLLECTIONS  
REAL AND PUBLIC UTILITY REAL PROPERTY TAX (1)

LAST TEN CALENDAR YEARS

<u>Calendar Year (2)</u>	<u>Current Taxes Levied</u>	<u>Delinquent Levy (3)</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collection As a Percent of Total Levy</u>
2004	\$ 21,234,561	\$ 1,119,617	\$ 22,354,178	\$ 20,263,783	95.4%	\$ 823,042	\$ 21,086,825	94.3%
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%

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 2005 information cannot be presented because all collections have not been made as of the District's June 30 fiscal year end.
- (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

<b>Calendar Year</b>	<b>Agricultural and Residential Real Estate</b>	<b>Other Real Estate</b>	<b>Public Utility Tangible Personal Property</b>	<b>General Tangible Personal Property</b>	<b>Total Assessed Value</b>	<b>Estimated Actual Value (1)</b>	<b>Assessed Value as a Percent of Actual Value</b>
2005	\$ 552,451,160	\$ 157,310,970	\$ 22,704,310	\$ 121,231,428	\$ 853,697,868	\$ 2,491,093,866	34.27%
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%

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) 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  
(PER \$1,000 OF ASSESSED VALUATION)

LAST TEN CALENDAR YEARS

<u>Calendar Year</u>	<u>City of Findlay</u>	<u>Hancock County</u>	<u>Hancock County Park District</u>	<u>Findlay City School District</u>	<u>Total</u>
2005	\$ 3.20	\$ 5.00	\$ 0.80	\$ 58.25	\$ 67.25
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

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

<b>Fiscal Year</b>	<b>Total Assessed Valuation</b>	<b>Gross Bonded Debt (1)</b>	<b>Less: Amount Available in Debt Service Fund</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Valuation</b>	<b>Population (2)</b>	<b>Net Bonded Debt Per Capita</b>	<b>Enrollment</b>	<b>Net Bonded Debt Per Student</b>
2005	\$ 853,697,868	\$ -	\$ 365	\$ -	n/a	40,175	\$ -	6,507	\$ -
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	-

Source: Hancock County Auditor.

(1) Gross Bonded Debt does not include asbestos removal loans, energy conservation loans, capital lease obligations, or lease purchase agreements.

(2) U.S. Census Bureau. Year 2000 is actual. Years 1996-1999 and 2001-2005 are estimated.

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

COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2005

<b>Assessed Valuation -- 2005</b>	<u>\$ 853,697,868</u>
Voted Debt Limit (1)	\$ 76,832,808
Less: Amount of Debt Applicable to Debt Limit: Net Bonded Debt	-
Amount Available in Debt Service Fund	<u>365</u>
<b>Voted Debt Margin</b>	<u><u>\$ 76,833,173</u></u>
Unvoted Debt Limit (1)	\$ 853,698
Less: Amount of Debt Applicable to Debt Limit:	<u>-</u>
<b>Unvoted Debt Margin</b>	<u><u>\$ 853,698</u></u>

Source: Hancock County Auditor and School District financial records.

(1) The Ohio Revised Code sets the voted debt limit at 9% of assessed valuation and the unvoted debt limit at 0.1% of assessed valuation.



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

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT

JUNE 30, 2005

<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	\$ 853,697,868	\$ -	100.00%	\$ -
Hancock County	1,513,994,056	<u>10,419,199</u>	56.39%	<u>5,875,088</u>
<b>Total</b>		<u><u>\$ 10,419,199</u></u>		<u><u>\$ 5,875,088</u></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

<b>Fiscal Year</b>	<b>Principal</b>		<b>Interest</b>		<b>Total Debt Service (1)</b>		<b>Total General Fund Expenditures (2)</b>		<b>Ratio of Debt Service to General Fund Expenditures (Percentage)</b>
2005	\$	-	\$	-	\$	-	\$	50,173,738	0.00%
2004		-		-		-		50,631,402	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%

Source: School District financial records.

(1) Total Debt Service does not include asbestos removal loans or energy conservation loans.

(2) Total General Fund Expenditures excludes other financing uses.

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

REAL PROPERTY VALUE, NEW CONSTRUCTION, AND FINANCIAL INSTITUTION DEPOSITS

LAST TEN CALENDAR YEARS

Calendar 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)	
2004	\$ 2,027,891,800	15	\$ 11,119,000	175	\$ 46,393,709	\$ 827,708,000
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

(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>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Elementary Schools:</b>				
Bigelow	245	264	277	291
Chamberlin	264	258	264	243
Jacobs	297	283	299	305
Jefferson	244	244	259	281
Lincoln	490	478	478	489
Northview	308	278	286	297
Wilson Vance	407	374	374	355
Washington	265	224	224	244
Whittier	384	402	402	393
Total Elementary Schools	2,904	2,805	2,863	2,898
<b>Middle Schools:</b>				
Central	487	536	536	514
Donnell	467	480	480	455
Glenwood	440	417	417	429
Total Middle Schools	1,394	1,433	1,433	1,398
<b>High School:</b>				
Total High School	2,209	2,150	2,162	2,172
<b>Total Enrollment</b>	<b>6,507</b>	<b>6,388</b>	<b>6,458</b>	<b>6,468</b>

Source: School District records.

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
292	280	284	288	302	296
232	258	259	247	225	246
297	319	348	340	378	353
270	249	227	233	264	261
497	524	509	504	492	456
309	315	333	328	306	319
340	329	317	298	292	270
260	269	253	244	265	291
393	369	368	339	340	328
<u>2,890</u>	<u>2,912</u>	<u>2,898</u>	<u>2,821</u>	<u>2,864</u>	<u>2,820</u>
473	451	442	441	437	457
466	455	478	479	475	449
395	416	445	459	484	472
<u>1,334</u>	<u>1,322</u>	<u>1,365</u>	<u>1,379</u>	<u>1,396</u>	<u>1,378</u>
<u>2,121</u>	<u>2,177</u>	<u>2,123</u>	<u>2,115</u>	<u>2,118</u>	<u>2,018</u>
<u>6,345</u>	<u>6,411</u>	<u>6,386</u>	<u>6,315</u>	<u>6,378</u>	<u>6,216</u>

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

PRINCIPAL TAXPAYERS

JUNE 30, 2005

<b>REAL PROPERTY</b>			
<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Real Property Valuation</u>	<u>Percentage of Total Property Valuation</u>
Ohio Power Co.	\$ 12,479,040	1.76%	1.46%
Marathon Oil / Ashland Petroleum Co.	10,908,040	1.54%	1.28%
Cooper Tire & Rubber Co.	8,777,850	1.24%	1.03%
Findlay Shopping Center	5,873,060	0.83%	0.69%
Ohio Bell Telephone Co.	5,272,710	0.74%	0.62%
Logistics Solutions Of Ohio	3,696,730	0.52%	0.43%
LP Investment Co.	2,282,160	0.32%	0.27%
Columbia Gas Of Ohio, Inc.	2,142,040	0.30%	0.25%
Lowe's Home Centers, Inc.	2,083,050	0.29%	0.24%
Gardner, Phillip D., Trustee	1,725,200	0.24%	0.20%
<b>Total</b>	<b>\$55,239,880</b>	<b>7.78%</b>	<b>6.47%</b>

<b>PERSONAL PROPERTY</b>			
<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Personal Property Valuation</u>	<u>Percentage of Total Property Valuation</u>
Cooper Tire & Rubber Co.	\$ 20,192,240	14.03%	2.37%
Findlex	12,425,370	8.63%	1.46%
Dow Chemical	6,615,240	4.60%	0.77%
Findlay Products Corp.	4,083,840	2.84%	0.48%
Time Warner Cable, Inc.	3,422,170	2.38%	0.40%
Filtech	3,178,530	2.21%	0.37%
Marathon Oil Co.	3,015,080	2.09%	0.35%
Hisan Co.	2,975,060	2.07%	0.35%
Bridgestone APM Co.	2,862,090	1.99%	0.34%
Marathon Ashland Petroleum	2,841,930	1.97%	0.33%
<b>Total</b>	<b>\$61,611,550</b>	<b>42.81%</b>	<b>7.22%</b>

Source: Hancock County Auditor.

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

GENERAL FUND EXPENDITURES, AVERAGE DAILY MEMBERSHIP,  
AND GENERAL FUND 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 Expenditures Per Pupil</u>
2005	\$50,173,738	6,507	\$7,711
2004	50,631,402	6,388	7,926
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

Source: School District financial records.

(1) General Fund Expenditures excludes other financing uses.

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

TEACHER EDUCATION AND EXPERIENCE

JUNE 30, 2005

<u><b>Degree</b></u>	<u><b>Number of Teachers</b></u>	<u><b>Percentage of Total</b></u>
Bachelor's Degree	69	15.7%
Bachelor's +15 hours	37	8.4%
Bachelor's +30 hours	55	12.5%
Master's Degree	97	22.0%
Master's +15 hours	61	13.9%
Master's +30 hours	121	27.5%
Total	<u>440</u>	<u>100.00%</u>

<u><b>Years of Experience</b></u>	<u><b>Number of Teachers</b></u>	<u><b>Percentage of Total</b></u>
0 - 5	85	19.3%
6 - 10	78	17.7%
11 and more	277	63.0%
Total	<u>440</u>	<u>100.00%</u>

Source: School District records.