

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

FINDLAY, OHIO

CITY SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2006

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, 2006**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Findlay City Schools

January 11, 2007

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, 2006. 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 2005 CAFR, and the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for the 2005 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 615 public school districts in the State of Ohio and one of eight school districts in Hancock County. It provides education to approximately 6,571 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.

ECONOMIC OUTLOOK

With a total assessed valuation of \$833,161,453 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.

Most areas of the budget for fiscal 2007 will remain constant, with little difference in revenues or expenditures. There will be a millage increase of 2.5 mills for permanent improvements, which the voters approved on May 2, 2006. Collections will begin in calendar year 2007. 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 2006 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 2006 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 \$734,036 at June 30, 2006, compared to net assets of \$(139,381) at June 30, 2005, reflecting an increase in net assets of \$873,417.

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 \$35,588 at June 30, 2006. The agency fund had assets of \$122,367 at June 30, 2006.

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, 2005. 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, 2005. 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.

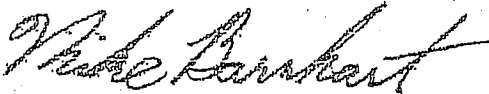
ACKNOWLEDGMENTS

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.

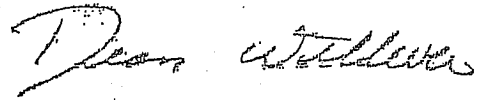
Special appreciation is expressed to Mr. Alexander J. Fait, of Julian & Grube, Inc., who compiled this report in compliance with GAO guidance, and to Mr. Ray Musser, of Julian & Grube, Inc., who audited this report.

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 A. Wittwer
Superintendent

FINDLAY CITY SCHOOL DISTRICT

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2006

BOARD OF EDUCATION

Mrs. Julie Brown.....President
Mr. Jeff Shrader.....Vice-President
Dr. Eric Browning.....Member
Mr. John Cavallero.....Member
Mrs. Martha Rothey.....Member

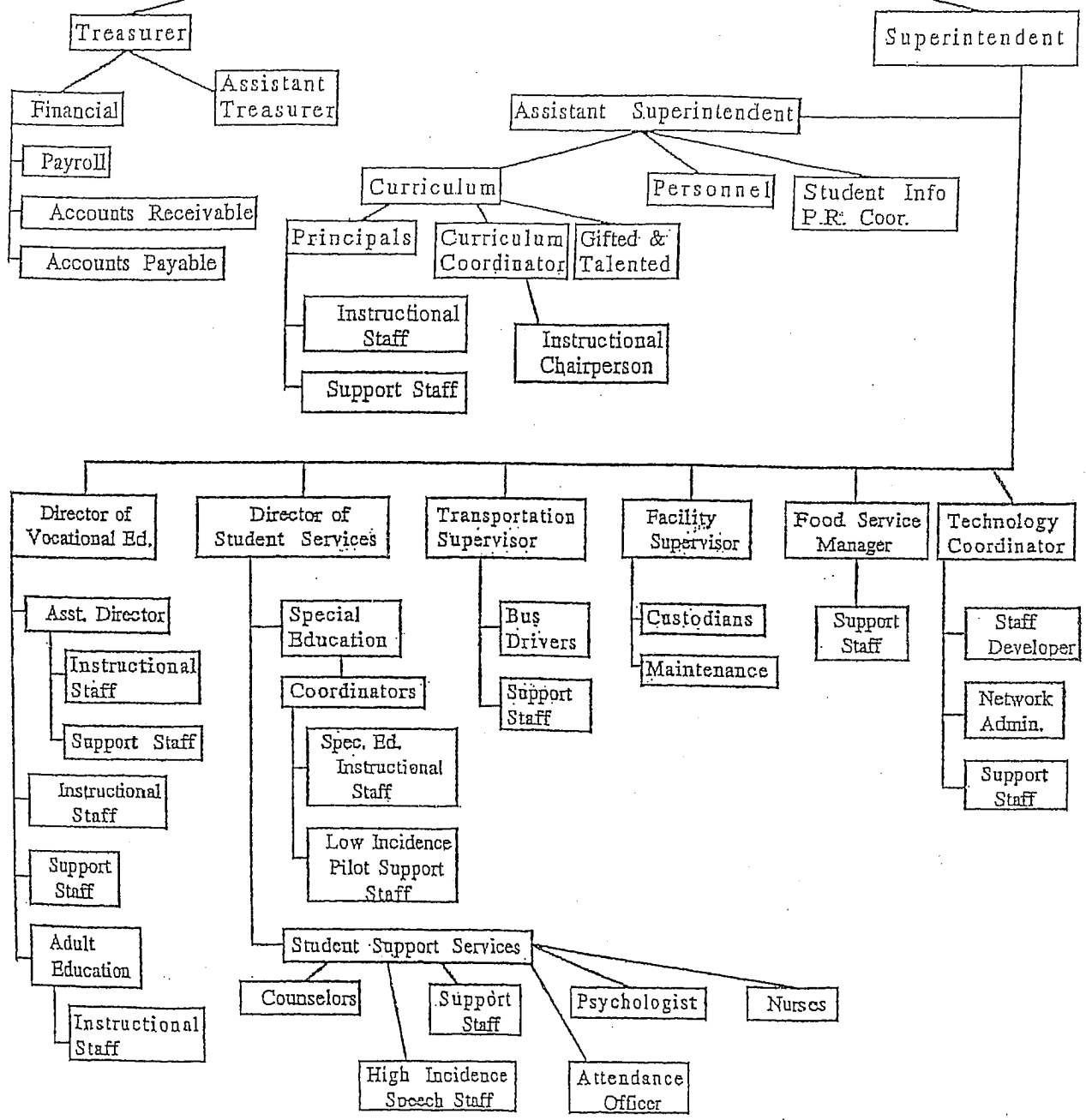
ADMINISTRATION

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

FINDLAY CITY SCHOOL DISTRICT

ORGANIZATIONAL CHART

BOARD OF EDUCATION



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, 2005

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.



President

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, 2005

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.

Serving Ohio Local Governments

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

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit 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, 2006, 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 did not audit the financial statements of the Findlay Digital Academy, the District's only discretely presented component unit. Findlay Digital Academy financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the District is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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.

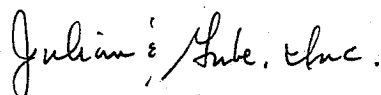
In our opinion, based on our audit and the report of a other auditors the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, its major fund, and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio, as of June 30, 2006, and the respective changes in financial position and where applicable, cash flows, thereof 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.

Independent Auditor's Report
Findlay City School District

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2007 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, 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 and schedules 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.
January 11, 2007

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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, 2006. 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 2006 are as follows:

- In total, net assets of governmental activities increased \$4,476,856 which represents an 81.21% increase from 2005.
- General revenues accounted for \$52,632,615 in revenue or 85.53% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$8,907,878 or 14.47% of total revenues of \$61,540,493.
- The District had \$57,063,637 in expenses related to governmental activities; only \$8,907,878 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 \$52,632,615 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$54,364,056 in revenues and \$52,580,310 in expenditures and other financing uses. During fiscal 2006, the general fund's fund balance increased \$1,781,902 from a deficit of \$479,741 to a balance of \$1,302,161.

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 2006?" 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, 2006

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, 2006

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 - F57 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 2006 and 2005.

	Net Assets	
	Governmental Activities 2006	Governmental Activities 2005
<u>Assets</u>		
Current and other assets	\$ 44,445,796	\$ 39,091,577
Capital assets	<u>11,140,277</u>	<u>9,497,274</u>
Total assets	<u>55,586,073</u>	<u>48,588,851</u>
<u>Liabilities</u>		
Current liabilities	37,915,500	35,988,114
Long-term liabilities	<u>7,680,764</u>	<u>7,087,784</u>
Total liabilities	<u>45,596,264</u>	<u>43,075,898</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	8,719,128	6,520,579
Restricted	1,113,020	632,623
Unrestricted (deficit)	<u>157,661</u>	<u>(1,640,249)</u>
Total net assets	<u>\$ 9,989,809</u>	<u>\$ 5,512,953</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2006, the District's assets exceeded liabilities by \$9,989,809.

At year-end, capital assets represented 20.04% 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, 2006, were \$8,719,128. 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.

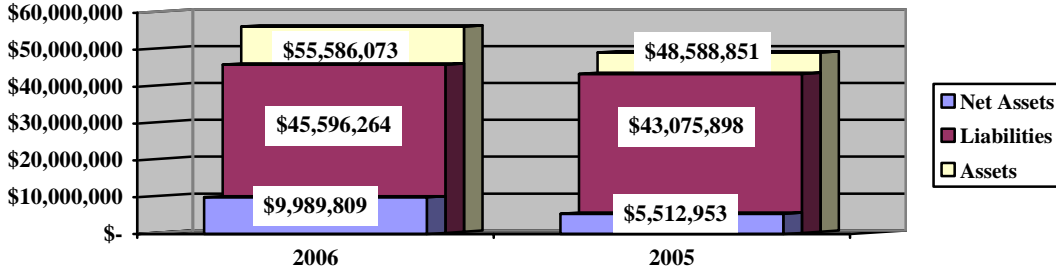
A portion of the District's net assets, \$1,113,020, represents resources that are subject to external restriction on how they may be used.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

The table below illustrates the District's assets, liabilities and net assets at June 30, 2006 and 2005.

Governmental Activities



The table below shows the change in net assets for fiscal year 2006 and 2005.

Change in Net Assets

	Governmental Activities 2006	Governmental Activities 2005
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 4,602,631	\$ 4,747,580
Operating grants and contributions	4,305,247	4,719,565
Capital grants and contributions	-	49,875
General revenues:		
Property taxes	29,230,971	28,182,131
Grants and entitlements	21,941,335	21,047,772
Investment earnings	489,690	208,720
Miscellaneous	970,619	806,576
Total revenues	<u>61,540,493</u>	<u>59,762,219</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Change in Net Assets

	<u>Governmental Activities 2006</u>	<u>Governmental Activities 2005</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 23,318,390	\$ 22,864,137
Special	6,535,625	6,587,965
Vocational	2,909,064	2,791,238
Adult/continuing	140,878	151,540
Other	1,596,879	1,316,933
Support services:		
Pupil	2,846,622	2,676,900
Instructional staff	4,029,073	4,106,395
Board of education	99,555	137,083
Administration	3,876,566	3,507,561
Fiscal	1,403,653	1,400,700
Operation and maintenance	4,947,744	5,832,388
Pupil transportation	2,099,169	1,977,385
Central	147,817	119,375
Operation of non-instructional services	637,088	611,998
Extracurricular activities	624,195	1,334,990
Food service operations	1,685,654	1,759,738
Interest and fiscal charges	165,665	140,487
Total expenses	<u>57,063,637</u>	<u>57,316,813</u>
Change in net assets	4,476,856	2,445,406
Net assets, beginning of year	<u>5,512,953</u>	<u>3,067,547</u>
Net assets, end of year	<u>\$ 9,989,809</u>	<u>\$ 5,512,953</u>

Governmental Activities

Net assets of the District's governmental activities increased \$4,476,856. 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 2005. Total governmental expenses of \$57,063,637 were offset by program revenues of \$8,907,878 and general revenues of \$52,632,615. Program revenues supported 15.61% of the total governmental expenses.

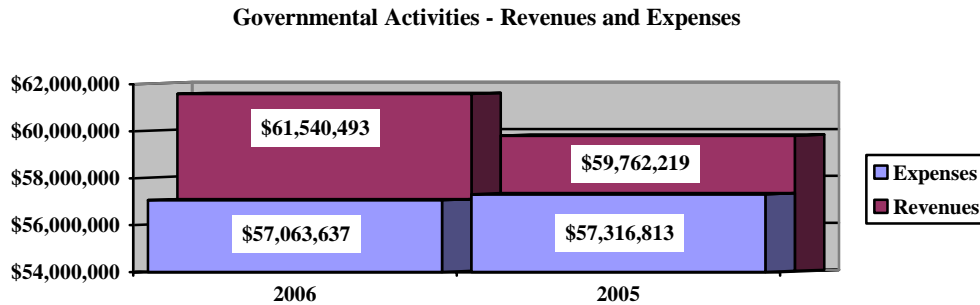
The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 83.15% of total governmental revenue. Real estate property is reappraised every six years.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$34,500,836 or 60.46% of total governmental expenses for fiscal 2006.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2006 and 2005.



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>2006</u>	Net Cost of Services <u>2006</u>	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>
Program expenses				
Instruction:				
Regular	\$ 23,318,390	\$ 21,220,866	\$ 22,864,137	\$ 19,747,783
Special	6,535,625	5,373,743	6,587,965	5,679,998
Vocational	2,909,064	2,632,340	2,791,238	2,440,775
Adult/continuing	140,878	140,878	151,540	151,540
Other	1,596,879	1,510,501	1,316,933	1,285,278
Support services:				
Pupil	2,846,622	2,334,771	2,676,900	2,496,547
Instructional staff	4,029,073	2,904,619	4,106,395	2,596,512
Board of education	99,555	94,445	137,083	137,083
Administration	3,876,566	3,664,922	3,507,561	3,496,491
Fiscal	1,403,653	1,330,334	1,400,700	1,400,700
Operations and maintenance	4,947,744	4,638,858	5,832,388	5,763,179
Pupil transportation	2,099,169	1,968,368	1,977,385	1,977,385
Central	147,817	107,408	119,375	99,126
Operations of non-instructional services	637,088	20,306	611,998	(282,982)
Extracurricular activities	624,195	163,355	1,334,990	752,584
Food service operations	1,685,654	(115,620)	1,759,738	(82,693)
Interest and fiscal charges	165,665	165,665	140,487	140,487
Total expenses	<u>\$ 57,063,637</u>	<u>\$ 48,155,759</u>	<u>\$ 57,316,813</u>	<u>\$ 47,799,793</u>

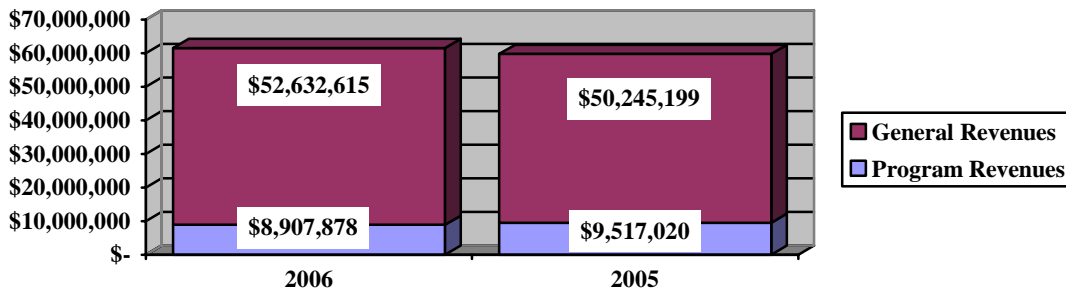
**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

The dependence upon tax and other general revenues for governmental activities is apparent, 89.50% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 84.39%. 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 2006 and 2005.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds (as presented on the balance sheet on page F 15) reported a combined fund balance of \$2,863,002, which is higher than last year's total of \$452,957. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2006 and 2005.

	Fund Balance June 30, 2006	Fund Balance (Deficit) June 30, 2005	Increase
General	\$ 1,302,161	\$ (479,741)	\$ 1,781,902
Other Governmental	<u>1,560,841</u>	<u>932,698</u>	<u>628,143</u>
Total	<u>\$ 2,863,002</u>	<u>\$ 452,957</u>	<u>\$ 2,410,045</u>

General Fund

The District's general fund balance increased \$1,781,902. The increase in fund balance can be attributed to a 6.07% increase in revenues versus a 2.25% increase in expenditures. Revenues exceeded expenditures by \$3,063,746 in fiscal 2006. 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, 2006

	<u>2006</u> <u>Amount</u>	<u>2005</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 29,036,202	\$ 27,170,384	6.87 %
Tuition	2,613,716	2,368,860	10.34 %
Earnings on investments	348,509	162,767	114.12 %
Intergovernmental	21,941,335	21,047,772	4.25 %
Other revenues	<u>424,294</u>	<u>504,265</u>	(15.86) %
Total	<u>\$ 54,364,056</u>	<u>\$ 51,254,048</u>	6.07 %
<u>Expenditures</u>			
Instruction	\$ 32,860,826	\$ 31,487,868	4.36 %
Support services	17,689,273	17,471,279	1.25 %
Extracurricular activities	282,353	795,965	(64.53) %
Debt service	<u>467,858</u>	<u>418,626</u>	11.76 %
Total	<u>\$ 51,300,310</u>	<u>\$ 50,173,738</u>	2.25 %

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 2006, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were \$54,714,263, which was higher than the original budget estimate of \$53,322,954. Actual revenues and other financing sources for fiscal 2006 was \$54,950,558. This represents a \$236,295 increase over final budgeted revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$54,792,448 were increased to \$56,776,613 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2006 totaled \$54,217,209, which was \$2,559,404 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2006, the District had \$11,140,277 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

The following table shows fiscal 2006 balances compared to 2005:

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

	Governmental Activities	
	2006	2005
Land	\$ 416,459	\$ 416,459
Land improvements	313,496	214,037
Building and improvements	8,843,491	7,530,937
Furniture and equipment	1,038,673	509,283
Vehicles	528,158	583,970
Construction in progress	-	242,588
Total	<u>\$ 11,140,277</u>	<u>\$ 9,497,274</u>

Total additions to capital assets for 2006 were \$2,277,765. The overall increase in capital assets of \$1,643,003 is primarily due to additions exceeding the recording of \$634,762 in depreciation expense for fiscal 2006.

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

Debt Administration

At June 30, 2006, the District had \$3,792,481 in asbestos removal loans, energy conservation loans and capital lease obligations outstanding. Of this total, \$514,125 is due within one year and \$3,278,356 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
	2006	2005
Asbestos removal loans	\$ 635,659	\$ 743,721
Energy conservation loans	735,673	95,651
Capital lease obligations	2,421,149	2,680,810
Total	<u>\$ 3,792,481</u>	<u>\$ 3,520,182</u>

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

Current Financial Related Activities

The District has carefully managed its finances in order to maximize the dollars spent on educating students; however, unpredictable costs and limited revenue streams continue to make it difficult. The District faces two immediate financial challenges: 1) coping with the trend of double-digit increases in health care costs, and 2) the need to replace or renew a 4.9 mill 3 year operating levy that expires in 2007.

Health care costs continue to be a large 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 grew to \$6,931,811 or 13.8% of the District's \$50,278,092 in total expenditures on the five-year forecast. For fiscal year 2006, the District's total health care costs decreased to \$6,603,213 or 12.9% of the District's \$51,078,348 in total expenditures on the five-year forecast. The decline is due to fewer high cost claims and a one-time early retirement incentive that removed about twenty (20) employees off the health plan in April 2006. 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.

In November of 2004, the District passed a three-year 4.9 mill levy which brought in \$3.8 million per year. The District will need to renew or replace this levy in 2007. It will either be presented to the voters on the May or November ballots of 2007 with collections beginning in 2008. Failure to pass the levy will result in a loss of over \$3 million to the District's annual revenue stream and will require significant cuts.

Another challenge facing the District continues to be its facilities. The passage of a 2.5 mill permanent improvement levy in May 2006 will help to alleviate many facility needs. However, the three (3) middle schools and Washington Intermediate School continue to be 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.

In order to meet these challenges, the District developed and implemented a fiscal health plan this past year. The plan includes 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, 2006

	<u>Governmental Activities</u>	<u>Component Unit Findlay Digital Academy</u>
Assets:		
Equity in pooled cash and cash equivalents . . .	\$ 9,947,091	\$ 236,289
Receivables:		
Taxes	33,466,828	-
Accounts	347,061	-
Intergovernmental.	449,571	6,104
Accrued interest.	64,274	-
Prepayments.	86,449	-
Materials and supplies inventory	84,522	-
Capital assets:		
Land	416,459	-
Depreciable capital assets, net	10,723,818	59,346
Total capital assets, net	<u>11,140,277</u>	<u>59,346</u>
Total assets	<u>55,586,073</u>	<u>301,739</u>
Liabilities:		
Accounts payable	288,195	17,789
Accrued wages and benefits.	4,424,007	-
Pension obligation payable	1,424,769	-
Intergovernmental payable	391,438	8,691
Unearned revenue	30,043,134	-
Claims payable	1,330,647	-
Accrued interest payable	13,310	-
Long-term liabilities:		
Due within one year.	1,803,138	-
Due in more than one year	<u>5,877,626</u>	<u>-</u>
Total liabilities	<u>45,596,264</u>	<u>26,480</u>
Net Assets:		
Invested in capital assets, net		
of related debt	8,719,128	59,346
Restricted for:		
Debt service.	1,731	-
Locally funded programs	8,015	-
State funded programs.	28,906	-
Federally funded programs	108,104	-
Student activities	263,507	-
Scholarships:		
Nonexpendable	616,000	-
Expendable	35,273	-
Other purposes	51,484	-
Unrestricted	<u>157,661</u>	<u>215,913</u>
Total net assets	<u>\$ 9,989,809</u>	<u>\$ 275,259</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Assets	
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Component Unit Findlay Digital Academy
Governmental activities:					
Instruction:					
Regular	\$ 23,318,390	\$ 1,512,624	\$ 584,900	\$ (21,220,866)	\$ -
Special	6,535,625	299,111	862,771	(5,373,743)	-
Vocational	2,909,064	140,361	136,363	(2,632,340)	-
Adult/continuing	140,878	-	-	(140,878)	-
Other	1,596,879	86,361	17	(1,510,501)	-
Support services:					
Pupil	2,846,622	126,193	385,658	(2,334,771)	-
Instructional staff	4,029,073	158,216	966,238	(2,904,619)	-
Board of education	99,555	5,110	-	(94,445)	-
Administration	3,876,566	193,363	18,281	(3,664,922)	-
Fiscal	1,403,653	71,657	1,662	(1,330,334)	-
Operations and maintenance	4,947,744	264,997	43,889	(4,638,858)	-
Pupil transportation	2,099,169	130,801	-	(1,968,368)	-
Central	147,817	6,874	33,535	(107,408)	-
Operation of non-instructional services	637,088	159,541	457,241	(20,306)	-
Extracurricular activities	624,195	460,840	-	(163,355)	-
Food service operations	1,685,654	986,582	814,692	115,620	-
Interest and fiscal charges	165,665	-	-	(165,665)	-
Total governmental activities	<u>\$ 57,063,637</u>	<u>\$ 4,602,631</u>	<u>\$ 4,305,247</u>	<u>(48,155,759)</u>	<u>-</u>
Component Units:					
Findlay Digital Academy	\$ 419,277	\$ -	\$ 380,241	-	(39,036)
Totals	<u>\$ 419,277</u>	<u>\$ -</u>	<u>\$ 380,241</u>	<u>-</u>	<u>(39,036)</u>
General Revenues:					
Property taxes levied for:					
General purposes				29,122,910	-
Debt service				108,061	-
Grants and entitlements					
not restricted to specific programs				21,941,335	164,815
Investment earnings				489,690	-
Miscellaneous				970,619	6,592
Total general revenues				<u>52,632,615</u>	<u>171,407</u>
Change in net assets				4,476,856	132,371
Net assets at beginning of year				<u>5,512,953</u>	<u>142,888</u>
Net assets at end of year				<u>\$ 9,989,809</u>	<u>\$ 275,259</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 5,417,522	\$ 2,444,815	\$ 7,862,337
Receivables:			
Property taxes	32,386,505	1,080,323	33,466,828
Accounts	305,867	8,875	314,742
Intergovernmental.	-	449,571	449,571
Accrued interest.	64,274	-	64,274
Interfund loans	269,845	-	269,845
Prepayments	86,449	-	86,449
Materials and supplies inventory.	56,636	27,886	84,522
Restricted assets:			
Equity in pooled cash and cash equivalents.	51,484	-	51,484
Total assets.	<u>\$ 38,638,582</u>	<u>\$ 4,011,470</u>	<u>\$ 42,650,052</u>
Liabilities:			
Accounts payable.	\$ 164,201	\$ 123,088	\$ 287,289
Accrued wages and benefits	4,186,779	237,228	4,424,007
Compensated absences payable.	717,942	-	717,942
Pension obligation payable	1,324,467	100,302	1,424,769
Intergovernmental payable	362,083	29,355	391,438
Interfund loans payable.	-	269,845	269,845
Deferred revenue	30,580,949	1,690,811	32,271,760
Total liabilities	<u>37,336,421</u>	<u>2,450,629</u>	<u>39,787,050</u>
Fund Balances:			
Reserved for encumbrances	990,484	590,681	1,581,165
Reserved for debt service	-	1,731	1,731
Reserved for materials and supplies inventory.	56,636	27,886	84,522
Reserved for tax revenue unavailable for appropriation.	1,828,000	-	1,828,000
Reserved for prepayments	86,449	-	86,449
Reserved for school bus purchases	51,484	-	51,484
Reserved for scholarships	-	616,000	616,000
Unreserved, undesignated (deficit), reported in:			
General fund	(1,710,892)	-	(1,710,892)
Special revenue funds.	-	656,201	656,201
Capital projects funds.	-	(361,931)	(361,931)
Permanent fund	-	30,273	30,273
Total fund balances	<u>1,302,161</u>	<u>1,560,841</u>	<u>2,863,002</u>
Total liabilities and fund balances	<u>\$ 38,638,582</u>	<u>\$ 4,011,470</u>	<u>\$ 42,650,052</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, 2006

Total governmental fund balances		\$	2,863,002
<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.			11,140,277
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes	\$	2,195,695	
Intergovernmental revenue		10,487	
Accrued interest		22,444	
Total			2,228,626
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.			734,036
In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are reported when due.			(13,310)
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		635,659	
Energy conservation loans		735,673	
Capital lease obligation		2,421,149	
Compensated absences		3,170,341	
Total			(6,962,822)
Net assets of governmental activities		\$	9,989,809

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
From local sources:			
Taxes	\$ 29,036,202	\$ 108,061	\$ 29,144,263
Tuition	2,613,716	159,431	2,773,147
Earnings on investments	348,509	70,994	419,503
Charges for services	-	986,582	986,582
Extracurricular	-	487,563	487,563
Classroom materials and fees	6,902	348,437	355,339
Other local revenues	417,392	553,227	970,619
Intergovernmental - Intermediate	115,870	-	115,870
Intergovernmental - State	21,748,480	770,952	22,519,432
Intergovernmental - Federal	76,985	3,642,186	3,719,171
Total revenue	<u>54,364,056</u>	<u>7,127,433</u>	<u>61,491,489</u>
Expenditures:			
Current:			
Instruction:			
Regular	22,748,017	1,093,099	23,841,116
Special	5,716,311	917,453	6,633,764
Vocational	2,722,579	147,553	2,870,132
Adult/continuing	140,019	269	140,288
Other	1,533,900	56,436	1,590,336
Support Services:			
Pupil	2,447,810	373,922	2,821,732
Instructional staff	3,067,091	941,606	4,008,697
Board of education	99,138	-	99,138
Administration	3,747,821	18,969	3,766,790
Fiscal	1,382,068	1,740	1,383,808
Operations and maintenance	4,927,215	109,063	5,036,278
Pupil transportation	1,972,460	29,746	2,002,206
Central	45,670	102,059	147,729
Operation of non-instructional services	-	616,342	616,342
Extracurricular activities	282,353	447,475	729,828
Facilities acquisition and construction	-	1,818,243	1,818,243
Food service operations	-	1,666,276	1,666,276
Debt service:			
Principal retirement	316,389	124,923	441,312
Interest and fiscal charges	151,469	886	152,355
Total expenditures	<u>51,300,310</u>	<u>8,466,060</u>	<u>59,766,370</u>
Excess of revenues over (under) expenditures	<u>3,063,746</u>	<u>(1,338,627)</u>	<u>1,725,119</u>
Other financing sources (uses):			
Transfers in	-	1,280,000	1,280,000
Transfers (out)	(1,280,000)	-	(1,280,000)
Proceeds from sale of notes	-	713,611	713,611
Total other financing sources (uses)	<u>(1,280,000)</u>	<u>1,993,611</u>	<u>713,611</u>
Net change in fund balances	1,783,746	654,984	2,438,730
Fund balances (deficit)			
at beginning of year	(479,741)	932,698	452,957
Decrease in reserve for inventory	(1,844)	(26,841)	(28,685)
Fund balances at end of year	<u>\$ 1,302,161</u>	<u>\$ 1,560,841</u>	<u>\$ 2,863,002</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, 2006

Net change in fund balances - total governmental funds	\$	2,438,730
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$2,277,765) exceeds depreciation expense (\$634,762) in the current period.		1,643,003
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities they are reported as an expense when consumed.		(28,685)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(16,244)
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.		(713,611)
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.		441,312
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(13,310)
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.		(147,756)
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.		873,417
Change in net assets of governmental activities	\$	4,476,856

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues:				
From local sources:				
Taxes	\$ 29,310,920	\$ 30,075,704	\$ 30,205,592	\$ 129,888
Tuition.	1,815,052	1,862,411	1,870,454	8,043
Earnings on investments.	338,328	347,156	348,655	1,499
Classroom materials and fees	5,331	5,470	5,494	24
Other local revenues.	356,640	365,946	367,527	1,581
Intergovernmental - state	21,216,740	21,770,330	21,864,350	94,020
Intergovernmental - federal.	96,669	99,191	99,619	428
Total revenue	<u>53,139,680</u>	<u>54,526,208</u>	<u>54,761,691</u>	<u>235,483</u>
Expenditures:				
Current:				
Instruction:				
Regular	22,888,865	23,610,529	22,645,477	965,052
Special	5,719,672	5,866,303	5,702,686	163,617
Vocational	2,815,487	2,886,648	2,738,770	147,878
Adult/Continuing.	197,338	202,745	146,481	56,264
Other instruction	1,880,716	1,791,738	1,753,250	38,488
Support Services:				
Pupil	2,893,085	2,993,198	2,434,612	558,586
Instructional staff.	3,195,696	3,291,179	3,108,023	183,156
Board of education.	168,102	161,021	113,467	47,554
Administration.	3,747,862	3,877,463	3,873,115	4,348
Fiscal.	1,427,214	1,462,369	1,402,855	59,514
Operations and maintenance.	6,350,661	6,023,727	5,845,732	177,995
Pupil transportation	2,077,653	2,098,921	2,041,235	57,686
Central	99,018	102,555	56,216	46,339
Extracurricular activities.	857,517	881,166	830,739	50,427
Debt Service:				
Principal retirement	71,011	73,589	73,589	-
Interest and fiscal charges	25,053	25,962	25,962	-
Total expenditures	<u>54,414,950</u>	<u>55,349,113</u>	<u>52,792,209</u>	<u>2,556,904</u>
Excess of revenues over (under) expenditures.	<u>(1,275,270)</u>	<u>(822,905)</u>	<u>1,969,482</u>	<u>2,792,387</u>
Other financing sources (uses):				
Refund of prior year expenditure	927	951	955	4
Refund of prior year receipts.	(2,413)	(2,500)	-	2,500
Transfers (out)	(1,235,164)	(1,280,000)	(1,280,000)	-
Advances in.	179,230	183,906	184,700	794
Advances (out)	(139,921)	(145,000)	(145,000)	-
Proceeds from sale of capital assets	3,117	3,198	3,212	14
Total other financing sources (uses).	<u>(1,194,224)</u>	<u>(1,239,445)</u>	<u>(1,236,133)</u>	<u>3,312</u>
Net change in fund balance	(2,469,494)	(2,062,350)	733,349	2,795,699
Fund balance at beginning of year.	2,593,907	2,593,907	2,593,907	-
Prior year encumbrances appropriated . .	1,004,576	1,004,576	1,004,576	-
Fund balance at end of year	<u>\$ 1,128,989</u>	<u>\$ 1,536,133</u>	<u>\$ 4,331,832</u>	<u>\$ 2,795,699</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2006

	Governmental Activities - Internal Service Fund
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	\$ 2,033,270
Receivables:	
Accounts	<u>32,319</u>
Total assets	<u>2,065,589</u>
Liabilities:	
Current liabilities:	
Accounts payable	906
Claims payable	<u>1,330,647</u>
Total liabilities	<u>1,331,553</u>
Net assets:	
Unrestricted	<u>734,036</u>
Total net assets	<u><u>\$ 734,036</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, 2006

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 7,532,698
Other	32,807
	7,565,505
Operating expenses:	
Purchased services	767,750
Claims	5,989,586
	6,757,336
Total operating revenues	7,565,505
Total operating expenses	6,757,336
Operating income	808,169
Nonoperating revenues:	
Interest revenue	65,248
	65,248
Total nonoperating revenues	65,248
Change in net assets	873,417
Net assets (deficit) at beginning of year . .	(139,381)
Net assets at end of year	\$ 734,036

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, 2006

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	\$ 7,543,399
Cash payments for purchased services	(768,337)
Cash payments for claims.	<u>(5,834,877)</u>
Net cash provided by operating activities	<u>940,185</u>
Cash flows from investing activities:	
Interest received.	<u>65,248</u>
Net cash provided by investing activities	<u>65,248</u>
Net increase in cash and cash equivalents	1,005,433
Cash and cash equivalents at beginning of year . .	<u>1,027,837</u>
Cash and cash equivalents at end of year.	<u><u>\$ 2,033,270</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 808,169
Changes in assets and liabilities:	
Increase in accounts receivable.	(22,106)
Decrease in accounts payable	(587)
Increase in claims payable	<u>154,709</u>
Net cash provided by operating activities	<u><u>\$ 940,185</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, 2006

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents.	\$ 35,588	\$ 120,764
Receivables:		
Accounts	-	1,603
	35,588	122,367
Total assets	35,588	\$ 122,367
Liabilities:		
Accounts payable.	-	\$ 466
Intergovernmental payable	-	43
Due to students	-	121,858
	-	122,367
Total liabilities	-	\$ 122,367
Net Assets:		
Held in trust for scholarships.	35,588	
Total net assets	\$ 35,588	

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, 2006

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 1,293
Gifts and contributions.	29,667
	30,960
Reductions:	
Scholarships awarded	34,159
Change in net assets	(3,199)
Net assets at beginning of year	38,787
Net assets at end of year.	\$ 35,588

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, 2006**

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 46th largest (among 615 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, 1 high school, and a vocational center, to provide services to approximately 6,571 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, 2006

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 one component unit. The basic financial statements of the reporting entity include those of the District (the primary government) and the component unit. The following organizations are described due to their relationship to the District:

DISCRETELY PRESENTED COMPONENT UNIT

Findlay Digital Academy

The Findlay Digital Academy (the "Academy") is a Conversion Community School established pursuant to Ohio Revised Code Chapter 3314. The Academy is sponsored by the District to serve ninth through twelfth grade students living in the District. The Academy's mission is to enhance and facilitate student learning by combining state-of-the-art digital curriculum with access to local school resources to complement that instruction and prepare students to become lifelong learners and productive citizens. The Academy is governed by a seven-member Board of Directors. The Board is comprised of the District's Superintendent, the District's High School Principal, and one other licensed administrator who is employed by the District. The Board also includes three other persons who are neither officers nor employees of the Academy who serve as voting members. Those three may include a public educator or other public official representing a governmental entity that desires to further the establishment and operation of the Academy, one parent of a student enrolled in the Academy, and a representative from the Tri-Rivers Educational Computer Association (TRECA) who within one year following the Academy's incorporation may be replaced by a District administrator. The District's Treasurer serves as a nonvoting ex-officio member of the Board. The Academy issues a publicly available, stand-alone financial report that includes basic financial statements and supplementary information. This report may be obtained by writing to Michael Barnhart, Treasurer, Findlay City School District, at 227 S. West Street, Findlay, Ohio 45840.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

PUBLIC ENTITY RISK POOLS

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

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

General Fund - The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities; (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 District's fiduciary funds include a private-purpose trust fund and an agency fund. Trust funds account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's programs. The District's only trust fund is a private-purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only agency fund accounts for student activities.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

C. Measurement Focus

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

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

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

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

D. Basis of Accounting

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

Revenues - Exchange and 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/Unearned 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, 2006, but which were levied to finance fiscal year 2007 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, 2006

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 the legal 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, 2006

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 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 2006, 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 2006. 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, 2006.

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 2006 amounted to \$348,509, which includes \$91,242 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

G. Inventory

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

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

H. Capital Assets

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

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

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

I. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

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, 2006, 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.

In the governmental fund financial statements, compensated absences are reported to the extent that a known liability for an employee's retirement or resignation has been incurred by fiscal year-end. These amounts are reported in the account "compensated absences payable" in the fund from which the employees are paid.

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, debt service, materials and supplies inventory, tax revenue unavailable for appropriation, prepayments, school bus purchases, and scholarships. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under state statute.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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

M. Net Assets

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

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

N. Prepayments

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

O. Estimates

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

P. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set-aside for school bus purchases. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

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 2006.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Changes in Accounting Principles

For fiscal year 2006, the District has implemented GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries", GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation", and GASB Statement No. 47, "Accounting for Termination Benefits".

GASB Statement No. 42 amends GASB Statement No. 34 and establishes accounting and financial reporting standards for impairment of capital assets and accounting requirements for insurance recoveries.

GASB Statement No. 44 is designed to improve the understandability and usefulness of the information that state and local governments present as supplementary information in the statistical section.

GASB Statement No. 46 defines enabling legislation and specifies how net assets should be reported in the financial statements when there are changes in such legislation. This statement also requires governments to disclose in the notes to the basic financial statements the amount of net assets restricted by enabling legislation.

GASB Statement No. 47 establishes accounting standards for termination benefits.

The implementation of GASB Statement No. 42, GASB Statement No. 44, GASB Statement No. 46, and GASB Statement No. 47 did not have an effect on the fund balances and net assets of the District as previously reported at June 30, 2005.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2006 included the following individual fund deficits:

<u>Nonmajor Governmental Funds</u>	<u>Deficit</u>
Special Enterprise	\$ 15,973
Auxiliary Services	16,393
Entry Year Programs	173
Ohio Reads	2,186
Vocational Education	1,950
Limited English Proficiency	164
Title I Disadvantaged Children	39,952
Drug Free School Grant	7,186
IDEA Preschool - Handicapped	415
Improving Teacher Quality	25,620
Permanent Improvement	11,541

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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;
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."

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Deposits with Financial Institutions

At June 30, 2006, the carrying amount of all District deposits was \$3,675,889. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2006, \$3,356,000 of the District’s bank balance of \$4,634,565 was covered by the Federal Deposit Insurance Corporation, while \$1,278,565 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.

C. Investments

As of June 30, 2006, the District had the following investments and maturities:

<u>Investment</u>	<u>Fair Value</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>More than 24 months</u>
FHLB	\$ 2,659,394	\$ 734,591	\$ 742,565	\$ 1,182,238	\$ -	\$ -
FHLMC	1,400,683	990,634	-	410,049	-	-
FNMA	1,746,949	294,112	199,441	557,082	248,203	448,111
U.S. Treasury Notes	222,091	222,091	-	-	-	-
Money Market Funds	5,098	5,098	-	-	-	-
STAR Ohio	378,512	378,512	-	-	-	-
	<u>\$ 6,412,727</u>	<u>\$ 2,625,038</u>	<u>\$ 942,006</u>	<u>\$ 2,149,369</u>	<u>\$ 248,203</u>	<u>\$ 448,111</u>

The weighted average maturity of investments is 0.95 years.

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

Credit Risk: The District’s investments, except for STAR Ohio, were rated 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. The District’s investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District’s investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections 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, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District's investment policy addresses concentration of credit risk by requiring investments to be diversified in order to reduce the risk of loss resulting from the over concentration of assets in a specific type of security, the erosion of market value, or by default. However, the District's investment policy does not place any limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2006:

<u>Investment</u>	<u>Fair Value</u>	<u>Percent of Total</u>
FHLB	\$ 2,659,394	41.46
FHLMC	1,400,683	21.85
FNMA	1,746,949	27.25
U.S. Treasury Notes	222,091	3.46
Money Market Funds	5,098	0.08
STAR Ohio	378,512	5.90
	<u>\$ 6,412,727</u>	<u>100.00</u>

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, 2006:

<u>Cash and investments per footnote</u>	
Carrying amount of deposits	\$ 3,675,889
Investments	6,412,727
Cash on hand	<u>14,827</u>
Total	<u>\$ 10,103,443</u>
<u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 9,947,091
Private-purpose trust funds	35,588
Agency funds	<u>120,764</u>
Total	<u>\$ 10,103,443</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A.** Interfund balances at June 30, 2006 consisted of the following interfund loans receivable and payable, as reported on the fund financial statements:

<u>Interfund loans receivable in the General fund from:</u>	<u>Amount</u>
Nonmajor governmental funds	\$ 269,845

The primary purpose of these 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

- B.** Interfund transfers for the fiscal year ended June 30, 2006 consisted of the following, as reported in the fund financial statements:

<u>Transfers from General fund to:</u>	<u>Amount</u>
Nonmajor governmental funds	\$ 1,280,000

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.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2006 represents collections of calendar year 2005 taxes. Real property taxes received in calendar year 2006 were levied after April 1, 2005, on the assessed value listed as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. 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 alternate payment dates to be established.

Public utility property tax revenue received in calendar 2006 represents collections of calendar year 2005 taxes. Public utility real and tangible personal property taxes received in calendar year 2006 became a lien December 31, 2004, were levied after April 1, 2005 and are collected in 2006 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2006 (other than public utility property) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar year 2006 were levied after April 1, 2005, on the value as of December 31, 2004. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 6 - PROPERTY TAXES - (Continued)

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2006-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The District receives property taxes from Hancock County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2006, are available to finance fiscal year 2006 operations. The amount available as an advance at June 30, 2006 was \$1,828,000 in the General fund. This amount is reported as revenue. The amount available for advance at June 30, 2005 was \$2,242,000 in the General fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary depending upon when the tax bills are sent by the County Auditor.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2006 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

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 has been deferred.

The assessed values upon which the fiscal year 2006 taxes were collected are:

	2005 Second Half Collections		2006 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 709,762,130	83.14	\$ 721,298,790	86.57
Public utility personal property	22,704,310	2.66	22,255,930	2.67
Tangible personal property	<u>121,231,428</u>	<u>14.20</u>	<u>89,606,733</u>	<u>10.76</u>
Total	<u>\$ 853,697,868</u>	<u>100.00</u>	<u>\$ 833,161,453</u>	<u>100.00</u>

Tax rate per \$1,000 of assessed valuation:

General operations	\$ 58.25	\$ 58.25
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**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 7 - RECEIVABLES

Receivables at June 30, 2006 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	\$ 33,466,828
Accounts	347,061
Intergovernmental	449,571
Accrued interest	<u>64,274</u>
Total	<u>\$ 34,327,734</u>

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

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>06/30/05</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/06</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 416,459	\$ -	\$ -	\$ 416,459
Construction in progress	<u>242,588</u>	<u>99,871</u>	<u>(342,459)</u>	<u>-</u>
<i>Total capital assets, not being depreciated</i>	<u>659,047</u>	<u>99,871</u>	<u>(342,459)</u>	<u>416,459</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,039,350	123,198	-	1,162,548
Buildings and improvements	22,451,380	1,657,993	-	24,109,373
Equipment and furniture	8,865,034	712,250	(15,908)	9,561,376
Vehicles	<u>2,263,576</u>	<u>26,912</u>	<u>-</u>	<u>2,290,488</u>
<i>Total capital assets, being depreciated</i>	<u>34,619,340</u>	<u>2,520,353</u>	<u>(15,908)</u>	<u>37,123,785</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(825,313)	(23,739)	-	(849,052)
Buildings and improvements	(14,920,443)	(345,439)	-	(15,265,882)
Equipment and furniture	(8,355,751)	(182,860)	15,908	(8,522,703)
Vehicles	<u>(1,679,606)</u>	<u>(82,724)</u>	<u>-</u>	<u>(1,762,330)</u>
<i>Total accumulated depreciation</i>	<u>(25,781,113)</u>	<u>(634,762)</u>	<u>15,908</u>	<u>(26,399,967)</u>
Total capital assets, net	<u>\$ 9,497,274</u>	<u>\$ 1,985,462</u>	<u>\$ (342,459)</u>	<u>\$ 11,140,277</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 246,110
Special	60,154
Vocational	75,447
 <u>Support Services:</u>	
Pupil	12,791
Instructional staff	18,540
Administration	32,334
Fiscal	11,659
Operations and maintenance	34,179
Pupil transportation	94,723
Other non-instructional services	25,316
Extracurricular activities	7,461
Food service operations	<u>16,048</u>
 Total depreciation expense	 <u>\$ 634,762</u>

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior fiscal years, the District entered into leases for the acquisition of buildings, vehicles, equipment, and musical instruments. These lease agreements meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers the benefits and risks of ownership to the lessee.

Capital assets acquired by capital lease have been capitalized in the amount of \$4,709,477. This amount represents the present value of the minimum lease payments at the time of acquisition. Of this amount, \$3,976,043 is reported in buildings and improvements, \$612,328 in equipment and furniture, and \$121,106 in vehicles. At June 30, 2006, accumulated depreciation on capital assets acquired by capital lease totaled \$1,236,796, and net capital assets acquired by capital lease equaled \$3,472,681. A corresponding liability has been recorded on the government-wide financial statements.

Capital lease payments are reported as function/program expenditures in the budgetary statements. These payments have been reclassified and are reflected as debt service expenditures in the governmental fund financial statements. For fiscal year 2006, principal and interest payments in the General fund equaled \$242,800 and \$125,507, respectively, and in the Special Trust fund (a nonmajor governmental fund) equaled \$16,861 and \$886, respectively.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE - (Continued)

The following is a long-term schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2006:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2007	\$ 368,306
2008	368,307
2009	368,307
2010	368,307
2011	368,308
2012 - 2014	<u>1,105,068</u>
Total minimum lease payments	2,946,603
Less: amount representing interest	<u>(525,454)</u>
Total	<u>\$ 2,421,149</u>

NOTE 10 - LONG-TERM OBLIGATIONS

A. During fiscal year 2006, the following changes occurred in governmental activities long-term obligations:

<u>Governmental Activities</u>	<u>Balance at 06/30/05</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at 06/30/06</u>	<u>Amounts Due in One Year</u>
<u>Loans Payable</u>					
Asbestos removal loans	\$ 743,721	\$ -	\$ (108,062)	\$ 635,659	\$ 108,061
Energy conservation loans	<u>95,651</u>	<u>713,611</u>	<u>(73,589)</u>	<u>735,673</u>	<u>151,425</u>
Total loans payable	<u>839,372</u>	<u>713,611</u>	<u>(181,651)</u>	<u>1,371,332</u>	<u>259,486</u>
<u>Other Long-Term Obligations</u>					
Capital lease obligation	2,680,810	-	(259,661)	2,421,149	254,639
Compensated absences	<u>3,567,602</u>	<u>926,431</u>	<u>(605,750)</u>	<u>3,888,283</u>	<u>1,289,013</u>
Total other long-term obligations	<u>6,248,412</u>	<u>926,431</u>	<u>(865,411)</u>	<u>6,309,432</u>	<u>1,543,652</u>
Total governmental activities	<u>\$ 7,087,784</u>	<u>\$ 1,640,042</u>	<u>\$ (1,047,062)</u>	<u>\$ 7,680,764</u>	<u>\$ 1,803,138</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 out of the Bond Retirement debt service fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The energy conservation loans were issued during fiscal years 2005 and 2006, mature in fiscal year 2011, and carry an interest rate of 4.297%. Principal payments on the energy conservation loans are made out of the General fund.

See Note 9 for detailed information on the capital lease obligation.

Compensated absences will be paid out of the fund in which the employee is paid, primarily the General fund.

- B.** As of June 30, 2006, principal and interest requirements to retire the asbestos removal loans and energy conservation loans are as follows:

Year Ended	Asbestos Removal Loans			Energy Conservation Loans		
	Principal	Interest	Total	Principal	Interest	Total
2007	\$ 108,061	\$ -	\$ 108,061	\$ 151,425	\$ 30,441	\$ 181,866
2008	108,061	-	108,061	158,033	23,833	181,866
2009	108,061	-	108,061	165,053	16,813	181,866
2010	108,061	-	108,061	172,322	9,544	181,866
2011	100,314	-	100,314	88,840	2,093	90,933
2012 - 2013	103,101	-	103,101	-	-	-
Total	<u>\$ 635,659</u>	<u>\$ -</u>	<u>\$ 635,659</u>	<u>\$ 735,673</u>	<u>\$ 82,724</u>	<u>\$ 818,397</u>

C. Legal Debt Margin

The Ohio Revised Code provides that voted 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.

At June 30, 2006, the effects of these debt limitations are a legal voted debt margin of \$74,986,262 and a legal unvoted debt margin of \$833,161.

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 2006, 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 11 - RISK MANAGEMENT - (Continued)

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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 11 - RISK MANAGEMENT - (Continued)

The claims payable liability of \$1,330,647 reported in the Employee Benefits Self Insurance fund at June 30, 2006 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", and as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability be reported for unpaid claims costs, including estimates of costs relating to incurred but not reported claims. The claims liability is based on an estimate supplied by the District's third party administrator. Changes in the claims payable liability for the current and prior fiscal years are as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2006	\$1,175,938	\$5,989,586	\$(5,834,877)	\$1,330,647
2005	1,153,401	6,269,484	(6,246,947)	1,175,938

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.

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System (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. That 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 (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 percent 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 statutory maximum amounts, by the SERS' Retirement Board. The District's required contribution for pension obligations to SERS for fiscal years ended 2006, 2005, and 2004 were \$832,705, \$834,605, and \$725,113; 46.36 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. \$446,691 represents the unpaid contribution for fiscal year 2006 and is recorded as a liability within the respective funds.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 12 - PENSION PLANS - (Continued)

B. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

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 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for fund pension obligations to the DB Plan for the fiscal years ended June 30, 2006, 2005, and 2004 were \$3,477,344, \$3,506,255, and \$3,430,153; 81.75 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. \$634,497 represents the unpaid contribution for fiscal year 2006 and is recorded as a liability within the respective funds. Contributions to the DC and Combined Plans for fiscal year 2006 were \$30,697 made by the District and \$67,842 made by the plan members.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 12 - PENSION PLANS - (Continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS or the STRS have an option to choose Social Security or the SERS/ STRS. As of June 30, 2006, 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 the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

STRS retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$267,488 for fiscal year 2006.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005 (the latest information available), the balance in the Health Care Stabilization Fund was \$3.3 billion. For the fiscal year ended June 30, 2005 (the latest information available), net health care costs paid by STRS were \$254.780 million and STRS had 115,395 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, a decrease of 0.01 percent from fiscal year 2005. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2006, the minimum pay was established at \$35,800. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2006 fiscal year, District paid \$390,256 to fund health care benefits, including the surcharge.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

The surcharge, added to the unallocated portion of the 14 percent 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 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available) were \$178.221 million. At June 30, 2005 (the latest information available), SERS had net assets available for payment of health care benefits of \$267.5 million, which is about 168 percent of next years projected net health care costs of \$158.776 million. On the basis of actuarial projections, the allocated contributions will be insufficient in the long term, to provide for a health care reserve equal to at least 150 percent of estimated annual net claim costs. SERS has 58,123 participants currently receiving health care benefits.

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).

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

Net Change in Fund Balance

	<u>General Fund</u>
Budget basis	\$ 733,349
Net adjustment for revenue accruals	(397,635)
Net adjustment for expenditure accruals	324,826
Net adjustment for other financing sources/uses	(43,867)
Adjustment for encumbrances	1,167,073
GAAP basis	\$ 1,783,746

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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.

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, 2006, the reserve activity was as follows:

	<u>Instructional Materials</u>	<u>Capital Acquisition</u>
Set-aside balance as of June 30, 2005	\$ (1,308,047)	\$ -
Current year set-aside requirement	946,322	946,322
Qualifying expenditures	<u>(1,139,879)</u>	<u>(1,935,722)</u>
Total	<u>\$ (1,501,604)</u>	<u>\$ (989,400)</u>
Balance carried forward to FY2007	<u>\$ (1,501,604)</u>	<u>\$ -</u>

The District had qualifying expenditures during the year that reduced the instructional materials set-aside amount below zero. This negative amount can be used to reduce the instructional materials set-aside requirement in future years, and therefore is presented as being carried forward to fiscal 2007.

The District had qualifying expenditures during the year that reduced the capital acquisition set-aside amount below zero. This negative amount cannot be used to reduce the capital acquisition set-aside requirement in future years, and therefore is not presented as being carried forward to fiscal 2007.

A schedule of the governmental funds restricted assets at June 30, 2006 is as follows:

Amount restricted for school bus purchases	<u>\$ 51,484</u>
Total	<u>\$ 51,484</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 17 - FINDLAY DIGITAL ACADEMY

The Findlay Digital Academy (the “Academy”) has been determined to be a discretely presented component unit. The District’s management has determined that the Academy is significant. Therefore, the component unit has been included in the District’s basic financial statements. The Academy issues a publicly available, stand-alone financial report that includes basic financial statements and supplementary information. This report may be obtained by writing to Michael Barnhart, Treasurer, Findlay City School District at 227 S. West Street, Findlay, Ohio 45840.

A. Description of the Digital Academy

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

The Academy is an innovative program operated as a cooperative effort between the Academy’s Board of Directors and the District. The Academy was approved for operation under a contract with the District commencing on April 1, 2004 and expiring on June 30, 2008. The Academy enrolled its first students in January 2005. The District is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The Academy is governed by a seven-member Board of Directors. The Board is comprised of the District’s Superintendent, the District’s High School Principal, and one (1) other licensed administrator who is employed by the District. The Board also includes three (3) other persons who are neither officers nor employees of the Academy who serve as voting members. Those three may include a public educator or other public official representing a governmental entity that desires to further the establishment and operation of the Academy, one parent of a student enrolled in the Academy, and a representative from the Tri-Rivers Educational Computer Association (TRECA) who within one year following the Academy’s incorporation may be replaced by a District administrator. The District’s Treasurer serves as a nonvoting ex-officio member of the Board.

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

B. Summary of Significant Accounting Policies

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

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

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

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

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

Expenses are recognized at the time they are incurred.

Budgetary Process: Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in the Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the Academy and its sponsor. The contract between the Academy and the District does not prescribe a budgetary process for the Academy; therefore no budgetary information is presented in the basic financial statements.

Cash and Cash Equivalents: All monies received by the Academy are accounted for by the Academy's fiscal agent, the District. All cash received by the fiscal agent is maintained in separate accounts in the Academy's name. For purposes of the Statement of Cash Flows and presentation on the Statement of Net Assets, investments with original maturities of three months or less at the time they are purchased by the Academy are considered to be cash equivalents. The Academy had no investments during the fiscal year.

Prepaid Items: Payments made to vendors for services that will benefit periods beyond June 30, 2006 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed. The Academy had no prepaid items this fiscal year.

Capital Assets: Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market value as of the date received. The Academy maintains a capitalization threshold of one thousand dollars. The Academy does not possess any infrastructure.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

Net Assets: Net assets represent the difference between assets and liabilities. Invested in Capital Assets consists of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Academy applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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

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

Federal and state grants are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis.

The Academy participates in various programs through the Ohio Department of Education. These include the Federal Charter School Grant Program, Title VI-B, and an EMIS subsidy grant.

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

C. Deposits and Investments

At fiscal year end, the carrying amount of the Academy's deposits was \$236,289. The bank balance was \$33,616 and the STAR Ohio balance was \$269,392 at fiscal year end. The Academy had \$66,719 worth of outstanding checks as of June 30, 2006.

D. Intergovernmental Receivables and Payables

Intergovernmental receivables at June 30, 2006 consisted of \$6,104 that was owed to the Academy on Phase II of its \$150,000 federal grant. There were no intergovernmental payables at June 30, 2006.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

E. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2006:

	Balance <u>07/01/05</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/06</u>
Furniture and Equipment	\$ 28,070	\$ 44,157	\$ -	\$ 72,227
Less: Accumulated Depreciation	<u>(2,519)</u>	<u>(10,362)</u>	<u>-</u>	<u>(12,881)</u>
Capital Assets, Net	<u>\$ 25,551</u>	<u>\$ 33,795</u>	<u>-</u>	<u>\$ 59,346</u>

F. Risk Management

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

Coverages are as follows:

General Liability:	
Per Occurrence	\$ 1,000,000
Aggregate	3,000,000
Personal and Advertising Injury	1,000,000
Property:	125,247,842

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

G. Fiscal Agent and Payments to Sponsor

The Sponsorship Contract states that the District may direct its treasurer to serve as the Academy's fiscal officer. The treasurer performs the following functions for the Academy:

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

In addition, the Sponsorship Contract states that the Academy shall secure the services of an Executive Director who shall be the chief operating officer of the Academy. This position is filled by the Secondary Curriculum Director of the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

The Sponsorship Contract also states that the Academy shall pay the District \$25,000 for planning, design, and initial implementation services acquired by the District on behalf of the Academy from TRECA. Instead of having the District pay TRECA and then have the Academy reimburse the District, it was mutually agreed that the Academy would pay \$25,000 to TRECA directly.

The District contracts out all employees to the Academy including the Executive Director, Treasurer, EMIS Coordinator, Academy Coordinator, and Teachers.

During the fiscal year ended June 30, 2006, the Academy incurred \$75,173 in expenses payable to the District for:

Salaries and benefits	\$ 63,083
Fiscal services	5,900
EMIS services	5,900
Other	<u>290</u>
Total	<u>\$ 75,173</u>

H. Contingencies

Grants: The Academy received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions as specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2006.

State Funding: The Ohio Department of Education reviews enrollment data and full time equivalency (FTE) calculations made by the schools. These reviews ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. For fiscal year 2006, the review was completed in November 2006. As a result of said review, the Academy's state foundation funding will be decreased by \$8,691 for fiscal year 2007.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

I. Purchased Service Expenses

For the fiscal year ended June 30, 2006, purchased service expenses were payments for services rendered by various vendors, as follows:

Tri-Rivers Educational Computer Assn. (TRECA)	\$ 348,267
Sponsor, Management Fees and Expenses	75,173
Auditor of State	5,284
Community Foundation	3,300
Western Buckeye ESC	2,363
Meeting Expenses	1,910
Other	<u>1,966</u>
Total	<u>\$ 438,263</u>

J. Related Party Transactions

The Academy's Board of Directors includes three members who are employees of the District, and one member who is an employee of the Hancock County Educational Service Center, as contracted out by the District. In addition, other employees of the District provide additional services to the Academy. Payments to the following related parties (other than travel reimbursement) were as follows:

Findlay City School District (Sponsor)	\$ 75,173
Jon Thomas (Employee of Sponsor)	439
Tamara Wallace (Employee of Sponsor)	<u>235</u>
Total	<u>\$ 75,847</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, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents. . .	\$ 1,102,766	\$ 1,731	\$ 689,045	\$ 651,273	\$ 2,444,815
Receivables:					
Property taxes	-	108,062	972,261	-	1,080,323
Accounts.	8,875	-	-	-	8,875
Intergovernmental	449,571	-	-	-	449,571
Materials and supplies inventory	27,886	-	-	-	27,886
Total assets.	<u>\$ 1,589,098</u>	<u>\$ 109,793</u>	<u>\$ 1,661,306</u>	<u>\$ 651,273</u>	<u>\$ 4,011,470</u>
Liabilities:					
Accounts payable.	\$ 57,219	\$ -	\$ 65,869	\$ -	\$ 123,088
Accrued wages and benefits	237,228	-	-	-	237,228
Pension obligation payable.	100,302	-	-	-	100,302
Intergovernmental payable	29,355	-	-	-	29,355
Interfund loans payable.	235,129	-	34,716	-	269,845
Deferred revenue	10,487	108,062	1,572,262	-	1,690,811
Total liabilities	<u>669,720</u>	<u>108,062</u>	<u>1,672,847</u>	<u>-</u>	<u>2,450,629</u>
Fund balances:					
Reserved for encumbrances.	235,291	-	350,390	5,000	590,681
Reserved for debt services	-	1,731	-	-	1,731
Reserved for materials and supplies inventory .	27,886	-	-	-	27,886
Reserved for scholarships.	-	-	-	616,000	616,000
Unreserved, undesignated (deficit), reported in:					
Special revenue funds	656,201	-	-	-	656,201
Capital projects funds	-	-	(361,931)	-	(361,931)
Permanent fund	-	-	-	30,273	30,273
Total fund balances (deficits).	<u>919,378</u>	<u>1,731</u>	<u>(11,541)</u>	<u>651,273</u>	<u>1,560,841</u>
Total liabilities and fund balances	<u>\$ 1,589,098</u>	<u>\$ 109,793</u>	<u>\$ 1,661,306</u>	<u>\$ 651,273</u>	<u>\$ 4,011,470</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, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
From local sources:					
Taxes	\$ -	\$ 108,061	\$ -	\$ -	\$ 108,061
Tuition	159,431	-	-	-	159,431
Earnings on investments	24,358	1,367	21,432	23,837	70,994
Charges for services	986,582	-	-	-	986,582
Extracurricular	487,563	-	-	-	487,563
Classroom materials and fees	348,437	-	-	-	348,437
Other local revenues	543,759	-	3,270	6,198	553,227
Intergovernmental - State	770,952	-	-	-	770,952
Intergovernmental - Federal	3,642,186	-	-	-	3,642,186
Total revenues	<u>6,963,268</u>	<u>109,428</u>	<u>24,702</u>	<u>30,035</u>	<u>7,127,433</u>
Expenditures:					
Current:					
Instruction:					
Regular	1,092,872	-	227	-	1,093,099
Special	917,453	-	-	-	917,453
Vocational	147,553	-	-	-	147,553
Adult/continuing	269	-	-	-	269
Other	45,936	-	-	10,500	56,436
Support services:					
Pupil	373,922	-	-	-	373,922
Instructional staff	941,606	-	-	-	941,606
Administration	18,969	-	-	-	18,969
Fiscal	1,740	-	-	-	1,740
Operations and maintenance	99,569	-	9,494	-	109,063
Pupil transportation	29,746	-	-	-	29,746
Central	102,059	-	-	-	102,059
Operation of non-instructional services	616,342	-	-	-	616,342
Extracurricular activities	447,475	-	-	-	447,475
Facilities acquisition and construction	92,243	-	1,726,000	-	1,818,243
Food service operations	1,666,276	-	-	-	1,666,276
Debt service:					
Principal retirement	16,861	108,062	-	-	124,923
Interest and fiscal charges	886	-	-	-	886
Total expenditures	<u>6,611,777</u>	<u>108,062</u>	<u>1,735,721</u>	<u>10,500</u>	<u>8,466,060</u>
Excess of revenues over (under) expenditures	351,491	1,366	(1,711,019)	19,535	(1,338,627)
Other financing sources:					
Transfers in	100,000	-	1,180,000	-	1,280,000
Proceeds from sale of notes	-	-	713,611	-	713,611
Total other financing sources	<u>100,000</u>	<u>-</u>	<u>1,893,611</u>	<u>-</u>	<u>1,993,611</u>
Net change in fund balances	451,491	1,366	182,592	19,535	654,984
Fund balances (deficit)					
at beginning of year	494,728	365	(194,133)	631,738	932,698
Increase in reserve for inventory	(26,841)	-	-	-	(26,841)
Fund balances (deficit) at end of year	<u>\$ 919,378</u>	<u>\$ 1,731</u>	<u>\$ (11,541)</u>	<u>\$ 651,273</u>	<u>\$ 1,560,841</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.

Poverty Aid Fund

Current Budget Bill, O.R.C. 3317.029

A fund used to account for monies appropriated for poverty based assistance as part of the state foundation system. Programs include academic intervention, all-day kindergarten, class-size reduction, Limited English Proficient students, professional development, dropout prevention and community outreach.

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.

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, 2006

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform School Supplies</u>	<u>Special Services Rotary</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 158,775	\$ 240,239	\$ 163,234	\$ 28,983
Receivables:				
Accounts.	2,167	331	1,722	-
Intergovernmental	122,882	-	-	-
Materials and supplies inventory	27,886	-	-	-
Total assets.	<u>\$ 311,710</u>	<u>\$ 240,570</u>	<u>\$ 164,956</u>	<u>\$ 28,983</u>
Liabilities:				
Accounts payable.	\$ 3,072	\$ 426	\$ 7,687	\$ -
Accrued wages and benefits	13,915	-	-	-
Pension obligation payable.	35,603	-	-	-
Intergovernmental payable	6,164	-	-	1
Interfund loans payable.	42,000	124,845	-	-
Deferred revenue.	-	-	-	-
Total liabilities.	<u>100,754</u>	<u>125,271</u>	<u>7,687</u>	<u>1</u>
Fund balances:				
Reserved for encumbrances	150,382	12,011	12,384	2,772
Reserved for materials and supplies inventory	27,886	-	-	-
Unreserved-undesignated (deficit)	32,688	103,288	144,885	26,210
Total fund balances (deficit).	<u>210,956</u>	<u>115,299</u>	<u>157,269</u>	<u>28,982</u>
Total liabilities and fund balances.	<u>\$ 311,710</u>	<u>\$ 240,570</u>	<u>\$ 164,956</u>	<u>\$ 28,983</u>

Special Enterprise	Public School Support	Other Grants	District Managed Activity	Auxiliary Services	Teacher Development	Management Information Systems
\$ 11,659	\$ 75,303	\$ 8,782	\$ 269,802	\$ 35,029	\$ 2,312	\$ 16,248
2,619	153	-	1,883	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 14,278</u>	<u>\$ 75,456</u>	<u>\$ 8,782</u>	<u>\$ 271,685</u>	<u>\$ 35,029</u>	<u>\$ 2,312</u>	<u>\$ 16,248</u>
\$ 67	\$ 239	\$ -	\$ 7,994	\$ 19,323	\$ -	\$ -
13,074	-	-	-	24,908	-	2,325
15,893	-	714	-	5,687	-	3,750
1,217	6	53	184	1,504	-	485
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>30,251</u>	<u>245</u>	<u>767</u>	<u>8,178</u>	<u>51,422</u>	<u>-</u>	<u>6,560</u>
720	2,001	681	29,698	2,564	1,390	-
-	-	-	-	-	-	-
<u>(16,693)</u>	<u>73,210</u>	<u>7,334</u>	<u>233,809</u>	<u>(18,957)</u>	<u>922</u>	<u>9,688</u>
<u>(15,973)</u>	<u>75,211</u>	<u>8,015</u>	<u>263,507</u>	<u>(16,393)</u>	<u>2,312</u>	<u>9,688</u>
<u>\$ 14,278</u>	<u>\$ 75,456</u>	<u>\$ 8,782</u>	<u>\$ 271,685</u>	<u>\$ 35,029</u>	<u>\$ 2,312</u>	<u>\$ 16,248</u>

(continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	<u>Entry Year Programs</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ -	\$ 8,209	\$ 11,526	\$ 438
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	-	1,950	625	-
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ -</u>	<u>\$ 10,159</u>	<u>\$ 12,151</u>	<u>\$ 438</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ 8,728	\$ 210
Accrued wages and benefits	-	-	-	-
Pension obligation payable.	-	-	-	1,443
Intergovernmental payable	173	-	-	971
Interfund loans payable.	-	-	-	-
Deferred revenue.	-	-	625	-
Total liabilities.	<u>173</u>	<u>-</u>	<u>9,353</u>	<u>2,624</u>
Fund balances:				
Reserved for encumbrances	-	-	-	246
Reserved for materials and supplies inventory	-	-	-	-
Unreserved-undesignated (deficit)	<u>(173)</u>	<u>10,159</u>	<u>2,798</u>	<u>(2,432)</u>
Total fund balances (deficit).	<u>(173)</u>	<u>10,159</u>	<u>2,798</u>	<u>(2,186)</u>
Total liabilities and fund balances.	<u>\$ -</u>	<u>\$ 10,159</u>	<u>\$ 12,151</u>	<u>\$ 438</u>

<u>Vocational Education Enhancements</u>	<u>Poverty Aid</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>
\$ 4	\$ 20,037	\$ 4,356	\$ 27,708	\$ 2,194	\$ -	\$ 2,472
-	-	-	-	-	-	-
-	-	-	159,500	9,862	-	117,694
-	-	-	-	-	-	-
<u>\$ 4</u>	<u>\$ 20,037</u>	<u>\$ 4,356</u>	<u>\$ 187,208</u>	<u>\$ 12,056</u>	<u>\$ -</u>	<u>\$ 120,166</u>
\$ -	\$ -	\$ -	\$ 5,788	\$ 162	\$ -	\$ 1,044
-	6,679	-	35,205	-	-	99,990
-	934	1,910	14,574	360	-	12,798
-	478	171	7,973	722	164	6,286
-	-	-	-	2,900	-	40,000
-	-	-	-	9,862	-	-
-	<u>8,091</u>	<u>2,081</u>	<u>63,540</u>	<u>14,006</u>	<u>164</u>	<u>160,118</u>
-	-	-	8,625	1,994	-	7
-	-	-	-	-	-	-
<u>4</u>	<u>11,946</u>	<u>2,275</u>	<u>115,043</u>	<u>(3,944)</u>	<u>(164)</u>	<u>(39,959)</u>
<u>4</u>	<u>11,946</u>	<u>2,275</u>	<u>123,668</u>	<u>(1,950)</u>	<u>(164)</u>	<u>(39,952)</u>
<u>\$ 4</u>	<u>\$ 20,037</u>	<u>\$ 4,356</u>	<u>\$ 187,208</u>	<u>\$ 12,056</u>	<u>\$ -</u>	<u>\$ 120,166</u>

(continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Title V Innovative Education Program	Drug Free School Grant	IDEA Preschool- Handicapped	Telecommunications Act Grant
Assets:				
Equity in pooled cash and cash equivalents.	\$ 2,252	\$ 326	\$ 1,215	\$ 1,643
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	-	4,309	1,056	-
Materials and supplies inventory	-	-	-	-
	-	-	-	-
Total assets.	\$ 2,252	\$ 4,635	\$ 2,271	\$ 1,643
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ 863	\$ -
Accrued wages and benefits	-	5,360	1,123	-
Pension obligation payable.	-	1,800	404	-
Intergovernmental payable	-	352	296	-
Interfund loans payable.	-	4,309	-	-
Deferred revenue.	-	-	-	-
	-	-	-	-
Total liabilities.	-	11,821	2,686	-
Fund balances:				
Reserved for encumbrances	1,530	50	205	1,034
Reserved for materials and supplies inventory	-	-	-	-
Unreserved-undesignated (deficit)	722	(7,236)	(620)	609
	722	(7,236)	(620)	609
Total fund balances (deficit).	2,252	(7,186)	(415)	1,643
Total liabilities and fund balances.	\$ 2,252	\$ 4,635	\$ 2,271	\$ 1,643

Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 7,234	\$ 2,786	\$ 1,102,766
-	-	8,875
18,382	13,311	449,571
-	-	27,886
<u>\$ 25,616</u>	<u>\$ 16,097</u>	<u>\$ 1,589,098</u>
\$ -	\$ 1,616	\$ 57,219
34,649	-	237,228
4,432	-	100,302
2,155	-	29,355
10,000	11,075	235,129
-	-	10,487
<u>51,236</u>	<u>12,691</u>	<u>669,720</u>
6,866	131	235,291
-	-	27,886
<u>(32,486)</u>	<u>3,275</u>	<u>656,201</u>
<u>(25,620)</u>	<u>3,406</u>	<u>919,378</u>
<u>\$ 25,616</u>	<u>\$ 16,097</u>	<u>\$ 1,589,098</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, 2006

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform School Supplies</u>	<u>Special Services Rotary</u>
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on investments	4,731	4,513	-	944
Charges for services	986,582	-	-	-
Extracurricular	-	922	-	-
Classroom materials and fees.	-	19,745	326,037	-
Other local revenues	-	360,578	144	52,134
Intergovernmental - State	38,015	-	-	-
Intergovernmental - Federal	776,677	-	-	-
Total revenues	<u>1,806,005</u>	<u>385,758</u>	<u>326,181</u>	<u>53,078</u>
Expenditures:				
Current:				
Instruction:				
Regular.	-	-	329,990	-
Special	-	17,589	-	-
Vocational	-	-	176	-
Adult/continuing	-	246	-	-
Other	-	-	-	45,936
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	-	-	-
Administration	-	-	-	-
Fiscal.	-	1,615	-	-
Operations and maintenance	-	43,772	-	-
Pupil transportation	-	439	-	1
Central	-	18,021	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities.	-	708	-	-
Facilities acquisition and construction.	-	92,243	-	-
Food service operations	1,666,276	-	-	-
Debt service:				
Principal retirement	-	16,861	-	-
Interest and fiscal charges	-	886	-	-
Total expenditures	<u>1,666,276</u>	<u>192,380</u>	<u>330,166</u>	<u>45,937</u>
Excess of revenues over (under) expenditures	<u>139,729</u>	<u>193,378</u>	<u>(3,985)</u>	<u>7,141</u>
Other financing sources:				
Transfers in	-	40,000	-	-
Total other financing sources	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances.	139,729	233,378	(3,985)	7,141
Fund balances (deficit)				
at beginning of year	98,068	(118,079)	161,254	21,841
Decrease in reserve for inventory	(26,841)	-	-	-
Fund balances (deficit) at end of year.	<u>\$ 210,956</u>	<u>\$ 115,299</u>	<u>\$ 157,269</u>	<u>\$ 28,982</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>
\$ 159,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
236	2,580	-	9,644	1,710	-	-
-	-	-	-	-	-	-
110	14,251	-	472,280	-	-	-
-	2,655	-	-	-	-	-
-	34,254	87,694	2,335	-	-	-
-	-	-	-	348,251	2,500	21,744
-	-	-	-	-	-	-
<u>159,777</u>	<u>53,740</u>	<u>87,694</u>	<u>484,259</u>	<u>349,961</u>	<u>2,500</u>	<u>21,744</u>
-	51,654	66,279	-	-	-	-
-	-	3,182	-	-	-	-
-	-	8,828	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	63	-
-	358	3,998	-	-	-	-
-	548	-	-	-	-	-
-	-	-	-	-	125	-
-	-	-	-	-	-	-
-	301	530	28,475	-	-	-
-	-	-	-	-	-	69,048
161,421	-	-	-	345,919	-	-
-	10,257	-	436,510	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>161,421</u>	<u>63,118</u>	<u>82,817</u>	<u>464,985</u>	<u>345,919</u>	<u>188</u>	<u>69,048</u>
<u>(1,644)</u>	<u>(9,378)</u>	<u>4,877</u>	<u>19,274</u>	<u>4,042</u>	<u>2,312</u>	<u>(47,304)</u>
-	-	-	-	-	-	60,000
-	-	-	-	-	-	60,000
(1,644)	(9,378)	4,877	19,274	4,042	2,312	12,696
(14,329)	84,589	3,138	244,233	(20,435)	-	(3,008)
-	-	-	-	-	-	-
<u>\$ (15,973)</u>	<u>\$ 75,211</u>	<u>\$ 8,015</u>	<u>\$ 263,507</u>	<u>\$ (16,393)</u>	<u>\$ 2,312</u>	<u>\$ 9,688</u>

(continued)

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Entry Year Programs</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Data Communication</u>	<u>SchoolNet Professional Development</u>
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees.	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - State	17,050	-	58,159	13,700
Intergovernmental - Federal	-	-	-	-
Total revenues	<u>17,050</u>	<u>-</u>	<u>58,159</u>	<u>13,700</u>
Expenditures:				
Current:				
Instruction:				
Regular.	21,298	109	48,000	12,106
Special	-	-	-	-
Vocational	-	-	-	-
Adult/continuing	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	-	-	-
Administration	-	-	-	-
Fiscal.	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities.	-	-	-	-
Facilities acquisition and construction.	-	-	-	-
Food service operations	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>21,298</u>	<u>109</u>	<u>48,000</u>	<u>12,106</u>
Excess of revenues over (under) expenditures	<u>(4,248)</u>	<u>(109)</u>	<u>10,159</u>	<u>1,594</u>
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances.	(4,248)	(109)	10,159	1,594
Fund balances (deficit)				
at beginning of year	4,075	109	-	1,204
Decrease in reserve for inventory	-	-	-	-
Fund balances (deficit) at end of year.	<u>\$ (173)</u>	<u>\$ -</u>	<u>\$ 10,159</u>	<u>\$ 2,798</u>

<u>Ohio Reads</u>	<u>Summer Intervention</u>	<u>Vocational Education Enhancements</u>	<u>Poverty Aid</u>	<u>Miscellaneous State Grants</u>	<u>IDEA Part B Grants</u>	<u>Vocational Education</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	6,610	-	10
158,000	709	4,090	84,359	24,375	-	-
-	-	-	-	-	1,325,526	236,140
<u>158,000</u>	<u>709</u>	<u>4,090</u>	<u>84,359</u>	<u>30,985</u>	<u>1,325,526</u>	<u>236,150</u>
61,730	35,417	4,090	72,413	-	9,939	-
-	-	-	-	-	166,468	-
-	-	7,936	-	7,528	-	123,085
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	227,283	104,815
92,594	2,252	-	-	19,636	800,176	-
-	-	-	-	466	-	10,476
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	67,216	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>154,324</u>	<u>37,669</u>	<u>12,026</u>	<u>72,413</u>	<u>27,630</u>	<u>1,271,082</u>	<u>238,376</u>
3,676	(36,960)	(7,936)	11,946	3,355	54,444	(2,226)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,676	(36,960)	(7,936)	11,946	3,355	54,444	(2,226)
(5,862)	36,960	7,940	-	(1,080)	69,224	276
-	-	-	-	-	-	-
<u>\$ (2,186)</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 11,946</u>	<u>\$ 2,275</u>	<u>\$ 123,668</u>	<u>\$ (1,950)</u>

(continued)

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Limited English Proficiency</u>	<u>Title I Disadvantaged Children</u>	<u>Title V Innovative Education Program</u>	<u>Drug Free School Grant</u>
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees.	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	13,987	807,779	27,162	36,065
Total revenues	<u>13,987</u>	<u>807,779</u>	<u>27,162</u>	<u>36,065</u>
Expenditures:				
Current:				
Instruction:				
Regular.	13,758	-	26,083	-
Special	632	729,582	-	-
Vocational	-	-	-	-
Adult/continuing	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	34,343
Instructional staff.	459	5,000	-	582
Administration	-	7,479	-	-
Fiscal.	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	-	35,976	2,549	2,271
Extracurricular activities.	-	-	-	-
Facilities acquisition and construction.	-	-	-	-
Food service operations	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>14,849</u>	<u>778,037</u>	<u>28,632</u>	<u>37,196</u>
Excess of revenues over (under) expenditures	<u>(862)</u>	<u>29,742</u>	<u>(1,470)</u>	<u>(1,131)</u>
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances.	(862)	29,742	(1,470)	(1,131)
Fund balances (deficit)				
at beginning of year	698	(69,694)	3,722	(6,055)
Decrease in reserve for inventory	-	-	-	-
Fund balances (deficit) at end of year.	<u>\$ (164)</u>	<u>\$ (39,952)</u>	<u>\$ 2,252</u>	<u>\$ (7,186)</u>

IDEA Preschool- Handicapped	Telecommunications Act Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 159,431
-	-	-	-	24,358
-	-	-	-	986,582
-	-	-	-	487,563
-	-	-	-	348,437
-	-	-	-	543,759
-	-	-	-	770,952
36,650	55,680	283,087	43,433	3,642,186
<u>36,650</u>	<u>55,680</u>	<u>283,087</u>	<u>43,433</u>	<u>6,963,268</u>
18,461	-	281,097	40,448	1,092,872
-	-	-	-	917,453
-	-	-	-	147,553
-	-	-	23	269
-	-	-	-	45,936
7,418	-	-	-	373,922
14,648	-	-	1,903	941,606
-	-	-	-	18,969
-	-	-	-	1,740
-	55,797	-	-	99,569
-	-	-	-	29,746
-	14,990	-	-	102,059
-	-	-	990	616,342
-	-	-	-	447,475
-	-	-	-	92,243
-	-	-	-	1,666,276
-	-	-	-	16,861
-	-	-	-	886
<u>40,527</u>	<u>70,787</u>	<u>281,097</u>	<u>43,364</u>	<u>6,611,777</u>
<u>(3,877)</u>	<u>(15,107)</u>	<u>1,990</u>	<u>69</u>	<u>351,491</u>
-	-	-	-	100,000
-	-	-	-	100,000
(3,877)	(15,107)	1,990	69	451,491
3,462	16,750	(27,610)	3,337	494,728
-	-	-	-	(26,841)
<u>\$ (415)</u>	<u>\$ 1,643</u>	<u>\$ (25,620)</u>	<u>\$ 3,406</u>	<u>\$ 919,378</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Food Service Fund</u>				
Total Revenues and Other Financing Sources	\$ 1,762,000	\$ 1,912,000	\$ 1,799,696	\$ (112,304)
Total Expenditures and Other Financing Uses	<u>1,862,797</u>	<u>2,012,797</u>	<u>1,897,458</u>	<u>115,339</u>
Net Change in Fund Balance	(100,797)	(100,797)	(97,762)	3,035
Fund Balance, July 1	2,560	2,560	2,560	-
Prior Year Encumbrances Appropriated	<u>100,797</u>	<u>100,797</u>	<u>100,797</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2,560</u>	<u>\$ 2,560</u>	<u>\$ 5,595</u>	<u>\$ 3,035</u>
<u>Special Trust Fund</u>				
Total Revenues and Other Financing Sources	\$ 326,270	\$ 326,270	\$ 425,777	\$ 99,507
Total Expenditures and Other Financing Uses	<u>326,270</u>	<u>411,140</u>	<u>346,001</u>	<u>65,139</u>
Net Change in Fund Balance	-	(84,870)	79,776	164,646
Fund Balance, July 1	50,308	50,308	50,308	-
Prior Year Encumbrances Appropriated	<u>97,718</u>	<u>97,718</u>	<u>97,718</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 148,026</u>	<u>\$ 63,156</u>	<u>\$ 227,802</u>	<u>\$ 164,646</u>
<u>Uniform School Supplies Fund</u>				
Total Revenues and Other Financing Sources	\$ 280,000	\$ 280,000	\$ 325,669	\$ 45,669
Total Expenditures and Other Financing Uses	<u>300,717</u>	<u>360,717</u>	<u>346,195</u>	<u>14,522</u>
Net Change in Fund Balance	(20,717)	(80,717)	(20,526)	60,191
Fund Balance, July 1	143,783	143,783	143,783	-
Prior Year Encumbrances Appropriated	<u>20,717</u>	<u>20,717</u>	<u>20,717</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 143,783</u>	<u>\$ 83,783</u>	<u>\$ 143,974</u>	<u>\$ 60,191</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Special Services Rotary Fund</u>				
Total Revenues and Other Financing Sources	\$ 60,000	\$ 60,000	\$ 53,078	\$ (6,922)
Total Expenditures and Other Financing Uses	<u>61,005</u>	<u>61,005</u>	<u>48,708</u>	<u>12,297</u>
Net Change in Fund Balance	(1,005)	(1,005)	4,370	5,375
Fund Balance, July 1	20,836	20,836	20,836	-
Prior Year Encumbrances Appropriated	<u>1,005</u>	<u>1,005</u>	<u>1,005</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 20,836</u>	<u>\$ 20,836</u>	<u>\$ 26,211</u>	<u>\$ 5,375</u>
<u>Special Enterprise Fund</u>				
Total Revenues and Other Financing Sources	\$ 200,000	\$ 200,000	\$ 160,854	\$ (39,146)
Total Expenditures and Other Financing Uses	<u>205,298</u>	<u>205,298</u>	<u>167,092</u>	<u>38,206</u>
Net Change in Fund Balance	(5,298)	(5,298)	(6,238)	(940)
Fund Balance, July 1	11,812	11,812	11,812	-
Prior Year Encumbrances Appropriated	<u>5,298</u>	<u>5,298</u>	<u>5,298</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 11,812</u>	<u>\$ 11,812</u>	<u>\$ 10,872</u>	<u>\$ (940)</u>
<u>Public School Support Fund</u>				
Total Revenues and Other Financing Sources	\$ 100,000	\$ 100,000	\$ 67,768	\$ (32,232)
Total Expenditures and Other Financing Uses	<u>106,031</u>	<u>106,031</u>	<u>65,413</u>	<u>40,618</u>
Net Change in Fund Balance	(6,031)	(6,031)	2,355	8,386
Fund Balance, July 1	64,677	64,677	64,677	-
Prior Year Encumbrances Appropriated	<u>6,031</u>	<u>6,031</u>	<u>6,031</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 64,677</u>	<u>\$ 64,677</u>	<u>\$ 73,063</u>	<u>\$ 8,386</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Other Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 73,240	\$ 118,320	\$ 87,694	\$ (30,626)
Total Expenditures and Other Financing Uses	<u>88,530</u>	<u>133,610</u>	<u>94,883</u>	<u>38,727</u>
Net Change in Fund Balance	(15,290)	(15,290)	(7,189)	8,101
Fund Balance, July 1	13,514	13,514	13,514	-
Prior Year Encumbrances Appropriated	<u>1,776</u>	<u>1,776</u>	<u>1,776</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,101</u></u>	<u><u>\$ 8,101</u></u>
<u>District Managed Activity Fund</u>				
Total Revenues and Other Financing Sources	\$ 810,975	\$ 814,475	\$ 483,872	\$ (330,603)
Total Expenditures and Other Financing Uses	<u>823,587</u>	<u>823,587</u>	<u>497,769</u>	<u>325,818</u>
Net Change in Fund Balance	(12,612)	(9,112)	(13,897)	(4,785)
Fund Balance, July 1	237,784	237,784	237,784	-
Prior Year Encumbrances Appropriated	<u>12,612</u>	<u>12,612</u>	<u>12,612</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 237,784</u></u>	<u><u>\$ 241,284</u></u>	<u><u>\$ 236,499</u></u>	<u><u>\$ (4,785)</u></u>
<u>Auxiliary Services Fund</u>				
Total Revenues and Other Financing Sources	\$ 339,802	\$ 348,552	\$ 349,961	\$ 1,409
Total Expenditures and Other Financing Uses	<u>366,476</u>	<u>374,020</u>	<u>363,551</u>	<u>10,469</u>
Net Change in Fund Balance	(26,674)	(25,468)	(13,590)	11,878
Fund Balance (deficit), July 1	(92)	(92)	(92)	-
Prior Year Encumbrances Appropriated	<u>26,824</u>	<u>26,824</u>	<u>26,824</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 58</u></u>	<u><u>\$ 1,264</u></u>	<u><u>\$ 13,142</u></u>	<u><u>\$ 11,878</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<u>Teacher Development Fund</u>				
Total Revenues and Other Financing Sources	\$ -	\$ 2,500	\$ 2,500	\$ -
Total Expenditures and Other Financing Uses	-	2,500	1,578	922
Net Change in Fund Balance	-	-	922	922
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 922</u>	<u>\$ 922</u>
 <u>Management Information Systems Fund</u>				
Total Revenues and Other Financing Sources	\$ 83,100	\$ 83,100	\$ 81,744	\$ (1,356)
Total Expenditures and Other Financing Uses	83,100	83,100	65,496	17,604
Net Change in Fund Balance	-	-	16,248	16,248
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,248</u>	<u>\$ 16,248</u>
 <u>Entry Year Programs Fund</u>				
Total Revenues and Other Financing Sources	\$ 9,900	\$ 21,400	\$ 17,050	\$ (4,350)
Total Expenditures and Other Financing Uses	14,213	21,363	21,363	-
Net Change in Fund Balance	(4,313)	37	(4,313)	(4,350)
Fund Balance, July 1	4,313	4,313	4,313	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 4,350</u>	<u>\$ -</u>	<u>\$ (4,350)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Disadvantaged Pupil Impact Aid Fund</u>				
Total Revenues and Other Financing Sources	\$ 59,051	\$ -	\$ -	\$ -
Total Expenditures and Other Financing Uses	<u>72,627</u>	<u>13,576</u>	<u>13,576</u>	<u>-</u>
Net Change in Fund Balance	(13,576)	(13,576)	(13,576)	-
Fund Balance, July 1	13,576	13,576	13,576	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Data Communication Fund</u>				
Total Revenues and Other Financing Sources	\$ 48,000	\$ 48,000	\$ 56,209	\$ 8,209
Total Expenditures and Other Financing Uses	<u>48,000</u>	<u>48,000</u>	<u>48,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	8,209	8,209
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>\$ 8,209</u></u>	<u><u>\$ 8,209</u></u>
<u>SchoolNet Professional Development Fund</u>				
Total Revenues and Other Financing Sources	\$ 9,347	\$ 28,100	\$ 13,700	\$ (14,400)
Total Expenditures and Other Financing Uses	<u>9,345</u>	<u>28,889</u>	<u>12,147</u>	<u>16,742</u>
Net Change in Fund Balance	2	(789)	1,553	2,342
Fund Balance, July 1	1,245	1,245	1,245	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 1,247</u></u>	<u><u>\$ 456</u></u>	<u><u>\$ 2,798</u></u>	<u><u>\$ 2,342</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Ohio Reads Fund</u>				
Total Revenues and Other Financing Sources	\$ 140,000	\$ 158,000	\$ 158,000	\$ -
Total Expenditures and Other Financing Uses	<u>140,000</u>	<u>158,000</u>	<u>158,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Summer Intervention Fund</u>				
Total Revenues and Other Financing Sources	\$ 141,998	\$ 709	\$ 709	\$ -
Total Expenditures and Other Financing Uses	<u>38,120</u>	<u>38,829</u>	<u>38,829</u>	<u>-</u>
Net Change in Fund Balance	103,878	(38,120)	(38,120)	-
Fund Balance, July 1	35,114	35,114	35,114	-
Prior Year Encumbrances Appropriated	<u>3,006</u>	<u>3,006</u>	<u>3,006</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 141,998</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Vocational Education Enhancements Fund</u>				
Total Revenues and Other Financing Sources	\$ 33,137	\$ 30,000	\$ 4,090	\$ (25,910)
Total Expenditures and Other Financing Uses	<u>38,041</u>	<u>38,041</u>	<u>12,128</u>	<u>25,913</u>
Net Change in Fund Balance	(4,904)	(8,041)	(8,038)	3
Fund Balance, July 1	8,042	8,042	8,042	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 3,138</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 4</u></u>	<u><u>\$ 3</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Poverty Aid Fund</u>				
Total Revenues and Other Financing Sources	\$ -	\$ 84,359	\$ 84,359	\$ -
Total Expenditures and Other Financing Uses	-	84,359	64,322	20,037
Net Change in Fund Balance	-	-	20,037	20,037
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,037</u>	<u>\$ 20,037</u>
<u>Miscellaneous State Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 34,041	\$ 54,000	\$ 30,985	\$ (23,015)
Total Expenditures and Other Financing Uses	37,587	57,587	30,217	27,370
Net Change in Fund Balance	(3,546)	(3,587)	768	4,355
Fund Balance, July 1	3,141	3,141	3,141	-
Prior Year Encumbrances Appropriated	447	447	447	-
Fund Balance, June 30	<u>\$ 42</u>	<u>\$ 1</u>	<u>\$ 4,356</u>	<u>\$ 4,355</u>
<u>IDEA Part B Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 1,698,341	\$ 1,781,862	\$ 1,385,408	\$ (396,454)
Total Expenditures and Other Financing Uses	1,709,849	1,793,368	1,383,547	409,821
Net Change in Fund Balance	(11,508)	(11,506)	1,861	13,367
Fund Balance (deficit), July 1	(27,066)	(27,066)	(27,066)	-
Prior Year Encumbrances Appropriated	38,575	38,575	38,575	-
Fund Balance (deficit), June 30	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ 13,370</u>	<u>\$ 13,367</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Vocational Education Fund</u>				
Total Revenues and Other Financing Sources	\$ 218,656	\$ 246,140	\$ 239,050	\$ (7,090)
Total Expenditures and Other Financing Uses	<u>231,347</u>	<u>258,867</u>	<u>251,739</u>	<u>7,128</u>
Net Change in Fund Balance	(12,691)	(12,727)	(12,689)	38
Fund Balance, July 1	36	36	36	-
Prior Year Encumbrances Appropriated	<u>12,691</u>	<u>12,691</u>	<u>12,691</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 38</u>
<u>Limited English Proficiency Fund</u>				
Total Revenues and Other Financing Sources	\$ 14,580	\$ 14,647	\$ 13,987	\$ (660)
Total Expenditures and Other Financing Uses	<u>15,541</u>	<u>14,948</u>	<u>14,948</u>	<u>-</u>
Net Change in Fund Balance	(961)	(301)	(961)	(660)
Fund Balance, July 1	37	37	37	-
Prior Year Encumbrances Appropriated	<u>924</u>	<u>924</u>	<u>924</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 660</u>	<u>\$ -</u>	<u>\$ (660)</u>
<u>Title I Disadvantaged Children Fund</u>				
Total Revenues and Other Financing Sources	\$ 727,196	\$ 881,309	\$ 799,440	\$ (81,869)
Total Expenditures and Other Financing Uses	<u>797,365</u>	<u>951,479</u>	<u>868,189</u>	<u>83,290</u>
Net Change in Fund Balance	(70,169)	(70,170)	(68,749)	1,421
Fund Balance, July 1	69,598	69,598	69,598	-
Prior Year Encumbrances Appropriated	<u>572</u>	<u>572</u>	<u>572</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,421</u>	<u>\$ 1,421</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Title V Innovative Education Program Fund</u>				
Total Revenues and Other Financing Sources	\$ 19,700	\$ 27,163	\$ 27,162	\$ (1)
Total Expenditures and Other Financing Uses	<u>23,422</u>	<u>30,884</u>	<u>30,162</u>	<u>722</u>
Net Change in Fund Balance	(3,722)	(3,721)	(3,000)	721
Fund Balance, July 1	1,436	1,436	1,436	-
Prior Year Encumbrances Appropriated	<u>2,286</u>	<u>2,286</u>	<u>2,286</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 722</u>	<u>\$ 721</u>
<u>Drug Free School Grant Fund</u>				
Total Revenues and Other Financing Sources	\$ 31,466	\$ 36,256	\$ 36,065	\$ (191)
Total Expenditures and Other Financing Uses	<u>31,756</u>	<u>36,355</u>	<u>36,079</u>	<u>276</u>
Net Change in Fund Balance	(290)	(99)	(14)	85
Fund Balance, July 1	190	190	190	-
Prior Year Encumbrances Appropriated	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 191</u>	<u>\$ 276</u>	<u>\$ 85</u>
<u>IDEA Preschool-Handicapped Fund</u>				
Total Revenues and Other Financing Sources	\$ 26,871	\$ 42,020	\$ 40,094	\$ (1,926)
Total Expenditures and Other Financing Uses	<u>27,432</u>	<u>42,662</u>	<u>41,459</u>	<u>1,203</u>
Net Change in Fund Balance	(561)	(642)	(1,365)	(723)
Fund Balance, July 1	30	30	30	-
Prior Year Encumbrances Appropriated	<u>1,482</u>	<u>1,482</u>	<u>1,482</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 951</u>	<u>\$ 870</u>	<u>\$ 147</u>	<u>\$ (723)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Telecommunications Act Grant Fund</u>				
Total Revenues and Other Financing Sources	\$ 80,839	\$ 80,839	\$ 55,680	\$ (25,159)
Total Expenditures and Other Financing Uses	<u>80,839</u>	<u>80,839</u>	<u>71,821</u>	<u>9,018</u>
Net Change in Fund Balance	-	-	(16,141)	(16,141)
Fund Balance, July 1	16,750	16,750	16,750	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 16,750</u></u>	<u><u>\$ 16,750</u></u>	<u><u>\$ 609</u></u>	<u><u>\$ (16,141)</u></u>
 <u>Improving Teacher Quality Fund</u>				
Total Revenues and Other Financing Sources	\$ 265,226	\$ 302,231	\$ 285,428	\$ (16,803)
Total Expenditures and Other Financing Uses	<u>282,956</u>	<u>312,033</u>	<u>303,283</u>	<u>8,750</u>
Net Change in Fund Balance	(17,730)	(9,802)	(17,855)	(8,053)
Fund Balance, July 1	10,723	10,723	10,723	-
Prior Year Encumbrances Appropriated	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 493</u></u>	<u><u>\$ 8,421</u></u>	<u><u>\$ 368</u></u>	<u><u>\$ (8,053)</u></u>
 <u>Miscellaneous Federal Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 34,572	\$ 44,475	\$ 41,197	\$ (3,278)
Total Expenditures and Other Financing Uses	<u>37,909</u>	<u>47,067</u>	<u>43,495</u>	<u>3,572</u>
Net Change in Fund Balance	(3,337)	(2,592)	(2,298)	294
Fund Balance, July 1	1,337	1,337	1,337	-
Prior Year Encumbrances Appropriated	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ 745</u></u>	<u><u>\$ 1,039</u></u>	<u><u>\$ 294</u></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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<u>Bond Retirement Fund</u>				
Total Revenues and Other Financing Sources	\$ 108,061	\$ 108,061	\$ 109,428	\$ 1,367
Total Expenditures and Other Financing Uses	<u>108,061</u>	<u>108,061</u>	<u>108,062</u>	<u>(1)</u>
Net Change in Fund Balance	-	-	1,366	1,366
Fund Balance, July 1	365	365	365	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 365</u></u>	<u><u>\$ 365</u></u>	<u><u>\$ 1,731</u></u>	<u><u>\$ 1,366</u></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). Since the Permanent Improvement Fund is the only capital projects fund with assets and liabilities at June 30, 2006, no combining balance sheet is presented. 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 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Permanent Improvement	Building	SchoolNet Equipment/ Infrastructure	Total Nonmajor Capital Projects Funds
Revenues:				
From local sources:				
Earnings on investments	\$ 21,432	\$ -	\$ -	\$ 21,432
Other local revenues	3,270	-	-	3,270
Total revenues	24,702	-	-	24,702
Expenditures:				
Current:				
Instruction:				
Regular.	-	-	227	227
Support services:				
Operations and maintenance	9,494	-	-	9,494
Facilities acquisition and construction.	1,012,389	713,611	-	1,726,000
Total expenditures	1,021,883	713,611	227	1,735,721
Excess of revenues over (under) expenditures	(997,181)	(713,611)	(227)	(1,711,019)
Other financing sources:				
Transfers in	1,180,000	-	-	1,180,000
Proceeds from sale of notes	-	713,611	-	713,611
Total other financing sources	1,180,000	713,611	-	1,893,611
Net change in fund balances.	182,819	-	(227)	182,592
Fund balances (deficit)				
at beginning of year	(194,360)	-	227	(194,133)
Fund balances (deficit) at end of year. . .	\$ (11,541)	\$ -	\$ -	\$ (11,541)

**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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Permanent Improvement Fund</u>				
Total Revenues and Other Financing Sources	\$ 1,200,000	\$ 1,200,000	\$ 1,239,418	\$ 39,418
Total Expenditures and Other Financing Uses	<u>1,810,523</u>	<u>1,810,523</u>	<u>1,581,241</u>	<u>229,282</u>
Net Change in Fund Balance	(610,523)	(610,523)	(341,823)	268,700
Fund Balance, July 1	4,086	4,086	4,086	-
Prior Year Encumbrances Appropriated	<u>610,523</u>	<u>610,523</u>	<u>610,523</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 4,086</u>	<u>\$ 4,086</u>	<u>\$ 272,786</u>	<u>\$ 268,700</u>
<u>Building Fund</u>				
Total Revenues and Other Financing Sources	\$ 809,262	\$ 713,611	\$ 713,611	\$ -
Total Expenditures and Other Financing Uses	<u>713,611</u>	<u>713,611</u>	<u>713,611</u>	<u>-</u>
Net Change in Fund Balance	95,651	-	-	-
Fund Balance (deficit), July 1	(713,611)	(713,611)	(713,611)	-
Prior Year Encumbrances Appropriated	<u>713,611</u>	<u>713,611</u>	<u>713,611</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 95,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>SchoolNet Equipment/Infrastructure Fund</u>				
Total Revenues and Other Financing Sources	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Financing Uses	<u>227</u>	<u>227</u>	<u>227</u>	<u>-</u>
Net Change in Fund Balance	(227)	(227)	(227)	-
Fund Balance, July 1	227	227	227	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<u>Endowment Fund</u>				
Total Revenues and Other Financing Sources	\$ 18,000	\$ 18,000	\$ 30,035	\$ 12,035
Total Expenditures and Other Financing Uses	18,000	18,000	15,500	2,500
Net Change in Fund Balance	-	-	14,535	14,535
Fund Balance, July 1	631,738	631,738	631,738	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	\$ 631,738	\$ 631,738	\$ 646,273	\$ 14,535

**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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Employee Benefits Self Insurance Fund</u>				
Total Revenues and Other Financing Sources	\$ 7,650,000	\$ 7,650,000	\$ 7,608,646	\$ (41,354)
Total Expenses and Other Financing Uses	<u>7,653,813</u>	<u>7,653,813</u>	<u>6,622,204</u>	<u>1,031,609</u>
Net Change in Fund Balance	(3,813)	(3,813)	986,442	990,255
Fund Balance, July 1	1,024,024	1,024,024	1,024,024	-
Prior Year Encumbrances Appropriated	<u>3,813</u>	<u>3,813</u>	<u>3,813</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,024,024</u>	<u>\$ 1,024,024</u>	<u>\$ 2,014,279</u>	<u>\$ 990,255</u>

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**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 Fund

Student Managed Activity Fund

Section 3313.062, Revised Code

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<u>Scholarship Fund</u>				
Total Revenues and Other Financing Sources	\$ 23,730	\$ 23,730	\$ 30,960	\$ 7,230
Total Expenditures and Other Financing Uses	<u>23,730</u>	<u>41,657</u>	<u>35,049</u>	<u>6,608</u>
Net Change in Fund Balance	-	(17,927)	(4,089)	13,838
Fund Balance, July 1	33,709	33,709	33,709	-
Prior Year Encumbrances Appropriated	<u>5,078</u>	<u>5,078</u>	<u>5,078</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 38,787</u></u>	<u><u>\$ 20,860</u></u>	<u><u>\$ 34,698</u></u>	<u><u>\$ 13,838</u></u>

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Beginning Balance July 1, 2005	Additions	Reductions	Ending Balance June 30, 2006
<u>Student Managed Activity Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 115,871	\$ 156,482	\$ (151,589)	\$ 120,764
Receivables				
Accounts	1,582	1,603	(1,582)	1,603
Total assets	<u>\$ 117,453</u>	<u>\$ 158,085</u>	<u>\$ (153,171)</u>	<u>\$ 122,367</u>
Liabilities:				
Accounts payable	\$ 1,689	\$ 466	\$ (1,689)	\$ 466
Intergovernmental payable.	73	43	(73)	43
Due to students	115,691	121,858	(115,691)	121,858
Total liabilities.	<u>\$ 117,453</u>	<u>\$ 122,367</u>	<u>\$ (117,453)</u>	<u>\$ 122,367</u>

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STATISTICAL SECTION

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

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends: These schedules present trend information to demonstrate how the District's financial position and financial performance have changed over time.	S2 - S9
Revenue Capacity: These schedules present information to identify the capacity of the District's most significant local revenue source, property taxes.	S10 - S16
Debt Capacity: These schedules present information to assess the capacity of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	S17 - S19
Demographic and Economic Information: These schedules present information to show demographic and economic indicators of the environment within which the District's financial operations occur.	S20
Operating Information: These schedules present information about how the District's basic financial statements relate to the programs and services the District provides and the activities it performs.	S21 - S28

Sources: Sources are noted on the individual schedules.

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

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FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NET ASSETS BY COMPONENT
ACCURAL BASIS OF ACCOUNTING
LAST FOUR FISCAL YEARS

<u>Governmental Activities</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Net Assets:</u>				
Invested in capital assets, net of related debt	\$ 8,719,128	\$ 6,520,579	\$ 6,861,477	\$ 7,530,621
Restricted	1,113,020	632,623	861,334	1,151,527
Unrestricted	157,661	(1,640,249)	(4,655,264)	(2,230,920)
Total governmental activities net assets	<u>\$ 9,989,809</u>	<u>\$ 5,512,953</u>	<u>\$ 3,067,547</u>	<u>\$ 6,451,228</u>

Source: Findlay CSD, Treasurer's Office.

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

CHANGES IN NET ASSETS
ACCRUAL BASIS OF ACCOUNTING

LAST FOUR FISCAL YEARS

<u>Governmental Activities</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Expenses:</u>				
Instruction:				
Regular	\$ 23,318,390	\$ 22,864,137	\$ 23,486,849	\$ 22,375,563
Special	6,535,625	6,587,965	6,885,330	5,956,893
Vocational	2,909,064	2,791,238	2,907,647	2,811,767
Adult	140,878	151,540	22,997	-
Other	1,596,879	1,316,933	966,070	866,858
Support services:				
Pupil	2,846,622	2,676,900	2,614,587	2,329,275
Instructional staff	4,029,073	4,106,395	4,316,723	3,820,351
Board of education	99,555	137,083	141,345	183,090
Administration	3,876,566	3,507,561	3,699,470	3,345,715
Fiscal	1,403,653	1,400,700	1,366,159	1,286,047
Operations and maintenance	4,947,744	5,832,388	5,754,853	5,450,274
Pupil transportation	2,099,169	1,977,385	2,062,403	1,929,180
Central	147,817	119,375	143,826	230,120
Operation of non-instructional services:				
Food service operations	1,685,654	1,759,738	1,707,969	1,711,038
Other non-instructional services	637,088	611,998	685,389	724,093
Extracurricular activities	624,195	1,334,990	1,353,732	1,409,969
Interest and fiscal charges	165,665	140,487	160,153	174,786
Total governmental activities expenses	<u>\$ 57,063,637</u>	<u>\$ 57,316,813</u>	<u>\$ 58,275,502</u>	<u>\$ 54,605,019</u>

(continued)

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

CHANGES IN NET ASSETS
ACCRUAL BASIS OF ACCOUNTING

LAST FOUR FISCAL YEARS

<u>Governmental Activities</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Program Revenues:</u>				
Charges for services:				
Instruction:				
Regular	\$ 1,512,624	\$ 2,374,274	\$ 1,977,485	\$ 1,876,229
Special	299,111	-	274,954	-
Vocational	140,361	262,919	363,625	318,196
Other	86,361	-	-	47,649
Support services:				
Pupil	126,193	-	-	-
Instructional staff	158,216	-	-	2,114
Board of education	5,110	-	-	-
Administration	193,363	-	-	-
Fiscal	71,657	-	-	-
Operations and maintenance	264,997	4,382	15,978	11,042
Pupil transportation	130,801	-	7,834	168
Central	6,874	-	-	-
Operation of non-instructional services:				
Food service operations	986,582	959,673	873,692	1,003,356
Other non-instructional services	159,541	563,926	361,729	417,741
Extracurricular activities	460,840	582,406	717,304	636,902
Operating grants and contributions:				
Instruction:				
Regular	584,900	692,205	494,408	695,115
Special	862,771	907,967	953,117	751,677
Vocational	136,363	87,544	100,482	98,361
Other	17	31,655	-	317,813
Support services:				
Pupil	385,658	180,353	176,260	128,264
Instructional staff	966,238	1,509,883	1,037,155	898,482
Administration	18,281	11,070	11,790	54,724
Fiscal	1,662	-	-	-
Operations and maintenance	43,889	64,827	71,070	455,184
Central	33,535	20,249	30,131	110,245
Operation of non-instructional services:				
Food service operations	814,692	882,758	931,470	580,924
Other non-instructional services	457,241	331,054	340,985	296,409
Capital grants and contributions:				
Instruction:				
Regular	-	49,875	-	88,072
Support services:				
Operations and maintenance	-	-	-	66,667
Total governmental activities program revenues	<u>\$ 8,907,878</u>	<u>\$ 9,517,020</u>	<u>\$ 8,739,469</u>	<u>\$ 8,855,334</u>
Net Revenue/(Expense)	<u>\$ (48,155,759)</u>	<u>\$ (47,799,793)</u>	<u>\$ (49,536,033)</u>	<u>\$ (45,749,685)</u>

Governmental Activities	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets:				
Property taxes levied for:				
General purposes	\$ 29,122,910	\$ 28,074,070	\$ 25,610,581	\$ 25,808,314
Debt service	108,061	108,061	108,062	108,061
Grants and entitlements				
not restricted to specific programs	21,941,335	21,047,772	20,151,186	19,021,043
Investment earnings	489,690	208,720	174,636	275,635
Miscellaneous	970,619	806,576	601,258	389,506
Total governmental activities general revenues	<u>\$ 52,632,615</u>	<u>\$ 50,245,199</u>	<u>\$ 46,645,723</u>	<u>\$ 45,602,559</u>
Change in Net Assets	<u>\$ 4,476,856</u>	<u>\$ 2,445,406</u>	<u>\$ (2,890,310)</u>	<u>\$ (147,126)</u>

Source: Findlay CSD, Treasurer's Office.

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

FUND BALANCES - GOVERNMENTAL FUNDS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

<u>Governmental Funds</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>General Fund:</u>				
Fund Balance:				
Reserved	\$ 3,013,053	\$ 3,551,749	\$ 2,816,147	\$ 2,035,148
Unreserved	(1,710,892)	(4,031,490)	(3,338,528)	(638,731)
Total general fund	<u>\$ 1,302,161</u>	<u>\$ (479,741)</u>	<u>\$ (522,381)</u>	<u>\$ 1,396,417</u>
<u>Other Governmental Funds:</u>				
Fund Balance:				
Reserved	\$ 1,236,298	\$ 1,562,345	\$ 623,866	\$ 757,149
Unreserved, reported in:				
Special revenue funds	656,201	167,442	232,401	(34,745)
Capital projects funds	(361,931)	(1,428,827)	(654,172)	(707,584)
Permanent fund	30,273	631,738	178,194	175,610
Total other governmental funds	<u>\$ 1,560,841</u>	<u>\$ 932,698</u>	<u>\$ 380,289</u>	<u>\$ 190,430</u>
Total governmental funds	<u>\$ 2,863,002</u>	<u>\$ 452,957</u>	<u>\$ (142,092)</u>	<u>\$ 1,586,847</u>

Source: Findlay CSD, Treasurer's Office.

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$ 2,541,786 (68,669)	\$ 2,087,859 (931,370)	\$ 2,394,613 (251,226)	\$ 2,384,896 2,315,282	\$ 1,118,079 1,622,919	\$ 318,707 (853,808)
<u>\$ 2,473,117</u>	<u>\$ 1,156,489</u>	<u>\$ 2,143,387</u>	<u>\$ 4,700,178</u>	<u>\$ 2,740,998</u>	<u>\$ (535,101)</u>
\$ 138,302 476,846 (775,795) -	\$ 237,809 489,229 (782,635) -	\$ 1,361,939 368,617 (824,472) -	\$ 1,535,395 128 (1,335,539) -	\$ 772,191 (106,277) 24,378 -	\$ 558,513 (82,358) 1,193,472 -
<u>\$ (160,647)</u>	<u>\$ (55,597)</u>	<u>\$ 906,084</u>	<u>\$ 199,984</u>	<u>\$ 690,292</u>	<u>\$ 1,669,627</u>
<u>\$ 2,312,470</u>	<u>\$ 1,100,892</u>	<u>\$ 3,049,471</u>	<u>\$ 4,900,162</u>	<u>\$ 3,431,290</u>	<u>\$ 1,134,526</u>

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

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

LAST TEN FISCAL YEARS

Governmental Funds	2006	2005	2004	2003
Revenues:				
From local sources:				
Taxes	\$ 29,144,263	\$ 27,278,445	\$ 25,764,840	\$ 24,943,804
Tuition	2,773,147	2,528,218	2,344,604	2,097,962
Earnings on investments	419,503	189,744	181,235	258,138
Charges for services	986,582	961,169	873,692	915,532
Extracurricular	487,563	579,910	547,674	641,279
Classroom materials and fees	355,339	326,309	314,614	-
Rental income	-	-	-	-
Donations	-	293,109	-	234,738
Other local revenues	970,619	864,178	1,113,275	1,445,815
Other revenue	-	-	-	66,744
Intergovernmental - Intermediate	115,870	1,263	-	-
Intergovernmental - State	22,519,432	21,761,800	20,620,247	19,811,935
Intergovernmental - Federal	3,719,171	4,086,262	4,001,791	2,674,921
Total revenues	61,491,489	58,870,407	55,761,972	53,090,868
Expenditures:				
Current:				
Instruction:				
Regular	23,841,116	22,851,215	22,677,188	22,197,626
Special	6,633,764	6,562,357	6,698,490	5,876,409
Vocational	2,870,132	2,774,174	2,830,388	2,716,560
Adult	140,288	151,806	22,115	-
Other	1,590,336	1,319,245	966,151	870,279
Support services:				
Pupil	2,821,732	2,660,619	2,571,763	2,317,505
Instructional staff	4,008,697	4,166,714	4,290,418	3,688,968
Board of education	99,138	137,324	141,345	183,090
Administration	3,766,790	3,555,187	3,629,330	3,251,163
Fiscal	1,383,808	1,396,875	1,353,401	1,268,227
Operations and maintenance	5,036,278	5,442,055	5,693,012	5,393,900
Pupil transportation	2,002,206	1,869,871	2,099,609	1,795,382
Central	147,729	119,694	140,790	229,529
Operation of non-instructional services:				
Food service operations	1,666,276	1,775,874	1,715,056	1,489,419
Other non-instructional services	616,342	588,603	668,136	694,726
Extracurricular activities	729,828	1,342,774	1,349,432	1,416,183
Facilities acquisition and construction	1,818,243	573,018	44,188	94,152
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	441,312	403,946	439,334	399,511
Interest and fiscal charges	152,355	140,487	160,153	174,786
Total expenditures	59,766,370	57,831,838	57,490,299	54,057,415
Excess (deficiency) of revenues over (under) expenditures	1,725,119	1,038,569	(1,728,327)	(966,547)
Other Financing Sources (Uses):				
Transfers in	1,280,000	590,000	-	3,212
Transfers (out)	(1,280,000)	(590,000)	-	(3,212)
Proceeds from sale of capital assets	-	6,375	7,551	17,937
Proceeds of capital lease transaction	-	-	-	-
Proceeds of notes	-	-	-	-
Proceeds of loans	713,611	95,651	-	-
Total other financing sources (uses)	713,611	102,026	7,551	17,937
Net change in fund balances	\$ 2,438,730	\$ 1,140,595	\$ (1,720,776)	\$ (948,610)
Debt service as a percentage of noncapital expenditures	0.99%	0.94%	1.04%	1.06%

Source: Findlay CSD, Treasurer's Office.

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$	25,584,455	\$ 24,488,752	\$ 24,443,309	\$ 24,379,865	\$ 23,588,224	\$ 20,991,372
	584,678	349,597	364,994	845,136	618,284	917,752
	328,856	726,197	704,121	575,776	591,160	541,308
	-	-	-	-	-	-
	584,164	-	554,553	424,922	435,472	399,340
	-	-	-	-	-	-
	-	-	46,010	23,867	25,515	26,928
	-	-	95,440	73,638	51,636	9,090
	780,918	1,288,634	438,102	313,809	351,159	344,307
	-	286,621	-	-	-	-
	-	-	-	-	-	-
	19,616,413	16,089,458	14,767,115	14,560,650	14,174,130	12,885,041
	<u>2,225,223</u>	<u>2,278,420</u>	<u>2,091,169</u>	<u>2,061,932</u>	<u>2,007,197</u>	<u>1,824,649</u>
	<u>49,704,707</u>	<u>45,507,679</u>	<u>43,504,813</u>	<u>43,259,595</u>	<u>41,842,777</u>	<u>37,939,787</u>
	20,966,922	20,146,170	18,556,675	17,547,349	16,729,265	16,259,714
	5,367,983	4,786,151	4,903,536	4,667,489	4,416,549	4,227,662
	2,627,251	2,847,382	2,170,232	2,574,877	2,502,857	2,435,707
	-	-	-	27,802	14,680	34,417
	280,148	257,121	183,780	143,565	86,659	90,954
	2,203,531	2,135,479	2,124,614	1,923,321	1,868,599	1,861,360
	3,172,173	2,619,051	2,944,597	2,938,580	2,786,043	2,370,447
	159,968	161,133	161,443	117,511	141,499	94,717
	3,020,575	2,918,664	2,683,610	2,580,603	2,453,542	2,306,446
	1,185,346	1,170,793	924,861	850,279	822,263	784,400
	4,997,667	4,657,929	8,536,941	4,243,421	3,902,780	3,963,501
	1,781,043	1,419,372	1,377,209	1,407,436	1,139,535	1,438,532
	175,560	214,230	68,024	19,175	19,369	7,362
	-	-	-	-	-	-
	389,418	308,813	354,128	284,624	276,824	225,089
	1,468,230	1,667,247	1,190,931	1,057,718	980,901	928,799
	53,727	1,458,280	-	-	-	-
	-	-	2,965,128	1,298,498	1,305,602	1,313,195
	457,173	444,152	271,526	119,882	114,612	108,061
	<u>191,226</u>	<u>213,412</u>	<u>177,719</u>	<u>2,226</u>	<u>51,403</u>	<u>78,080</u>
	<u>48,497,941</u>	<u>47,425,379</u>	<u>49,594,954</u>	<u>41,804,356</u>	<u>39,612,982</u>	<u>38,528,443</u>
	1,206,766	(1,917,700)	(6,090,141)	1,455,239	2,229,795	(588,656)
	-	158,235	3,500,000	1,000,000	38,081	701,461
	-	(158,069)	(3,500,000)	(1,000,000)	(38,262)	(697,461)
	101	21	23,025	1,476	9,503	6,373
	-	-	4,238,320	-	62,005	-
	-	-	-	-	-	406,931
	-	-	-	-	-	-
	101	187	4,261,345	1,476	71,327	417,304
\$	<u>1,206,867</u>	<u>\$ (1,917,513)</u>	<u>\$ (1,828,796)</u>	<u>\$ 1,456,715</u>	<u>\$ 2,301,122</u>	<u>\$ (171,352)</u>
	1.34%	1.39%	0.96%	0.30%	0.43%	0.50%

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

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

Calendar Year	Real Estate Property		General Tangible Personal Property		Public Utility Tangible Personal Property	
	Assessed Valuation	Estimated Actual Valuation (a)	Assessed Valuation	Estimated Actual Valuation (a)	Assessed Valuation	Estimated Actual Valuation (a)
2006	\$ 721,298,790	\$ 2,060,853,686	\$ 89,606,733	\$ 358,426,932	\$ 22,255,930	\$ 25,290,830
2005	709,762,130	2,027,891,800	121,231,428	484,925,712	22,704,310	25,800,352
2004	648,032,840	1,851,522,400	119,542,954	478,171,816	22,348,380	25,395,886
2003	628,600,880	1,796,002,514	141,389,687	565,558,748	22,109,380	25,124,295
2002	612,660,110	1,750,457,457	145,107,726	580,430,904	21,725,890	24,688,511
2001	575,436,570	1,644,104,486	137,351,370	549,405,480	28,606,450	32,507,330
2000	565,363,280	1,615,323,657	151,295,302	605,181,208	27,638,130	31,406,966
1999	552,595,100	1,578,843,143	141,159,293	564,637,172	30,406,010	34,552,284
1998	477,666,760	1,364,762,171	138,399,321	553,597,284	30,015,680	34,108,727
1997	468,307,680	1,338,021,943	122,724,525	490,898,100	30,165,800	34,279,318

Source: Hancock County Auditor.

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

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

General tangible personal property is assessed at 25 percent of estimated actual value.

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

Total Property		Assessed Valuation as a Percent of Estimated Actual Valuation
Assessed Valuation	Estimated Actual Valuation	
\$ 833,161,453	\$ 2,444,571,447	34.08%
853,697,868	2,538,617,864	33.63%
789,924,174	2,355,090,102	33.54%
792,099,947	2,386,685,558	33.19%
779,493,726	2,355,576,873	33.09%
741,394,390	2,226,017,295	33.31%
744,296,712	2,251,911,831	33.05%
724,160,403	2,178,032,599	33.25%
646,081,761	1,952,468,183	33.09%
621,198,005	1,863,199,361	33.34%

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

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

LAST TEN CALENDAR YEARS

Calendar Year	Findlay City School District	City of Findlay	Hancock County	Hancock County Park District	Total
2006	\$ 58.25	\$ 3.20	\$ 5.00	\$ 0.80	\$ 67.25
2005	58.25	3.20	5.00	0.80	67.25
2004	53.35	3.20	5.51	0.80	62.86
2003	53.35	3.20	5.51	0.80	62.86
2002	53.35	3.20	5.12	0.80	62.47
2001	53.35	3.20	5.14	0.80	62.49
2000	53.35	3.20	5.15	0.80	62.50
1999	53.35	3.20	5.14	0.80	62.49
1998	53.35	3.20	5.18	0.80	62.53
1997	53.35	3.20	5.18	0.80	62.53

Source: Hancock County Auditor.

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

PRINCIPAL TAXPAYERS
REAL ESTATE PROPERTY

DECEMBER 31, 2005 AND DECEMBER 31, 1996

December 31, 2005			
Taxpayer	Assessed Valuation	Rank	%
Ohio Power Co.	\$ 13,825,430	1	1.92%
Marathon Oil / Ashland Petroleum Co.	11,312,620	2	1.57%
Cooper Tire and Rubber Co.	8,900,060	3	1.23%
Findlay Shopping Center, Inc.	5,873,060	4	0.81%
Ohio Bell Telephone Co.	4,300,050	5	0.60%
Logistics Solutions of Ohio	3,696,730	6	0.51%
Columbia Gas of Ohio, Inc.	2,441,140	7	0.34%
LP Investment Co.	2,282,670	8	0.32%
Lowe's Home Centers, Inc.	2,083,050	9	0.29%
Gardner, Phillip D. - Trustee	1,725,200	10	0.24%
Total	\$ 56,440,010		\$ 721,298,790

December 31, 1996			
Taxpayer	Assessed Value	Rank	%
Ohio Power Co.	\$ 13,660,430	1	2.92%
Marathon Oil Co.	11,090,790	2	2.37%
Ohio Bell Telephone Co.	9,338,660	3	1.99%
Cooper Tire and Rubber Co.	7,273,330	4	1.55%
Columbia Gas of Ohio, Inc.	5,971,210	5	1.28%
Findlay Shopping Center, Inc.	5,830,950	6	1.25%
Harris Corporation	5,284,920	7	1.13%
LP Investment Co.	2,251,180	8	0.48%
Hancock Industrial Development	1,934,240	9	0.41%
Findlex	1,623,020	10	0.35%
Total	\$ 64,258,730		\$ 468,307,680

Source: Hancock County Auditor.

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

PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY

DECEMBER 31, 2005 AND DECEMBER 31, 1996

December 31, 2005			
Taxpayer	Assessed Valuation	Rank	%
Cooper Tire and Rubber Co.	\$ 15,090,620	1	13.49%
Nissan Brake	9,832,020	2	8.79%
Dow Chemical Co.	4,618,690	3	4.13%
Filtech, Inc.	3,320,740	4	2.97%
Santo	2,945,200	5	2.63%
Findlay Products	2,494,870	6	2.23%
Bridgestone APM	2,153,380	7	1.93%
Kuss Corporation	1,852,070	8	1.66%
Findlay Industries, Inc.	1,790,710	9	1.60%
Marathon Oil / Ashland Petroleum Co.	1,672,340	10	1.49%
Total	\$ 45,770,640		\$ 111,862,663

December 31, 1996			
Taxpayer	Assessed Valuation	Rank	%
Cooper Tire and Rubber Co.	\$ 22,952,130	1	15.01%
Harris Corporation	13,383,730	2	8.75%
Findlex	7,110,580	3	4.65%
Dow Chemical Co.	5,376,010	4	3.52%
Findlay Products	4,977,800	5	3.26%
Findlay Ford	4,505,120	6	2.95%
Findlay Industries, Inc.	3,005,720	7	1.97%
Hitachi Data	2,600,700	8	1.70%
Filtech, Inc.	2,492,030	9	1.63%
P and A Industries	2,281,890	10	1.49%
Total	\$ 68,685,710		\$ 152,890,325

Source: Hancock County Auditor.

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN CALENDAR YEARS

Calendar Year	Current Taxes Levied	Delinquent Taxes Levied	Total Taxes Levied	Current Taxes Collected	Percent of Current Tax Levy Collected
2005	\$ 25,029,980	\$ 1,017,364	\$ 26,047,344	\$ 24,220,645	96.77%
2004	19,877,400	792,485	20,669,885	19,531,217	98.26%
2003	22,087,221	880,588	22,967,809	21,333,848	96.59%
2002	20,020,190	628,528	20,648,718	19,488,041	97.34%
2001	20,559,429	767,855	21,327,284	19,927,521	96.93%
2000	21,349,381	768,653	22,118,034	17,774,665	83.26%
1999	20,702,645	554,703	21,257,348	17,077,965	82.49%
1998	19,189,586	410,586	19,600,172	16,381,485	85.37%
1997	18,395,084	381,176	18,776,260	17,355,052	94.35%
1996	18,082,431	487,283	18,569,714	17,048,194	94.28%

Source: Hancock County Auditor.

Delinquent Taxes Collected	Total Taxes Collected	Total Taxes Collected as a Percent of Total Tax Levy
\$ 694,439	\$ 24,915,084	95.65%
569,908	20,101,125	97.25%
622,508	21,956,356	95.60%
444,321	19,932,362	96.53%
93,904	20,021,425	91.23%
51,751	17,826,416	80.60%
81,158	17,159,123	80.72%
57,449	16,438,934	83.87%
223,098	17,578,150	93.62%
254,668	17,302,862	93.18%

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

Fiscal Year	Long-Term Debt			Total Long-Term Debt	Total Long-Term Debt Per Student	Total Long-Term Debt Per Capita	Ratio of Total Long-Term Debt to Median Income
	Asbestos Removal Loans	Energy Conservation Loans					
2006	\$ 635,659	\$ 735,673	\$ 1,371,332	\$ 209	\$ 35	\$ 30	
2005	743,721	95,651	839,372	129	21	19	
2004	851,782	-	851,782	133	22	19	
2003	959,844	-	959,844	149	24	21	
2002	1,067,905	-	1,067,905	165	27	24	
2001	1,175,965	-	1,175,965	185	30	26	
2000	1,284,026	-	1,284,026	200	33	29	
1999	1,392,088	-	1,392,088	218	37	32	
1998	1,500,149	-	1,500,149	238	41	34	
1997	1,608,211	-	1,608,211	252	44	37	

Source: Findlay CSD, Treasurer's Office.

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

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

JUNE 30, 2006

<u>Government Entity</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to the District (a)</u>	<u>Amount Applicable to the District</u>
<u>Direct debt:</u>			
Findlay City School District	\$ -	100.00%	\$ -
Total direct debt	<u>-</u>		<u>-</u>
<u>Overlapping debt:</u>			
City of Findlay	3,440,000	96.64%	3,324,437
Hancock County	<u>9,635,000</u>	51.64%	<u>4,975,331</u>
Total overlapping debt	<u>13,075,000</u>		<u>8,299,768</u>
Total direct and overlapping debt	<u>\$ 13,075,000</u>		<u>\$ 8,299,768</u>

Source: Hancock County Auditor.

(a) Percentages applicable to the District were determined by dividing the 2005 assessed valuation of the government entity located within the boundaries of the District by the 2005 assessed valuation of the government entity in total.

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

LEGAL VOTED DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Legal Voted Debt Limitation (a)	Total Debt Applicable to Limitation	Debt Service Available Balance	Net Debt Applicable to Limitation	Legal Voted Debt Margin	Net Debt Applicable to Limitation as a Percent of Voted Debt Limitation
2006	\$ 74,984,531	\$ -	\$ 1,731	\$ (1,731)	\$ 74,986,262	0.00%
2005	76,832,808	-	365	(365)	76,833,173	0.00%
2004	71,093,176	-	-	-	71,093,176	0.00%
2003	71,288,995	-	-	-	71,288,995	0.00%
2002	70,154,435	-	-	-	70,154,435	0.00%
2001	66,725,495	-	-	-	66,725,495	0.00%
2000	66,986,704	-	-	-	66,986,704	0.00%
1999	65,174,436	-	-	-	65,174,436	0.00%
1998	58,147,358	-	-	-	58,147,358	0.00%
1997	55,907,820	-	-	-	55,907,820	0.00%

Source: Findlay CSD, Treasurer's Office.

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

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

Fiscal Year	Population	Median Income	Median Age	Average Daily Membership	Unemployment Rates		
					Hancock County	Ohio	United States
2006	39,118	\$ 45,117	37.2	6,571	4.4%	5.4%	4.3%
2005	40,175	45,117	37.2	6,507	4.9%	7.4%	5.1%
2004	39,421	45,117	37.2	6,388	5.1%	6.0%	5.5%
2003	39,307	45,117	37.2	6,458	5.1%	6.1%	6.0%
2002	39,193	45,117	37.2	6,468	4.4%	5.9%	5.8%
2001	39,080	45,117	37.2	6,345	3.7%	5.1%	4.7%
2000	38,967	43,856	36.0	6,411	3.3%	3.2%	4.0%
1999	37,132	43,856	36.0	6,386	2.8%	4.1%	4.2%
1998	37,025	43,856	36.0	6,315	3.2%	4.2%	4.5%
1997	36,910	43,856	36.0	6,378	3.5%	4.4%	4.9%

Sources: U.S. Census Bureau and Ohio Department Of Development.

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

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

Staff Type	2006	2005	2004	2003
Teaching Staff:				
Elementary School	184	187	199	200
Middle School	107	109	117	118
High School	140	141	152	153
Administration:				
District	47	47	45	43
Auxiliary Staff:				
Counselors	14	13	24	24
Librarians	1	1	4	4
Psychologists	7	7	11	7
Speech, Physical and Occupational Therapists	8	8	9	8
Nurses and Mental Health Specialists	7	7	6	6
Support Staff:				
Secretarial, Finance Clerks, EMIS	43	43	45	45
Aides	71	74	77	80
Program Directors (After / Before School & Alumni)	7	6	10	11
Food Services	36	35	33	34
Monitors and Security	12	11	12	10
Custodial	51	48	54	50
Maintenance	10	10	10	10
Bus Drivers	27	28	28	27
Mechanics	3	3	3	3
Extracurricular Coaches	108	108	103	106
Total	883	886	942	939

Staff Function	2006	2005	2004	2003
Instruction:				
Regular	399	396	413	415
Other	123	133	154	156
Support Services:				
Pupil	40	38	57	53
Administration	70	71	71	69
Fiscal	7	7	7	7
Operations and maintenance	101	97	101	98
Pupil transportation	33	34	34	33
Extracurricular activities	110	110	105	108
Total	883	886	942	939

Source: Findlay CSD, Treasurer's Office.

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
199	193	189	176	180	176
117	114	113	109	112	110
155	149	147	143	150	147
40	40	38	37	40	44
26	13	13	13	13	13
6	4	4	5	5	5
9	4	4	3	3	3
8	8	8	8	8	8
6	6	6	3	3	3
42	47	46	43	45	44
69	65	59	52	50	48
13	11	11	3	3	2
32	32	33	31	29	28
11	9	10	10	10	10
54	46	47	48	42	37
9	10	9	10	11	10
27	25	27	23	25	24
2	2	2	2	2	2
111	103	107	96	101	98
<u>936</u>	<u>881</u>	<u>873</u>	<u>815</u>	<u>832</u>	<u>812</u>

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
403	386	390	361	355	351
161	155	139	131	151	142
59	38	38	35	35	35
63	68	66	62	66	70
7	7	7	7	7	7
99	92	92	93	85	78
32	30	32	28	30	29
112	105	109	98	103	100
<u>936</u>	<u>881</u>	<u>873</u>	<u>815</u>	<u>832</u>	<u>812</u>

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

<u>Governmental Activities</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Capital Assets:</u>				
Land	\$ 416,459	\$ 416,459	\$ 416,459	\$ 416,459
Land improvements	313,496	214,037	234,007	257,388
Buildings and improvements	8,843,491	7,530,937	7,853,690	8,177,206
Equipment and furniture	1,038,673	509,283	681,393	903,409
Vehicles	528,158	583,970	652,623	590,755
Construction in progress	-	242,588	-	-
Total governmental activities capital assets	<u>\$ 11,140,277</u>	<u>\$ 9,497,274</u>	<u>\$ 9,838,172</u>	<u>\$ 10,345,217</u>

Source: Findlay CSD, Treasurer's Office.

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

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

<u>Building</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>High School</u>				
Square footage	246,608	246,608	246,608	246,608
Student enrollment	2,293	2,209	2,150	2,162
<u>Central Middle School</u>				
Square footage	105,912	105,912	105,912	105,912
Student enrollment	467	487	536	536
<u>Donnell Middle School</u>				
Square footage	70,605	70,605	70,605	70,605
Student enrollment	473	467	480	480
<u>Glenwood Middle School</u>				
Square footage	70,605	70,605	70,605	70,605
Student enrollment	441	440	417	417
<u>Bigelow Hill Elementary School</u>				
Square footage	31,645	31,645	31,645	31,645
Student enrollment	245	245	264	277
<u>Chamberlin Hill Elementary School</u>				
Square footage	31,645	31,645	31,645	31,645
Student enrollment	247	264	258	264
<u>Jacobs Elementary School</u>				
Square footage	31,645	31,645	31,645	31,645
Student enrollment	308	297	283	299
<u>Jefferson Elementary School</u>				
Square footage	25,509	25,509	25,509	25,509
Student enrollment	272	244	244	259
<u>Lincoln Elementary School</u>				
Square footage	57,892	57,892	57,892	57,892
Student enrollment	471	490	478	478
<u>Northview Elementary School</u>				
Square footage	36,246	36,246	36,246	36,246
Student enrollment	319	308	278	286
<u>Washington Elementary School</u>				
Square footage	40,287	40,287	40,287	40,287
Student enrollment	240	265	224	224
<u>Whittier Elementary School</u>				
Square footage	31,930	31,930	31,930	31,930
Student enrollment	383	384	402	402
<u>Wilson Vance Elementary School</u>				
Square footage	38,193	38,193	38,193	38,193
Student enrollment	412	407	374	374
<u>Bus Garage</u>				
Square footage	3,000	3,000	3,000	3,000
<u>Maintenance Building</u>				
Square footage	5,000	5,000	5,000	5,000
<u>Millstream East</u>				
Square footage	28,152	28,152	28,152	28,152
<u>Millstream South</u>				
Square footage	31,645	31,645	31,645	31,645

Source: Findlay CSD, Treasurer's Office.

2002	2001	2000	1999	1998	1997
246,608 2,172	246,608 2,121	246,608 2,177	226,782 2,123	226,782 2,115	226,782 2,118
105,912 514	105,912 473	105,912 451	105,912 442	105,912 441	105,912 437
70,605 455	70,605 466	70,605 455	70,605 478	70,605 479	70,605 475
70,605 429	70,605 395	70,605 416	70,605 445	70,605 459	70,605 484
31,645 291	31,645 292	31,645 280	31,645 284	31,645 288	31,645 302
31,645 243	31,645 232	31,645 258	31,645 259	31,645 247	31,645 225
31,645 305	31,645 297	31,645 319	31,645 348	31,645 340	31,645 378
25,509 281	25,509 270	25,509 249	25,509 227	25,509 233	25,509 264
57,892 489	57,892 497	57,892 524	57,892 509	57,892 504	57,892 492
36,246 297	36,246 309	36,246 215	36,246 333	36,246 328	36,246 306
40,287 244	40,287 260	40,287 269	40,287 253	40,287 244	40,287 265
31,930 393	31,930 393	30,369 369	30,369 368	30,369 339	30,369 340
38,193 355	38,193 340	38,193 329	38,193 317	38,193 298	38,193 292
3,000	3,000	3,000	3,000	3,000	3,000
5,000	5,000	5,000	5,000	5,000	5,000
28,152	28,152	28,152	28,152	28,152	28,152
31,645	31,645	31,645	31,645	31,645	31,645

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

Fiscal Year	Governmental Activities (a)		Governmental Funds		Average Daily Membership	ADM Percent Change
	Expenses	Expense Per Pupil	Expenditures	Expenditure Per Pupil		
2006	\$ 57,063,637	\$ 8,684	\$ 59,766,370	\$ 9,095	6,571	0.98%
2005	57,316,813	8,808	57,831,838	8,888	6,507	1.86%
2004	58,275,502	9,123	57,490,299	9,000	6,388	-1.08%
2003	54,605,019	8,455	54,057,415	8,371	6,458	-0.15%
2002	n/a	n/a	48,497,941	7,498	6,468	1.94%
2001	n/a	n/a	47,425,379	7,474	6,345	-1.03%
2000	n/a	n/a	49,594,954	7,736	6,411	0.39%
1999	n/a	n/a	41,804,356	6,546	6,386	1.12%
1998	n/a	n/a	39,612,982	6,273	6,315	-0.99%
1997	n/a	n/a	38,528,443	6,041	6,378	2.61%

Source: Findlay CSD, Treasurer's Office.

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

Student Attendance Percentage	Students on Free & Reduced Lunches	Percentage of Students on Free & Reduced Lunches	Teaching Staff	Student/Teacher Ratio
95.4%	2,037	31.0%	512	12.83
95.4%	1,874	28.8%	498	13.07
95.7%	1,701	26.6%	516	12.38
95.7%	1,459	22.6%	488	13.23
95.9%	1,673	25.9%	497	13.01
95.5%	1,356	21.4%	488	13.00
94.8%	1,631	25.4%	512	12.52
94.7%	1,332	20.9%	470	13.59
94.8%	-	0.0%	469	13.46
94.7%	-	0.0%	461	13.84

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

TEACHER STATISTICS

JUNE 30, 2006

<u>Education</u>	<u>Number of Teachers</u>	<u>Percentage of Teachers</u>	<u>Salary Range</u>	<u>Average Salary</u>
Bachelor's Degree	72	14.94%	\$29,212 - \$49,043	\$ 34,326
Bachelor's Degree plus 15 hours	38	7.88%	31,350 - 50,784	41,418
Bachelor's Degree plus 30 hours	61	12.66%	30,630 - 53,376	44,211
Master's Degree	105	21.78%	32,048 - 58,552	44,343
Master's Degree plus 15 hours	65	13.49%	40,682 - 62,225	51,950
Master's Degree plus 30 hours	132	27.39%	34,884 - 65,898	60,066
Non-Degree	9	1.87%	33,577 - 45,115	42,274
Total	<u>482</u>	<u>100.00%</u>		

<u>Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Teachers</u>	<u>Salary Range</u>	<u>Average Salary</u>
0 - 5 years	114	23.65%	\$29,212 - \$44,655	\$ 32,923
6 - 10 years	87	18.05%	33,906 - 54,426	43,107
11 - 20 years	106	21.99%	42,551 - 62,242	51,061
Over 20 years	175	36.31%	45,115 - 65,898	58,138
Total	<u>482</u>	<u>100.00%</u>		

Source: Findlay CSD, Treasurer's Office.