

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

FINDLAY, OHIO

CITY SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2007

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

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

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INTRODUCTORY SECTION

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Findlay City Schools

February 22, 2008

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, 2007. 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 2006 CAFR, and the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for the 2006 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 876 public school districts and community schools in the State of Ohio and one of eight school districts in Hancock County. It provides education to approximately 6,565 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.

1219 West Main Cross, Suite 101, Findlay, OH 45840
Phone: 419.425.8237 Fax: 419.425.8203
www.findlaycityschools.org

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 \$816,272,478 and a tax rate of \$60.75 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 beginning to decrease and will continue to decrease in the future as the State of Ohio phases out tangible personal property taxes. Also, many property owners suffered damage from the August 2007 flood and another large flood that hit in February 2008. The District is concerned with the ability and willingness of its taxpayers to support future levies given the financial hardships that they may be experiencing as a result of past and future flooding.

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 2008 will remain constant, with little difference in revenues. However, there will be a large increase in the general fund expenditures necessary in order to cover flood expenses until FEMA reimbursement is received. The biggest change is in purchased services, where approximately \$3.2 million more has been budgeted over the previous year. The bulk of this increase is in order to cover costs associated with the August 2007 flood.

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. Voters will need to renew or replace that levy before the end of calendar year 2009. On May 8, 2007, the voters renewed a 4.9 mill levy for which collections will expire in December 2012. 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

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

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

The District continues to seek solutions to its facility needs. The passage of a 2.5 mill permanent improvement levy in May 2006 has helped to alleviate many facility needs. However, the three middle schools and Washington Intermediate School continue to be in need of serious renovations, especially after recent flooding. 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, including assistance from the Ohio School Facilities Commission (OSFC) under their Exceptional Needs Program (ENP) and Emergency Assistance Program (EAP). The EAP is funding that is designed to cover school facility costs associated with a natural disaster. There is no local match for funding from this program. The District has yet to hear if it qualifies for this rarely used program. The ENP helps school districts address specific facility needs within a district rather than the OSFC's usual practice of addressing all of the buildings within a district. The District has been preliminarily approved for participation in this program. Funding will be provided for construction at the OSFC's specifications and the District must provide a local match based on the District's property values. In the case of Findlay City Schools, the local required match is currently sixty eight percent (68%), while the OSFC will provide thirty-two percent (32%). In order to provide that much funding for new buildings, the District will have to put a bond levy on the ballot and pass it between November 2008 and November 2009. The District will actively seek community input as to how to proceed by holding public forums and through the creation of a facilities committee with community stakeholders.

RELEVANT FINANCIAL POLICIES

The District's primary management tool for monitoring its fiscal health is the Five-Year Forecast, which is a document that focuses on the general fund's past three years of actual expenditures, the current fiscal year, and the following four fiscal years. The District has set targets for certain financial ratios based on this document. A key ratio is the District's "true days cash" ratio. True days cash is the concept that calculates how many days the District can operate with the amount of cash available at the end of the year. The calculation takes the available cash balance at the end of the year and divides it by the year's average daily operating expense. The District has set an immediate target to maintain forty true days cash with the expectation for that figure to gradually grow. This ratio is used when negotiating future labor contracts and in determining the need for future levies.

FINANCIAL INFORMATION

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 2007 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 \$696,970 at June 30, 2007, compared to net assets of \$734,036 at June 30, 2006, reflecting a decrease in net assets of \$37,066.

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 \$51,371 at June 30, 2007. The agency fund had assets of \$130,845 at June 30, 2007.

LONG-TERM FINANCIAL PLANNING

The District will continue to implement new courses of study in an ongoing effort to meet, and exceed, the national and state standards to affect student outcomes in the pursuit of the excellence rating on the Ohio Report Card. Part of this effort is the adoption of a more rigorous high school program and the implementation of all day everyday kindergarten.

Full implementation of the overall Strategic Plan will help keep the District focused on student learning through high-quality instruction, efficiency and effectiveness of district operations and vibrant school-community partnerships.

Ongoing support through permanent improvement tax dollars and the Ohio School Facilities Commission will help ensure the viability of the physical plants within the District. With the full implementation of these plans and directives, the District will remain poised to retain the full academic excellence and fiscal accountability standards that the community has come to expect of the Findlay City School District.

USE OF THIS REPORT

This report is published to provide to the Board of Education, as well as our citizens and other interested persons, detailed information concerning the financial condition of the District, with particular emphasis placed on the utilization of resources during the past fiscal year. It is also intended that this report will serve as a guide in formulating policies and in conducting the District's future day-to-day activities. We believe the information, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

In today's bond market environment, it is increasingly important that public agencies prepare soundly conceived annual financial reports which are independently audited by a qualified firm or agency. It has become almost required practice that such reports 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, 2006. 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, 2006. 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.

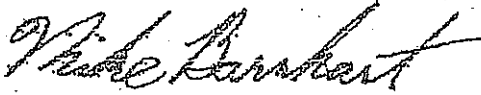
ACKNOWLEDGMENTS

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.

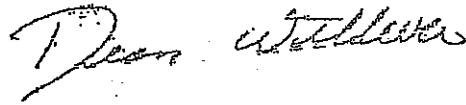
Special appreciation is expressed to Mr. Alexander J. Fait, of Julian & Grube, Inc., who compiled this report in compliance with GAO guidance, and to the auditors of Julian & Grube, Inc., who audited this report.

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

Respectfully,



Michael T. Barnhart, CPA
Treasurer



Dean A. Wittwer
Superintendent

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FINDLAY CITY SCHOOL DISTRICT

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2007

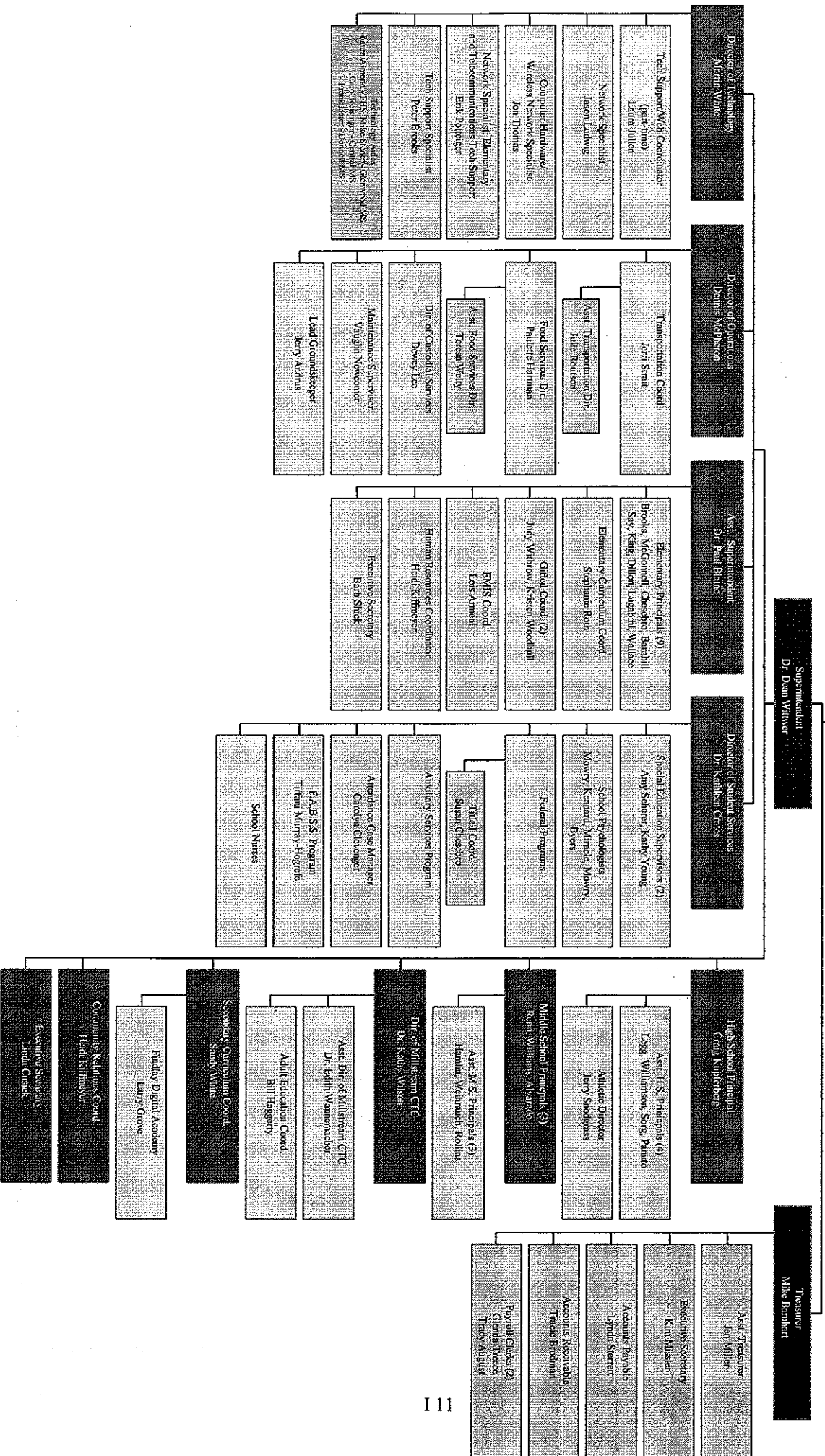
BOARD OF EDUCATION

Mrs. Julie Brown.....President
Mr. Jeff Shrader.....Vice-President
Dr. Eric Browning.....Member
Mrs. Barbara Dysinger.....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
Ms. Stephanie Roth.....Director of Elementary Curriculum
Mrs. Sandy White.....Director of Secondary Curriculum
Dr. Kathy Crates.....Director of Student Services
Mr. Martin White.....Director of Technology
Mr. Dennis McPheron.....Director of Facilities

Findlay City School District Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Findlay City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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.



Charles S. Cox

President

Jeffrey R. Emery

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, 2006

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
1219 W. Main Cross, Suite 101
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 Findlay City School District, Hancock County, Ohio, as of and for the fiscal year ended June 30, 2007, which collectively comprise Findlay City School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Findlay City School 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 Findlay Digital Academy, Findlay City School 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 our opinion, insofar as it relates to the amounts included for Findlay City School District is based on the report of the other auditors.

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

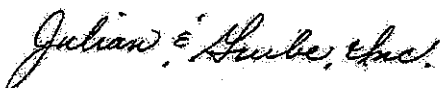
In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, its major fund, and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Auditor's Report
Findlay City School District

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2008 on our consideration of Findlay City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 required 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 Findlay City School 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 of Findlay City School District. 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.
February 13, 2008

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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, 2007. 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 2007 are as follows:

- In total, net assets of governmental activities increased \$5,611,864 which represents a 56.18% increase from 2006.
- General revenues accounted for \$52,150,768 in revenue or 79.80% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$13,199,157 or 20.20% of total revenues of \$65,349,925.
- The District had \$59,738,061 in expenses related to governmental activities; only \$13,199,157 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 \$52,150,768 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$55,851,261 in revenues and \$52,061,600 in expenditures and other financing uses. During fiscal 2007, the general fund's fund balance increased \$3,783,056 from a balance of \$1,302,161 to a balance of \$5,085,217.

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 2007?" 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, 2007

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, 2007

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 2007 and 2006.

	Net Assets	
	Governmental Activities 2007	Governmental Activities 2006
<u>Assets</u>		
Current and other assets	\$ 50,755,804	\$ 44,445,796
Capital assets	<u>11,508,844</u>	<u>11,140,277</u>
Total assets	<u>62,264,648</u>	<u>55,586,073</u>
<u>Liabilities</u>		
Current liabilities	39,801,931	37,915,500
Long-term liabilities	<u>6,861,044</u>	<u>7,680,764</u>
Total liabilities	<u>46,662,975</u>	<u>45,596,264</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	8,230,530	8,719,128
Restricted	1,665,886	1,113,020
Unrestricted (deficit)	<u>5,705,257</u>	<u>157,661</u>
Total net assets	<u>\$ 15,601,673</u>	<u>\$ 9,989,809</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2007, the District's assets exceeded liabilities by \$15,601,673.

At year-end, capital assets represented 18.48% 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, 2007, were \$8,230,530. 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.

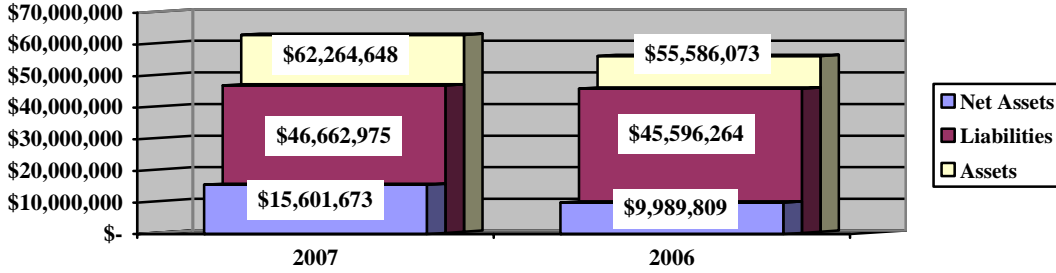
A portion of the District's net assets, \$1,665,886, represents resources that are subject to external restriction on how they may be used.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

The table below illustrates the District's assets, liabilities and net assets at June 30, 2007 and 2006.

Governmental Activities



The table below shows the change in net assets for fiscal year 2007 and 2006.

Change in Net Assets

	Governmental Activities 2006	Governmental Activities 2006
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 4,610,184	\$ 4,602,631
Operating grants and contributions	8,497,997	4,305,247
Capital grants and contributions	90,976	-
General revenues:		
Property taxes	29,654,420	29,230,971
Grants and entitlements	20,714,263	21,941,335
Investment earnings	1,069,510	489,690
Miscellaneous	712,575	970,619
Total revenues	<u>65,349,925</u>	<u>61,540,493</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Change in Net Assets

	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 23,915,567	\$ 23,318,390
Special	6,799,260	6,535,625
Vocational	2,970,104	2,909,064
Adult/continuing	-	140,878
Other	1,921,675	1,596,879
Support services:		
Pupil	2,658,799	2,846,622
Instructional staff	4,240,839	4,029,073
Board of education	118,748	99,555
Administration	3,822,352	3,876,566
Fiscal	1,468,975	1,403,653
Operation and maintenance	5,605,278	4,947,744
Pupil transportation	2,279,652	2,099,169
Central	149,859	147,817
Operation of non-instructional services	636,243	637,088
Extracurricular activities	1,288,164	624,195
Food service operations	1,720,198	1,685,654
Interest and fiscal charges	<u>142,348</u>	<u>165,665</u>
Total expenses	<u>59,738,061</u>	<u>57,063,637</u>
Change in net assets	5,611,864	4,476,856
Net assets, beginning of year	<u>9,989,809</u>	<u>5,512,953</u>
Net assets, end of year	<u>\$ 15,601,673</u>	<u>\$ 9,989,809</u>

Governmental Activities

Net assets of the District's governmental activities increased \$5,611,864. 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 2006. Total governmental expenses of \$59,738,061 were offset by program revenues of \$13,199,157 and general revenues of \$52,150,768. Program revenues supported 21.94% of the total governmental expenses.

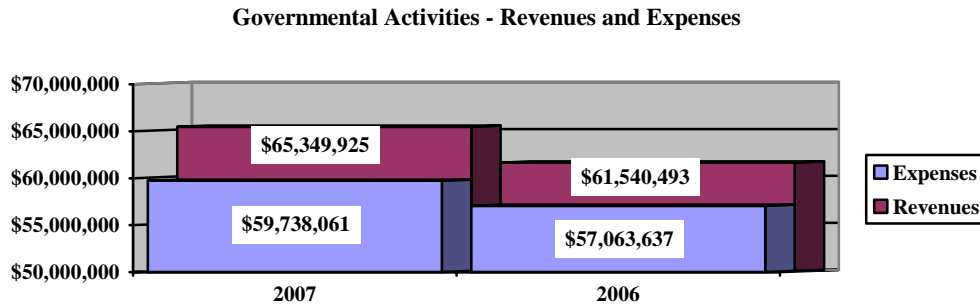
The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 77.08% of total governmental revenue. Real estate property is reappraised every six years.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$35,606,606 or 59.60% of total governmental expenses for fiscal 2007.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2007 and 2006.



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>2007</u>	Net Cost of Services <u>2007</u>	Total Cost of Services <u>2006</u>	Net Cost of Services <u>2006</u>
Program expenses				
Instruction:				
Regular	\$ 23,915,567	\$ 20,308,033	\$ 23,318,390	\$ 21,220,866
Special	6,799,260	3,704,817	6,535,625	5,373,743
Vocational	2,970,104	1,773,504	2,909,064	2,632,340
Adult/continuing	-	-	140,878	140,878
Other	1,921,675	1,815,721	1,596,879	1,510,501
Support services:				
Pupil	2,658,799	2,315,676	2,846,622	2,334,771
Instructional staff	4,240,839	3,063,028	4,029,073	2,904,619
Board of education	118,748	118,748	99,555	94,445
Administration	3,822,352	3,799,552	3,876,566	3,664,922
Fiscal	1,468,975	1,468,936	1,403,653	1,330,334
Operations and maintenance	5,605,278	5,082,104	4,947,744	4,638,858
Pupil transportation	2,279,652	2,171,533	2,099,169	1,968,368
Central	149,859	122,365	147,817	107,408
Operations of non-instructional services	636,243	32,266	637,088	20,306
Extracurricular activities	1,288,164	713,103	624,195	163,355
Food service operations	1,720,198	(92,830)	1,685,654	(115,620)
Interest and fiscal charges	142,348	142,348	165,665	165,665
Total expenses	<u>\$ 59,738,061</u>	<u>\$ 46,538,904</u>	<u>\$ 57,063,637</u>	<u>\$ 48,155,759</u>

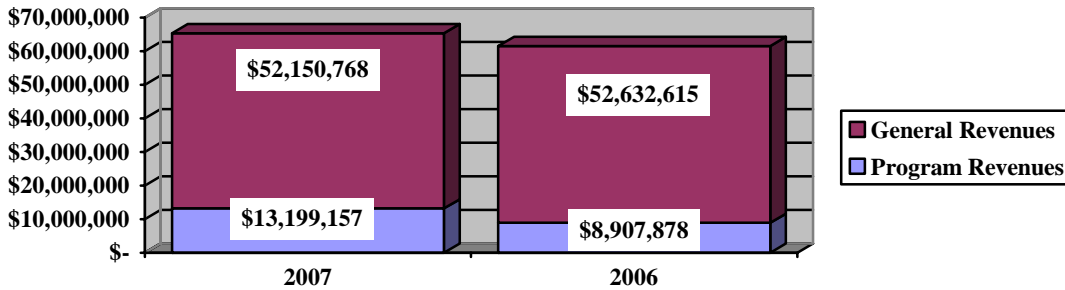
**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The dependence upon tax and other general revenues for governmental activities is apparent, 77.52% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 78.06%. 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 2007 and 2006.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds (as presented on the balance sheet on page F15) reported a combined fund balance of \$7,222,564, which is higher than last year's total of \$2,863,002. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2007 and 2006.

	Fund Balance <u>June 30, 2007</u>	Fund Balance <u>June 30, 2006</u>	<u>Increase</u>
General	\$ 5,085,217	\$ 1,302,161	\$ 3,783,056
Other Governmental	<u>2,137,347</u>	<u>1,560,841</u>	<u>576,506</u>
Total	<u>\$ 7,222,564</u>	<u>\$ 2,863,002</u>	<u>\$ 4,359,562</u>

General Fund

The District's general fund balance increased \$3,783,056. The increase in fund balance can be attributed to a 2.74% increase in revenues versus a 0.96% decrease in expenditures. Revenues exceeded expenditures by \$5,044,661 in fiscal 2007, for two main reasons. The first reason is that the District was able to decrease expenditures from fiscal 2006 to fiscal 2007, primarily due to a reduction in Bureau of Workers' Compensation (BWC) premiums as a result of the District participating in the BWC Retrospective Rating Plan (see Note 11.B). The second reason is that the District was able to increase revenues from fiscal 2006 to fiscal 2007, primarily due to an increase in intergovernmental revenues and investment income. The increase in intergovernmental revenues is the result of the District receiving governmental reimbursements for the loss of tangible personal property tax revenue (see Note 6). The increase in investment income is due to the District having more monies in investments (in both total amount invested and in percentage invested) and earning higher interest rates on the investments. 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, 2007

	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 28,489,028	\$ 29,036,202	(1.88) %
Tuition	2,506,963	2,613,716	(4.08) %
Earnings on investments	713,802	348,509	104.82 %
Intergovernmental	23,726,082	21,941,335	8.13 %
Other revenues	<u>415,386</u>	<u>424,294</u>	(2.10) %
Total	<u>\$ 55,851,261</u>	<u>\$ 54,364,056</u>	2.74 %
<u>Expenditures</u>			
Instruction	\$ 31,764,576	\$ 32,860,826	(3.34) %
Support services	17,706,344	17,689,273	0.10 %
Extracurricular activities	785,508	282,353	178.20 %
Debt service	<u>550,172</u>	<u>467,858</u>	17.59 %
Total	<u>\$ 50,806,600</u>	<u>\$ 51,300,310</u>	(0.96) %

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 2007, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were \$55,546,683, which was higher than the original budget estimate of \$55,091,300. Actual revenues and other financing sources for fiscal 2007 was \$56,545,411. This represents a \$998,728 increase over final budgeted revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$54,499,202 were increased to \$55,896,528 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2007 totaled \$54,898,828, which was \$997,700 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2007, the District had \$11,508,844 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, 2007

The following table shows fiscal 2007 balances compared to 2006:

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

	Governmental Activities	
	2007	2006
Land	\$ 416,459	\$ 416,459
Land improvements	299,982	313,496
Building and improvements	8,574,033	8,843,491
Furniture and equipment	1,085,859	1,038,673
Vehicles	1,132,511	528,158
Total	\$ 11,508,844	\$ 11,140,277

Total additions to capital assets for 2007 were \$1,076,155. The overall increase in capital assets of \$368,567 is primarily due to additions exceeding the recording of \$695,057 in depreciation expense and disposals of \$12,531 (net of accumulated depreciation) for fiscal 2007.

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

Debt Administration

At June 30, 2007, the District had \$3,278,314 in asbestos removal loans, energy conservation loans and capital lease obligations outstanding. Of this total, \$533,155 is due within one year and \$2,745,159 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
	2007	2006
Asbestos removal loans	\$ 527,598	\$ 635,659
Energy conservation loans	584,206	735,673
Capital lease obligations	2,166,510	2,421,149
Total	\$ 3,278,314	\$ 3,792,481

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, 2007**

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's ongoing challenge of addressing its facility needs has been heightened by two major floods that have hit the Findlay community in August 2007 and February 2008. The District suffered major damage to its administrative offices, which were located in the basement of Central Middle School, as well as damage to a lesser extent at seven (7) other buildings. The District is seeking reimbursement from FEMA for over \$3 million in damages but it is uncertain to what extent FEMA will reimburse the District.

The passage of a 2.5 mill permanent improvement levy in May 2006 has helped to alleviate many facility needs. However, the three (3) middle schools and Washington Intermediate School continue to be in need of serious renovations, especially after recent flooding. 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 including assistance from the Ohio School Facilities Committee (OSFC) under their Exceptional Needs Program (ENP) and Emergency Assistance Program (EAP). The EAP is funding that is designed to cover school facility costs associated with a natural disaster. There is no local match for funding from this program. The District has yet to hear if it qualifies for this rarely used program. The ENP helps school districts address specific facility needs within a district rather than the OSFC's usual practice of addressing all of the buildings within a district. The District has been preliminarily approved for participation in this program. Funding will be provided for construction at the OSFC's specifications and the school district must provide a local match based on the district's property values. In the case of Findlay City Schools, the local required match is currently sixty eight percent (68%) while OSFC will provide thirty-two percent (32%). In order to provide that much funding for new buildings, the District will have to put a bond levy on the ballot and pass it between November 2008 and November 2009.

In May of 2007, the District replaced a three-year 4.9 mill levy with a five-year levy at the same millage. This levy is expected to bring in \$3.7 million per year. The District has a 5.9 mill five-year levy for which collections will expire in calendar year 2009. This levy can go on the ballot for replacement or renewal as early as November 2008 but will most likely be on the ballot in 2009. Failure to pass the levy will result in a loss of over \$4 million to the District's annual revenue stream and will require significant cuts.

In order to meet these challenges, the District developed and implemented a fiscal health plan for 2006 through 2010. The plan includes strategies for diversifying revenue sources and reducing expenditures. The District has committed itself to educational and financial excellence and the District's Board and management team will continue to work with the community it serves to provide the best education and the best resources possible to its students, teachers, employees and community.

Contacting the District's Financial Management

This financial report is designed to provide our 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, 2007

	Governmental Activities	Component Unit Findlay Digital Academy
Assets:		
Equity in pooled cash and cash equivalents . . .	\$ 14,438,119	\$ 332,941
Receivables:		
Taxes	34,862,159	-
Accounts	351,644	-
Intergovernmental	571,574	-
Accrued interest	371,560	-
Prepayments	87,684	-
Materials and supplies inventory	73,064	-
Capital assets:		
Land	416,459	-
Depreciable capital assets, net	11,092,385	57,368
Total capital assets, net	11,508,844	57,368
 Total assets	 62,264,648	 390,309
 Liabilities:		
Accounts payable	688,213	40,110
Accrued wages and benefits	4,503,636	-
Pension obligation payable	1,276,694	-
Intergovernmental payable	250,441	2,237
Unearned revenue	31,766,805	-
Claims payable	1,304,550	-
Accrued interest payable	11,592	-
Long-term liabilities:		
Due within one year	1,592,527	-
Due in more than one year	5,268,517	-
 Total liabilities	 46,662,975	 42,347
 Net Assets:		
Invested in capital assets, net		
of related debt	8,230,530	57,368
Restricted for:		
Capital projects	323,426	-
Locally funded programs	78,361	-
State funded programs	12,826	-
Federally funded programs	163,438	-
Student activities	375,606	-
Scholarships:		
Nonexpendable	616,000	-
Expendable	64,797	-
Other purposes	31,432	-
Unrestricted	5,705,257	290,594
 Total net assets	 \$ 15,601,673	 \$ 347,962

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, 2007

	<u>Program Revenues</u>				<u>Net Revenue (Expense) and Changes in Net Assets</u>	
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Component Unit Findlay Digital Academy</u>
Governmental activities:						
Instruction:						
Regular	\$ 23,915,567	\$ 1,656,483	\$ 1,876,450	\$ 74,601	\$ (20,308,033)	\$ -
Special	6,799,260	427,012	2,667,431	-	(3,704,817)	-
Vocational	2,970,104	758,526	438,074	-	(1,773,504)	-
Other	1,921,675	70,000	35,954	-	(1,815,721)	-
Support services:						
Pupil	2,658,799	-	343,123	-	(2,315,676)	-
Instructional staff	4,240,839	-	1,177,811	-	(3,063,028)	-
Board of education	118,748	-	-	-	(118,748)	-
Administration	3,822,352	1,555	21,245	-	(3,799,552)	-
Fiscal	1,468,975	39	-	-	(1,468,936)	-
Operations and maintenance	5,605,278	71,215	451,959	-	(5,082,104)	-
Pupil transportation	2,279,652	6	91,738	16,375	(2,171,533)	-
Central	149,859	386	27,108	-	(122,365)	-
Operation of non-instructional						
services	636,243	149,192	454,785	-	(32,266)	-
Extracurricular activities	1,288,164	559,006	16,055	-	(713,103)	-
Food service operations	1,720,198	916,764	896,264	-	92,830	-
Interest and fiscal charges	142,348	-	-	-	(142,348)	-
Total governmental activities	<u>\$ 59,738,061</u>	<u>\$ 4,610,184</u>	<u>\$ 8,497,997</u>	<u>\$ 90,976</u>	<u>(46,538,904)</u>	<u>-</u>
Component Units:						
Findlay Digital Academy	\$ 486,874	\$ -	\$ 378,846	\$ -	-	(108,028)
Totals	<u>\$ 486,874</u>	<u>\$ -</u>	<u>\$ 378,846</u>	<u>\$ -</u>	<u>-</u>	<u>(108,028)</u>
General Revenues:						
Property taxes levied for:						
General purposes					28,441,147	-
Debt service					106,330	-
Capital projects					1,106,943	
Grants and entitlements						
not restricted to specific programs					20,714,263	165,810
Investment earnings					1,069,510	-
Miscellaneous					712,575	14,921
Total general revenues					<u>52,150,768</u>	<u>180,731</u>
Change in net assets					5,611,864	72,703
Net assets at beginning of year					<u>9,989,809</u>	<u>275,259</u>
Net assets at end of year					<u>\$ 15,601,673</u>	<u>\$ 347,962</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 9,064,914	\$ 3,412,153	\$ 12,477,067
Receivables:			
Property taxes	32,792,458	2,069,701	34,862,159
Accounts	263,237	16,507	279,744
Intergovernmental.	-	571,574	571,574
Accrued interest.	371,560	-	371,560
Interfund loans	799,181	-	799,181
Prepayments	87,684	-	87,684
Materials and supplies inventory.	50,031	23,033	73,064
Due from other funds.	28,464	-	28,464
Restricted assets:			
Equity in pooled cash and cash equivalents.	31,432	-	31,432
Total assets.	<u>\$ 43,488,961</u>	<u>\$ 6,092,968</u>	<u>\$ 49,581,929</u>
Liabilities:			
Accounts payable.	\$ 396,990	\$ 291,223	\$ 688,213
Accrued wages and benefits	4,270,459	233,177	4,503,636
Compensated absences payable.	507,628	-	507,628
Pension obligation payable	1,188,078	88,616	1,276,694
Intergovernmental payable	224,439	26,002	250,441
Interfund loans payable.	-	799,181	799,181
Due to other funds	-	28,464	28,464
Deferred revenue	2,391,506	146,797	2,538,303
Unearned revenue.	29,424,644	2,342,161	31,766,805
Total liabilities	<u>38,403,744</u>	<u>3,955,621</u>	<u>42,359,365</u>
Fund Balances:			
Reserved for encumbrances	1,585,918	1,060,397	2,646,315
Reserved for materials and supplies inventory.	50,031	23,033	73,064
Reserved for tax revenue unavailable for appropriation.	1,220,000	90,000	1,310,000
Reserved for prepayments	87,684	-	87,684
Reserved for school bus purchases	31,432	-	31,432
Reserved for scholarships	-	616,000	616,000
Unreserved, undesignated (deficit), reported in:			
General fund	2,110,152	-	2,110,152
Special revenue funds.	-	438,552	438,552
Capital projects funds.	-	(144,932)	(144,932)
Permanent fund	-	54,297	54,297
Total fund balances	<u>5,085,217</u>	<u>2,137,347</u>	<u>7,222,564</u>
Total liabilities and fund balances	<u>\$ 43,488,961</u>	<u>\$ 6,092,968</u>	<u>\$ 49,581,929</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, 2007

Total governmental fund balances		\$	7,222,564
<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.			11,508,844
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes	\$	2,252,021	
Intergovernmental revenue		42,590	
Accrued interest		243,692	
Total			2,538,303
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.			696,970
In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are reported when due.			(11,592)
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		527,598	
Energy conservation loans		584,206	
Capital lease obligation		2,166,510	
Compensated absences		3,075,102	
Total			(6,353,416)
Net assets of governmental activities		\$	15,601,673

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, 2007

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
From local sources:			
Taxes	\$ 28,489,028	\$ 1,109,066	\$ 29,598,094
Tuition	2,506,963	149,192	2,656,155
Earnings on investments	713,802	121,726	835,528
Charges for services	-	916,764	916,764
Extracurricular	-	573,569	573,569
Classroom materials and fees	10,387	354,918	365,305
Other local revenues	404,999	773,210	1,178,209
Intergovernmental - State	23,573,596	936,990	24,510,586
Intergovernmental - Federal	152,486	4,159,116	4,311,602
Total revenue	<u>55,851,261</u>	<u>9,094,551</u>	<u>64,945,812</u>
Expenditures:			
Current:			
Instruction:			
Regular	21,801,981	1,654,682	23,456,663
Special	5,481,770	1,230,613	6,712,383
Vocational	2,612,413	251,715	2,864,128
Other	1,868,412	53,240	1,921,652
Support Services:			
Pupil	2,320,069	329,051	2,649,120
Instructional staff	3,016,194	1,165,076	4,181,270
Board of education	118,748	-	118,748
Administration	3,792,011	24,746	3,816,757
Fiscal	1,443,233	489	1,443,722
Operations and maintenance	5,130,151	415,269	5,545,420
Pupil transportation	1,831,115	359,996	2,191,111
Central	54,823	92,400	147,223
Operation of non-instructional services	-	603,278	603,278
Extracurricular activities	785,508	490,511	1,276,019
Facilities acquisition and construction	-	1,294,927	1,294,927
Food service operations	-	1,694,138	1,694,138
Debt service:			
Principal retirement	406,106	108,061	514,167
Interest and fiscal charges	144,066	-	144,066
Total expenditures	<u>50,806,600</u>	<u>9,768,192</u>	<u>60,574,792</u>
Excess of revenues over (under) expenditures.	<u>5,044,661</u>	<u>(673,641)</u>	<u>4,371,020</u>
Other financing sources (uses):			
Transfers in	-	1,255,000	1,255,000
Transfers (out)	(1,255,000)	-	(1,255,000)
Total other financing sources (uses)	<u>(1,255,000)</u>	<u>1,255,000</u>	<u>-</u>
Net change in fund balances	3,789,661	581,359	4,371,020
Fund balances			
at beginning of year	1,302,161	1,560,841	2,863,002
Decrease in reserve for inventory	(6,605)	(4,853)	(11,458)
Fund balances at end of year	<u>\$ 5,085,217</u>	<u>\$ 2,137,347</u>	<u>\$ 7,222,564</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, 2007

Net change in fund balances - total governmental funds	\$	4,371,020
 <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 (\$1,076,155) exceeds depreciation expense (\$695,057) in the current period.		381,098
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals, sales, trade-ins, and donations) is to decrease net assets.		(12,531)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities they are reported as an expense when consumed.		(11,458)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		309,677
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.		514,167
In the statement of activities, interest is accrued on outstanding loans, whereas in governmental funds, an interest expenditure is reported when due.		1,718
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.		95,239
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.		(37,066)
Change in net assets of governmental activities	\$	5,611,864

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 28,466,210	\$ 28,583,104	\$ 29,097,028	\$ 513,924
Tuition.	2,448,918	2,458,974	2,503,186	44,212
Earnings on investments.	599,047	601,507	612,322	10,815
Classroom materials and fees	10,043	10,084	10,265	181
Other local revenues.	435,360	437,148	445,008	7,860
Intergovernmental - state	23,062,526	23,157,230	23,573,596	416,366
Intergovernmental - federal.	149,180	149,793	152,486	2,693
Total revenue	<u>55,171,284</u>	<u>55,397,840</u>	<u>56,393,891</u>	<u>996,051</u>
Expenditures:				
Current:				
Instruction:				
Regular	21,933,887	22,496,258	22,462,140	34,118
Special	5,497,916	5,638,879	5,616,442	22,437
Vocational	2,702,382	2,771,669	2,736,933	34,736
Other instruction	2,123,591	2,178,039	2,168,161	9,878
Support Services:				
Pupil	2,380,670	2,441,709	2,364,533	77,176
Instructional staff.	3,306,628	3,391,408	3,085,535	305,873
Board of education.	183,184	187,881	149,133	38,748
Administration.	3,688,703	3,783,279	3,749,311	33,968
Fiscal.	1,452,786	1,490,035	1,441,102	48,933
Operations and maintenance.	6,040,770	6,195,652	6,034,771	160,881
Pupil transportation	2,196,489	2,252,806	2,139,664	113,142
Central	63,390	65,015	54,400	10,615
Extracurricular activities.	838,045	859,532	785,501	74,031
Debt Service:				
Principal retirement	147,681	151,467	151,467	-
Interest and fiscal charges	29,639	30,399	30,399	-
Total expenditures	<u>52,585,761</u>	<u>53,934,028</u>	<u>52,969,492</u>	<u>964,536</u>
Excess of revenues over (under) expenditures.	<u>2,585,523</u>	<u>1,463,812</u>	<u>3,424,399</u>	<u>1,960,587</u>
Other financing sources (uses):				
Transfers (out)	(1,248,002)	(1,280,000)	(1,255,000)	25,000
Advances in.	141,856	142,439	145,000	2,561
Advances (out)	(663,001)	(680,000)	(674,336)	5,664
Proceeds from sale of capital assets	4,793	4,813	4,900	87
Refund of prior year expenditure	1,584	1,591	1,620	29
Refund of prior year receipts.	(2,438)	(2,500)	-	2,500
Total other financing sources (uses).	<u>(1,765,208)</u>	<u>(1,813,657)</u>	<u>(1,777,816)</u>	<u>35,841</u>
Net change in fund balance	820,315	(349,845)	1,646,583	1,996,428
Fund balance at beginning of year.	4,331,832	4,331,832	4,331,832	-
Prior year encumbrances appropriated.	1,167,073	1,167,073	1,167,073	-
Fund balance at end of year	<u>\$ 6,319,220</u>	<u>\$ 5,149,060</u>	<u>\$ 7,145,488</u>	<u>\$ 1,996,428</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2007

	Governmental Activities - Internal Service Fund
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	\$ 1,929,620
Receivables:	
Accounts	<u>71,900</u>
Total assets	<u>2,001,520</u>
Liabilities:	
Current liabilities:	
Claims payable	<u>1,304,550</u>
Total liabilities	<u>1,304,550</u>
Net assets:	
Unrestricted	<u>696,970</u>
Total net assets	<u><u>\$ 696,970</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, 2007

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 6,184,176
Other	39,581
	6,223,757
Operating expenses:	
Purchased services	651,883
Claims	5,703,376
	6,355,259
Total operating revenues	6,223,757
Total operating expenses	6,355,259
Operating loss	(131,502)
Nonoperating revenues:	
Interest revenue	94,436
	94,436
Total nonoperating revenues	94,436
Change in net assets	(37,066)
Net assets at beginning of year	734,036
Net assets at end of year	\$ 696,970

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, 2007

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	\$ 6,184,176
Cash payments for purchased services	(652,789)
Cash payments for claims.	<u>(5,729,473)</u>
Net cash used in operating activities	<u>(198,086)</u>
Cash flows from investing activities:	
Interest received.	<u>94,436</u>
Net cash provided by investing activities	<u>94,436</u>
Net decrease in cash and cash equivalents	(103,650)
Cash and cash equivalents at beginning of year . .	<u>2,033,270</u>
Cash and cash equivalents at end of year.	<u><u>\$ 1,929,620</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (131,502)
Changes in assets and liabilities:	
Increase in accounts receivable.	(39,581)
Decrease in accounts payable	(906)
Decrease in claims payable	<u>(26,097)</u>
Net cash used in operating activities	<u><u>\$ (198,086)</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, 2007

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents.	\$ 51,371	\$ 128,089
Receivables:		
Accounts	-	2,756
	51,371	130,845
Total assets	51,371	\$ 130,845
Liabilities:		
Accounts payable.	-	\$ 31
Intergovernmental payable	-	9
Due to students	-	130,805
	-	130,845
Total liabilities	-	\$ 130,845
Net Assets:		
Held in trust for scholarships.	51,371	
Total net assets	\$ 51,371	

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, 2007

	<u>Private-Purpose Trust</u>	
	<u>Scholarship</u>	
Additions:		
Interest	\$ 1,830	
Gifts and contributions.	28,594	
	<hr/>	
Total additions.	30,424	
	<hr/>	
Reductions:		
Scholarships awarded	14,641	
	<hr/>	
Change in net assets	15,783	
Net assets at beginning of year	<hr/> 35,588	
Net assets at end of year.	<hr/> \$ 51,371 <hr/>	

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, 2007**

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 49th largest (among 876 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 6,565 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 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, 2007

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. 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 1219 W. Main Cross, Findlay, Ohio 45840.

The Academy is included as a component unit of the District because the Academy's Board of Directors is comprised of the District's Superintendent, the District's High School Principal, and another District administrator. Therefore, the District is able to significantly influence the programs or services performed or provided by the organization. In addition, should the Academy discontinue operations for any reason, the District is legally entitled to the Academy's resources.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

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

PUBLIC ENTITY RISK POOLS

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

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

FIDUCIARY FUNDS

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

C. Measurement Focus

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

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

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

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

The private-purpose trust fund is reported using the economic resources measurement focus.

D. Basis of Accounting

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

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

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

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

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2007 are recorded as deferred revenue.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

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

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

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

E. Budgets

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

Tax Budget:

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

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.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budget amounts reflect the first appropriation for that fund which covered the entire fiscal year, including amounts automatically carried over from prior year. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the 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 2007, investments were limited to nonnegotiable certificates of deposits, federal agency securities, a U.S. treasury money market mutual fund, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal 2007. 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, 2007.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2007 amounted to \$713,802, which includes \$219,943 assigned from other District funds.

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

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

G. Inventory

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

I. Interfund Balances

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

J. Compensated Absences

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

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2007, 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, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Loans are recognized as a liability on the fund financial statements when due.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

L. Fund Balance Reserves

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, 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.

M. Net Assets

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

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

Q. Interfund Activity

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

R. Parochial Schools

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2007.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Deficit Fund Balances

Fund balances at June 30, 2007 included the following individual fund deficits:

<u>Nonmajor Governmental Funds</u>	<u>Deficit</u>
Special Enterprise	\$ 14,599
Auxiliary Services	14,516
Poverty Aid	4,880
Limited English Proficiency	173
Title I Disadvantaged Children	125,883
Drug Free School Grant	7,747
Improving Teacher Quality	43,086

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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. Deposits with Financial Institutions

At June 30, 2007, the carrying amount of all District deposits was \$3,493,094. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2007, \$2,802,029 of the District's bank balance of \$3,901,664 was covered by the Federal Deposit Insurance Corporation, while \$1,099,635 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.

B. Investments

As of June 30, 2007, 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	\$ 5,972,891	\$ 1,047,878	\$ -	\$ 690,750	\$ 1,047,047	\$ 3,187,216
FMMA	1,835,820	564,069	323,737	-	248,922	699,092
FMAC	2,233,758	414,436	199,856	571,568	299,337	748,561
FFCB	869,454	-	-	-	670,454	199,000
U.S. Treasury fund	11,973	11,973	-	-	-	-
STAR Ohio	200,589	200,589	-	-	-	-
Total	\$ 11,124,485	\$ 2,238,945	\$ 523,593	\$ 1,262,318	\$ 2,265,760	\$ 4,833,869

The weighted average maturity of investments is 1.85 years.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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, 2007:

<u>Investment</u>	<u>Fair Value</u>	<u>Percent of Total</u>
FHLB	\$ 5,972,891	53.69
FNMA	1,835,820	16.50
FMAC	2,233,758	20.08
FFCB	869,454	7.82
U.S. Treasury fund	11,973	0.11
STAR Ohio	<u>200,589</u>	<u>1.80</u>
Total	<u>\$ 11,124,485</u>	<u>100.00</u>

C. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the note disclosure above to cash and investments as reported on the statement of net assets as of June 30, 2007:

<u>Cash and investments per note disclosure</u>	
Carrying amount of deposits	\$ 3,493,094
Investments	<u>11,124,485</u>
Total	<u>\$ 14,617,579</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

<u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 14,438,119
Private-purpose trust funds	51,371
Agency funds	<u>128,089</u>
Total	<u>\$ 14,617,579</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A.** Interfund balances at June 30, 2007 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	\$ 799,181

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.

- B.** Interfund transfers for the fiscal year ended June 30, 2007 consisted of the following transfers, as reported in the fund financial statements:

<u>Transfers from General fund to:</u>	<u>Amount</u>
Nonmajor governmental funds	\$ 1,255,000

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.

- C.** Interfund balances at June 30, 2007 consisted of the following amounts due from and to other funds, as reported in the fund financial statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental funds	\$ 28,464

The primary purpose of the due from and to other funds is to cover negative cash in the Miscellaneous State Grants special revenue fund (a nonmajor governmental fund). The interfund balance will be repaid once the anticipated revenues are received.

Effective April 1, 2007, the District may maintain a negative cash balance if two criteria are met: (1) general fund must have available funds to cover negative; (2) a reimbursement request must have been submitted. The District met these two requirements. 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, 2007**

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 2007 represents collections of calendar year 2006 taxes. Real property taxes received in calendar year 2007 were levied after April 1, 2006, on the assessed value listed as of January 1, 2006, 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 2007 represents collections of calendar year 2006 taxes. Public utility real and tangible personal property taxes received in calendar year 2007 became a lien December 31, 2005, were levied after April 1, 2006 and are collected in 2007 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 2007 (other than public utility property) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of December 31, 2006. For 2006, tangible personal property was assessed at 18.75% for property including inventory. This percentage was reduced to 12.5% for 2007, and will be 6.25% for 2008 and zero for 2009. 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.

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, 2007, are available to finance fiscal year 2007 operations. The amount available as an advance at June 30, 2007 was \$1,220,000 in the General fund and \$90,000 in the Permanent Improvement capital projects fund (a nonmajor governmental fund). These amounts are reported as revenue. The amount available for advance at June 30, 2006 was \$1,828,000 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2007 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 2007 taxes were collected are:

	2006 Second Half Collections		2007 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 721,298,790	86.57	\$ 732,408,130	89.72
Public utility personal property	22,255,930	2.67	22,421,120	2.75
Tangible personal property	<u>89,606,733</u>	<u>10.76</u>	<u>61,443,228</u>	<u>7.53</u>
Total	<u>\$ 833,161,453</u>	<u>100.00</u>	<u>\$ 816,272,478</u>	<u>100.00</u>

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

General operations	\$ 58.25	\$ 58.25
Permanent improvement	-	2.50

NOTE 7 - RECEIVABLES

Receivables at June 30, 2007 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	\$ 34,862,159
Accounts	351,644
Intergovernmental	571,574
Accrued interest	<u>371,560</u>
Total	<u>\$ 36,156,937</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

<u>Governmental Activities</u>	<u>Balance</u> 06/30/06	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 06/30/07
<i>Capital assets, not being depreciated:</i>				
Land	\$ 416,459	\$ -	\$ -	\$ 416,459
<i>Total capital assets, not being depreciated</i>	<u>416,459</u>	<u>-</u>	<u>-</u>	<u>416,459</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,162,548	11,284	-	1,173,832
Buildings and improvements	24,109,373	93,024	-	24,202,397
Equipment and furniture	9,561,376	281,433	(233,295)	9,609,514
Vehicles	2,290,488	690,414	(2,830)	2,978,072
<i>Total capital assets, being depreciated</i>	<u>37,123,785</u>	<u>1,076,155</u>	<u>(236,125)</u>	<u>37,963,815</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(849,052)	(24,798)	-	(873,850)
Buildings and improvements	(15,265,882)	(362,482)	-	(15,628,364)
Equipment and furniture	(8,522,703)	(221,999)	221,047	(8,523,655)
Vehicles	(1,762,330)	(85,778)	2,547	(1,845,561)
<i>Total accumulated depreciation</i>	<u>(26,399,967)</u>	<u>(695,057)</u>	<u>223,594</u>	<u>(26,871,430)</u>
Total capital assets, net	<u>\$ 11,140,277</u>	<u>\$ 381,098</u>	<u>\$ (12,531)</u>	<u>\$ 11,508,844</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 299,451
Special	62,519
Vocational	75,694
<u>Support Services:</u>	
Pupil	13,418
Instructional staff	17,306
Administration	28,853
Fiscal	12,752
Operations and maintenance	36,861
Pupil transportation	98,365
Other non-instructional services	26,566
Extracurricular activities	7,826
Food service operations	<u>15,446</u>
Total depreciation expense	<u>\$ 695,057</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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, 2007, accumulated depreciation on capital assets acquired by capital lease totaled \$1,341,631, and net capital assets acquired by capital lease equaled \$3,367,846. 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 2007, principal and interest payments in the General fund equaled \$254,639 and \$113,667, respectively.

The following is a long-term schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2007:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2008	\$ 368,307
2009	368,307
2010	368,307
2011	368,308
2012	368,307
2013 - 2014	<u>736,761</u>
Total minimum lease payments	2,578,297
Less: amount representing interest	<u>(411,787)</u>
Total	<u>\$ 2,166,510</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 10 - LONG-TERM OBLIGATIONS

- A. During fiscal year 2007, the following changes occurred in governmental activities long-term obligations:

<u>Governmental Activities</u>	Balance at <u>06/30/06</u>	<u>Increases</u>	<u>Decreases</u>	Balance at <u>06/30/07</u>	Amounts Due in <u>One Year</u>
<u>Loans Payable</u>					
Asbestos removal loans	\$ 635,659	\$ -	\$ (108,061)	\$ 527,598	\$ 108,061
Energy conservation loans	<u>735,673</u>	<u>-</u>	<u>(151,467)</u>	<u>584,206</u>	<u>158,033</u>
Total loans payable	<u>1,371,332</u>	<u>-</u>	<u>(259,528)</u>	<u>1,111,804</u>	<u>266,094</u>
<u>Other Long-Term Obligations</u>					
Capital lease obligation	2,421,149	-	(254,639)	2,166,510	267,061
Compensated absences	<u>3,888,283</u>	<u>983,460</u>	<u>(1,289,013)</u>	<u>3,582,730</u>	<u>1,059,372</u>
Total other long-term obligations	<u>6,309,432</u>	<u>983,460</u>	<u>(1,543,652)</u>	<u>5,749,240</u>	<u>1,326,433</u>
Total governmental activities	<u>\$ 7,680,764</u>	<u>\$ 983,460</u>	<u>\$ (1,803,180)</u>	<u>\$ 6,861,044</u>	<u>\$ 1,592,527</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 (a nonmajor governmental fund).

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, which is primarily the General fund for the District.

- B. As of June 30, 2007, principal and interest requirements to retire the asbestos removal loans and energy conservation loans are as follows:

<u>Year Ended</u>	<u>Asbestos Removal Loans</u>			<u>Energy Conservation Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	88,798	2,093	90,891
2012	100,314	-	100,314	-	-	-
2013	<u>2,787</u>	<u>-</u>	<u>2,787</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 527,598</u>	<u>\$ -</u>	<u>\$ 527,598</u>	<u>\$ 584,206</u>	<u>\$ 52,283</u>	<u>\$ 636,489</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

C. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation use in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2007, are a voted debt margin of \$65,916,732, an unvoted debt margin of \$732,408, and an energy conservation debt margin of \$6,007,467.

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 2007, the District contracted with the Indiana Insurance Company for property and general liability insurance.

Professional liability is provided by the Indiana Insurance Company with a \$5,000,000 annual aggregate (includes \$3,000,000 umbrella coverage) / \$1,000,000 single occurrence limit and a \$5,000 deductible. Vehicles are covered by the Indiana Insurance Company and carry a \$1,000 (buses) and \$250 (other vehicles) deductible for comprehensive and a \$1,000 (buses) and \$500 (other vehicles) deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 11 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

The District participates in the Bureau of Workers' Compensation Retrospective Rating Plan (the "Plan"). The Plan is an alternative rating plan that allows employers to initially pay the Bureau of Workers' Compensation significantly less premium by assuming the responsibility of paying all compensation and medical expenses for claims incurred in that policy year. The greater the portion of risk assumed by the employer, the greater the potential reduction in premiums. Employers who enroll into this program are responsible for their claims costs for a ten year period. This program is generally attractive for employers that pay premiums in excess of \$300,000 annually.

C. Employee Health Insurance

The District's health insurance is funded through a self-insurance program. The District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. One plan provides a comprehensive medical/surgical plan with deductibles ranging from \$200 for family coverage and \$100 for single coverage. The District's plan is a Preferred Provider Program through the Anthem network, which has co-pays ranging from \$20 to \$50 and includes a drug card. Deductibles of \$200 for family coverage and \$100 for single coverage apply for out-of-network services only. Maximum out of pocket expenses for employees is \$900 in addition to the deductibles applies to out-of-network services only. The District purchases stop loss coverage of \$125,000 per employee. The District and employees pay into the self-insurance internal service fund. The District's monthly portion for the majority of its employees is \$917 for family coverage and \$358 for single coverage. The employee's monthly portion for the majority of employees is \$78 for family coverage and \$25 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 \$80.55 monthly for family coverage and \$30.98 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, 2007

NOTE 11 - RISK MANAGEMENT - (Continued)

The claims payable liability of \$1,304,550 reported in the Employee Benefits Self Insurance fund at June 30, 2007 is based on the requirements of GASB Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, and as amended by GASB Statement No. 30, “Risk Financing Omnibus”, which requires that a liability be reported for unpaid claims costs, including estimates of costs relating to incurred but not reported claims. The claims liability is based on an estimate supplied by the District’s third party administrator. Changes in the claims payable liability for the current and prior fiscal years are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Ckauns and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2007	\$ 1,330,647	\$ 5,703,376	\$ (5,729,473)	\$ 1,304,550
2006	1,175,938	5,989,586	(5,834,877)	1,330,647

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 2007, 10.68 percent of annual covered salary was the portion used to fund pension obligations. 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. 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 2007, 2006, and 2005 were \$841,329, \$832,705, and \$834,605, 46.30 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. \$451,791 represents the unpaid contribution for fiscal year 2007 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, 2007

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, 2007, 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, 2007, 2006, and 2005 were \$3,435,930, \$3,477,344, and \$3,506,255; 85.21 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. \$508,311 represents the unpaid contribution for fiscal year 2007 and is recorded as a liability within the respective funds. Contributions to the DC and Combined Plans for fiscal year 2007 were \$42,233 made by the District and \$82,309 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, 2007**

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, 2007, 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 of Ohio (STRS Ohio), 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.

All STRS Ohio retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. 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 Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2007, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$264,302 for fiscal year 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2007, the balance in the Health Care Stabilization Fund was \$4.1 billion. For the fiscal year ended June 30, 2007, net health care costs paid by STRS Ohio were \$265.558 million and STRS Ohio had 122,934 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, 2007, employer contributions to fund health care benefits were 3.32 percent of covered payroll, a decrease of .10 percent from fiscal year 2006. 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 2007, the minimum pay was established at \$35,800. Total surcharge is capped at 2 percent of each employer's SERS salaries. For the 2007 fiscal year, District paid \$380,221 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, 2007**

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, 2006 (the latest information available) were \$158.751 million. At June 30, 2006 (the latest information available), SERS had net assets available for payment of health care benefits of \$295.6 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. At June 30, 2006 (the latest information available), SERS had 59,492 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).
- (d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis).
- (e) Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (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:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Net Change in Fund Balance

	<u>General Fund</u>
Budget basis	\$ 1,646,583
Net adjustment for revenue accruals	(542,630)
Net adjustment for expenditure accruals	169,113
Net adjustment for other financing sources/uses	522,816
Adjustment for encumbrances	1,993,779
GAAP basis	\$ 3,789,661

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, 2007, the reserve activity was as follows:

	<u>Instructional Materials</u>	<u>Capital Acquisition</u>
Set-aside balance as of June 30, 2006	\$ (1,501,604)	\$ -
Current year set-aside requirement	970,139	970,139
Qualifying expenditures	(3,043,182)	(2,294,395)
Total	\$ (3,574,647)	\$ (1,324,256)
Balance carried forward to FY2008	\$ (3,574,647)	\$ -

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 16 - STATUTORY RESERVES - (Continued)

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 2008.

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 2008.

A schedule of the governmental funds restricted assets at June 30, 2007 is as follows:

Amount restricted for school bus purchases	<u>\$ 31,432</u>
Total	<u>\$ 31,432</u>

NOTE 17 - FINDLAY DIGITAL ACADEMY

The Findlay Digital Academy (the “Academy”) has been determined to be a discretely presented component unit of the Findlay City School District (the “District”). The District’s management has determined that the Academy is significant. Therefore, the component unit has been included in the District’s basic financial statements. The Academy issues a publicly available, stand-alone financial report that includes basic financial statements and supplementary information. This report may be obtained by writing to Michael Barnhart, Treasurer, Findlay Digital Academy at 1219 W. Main Cross, Findlay, Ohio 45840.

A. Description of the Digital Academy

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

The Academy is an innovative program operated as a cooperative effort between the Academy’s Board of Directors and the District. The Academy was approved for operation under a contract with the District commencing on April 1, 2004 and expiring on June 30, 2008. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

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.

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.

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, Title I, Title II-A, Title II-D, Title V and an EMIS subsidy grant.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

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 \$1,328. The bank balance was \$5,585 and the STAR Ohio balance was \$331,613 at fiscal year end.

D. Intergovernmental Receivables and Payables

There were no intergovernmental receivables at June 30, 2007. There was an intergovernmental payable of \$2,237 at June 30, 2007 for excess state foundation payments.

E. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2007:

	Balance 07/01/06	Additions	Deductions	Balance 06/30/07
Furniture and Equipment	\$ 72,227	\$ 14,360	\$ -	\$ 86,587
Less: Accumulated Depreciation	(12,881)	(16,338)	-	(29,219)
Capital Assets, Net	\$ 59,346	\$ (1,978)	\$ -	\$ 57,368

F. Risk Management

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

Coverages are as follows:

General Liability:	
Per Occurrence	\$ 1,000,000
Aggregate	4,000,000
Personal and Advertising Injury	1,000,000
Property:	125,257,842

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

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.

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, 2007, the Academy incurred \$84,857 in expenses payable to the District for:

Salaries and benefits	\$ 67,243
Fiscal services	9,273
EMIS services	6,785
Other	<u>1,556</u>
Total	<u>\$ 84,857</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, 2007.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

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 2007, the review was completed in November 2007. As a result of said review, the Academy's state foundation funding will be decreased by \$2,237 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.

House Bill 79: In March 2007 the Ohio General Assembly enacted House Bill 79 which contained confusing language that implied that if a school employee is serving on the Academy's Board of Directors, that school employee's fulltime job could be in jeopardy. As a result the Academy made some changes to its Board of Directors based on advice from legal counsel. The General Assembly has indicated that was not the intent of the legislation and has indicated that corrective legislation would be introduced. As of October 31, 2007 no such corrective legislation has appeared.

I. Purchased Service Expenses

For the fiscal year ended June 30, 2007, purchased service expenses were payments for services rendered by various vendors, as follows:

Tri-Rivers Educational Computer Assn. (TRECA)	\$ 339,233
Sponsor, Management Fees and Expenses	54,704
Balestra, Harr & Scherer, CPAs	5,200
Western Buckeye ESC	4,500
Community Foundation	3,000
Other	<u>5,949</u>
Total	<u>\$ 412,586</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. However, that changed in fiscal year 2007 due to House Bill 79 (see Note 17H above). 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)	\$ 54,704
Jon Thomas (Employee of Sponsor)	<u>187</u>
Total	<u>\$ 54,891</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

K. Contract With TRECA

The Academy entered into a contract on June 1, 2006, for fiscal year 2007, with TRECA. Under the contract, the following terms were agreed upon:

- TRECA shall provide the Academy with instructional, administrative, staff training, and technical services sufficient to substantially implement the Academy's educational plan and the Academy's assessment and accountability plan.
- All personnel providing services to the Academy on behalf of TRECA under the agreement shall be employees of TRECA and TRECA shall be solely responsible for all payroll functions, including retirement system contributions and all other legal withholding and/or payroll taxes, with respect to such personnel. All shall possess any certification or licensure which may be required by law.
- The technical services provided by TRECA to the Academy shall include access to, and the use of, computer software, computer hardware, networking hardware, network services, and the services of technical support personnel necessary to implement the plan of operation.
- The Academy shall secure the services of an Executive Director, who shall be the chief operating officer of the Academy, with primary responsibility for day-to-day operation of the Academy.
- Curricular services provided by TRECA shall be limited to the basic standardized curriculum developed by TRECA. Basic services do not include special education and related services.
- In exchange for the services and support (including equipment) provided by TRECA, the Academy shall pay to TRECA a fee of \$25,000 for the 2006-2007 school year.
- The Academy shall pay TRECA \$3,650 per full-time student enrolled in the Academy for the 2006-2007 school year. Part-time students may be enrolled on such terms as agreed to by the parties.
- In the case of students enrolled in the Academy who are Disabled or Suspected Disabled, as defined in the Exhibit entitled "TRECA Enhancement Services and Special Education Obligations of the Academy and TRECA," the Academy shall additionally pay to TRECA the fees and costs described in Section II of such exhibit.

For fiscal year 2007, \$339,233 was paid to TRECA. \$13,000 was payable to TRECA at June 30, 2006. \$9,500 was payable to TRECA at June 30, 2007.

To obtain TRECA's audited June 30, 2007 financial statements please contact Scott Armstrong, Treasurer, at scott@treca.org.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

L. Tax Exempt Status

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

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

	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. . .	\$ 2,107,132	\$ -	\$ 624,224	\$ 680,797	\$ 3,412,153
Receivables:					
Property taxes	-	108,062	1,961,639	-	2,069,701
Accounts.	11,507	-	5,000	-	16,507
Intergovernmental	571,574	-	-	-	571,574
Materials and supplies inventory	23,033	-	-	-	23,033
Total assets.	\$ 2,713,246	\$ 108,062	\$ 2,590,863	\$ 680,797	\$ 6,092,968
Liabilities:					
Accounts payable.	\$ 257,885	\$ -	\$ 33,338	\$ -	\$ 291,223
Accrued wages and benefits	233,177	-	-	-	233,177
Pension obligation payable.	88,616	-	-	-	88,616
Intergovernmental payable	26,002	-	-	-	26,002
Interfund loans payable.	799,181	-	-	-	799,181
Due to other funds	28,464	-	-	-	28,464
Deferred revenue	42,590	-	104,207	-	146,797
Unearned revenue	-	108,062	2,234,099	-	2,342,161
Total liabilities	1,475,915	108,062	2,371,644	-	3,955,621
Fund balances:					
Reserved for encumbrances.	775,746	-	274,151	10,500	1,060,397
Reserved for materials and supplies inventory .	23,033	-	-	-	23,033
Reserved for property tax unavailable for appropriation	-	-	90,000	-	90,000
Reserved for scholarships.	-	-	-	616,000	616,000
Unreserved, undesignated (deficit), reported in:					
Special revenue funds	438,552	-	-	-	438,552
Capital projects funds	-	-	(144,932)	-	(144,932)
Permanent fund	-	-	-	54,297	54,297
Total fund balances (deficits).	1,237,331	-	219,219	680,797	2,137,347
Total liabilities and fund balances	\$ 2,713,246	\$ 108,062	\$ 2,590,863	\$ 680,797	\$ 6,092,968

**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, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
From local sources:					
Taxes	\$ -	\$ 106,330	\$ 1,002,736	\$ -	\$ 1,109,066
Tuition	149,192	-	-	-	149,192
Earnings on investments	48,593	-	33,109	40,024	121,726
Charges for services	916,764	-	-	-	916,764
Extracurricular	573,569	-	-	-	573,569
Classroom materials and fees	354,918	-	-	-	354,918
Other local revenues	611,081	-	160,129	2,000	773,210
Intergovernmental - State	895,498	-	41,492	-	936,990
Intergovernmental - Federal	4,159,116	-	-	-	4,159,116
Total revenues	<u>7,708,731</u>	<u>106,330</u>	<u>1,237,466</u>	<u>42,024</u>	<u>9,094,551</u>
Expenditures:					
Current:					
Instruction:					
Regular	1,108,339	-	546,343	-	1,654,682
Special	1,230,613	-	-	-	1,230,613
Vocational	251,715	-	-	-	251,715
Other	40,740	-	-	12,500	53,240
Support services:					
Pupil	329,051	-	-	-	329,051
Instructional staff	1,165,076	-	-	-	1,165,076
Administration	24,746	-	-	-	24,746
Fiscal	489	-	-	-	489
Operations and maintenance	411,952	-	3,317	-	415,269
Pupil transportation	21,980	-	338,016	-	359,996
Central	92,400	-	-	-	92,400
Operation of non-instructional services	603,278	-	-	-	603,278
Extracurricular activities	486,408	-	4,103	-	490,511
Facilities acquisition and construction	-	-	1,294,927	-	1,294,927
Food service operations	1,694,138	-	-	-	1,694,138
Debt service:					
Principal retirement	-	108,061	-	-	108,061
Total expenditures	<u>7,460,925</u>	<u>108,061</u>	<u>2,186,706</u>	<u>12,500</u>	<u>9,768,192</u>
Excess of revenues over (under) expenditures	247,806	(1,731)	(949,240)	29,524	(673,641)
Other financing sources:					
Transfers in	75,000	-	1,180,000	-	1,255,000
Total other financing sources	<u>75,000</u>	<u>-</u>	<u>1,180,000</u>	<u>-</u>	<u>1,255,000</u>
Net change in fund balances	322,806	(1,731)	230,760	29,524	581,359
Fund balances (deficit)					
at beginning of year	919,378	1,731	(11,541)	651,273	1,560,841
Decrease in reserve for inventory	(4,853)	-	-	-	(4,853)
Fund balances (deficit) at end of year	<u>\$ 1,237,331</u>	<u>\$ -</u>	<u>\$ 219,219</u>	<u>\$ 680,797</u>	<u>\$ 2,137,347</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.

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.

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, 2007

	Food Service	Special Trust	Uniform School Supplies	Special Services Rotary
Assets:				
Equity in pooled cash and cash equivalents.	\$ 214,359	\$ 970,364	\$ 179,749	\$ 31,122
Receivables:				
Accounts.	5,190	233	2,160	-
Intergovernmental	124,478	-	-	-
Materials and supplies inventory	23,033	-	-	-
Total assets.	<u>\$ 367,060</u>	<u>\$ 970,597</u>	<u>\$ 181,909</u>	<u>\$ 31,122</u>
Liabilities:				
Accounts payable.	\$ 1,699	\$ 193,428	\$ 3,559	\$ -
Accrued wages and benefits	9,996	-	-	-
Pension obligation payable.	27,808	-	-	-
Intergovernmental payable	2,564	-	-	-
Interfund loans payable.	-	624,845	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities.	42,067	818,273	3,559	-
Fund balances:				
Reserved for encumbrances	126,499	511,671	28,273	3,489
Reserved for materials and supplies inventory	23,033	-	-	-
Unreserved-undesignated (deficit)	175,461	(359,347)	150,077	27,633
Total fund balances (deficit).	324,993	152,324	178,350	31,122
Total liabilities and fund balances.	<u>\$ 367,060</u>	<u>\$ 970,597</u>	<u>\$ 181,909</u>	<u>\$ 31,122</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>
\$ 4,395	\$ 84,316	\$ 82,189	\$ 379,121	\$ 53,959	\$ 1,394	\$ 32,029
1,563	944	-	1,417	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 5,958</u>	<u>\$ 85,260</u>	<u>\$ 82,189</u>	<u>\$ 380,538</u>	<u>\$ 53,959</u>	<u>\$ 1,394</u>	<u>\$ 32,029</u>
\$ 79	\$ 942	\$ 3,017	\$ 4,932	\$ 22,797	\$ -	\$ -
7,468	-	-	-	28,712	-	3,317
12,395	-	756	-	4,693	-	4,038
615	-	55	-	12,273	-	292
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>20,557</u>	<u>942</u>	<u>3,828</u>	<u>4,932</u>	<u>68,475</u>	<u>-</u>	<u>7,647</u>
543	-	1,824	42,546	20,392	-	-
-	-	-	-	-	-	-
<u>(15,142)</u>	<u>84,318</u>	<u>76,537</u>	<u>333,060</u>	<u>(34,908)</u>	<u>1,394</u>	<u>24,382</u>
<u>(14,599)</u>	<u>84,318</u>	<u>78,361</u>	<u>375,606</u>	<u>(14,516)</u>	<u>1,394</u>	<u>24,382</u>
<u>\$ 5,958</u>	<u>\$ 85,260</u>	<u>\$ 82,189</u>	<u>\$ 380,538</u>	<u>\$ 53,959</u>	<u>\$ 1,394</u>	<u>\$ 32,029</u>

(continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Entry Year Programs	SchoolNet Professional Development	Ohio Reads	Vocational Education Enhancements
Assets:				
Equity in pooled cash and cash equivalents.	\$ 2,320	\$ 151	\$ 2,801	\$ 4
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	-	-	16,960	-
Materials and supplies inventory	-	-	-	-
	-	-	-	-
Total assets.	\$ 2,320	\$ 151	\$ 19,761	\$ 4
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ 1,519	\$ -
Accrued wages and benefits	-	-	-	-
Pension obligation payable.	-	-	1,443	-
Intergovernmental payable	-	-	3	-
Interfund loans payable.	-	-	14,666	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
	-	-	-	-
Total liabilities.	-	-	17,631	-
Fund balances:				
Reserved for encumbrances	-	151	2,573	-
Reserved for materials and supplies inventory	-	-	-	-
Unreserved-undesignated (deficit)	2,320	-	(443)	4
	2,320	-	(443)	4
Total fund balances (deficit).	2,320	151	2,130	4
Total liabilities and fund balances.	\$ 2,320	\$ 151	\$ 19,761	\$ 4

Poverty Aid	Miscellaneous State Grants	IDEA Part B Grants	Vocational Education	Limited English Proficiency	Title I Disadvantaged Children
\$ -	\$ -	\$ 14,161	\$ 32,343	\$ -	\$ 14,410
-	-	-	-	-	-
-	41,059	345,717	-	-	37,924
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 41,059</u>	<u>\$ 359,878</u>	<u>\$ 32,343</u>	<u>\$ -</u>	<u>\$ 52,334</u>
\$ -	\$ 1,534	\$ 118	\$ 615	\$ -	\$ 17,778
4,008	4,935	26,156	-	-	104,502
562	1,024	15,043	390	-	13,308
310	245	3,008	321	173	4,705
-	-	155,016	-	-	-
-	28,464	-	-	-	-
-	4,666	-	-	-	37,924
<u>4,880</u>	<u>40,868</u>	<u>199,341</u>	<u>1,326</u>	<u>173</u>	<u>178,217</u>
-	2,790	14,043	19,634	-	1,318
-	-	-	-	-	-
<u>(4,880)</u>	<u>(2,599)</u>	<u>146,494</u>	<u>11,383</u>	<u>(173)</u>	<u>(127,201)</u>
<u>(4,880)</u>	<u>191</u>	<u>160,537</u>	<u>31,017</u>	<u>(173)</u>	<u>(125,883)</u>
<u>\$ -</u>	<u>\$ 41,059</u>	<u>\$ 359,878</u>	<u>\$ 32,343</u>	<u>\$ -</u>	<u>\$ 52,334</u>

(continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Title V Innovative Education Program	Drug Free School Grant	IDEA Preschool- Handicapped	Telecommunications Act Grant
Assets:				
Equity in pooled cash and cash equivalents.	\$ -	\$ -	\$ 760	\$ 5,400
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	556	4,880	-	-
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ 556</u>	<u>\$ 4,880</u>	<u>\$ 760</u>	<u>\$ 5,400</u>
Liabilities:				
Accounts payable.	\$ 468	\$ -	\$ -	\$ 5,400
Accrued wages and benefits	-	5,807	-	-
Pension obligation payable.	-	1,950	336	-
Intergovernmental payable	-	216	4	-
Interfund loans payable.	-	4,654	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities.	<u>468</u>	<u>12,627</u>	<u>340</u>	<u>5,400</u>
Fund balances:				
Reserved for encumbrances	-	-	-	-
Reserved for materials and supplies inventory	-	-	-	-
Unreserved-undesignated (deficit)	<u>88</u>	<u>(7,747)</u>	<u>420</u>	<u>-</u>
Total fund balances (deficit).	<u>88</u>	<u>(7,747)</u>	<u>420</u>	<u>-</u>
Total liabilities and fund balances.	<u>\$ 556</u>	<u>\$ 4,880</u>	<u>\$ 760</u>	<u>\$ 5,400</u>

<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 1,278	\$ 507	\$ 2,107,132
-	-	11,507
-	-	571,574
-	-	23,033
<u>\$ 1,278</u>	<u>\$ 507</u>	<u>\$ 2,713,246</u>
\$ -	\$ -	\$ 257,885
38,276	-	233,177
4,870	-	88,616
1,218	-	26,002
-	-	799,181
-	-	28,464
-	-	42,590
<u>44,364</u>	<u>-</u>	<u>1,475,915</u>
-	-	775,746
-	-	23,033
<u>(43,086)</u>	<u>507</u>	<u>438,552</u>
<u>(43,086)</u>	<u>507</u>	<u>1,237,331</u>
<u>\$ 1,278</u>	<u>\$ 507</u>	<u>\$ 2,713,246</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, 2007

	Food Service	Special Trust	Uniform School Supplies	Special Services Rotary
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on investments	10,988	13,253	-	1,353
Charges for services	916,764	-	-	-
Extracurricular	-	771	-	-
Classroom materials and fees.	-	28,671	323,655	-
Other local revenues	-	366,023	13	53,853
Intergovernmental - State	40,932	-	-	-
Intergovernmental - Federal	844,344	-	-	-
Total revenues	1,813,028	408,718	323,668	55,206
Expenditures:				
Current:				
Instruction:				
Regular.	-	25,885	245,520	-
Special	-	2,418	9,421	-
Vocational	-	283	47,646	52,710
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	-	-	-
Administration	-	57	-	-
Fiscal.	-	489	-	-
Operations and maintenance	-	336,837	-	-
Pupil transportation	-	65	-	356
Central	-	4,870	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities.	-	789	-	-
Food service operations	1,694,138	-	-	-
Total expenditures	1,694,138	371,693	302,587	53,066
Excess of revenues over (under) expenditures	118,890	37,025	21,081	2,140
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances.	118,890	37,025	21,081	2,140
Fund balances (deficit) at beginning of year	210,956	115,299	157,269	28,982
Decrease in reserve for inventory	(4,853)	-	-	-
Fund balances (deficit) at end of year. . .	\$ 324,993	\$ 152,324	\$ 178,350	\$ 31,122

Special Enterprise	Public School Support	Other Grants	District Managed Activity	Auxiliary Services	Teacher Development	Management Information Systems
\$ 149,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
88	3,627	-	15,930	3,354	-	-
-	-	-	-	-	-	-
-	17,974	-	554,824	-	-	-
-	2,592	-	-	-	-	-
50	44,923	121,256	18,487	26	-	-
-	-	-	-	342,982	5,000	21,507
-	-	-	-	-	-	-
<u>149,330</u>	<u>69,116</u>	<u>121,256</u>	<u>589,241</u>	<u>346,362</u>	<u>5,000</u>	<u>21,507</u>
-	43,467	27,258	-	-	-	-
-	-	11,222	-	-	-	-
-	-	6,814	-	-	-	-
-	-	13	-	-	-	-
-	-	-	-	-	-	-
-	-	5,602	-	-	5,918	-
-	4,523	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
78	-	1	3,542	-	-	-
-	-	-	-	-	-	81,813
147,878	-	-	-	344,485	-	-
-	12,019	-	473,600	-	-	-
-	-	-	-	-	-	-
<u>147,956</u>	<u>60,009</u>	<u>50,910</u>	<u>477,142</u>	<u>344,485</u>	<u>5,918</u>	<u>81,813</u>
<u>1,374</u>	<u>9,107</u>	<u>70,346</u>	<u>112,099</u>	<u>1,877</u>	<u>(918)</u>	<u>(60,306)</u>
-	-	-	-	-	-	75,000
-	-	-	-	-	-	75,000
1,374	9,107	70,346	112,099	1,877	(918)	14,694
(15,973)	75,211	8,015	263,507	(16,393)	2,312	9,688
-	-	-	-	-	-	-
<u>\$ (14,599)</u>	<u>\$ 84,318</u>	<u>\$ 78,361</u>	<u>\$ 375,606</u>	<u>\$ (14,516)</u>	<u>\$ 1,394</u>	<u>\$ 24,382</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, 2007

	<u>Entry Year Programs</u>	<u>Data Communication</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees.	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - State	9,800	45,000	13,075	158,000
Intergovernmental - Federal	-	-	-	-
Total revenues	<u>9,800</u>	<u>45,000</u>	<u>13,075</u>	<u>158,000</u>
Expenditures:				
Current:				
Instruction:				
Regular.	7,307	55,159	15,722	87,465
Special	-	-	-	-
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	-	-	66,219
Administration	-	-	-	-
Fiscal.	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities.	-	-	-	-
Food service operations	-	-	-	-
Total expenditures	<u>7,307</u>	<u>55,159</u>	<u>15,722</u>	<u>153,684</u>
Excess of revenues over (under) expenditures	<u>2,493</u>	<u>(10,159)</u>	<u>(2,647)</u>	<u>4,316</u>
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances.	2,493	(10,159)	(2,647)	4,316
Fund balances (deficit) at beginning of year	(173)	10,159	2,798	(2,186)
Decrease in reserve for inventory	-	-	-	-
Fund balances (deficit) at end of year.	<u>\$ 2,320</u>	<u>\$ -</u>	<u>\$ 151</u>	<u>\$ 2,130</u>

Vocational Education Enhancements	Poverty Aid	Miscellaneous State Grants	IDEA Part B Grants	Vocational Education	Limited English Proficiency	Title I Disadvantaged Children
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	6,450	-	-	-	-
-	84,359	174,843	-	-	-	-
-	-	-	1,788,197	270,808	17,632	801,390
-	84,359	181,293	1,788,197	270,808	17,632	801,390
-	60,458	85,580	106,314	7	17,019	-
-	-	13,626	384,053	-	-	809,873
-	-	7,884	-	136,378	-	-
-	40,727	-	-	-	-	-
-	-	34,251	161,847	88,579	-	-
-	-	24,420	1,029,612	-	622	30,264
-	-	-	-	12,877	-	7,289
-	-	-	-	-	-	-
-	-	17,616	-	-	-	-
-	-	-	-	-	-	-
-	-	-	69,502	-	-	39,895
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	101,185	183,377	1,751,328	237,841	17,641	887,321
-	(16,826)	(2,084)	36,869	32,967	(9)	(85,931)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(16,826)	(2,084)	36,869	32,967	(9)	(85,931)
4	11,946	2,275	123,668	(1,950)	(164)	(39,952)
-	-	-	-	-	-	-
\$ 4	\$ (4,880)	\$ 191	\$ 160,537	\$ 31,017	\$ (173)	\$ (125,883)

(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, 2007

	Title V Innovative Education Program	Drug Free School Grant	IDEA Preschool- Handicapped	Telecommunications Act Grant
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees.	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	5,436	28,626	27,309	79,189
Total revenues	5,436	28,626	27,309	79,189
Expenditures:				
Current:				
Instruction:				
Regular.	7,132	-	9,821	-
Special	-	-	-	-
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	27,952	16,422	-
Instructional staff.	-	185	231	-
Administration	-	-	-	-
Fiscal.	-	-	-	-
Operations and maintenance	-	-	-	75,115
Pupil transportation	-	-	-	-
Central	-	-	-	5,717
Operation of non-instructional services	468	1,050	-	-
Extracurricular activities.	-	-	-	-
Food service operations	-	-	-	-
Total expenditures	7,600	29,187	26,474	80,832
Excess of revenues over (under) expenditures	(2,164)	(561)	835	(1,643)
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances.	(2,164)	(561)	835	(1,643)
Fund balances (deficit) at beginning of year	2,252	(7,186)	(415)	1,643
Decrease in reserve for inventory	-	-	-	-
Fund balances (deficit) at end of year.	\$ 88	\$ (7,747)	\$ 420	\$ -

Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 149,192
-	-	48,593
-	-	916,764
-	-	573,569
-	-	354,918
-	-	611,081
-	-	895,498
<u>272,289</u>	<u>23,896</u>	<u>4,159,116</u>
<u>272,289</u>	<u>23,896</u>	<u>7,708,731</u>
289,755	24,470	1,108,339
-	-	1,230,613
-	-	251,715
-	-	40,740
-	-	329,051
-	2,003	1,165,076
-	-	24,746
-	-	489
-	-	411,952
-	322	21,980
-	-	92,400
-	-	603,278
-	-	486,408
-	-	1,694,138
<u>289,755</u>	<u>26,795</u>	<u>7,460,925</u>
<u>(17,466)</u>	<u>(2,899)</u>	<u>247,806</u>
-	-	75,000
-	-	75,000
(17,466)	(2,899)	322,806
(25,620)	3,406	919,378
-	-	(4,853)
<u>\$ (43,086)</u>	<u>\$ 507</u>	<u>\$ 1,237,331</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, 2007

	<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	\$ 1,950,000	\$ 1,950,000	\$ 1,723,372	\$ (226,628)
Total Expenditures and Other Financing Uses	<u>2,076,610</u>	<u>2,103,180</u>	<u>1,794,398</u>	<u>308,782</u>
Net Change in Fund Balance	(126,610)	(153,180)	(71,026)	82,154
Fund Balance, July 1	5,595	5,595	5,595	-
Prior Year Encumbrances Appropriated	<u>153,180</u>	<u>153,180</u>	<u>153,180</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 32,165</u>	<u>\$ 5,595</u>	<u>\$ 87,749</u>	<u>\$ 82,154</u>
<u>Special Trust Fund</u>				
Total Revenues and Other Financing Sources	\$ 326,300	\$ 826,300	\$ 911,975	\$ 85,675
Total Expenditures and Other Financing Uses	<u>488,585</u>	<u>1,047,389</u>	<u>886,748</u>	<u>160,641</u>
Net Change in Fund Balance	(162,285)	(221,089)	25,227	246,316
Fund Balance, July 1	227,802	227,802	227,802	-
Prior Year Encumbrances Appropriated	<u>12,437</u>	<u>12,437</u>	<u>12,437</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 77,954</u>	<u>\$ 19,150</u>	<u>\$ 265,466</u>	<u>\$ 246,316</u>
<u>Uniform School Supplies Fund</u>				
Total Revenues and Other Financing Sources	\$ 325,000	\$ 325,000	\$ 323,225	\$ (1,775)
Total Expenditures and Other Financing Uses	<u>344,260</u>	<u>344,260</u>	<u>338,344</u>	<u>5,916</u>
Net Change in Fund Balance	(19,260)	(19,260)	(15,119)	4,141
Fund Balance, July 1	143,974	143,974	143,974	-
Prior Year Encumbrances Appropriated	<u>19,260</u>	<u>19,260</u>	<u>19,260</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 143,974</u>	<u>\$ 143,974</u>	<u>\$ 148,115</u>	<u>\$ 4,141</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<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	\$ 55,205	\$ (4,795)
Total Expenditures and Other Financing Uses	<u>62,772</u>	<u>62,772</u>	<u>56,555</u>	<u>6,217</u>
Net Change in Fund Balance	(2,772)	(2,772)	(1,350)	1,422
Fund Balance, July 1	26,211	26,211	26,211	-
Prior Year Encumbrances Appropriated	<u>2,772</u>	<u>2,772</u>	<u>2,772</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 26,211</u>	<u>\$ 26,211</u>	<u>\$ 27,633</u>	<u>\$ 1,422</u>
 <u>Special Enterprise Fund</u>				
Total Revenues and Other Financing Sources	\$ 200,000	\$ 200,000	\$ 150,386	\$ (49,614)
Total Expenditures and Other Financing Uses	<u>200,787</u>	<u>200,787</u>	<u>158,193</u>	<u>42,594</u>
Net Change in Fund Balance	(787)	(787)	(7,807)	(7,020)
Fund Balance, July 1	10,872	10,872	10,872	-
Prior Year Encumbrances Appropriated	<u>787</u>	<u>787</u>	<u>787</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 10,872</u>	<u>\$ 10,872</u>	<u>\$ 3,852</u>	<u>\$ (7,020)</u>
 <u>Public School Support Fund</u>				
Total Revenues and Other Financing Sources	\$ 100,000	\$ 100,000	\$ 68,324	\$ (31,676)
Total Expenditures and Other Financing Uses	<u>102,240</u>	<u>102,240</u>	<u>59,788</u>	<u>42,452</u>
Net Change in Fund Balance	(2,240)	(2,240)	8,536	10,776
Fund Balance, July 1	73,063	73,063	73,063	-
Prior Year Encumbrances Appropriated	<u>2,240</u>	<u>2,240</u>	<u>2,240</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 73,063</u>	<u>\$ 73,063</u>	<u>\$ 83,839</u>	<u>\$ 10,776</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, 2007

	<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	\$ 80,000	\$ 80,000	\$ 121,256	\$ 41,256
Total Expenditures and Other Financing Uses	<u>85,681</u>	<u>85,681</u>	<u>52,690</u>	<u>32,991</u>
Net Change in Fund Balance	(5,681)	(5,681)	68,566	74,247
Fund Balance, July 1	8,101	8,101	8,101	-
Prior Year Encumbrances Appropriated	<u>681</u>	<u>681</u>	<u>681</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 3,101</u>	<u>\$ 3,101</u>	<u>\$ 77,348</u>	<u>\$ 74,247</u>
<u>District Managed Activity Fund</u>				
Total Revenues and Other Financing Sources	\$ 800,000	\$ 800,000	\$ 589,705	\$ (210,295)
Total Expenditures and Other Financing Uses	<u>848,303</u>	<u>848,303</u>	<u>527,835</u>	<u>320,468</u>
Net Change in Fund Balance	(48,303)	(48,303)	61,870	110,173
Fund Balance, July 1	236,499	236,499	236,499	-
Prior Year Encumbrances Appropriated	<u>33,303</u>	<u>33,303</u>	<u>33,303</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 221,499</u>	<u>\$ 221,499</u>	<u>\$ 331,672</u>	<u>\$ 110,173</u>
<u>Auxiliary Services Fund</u>				
Total Revenues and Other Financing Sources	\$ 349,000	\$ 349,000	\$ 346,361	\$ (2,639)
Total Expenditures and Other Financing Uses	<u>381,887</u>	<u>381,887</u>	<u>381,390</u>	<u>497</u>
Net Change in Fund Balance	(32,887)	(32,887)	(35,029)	(2,142)
Fund Balance (deficit), July 1	13,142	13,142	13,142	-
Prior Year Encumbrances Appropriated	<u>21,887</u>	<u>21,887</u>	<u>21,887</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2,142</u>	<u>\$ 2,142</u>	<u>\$ -</u>	<u>\$ (2,142)</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<u>Teacher Development Fund</u>				
Total Revenues and Other Financing Sources	\$ -	\$ 5,000	\$ 5,000	\$ -
Total Expenditures and Other Financing Uses	<u>2,312</u>	<u>7,312</u>	<u>5,918</u>	<u>1,394</u>
Net Change in Fund Balance	(2,312)	(2,312)	(918)	1,394
Fund Balance, July 1	922	922	922	-
Prior Year Encumbrances Appropriated	<u>1,390</u>	<u>1,390</u>	<u>1,390</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,394</u></u>	<u><u>\$ 1,394</u></u>
 <u>Management Information Systems Fund</u>				
Total Revenues and Other Financing Sources	\$ 85,000	\$ 85,000	\$ 96,507	\$ 11,507
Total Expenditures and Other Financing Uses	<u>85,000</u>	<u>85,000</u>	<u>80,726</u>	<u>4,274</u>
Net Change in Fund Balance	-	-	15,781	15,781
Fund Balance, July 1	16,248	16,248	16,248	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 16,248</u></u>	<u><u>\$ 16,248</u></u>	<u><u>\$ 32,029</u></u>	<u><u>\$ 15,781</u></u>
 <u>Entry Year Programs Fund</u>				
Total Revenues and Other Financing Sources	\$ 14,000	\$ 14,000	\$ 9,800	\$ (4,200)
Total Expenditures and Other Financing Uses	<u>14,000</u>	<u>14,000</u>	<u>7,480</u>	<u>6,520</u>
Net Change in Fund Balance	-	-	2,320	2,320
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>\$ 2,320</u></u>	<u><u>\$ 2,320</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<u>Data Communication Fund</u>				
Total Revenues and Other Financing Sources	\$ 48,000	\$ 48,000	\$ 46,950	\$ (1,050)
Total Expenditures and Other Financing Uses	<u>48,000</u>	<u>55,200</u>	<u>55,159</u>	<u>41</u>
Net Change in Fund Balance	-	(7,200)	(8,209)	(1,009)
Fund Balance, July 1	8,209	8,209	8,209	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 8,209</u>	<u>\$ 1,009</u>	<u>\$ -</u>	<u>\$ (1,009)</u>
 <u>SchoolNet Professional Development Fund</u>				
Total Revenues and Other Financing Sources	\$ 8,000	\$ 15,000	\$ 13,075	\$ (1,925)
Total Expenditures and Other Financing Uses	<u>17,728</u>	<u>24,728</u>	<u>24,601</u>	<u>127</u>
Net Change in Fund Balance	(9,728)	(9,728)	(11,526)	(1,798)
Fund Balance, July 1	2,798	2,798	2,798	-
Prior Year Encumbrances Appropriated	<u>8,728</u>	<u>8,728</u>	<u>8,728</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,798</u>	<u>\$ 1,798</u>	<u>\$ -</u>	<u>\$ (1,798)</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<u>Ohio Reads Fund</u>				
Total Revenues and Other Financing Sources	\$ 158,000	\$ 158,000	\$ 155,705	\$ (2,295)
Total Expenditures and Other Financing Uses	<u>158,438</u>	<u>158,438</u>	<u>156,143</u>	<u>2,295</u>
Net Change in Fund Balance	(438)	(438)	(438)	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>438</u>	<u>438</u>	<u>438</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 <u>Vocational Education Enhancements Fund</u>				
Fund Balance, July 1	\$ 4	\$ 4	\$ 4	\$ -
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 4</u></u>	<u><u>\$ 4</u></u>	<u><u>\$ 4</u></u>	<u><u>\$ -</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<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	\$ 84,460	\$ 84,359	\$ (101)
Total Expenditures and Other Financing Uses	<u>84,359</u>	<u>104,459</u>	<u>104,396</u>	<u>63</u>
Net Change in Fund Balance	-	(19,999)	(20,037)	(38)
Fund Balance, July 1	20,037	20,037	20,037	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 20,037</u>	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ (38)</u>
<u>Miscellaneous State Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 165,000	\$ 207,305	\$ 144,899	\$ (62,406)
Total Expenditures and Other Financing Uses	<u>166,000</u>	<u>210,305</u>	<u>182,043</u>	<u>28,262</u>
Net Change in Fund Balance	(1,000)	(3,000)	(37,144)	(34,144)
Fund Balance, July 1	4,356	4,356	4,356	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 3,356</u>	<u>\$ 1,356</u>	<u>\$ (32,788)</u>	<u>\$ (34,144)</u>
<u>IDEA Part B Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 1,938,613	\$ 1,938,613	\$ 1,756,996	\$ (181,617)
Total Expenditures and Other Financing Uses	<u>1,964,175</u>	<u>1,964,175</u>	<u>1,784,704</u>	<u>179,471</u>
Net Change in Fund Balance	(25,562)	(25,562)	(27,708)	(2,146)
Fund Balance (deficit), July 1	13,370	13,370	13,370	-
Prior Year Encumbrances Appropriated	<u>14,338</u>	<u>14,338</u>	<u>14,338</u>	<u>-</u>
Fund Balance (deficit), June 30	<u>\$ 2,146</u>	<u>\$ 2,146</u>	<u>\$ -</u>	<u>\$ (2,146)</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, 2007

	<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	\$ 268,853	\$ 270,808	\$ 270,808	\$ -
Total Expenditures and Other Financing Uses	<u>269,329</u>	<u>271,285</u>	<u>260,908</u>	<u>10,377</u>
Net Change in Fund Balance	(476)	(477)	9,900	10,377
Fund Balance, July 1	38	38	38	-
Prior Year Encumbrances Appropriated	<u>2,156</u>	<u>2,156</u>	<u>2,156</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,718</u>	<u>\$ 1,717</u>	<u>\$ 12,094</u>	<u>\$ 10,377</u>
<u>Limited English Proficiency Fund</u>				
Total Revenues and Other Financing Sources	\$ 17,632	\$ 17,632	\$ 17,632	\$ -
Total Expenditures and Other Financing Uses	<u>17,632</u>	<u>17,632</u>	<u>17,632</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>Title I Disadvantaged Children Fund</u>				
Total Revenues and Other Financing Sources	\$ 896,453	\$ 974,453	\$ 919,083	\$ (55,370)
Total Expenditures and Other Financing Uses	<u>898,661</u>	<u>967,010</u>	<u>910,071</u>	<u>56,939</u>
Net Change in Fund Balance	(2,208)	7,443	9,012	1,569
Fund Balance, July 1	1,421	1,421	1,421	-
Prior Year Encumbrances Appropriated	<u>1,051</u>	<u>1,051</u>	<u>1,051</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 264</u>	<u>\$ 9,915</u>	<u>\$ 11,484</u>	<u>\$ 1,569</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, 2007

	<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	\$ 12,012	\$ 12,012	\$ 4,880	\$ (7,132)
Total Expenditures and Other Financing Uses	<u>13,543</u>	<u>8,662</u>	<u>7,132</u>	<u>1,530</u>
Net Change in Fund Balance	(1,531)	3,350	(2,252)	(5,602)
Fund Balance, July 1	722	722	722	-
Prior Year Encumbrances Appropriated	<u>1,530</u>	<u>1,530</u>	<u>1,530</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 721</u>	<u>\$ 5,602</u>	<u>\$ -</u>	<u>\$ (5,602)</u>
 <u>Drug Free School Grant Fund</u>				
Total Revenues and Other Financing Sources	\$ 29,846	\$ 27,846	\$ 32,709	\$ 4,863
Total Expenditures and Other Financing Uses	<u>28,155</u>	<u>33,035</u>	<u>33,035</u>	<u>-</u>
Net Change in Fund Balance	1,691	(5,189)	(326)	4,863
Fund Balance, July 1	276	276	276	-
Prior Year Encumbrances Appropriated	<u>50</u>	<u>50</u>	<u>50</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2,017</u>	<u>\$ (4,863)</u>	<u>\$ -</u>	<u>\$ 4,863</u>
 <u>IDEA Preschool-Handicapped Fund</u>				
Total Revenues and Other Financing Sources	\$ 27,609	\$ 28,109	\$ 28,365	\$ 256
Total Expenditures and Other Financing Uses	<u>28,740</u>	<u>29,240</u>	<u>28,820</u>	<u>420</u>
Net Change in Fund Balance	(1,131)	(1,131)	(455)	676
Fund Balance, July 1	147	147	147	-
Prior Year Encumbrances Appropriated	<u>1,068</u>	<u>1,068</u>	<u>1,068</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 84</u>	<u>\$ 84</u>	<u>\$ 760</u>	<u>\$ 676</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, 2007

	<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	\$ 60,000	\$ 85,000	\$ 79,189	\$ (5,811)
Total Expenditures and Other Financing Uses	<u>61,034</u>	<u>80,835</u>	<u>80,832</u>	<u>3</u>
Net Change in Fund Balance	(1,034)	4,165	(1,643)	(5,808)
Fund Balance, July 1	609	609	609	-
Prior Year Encumbrances Appropriated	<u>1,034</u>	<u>1,034</u>	<u>1,034</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 609</u></u>	<u><u>\$ 5,808</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (5,808)</u></u>
 <u>Improving Teacher Quality Fund</u>				
Total Revenues and Other Financing Sources	\$ 300,000	\$ 300,000	\$ 290,671	\$ (9,329)
Total Expenditures and Other Financing Uses	<u>296,461</u>	<u>304,030</u>	<u>296,627</u>	<u>7,403</u>
Net Change in Fund Balance	3,539	(4,030)	(5,956)	(1,926)
Fund Balance, July 1	368	368	368	-
Prior Year Encumbrances Appropriated	<u>6,866</u>	<u>6,866</u>	<u>6,866</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 10,773</u></u>	<u><u>\$ 3,204</u></u>	<u><u>\$ 1,278</u></u>	<u><u>\$ (1,926)</u></u>
 <u>Miscellaneous Federal Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 44,000	\$ 44,000	\$ 37,206	\$ (6,794)
Total Expenditures and Other Financing Uses	<u>46,747</u>	<u>46,681</u>	<u>39,485</u>	<u>7,196</u>
Net Change in Fund Balance	(2,747)	(2,681)	(2,279)	402
Fund Balance, July 1	1,039	1,039	1,039	-
Prior Year Encumbrances Appropriated	<u>1,747</u>	<u>1,747</u>	<u>1,747</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 39</u></u>	<u><u>\$ 105</u></u>	<u><u>\$ 507</u></u>	<u><u>\$ 402</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Bond Retirement Fund</u>				
Total Revenues and Other Financing Sources	\$ 108,062	\$ 108,062	\$ 106,330	\$ (1,732)
Total Expenditures and Other Financing Uses	<u>108,061</u>	<u>108,061</u>	<u>108,061</u>	<u>-</u>
Net Change in Fund Balance	1	1	(1,731)	(1,732)
Fund Balance, July 1	1,731	1,731	1,731	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,732</u>	<u>\$ 1,732</u>	<u>\$ -</u>	<u>\$ (1,732)</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, 2007

	<u>Permanent Improvement</u>	<u>SchoolNet Equipment/ Infrastructure</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:			
From local sources:			
Taxes	\$ 1,002,736	\$ -	\$ 1,002,736
Earnings on investments	33,109	-	33,109
Other local revenues	160,129	-	160,129
Intergovernmental - State	-	41,492	41,492
	<hr/>	<hr/>	<hr/>
Total revenues	1,195,974	41,492	1,237,466
Expenditures:			
Current:			
Instruction:			
Regular	504,851	41,492	546,343
Support services:			
Operations and maintenance	3,317	-	3,317
Pupil transportation	338,016	-	338,016
Extracurricular activities	4,103	-	4,103
Facilities acquisition and construction	1,294,927	-	1,294,927
	<hr/>	<hr/>	<hr/>
Total expenditures	2,145,214	41,492	2,186,706
Excess of revenues over (under) expenditures			
	<hr/>	<hr/>	<hr/>
	(949,240)	-	(949,240)
Other financing sources:			
Transfers in	<hr/>	<hr/>	<hr/>
	1,180,000	-	1,180,000
Total other financing sources	<hr/>	<hr/>	<hr/>
	1,180,000	-	1,180,000
Net change in fund balances	230,760	-	230,760
Fund balances (deficit)			
at beginning of year	<hr/>	<hr/>	<hr/>
	(11,541)	-	(11,541)
Fund balances at end of year	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 219,219	\$ -	\$ 219,219

**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, 2007

	<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	\$ 2,172,261	\$ 2,212,453	\$ 2,147,639	\$ (64,814)
Total Expenditures and Other Financing Uses	<u>2,416,259</u>	<u>2,521,259</u>	<u>2,519,949</u>	<u>1,310</u>
Net Change in Fund Balance	(243,998)	(308,806)	(372,310)	(63,504)
Fund Balance, July 1	272,786	272,786	272,786	-
Prior Year Encumbrances Appropriated	<u>416,259</u>	<u>416,259</u>	<u>416,259</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 445,047</u>	<u>\$ 380,239</u>	<u>\$ 316,735</u>	<u>\$ (63,504)</u>
 <u>SchoolNet Equipment/Infrastructure Fund</u>				
Total Revenues and Other Financing Sources	\$ -	\$ 41,492	\$ 41,492	\$ -
Total Expenditures and Other Financing Uses	<u>-</u>	<u>41,492</u>	<u>41,492</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>

**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, 2007

	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	\$ 42,024	\$ 24,024
Total Expenditures and Other Financing Uses	<u>23,000</u>	<u>23,000</u>	<u>23,000</u>	<u>-</u>
Net Change in Fund Balance	(5,000)	(5,000)	19,024	24,024
Fund Balance, July 1	646,273	646,273	646,273	-
Prior Year Encumbrances Appropriated	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 646,273</u></u>	<u><u>\$ 646,273</u></u>	<u><u>\$ 670,297</u></u>	<u><u>\$ 24,024</u></u>

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

Nonmajor Internal Service Fund

Employee Benefits Self Insurance Fund

Section 5705.09, Revised Code

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

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<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	\$ 7,200,000	\$ 7,200,000	\$ 6,278,612	\$ (921,388)
Total Expenses and Other Financing Uses	<u>7,218,991</u>	<u>7,218,991</u>	<u>6,389,879</u>	<u>829,112</u>
Net Change in Fund Balance	(18,991)	(18,991)	(111,267)	(92,276)
Fund Balance, July 1	2,014,279	2,014,279	2,014,279	-
Prior Year Encumbrances Appropriated	<u>18,991</u>	<u>18,991</u>	<u>18,991</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2,014,279</u>	<u>\$ 2,014,279</u>	<u>\$ 1,922,003</u>	<u>\$ (92,276)</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Scholarship Fund</u>				
Total Revenues and Other Financing Sources	\$ 23,700	\$ 23,700	\$ 27,263	\$ 3,563
Total Expenditures and Other Financing Uses	<u>43,608</u>	<u>16,210</u>	<u>15,904</u>	<u>306</u>
Net Change in Fund Balance	(19,908)	7,490	11,359	3,869
Fund Balance, July 1	34,698	34,698	34,698	-
Prior Year Encumbrances Appropriated	<u>890</u>	<u>890</u>	<u>890</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 15,680</u>	<u>\$ 43,078</u>	<u>\$ 46,947</u>	<u>\$ 3,869</u>

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Beginning Balance July 1, 2006	Additions	Reductions	Ending Balance June 30, 2007
<u>Student Managed Activity Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 120,764	\$ 147,338	\$ (140,013)	\$ 128,089
Receivables				
Accounts	1,603	2,756	(1,603)	2,756
Total assets	<u>\$ 122,367</u>	<u>\$ 150,094</u>	<u>\$ (141,616)</u>	<u>\$ 130,845</u>
Liabilities:				
Accounts payable	\$ 466	\$ 31	\$ (466)	\$ 31
Intergovernmental payable.	43	9	(43)	9
Due to students	121,858	150,054	(141,107)	130,805
Total liabilities.	<u>\$ 122,367</u>	<u>\$ 150,094</u>	<u>\$ (141,616)</u>	<u>\$ 130,845</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
ACCRUAL BASIS OF ACCOUNTING
LAST FIVE FISCAL YEARS

<u>Governmental Activities</u>	<u>2007</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	\$ 8,230,530	\$ 8,719,128	\$ 6,520,579	\$ 6,861,477	\$ 7,530,621
Restricted	1,665,886	1,113,020	632,623	861,334	1,151,527
Unrestricted	<u>5,705,257</u>	<u>157,661</u>	<u>(1,640,249)</u>	<u>(4,655,264)</u>	<u>(2,230,920)</u>
Total governmental activities net assets	<u>\$ 15,601,673</u>	<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 FIVE FISCAL YEARS

Governmental Activities	2007	2006	2005	2004	2003
<u>Expenses:</u>					
Instruction:					
Regular	\$ 23,915,567	\$ 23,318,390	\$ 22,864,137	\$ 23,486,849	\$ 22,375,563
Special	6,799,260	6,535,625	6,587,965	6,885,330	5,956,893
Vocational	2,970,104	2,909,064	2,791,238	2,907,647	2,811,767
Adult	-	140,878	151,540	22,997	-
Other	1,921,675	1,596,879	1,316,933	966,070	866,858
Support services:					
Pupil	2,658,799	2,846,622	2,676,900	2,614,587	2,329,275
Instructional staff	4,240,839	4,029,073	4,106,395	4,316,723	3,820,351
Board of education	118,748	99,555	137,083	141,345	183,090
Administration	3,822,352	3,876,566	3,507,561	3,699,470	3,345,715
Fiscal	1,468,975	1,403,653	1,400,700	1,366,159	1,286,047
Operations and maintenance	5,605,278	4,947,744	5,832,388	5,754,853	5,450,274
Pupil transportation	2,279,652	2,099,169	1,977,385	2,062,403	1,929,180
Central	149,859	147,817	119,375	143,826	230,120
Operation of non-instructional services:					
Food service operations	1,720,198	1,685,654	1,759,738	1,707,969	1,711,038
Other non-instructional services	636,243	637,088	611,998	685,389	724,093
Extracurricular activities	1,288,164	624,195	1,334,990	1,353,732	1,409,969
Interest and fiscal charges	142,348	165,665	140,487	160,153	174,786
Total governmental activities expenses	\$ 59,738,061	\$ 57,063,637	\$ 57,316,813	\$ 58,275,502	\$ 54,605,019

(continued)

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

CHANGES IN NET ASSETS
ACCRUAL BASIS OF ACCOUNTING

LAST FIVE FISCAL YEARS

Governmental Activities	2007	2006	2005	2004	2003
<u>Program Revenues:</u>					
Charges for services:					
Instruction:					
Regular	\$ 1,656,483	\$ 1,512,624	\$ 2,374,274	\$ 1,977,485	\$ 1,876,229
Special	427,012	299,111	-	274,954	-
Vocational	758,526	140,361	262,919	363,625	318,196
Other	70,000	86,361	-	-	47,649
Support services:					
Pupil	-	126,193	-	-	-
Instructional staff	-	158,216	-	-	2,114
Board of education	-	5,110	-	-	-
Administration	1,555	193,363	-	-	-
Fiscal	39	71,657	-	-	-
Operations and maintenance	71,215	264,997	4,382	15,978	11,042
Pupil transportation	6	130,801	-	7,834	168
Central	386	6,874	-	-	-
Operation of non-instructional services:					
Food service operations	916,764	986,582	959,673	873,692	1,003,356
Other non-instructional services	149,192	159,541	563,926	361,729	417,741
Extracurricular activities	559,006	460,840	582,406	717,304	636,902
Operating grants and contributions:					
Instruction:					
Regular	1,876,450	584,900	692,205	494,408	695,115
Special	2,667,431	862,771	907,967	953,117	751,677
Vocational	438,074	136,363	87,544	100,482	98,361
Other	35,954	17	31,655	-	317,813
Support services:					
Pupil	343,123	385,658	180,353	176,260	128,264
Instructional staff	1,177,811	966,238	1,509,883	1,037,155	898,482
Administration	21,245	18,281	11,070	11,790	54,724
Fiscal	-	1,662	-	-	-
Operations and maintenance	451,959	43,889	64,827	71,070	455,184
Pupil transportation	91,738	-	-	-	-
Central	27,108	33,535	20,249	30,131	110,245
Operation of non-instructional services:					
Food service operations	896,264	814,692	882,758	931,470	580,924
Other non-instructional services	454,785	457,241	331,054	340,985	296,409
Extracurricular activities	16,055	-	-	-	-
Capital grants and contributions:					
Instruction:					
Regular	74,601	-	49,875	-	88,072
Support services:					
Operations and maintenance	-	-	-	-	66,667
Pupil transportation	16,375	-	-	-	-
Total governmental activities program revenues	<u>\$ 13,199,157</u>	<u>\$ 8,907,878</u>	<u>\$ 9,517,020</u>	<u>\$ 8,739,469</u>	<u>\$ 8,855,334</u>
Net Revenue/(Expense)	<u>\$ (46,538,904)</u>	<u>\$ (48,155,759)</u>	<u>\$ (47,799,793)</u>	<u>\$ (49,536,033)</u>	<u>\$ (45,749,685)</u>

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

CHANGES IN NET ASSETS
ACCRUAL BASIS OF ACCOUNTING

LAST FIVE FISCAL YEARS

<u>Governmental Activities</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Revenues and Other Changes in Net Assets:					
Property taxes levied for:					
General purposes	\$ 28,441,147	\$ 29,122,910	\$ 28,074,070	\$ 25,610,581	\$ 25,808,314
Debt service	106,330	108,061	108,061	108,062	108,061
Capital projects	1,106,943	-	-	-	-
Grants and entitlements not restricted to specific programs	20,714,263	21,941,335	21,047,772	20,151,186	19,021,043
Investment earnings	1,069,510	489,690	208,720	174,636	275,635
Miscellaneous	712,575	970,619	806,576	601,258	389,506
Total governmental activities general revenues	<u>\$ 52,150,768</u>	<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>\$ 5,611,864</u>	<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>2006</u>	<u>2005</u>	<u>2004</u>
<u>General Fund:</u>				
Fund Balance:				
Reserved	\$ 2,975,065	\$ 3,013,053	\$ 3,551,749	\$ 2,816,147
Unreserved	2,110,152	(1,710,892)	(4,031,490)	(3,338,528)
Total general fund	<u>\$ 5,085,217</u>	<u>\$ 1,302,161</u>	<u>\$ (479,741)</u>	<u>\$ (522,381)</u>
<u>Other Governmental Funds:</u>				
Fund Balance:				
Reserved	\$ 1,789,430	\$ 1,236,298	\$ 1,562,345	\$ 623,866
Unreserved, reported in:				
Special revenue funds	438,552	656,201	167,442	232,401
Capital projects funds	(144,932)	(361,931)	(1,428,827)	(654,172)
Permanent fund	54,297	30,273	631,738	178,194
Total other governmental funds	<u>\$ 2,137,347</u>	<u>\$ 1,560,841</u>	<u>\$ 932,698</u>	<u>\$ 380,289</u>
Total governmental funds	<u>\$ 7,222,564</u>	<u>\$ 2,863,002</u>	<u>\$ 452,957</u>	<u>\$ (142,092)</u>

Source: Findlay CSD, Treasurer's Office.

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$ 2,035,148 (638,731)	\$ 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
<u>\$ 1,396,417</u>	<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>
\$ 757,149 (34,745) (707,584) 175,610	\$ 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 -
<u>\$ 190,430</u>	<u>\$ (160,647)</u>	<u>\$ (55,597)</u>	<u>\$ 906,084</u>	<u>\$ 199,984</u>	<u>\$ 690,292</u>
<u>\$ 1,586,847</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>

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

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

LAST TEN FISCAL YEARS

Governmental Funds	2007	2006	2005	2004
Revenues:				
From local sources:				
Taxes	\$ 29,598,094	\$ 29,144,263	\$ 27,278,445	\$ 25,764,840
Tuition	2,656,155	2,773,147	2,528,218	2,344,604
Earnings on investments	835,528	419,503	189,744	181,235
Charges for services	916,764	986,582	961,169	873,692
Extracurricular	573,569	487,563	579,910	547,674
Classroom materials and fees	365,305	355,339	326,309	314,614
Rental income	-	-	-	-
Donations	-	-	293,109	-
Other local revenues	1,178,209	970,619	864,178	1,113,275
Other revenue	-	-	-	-
Intergovernmental - Intermediate	-	115,870	1,263	-
Intergovernmental - State	24,510,586	22,519,432	21,761,800	20,620,247
Intergovernmental - Federal	4,311,602	3,719,171	4,086,262	4,001,791
Total revenues	64,945,812	61,491,489	58,870,407	55,761,972
Expenditures:				
Current:				
Instruction:				
Regular	23,456,663	23,841,116	22,851,215	22,677,188
Special	6,712,383	6,633,764	6,562,357	6,698,490
Vocational	2,864,128	2,870,132	2,774,174	2,830,388
Adult	-	140,288	151,806	22,115
Other	1,921,652	1,590,336	1,319,245	966,151
Support services:				
Pupil	2,649,120	2,821,732	2,660,619	2,571,763
Instructional staff	4,181,270	4,008,697	4,166,714	4,290,418
Board of education	118,748	99,138	137,324	141,345
Administration	3,816,757	3,766,790	3,555,187	3,629,330
Fiscal	1,443,722	1,383,808	1,396,875	1,353,401
Operations and maintenance	5,545,420	5,036,278	5,442,055	5,693,012
Pupil transportation	2,191,111	2,002,206	1,869,871	2,099,609
Central	147,223	147,729	119,694	140,790
Operation of non-instructional services:				
Food service operations	1,694,138	1,666,276	1,775,874	1,715,056
Other non-instructional services	603,278	616,342	588,603	668,136
Extracurricular activities	1,276,019	729,828	1,342,774	1,349,432
Facilities acquisition and construction	1,294,927	1,818,243	573,018	44,188
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	514,167	441,312	403,946	439,334
Interest and fiscal charges	144,066	152,355	140,487	160,153
Total expenditures	60,574,792	59,766,370	57,831,838	57,490,299
Excess (deficiency) of revenues over (under) expenditures	4,371,020	1,725,119	1,038,569	(1,728,327)
Other Financing Sources (Uses):				
Transfers in	1,255,000	1,280,000	590,000	-
Transfers (out)	(1,255,000)	(1,280,000)	(590,000)	-
Proceeds from sale of capital assets	-	-	6,375	7,551
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
Net change in fund balances	\$ 4,371,020	\$ 2,438,730	\$ 1,140,595	\$ (1,720,776)
Debt service as a percentage of noncapital expenditures	1.09%	0.99%	0.94%	1.04%

Source: Findlay CSD, Treasurer's Office.

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$	24,943,804	\$ 25,584,455	\$ 24,488,752	\$ 24,443,309	\$ 24,379,865	\$ 23,588,224
	2,097,962	584,678	349,597	364,994	845,136	618,284
	258,138	328,856	726,197	704,121	575,776	591,160
	915,532	-	-	-	-	-
	641,279	584,164	-	554,553	424,922	435,472
	-	-	-	-	-	-
	-	-	-	46,010	23,867	25,515
	234,738	-	-	95,440	73,638	51,636
	1,445,815	780,918	1,288,634	438,102	313,809	351,159
	66,744	-	286,621	-	-	-
	-	-	-	-	-	-
	19,811,935	19,616,413	16,089,458	14,767,115	14,560,650	14,174,130
	<u>2,674,921</u>	<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>53,090,868</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>
	22,197,626	20,966,922	20,146,170	18,556,675	17,547,349	16,729,265
	5,876,409	5,367,983	4,786,151	4,903,536	4,667,489	4,416,549
	2,716,560	2,627,251	2,847,382	2,170,232	2,574,877	2,502,857
	-	-	-	-	27,802	14,680
	870,279	280,148	257,121	183,780	143,565	86,659
	2,317,505	2,203,531	2,135,479	2,124,614	1,923,321	1,868,599
	3,688,968	3,172,173	2,619,051	2,944,597	2,938,580	2,786,043
	183,090	159,968	161,133	161,443	117,511	141,499
	3,251,163	3,020,575	2,918,664	2,683,610	2,580,603	2,453,542
	1,268,227	1,185,346	1,170,793	924,861	850,279	822,263
	5,393,900	4,997,667	4,657,929	8,536,941	4,243,421	3,902,780
	1,795,382	1,781,043	1,419,372	1,377,209	1,407,436	1,139,535
	229,529	175,560	214,230	68,024	19,175	19,369
	1,489,419	-	-	-	-	-
	694,726	389,418	308,813	354,128	284,624	276,824
	1,416,183	1,468,230	1,667,247	1,190,931	1,057,718	980,901
	94,152	53,727	1,458,280	-	-	-
	-	-	-	2,965,128	1,298,498	1,305,602
	399,511	457,173	444,152	271,526	119,882	114,612
	174,786	191,226	213,412	177,719	2,226	51,403
	<u>54,057,415</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>
	(966,547)	1,206,766	(1,917,700)	(6,090,141)	1,455,239	2,229,795
	3,212	-	158,235	3,500,000	1,000,000	38,081
	(3,212)	-	(158,069)	(3,500,000)	(1,000,000)	(38,262)
	17,937	101	21	23,025	1,476	9,503
	-	-	-	4,238,320	-	62,005
	-	-	-	-	-	-
	-	-	-	-	-	-
	17,937	101	187	4,261,345	1,476	71,327
\$	<u>(948,610)</u>	<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>
	1.06%	1.34%	1.39%	0.96%	0.30%	0.43%

**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)
2007	\$ 732,408,130	\$ 2,092,594,657	\$ 61,443,228	\$ 245,772,912	\$ 22,421,120	\$ 25,478,545
2006	721,298,790	2,060,853,686	89,606,733	358,426,932	22,255,930	25,290,830
2005	709,762,130	2,027,891,800	121,231,428	484,925,712	22,704,310	25,800,352
2004	648,032,840	1,851,522,400	119,542,954	478,171,816	22,348,380	25,395,886
2003	628,600,880	1,796,002,514	141,389,687	565,558,748	22,109,380	25,124,295
2002	612,660,110	1,750,457,457	145,107,726	580,430,904	21,725,890	24,688,511
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, and has a weighted average direct rate of 30.98% for 2007.

General tangible personal property is assessed at 25 percent of estimated actual value, and has a weighted average direct rate of 2.60% for 2007.

Public utility tangible personal property is assessed at 88 percent of estimated actual value, and has a weighted average direct rate of 0.95% for 2007.

Total Property		Assessed Valuation as a Percent of Estimated Actual Valuation
Assessed Valuation	Estimated Actual Valuation	
\$ 816,272,478	\$ 2,363,846,115	34.53%
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
2007	\$ 60.75	\$ 3.20	\$ 7.80	\$ 0.80	\$ 72.55
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, 2006 AND DECEMBER 31, 1997

December 31, 2006			
Taxpayer	Assessed Valuation	Rank	%
Marathon Oil / Ashland Petroleum Co.	\$ 10,605,130	1	1.47%
Cooper Tire and Rubber Co.	8,972,530	2	1.24%
Findlay Shopping Center, Inc.	6,460,380	3	0.90%
Ohio Power Co.	5,455,640	4	0.76%
Logistics Solutions of Ohio	3,837,860	5	0.53%
Lowe's Home Centers, Inc.	2,348,110	6	0.33%
LP Investment Co.	2,285,420	7	0.32%
Gardner, Phillip D. - Trustee	1,934,940	8	0.27%
Massillon Apartments	1,858,600	9	0.26%
Arbors of Findlay, LTD.	1,786,680	10	0.25%
	\$ 45,545,290		\$ 721,298,790

December 31, 1997			
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%
	\$ 64,258,730		\$ 468,307,680

Source: Hancock County Auditor.

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

PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY

DECEMBER 31, 2006 AND DECEMBER 31, 1997

December 31, 2006			
Taxpayer	Assessed Valuation	Rank	%
Cooper Tire and Rubber Co.	\$ 9,041,180	1	8.08%
Nissan Brake	5,997,120	2	5.36%
Dow Chemical Co.	3,022,770	3	2.70%
Filtech, Inc.	1,974,250	4	1.76%
Sanoh	1,865,880	5	1.67%
Findlay Products	1,480,160	6	1.32%
Bridgestone APM	1,338,020	7	1.20%
Marathon Oil / Ashland Petroleum Co.	1,261,790	8	1.13%
Cummins	1,091,095	9	0.98%
Findlay Industries, Inc.	938,520	10	0.84%
Total	\$ 28,010,785		\$ 111,862,663

December 31, 1997			
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
2007	\$ 27,606,133	\$ 1,425,582	\$ 29,031,715	\$ 26,762,857	96.95%
2006	25,261,004	1,413,478	26,674,482	24,452,652	96.80%
2005	25,029,980	1,017,364	26,047,344	24,220,645	96.77%
2004	19,877,400	792,485	20,669,885	19,531,217	98.26%
2003	22,087,221	880,588	22,967,809	21,333,848	96.59%
2002	20,020,190	628,528	20,648,718	19,488,041	97.34%
2001	20,559,429	767,855	21,327,284	19,927,521	96.93%
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%

Source: Hancock County Auditor.

Delinquent Taxes Collected	Total Taxes Collected	Total Taxes Collected as a Percent of Total Tax Levy
\$ 880,735	\$ 27,643,592	95.22%
787,587	25,240,239	94.62%
694,439	24,915,084	95.65%
569,908	20,101,125	97.25%
622,508	21,956,356	95.60%
444,321	19,932,362	96.53%
93,904	20,021,425	91.23%
51,751	17,826,416	80.60%
81,158	17,159,123	80.72%
57,449	16,438,934	83.87%

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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					
2007	\$ 527,598	\$ 584,206	\$ 1,111,804	\$ 169	\$ 29	\$ 25	
2006	635,659	735,673	1,371,332	209	36	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	

Source: Findlay CSD, Treasurer's Office.

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

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

JUNE 30, 2007

<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
2007	65,916,732	\$ -	\$ -	\$ -	\$ 65,916,732	0.00%
2006	74,984,531	-	1,731	(1,731)	74,986,262	0.00%
2005	76,832,808	-	365	(365)	76,833,173	0.00%
2004	71,093,176	-	-	-	71,093,176	0.00%
2003	71,288,995	-	-	-	71,288,995	0.00%
2002	70,154,435	-	-	-	70,154,435	0.00%
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%

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
2007	38,173	\$ 45,117	37.2	6,565	4.5%	5.6%	4.6%
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%

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	2007	2006	2005	2004	2003
Teaching Staff:					
Elementary School	189	184	187	199	200
Middle School	97	107	109	117	118
High School	138	140	141	152	153
Administration:					
District	46	47	47	45	43
Auxiliary Staff:					
Counselors	15	14	13	24	24
Librarians	1	1	1	4	4
Psychologists	6	7	7	11	7
Speech, Physical and Occupational Therapists	9	8	8	9	8
Nurses and Mental Health Specialists	7	7	7	6	6
Support Staff:					
Secretarial, Finance Clerks, EMIS	43	43	43	45	45
Aides	65	71	74	77	80
Program Directors (After / Before School & Alumni)	6	7	6	10	11
Food Services	34	36	35	33	34
Monitors and Security	16	12	11	12	10
Custodial	48	51	48	54	50
Maintenance	10	10	10	10	10
Bus Drivers	22	27	28	28	27
Mechanics	3	3	3	3	3
Extracurricular Coaches	105	108	108	103	106
Total	860	883	886	942	939

Staff Function	2007	2006	2005	2004	2003
Instruction:					
Regular	393	399	396	413	415
Other	119	123	133	154	156
Support Services:					
Pupil	41	40	38	57	53
Administration	69	70	71	71	69
Fiscal	7	7	7	7	7
Operations and maintenance	96	101	97	101	98
Pupil transportation	28	33	34	34	33
Extracurricular activities	107	110	110	105	108
Total	860	883	886	942	939

Source: Findlay CSD, Treasurer's Office.

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

2002	2001	2000	1999	1998
403	386	390	361	355
161	155	139	131	151
59	38	38	35	35
63	68	66	62	66
7	7	7	7	7
99	92	92	93	85
32	30	32	28	30
112	105	109	98	103
936	881	873	815	832

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

<u>Governmental Activities</u>	<u>2007</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	\$ 416,459
Land improvements	299,982	313,496	214,037	234,007	257,388
Buildings and improvements	8,574,033	8,843,491	7,530,937	7,853,690	8,177,206
Equipment and furniture	1,085,859	1,038,673	509,283	681,393	903,409
Vehicles	1,132,511	528,158	583,970	652,623	590,755
Construction in progress	-	-	242,588	-	-
Total governmental activities capital assets	<u>\$ 11,508,844</u>	<u>\$ 11,140,277</u>	<u>\$ 9,497,274</u>	<u>\$ 9,838,172</u>	<u>\$ 10,345,217</u>

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>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>High School</u>				
Square footage	246,608	246,608	246,608	246,608
Student enrollment	2,325	2,293	2,209	2,150
<u>Central Middle School</u>				
Square footage	105,912	105,912	105,912	105,912
Student enrollment	492	467	487	536
<u>Donnell Middle School</u>				
Square footage	70,605	70,605	70,605	70,605
Student enrollment	460	473	467	480
<u>Glenwood Middle School</u>				
Square footage	70,605	70,605	70,605	70,605
Student enrollment	428	441	440	417
<u>Bigelow Hill Elementary School</u>				
Square footage	31,645	31,645	31,645	31,645
Student enrollment	252	245	245	264
<u>Chamberlin Hill Elementary School</u>				
Square footage	31,645	31,645	31,645	31,645
Student enrollment	247	247	264	258
<u>Jacobs Elementary School</u>				
Square footage	31,645	31,645	31,645	31,645
Student enrollment	315	308	297	283
<u>Jefferson Elementary School</u>				
Square footage	25,509	25,509	25,509	25,509
Student enrollment	273	272	244	244
<u>Lincoln Elementary School</u>				
Square footage	57,892	57,892	57,892	57,892
Student enrollment	434	471	490	478
<u>Northview Elementary School</u>				
Square footage	36,246	36,246	36,246	36,246
Student enrollment	303	319	308	278
<u>Washington Elementary School</u>				
Square footage	40,287	40,287	40,287	40,287
Student enrollment	222	240	265	224
<u>Whittier Elementary School</u>				
Square footage	31,930	31,930	31,930	31,930
Student enrollment	390	383	384	402
<u>Wilson Vance Elementary School</u>				
Square footage	38,193	38,193	38,193	38,193
Student enrollment	424	412	407	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.

2003	2002	2001	2000	1999	1998
246,608 2,162	246,608 2,172	246,608 2,121	246,608 2,177	226,782 2,123	226,782 2,115
105,912 536	105,912 514	105,912 473	105,912 451	105,912 442	105,912 441
70,605 480	70,605 455	70,605 466	70,605 455	70,605 478	70,605 479
70,605 417	70,605 429	70,605 395	70,605 416	70,605 445	70,605 459
31,645 277	31,645 291	31,645 292	31,645 280	31,645 284	31,645 288
31,645 264	31,645 243	31,645 232	31,645 258	31,645 259	31,645 247
31,645 299	31,645 305	31,645 297	31,645 319	31,645 348	31,645 340
25,509 259	25,509 281	25,509 270	25,509 249	25,509 227	25,509 233
57,892 478	57,892 489	57,892 497	57,892 524	57,892 509	57,892 504
36,246 286	36,246 297	36,246 309	36,246 215	36,246 333	36,246 328
40,287 224	40,287 244	40,287 260	40,287 269	40,287 253	40,287 244
31,930 402	31,930 393	31,930 393	30,369 369	30,369 368	30,369 339
38,193 374	38,193 355	38,193 340	38,193 329	38,193 317	38,193 298
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		
2007	\$ 59,738,061	\$ 9,099	\$ 60,574,792	\$ 9,227	6,565	-0.09%
2006	57,063,637	8,684	59,766,370	9,095	6,571	0.98%
2005	57,316,813	8,808	57,831,838	8,888	6,507	1.86%
2004	58,275,502	9,123	57,490,299	9,000	6,388	-1.08%
2003	54,605,019	8,455	54,057,415	8,371	6,458	-0.15%
2002	n/a	n/a	48,497,941	7,498	6,468	1.94%
2001	n/a	n/a	47,425,379	7,474	6,345	-1.03%
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%

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%	2,038	31.0%	424	15.48
95.4%	2,037	31.0%	431	15.25
95.4%	1,874	28.8%	437	14.89
95.7%	1,701	26.6%	468	13.65
95.7%	1,459	22.6%	471	13.71
95.9%	1,673	25.9%	471	13.73
95.5%	1,356	21.4%	456	13.91
94.8%	1,631	25.4%	449	14.28
94.7%	1,332	20.9%	428	14.92
94.8%	-	0.0%	442	14.29

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

TEACHER STATISTICS

JUNE 30, 2007

<u>Education</u>	<u>Number of Teachers</u>	<u>Percentage of Teachers</u>	<u>Salary Range</u>	<u>Average Salary</u>
Bachelor's Degree	66	14.83%	\$30,541 - \$50,383	\$ 35,671
Bachelor's Degree plus 15 hours	35	7.87%	30,826 - 53,096	42,579
Bachelor's Degree plus 30 hours	48	10.79%	32,022 - 55,805	46,391
Master's Degree	101	22.70%	33,507 - 61,216	46,085
Master's Degree plus 15 hours	57	12.81%	42,531 - 65,055	56,082
Master's Degree plus 30 hours	128	28.76%	42,602 - 68,897	63,063
Non-Degree	10	2.25%	29,611 - 48,508	40,287
Total	<u>445</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	109	24.49%	\$29,611 - \$46,688	\$ 34,852
6 - 10 years	88	19.78%	39,044 - 56,901	47,230
11 - 20 years	117	26.29%	44,486 - 65,074	53,896
Over 20 years	131	29.44%	48,966 - 68,897	62,111
Total	<u>445</u>	<u>100.00%</u>		

Source: Findlay CSD, Treasurer's Office.