



OHIO AUDITOR OF STATE  
**KEITH FABER**





**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY  
JUNE 30, 2019**

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**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education</i>			
<u>Child Nutrition Cluster:</u>			
School Breakfast Program	10.553	2019	\$ 142,495
National School Lunch Program	10.555		
Cash Assistance		2019	771,385
Non-Cash Assistance (Commodities)		2019	112,848
Total National School Lunch Program			<u>884,233</u>
Total Child Nutrition Cluster			<u>1,026,728</u>
Total U.S. Department of Agriculture			<u><b>1,026,728</b></u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Education Agencies	84.010	2018	36,965
Title I Grants to Local Education Agencies	84.010	2019	1,171,577
Total Title I Grants to Local Education Agencies			<u>1,208,542</u>
<u>Special Education Cluster:</u>			
Special Education Grants to States	84.027	2018	85,671
Special Education Grants to States	84.027	2019	1,201,202
Total Special Education Grants to States			<u>1,286,873</u>
Special Education Preschool Grants	84.173	2019	60,460
Total Special Education Cluster			<u>1,347,333</u>
Career and Technical Education - Basic Grants to States	84.048	2019	199,475
Rural Education	84.358	2018	8,734
Rural Education	84.358	2019	3,928
Total Rural Education			<u>12,662</u>
English Language Acquisition State Grants	84.365	2019	14,578
Supporting Effective Instruction State Grants	84.367	2019	183,935
Student Support and Academic Enrichment Program	84.424	2018	760
Student Support and Academic Enrichment Program	84.424	2019	55,101
Total Student Support and Academic Enrichment Program			<u>55,861</u>
Total U.S. Department of Education			<u><b>3,022,386</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$4,049,114</b></u>

*The accompanying notes are an integral part of this schedule.*

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Findlay City School District, Hancock County, Ohio (the District) under programs of the federal government for the fiscal year ended June 30, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

**NOTE F – FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.



One Government Center, Suite 1420  
Toledo, Ohio 43604-2246  
(419) 245-2811 or (800) 443-9276  
NorthwestRegion@ohioauditor.gov

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Findlay City School District  
Hancock County  
2019 Broad Avenue  
Findlay, Ohio 45840-2651

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the discretely presented component unit, the major fund, and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 27, 2019.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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



Keith Faber  
Auditor of State

Columbus, Ohio

December 27, 2019



# OHIO AUDITOR OF STATE KEITH FABER



One Government Center, Suite 1420  
Toledo, Ohio 43604-2246  
(419) 245-2811 or (800) 443-9276  
NorthwestRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Findlay City School District  
Hancock County  
2019 Broad Avenue  
Findlay, Ohio 45840-2651

To the Board of Education:

### ***Report on Compliance for the Major Federal Program***

We have audited Findlay City School District, Hancock County, Ohio's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Findlay City School District's major federal programs for the year ended June 30, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

### ***Management's Responsibility***

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, Findlay City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended June 30, 2019.

### ***Report on Internal Control Over Compliance***

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

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

### ***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have also audited the financial statements of the governmental activities, the discretely-presented component unit, the major fund and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 27, 2019. We conducted our audit to opine on the District's basic financial statements as a whole. We have not performed any procedures to the audited financial statements subsequent to December 27, 2019. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Findlay City School District  
Hancock County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control over  
Compliance Required by the Uniform Guidance  
Page 3

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State

Columbus, Ohio

February 12, 2020

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Special Education Cluster – CFDA # 84.027 and CFDA # 84.173 Career and Technical Education – CFDA # 84.048
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

# Findlay City School District

Findlay, Ohio

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

For Fiscal Year Ended June 30, 2019



(Pictured above are Findlay High School graduates that currently work for the District)



**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**OF THE**

**FINDLAY, OHIO**

**CITY SCHOOL DISTRICT**

**FOR THE**

**FISCAL YEAR ENDED JUNE 30, 2019**

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

**2019 BROAD AVENUE  
FINDLAY, OHIO 45840**





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

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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# INTRODUCTORY SECTION

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December 27, 2019

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, 2019. The CAFR, which includes an opinion from the Ohio Auditor of State's Office which performed the District's audit, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This CAFR will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be made available to the Chamber of Commerce, the Findlay Public Library, financial rating services, and other interested parties.

The Comprehensive Annual Financial Report is presented in three sections:

1. The Introductory Section, which is unaudited, includes a Table of Contents, this Letter of Transmittal, a List of Principal Officials, an Organizational Chart, the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the 2018 CAFR, and the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for the 2018 CAFR.
2. The Financial Section, which includes the Independent Auditor's Report, the Management's Discussion and Analysis, the Basic Financial Statements, the Notes to the Basic Financial Statements, Required Supplementary Information, and the Combining Statements and Individual Fund Schedules.
3. The Statistical Section, which is unaudited, includes various tables which reflect financial and demographic information, financial trends, and the fiscal capacity of the District.

## **SCHOOL DISTRICT ORGANIZATION**

Findlay City School District is one of 930 public school districts and community schools in the State of Ohio and one of eight school districts in Hancock County. It provides education to approximately 5,655 students in pre-kindergarten through grade 12. The District is located in northwestern Ohio, approximately 65 miles south of the City of Toledo. 98 percent of the District's territory is within the City of Findlay, the county seat. The District serves an area of approximately 37 square miles.

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

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

## **THE REPORTING ENTITY**

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

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

## **ECONOMIC OUTLOOK**

With a total assessed valuation of \$825,967,890 and a tax rate of \$64.95 per \$1,000.00 of assessed valuation, the District has a sound financial base. A sexennial reappraisal of all real property was completed in 2016. This resulted in a valuation increase of approximately four percent. The Findlay community continues to explore solutions to frequent flooding issues that were most notable from the August 2007 flood and another large flood that hit in February 2008. The District is concerned with the ability and willingness of its taxpayers to support future levies given the financial hardships that voters may be experiencing as a result of past and future flooding; however, taxpayers did step up to approve a 5.9 mill replacement levy in November 2008; and a 4.3 mill, 28 year bond levy in November 2009 after a failed attempt in August 2009. Voters also passed a 4.9 mill continuing levy in May 2017, as well as a 5.9 mill continuing levy in May 2014—both were previously 5 year levies and both passed by historically large margins. Conversely an attempt to pass a 1.5 mill safety and security levy was soundly rejected by voters in November 2018.

The District's financial condition continues to be an area of focus for the Board of Education and Administration and is closely monitored through the five-year forecast. State funding has remained flat for the district and has not kept up with expenditures. The State also continues to reduce a large portion of property tax allocation that is being phased out at a rate of \$495,000 per year. The District continues to be locally proactive in cost containment and is not optimistic for any solutions from the State given the history of school funding.

Ohio school districts cannot generate significant additional revenue from taxes except by the vote of the people. On May 6, 2014, voters renewed an expiring 5.9 mill levy for a continuous basis. On May 2, 2017, the voters elected to replace an expiring 4.9 mill levy for a continuous basis as well. The District will likely seek a new 5.9 mill operating levy in 2020. Resources of the general fund will be impacted in the future by the local economy and past Ohio tax reforms including the past elimination of tangible personal property taxes, as well as increasing health care costs and declining enrollment, although the District continually looks for ways to contain those increasing costs.

## **MAJOR INITIATIVES**

The District focuses on the six strategic objectives approved by the Board of Education as part of its Strategic Plan, which was redeveloped in 2015:

- Strategic Objective 1: 100% of students will graduate on time.
- Strategic Objective 2: 100% of graduates will be enrolled in post-secondary or in the workforce within six months of their program.
- Strategic Objective 3: Findlay City Schools will provide safe educational facilities that foster positive learning environments.
- Strategic Objective 4: Findlay City Schools will develop and implement plans to ensure sufficient funding for current and future operations, programs, and facilities.
- Strategic Objective 5: Findlay City Schools will create learning environments in which all students, staff and families will feel physically and emotionally safe, valued, and engaged.
- Strategic Objective 6: Findlay City Schools will serve as a partner in addressing root issues in Hancock County through collaborative efforts.

The District continues to implement solutions to its facility needs. The passage of a 2.5 mill permanent improvement levy in May 2006 has helped to alleviate many facility needs. However, the biggest improvement to the District's facility needs was made possible in November 2009, when voters approved a 4.3 mill, 28-year bond levy which pays the debt service on \$54,195,000 that was needed to cover the local share and locally funded initiatives used to build two (2) middle schools and a career tech building. The District consolidated the south, north, and east campuses of Millstream Career Center into one location. The District also converted its three (3) small middle schools into two (2) larger, more efficient, newly constructed middle schools. The Millstream Career Center was completed for the start of the 2012-13 school year, while the new middle schools first accepted students in January 2013.



The District now supports one high school, two middle schools, and eight elementary buildings along with Millstream Career Center for vocational education, and a former elementary school that now serves as a preschool and houses the Findlay Learning Center, which offers blended learning. The District also owns and operates a newly renovated transportation facility. These district buildings range in age from 48 to 104 years old, except for those that are newly built. The District's enrollment is steady.

## **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 a target to maintain sixty true days cash. This ratio is used when negotiating future labor contracts and in determining the need for future levies.

## **FINANCIAL INFORMATION**

The District's accounting system is organized on a fund basis. Each fund is a distinct self-balancing accounting entity. Governmental funds are presented on the modified accrual basis, whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Proprietary and fiduciary funds are presented on the accrual basis, whereby revenues are recognized when earned and expenses when incurred.

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

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

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

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

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

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation, plus any additional appropriations made to date. In addition to interim financial statements, each administrator and school principal has access to ongoing reports showing the status of the budget accounts for which they are responsible.

As an additional safeguard, all employees are covered by a blanket bond, and the treasurer is covered by a separate, higher limit bond.

The basis of accounting and the funds utilized by the District are fully described in Note 2 to the Basic Financial Statements. Additional information on the District's budgetary accounting can also be found in Note 2 to the Basic Financial Statements.

## **FINANCIAL HIGHLIGHTS**

Management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for fiscal year 2019 and the outlook for the future. Because that discussion focuses on major funds, the financial highlights provided in this letter focus on certain nonmajor funds of the District.

Internal Service Fund - The only internal service fund of the District is the Employee Benefits Self Insurance Fund. This internal service fund had a deficit net position balance of \$446,264 at June 30, 2019, compared to a deficit net position of \$356,949 at June 30, 2018, reflecting a decrease in net position of \$89,315.

Fiduciary Funds - The fiduciary funds account for assets held by the District in a trustee capacity, or as an agent, for other funds, governments, organizations, or individuals. The District maintains a private-purpose trust fund and an agency fund. The private-purpose trust fund had net position of \$55,977 at June 30, 2019, compared to net position of \$47,976 at June 30, 2018.

## **LONG-TERM FINANCIAL PLANNING**

The District will continue to implement new courses of study in an ongoing effort to meet, and exceed, the national and state standards to affect student outcomes in order to achieve an A grade on the Ohio Report Card. Part of this effort is the adoption of a more rigorous high school program, all day every day kindergarten and the expansion of preschool to serve a larger population. However, the District will remain financially prudent and will not offer courses without sufficient demand.

Full implementation of the overall Strategic Plan will 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 Facilities Construction Commission will help ensure the viability of the physical plants within the District. With the full implementation of these plans and directives, the District will remain poised to retain the full academic excellence and fiscal accountability standards that the community has come to expect of the Findlay City School District.

## **USE OF THIS REPORT**

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

In today's bond market environment, it is increasingly important that public agencies prepare soundly conceived annual financial reports which are independently audited by a qualified firm or agency. It has become almost required practice that such reports are prepared in accordance with GAAP, and the major bond rating agencies review the data presented in such reports before determining a public agency's bond rating. The District's bond rating is A1 from Moody's.

## INDEPENDENT AUDIT

Provisions of State statute require the District's Basic Financial Statements to be subjected to an annual examination by an independent auditor. Those provisions have been satisfied and the opinion of the District's independent auditors is included herein. The single audit report is not included in this CAFR, but is located in a separate report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system effective with its annual financial report for the 1979 fiscal year.

## AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Findlay City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The District has received this award for the past twenty-eight (28) years. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The District has also received a Certificate of Excellence in Financial Reporting in School Districts from the Association of School Business Officials International (ASBO) for the District's CAFR for the fiscal year ended June 30, 2018. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. The District has received this award for the past twenty-eight (28) years. We believe that our current report continues to conform to the Certificate of Excellence program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

## ACKNOWLEDGMENTS

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

Special appreciation is expressed to Ms. Brandi Smart, of Julian & Grube, Inc., who compiled this report in compliance with GAO guidance, and to the auditors of the Ohio Auditor of State's Office, who audited this report.

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

Respectfully,



Michael T. Barnhart, CPA  
Treasurer



Ed Kurt,  
Superintendent

**FINDLAY CITY SCHOOL DISTRICT**

**LIST OF PRINCIPAL OFFICIALS**

**JUNE 30, 2019**

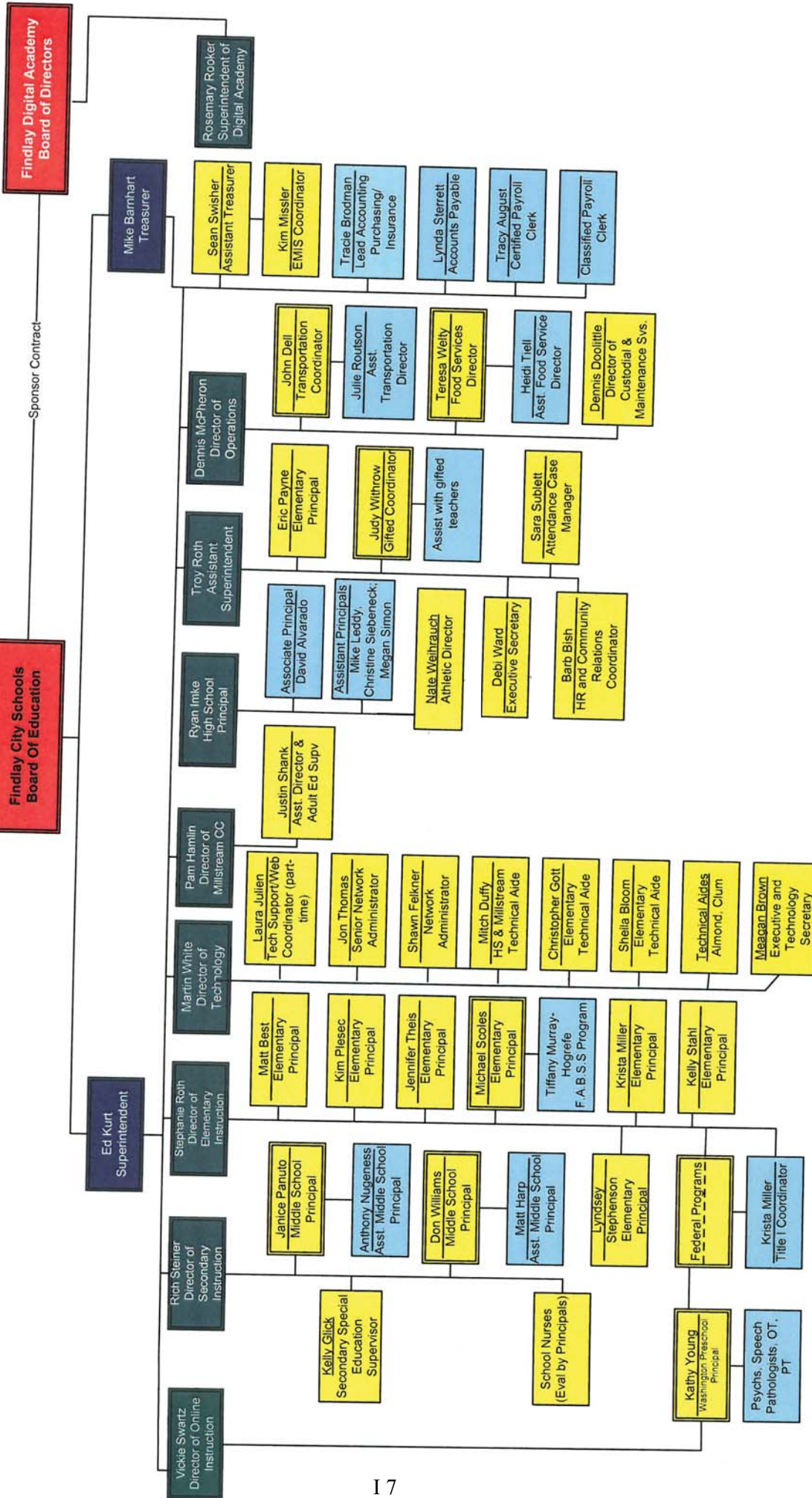
**BOARD OF EDUCATION**

Mr. Chris Aldrich . . . . . President  
Dr. Kathy Siebenaler Wilson . . . . . Vice-President  
Mr. Matt Cooper . . . . . Member  
Mrs. Jane Robertson . . . . . Member  
Mrs. Susan Russel . . . . . Member

**ADMINISTRATION**

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

Findlay City Schools  
2018 – 2019 Leadership Team





Government Finance Officers Association

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

Presented to

**Findlay City School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The 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, 2018.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSR  
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE  
Chief Operating Officer

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# FINANCIAL SECTION

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One Government Center, Suite 1420  
Toledo, Ohio 43604-2246  
(419) 245-2811 or (800) 443-9276  
NorthwestRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

Findlay City School District  
Hancock County  
2019 Broad Avenue  
Findlay, Ohio 45840-2651

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, the major fund, and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, the major fund, and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

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

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

The statements schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2019, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State

Columbus, Ohio

December 27, 2019

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2019 are as follows:

- In total, net position of governmental activities increased \$3,893,716 which represents a 24.71% increase from the 2018 net position. This increase is primarily from a reduction in the net pension and net OPEB liability.
- General revenues accounted for \$60,850,858 in revenue or 80.44% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$14,801,113 or 19.56% of total revenues of \$75,651,971.
- The District had \$71,758,255 in expenses related to governmental activities; \$14,801,113 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 \$60,850,858 were adequate to provide for these programs.
- The District's major governmental fund is the general fund. The general fund had \$61,868,958 in revenues and other financing sources and \$64,110,720 in expenditures. During fiscal year 2019, the general fund's fund balance decreased \$2,241,762 from a balance of \$6,700,417 to a balance of \$4,458,655.

**Using these Basic Financial Statements**

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

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

**Reporting the District as a Whole**

***Statement of Net Position and the Statement of Activities***

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

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

***Governmental Funds***

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

***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.

***Reporting the District's Fiduciary Responsibilities***

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

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB asset/liability.

**The District as a Whole**

The table below provides a summary of the District's net position at June 30, 2019 and June 30, 2018.

	<b>Net Position</b>	
	Governmental Activities <u>2019</u>	Governmental Activities <u>2018</u>
<b><u>Assets</u></b>		
Current and other assets	\$ 57,207,405	\$ 54,834,923
Capital assets, net	<u>91,960,814</u>	<u>94,284,979</u>
Total assets	<u>149,168,219</u>	<u>149,119,902</u>
<b><u>Deferred Outflows of Resources</u></b>		
Pension	20,650,564	24,957,347
OPEB	<u>1,269,571</u>	<u>963,955</u>
Total deferred outflows of resources	<u>21,920,135</u>	<u>25,921,302</u>
<b><u>Liabilities</u></b>		
Current liabilities	9,902,663	10,492,769
Long-term liabilities:		
Due within one year	2,584,835	2,394,815
Due in more than one year:		
Net pension liability	74,962,306	78,489,257
Net OPEB liability	8,605,855	18,103,041
Other amounts	<u>46,467,312</u>	<u>47,930,213</u>
Total liabilities	<u>142,522,971</u>	<u>157,410,095</u>
<b><u>Deferred Inflows of Resources</u></b>		
Property taxes and PILOTs levied for next year	28,864,905	28,795,325
Pension	4,341,391	2,571,957
OPEB	<u>7,223,483</u>	<u>2,021,939</u>
Total deferred inflows of resources	<u>40,429,779</u>	<u>33,389,221</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	47,393,471	48,369,602
Restricted	8,258,640	7,967,684
Unrestricted (deficit)	<u>(67,516,507)</u>	<u>(72,095,398)</u>
Total net position (deficit)	<u>\$ (11,864,396)</u>	<u>\$ (15,758,112)</u>



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2019 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

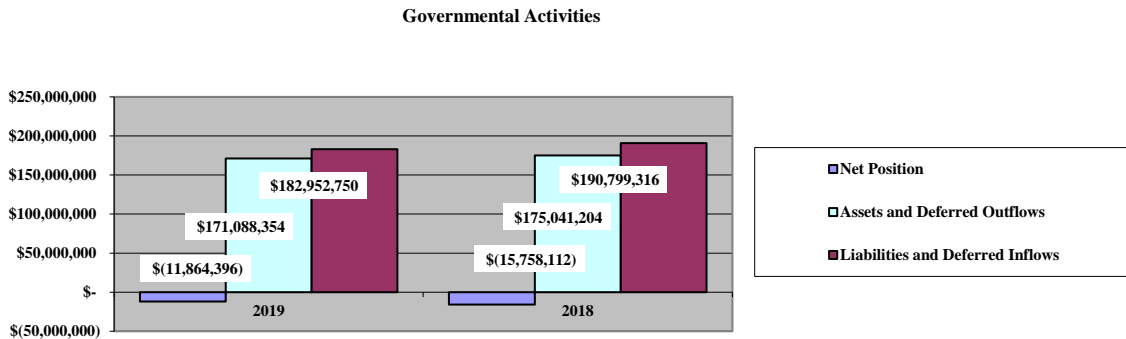
In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2019, the District's liabilities and deferred inflows exceeded assets and deferred outflows by \$11,864,396. Of this total \$8,258,640 is restricted in use. This includes \$3,235,039 restricted for capital projects.

At year-end, capital assets represented 61.65% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment and furniture, vehicles and infrastructure. The District's net investment in capital assets at June 30, 2019, was \$47,393,471. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$8,258,640, represents resources that are subject to external restriction on how they may be used.

The graph below shows the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2019 and June 30, 2018.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

The table below shows the change in net position for fiscal years 2019 and 2018.

	<b>Change in Net Position</b>	
	Governmental Activities <u>2019</u>	Governmental Activities <u>2018</u>
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 5,449,613	\$ 5,322,391
Operating grants and contributions	9,087,759	9,278,637
Capital grants and contributions	263,741	334,824
General revenues:		
Property taxes	31,489,408	29,283,381
Payments in lieu of taxes	269,459	364,507
Grants and entitlements	28,248,140	28,904,401
Investment earnings	293,651	289,133
Change in fair value of investments	8,130	(411,200)
Miscellaneous	<u>542,070</u>	<u>985,231</u>
Total revenues	<u>75,651,971</u>	<u>74,351,305</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<b>Change in Net Position</b>	
	Governmental Activities	Governmental Activities
	<u>2019</u>	<u>2018</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 25,583,856	\$ 14,882,418
Special	10,139,896	5,184,025
Vocational	3,288,177	2,616,170
Adult/continuing	11,596	9,392
Other	5,538,094	5,949,491
Support services:		
Pupil	3,126,831	1,704,517
Instructional staff	2,816,771	1,563,946
Board of education	239,522	190,311
Administration	4,124,021	2,328,662
Fiscal	1,286,722	1,127,219
Business	28,539	140,567
Operations and maintenance	5,871,446	4,728,957
Pupil transportation	2,984,491	1,529,225
Central	182,389	95,211
Other non-instructional services	710,210	577,932
Food service operations	1,592,437	1,222,446
Extracurricular activities	1,623,440	974,264
Interest and fiscal charges	<u>2,609,817</u>	<u>2,743,854</u>
Total expenses	<u>71,758,255</u>	<u>47,568,607</u>
Change in net position	3,893,716	26,782,698
Net position (deficit), beginning of year	<u>(15,758,112)</u>	<u>(42,540,810)</u>
Net position (deficit), end of year	<u><u>\$ (11,864,396)</u></u>	<u><u>\$ (15,758,112)</u></u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Governmental Activities**

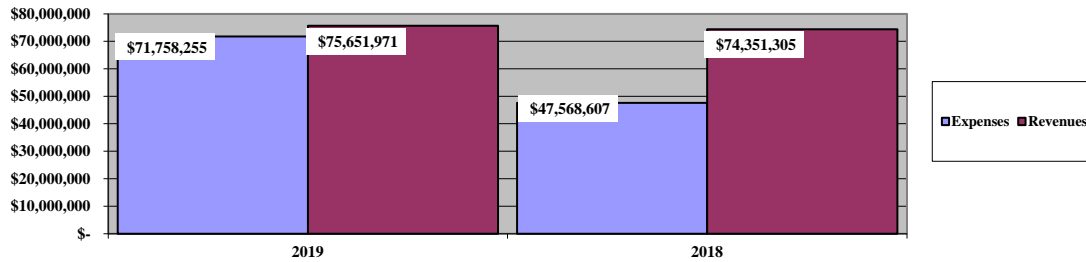
Net position of the District's governmental activities increased \$3,893,716. Total governmental expenses of \$71,758,255 were offset by program revenues of \$14,801,113 and general revenues of \$60,850,858. Program revenues supported 20.63% of the total governmental expenses.

Expenses of the governmental activities increased \$24,189,648 or 50.85%. This increase is primarily the result of an increase in the recognized STRS pension expense between years; in fiscal year 2018, the STRS pension expense was (\$22,887,218), while in fiscal year 2019, the expense increased to \$6,134,183. This increase was offset by a decrease in the STRS OPEB expense between years, decreasing from (\$3,016,676) in fiscal year 2018 to (\$9,041,150) in fiscal year 2019.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 78.94% of total governmental revenue. Real estate property is reappraised every six years.

The graph below presents the District's governmental activities revenues and expenses for fiscal years 2019 and 2018.

**Governmental Activities - Revenues and Expenses**



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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.

<b>Governmental Activities</b>				
	Total Cost of Services <u>2019</u>	Net Cost of Services <u>2019</u>	Total Cost of Services <u>2018</u>	Net Cost of Services <u>2018</u>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 25,583,856	\$ 22,400,108	\$ 14,882,418	\$ 11,860,737
Special	10,139,896	4,149,469	5,184,025	(990,575)
Vocational	3,288,177	1,888,389	2,616,170	1,587,699
Adult/continuing	11,596	(63,404)	9,392	(2,891)
Other	5,538,094	5,472,170	5,949,491	5,908,501
Support services:				
Pupil	3,126,831	3,038,591	1,704,517	1,492,939
Instructional staff	2,816,771	2,540,990	1,563,946	1,073,012
Board of education	239,522	239,522	190,311	190,311
Administration	4,124,021	4,105,870	2,328,662	2,310,604
Fiscal	1,286,722	1,286,722	1,127,219	1,127,053
Business	28,539	21,295	140,567	106,791
Operations and maintenance	5,871,446	5,149,737	4,728,957	3,995,477
Pupil transportation	2,984,491	2,697,471	1,529,225	1,342,500
Central	182,389	164,821	95,211	89,521
Operation of non-instructional services:				
Other non-instructional services	710,210	310,094	577,932	17,194
Food service operations	1,592,437	(19,996)	1,222,446	(434,349)
Extracurricular activities	1,623,440	965,476	974,264	214,377
Interest and fiscal charges	<u>2,609,817</u>	<u>2,609,817</u>	<u>2,743,854</u>	<u>2,743,854</u>
Total expenses	<u>\$ 71,758,255</u>	<u>\$ 56,957,142</u>	<u>\$ 47,568,607</u>	<u>\$ 32,632,755</u>

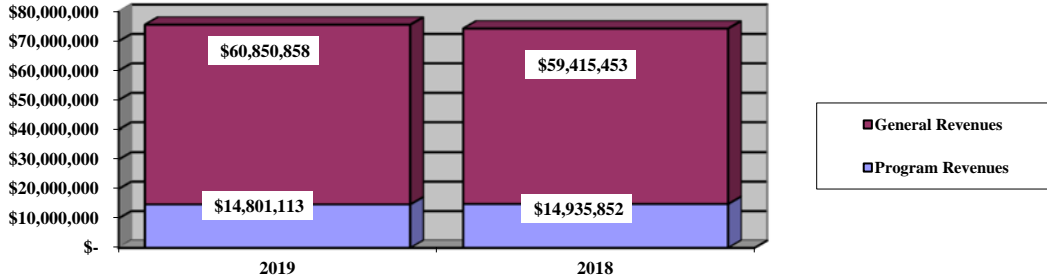
The dependence upon tax and other general revenues for governmental activities is apparent; as 75.95% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 79.37%. The District's taxpayers, and unrestricted grants and entitlements are the primary support for District's students.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

The graph below presents the District's governmental activities revenue for fiscal years 2019 and 2018.

**Governmental Activities - General and Program Revenues**



**The District's Funds**

The District's governmental funds reported a combined fund balance of \$12,917,511, which is less than last year's total of \$14,883,910. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2019 and 2018.

	Fund Balance <u>June 30, 2019</u>	Fund Balance <u>June 30, 2018</u>	Increase <u>(Decrease)</u>
General	\$ 4,458,655	\$ 6,700,417	\$ (2,241,762)
Other Governmental	<u>8,458,856</u>	<u>8,183,493</u>	<u>275,363</u>
Total	<u>\$ 12,917,511</u>	<u>\$ 14,883,910</u>	<u>\$ (1,966,399)</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

***General Fund***

The District's general fund balance decreased \$2,241,762. Although expenditures decreased and revenues increased from the prior year, the District still spent more than it received in fiscal year 2019, resulting in the overall decrease in fund balance.

	<u>2019</u> <u>Amount</u>	<u>2018</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>			
Taxes and payments in lieu of taxes	\$ 26,409,455	\$ 25,106,124	5.19 %
Tuition	3,217,208	3,080,099	4.45 %
Earnings on investments	289,602	230,903	25.42 %
Intergovernmental	30,250,398	31,341,165	(3.48) %
Other revenues	<u>1,695,413</u>	<u>1,308,535</u>	29.57 %
Total	<u>\$ 61,862,076</u>	<u>\$ 61,066,826</u>	1.30 %
<b><u>Expenditures</u></b>			
Instruction	\$ 43,495,130	\$ 43,271,785	0.52 %
Support services	19,482,826	19,741,840	(1.31) %
Operation of non-instructional services	187,658	189,995	(1.23) %
Extracurricular activities	<u>945,106</u>	<u>954,496</u>	(0.98) %
Total	<u>\$ 64,110,720</u>	<u>\$ 64,158,116</u>	(0.07) %

Tax revenues increased from fiscal year 2018 to fiscal year 2019 due to a fluctuation in the amount of tax available for advance and an increase in the amount of delinquencies at fiscal year-end by the Hancock County Auditor. Tax advances available are recorded as revenue under GAAP. The amount of tax advance available at year-end can vary depending upon when the county distributes tax bills. Tuition revenue increased due to an increase in tuition received from open enrollment. Earnings on investments increased from fiscal year 2018 to fiscal year 2019 due to the number of investments that matured during the current fiscal year. Expenditures related to instruction and support services varied due to fluctuations in personnel costs. All other revenues and expenditures remained consistent with the prior year.

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2019, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were \$61,999,507, which was more than the original budget estimate of \$61,857,418. This increase is due to higher estimates regarding property taxes. Actual revenues and other financing sources for fiscal year 2019 were \$59,769,042. This represents a \$2,230,465 decrease from final budgeted revenues. The decrease was primarily due to actual tax revenues being less than estimated amounts.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$65,009,226 were increased to \$65,030,226 in the final budget. Actual budget basis expenditures and other financing uses for fiscal year 2019 totaled \$63,867,491, which was \$1,162,735 less than the final budget appropriations. The decrease was primarily a result of decreases in instruction and support service expenditures.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2019, the District had \$91,960,814 invested in land, construction in progress, land improvements, buildings and improvements, equipment and furniture, vehicles and infrastructure, net of accumulated depreciation. This entire amount is reported in governmental activities. The following table shows fiscal year 2019 balances compared to 2018:

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

	Governmental Activities	
	2019	2018
Land	\$ 1,722,570	\$ 1,722,570
Construction in progress	267,806	-
Land improvements	2,691,717	2,862,819
Buildings and improvements	78,945,500	80,958,992
Equipment and Furniture	5,019,358	5,605,590
Vehicles	2,002,715	1,776,411
Infrastructure	1,311,148	1,358,597
Total	\$ 91,960,814	\$ 94,284,979

Total additions to capital assets for fiscal year 2019 were \$856,666. The overall decrease in capital assets of \$2,324,165 is primarily due to \$3,180,831 in depreciation expense exceeding the additions relating to ongoing projects recording of \$856,666 for fiscal year 2019. See Note 9 to the basic financial statements for additional information on the District's capital assets.

*Debt Administration*

At June 30, 2019, the District had \$44,110,000 in general obligation bonds outstanding. Of this total, \$1,555,000 is due within one year and \$42,555,000 is due in greater than one year. The following table summarizes the debt obligations outstanding.

**Outstanding Debt, at Year End**

	Activities 2019	Activities 2018
	General obligation bonds	\$ 44,110,000

Moody's Investors Service published its Annual Issuer Comment which shows the District's credit position is of a very high quality and is now stronger at Aa2 than its initial rating in 2010 of Aa3 when the District issued bonds for its middle school and Millstream construction projects. The District's Aa2 rating slightly exceeds the median rating of Aa3 for school districts nationwide.

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, 2019**

**Current Financial Related Activities**

The District has carefully managed its finances in order to maximize the dollars spent on educating students; however, unpredictable costs and limited revenue streams continue to make it difficult. The biggest challenge for the District is its enrollment and the ability to attract and retain students while adjusting operations accordingly. For instance the District has added modular classrooms and teachers to reduce teacher ratios in the primary grades while enrollments are dropping from the high school which may lead to fewer class offerings.

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

In May 2015 the District's five-year 5.9 mill operating levy collections was renewed on a continuous basis. This levy amounts to \$4.5 million per year. Similarly, in May 2017, the District's five-year 4.9 mill operating levy was renewed on a continuous basis. This levy amounts to \$3.9 million per year. The District no longer has any operating levies that will expire. The District has not passed a new general fund operating levy in over 15 years. Current expectations are that voters will be asked to pass a 5.9 mill operating levy in calendar year 2020 so that revenues may be received in calendar year 2021.

In order to meet ongoing challenges, the District developed and implemented a fiscal health plan in 2006 and continues to update it with the last update presented to the Board in December 2017. The plan includes strategies for diversifying revenue sources and reducing expenditures. The District will continue to implement and update the plan as it remains fiscally vigilant. The District has committed itself to educational and financial excellence, and the District's Board and management team will continue to work with the community it serves to provide the best education and the best resources possible to its students, teachers, employees and community.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Michael T. Barnhart, Treasurer, Findlay City School District, 2019 Broad Avenue, Findlay, Ohio 45840.

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

STATEMENT OF NET POSITION  
JUNE 30, 2019

	<b>Governmental Activities</b>	<b>Component Unit</b>
<b>Assets:</b>		
Equity in pooled cash and investments . . . . .	\$ 18,803,421	\$ 1,472,467
Receivables:		
Property taxes . . . . .	32,817,874	-
Payment in lieu of taxes . . . . .	208,708	-
Accounts . . . . .	498,706	-
Accrued interest . . . . .	113,514	1,435
Intergovernmental . . . . .	371,095	12,268
Prepayments . . . . .	149,616	-
Materials and supplies inventory . . . . .	7,515	-
Inventory held for resale . . . . .	15,898	-
Net OPEB asset . . . . .	4,193,514	-
Security deposit . . . . .	15,000	-
Due from component unit . . . . .	12,544	-
Capital assets:		
Nondepreciable capital assets . . . . .	1,990,376	-
Depreciable capital assets, net . . . . .	89,970,438	61,658
Capital assets, net . . . . .	91,960,814	61,658
Total assets . . . . .	149,168,219	1,547,828
<b>Deferred outflows of resources:</b>		
Pension . . . . .	20,650,564	-
OPEB . . . . .	1,269,571	-
Total deferred outflows of resources . . . . .	21,920,135	-
<b>Liabilities:</b>		
Accounts payable . . . . .	203,944	2,195
Contracts payable . . . . .	120,269	-
Accrued wages and benefits payable . . . . .	5,979,754	-
Intergovernmental payable . . . . .	125,165	3,445
Due to primary government . . . . .	-	12,544
Pension and postemployment benefits payable . . . . .	946,951	-
Accrued interest payable . . . . .	206,039	-
Claims payable . . . . .	2,320,541	-
Long-term liabilities:		
Due within one year . . . . .	2,584,835	48,198
Due in more than one year:		
Net pension liability . . . . .	74,962,306	-
Net OPEB liability . . . . .	8,605,855	-
Other amounts due in more than one year . . . . .	46,467,312	530,178
Total liabilities . . . . .	142,522,971	596,560
<b>Deferred inflows of resources:</b>		
Property taxes levied for the next fiscal year . . . . .	28,707,287	-
Payment in lieu of taxes levied for the next fiscal year . . . . .	157,618	-
Pension . . . . .	4,341,391	-
OPEB . . . . .	7,223,483	-
Total deferred inflows of resources . . . . .	40,429,779	-
<b>Net position:</b>		
Net investment in capital assets . . . . .	47,393,471	61,658
Restricted for:		
Capital projects . . . . .	3,235,039	-
Permanent fund - expendable . . . . .	61,623	-
Permanent fund - nonexpendable . . . . .	618,000	-
Classroom facilities maintenance . . . . .	1,600,009	-
Debt service . . . . .	1,225,904	-
Locally funded programs . . . . .	365,790	35
State funded programs . . . . .	35,691	-
Federally funded programs . . . . .	25,230	938
Student activities . . . . .	417,319	-
Other purposes . . . . .	674,035	-
Unrestricted (deficit) . . . . .	(67,516,507)	888,637
Total net position (deficit) . . . . .	\$ (11,864,396)	\$ 951,268

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, 2019

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants Grants and Contributions	Governmental Activities	Component Unit
<b>Governmental activities:</b>						
Instruction:						
Regular . . . . .	\$ 25,583,856	\$ 2,522,476	\$ 547,075	\$ 114,197	\$ (22,400,108)	\$ -
Special . . . . .	10,139,896	576,265	5,407,556	6,606	(4,149,469)	-
Vocational . . . . .	3,288,177	759,350	640,438	-	(1,888,389)	-
Adult/continuing. . . . .	11,596	75,000	-	-	63,404	-
Other . . . . .	5,538,094	-	65,924	-	(5,472,170)	-
Support services:						
Pupil. . . . .	3,126,831	-	88,240	-	(3,038,591)	-
Instructional staff . . . . .	2,816,771	-	275,781	-	(2,540,990)	-
Board of education . . . . .	239,522	-	-	-	(239,522)	-
Administration. . . . .	4,124,021	7,547	10,604	-	(4,105,870)	-
Fiscal. . . . .	1,286,722	-	-	-	(1,286,722)	-
Business. . . . .	28,539	-	-	7,244	(21,295)	-
Operations and maintenance . .	5,871,446	386,368	333,684	1,657	(5,149,737)	-
Pupil transportation. . . . .	2,984,491	8,049	148,423	130,548	(2,697,471)	-
Central . . . . .	182,389	4,964	12,604	-	(164,821)	-
Operation of non-instructional services:						
Other non-instructional services	710,210	-	400,116	-	(310,094)	-
Food service operations . . . . .	1,592,437	561,491	1,050,942	-	19,996	-
Extracurricular activities. . . . .	1,623,440	548,103	106,372	3,489	(965,476)	-
Interest and fiscal charges . . . .	2,609,817	-	-	-	(2,609,817)	-
Total governmental activities . . .	71,758,255	5,449,613	9,087,759	263,741	(56,957,142)	-
<b>Component unit:</b>						
Findlay Digital Academy . . . . .	920,006	-	982,518	-	-	62,512
Total component unit . . . . .	920,006	-	982,518	-	-	62,512
Totals . . . . .	\$ 72,678,261	\$ 5,449,613	\$ 10,070,277	\$ 263,741	(56,957,142)	62,512
<b>General revenues:</b>						
Property taxes levied for:						
General purposes . . . . .					26,630,634	-
Debt service. . . . .					3,080,972	-
Capital outlay. . . . .					1,777,802	-
Grants and entitlements not restricted to specific programs . . . . .						
Investment earnings . . . . .					28,248,140	137,280
Increase in fair value of investments . . . . .					293,651	30,259
Payments in-lieu of taxes . . . . .					8,130	-
Miscellaneous . . . . .					269,459	-
					542,070	-
Total general revenues . . . . .					60,850,858	167,539
Change in net position . . . . .					3,893,716	230,051
<b>Net position (deficit) at beginning of year. . . . .</b>					(15,758,112)	721,217
<b>Net position (deficit) at end of year. . . . .</b>					\$ (11,864,396)	\$ 951,268

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Equity in pooled cash and investments . . . . .	\$ 8,704,104	\$ 8,386,313	\$ 17,090,417
Receivables:			
Property taxes. . . . .	27,740,565	5,077,309	32,817,874
Payment in lieu of taxes . . . . .	182,356	26,352	208,708
Accounts . . . . .	326,066	-	326,066
Accrued interest . . . . .	113,056	458	113,514
Intergovernmental. . . . .	182,960	188,135	371,095
Prepayments. . . . .	147,945	1,671	149,616
Materials and supplies inventory . . . . .	-	7,515	7,515
Inventory held for resale. . . . .	-	15,898	15,898
Security deposit. . . . .	15,000	-	15,000
Due from component unit. . . . .	12,544	-	12,544
Total assets . . . . .	<u>\$ 37,424,596</u>	<u>\$ 13,703,651</u>	<u>\$ 51,128,247</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 105,182	\$ 87,395	\$ 192,577
Contracts payable. . . . .	-	120,269	120,269
Accrued wages and benefits payable . . . . .	5,735,254	244,500	5,979,754
Compensated absences payable . . . . .	286,068	-	286,068
Intergovernmental payable . . . . .	120,782	4,383	125,165
Pension and postemployment benefits payable . . . . .	908,560	38,391	946,951
Total liabilities. . . . .	<u>7,155,846</u>	<u>494,938</u>	<u>7,650,784</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year. . . . .	24,266,645	4,440,642	28,707,287
Payment in lieu of taxes levied for the next fiscal year. . . . .	137,717	19,901	157,618
Delinquent property tax revenue not available . . . . .	1,220,684	226,922	1,447,606
Intergovernmental revenue not available. . . . .	131,548	62,392	193,940
Accrued interest not available. . . . .	40,957	-	40,957
Tuition revenue not available. . . . .	12,544	-	12,544
Total deferred inflows of resources . . . . .	<u>25,810,095</u>	<u>4,749,857</u>	<u>30,559,952</u>
Total liabilities and deferred inflows of resources . . . . .	<u>32,965,941</u>	<u>5,244,795</u>	<u>38,210,736</u>

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

BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2019

	<b>General</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Fund balances:</b>			
Nonspendable:			
Materials and supplies inventory . . . . .	\$ -	\$ 7,515	\$ 7,515
Prepays. . . . .	147,945	1,671	149,616
Permanent fund . . . . .	-	618,000	618,000
Restricted:			
Debt service . . . . .	-	1,287,971	1,287,971
Capital improvements . . . . .	-	3,152,089	3,152,089
Classroom facilities maintenance . . . . .	-	1,600,009	1,600,009
Food service operations . . . . .	-	329,888	329,888
Non-public schools . . . . .	-	11,275	11,275
Other purposes. . . . .	-	859,148	859,148
Extracurricular. . . . .	-	417,319	417,319
Scholarships . . . . .	-	61,623	61,623
Committed:			
Capital improvements . . . . .	-	230,573	230,573
Assigned:			
Student instruction . . . . .	56,312	-	56,312
Student and staff support. . . . .	898,944	-	898,944
Extracurricular activities . . . . .	4,738	-	4,738
Subsequent year's appropriations . . . . .	2,432,861	-	2,432,861
School supplies . . . . .	467,657	-	467,657
Career center . . . . .	58,463	-	58,463
Before school and after school care . . . . .	69,763	-	69,763
Future claims . . . . .	183,814	-	183,814
Other purposes. . . . .	138,158	-	138,158
Unassigned (deficit) . . . . .	-	(118,225)	(118,225)
<b>Total fund balances . . . . .</b>	<b>4,458,655</b>	<b>8,458,856</b>	<b>12,917,511</b>
<b>Total liabilities, deferred inflows and fund balances . . . . .</b>	<b>\$ 37,424,596</b>	<b>\$ 13,703,651</b>	<b>\$ 51,128,247</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES**

JUNE 30, 2019

<b>Total governmental fund balances</b>		\$ 12,917,511
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		91,960,814
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 1,447,606	
Tuition receivable	12,544	
Accrued interest receivable	40,957	
Intergovernmental receivable	193,940	
Total	193,940	1,695,047
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		(446,264)
Unamortized premiums on bonds issued are not recognized in the funds.		(337,074)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(206,039)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred outflows of resources - pension	20,650,564	
Deferred inflows of resources - pension	(4,341,391)	
Net pension liability	(74,962,306)	
Total	(74,962,306)	(58,653,133)
The net OPEB asset/liability is not due and payable in the current period; therefore, the asset/liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred outflows of resources - OPEB	1,269,571	
Deferred inflows of resources - OPEB	(7,223,483)	
Net OPEB asset	4,193,514	
Net OPEB liability	(8,605,855)	
Total	(8,605,855)	(10,366,253)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(44,110,000)	
Compensated absences	(4,319,005)	
Total	(48,429,005)	(48,429,005)
<b>Net position of governmental activities</b>		<b>\$ (11,864,396)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
From local sources:			
Property taxes . . . . .	\$ 26,173,995	\$ 4,773,890	\$ 30,947,885
Payment in lieu of taxes . . . . .	235,460	33,999	269,459
Tuition . . . . .	3,217,208	-	3,217,208
Earnings on investments . . . . .	289,602	23,083	312,685
Charges for services . . . . .	-	561,491	561,491
Extracurricular . . . . .	13,327	561,361	574,688
Classroom materials and fees . . . . .	419,093	-	419,093
Rental income . . . . .	12,700	367,500	380,200
Contributions and donations . . . . .	12,203	360,875	373,078
Contract services . . . . .	138,531	-	138,531
Other local revenues . . . . .	687,910	515,159	1,203,069
Intergovernmental - state . . . . .	30,039,221	1,054,892	31,094,113
Intergovernmental - federal . . . . .	211,177	4,998,235	5,209,412
Change in fair value of investments . . . . .	411,649	8,130	419,779
Total revenues . . . . .	<u>61,862,076</u>	<u>13,258,615</u>	<u>75,120,691</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular . . . . .	26,209,413	946,048	27,155,461
Special . . . . .	8,719,643	2,284,498	11,004,141
Vocational . . . . .	3,070,572	183,964	3,254,536
Adult/continuing . . . . .	12,789	-	12,789
Other . . . . .	5,482,713	59,343	5,542,056
Support services:			
Pupil . . . . .	3,302,325	87,456	3,389,781
Instructional staff . . . . .	2,675,842	244,412	2,920,254
Board of education . . . . .	239,522	-	239,522
Administration . . . . .	4,388,276	10,577	4,398,853
Fiscal . . . . .	1,281,087	-	1,281,087
Business . . . . .	-	28,539	28,539
Operations and maintenance . . . . .	5,005,768	988,176	5,993,944
Pupil transportation . . . . .	2,410,066	562,409	2,972,475
Central . . . . .	179,940	8,032	187,972
Operation of non-instructional services:			
Other non-instructional services . . . . .	187,658	402,572	590,230
Food service operations . . . . .	-	1,659,958	1,659,958
Extracurricular activities . . . . .	945,106	738,206	1,683,312
Facilities acquisition and construction . . . . .	-	690,004	690,004
Debt service:			
Principal retirement . . . . .	-	1,450,000	1,450,000
Interest and fiscal charges . . . . .	-	2,633,348	2,633,348
Total expenditures . . . . .	<u>64,110,720</u>	<u>12,977,542</u>	<u>77,088,262</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(2,248,644)</u>	<u>281,073</u>	<u>(1,967,571)</u>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	6,882	38,022	44,904
Transfers (out) . . . . .	-	(44,904)	(44,904)
Total other financing sources (uses) . . . . .	<u>6,882</u>	<u>(6,882)</u>	<u>-</u>
Net change in fund balances . . . . .	(2,241,762)	274,191	(1,967,571)
<b>Fund balances at beginning of year . . . . .</b>	<b>6,700,417</b>	<b>8,183,493</b>	<b>14,883,910</b>
<b>Increase in reserve for inventory . . . . .</b>	<b>-</b>	<b>1,172</b>	<b>1,172</b>
<b>Fund balances at end of year . . . . .</b>	<b><u>\$ 4,458,655</u></b>	<b><u>\$ 8,458,856</u></b>	<b><u>\$ 12,917,511</u></b>

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, 2019

<b>Net change in fund balances - total governmental funds</b>	\$	(1,967,571)
<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.		
Capital asset additions	\$ 856,666	
Current year depreciation	(3,180,831)	
Total		(2,324,165)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		
		1,172
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	541,523	
Tuition	359	
Earnings on investments	(5,354)	
Intergovernmental	126,300	
Total		662,828
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		1,450,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	5,228	
Amortization of bond premiums	18,303	
Total		23,531
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		5,379,577
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(7,928,843)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		215,311
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB asset/liability are reported as OPEB expense in the statement of activities.		
		8,579,461
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.		
		(108,270)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net expense of the internal service fund is allocated among the governmental activities.		
		(89,315)
<b>Change in net position of governmental activities</b>	\$	3,893,716

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 27,140,861	\$ 27,282,950	\$ 25,929,375	\$ (1,353,575)
Payment in lieu of taxes. . . . .	-	-	206,067	206,067
Tuition. . . . .	2,575,000	2,575,000	2,397,499	(177,501)
Earnings on investments . . . . .	250,000	250,000	277,422	27,422
Classroom materials and fees . . . . .	9,000	9,000	7,202	(1,798)
Rental income . . . . .	25,000	25,000	12,700	(12,300)
Contributions and donations . . . . .	5,000	5,000	7,786	2,786
Contract services. . . . .	50,000	50,000	-	(50,000)
Other local revenues . . . . .	950,000	950,000	554,324	(395,676)
Intergovernmental - state . . . . .	30,352,557	30,352,557	29,996,184	(356,373)
Intergovernmental - federal . . . . .	250,000	250,000	211,177	(38,823)
<b>Total revenues . . . . .</b>	<b>61,607,418</b>	<b>61,749,507</b>	<b>59,599,736</b>	<b>(2,149,771)</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	25,842,554	25,842,554	25,840,297	2,257
Special. . . . .	8,323,011	8,633,011	8,631,048	1,963
Vocational. . . . .	3,087,057	3,087,057	2,965,258	121,799
Other. . . . .	6,360,557	6,010,557	5,506,979	503,578
Support services:				
Pupil. . . . .	3,144,966	3,184,966	3,174,695	10,271
Instructional staff . . . . .	2,259,879	2,259,879	2,136,378	123,501
Board of education . . . . .	234,466	279,466	277,666	1,800
Administration. . . . .	4,435,991	4,435,991	4,409,388	26,603
Fiscal . . . . .	1,487,884	1,487,884	1,368,893	118,991
Operations and maintenance. . . . .	5,836,578	5,837,578	5,826,500	11,078
Pupil transportation . . . . .	2,653,485	2,652,485	2,579,413	73,072
Central. . . . .	189,379	189,379	177,385	11,994
Extracurricular activities. . . . .	1,023,919	999,919	953,256	46,663
Facilities acquisition and construction . . . . .	5,000	5,000	-	5,000
<b>Total expenditures . . . . .</b>	<b>64,884,726</b>	<b>64,905,726</b>	<b>63,847,156</b>	<b>1,058,570</b>
Excess of expenditures over revenues . . . . .	(3,277,308)	(3,156,219)	(4,247,420)	(1,091,201)
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	195,000	195,000	158,192	(36,808)
Refund of prior year's receipts. . . . .	(24,500)	(24,500)	(20,335)	4,165
Transfers in . . . . .	-	-	2,882	2,882
Transfers (out). . . . .	(50,000)	(50,000)	-	50,000
Advances in. . . . .	50,000	50,000	-	(50,000)
Advances (out) . . . . .	(50,000)	(50,000)	-	50,000
Sale of capital assets. . . . .	5,000	5,000	8,232	3,232
<b>Total other financing sources (uses) . . . . .</b>	<b>125,500</b>	<b>125,500</b>	<b>148,971</b>	<b>23,471</b>
Net change in fund balance . . . . .	(3,151,808)	(3,030,719)	(4,098,449)	(1,067,730)
<b>Fund balance at beginning of year . . . . .</b>	<b>9,480,081</b>	<b>9,480,081</b>	<b>9,480,081</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>1,428,173</b>	<b>1,428,173</b>	<b>1,428,173</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 7,756,446</b>	<b>\$ 7,877,535</b>	<b>\$ 6,809,805</b>	<b>\$ (1,067,730)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2019

	<u><b>Governmental Activities - Internal Service Fund</b></u>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and investments . . . . .	\$ 1,713,004
Receivables:	
Accounts . . . . .	<u>172,640</u>
Total assets. . . . .	<u>1,885,644</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable. . . . .	11,367
Claims payable . . . . .	<u>2,320,541</u>
Total liabilities . . . . .	<u>2,331,908</u>
<b>Net position:</b>	
Unrestricted (deficit) . . . . .	<u>(446,264)</u>
Total net position (deficit). . . . .	<u>\$ (446,264)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u><b>Governmental Activities - Internal Service Fund</b></u>
<b>Operating revenues:</b>	
Charges for services. . . . .	\$ 9,508,818
Total operating revenues . . . . .	<u>9,508,818</u>
<b>Operating expenses:</b>	
Personal services. . . . .	274,819
Purchased services. . . . .	1,366,801
Claims . . . . .	<u>7,956,513</u>
Total operating expenses. . . . .	<u>9,598,133</u>
Operating loss . . . . .	<u>(89,315)</u>
Change in net position . . . . .	(89,315)
<b>Net position (deficit) at beginning of year. .</b>	<u>(356,949)</u>
<b>Net position (deficit) at end of year . . . . .</b>	<u>\$ (446,264)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services . . . . .	\$ 9,336,178
Cash payments for personal services. . . . .	(274,819)
Cash payments for purchased services . . . . .	(1,355,434)
Cash payments for claims . . . . .	<u>(7,805,054)</u>
 Net cash used in operating activities . . . . .	 <u>(99,129)</u>
 Net decrease in cash and cash equivalents . . . . .	 (99,129)
 <b>Cash and investments at beginning of year . . . . .</b>	 <u>1,812,133</u>
<b>Cash and investments at end of year . . . . .</b>	<b><u>\$ 1,713,004</u></b>
 <b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss . . . . .	\$ (89,315)
 Changes in assets and liabilities:	
Increase in accounts receivable. . . . .	(172,640)
Increase in accounts payable . . . . .	11,367
Increase in claims payable . . . . .	<u>151,459</u>
 Net cash used in operating activities . . . . .	 <u>\$ (99,129)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2019

	<u>Private-Purpose Trust</u>	
	<u>Scholarship</u>	<u>Agency</u>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and investments . . . . .	\$ 55,977	\$ 136,623
Total assets . . . . .	<u>55,977</u>	<u>\$ 136,623</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable . . . . .	-	\$ 36
Due to students . . . . .	-	<u>136,587</u>
Total liabilities . . . . .	<u>-</u>	<u>\$ 136,623</u>
<b>Net position:</b>		
Held in trust for scholarships . . . . .	<u>55,977</u>	
Total net position . . . . .	<u>\$ 55,977</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<b>Private-Purpose Trust</b>
	<b>Scholarship</b>
<b>Additions:</b>	
Gifts and contributions . . . . .	\$ 18,500
Total additions . . . . .	18,500
 <b>Deductions:</b>	
Scholarships awarded . . . . .	10,499
Change in net position . . . . .	8,001
 <b>Net position at beginning of year . . . . .</b>	<b>47,976</b>
 <b>Net position at end of year . . . . .</b>	<b>\$ 55,977</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

The Findlay City School District (the "District") is located in Hancock County in northwest Ohio. The District is located in a prosperous community, which includes most of the City of Findlay.

The District operates under a locally elected, five-member Board and provides educational services as authorized by its charter or further mandated by State and/or federal agencies. The Board controls the District's fourteen instructional facilities and one support facility staffed by 431 certified teaching personnel, 399 classified support personnel, and 42 administrators.

The District is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

It currently operates 9 elementary schools, 2 middle schools, 1 high school, and a vocational center, to provide services to approximately 5,655 students in grades pre-K-12 and various community groups.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

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

*DISCRETELY PRESENTED COMPONENT UNIT*

Findlay Digital Academy

The Findlay Digital Academy (the "Academy") is a Conversion Community School established pursuant to Ohio Revised Code, Chapter 3314. The Academy is sponsored by the District to serve ninth through twelfth grade students living in the District. The Academy's mission is to enhance and facilitate student learning by combining state-of-the-art digital curriculum with access to local school resources to complement that instruction and prepare students to become lifelong learners and productive citizens. The Academy is governed by a seven-member Board of Directors, the majority of which are public officials or public sector employees who have a professional interest in furthering the establishment of the Academy, the District's Superintendent, who serves as the non-voting Board President, and can also include one or more parents of enrolled students and community civic leaders. The Academy's Treasurer serves as a non-voting ex-officio member of the Board. The Academy issues a publicly available, stand-alone financial report that includes basic financial statements and supplementary information. This report may be obtained by writing to Steve Earnest, Treasurer, Findlay Digital Academy at, 1219 West Main Cross, Suite 101, Findlay, Ohio 45840.

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

*JOINTLY GOVERNED ORGANIZATION*

Northwest Ohio Area Computer Services Cooperative

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

The Governing Board of NOACSC consists of two representatives from Hancock, Paulding, Allen, Mercer, Putnam, and Van Wert counties and two at large members. Financial information can be obtained from Ray Burden, who serves as Director, at 4277 East Rd Elida, Ohio 45807.

*PUBLIC ENTITY RISK POOL*

Workers' Compensation Retrospective Ratings Plan

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

**B. Fund Accounting**

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

*GOVERNMENTAL FUNDS*

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

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

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects, (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest and (d) resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs.

*PROPRIETARY FUNDS*

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

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

*FIDUCIARY FUNDS*

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

**C. Measurement Focus**

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of 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 not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of the District are included on the statement of net position.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

**D. Basis of Accounting**

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

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

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 12 and 13 for deferred outflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Notes 12 and 13 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

**E. Budgets**

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

Tax Budget:

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

Estimated Resources:

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

Appropriations:

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

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

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

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

**F. Cash and Investments**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

During fiscal year 2019, investments were limited to nonnegotiable certificates of deposits, negotiable certificates of deposit, federal agency securities, U.S. government money market mutual funds, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

During fiscal year 2019, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 2019 amounted to \$289,602, which includes \$136,326 assigned from other District funds.

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

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

**G. Inventory**

On government-wide financial statements, supply inventories are presented at cost, inventories held for resale are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventory is presented at cost on first-in, first-out basis and is expensed/expensed when used. Inventories are accounted for using the consumption method on the government-wide statements and the fund financial statements.

On the fund financial statements, reported material and supplies inventory is equally offset by nonspendable fund balance in the governmental funds, which indicates that it does not constitute available spending resources even though it is a component of net current assets. Inventory consists of donated and purchased food.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

**H. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deletions during the year. Donated capital assets are recorded at their acquisition value. The District maintains a capitalization threshold of \$2,500. 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 and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<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
Infrastructure	30 years

**I. Compensated Absences**

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2019, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, employees age 50 with at least 10 years of service and any employees with at least 15 years of service regardless of their age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2019 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

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

The entire compensated absence liability is reported in the government-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as a current liability to the extent payments come due each period upon the occurrence of employee resignations or retirements. The balance of the liability is not recorded.

**J. Accrued Liabilities and Long-Term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, loans and capital lease obligations are recognized as a liability on the fund financial statements when due. Net pension / OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension / OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**K. Fund Balance**

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

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

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

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

**L. Net Position**

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

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

**M. Prepayments**

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

**N. Estimates**

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**O. Interfund Activity**

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

**P. Parochial Schools**

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

**Q. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During the current fiscal year, the District reported neither transaction.

**R. Bond Premium**

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

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

**S. Security Deposit**

At June 30, 2019, the District had a deposit of \$15,000 with Great Scot, Inc. as security for the faithful performance of all lease covenants and conditions of the property leased. The deposit is recorded on the accompanying statement of net position as a non-current asset.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

**T. Pensions/Other Postemployment Benefits (OPEB)**

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

**U. Fair Value**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2019, the District has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations" and GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the District.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the District.

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

Fund balances / net position at June 30, 2019 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
IDEA Part-B grants	\$ 37,195
Vocational education	600
Title I - disadvantaged children	80,430
<u>Internal service fund</u>	
Employee benefits self insurance	446,264

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

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

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

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

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

7. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days and two-hundred-seventy days, respectively, from the purchase date in an amount not to exceed forty 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.

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

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

**A. Cash on Hand**

At fiscal year end, the District had \$1,427 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and investments".

**B. Deposits with Financial Institutions**

At June 30, 2019, the carrying amount of all District deposits was \$2,200,819 and the bank balance of all District deposits was \$3,094,969. Of the bank balance, \$1,380,666 was covered by the FDIC and \$1,714,303 was covered by the Ohio Pooled Collateral System.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2019, the District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

**C. Investments**

As of June 30, 2019, the District had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	More than 24 months
Fair Value:						
FHLB	\$ 2,109,111	\$ -	\$ 143,544	\$ -	\$ 113,659	\$ 1,851,908
FFCB	896,751	-	-	-	896,751	-
FHLMC	6,604,602	-	-	-	-	6,604,602
U.S. Government money markets	150,454	150,454	-	-	-	-
Negotiable CD's	6,160,234	408,720	244,324	488,756	1,184,892	3,833,542
Amortized Cost:						
STAR Ohio	<u>872,623</u>	<u>872,623</u>	-	-	-	-
Total	<u>\$ 16,793,775</u>	<u>\$ 1,431,797</u>	<u>\$ 387,868</u>	<u>\$ 488,756</u>	<u>\$ 2,195,302</u>	<u>\$ 12,290,052</u>

The weighted average maturity of investments is 3.16 years.

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FFCB, FHLB, FHLMC), and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

*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 and U.S. Treasury notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. State statute prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee. The District's investment policy does not specifically address custodial credit risk beyond the adherence to this requirement.

*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 fair 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, 2019:

<u>Measurement Investment type</u>	<u>Measurement Value</u>	<u>Percent of Total</u>
Fair Value:		
FHLB	\$ 2,109,111	12.55
FFCB	896,751	5.34
FHLMC	6,604,602	39.33
U.S. Government money markets	150,454	0.90
Negotiable CD's	6,160,234	36.68
Amortized Cost:		
STAR Ohio	<u>872,623</u>	<u>5.20</u>
Total	<u>\$ 16,793,775</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note disclosure above to cash and investments as reported on the statement of net position as of June 30, 2019:

<u>Cash and investments per note disclosure</u>	
Carrying amount of deposits	\$ 2,200,819
Investments	16,793,775
Cash on hand	<u>1,427</u>
Total	<u>\$ 18,996,021</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 18,803,421
Private-purpose trust funds	55,977
Agency funds	<u>136,623</u>
Total	<u>\$ 18,996,021</u>



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 5 - INTERFUND TRANSACTIONS**

Interfund transfers for the fiscal year ended June 30, 2019 consisted of the following transfers, as reported in the fund financial statements:

	<u>Amount</u>
<u>Transfers from nonmajor governmental fund to:</u>	
General fund	\$ 6,882
Nonmajor governmental fund	<u>38,022</u>
	<u>\$ 44,904</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The \$38,022 transfer from the permanent improvement fund (a nonmajor governmental fund) to the classroom facilities maintenance fund (a nonmajor governmental fund) is in accordance with the OFCC agreement requirement. The \$2,882 in transfers to the general fund were to close-out special centers of special revenue funds. The \$4,000 in transfers to the general fund was a Board approved transfer of donated funds used to support educational programs.

Transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16. Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property located within the District. Real property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed values as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Public utility real and personal property taxes received in calendar year 2019 became a lien on December 31, 2017, were levied after April 1, 2018, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

The District receives property taxes from Hancock County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2019, are available to finance fiscal year 2019 operations. The amount available as an advance at June 30, 2019 was \$2,253,236 in the general fund, \$259,819 in the bond retirement fund (a nonmajor governmental fund) and \$149,926 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2018 was \$2,008,616 in the general fund, \$244,544 in the bond retirement fund (a nonmajor governmental fund) and \$140,848 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2019 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

The assessed values upon which the fiscal year 2019 taxes were collected are:

	2018 Second Half Collections		2019 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 769,150,440	94.04	\$ 777,412,590	94.12
Public utility personal	<u>48,755,000</u>	<u>5.96</u>	<u>48,555,300</u>	<u>5.88</u>
Total	<u>\$ 817,905,440</u>	<u>100.00</u>	<u>\$ 825,967,890</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General operations	\$58.25		\$58.25	
Permanent improvements	2.50		2.50	
Bond retirement	4.20		4.20	

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 7 - PAYMENTS IN LIEU OF TAXES**

According to State law, Hancock County has entered into agreements with property owners under which Hancock County has granted property tax abatements to those property owners and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to Hancock County to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been abated. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners. The District received \$269,459 in payments in lieu of taxes during fiscal year 2019, and a receivable of \$208,708 has been reported on the statement of net position.

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2019 consisted of property taxes, payments in lieu of taxes (PILOT), accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 32,817,874
PILOT	208,708
Accounts	498,706
Intergovernmental	371,095
Accrued interest	<u>113,514</u>
Total	<u>\$ 34,009,897</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 9 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2019 was as follows.

	Balance			Balance
<b><u>Governmental activities:</u></b>	<u>06/30/18</u>	<u>Additions</u>	<u>Deductions</u>	<u>06/30/19</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,722,570	\$ -	\$ -	\$ 1,722,570
Construction in progress	-	267,806	-	267,806
<i>Total capital assets, not being depreciated</i>	<u>1,722,570</u>	<u>267,806</u>	<u>-</u>	<u>1,990,376</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	4,639,890	31,000	-	4,670,890
Buildings and improvements	107,535,154	-	-	107,535,154
Equipment and furniture	13,797,218	167,578	-	13,964,796
Vehicles	4,045,599	390,282	-	4,435,881
Infrastructure	1,406,047	-	-	1,406,047
<i>Total capital assets, being depreciated</i>	<u>131,423,908</u>	<u>588,860</u>	<u>-</u>	<u>132,012,768</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(1,777,071)	(202,102)	-	(1,979,173)
Buildings and improvements	(26,576,162)	(2,013,492)	-	(28,589,654)
Equipment and furniture	(8,191,628)	(753,810)	-	(8,945,438)
Vehicles	(2,269,188)	(163,978)	-	(2,433,166)
Infrastructure	(47,450)	(47,449)	-	(94,899)
<i>Total accumulated depreciation</i>	<u>(38,861,499)</u>	<u>(3,180,831)</u>	<u>-</u>	<u>(42,042,330)</u>
Total capital assets, net	<u>\$ 94,284,979</u>	<u>\$ (2,324,165)</u>	<u>\$ -</u>	<u>\$ 91,960,814</u>

Depreciation expense was charged to governmental functions as follows:

<b><u>Instruction:</u></b>	
Regular	\$ 1,452,751
Special	293,767
Vocational	354,488
<b><u>Support services:</u></b>	
Pupil	76,644
Instructional staff	95,897
Administration	148,297
Fiscal	66,666
Operations and maintenance	233,242
Pupil transportation	214,923
Other non-instructional services	149,379
Extracurricular activities	72,996
Food service operations	<u>21,781</u>
Total depreciation expense	<u>\$ 3,180,831</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 10 - LONG-TERM OBLIGATIONS**

- A. During fiscal year 2019, the following changes occurred in governmental activities long-term obligations.

<b><u>Governmental activities:</u></b>	<u>Balance</u>			<u>Balance</u>	<u>Amount</u>
	<u>06/30/18</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/19</u>	<u>Due in</u>
					<u>One Year</u>
<u>General obligation bonds</u>					
G.O. current interest bonds payable - 2010	\$ 45,560,000	\$ -	\$ (1,450,000)	\$ 44,110,000	\$ 1,555,000
Total general obligation bonds	<u>45,560,000</u>	<u>-</u>	<u>(1,450,000)</u>	<u>44,110,000</u>	<u>1,555,000</u>
<u>Other long-term obligations</u>					
Net pension liability	78,489,257	-	(3,526,951)	74,962,306	-
Net OPEB liability	18,103,041	450,337	(9,947,523)	8,605,855	-
Compensated absences	<u>4,409,651</u>	<u>1,122,108</u>	<u>(926,686)</u>	<u>4,605,073</u>	<u>1,029,835</u>
Total other long-term obligations	<u>101,001,949</u>	<u>1,572,445</u>	<u>(14,401,160)</u>	<u>88,173,234</u>	<u>1,029,835</u>
Total governmental activities	<u>\$ 146,561,949</u>	<u>\$ 1,572,445</u>	<u>\$ (15,851,160)</u>	132,283,234	<u>\$ 2,584,835</u>
				Unamortized premium on bonds	<u>337,074</u>
				Total on statement of net position	<u>\$ 132,620,308</u>

Net pension liabilities will be paid out of the fund from which the employee is paid, which is primarily the general fund for the District. See Note 12 for details of the Net Pension Liability.

Net OPEB liabilities will be paid out of the fund from which the employee is paid, which is primarily the general fund for the District. See Note 13 for details of the Net OPEB Liability/Asset.

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

**B. General obligation bonds**

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

This issue was comprised of current interest bonds, present value \$53,975,000, and capital appreciation bonds, par value \$217,135. The final capital appreciation bonds matured December 1, 2017 (stated interest 20%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated on this issue is December 1, 2037.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

Principal and interest requirements to retire the long-term bonds are as follows:

Fiscal Year Ending June 30,	Current Interest Bonds		
	Principal	Interest	Total
2020	\$ 1,555,000	\$ 2,563,818	\$ 4,118,818
2021	1,600,000	2,488,475	4,088,475
2022	1,650,000	2,408,425	4,058,425
2023	1,835,000	2,319,923	4,154,923
2024	1,895,000	2,222,455	4,117,455
2025 - 2029	10,560,000	9,401,518	19,961,518
2030 - 2034	12,790,000	5,878,925	18,668,925
2035 - 2038	<u>12,225,000</u>	<u>1,566,093</u>	<u>13,791,093</u>
Total	<u>\$ 44,110,000</u>	<u>\$ 28,849,632</u>	<u>\$ 72,959,632</u>

**C. Legal Debt Margins**

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

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

The effects of these debt limitations at June 30, 2019 are a voted debt margin of \$31,515,081 (including available funds of \$1,287,971), and an unvoted debt margin of \$825,968.

**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 2019, the District contracted with the Liberty Mutual Insurance for property and general liability insurance.

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

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 11 - RISK MANAGEMENT - (Continued)**

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

**B. Workers' Compensation**

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

**C. Employee Health Insurance**

The District's health insurance is funded through a self-insurance program. The District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The District offered three comprehensive medical/surgical plans: Original Plan, Option B Plan and Option C (HSA) Plan. Beginning January 1, 2019, the Original Plan was no longer offered. The District purchases stop-loss coverage of \$150,000 per employee. The District and employees pay into the self-insurance internal service fund. The District's monthly portion of the Original Plan is \$1,936 for family coverage, except for non-union employees, which is \$1,874, and \$797 for single coverage, except for non-union employees, which is \$1,285. The employee's monthly portion of the Original Plan is \$562 for family coverage, except for non-union employees, which is \$625, and \$231 for single coverage, except for non-union employees, which is \$257. The District's monthly portion of the Option B Plan is \$1,794 for family coverage, except for non-union employees, which is \$1,741, and \$738 for single coverage, except for non-union employees, which is \$717. The employee's monthly portion of the Option B Plan is \$329 for family coverage, except for non-union employees, which is \$382, and \$135 for single coverage, except for non-union employees, which is \$157. For Option C (HSA) the District's monthly portion is \$1,624 for family coverage and \$668 for single coverage. However, employees are responsible for a \$2,000 per individual deductible with a \$4,000 per family out-of-pocket maximum. The premiums are paid by the fund that pays the salary for the employees and is based on historical cost information.

Dental and vision coverage is also provided on self-insured basis through Employee Benefit Consultants (EBC). Premiums for its coverage are \$107 monthly for family coverage and \$44 for single coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document.

The claims payable liability of \$2,320,541 reported in the Employee Benefits Self Insurance fund at June 30, 2019 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.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 11 - RISK MANAGEMENT - (Continued)**

Changes in the claims payable liability for the current and prior fiscal years are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2019	\$ 2,169,082	\$ 7,956,513	\$ (7,805,054)	\$ 2,320,541
2018	1,908,890	8,170,145	(7,909,953)	2,169,082

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

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

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

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

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

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



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

***Plan Description - School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of service credit; or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2019, the allocation to pension, death benefits, and Medicare B was 13.5%. The remaining 0.5% of the employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$1,145,094 for fiscal year 2019. Of this amount, \$48,506 is reported as pension and postemployment benefits payable.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

***Plan Description - State Teachers Retirement System (STRS)***

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2019, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$4,234,483 for fiscal year 2019. Of this amount, \$714,960 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.29998470%	0.25495806%	
Proportion of the net pension liability current measurement date	<u>0.30697390%</u>	<u>0.26096954%</u>	
Change in proportionate share	<u>0.00698920%</u>	<u>0.00601148%</u>	
Proportionate share of the net pension liability	\$ 17,580,964	\$ 57,381,342	\$ 74,962,306
Pension expense	\$ 1,794,660	\$ 6,134,183	\$ 7,928,843

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 964,206	\$ 1,324,539	\$ 2,288,745
Changes of assumptions	397,017	10,169,057	10,566,074
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	466,146	1,950,022	2,416,168
Contributions subsequent to the measurement date	<u>1,145,094</u>	<u>4,234,483</u>	<u>5,379,577</u>
Total deferred outflows of resources	<u>\$ 2,972,463</u>	<u>\$ 17,678,101</u>	<u>\$ 20,650,564</u>

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

	SERS	STRS	Total
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 374,734	\$ 374,734
Net difference between projected and actual earnings on pension plan investments	487,117	3,479,540	3,966,657
Total deferred inflows of resources	\$ 487,117	\$ 3,854,274	\$ 4,341,391

\$5,379,577 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	\$ 1,615,152	\$ 5,543,420	\$ 7,158,572
2021	451,455	3,879,204	4,330,659
2022	(576,960)	694,977	118,017
2023	(149,395)	(528,257)	(677,652)
Total	\$ 1,340,252	\$ 9,589,344	\$ 10,929,596

**Actuarial Assumptions - SERS**

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

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

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

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2018, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2018, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

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

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 24,764,113	\$ 17,580,964	\$ 11,558,374

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation are presented below:

	July 1, 2018
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Discount rate of return	7.45%
Payroll increases	3.00%
Cost-of-living adjustments	0.0%, effective July 1, 2017

For the July 1, 2018, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

STRS Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$ 83,797,897	\$ 57,381,342	\$ 35,023,313

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

***Plan Description - School Employees Retirement System (SERS)***

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.



**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.5% of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the District's surcharge obligation was \$172,900.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$215,311 for fiscal year 2019. Of this amount, \$174,697 is reported as pension and postemployment benefits payable.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability/asset was measured as of June 30, 2018, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.30388660%	0.25495806%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.31020250%</u>	<u>0.26096954%</u>	
Change in proportionate share	<u>0.00631590%</u>	<u>0.00601148%</u>	
Proportionate share of the net OPEB liability	\$ 8,605,855	\$ -	\$ 8,605,855
Proportionate share of the net OPEB asset	\$ -	\$ (4,193,514)	\$ (4,193,514)
OPEB expense	\$ 461,689	\$ (9,041,150)	\$ (8,579,461)

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 140,478	\$ 489,810	\$ 630,288
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	115,896	308,076	423,972
Contributions subsequent to the measurement date	<u>215,311</u>	<u>-</u>	<u>215,311</u>
Total deferred outflows of resources	<u>\$ 471,685</u>	<u>\$ 797,886</u>	<u>\$ 1,269,571</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	SERS	STRS	Total
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 244,328	\$ 244,328
Net difference between projected and actual earnings on pension plan investments	12,911	479,075	491,986
Changes of assumptions	773,172	5,713,997	6,487,169
Total deferred inflows of resources	\$ 786,083	\$ 6,437,400	\$ 7,223,483

\$215,311 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	\$ (277,808)	\$ (1,010,369)	\$ (1,288,177)
2021	(214,605)	(1,010,369)	(1,224,974)
2022	(14,453)	(1,010,369)	(1,024,822)
2023	(8,957)	(901,570)	(910,527)
2024	(9,850)	(863,403)	(873,253)
Thereafter	(4,036)	(843,434)	(847,470)
Total	\$ (529,709)	\$ (5,639,514)	\$ (6,169,223)

**Actuarial Assumptions - SERS**

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2018, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.62%
Prior measurement date	3.56%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.70%
Prior measurement date	3.63%
Medical trend assumption:	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70%. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2026. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62%, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.56% was used as of June 30, 2017. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

*Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates* - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25% decreasing to 3.75%) and higher (8.25% decreasing to 5.75%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
District's proportionate share of the net OPEB liability	\$ 10,442,529	\$ 8,605,855	\$ 7,151,554

	1% Decrease (6.25 % decreasing to 3.75 %)	Current Trend Rate (7.25 % decreasing to 4.75 %)	1% Increase (8.25 % decreasing to 5.75 %)
District's proportionate share of the net OPEB liability	\$ 6,943,346	\$ 8,605,855	\$ 10,807,315

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation, compared with July 1, 2017, are presented below:

	July 1, 2018	July 1, 2017
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%, effective July 1, 2017
Discounted rate of return	7.45%	N/A
Blended discount rate of return	N/A	4.13%
Health care cost trends		6 to 11% initial, 4.50% ultimate
	Initial	Ultimate
Medical		
Pre-Medicare	6.00%	4.00%
Medicare	5.00%	4.00%
Prescription Drug		
Pre-Medicare	8.00%	4.00%
Medicare	-5.23%	4.00%

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

*Assumption Changes Since the Prior Measurement Date* - The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

*Benefit Term Changes Since the Prior Measurement Date* - The subsidy multiplier for non-Medicare benefit recipients was increased from 1.90% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2018. A discount rate used to measure the total OPEB liability was 4.13% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2018.

**Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** - The following table represents the net OPEB asset as of June 30, 2018, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net OPEB asset	\$ 3,594,234	\$ 4,193,514	\$ 4,697,180
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 4,668,748	\$ 4,193,514	\$ 3,710,877

**NOTE 14 - BUDGETARY BASIS OF ACCOUNTING**

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

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

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



**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

- (d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ (4,098,449)
Net adjustment for revenue accruals	666,860
Net adjustment for expenditure accruals	401,069
Net adjustment for other sources/uses	(146,089)
Funds budgeted elsewhere*	10,931
Adjustment for encumbrances	923,916
GAAP basis	<u>\$ (2,241,762)</u>

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

**NOTE 15 - CONTINGENCIES**

**A. Grants**

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District at June 30, 2019.

**B. Litigation**

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

**C. Foundation Funding**

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2019 have been finalized and resulted in a payable on behalf of the District totaling \$1,505, which has since been repaid.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 16 - SET-ASIDES**

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2018	\$ -
Current year set-aside requirement	971,649
Current year offsets	<u>(971,649)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2020	<u>\$ -</u>
Set-aside balance June 30, 2019	<u>\$ -</u>

**NOTE 17 - OTHER COMMITMENTS**

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

<u>Fund Type</u>	<u>Year-End Encumbrances</u>
General fund	\$ 899,391
Nonmajor governmental funds	<u>2,171,200</u>
Total	<u>\$ 3,070,591</u>

**NOTE 18 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

The City of Findlay entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area ("CRA") program with the taxing districts of the District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, the City of Findlay has entered into such agreements. Under these agreements, the District's property taxes were reduced by \$691,091.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 19 - FINDLAY DIGITAL ACADEMY**

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

**A. Description of the Digital Academy**

The Academy is an innovative program operated as a cooperative effort between the Digital Academy Board of Directors and the Findlay City School District. The Academy was approved for operation under a contract with the Findlay City School District (the “Sponsor”) commencing on April 1, 2004 and expiring on June 30, 2008. Three additional contracts have been signed. The most recent contract was signed in June 2018 and expires June 30, 2021. The Academy enrolled its first students in January 2005. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

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

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

The Academy has entered into a purchased services agreement contract with the TRECA Digital Academy for technology and services. See Note 19.I for detail on the Academy’s purchased services agreement contract with TRECA Digital Academy.

**B. Summary of Significant Accounting Policies**

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

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

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)**

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

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

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

Expenses are recognized at the time they are incurred.

Budgetary Process: Community schools are statutorily required to adopt a budget by Ohio Revised Code 3314.032(C). However, unlike traditional public schools located in the State of Ohio, community schools are not required to follow the specific budgetary process and limits set forth in the Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the Academy and its Sponsor. The contract between the Academy and its Sponsor does not require the Academy to follow the provisions Ohio Revised Code Chapter 5705; therefore, no budgetary information is presented in the basic financial statements.

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

During fiscal year 2019, investments were limited to Federal National Mortgage Association (FNMA) notes, negotiable certificates of deposit (negotiable CD's), and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value which is based on quoted market prices.

During fiscal year 2019, the Academy invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Academy measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)**

For fiscal year 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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

At June 30, 2019, investments are reported at fair value. The fluctuation in the fair value of investments is reported as a component of interest revenue. From June 30, 2018 to June 30, 2019, the fair value of investments decreased \$12,245 and accrued interest receivable on investments decreased \$1,989. Interest revenue reported on the statement of revenue, expenses and changes in net position was \$30,259 while interest receipts reported on the statements of cash flows was \$20,003. Although the fair value of investments can fluctuate, it's the Academy's policy to hold investments till maturity.

An analysis of the Academy's deposits and investments at fiscal year-end is provided in Note 19.D.

Prepaid Items: Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)**

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

Intergovernmental Revenues: The Academy currently participates in the State Foundation Program, the IDEA Part B grant, the Title I-A Improving Basic Programs grant, Title II-A Supporting Effective Instruction grant and the Title IV-A Student Support grant. Revenue from the State Foundation Program is recognized as operating revenue in the accounting period in which all eligibility requirements have been met. Amounts awarded under the State Foundation Program for fiscal year 2019, excluding all other State and Federal grants, totaled \$936,564.

Revenues received from the remaining programs are recognized as non-operating revenues in the accompanying financial statements. Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. State and Federal grants revenue for fiscal year 2019 was \$137,280.

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

Fair Value: The Academy categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**C. Changes in Accounting Principles**

For fiscal year 2019, the Academy has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations" and GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the Academy.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the Academy.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)**

**D. Deposits and Investments**

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

*Deposits:* At June 30, 2019, the carrying amount of Academy deposits was \$669,556 and the bank balance of Academy deposits was \$827,518. Of the bank balance, \$251,400 was covered by the FDIC and \$576,118 was uninsured and uncollateralized. There are no significant statutory restrictions regarding the deposit and investment of funds by the non-profit corporation.

*Investments:* At June 30, 2019, the Academy had the following investment and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
Negotiable CD's	\$ 99,598	\$ -	\$ -	\$ -	\$ -	\$ 99,598
FNMA Notes	322,348	-	173,948	-	-	148,400
<i>Amortized Cost:</i>						
STAR Ohio	<u>380,965</u>	<u>380,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 802,911</u>	<u>\$ 380,965</u>	<u>\$ 173,948</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247,998</u>

The weighted average maturity of investments is 0.61 years. Investments in negotiable CD's and federal agency securities can be sold prior to maturity on the secondary market if immediate cash flow is needed.

The Academy's investments in federal agency securities (FNMA Notes) and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)**

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

*Concentration of Credit Risk* - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Academy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Academy at June 30, 2019:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% to Total</u>
<i>Fair Value:</i>		
Negotiable CD's	\$ 99,598	12.40
FNMA Notes	322,348	40.15
<i>Amortized Cost:</i>		
STAR Ohio	<u>380,965</u>	<u>47.45</u>
Total	<u>\$ 802,911</u>	<u>100.00</u>

*Reconciliation of Cash and Investments to the Statement of Net Position*

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2019:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 669,556
Investments	<u>802,911</u>
Total	<u>\$ 1,472,467</u>
<u>Cash and investments per statement of net position</u>	
Cash and cash equivalents	\$ 1,050,521
Investments - current	173,948
Investments - noncurrent	<u>247,998</u>
Total	<u>\$ 1,472,467</u>

**E. Receivables**

Receivables at June 30, 2019 consisted of accrued interest in the amount of \$1,435 and an intergovernmental receivable in the amount of \$12,268. These receivables are expected to be collected in the subsequent year.



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)**

**F. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2019 follows:

	Balance 06/30/18	Additions	Reductions	Balance 06/30/19
<i>Capital assets, being depreciated:</i>				
Furniture and equipment	\$ 314,693	\$ 8,495	\$ -	\$ 323,188
Less: accumulated depreciation	(220,046)	(41,484)	-	(261,530)
Capital assets, net	\$ 94,647	\$ (32,989)	\$ -	\$ 61,658

**G. Long-Term Obligations**

Long-term obligations at June 30, 2019 consist of \$578,376 owed to the Ohio Department of Education as a result of the full-time equivalent (FTE) enrollment review for fiscal year 2016. This amount will be repaid over a five-year period by reducing the Academy's Foundation revenue by \$4,017 monthly. The reductions will begin with the July 1, 2019 foundation payment. See Note 19.K for more detail on the FTE review.

During fiscal year 2019, the Academy had the following activity in long-term obligations:

	Balance 06/30/2018	Additions	Disposals	Balance 06/30/2019	Due in One Year
Intergovernmental payable	\$ 578,376	\$ -	\$ -	\$ 578,376	\$ 48,198

**H. Risk Management**

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

Insurance coverage for the Academy follows:

Property:	\$ 204,448,316
General Liability:	
Per Occurrence	1,000,000
Aggregate	3,000,000
Educators Legal Liability	3,000,000

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)**

**I. Purchased Service Expenses**

For fiscal year ended June 30, 2019, purchased services expenses were as follows:

Professional and technical services	\$ 797,277
Property services	47,013
Travel mileage/meeting expenses	8,235
Communications	2,093
Tuition and similar payments	<u>7,669</u>
Total	<u>\$ 862,287</u>

**J. Payments to Sponsor / Related Party Transaction**

The Academy has entered into a Sponsorship Contract with the Findlay City School District, its Sponsor, as described in Note 19.A. The Sponsorship Contract states that the Findlay City School District may direct its Treasurer to serve as the Academy's fiscal officer. However, for fiscal year 2019, the Academy contracted with Steve Earnest to be the Treasurer. The Treasurer of the Academy performs the following functions for the Academy:

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

In addition to the Treasurer, the Academy contracts through the Hancock County Educational Service Center the services of the Executive Director through July 31, 2019, Academy Coordinator, Administrative Assistant and the EMIS Coordinator.

The Academy contracts with the Sponsor for almost all of its services, except those mentioned above.

During the year ended June 30, 2019, the Academy incurred \$479,917 in expenses payable to its Sponsor, the Findlay City School District, for:

Salaries and benefits	\$ 375,723
Other (computers/rent/supplies)	14,191
Millstream Career Center	63,130
Sponsor fees	<u>26,873</u>
Total	<u>\$ 479,917</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)**

**K. Contingencies**

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

State Funding: Academy foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. However, there is an important nexus between attendance and enrollment for Foundation funding purposes. Community schools must provide documentation that clearly demonstrates students have participated in learning opportunities. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end.

Under Ohio Rev. Code Section 3314.08, ODE may also perform a FTE Review subsequent to the fiscal year end that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance. As of the date of this report, ODE has performed such a review on the Academy for fiscal year 2019.

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

**L. Contract with TRECA Digital Academy**

The Academy entered into a contract on June 19, 2018, for fiscal year 2019, with TRECA Digital Academy (TDA). Under the contract, the following terms were agreed upon:

- TDA shall provide, via online delivery, its standardized digital curriculum, as described at the website of the TRECA Digital Academy.
- TDA shall cooperate with the Academy in conducting assessments and in developing a draft evaluation team report as part of any required initial evaluation of a Suspected Disabled Student or reevaluation of a Suspected Disabled Student.
- TDA shall conduct the IEP or related meetings and shall ensure the participation of the teacher(s) of the Disabled Student, in person or by telephone, to said IEP or related meetings.
- TDA shall communicate with the Academy regarding educational or related service that are mandated by a Disabled Student's IEP but which TDA has reasons to believe are not being provided.
- TDA shall provide such other services, including but not limited to the standard hardware and software package, and the standard technical and administrative services, as are provided generally by TDA to students.
- TDA shall promptly notify the Academy if, at any time, TDA has reason to believe it (or any contractor) is not fulfilling its obligations hereunder to Disabled or Suspected Disabled Students.
- All personnel providing services on behalf of TDA shall possess any certification, licensure training and experience that may be required by law.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 19 - FINDLAY DIGITAL ACADEMY - (Continued)**

For fiscal year 2019, \$17,607 was paid to TDA. On June 6, 2019, the Academy Board of Directors approved entering into a new contract with TDA for fiscal year 2020. To obtain TDA's audited June 30, 2019 financial statements please contact Jessica Wake, Treasurer, at 107 N. Main St. Suite 100, Marion, Ohio 43302.

**M. Operating Lease**

The Findlay Digital Academy entered into a lease agreement on July 7<sup>th</sup>, 2016 with TLB Corporate Center, LLC to lease office space located at the TLB Corporate Center at 1219 West Main Cross Street, Findlay, Ohio. The agreement is for three years, ending on September 30, 2019 and requiring a monthly lease payment of \$4,233. On September 11, 2019, the Academy entered into a new lease agreement for the period October 1, 2019 through September 30, 2020. In accordance with the lease agreement, the Academy shall have use of leased space for office purposes only. The Academy makes payments related to the lease agreement directly to the TLB Corporate Center, LLC.

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST SIX FISCAL YEARS			
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
District's proportion of the net pension liability	0.30697390%	0.29998470%	0.29663630%	0.29175810%
District's proportionate share of the net pension liability	\$ 17,580,964	\$ 17,923,423	\$ 21,711,040	\$ 16,648,000
District's covered payroll	\$ 10,360,104	\$ 10,258,343	\$ 9,906,671	\$ 8,783,445
District's proportionate share of the net pension liability as a percentage of its covered payroll	169.70%	174.72%	219.16%	189.54%
Plan fiduciary net position as a percentage of the total pension liability	71.36%	69.50%	62.98%	69.16%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.28344800%	0.28344800%
\$ 14,345,142	\$ 16,855,743
\$ 8,236,450	\$ 7,787,168
174.17%	216.46%
71.70%	65.52%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST SIX FISCAL YEARS			
	2019	2018	2017	2016
District's proportion of the net pension liability	0.26096954%	0.25495806%	0.25250113%	0.24742744%
District's proportionate share of the net pension liability	\$ 57,381,342	\$ 60,565,834	\$ 84,519,739	\$ 68,381,707
District's covered payroll	\$ 30,184,950	\$ 28,109,257	\$ 27,235,021	\$ 25,814,907
District's proportionate share of the net pension liability as a percentage of its covered payroll	190.10%	215.47%	310.33%	264.89%
Plan fiduciary net position as a percentage of the total pension liability	77.31%	75.30%	66.80%	72.10%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2015</u>	<u>2014</u>
0.24652338%	0.24652338%
\$ 59,963,018	\$ 71,427,554
\$ 25,187,877	\$ 24,787,677
238.06%	288.16%
74.70%	69.30%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,145,094	\$ 1,398,614	\$ 1,436,168	\$ 1,386,934
Contributions in relation to the contractually required contribution	<u>(1,145,094)</u>	<u>(1,398,614)</u>	<u>(1,436,168)</u>	<u>(1,386,934)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 8,482,178	\$ 10,360,104	\$ 10,258,343	\$ 9,906,671
Contributions as a percentage of covered payroll	13.50%	13.50%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,157,658	\$ 1,141,572	\$ 1,077,744	\$ 1,081,230	\$ 1,057,230	\$ 1,151,236
<u>(1,157,658)</u>	<u>(1,141,572)</u>	<u>(1,077,744)</u>	<u>(1,081,230)</u>	<u>(1,057,230)</u>	<u>(1,151,236)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,783,445	\$ 8,236,450	\$ 7,787,168	\$ 8,038,885	\$ 8,410,740	\$ 8,502,482
13.18%	13.86%	13.84%	13.45%	12.57%	13.54%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 4,234,483	\$ 4,225,893	\$ 3,935,296	\$ 3,812,903
Contributions in relation to the contractually required contribution	<u>(4,234,483)</u>	<u>(4,225,893)</u>	<u>(3,935,296)</u>	<u>(3,812,903)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 30,246,307	\$ 30,184,950	\$ 28,109,257	\$ 27,235,021
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 3,614,087	\$ 3,274,424	\$ 3,222,398	\$ 3,335,090	\$ 3,524,123	\$ 3,535,033
<u>(3,614,087)</u>	<u>(3,274,424)</u>	<u>(3,222,398)</u>	<u>(3,335,090)</u>	<u>(3,524,123)</u>	<u>(3,535,033)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 25,814,907	\$ 25,187,877	\$ 24,787,677	\$ 25,654,538	\$ 27,108,638	\$ 27,192,562
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.31020250%	0.30388660%	0.29966242%
District's proportionate share of the net OPEB liability	\$ 8,605,855	\$ 8,155,518	\$ 8,541,488
District's covered payroll	\$ 10,360,104	\$ 10,258,343	\$ 9,906,671
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	83.07%	79.50%	86.22%
Plan fiduciary net position as a percentage of the total OPEB liability	13.57%	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.26096954%	0.25495806%	0.25250113%
District's proportionate share of the net OPEB liability/(asset)	\$ (4,193,514)	\$ 9,947,523	\$ 13,503,826
District's covered payroll	\$ 30,184,950	\$ 28,109,257	\$ 27,235,021
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	13.89%	35.39%	49.58%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	176.00%	47.10%	37.30%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 215,311	\$ 213,956	\$ 163,181	\$ 147,572
Contributions in relation to the contractually required contribution	<u>(215,311)</u>	<u>(213,956)</u>	<u>(163,181)</u>	<u>(147,572)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 8,482,178	\$ 10,360,104	\$ 10,258,343	\$ 9,906,671
Contributions as a percentage of covered payroll	2.54%	2.07%	1.59%	1.49%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 211,212	\$ 143,976	\$ 145,191	\$ 171,068	\$ 248,163	\$ 161,169
<u>(211,212)</u>	<u>(143,976)</u>	<u>(145,191)</u>	<u>(171,068)</u>	<u>(248,163)</u>	<u>(161,169)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,783,445	\$ 8,236,450	\$ 7,787,168	\$ 8,038,885	\$ 8,410,740	\$ 8,502,482
2.40%	1.75%	1.86%	2.13%	2.95%	1.90%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 30,246,307	\$ 30,184,950	\$ 28,109,257	\$ 27,235,021
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ -	\$ 251,879	\$ 247,877	\$ 256,545	\$ 271,086	\$ 271,926
-	(251,879)	(247,877)	(256,545)	(271,086)	(271,926)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 25,814,907	\$ 25,187,877	\$ 24,787,677	\$ 25,654,538	\$ 27,108,638	\$ 27,192,562
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PENSION

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2019.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rate for Medicare was changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare was changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.

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COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

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

**MAJOR GOVERNMENTAL FUNDS**

**General Fund**

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

**NONMAJOR GOVERNMENTAL FUNDS**

**Nonmajor Special Revenue Funds**

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

**Food Service Fund**

Section 3313.81, Revised Code

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

**Special Trust Fund - Special Revenue**

Section 5705.09, Revised Code

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

**Other Grants Fund**

Sections 5705.09 and 5705.13, Revised Code

A fund used to account for the proceeds of specific revenue sources (except for state and federal grants) that are legally restricted to expenditures for specified purposes.

**Classroom Facilities Maintenance Fund**

Section 3318.06, Revised Code

A fund used to account for the proceeds of a levy for the maintenance of facilities.

**District Managed Activity Fund**

Section 3313.062, Revised Code

A fund used to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund usually includes athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

**Auxiliary Services Fund**

Current Budget Bill. appropriation line item 200-511

A fund used to account for receipts and expenditures incurred in providing services and materials to pupils attending non-public schools within the District.

**Data Communication Fund**

Section 5705.09, Revised Code

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

**SchoolNet Professional Development Fund**

State Line Item Appropriations 200-426

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

**Miscellaneous State Grants Fund**

Section 5705.12, Revised Code

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



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

**Nonmajor Special Revenue Funds - (Continued)**

**IDEA Part B Grants Fund**

Education of the Handicapped Act, PL 91-230  
CFDA #84.027

A fund used to account for Federal monies which assist states in the identification of handicapped children, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

**Vocational Education Fund**

Carl D. Perkins Vocational Education Act of 1984, PL 98-524  
CFDA #84.048

A fund used to account for the provision of funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects, including sex equity grants. Funds are administered by the Ohio Department of Education, Division of Vocational and Career Education.

**Stimulus Title II D Fund**

American Recovery and Reinvestment Act  
CFDA #84.318

Grant focus on Professional Development and Student Learning. Through sustained, collaborative, job-embedded professional development and the use of research-based methods, teachers will experience new models and strategies for teaching and learning.

**Limited English Proficiency Fund**

CFDA #84.365

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

**Title I Disadvantaged Children Fund**

PL 97-35; Title I ESEA 1965  
CFDA #84.010

A fund used to provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children. Included are the Even Start and Comprehensive School Reform programs.

**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.

**Improving Teacher Quality Fund**

CFDA #84.367

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  
COMBINING STATEMENTS - GOVERNMENTAL FUND DESCRIPTIONS**

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

**Uniform School Supplies Fund**

Section 3313.81, Revised Code

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

**Special Services Rotary Fund**

Section 5705.12, Revised Code

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

**Internal Services Rotary Fund**

Section 5705.12, Revised Code

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

**Public School Support Fund**

Section 5705.12, Revised Code

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

**Special Enterprise Fund**

Section 755.14, Revised Code

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

**Special Trust Fund - General**

Section 5705.09, Revised Code

A fund used to account for assets for specific local revenue sources that are used for expenditures for specified purposes assigned by the District treasurer.

**Nonmajor Debt Service Fund**

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

**Bond Retirement Fund**

Section 5705.09, Revised Code

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

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

**Nonmajor Capital Projects Fund**

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

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

**Nonmajor Permanent Fund**

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

**Endowment Fund**

Section 5705.09, Revised Code

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

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

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and investments . . . . .	\$ 3,319,026	\$ 1,024,088	\$ 3,363,576	\$ 679,623	\$ 8,386,313
Receivables:					
Property taxes . . . . .	-	3,220,239	1,857,070	-	5,077,309
Payment in lieu of taxes . . . . .	-	16,600	9,752	-	26,352
Accrued interest . . . . .	-	-	458	-	458
Intergovernmental . . . . .	188,135	-	-	-	188,135
Prepayments . . . . .	1,671	-	-	-	1,671
Materials and supplies inventory . . . . .	7,515	-	-	-	7,515
Inventory held for resale . . . . .	15,898	-	-	-	15,898
<b>Total assets . . . . .</b>	<b>\$ 3,532,245</b>	<b>\$ 4,260,927</b>	<b>\$ 5,230,856</b>	<b>\$ 679,623</b>	<b>\$ 13,703,651</b>
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 73,979	\$ -	\$ 13,416	\$ -	\$ 87,395
Contracts payable . . . . .	-	-	120,269	-	120,269
Accrued wages and benefits payable . . . . .	244,500	-	-	-	244,500
Intergovernmental payable . . . . .	4,383	-	-	-	4,383
Pension and postemployment benefits payable . . . . .	38,391	-	-	-	38,391
<b>Total liabilities . . . . .</b>	<b>361,253</b>	<b>-</b>	<b>133,685</b>	<b>-</b>	<b>494,938</b>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year . . . . .	-	2,816,448	1,624,194	-	4,440,642
Payment in lieu of taxes levied for the next fiscal year . . . . .	-	12,536	7,365	-	19,901
Delinquent property tax revenue not available . . . . .	-	143,972	82,950	-	226,922
Intergovernmental revenue not available . . . . .	62,392	-	-	-	62,392
<b>Total deferred inflows of resources . . . . .</b>	<b>62,392</b>	<b>2,972,956</b>	<b>1,714,509</b>	<b>-</b>	<b>4,749,857</b>
<b>Fund balances:</b>					
Nonspendable:					
Materials and supplies inventory . . . . .	7,515	-	-	-	7,515
Prepays . . . . .	1,671	-	-	-	1,671
Permanent fund . . . . .	-	-	-	618,000	618,000
Restricted:					
Debt service . . . . .	-	1,287,971	-	-	1,287,971
Capital improvements . . . . .	-	-	3,152,089	-	3,152,089
Classroom facilities maintenance . . . . .	1,600,009	-	-	-	1,600,009
Food service operations . . . . .	329,888	-	-	-	329,888
Non-public schools . . . . .	11,275	-	-	-	11,275
Other purposes . . . . .	859,148	-	-	-	859,148
Extracurricular . . . . .	417,319	-	-	-	417,319
Scholarships . . . . .	-	-	-	61,623	61,623
Committed:					
Capital improvements . . . . .	-	-	230,573	-	230,573
Unassigned (deficit) . . . . .	(118,225)	-	-	-	(118,225)
<b>Total fund balances . . . . .</b>	<b>3,108,600</b>	<b>1,287,971</b>	<b>3,382,662</b>	<b>679,623</b>	<b>8,458,856</b>
<b>Total liabilities, deferred inflows and fund balances . . . . .</b>	<b>\$ 3,532,245</b>	<b>\$ 4,260,927</b>	<b>\$ 5,230,856</b>	<b>\$ 679,623</b>	<b>\$ 13,703,651</b>

**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, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
From local sources:					
Property taxes . . . . .	\$ -	\$ 3,027,080	\$ 1,746,810	\$ -	\$ 4,773,890
Payment in lieu of taxes . . . . .	-	21,406	12,593	-	33,999
Earnings on investments . . . . .	4,788	-	9,403	8,892	23,083
Charges for services . . . . .	561,491	-	-	-	561,491
Extracurricular . . . . .	561,361	-	-	-	561,361
Rental income . . . . .	367,500	-	-	-	367,500
Contributions and donations . . . . .	332,134	-	28,741	-	360,875
Other local revenues . . . . .	515,159	-	-	-	515,159
Intergovernmental - state . . . . .	437,505	392,798	224,589	-	1,054,892
Intergovernmental - federal . . . . .	4,133,707	629,528	235,000	-	4,998,235
Change in fair value of investments . . . . .	-	-	8,130	-	8,130
<b>Total revenues . . . . .</b>	<b>6,913,645</b>	<b>4,070,812</b>	<b>2,265,266</b>	<b>8,892</b>	<b>13,258,615</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	496,179	-	449,869	-	946,048
Special . . . . .	2,258,475	-	26,023	-	2,284,498
Vocational . . . . .	183,964	-	-	-	183,964
Other . . . . .	59,343	-	-	-	59,343
Support services:					
Pupil . . . . .	87,456	-	-	-	87,456
Instructional staff . . . . .	244,412	-	-	-	244,412
Administration . . . . .	10,577	-	-	-	10,577
Business . . . . .	-	-	28,539	-	28,539
Operations and maintenance . . . . .	981,650	-	6,526	-	988,176
Pupil transportation . . . . .	48,125	-	514,284	-	562,409
Central . . . . .	8,032	-	-	-	8,032
Operation of non-instructional services:					
Other non-instructional services . . . . .	402,572	-	-	-	402,572
Food service operations . . . . .	1,659,958	-	-	-	1,659,958
Extracurricular activities . . . . .	724,463	-	13,743	-	738,206
Facilities acquisition and construction . . . . .	-	-	690,004	-	690,004
Debt service:					
Principal retirement . . . . .	-	1,450,000	-	-	1,450,000
Interest and fiscal charges . . . . .	-	2,633,348	-	-	2,633,348
<b>Total expenditures . . . . .</b>	<b>7,165,206</b>	<b>4,083,348</b>	<b>1,728,988</b>	<b>-</b>	<b>12,977,542</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(251,561)	(12,536)	536,278	8,892	281,073
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	38,022	-	-	-	38,022
Transfers (out) . . . . .	(2,882)	-	(42,022)	-	(44,904)
<b>Total other financing sources (uses) . . . . .</b>	<b>35,140</b>	<b>-</b>	<b>(42,022)</b>	<b>-</b>	<b>(6,882)</b>
Net change in fund balances . . . . .	(216,421)	(12,536)	494,256	8,892	274,191
<b>Fund balances at beginning of year . . . . .</b>	<b>3,323,849</b>	<b>1,300,507</b>	<b>2,888,406</b>	<b>670,731</b>	<b>8,183,493</b>
<b>Increase in reserve for inventory . . . . .</b>	<b>1,172</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,172</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 3,108,600</b>	<b>\$ 1,287,971</b>	<b>\$ 3,382,662</b>	<b>\$ 679,623</b>	<b>\$ 8,458,856</b>

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2019

	<u>Food Service</u>	<u>Special Trust</u>	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 345,613	\$ 434,459	\$ 387,129	\$ 1,641,711
Receivables:				
Intergovernmental . . . . .	-	-	-	-
Prepayments. . . . .	1,404	84	-	-
Materials and supplies inventory . . . . .	7,515	-	-	-
Inventory held for resale . . . . .	15,898	-	-	-
Total assets. . . . .	<u>\$ 370,430</u>	<u>\$ 434,543</u>	<u>\$ 387,129</u>	<u>\$ 1,641,711</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 309	\$ 1,196	\$ 2,907	\$ 41,702
Accrued wages and benefits payable . . . . .	28,416	-	16,303	-
Intergovernmental payable . . . . .	61	-	183	-
Pension and postemployment benefits payable. . . . .	2,837	-	1,946	-
Total liabilities. . . . .	<u>31,623</u>	<u>1,196</u>	<u>21,339</u>	<u>41,702</u>
<b>Deferred inflows of resources:</b>				
Intergovernmental revenue not available . . . . .	-	-	-	-
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory. . . . .	7,515	-	-	-
Prepays. . . . .	1,404	84	-	-
Restricted:				
Classroom facilities maintenance. . . . .	-	-	-	1,600,009
Food service operations . . . . .	329,888	-	-	-
Non-public schools . . . . .	-	-	-	-
Other purposes . . . . .	-	433,263	365,790	-
Extracurricular. . . . .	-	-	-	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances (deficit) . . . . .	<u>338,807</u>	<u>433,347</u>	<u>365,790</u>	<u>1,600,009</u>
Total liabilities, deferred inflows and fund balances. . . . .	<u>\$ 370,430</u>	<u>\$ 434,543</u>	<u>\$ 387,129</u>	<u>\$ 1,641,711</u>

<b>District Managed Activity</b>	<b>Auxillary Services</b>	<b>Miscellaneous State Grants</b>	<b>IDEA Part B Grants</b>	<b>Vocational Education</b>	<b>Title I Disadvantaged Children</b>
\$ 423,123	\$ 22,279	\$ 35,765	\$ 6,070	\$ -	\$ 22,877
-	-	267	50,168	-	-
-	142	41	-	-	105,964
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 423,123</u>	<u>\$ 22,421</u>	<u>\$ 36,073</u>	<u>\$ 56,238</u>	<u>\$ -</u>	<u>\$ 128,841</u>
\$ 2,531	\$ -	\$ 162	\$ 9,834	\$ -	\$ 15,338
-	9,532	-	30,494	-	159,755
-	138	-	104	-	3,897
3,273	1,334	-	2,833	600	19,062
<u>5,804</u>	<u>11,004</u>	<u>162</u>	<u>43,265</u>	<u>600</u>	<u>198,052</u>
-	-	267	50,168	-	11,219
-	-	-	-	-	-
-	142	41	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	11,275	-	-	-	-
-	-	35,603	-	-	-
417,319	-	-	-	-	-
-	-	-	(37,195)	(600)	(80,430)
<u>417,319</u>	<u>11,417</u>	<u>35,644</u>	<u>(37,195)</u>	<u>(600)</u>	<u>(80,430)</u>
<u>\$ 423,123</u>	<u>\$ 22,421</u>	<u>\$ 36,073</u>	<u>\$ 56,238</u>	<u>\$ -</u>	<u>\$ 128,841</u>

(continued)

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2019

	<b>Miscellaneous Federal Grants</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Assets:</b>		
Equity in pooled cash and investments . . . . .	\$ -	\$ 3,319,026
Receivables:		
Intergovernmental . . . . .	31,736	188,135
Prepayments. . . . .	-	1,671
Materials and supplies inventory . . . . .	-	7,515
Inventory held for resale . . . . .	-	15,898
Total assets. . . . .	\$ 31,736	\$ 3,532,245
<b>Liabilities:</b>		
Accounts payable. . . . .	\$ -	\$ 73,979
Accrued wages and benefits payable . . . . .	-	244,500
Intergovernmental payable . . . . .	-	4,383
Pension and postemployment benefits payable. . . . .	6,506	38,391
Total liabilities. . . . .	6,506	361,253
<b>Deferred inflows of resources:</b>		
Intergovernmental revenue not available . . . . .	738	62,392
<b>Fund balances:</b>		
Nonspendable:		
Materials and supplies inventory. . . . .	-	7,515
Prepays. . . . .	-	1,671
Restricted:		
Classroom facilities maintenance. . . . .	-	1,600,009
Food service operations . . . . .	-	329,888
Non-public schools . . . . .	-	11,275
Other purposes . . . . .	24,492	859,148
Extracurricular. . . . .	-	417,319
Unassigned (deficit) . . . . .	-	(118,225)
Total fund balances (deficit) . . . . .	24,492	3,108,600
Total liabilities, deferred inflows and fund balances. . .	\$ 31,736	\$ 3,532,245



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**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, 2019

	<u>Food Service</u>	<u>Special Trust</u>	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 3,906	\$ -	\$ -	\$ -
Charges for services . . . . .	561,491	-	-	-
Extracurricular . . . . .	-	-	-	-
Rental income . . . . .	-	-	-	367,500
Contributions and donations . . . . .	-	332,134	-	-
Other local revenues . . . . .	500	2,141	403,346	-
Intergovernmental - state . . . . .	-	-	-	-
Intergovernmental - federal . . . . .	1,046,536	-	-	-
Total revenues . . . . .	<u>1,612,433</u>	<u>334,275</u>	<u>403,346</u>	<u>367,500</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	1,000	263,220	1,496
Special . . . . .	-	-	-	-
Vocational . . . . .	-	995	-	-
Other . . . . .	-	-	28,715	-
Support services:				
Pupil . . . . .	-	-	10,730	-
Instructional staff . . . . .	-	-	-	-
Administration . . . . .	-	-	-	-
Operations and maintenance . . . . .	-	338,386	-	633,948
Pupil transportation . . . . .	-	-	38,374	-
Central . . . . .	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services . . . . .	-	-	9,338	-
Food service operations . . . . .	1,659,958	-	-	-
Extracurricular activities . . . . .	-	-	-	-
Total expenditures . . . . .	<u>1,659,958</u>	<u>340,381</u>	<u>350,377</u>	<u>635,444</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(47,525)</u>	<u>(6,106)</u>	<u>52,969</u>	<u>(267,944)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	-	38,022
Transfers (out) . . . . .	-	-	(2,882)	-
Total other financing sources (uses) . . . . .	<u>-</u>	<u>-</u>	<u>(2,882)</u>	<u>38,022</u>
Net change in fund balances . . . . .	(47,525)	(6,106)	50,087	(229,922)
<b>Fund balances (deficit) at beginning of year . . .</b>	385,160	439,453	315,703	1,829,931
<b>Increase in reserve for inventory . . . . .</b>	1,172	-	-	-
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 338,807</u>	<u>\$ 433,347</u>	<u>\$ 365,790</u>	<u>\$ 1,600,009</u>

<b>District Managed Activity</b>	<b>Auxiliary Services</b>	<b>Data Communication</b>	<b>Miscellaneous State Grants</b>	<b>IDEA Part B Grants</b>
\$ -	\$ 882	\$ -	\$ -	\$ -
-	-	-	-	-
561,361	-	-	-	-
-	-	-	-	-
-	-	-	-	-
109,172	-	-	-	-
-	351,586	23,400	62,519	-
-	-	-	2,996	1,246,242
<u>670,533</u>	<u>352,468</u>	<u>23,400</u>	<u>65,515</u>	<u>1,246,242</u>
-	-	23,400	-	-
-	-	-	2,996	1,118,211
-	-	-	-	-
-	-	-	-	-
-	-	-	137	71,173
-	-	-	24,594	84,710
-	-	-	-	-
9,316	-	-	-	-
9,751	-	-	-	-
-	-	-	8,032	-
-	359,328	-	-	-
-	-	-	-	-
<u>724,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>743,530</u>	<u>359,328</u>	<u>23,400</u>	<u>35,759</u>	<u>1,274,094</u>
<u>(72,997)</u>	<u>(6,860)</u>	<u>-</u>	<u>29,756</u>	<u>(27,852)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(72,997)	(6,860)	-	29,756	(27,852)
490,316	18,277	-	5,888	(9,343)
-	-	-	-	-
<u>\$ 417,319</u>	<u>\$ 11,417</u>	<u>\$ -</u>	<u>\$ 35,644</u>	<u>\$ (37,195)</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, 2019

	<u>Vocational Education</u>	<u>Limited English Proficiency</u>	<u>Title I Disadvantaged Children</u>	<u>IDEA Preschool- Handicapped</u>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Rental income . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	-
Intergovernmental - state . . . . .	-	-	-	-
Intergovernmental - federal . . . . .	199,475	14,578	1,289,199	60,460
Total revenues . . . . .	<u>199,475</u>	<u>14,578</u>	<u>1,289,199</u>	<u>60,460</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	14,057	-	-
Special . . . . .	-	-	1,076,808	60,460
Vocational . . . . .	182,969	-	-	-
Other . . . . .	-	-	30,628	-
Support services:				
Pupil . . . . .	5,416	-	-	-
Instructional staff . . . . .	-	521	82,812	-
Administration . . . . .	10,577	-	-	-
Operations and maintenance . . . . .	-	-	-	-
Pupil transportation . . . . .	-	-	-	-
Central . . . . .	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services . . . . .	-	-	21,548	-
Food service operations . . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	-	-
Total expenditures . . . . .	<u>198,962</u>	<u>14,578</u>	<u>1,211,796</u>	<u>60,460</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>513</u>	<u>-</u>	<u>77,403</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	-	-
Transfers (out) . . . . .	-	-	-	-
Total other financing sources (uses) . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances . . . . .	513	-	77,403	-
Fund balances (deficit) at beginning of year . . . . .	(1,113)	-	(157,833)	-
Increase in reserve for inventory . . . . .	-	-	-	-
Fund balances (deficit) at end of year . . . . .	<u>\$ (600)</u>	<u>\$ -</u>	<u>\$ (80,430)</u>	<u>\$ -</u>

<b>Improving Teacher Quality</b>	<b>Miscellaneous Federal Grants</b>	<b>Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ 4,788
-	-	561,491
-	-	561,361
-	-	367,500
-	-	332,134
-	-	515,159
-	-	437,505
183,935	90,286	4,133,707
<u>183,935</u>	<u>90,286</u>	<u>6,913,645</u>
177,478	15,528	496,179
-	-	2,258,475
-	-	183,964
-	-	59,343
-	-	87,456
-	51,775	244,412
-	-	10,577
-	-	981,650
-	-	48,125
-	-	8,032
6,457	5,901	402,572
-	-	1,659,958
-	-	724,463
<u>183,935</u>	<u>73,204</u>	<u>7,165,206</u>
-	17,082	(251,561)
-	-	38,022
-	-	(2,882)
-	-	<u>35,140</u>
-	17,082	(216,421)
-	7,410	3,323,849
-	-	1,172
<u>\$ -</u>	<u>\$ 24,492</u>	<u>\$ 3,108,600</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Food Service Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 2,000,000	\$ 2,000,000	\$ 1,499,585	\$ (500,415)
Total Expenditures and Other Financing Uses	1,968,560	1,968,560	1,696,495	272,065
Net Change in Fund Balance	31,440	31,440	(196,910)	(228,350)
Fund Balance, July 1	246,196	246,196	224,451	(21,745)
Prior Year Encumbrances Appropriated	168,560	168,560	168,560	-
Fund Balance, June 30	<u>\$ 446,196</u>	<u>\$ 446,196</u>	<u>\$ 196,101</u>	<u>\$ (250,095)</u>
<b><u>Special Trust Fund - Special Revenue</u></b>				
Total Revenues and Other Financing Sources	\$ 356,961	\$ 356,961	\$ 334,275	\$ (22,686)
Total Expenditures and Other Financing Uses	461,177	461,177	423,220	37,957
Net Change in Fund Balance	(104,216)	(104,216)	(88,945)	15,271
Fund Balance, July 1	110,682	110,682	386,930	276,248
Prior Year Encumbrances Appropriated	52,440	52,440	52,440	-
Fund Balance, June 30	<u>\$ 58,906</u>	<u>\$ 58,906</u>	<u>\$ 350,425</u>	<u>\$ 291,519</u>
<b><u>Other Grants Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 374,000	\$ 374,000	\$ 413,832	\$ 39,832
Total Expenditures and Other Financing Uses	391,095	391,095	353,581	37,514
Net Change in Fund Balance	(17,095)	(17,095)	60,251	77,346
Fund Balance, July 1	288,485	288,485	309,207	20,722
Prior Year Encumbrances Appropriated	8,095	8,095	8,095	-
Fund Balance, June 30	<u>\$ 279,485</u>	<u>\$ 279,485</u>	<u>\$ 377,553</u>	<u>\$ 98,068</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Classroom Facilities Maintenance Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 414,021	\$ 414,021	\$ 405,522	\$ (8,499)
Total Expenditures and Other Financing Uses	844,508	944,508	943,155	1,353
Net Change in Fund Balance	(430,487)	(530,487)	(537,633)	(7,146)
Fund Balance, July 1	1,412,592	1,412,592	1,643,309	230,717
Prior Year Encumbrances Appropriated	245,508	245,508	245,508	-
Fund Balance, June 30	<u>\$ 1,227,613</u>	<u>\$ 1,127,613</u>	<u>\$ 1,351,184</u>	<u>\$ 223,571</u>
<b><u>District Managed Activity Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 500,000	\$ 500,000	\$ 670,533	\$ 170,533
Total Expenditures and Other Financing Uses	770,920	820,920	791,459	29,461
Net Change in Fund Balance	(270,920)	(320,920)	(120,926)	199,994
Fund Balance, July 1	138,411	138,411	424,537	286,126
Prior Year Encumbrances Appropriated	71,920	71,920	71,920	-
Fund Balance (deficit), June 30	<u>\$ (60,589)</u>	<u>\$ (110,589)</u>	<u>\$ 375,531</u>	<u>\$ 486,120</u>
<b><u>Auxiliary Services Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 390,000	\$ 390,000	\$ 352,468	\$ (37,532)
Total Expenditures and Other Financing Uses	417,238	417,238	381,517	35,721
Net Change in Fund Balance	(27,238)	(27,238)	(29,049)	(1,811)
Fund Balance, July 1	2,261	2,261	1,812	(449)
Prior Year Encumbrances Appropriated	27,238	27,238	27,238	-
Fund Balance, June 30	<u>\$ 2,261</u>	<u>\$ 2,261</u>	<u>\$ 1</u>	<u>\$ (2,260)</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Data Communication Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 30,000	\$ 30,000	\$ 23,400	\$ (6,600)
Total Expenditures and Other Financing Uses	<u>30,000</u>	<u>30,000</u>	<u>23,400</u>	<u>6,600</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>SchoolNet Professional Development Fund</u></b>				
Total Revenues and Other Sources	\$ 9,000	\$ 9,000	\$ -	\$ (9,000)
Total Expenditures and Other Uses	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net Change in Fund Balances	8,000	8,000	-	(8,000)
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ (8,000)</u>
<b><u>Miscellaneous State Grants Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 90,000	\$ 90,000	\$ 65,515	\$ (24,485)
Total Expenditures and Other Financing Uses	<u>101,696</u>	<u>101,696</u>	<u>44,233</u>	<u>57,463</u>
Net Change in Fund Balance	(11,696)	(11,696)	21,282	32,978
Fund Balance, July 1	875	875	10,808	9,933
Prior Year Encumbrances Appropriated	<u>2,696</u>	<u>2,696</u>	<u>2,696</u>	<u>-</u>
Fund Balance (deficit), June 30	<u>\$ (8,125)</u>	<u>\$ (8,125)</u>	<u>\$ 34,786</u>	<u>\$ 42,911</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>IDEA Part B Grants Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 1,370,000	\$ 1,370,000	\$ 1,246,242	\$ (123,758)
Total Expenditures and Other Financing Uses	1,353,794	1,353,794	1,311,366	42,428
Net Change in Fund Balance	16,206	16,206	(65,124)	(81,330)
Fund Balance, July 1	42,908	42,908	42,908	-
Prior Year Encumbrances Appropriated	3,794	3,794	3,794	-
Fund Balance (deficit), June 30	<u>\$ 62,908</u>	<u>\$ 62,908</u>	<u>\$ (18,422)</u>	<u>\$ (81,330)</u>
<b><u>Vocational Education Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 239,000	\$ 239,000	\$ 199,475	\$ (39,525)
Total Expenditures and Other Financing Uses	195,000	199,500	199,476	24
Net Change in Fund Balance	44,000	39,500	(1)	(39,501)
Fund Balance, July 1	1	1	1	-
Fund Balance, June 30	<u>\$ 44,001</u>	<u>\$ 39,501</u>	<u>\$ -</u>	<u>\$ (39,501)</u>
<b><u>Stimulus Title II D Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Total Expenditures and Other Financing Uses	1,000	1,000	-	1,000
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Limited English Proficiency Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 25,000	\$ 25,000	\$ 14,578	\$ (10,422)
Total Expenditures and Other Financing Uses	25,000	25,000	14,578	10,422
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Title I Disadvantaged Children Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 1,560,000	\$ 1,560,000	\$ 1,207,864	\$ (352,136)
Total Expenditures and Other Financing Uses	1,395,182	1,395,182	1,238,850	156,332
Net Change in Fund Balance	164,818	164,818	(30,986)	(195,804)
Fund Balance (deficit), July 1	(12,628)	(12,628)	(12,628)	-
Prior Year Encumbrances Appropriated	36,182	36,182	36,182	-
Fund Balance (deficit), June 30	<u>\$ 188,372</u>	<u>\$ 188,372</u>	<u>\$ (7,432)</u>	<u>\$ (195,804)</u>
<b><u>IDEA Preschool-Handicapped Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 49,000	\$ 60,500	\$ 60,460	\$ (40)
Total Expenditures and Other Financing Uses	49,000	60,500	60,460	40
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Improving Teacher Quality Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 230,000	\$ 230,000	\$ 183,935	\$ (46,065)
Total Expenditures and Other Financing Uses	185,000	185,000	183,935	1,065
Net Change in Fund Balance	45,000	45,000	-	(45,000)
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ -</u>	<u>\$ (45,000)</u>
<b><u>Miscellaneous Federal Grants Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 169,000	\$ 169,000	\$ 59,288	\$ (109,712)
Total Expenditures and Other Financing Uses	178,234	178,234	70,676	107,558
Net Change in Fund Balance	(9,234)	(9,234)	(11,388)	(2,154)
Fund Balance, July 1	1	1	1	-
Prior Year Encumbrances Appropriated	9,234	9,234	9,234	-
Fund Balance (deficit), June 30	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ (2,153)</u>	<u>\$ (2,154)</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Uniform School Supplies Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 300,000	\$ 300,000	\$ 390,604	\$ 90,604
Total Expenditures and Other Financing Uses	424,302	426,302	412,043	14,259
Net Change in Fund Balance	(124,302)	(126,302)	(21,439)	104,863
Fund Balance, July 1	362,671	362,671	362,671	-
Prior Year Encumbrances Appropriated	74,302	74,302	74,302	-
Fund Balance, June 30	<u>\$ 312,671</u>	<u>\$ 310,671</u>	<u>\$ 415,534</u>	<u>\$ 104,863</u>
<b><u>Special Services Rotary Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 125,000	\$ 125,000	\$ 115,649	\$ (9,351)
Total Expenditures and Other Financing Uses	187,542	187,542	108,223	79,319
Net Change in Fund Balance	(62,542)	(62,542)	7,426	69,968
Fund Balance, July 1	54,192	54,192	54,192	-
Prior Year Encumbrances Appropriated	12,542	12,542	12,542	-
Fund Balance, June 30	<u>\$ 4,192</u>	<u>\$ 4,192</u>	<u>\$ 74,160</u>	<u>\$ 69,968</u>
<b><u>Internal Services Rotary Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 940,000	\$ 815,000	\$ 743,448	\$ (71,552)
Total Expenditures and Other Financing Uses	926,479	926,479	756,452	170,027
Net Change in Fund Balance	13,521	(111,479)	(13,004)	98,475
Fund Balance, July 1	153,076	153,076	153,076	-
Prior Year Encumbrances Appropriated	5,479	5,479	5,479	-
Fund Balance, June 30	<u>\$ 172,076</u>	<u>\$ 47,076</u>	<u>\$ 145,551</u>	<u>\$ 98,475</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Public School Support Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 150,000	\$ 150,000	\$ 171,107	\$ 21,107
Total Expenditures and Other Financing Uses	211,084	211,084	187,891	23,193
Net Change in Fund Balance	(61,084)	(61,084)	(16,784)	44,300
Fund Balance, July 1	126,063	67,535	126,063	58,528
Prior Year Encumbrances Appropriated	11,084	11,084	11,084	-
Fund Balance, June 30	<u>\$ 76,063</u>	<u>\$ 17,535</u>	<u>\$ 120,363</u>	<u>\$ 102,828</u>
<b><u>Special Enterprise Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 170,000	\$ 170,000	\$ 157,114	\$ (12,886)
Total Expenditures and Other Financing Uses	210,000	210,000	189,666	20,334
Net Change in Fund Balance	(40,000)	(40,000)	(32,552)	7,448
Fund Balance, July 1	111,363	111,363	111,363	-
Fund Balance, June 30	<u>\$ 71,363</u>	<u>\$ 71,363</u>	<u>\$ 78,811</u>	<u>\$ 7,448</u>
<b><u>Special Trust Fund - General</u></b>				
Total Revenues and Other Financing Sources	\$ 27,284	\$ 27,284	\$ 25,550	\$ (1,734)
Total Expenditures and Other Financing Uses	22,733	22,733	23,539	(806)
Net Change in Fund Balance	4,551	4,551	2,011	(2,540)
Fund Balance, July 1	60,836	60,836	60,836	-
Fund Balance, June 30	<u>\$ 65,387</u>	<u>\$ 65,387</u>	<u>\$ 62,847</u>	<u>\$ (2,540)</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Bond Retirement Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 4,015,203	\$ 4,032,641	\$ 4,052,857	\$ 20,216
Total Expenditures and Other Financing Uses	4,083,348	4,083,348	4,083,348	-
Net Change in Fund Balance	(68,145)	(50,707)	(30,491)	20,216
Fund Balance, July 1	1,054,579	1,054,579	1,054,579	-
Fund Balance, June 30	<u>\$ 986,434</u>	<u>\$ 1,003,872</u>	<u>\$ 1,024,088</u>	<u>\$ 20,216</u>

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

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS  
JUNE 30, 2019

	<b>Permanent Improvement Fund</b>	<b>Building Fund</b>	<b>Total Nonmajor Capital Project Funds</b>
<b>Assets:</b>			
Equity in pooled cash and investments . . . . .	\$ 2,966,372	\$ 397,204	\$ 3,363,576
Receivables:			
Property taxes . . . . .	1,857,070	-	1,857,070
Payment in lieu of taxes . . . . .	9,752	-	9,752
Accrued interest . . . . .	-	458	458
Total assets . . . . .	\$ 4,833,194	\$ 397,662	\$ 5,230,856
<b>Liabilities:</b>			
Accounts payable . . . . .	13,416	-	13,416
Contracts payable . . . . .	120,269	-	120,269
Total liabilities . . . . .	133,685	-	133,685
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year . . . . .	1,624,194	-	1,624,194
Payment in lieu of taxes levied for the next fiscal year . . . . .	7,365	-	7,365
Delinquent property tax revenue not available . . . . .	82,950	-	82,950
Total deferred inflows of resources . . . . .	1,714,509	-	1,714,509
<b>Fund balances:</b>			
Restricted:			
Capital improvements . . . . .	2,754,427	397,662	3,152,089
Committed:			
Capital improvements . . . . .	230,573	-	230,573
Total fund balances . . . . .	2,985,000	397,662	3,382,662
Total liabilities, deferred inflows and fund balances. . . . .	\$ 4,833,194	\$ 397,662	\$ 5,230,856

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<b>Permanent Improvement Fund</b>	<b>Building Fund</b>	<b>Total Nonmajor Capital Project Funds</b>
<b>Revenues:</b>			
From local sources:			
Property taxes . . . . .	\$ 1,746,810	\$ -	\$ 1,746,810
Payment in lieu of taxes . . . . .	12,593	-	12,593
Earnings on investments . . . . .	-	9,403	9,403
Contributions and donations . . . . .	28,741	-	28,741
Intergovernmental - state . . . . .	224,589	-	224,589
Intergovernmental - federal . . . . .	235,000	-	235,000
Change in fair value of investments . . . . .	-	8,130	8,130
	<u>2,247,733</u>	<u>17,533</u>	<u>2,265,266</u>
<b>Total revenues . . . . .</b>			
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular . . . . .	449,869	-	449,869
Special . . . . .	26,023	-	26,023
Support services:			
Business . . . . .	28,539	-	28,539
Operations and maintenance . . . . .	6,526	-	6,526
Pupil transportation . . . . .	514,284	-	514,284
Extracurricular activities . . . . .	13,743	-	13,743
Facilities acquisition and construction . . . . .	690,004	-	690,004
	<u>1,728,988</u>	<u>-</u>	<u>1,728,988</u>
<b>Total expenditures . . . . .</b>			
Excess of revenues over expenditures. . . . .	<u>518,745</u>	<u>17,533</u>	<u>536,278</u>
<b>Other financing (uses):</b>			
Transfer out. . . . .	(42,022)	-	(42,022)
<b>Total other financing (uses). . . . .</b>	<u>(42,022)</u>	<u>-</u>	<u>(42,022)</u>
Net change in fund balances. . . . .	476,723	17,533	494,256
<b>Fund balances at beginning of year . . . . .</b>	<u>2,508,277</u>	<u>380,129</u>	<u>2,888,406</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 2,985,000</u>	<u>\$ 397,662</u>	<u>\$ 3,382,662</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Permanent Improvement Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 2,191,440	\$ 2,200,333	\$ 2,237,084	\$ 36,751
Total Expenditures and Other Financing Uses	3,999,413	4,299,413	3,944,716	354,697
Net Change in Fund Balance	(1,807,973)	(2,099,080)	(1,707,632)	391,448
Fund Balance, July 1	1,960,101	1,960,101	1,960,101	-
Prior Year Encumbrances Appropriated	1,018,913	1,018,913	1,018,913	-
Fund Balance, June 30	<u>\$ 1,171,041</u>	<u>\$ 879,934</u>	<u>\$ 1,271,382</u>	<u>\$ 391,448</u>
<b><u>Building Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 10,000	\$ 10,000	\$ 9,403	\$ (597)
Total Expenditures and Other Financing Uses	395,000	395,000	-	395,000
Net Change in Fund Balance	(385,000)	(385,000)	9,403	394,403
Fund Balance, July 1	387,391	387,391	387,391	-
Fund Balance, June 30	<u>\$ 2,391</u>	<u>\$ 2,391</u>	<u>\$ 396,794</u>	<u>\$ 394,403</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Endowment Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 30,000	\$ 30,000	\$ 8,892	\$ (21,108)
Total Expenditures and Other Financing Uses	33,500	33,500	21,000	12,500
Net Change in Fund Balance	(3,500)	(3,500)	(12,108)	(8,608)
Fund Balance, July 1	667,231	667,231	667,231	-
Prior Year Encumbrances Appropriated	3,500	3,500	3,500	-
Fund Balance, June 30	<u>\$ 667,231</u>	<u>\$ 667,231</u>	<u>\$ 658,623</u>	<u>\$ (8,608)</u>

**FINDLAY CITY SCHOOL DISTRICT  
PROPRIETARY FUND DESCRIPTION**

**Nonmajor Internal Service Fund**

**Employee Benefits Self Insurance Fund**

Section 5705.09, Revised Code

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

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Employee Benefits Self Insurance Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 9,000,000	\$ 9,000,000	\$ 9,977,247	\$ 977,247
Total Expenses and Other Financing Uses	9,500,000	10,100,000	10,099,997	3
Net Change in Fund Balance	(500,000)	(1,100,000)	(122,750)	977,250
Fund Balance, July 1	1,812,133	1,812,133	1,812,133	-
Fund Balance, June 30	<u>\$ 1,312,133</u>	<u>\$ 712,133</u>	<u>\$ 1,689,383</u>	<u>\$ 977,250</u>

**FINDLAY CITY SCHOOL DISTRICT  
FIDUCIARY FUND DESCRIPTIONS**

**Private Purpose Trust Fund**

**Scholarship Fund**

Section 5705.09, Revised Code

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

**Agency Fund**

**District Agency Fund**

Section 3313.062, Revised Code

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

**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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Scholarship Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 19,755	\$ 19,755	\$ 18,500	\$ (1,255)
Total Expenditures and Other Financing Uses	25,744	25,744	14,009	11,735
Net Change in Fund Balance	(5,989)	(5,989)	4,491	10,480
Fund Balance, July 1	38,272	38,272	38,272	-
Prior Year Encumbrances Appropriated	12,214	12,214	12,214	-
Fund Balance, June 30	<u>\$ 44,497</u>	<u>\$ 44,497</u>	<u>\$ 54,977</u>	<u>\$ 10,480</u>

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<b>Beginning Balance June 30, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance June 30, 2019</b>
<b><u>District Agency Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ -	\$ 101,347	\$ (99,123)	\$ 2,224
Total assets . . . . .	<u>\$ -</u>	<u>\$ 101,347</u>	<u>\$ (99,123)</u>	<u>\$ 2,224</u>
<b>Liabilities:</b>				
Due to students . . . . .	-	101,347	(99,123)	2,224
Total liabilities . . . . .	<u>\$ -</u>	<u>\$ 101,347</u>	<u>\$ (99,123)</u>	<u>\$ 2,224</u>
<b><u>Student Managed Activity Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 126,759	\$ 97,274	\$ (89,634)	\$ 134,399
Total assets . . . . .	<u>\$ 126,759</u>	<u>\$ 97,274</u>	<u>\$ (89,634)</u>	<u>\$ 134,399</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 2,209	\$ 36	\$ (2,209)	\$ 36
Due to students . . . . .	124,550	97,238	(87,425)	134,363
Total liabilities . . . . .	<u>\$ 126,759</u>	<u>\$ 97,274</u>	<u>\$ (89,634)</u>	<u>\$ 134,399</u>
<b><u>Total Agency Funds</u></b>				
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 126,759	\$ 198,621	\$ (188,757)	\$ 136,623
Total assets . . . . .	<u>\$ 126,759</u>	<u>\$ 198,621</u>	<u>\$ (188,757)</u>	<u>\$ 136,623</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 2,209	\$ 36	\$ (2,209)	\$ 36
Due to students . . . . .	124,550	198,585	(186,548)	136,587
Total liabilities . . . . .	<u>\$ 126,759</u>	<u>\$ 198,621</u>	<u>\$ (188,757)</u>	<u>\$ 136,623</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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends:</b> These schedules present trend information to demonstrate how the District's financial position and financial performance have changed over time.	<b>S2 - S13</b>
<b>Revenue Capacity:</b> These schedules present information to identify the capacity of the District's most significant local revenue source, property taxes.	<b>S14 - S21</b>
<b>Debt Capacity:</b> 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.	<b>S22 - S25</b>
<b>Demographic and Economic Information:</b> These schedules present information to show demographic and economic indicators of the environment within which the District's financial operations occur.	<b>S26 - S27</b>
<b>Operating Information:</b> 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.	<b>S28 - S36</b>
<b>Sources:</b> Sources are noted on the individual schedules.	

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

NET POSITION BY COMPONENT  
ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

<u>Governmental Activities</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>Net Position:</u></b>				
Net investment in capital assets	\$ 47,393,471	\$ 48,369,602	\$ 49,016,340	\$ 47,538,520
Restricted	8,258,640	7,967,684	7,138,085	6,411,757
Unrestricted (deficit)	<u>(67,516,507)</u>	<u>(72,095,398)</u>	<u>(98,695,235)</u>	<u>(71,189,360)</u>
Total governmental activities net position (deficit)	<u>\$ (11,864,396)</u>	<u>\$ (15,758,112)</u>	<u>\$ (42,540,810)</u>	<u>\$ (17,239,083)</u>

**Source:** Findlay CSD, Treasurer's Office.

**Notes:**

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

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

2017 amounts have been restated due to implementation of GASB Statements No. 75.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 43,804,562	\$ 40,058,592	\$ 36,707,854	\$ 33,870,976	\$ 17,194,091	\$ 15,084,461
9,259,238	11,663,339	11,034,090	9,747,567	24,592,513	22,508,530
<u>(70,709,656)</u>	<u>(72,178,719)</u>	<u>9,369,113</u>	<u>10,025,932</u>	<u>6,919,739</u>	<u>4,627,370</u>
<u>\$ (17,645,856)</u>	<u>\$ (20,456,788)</u>	<u>\$ 57,111,057</u>	<u>\$ 53,644,475</u>	<u>\$ 48,706,343</u>	<u>\$ 42,220,361</u>

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

CHANGES IN NET POSITION  
ACCRUAL BASIS OF ACCOUNTING  
LAST TEN FISCAL YEARS

<b>Governmental Activities</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b><u>Expenses:</u></b>				
Instruction:				
Regular	\$ 25,583,856	\$ 14,882,418	\$ 29,049,482	\$ 24,498,426
Special	10,139,896	5,184,025	11,027,071	8,993,961
Vocational	3,288,177	2,616,170	3,945,264	3,530,574
Adult/continuing	11,596	9,392	29,835	30,268
Other	5,538,094	5,949,491	6,477,905	6,028,071
Support services:				
Pupil	3,126,831	1,704,517	3,334,374	2,811,482
Instructional staff	2,816,771	1,563,946	3,307,013	2,767,588
Board of education	239,522	190,311	191,696	178,336
Administration	4,124,021	2,328,662	4,662,980	4,042,315
Fiscal	1,286,722	1,127,219	1,446,548	1,354,689
Business	28,539	140,567	-	32,028
Operations and maintenance	5,871,446	4,728,957	6,772,689	8,987,724
Pupil transportation	2,984,491	1,529,225	2,871,394	2,392,247
Central	182,389	95,211	172,565	138,237
Operation of non-instructional services:				
Other non-instructional services	710,210	577,932	852,959	718,193
Food service operations	1,592,437	1,222,446	1,906,801	1,709,784
Extracurricular activities	1,623,440	974,264	1,762,566	1,309,874
Interest and fiscal charges	2,609,817	2,743,854	2,843,954	2,869,740
Total governmental activities expenses	<u>\$ 71,758,255</u>	<u>\$ 47,568,607</u>	<u>\$ 80,655,096</u>	<u>\$ 72,393,537</u>

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

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$	24,614,019	\$ 24,083,569	\$ 22,985,792	\$ 23,783,570	\$ 24,035,747	\$ 24,815,455
	8,667,445	8,265,718	6,886,178	6,927,703	7,731,994	7,632,767
	3,261,293	3,200,325	2,849,763	2,671,736	2,847,494	2,980,116
	48,764	71,734	95,473	92,038	112,119	128,224
	5,868,375	6,202,914	5,561,892	5,027,978	4,233,845	3,399,411
	2,623,398	2,558,309	3,883,659	2,715,860	2,945,192	3,148,186
	2,689,001	2,441,485	4,451,017	4,571,308	4,829,089	4,926,352
	191,883	147,509	135,643	133,632	181,030	162,047
	4,259,706	3,746,934	3,730,286	3,818,259	4,209,417	4,105,906
	1,325,530	1,235,660	1,383,421	1,467,637	1,543,490	1,488,289
	251,543	338,924	-	-	-	-
	7,031,705	5,594,361	3,248,967	5,412,920	5,365,383	5,958,054
	2,279,661	2,271,051	2,185,744	2,131,581	2,113,301	2,126,078
	160,818	257,891	117,913	151,120	165,664	156,585
	651,026	602,798	649,898	577,016	596,615	659,606
	1,802,043	1,367,641	1,625,835	1,911,192	1,881,937	2,081,952
	1,374,947	1,656,885	1,267,489	1,154,589	1,421,284	1,360,886
	2,889,685	2,916,386	2,942,525	2,962,353	2,994,671	1,257,804
\$	<u>69,990,842</u>	<u>\$ 66,960,094</u>	<u>\$ 64,001,495</u>	<u>\$ 65,510,492</u>	<u>\$ 67,208,272</u>	<u>\$ 66,387,718</u>

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

CHANGES IN NET POSITION - (Continued)  
ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

<b>Governmental Activities</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Program Revenues:</b>				
Charges for services:				
Instruction:				
Regular	\$ 2,522,476	\$ 2,097,803	\$ 2,434,671	\$ 1,909,417
Special	576,265	640,415	950,681	368,081
Vocational	759,350	384,974	145,419	285,536
Adult/continuing	75,000	12,283	29,561	25,564
Other	-	-	15	-
Support services:				
Pupil	-	51,012	95,075	57,551
Instructional staff	-	361,671	539,949	458,285
Board of education	-	-	-	-
Administration	7,547	7,475	10,492	7,445
Fiscal	-	166	146	-
Business	-	-	-	4,204
Operations and maintenance	386,368	376,011	393,548	415,064
Pupil transportation	8,049	1,298	5,112	5,489
Central	4,964	5,690	5,507	5,602
Operation of non-instructional services:				
Other non-instructional services	-	152,608	217,058	206,365
Food service operations	561,491	570,330	557,316	574,497
Extracurricular activities	548,103	660,655	574,992	598,620
Operating grants and contributions:				
Instruction:				
Regular	547,075	668,245	547,126	445,267
Special	5,407,556	5,534,185	5,469,236	4,974,263
Vocational	640,438	643,497	683,699	563,460
Adult/continuing	-	-	-	-
Other	65,924	40,990	8,958	121,112
Support services:				
Pupil	88,240	160,566	182,352	197,766
Instructional staff	275,781	129,263	278,038	243,707
Administration	10,604	10,583	11,720	8,235
Operations and maintenance	333,684	314,259	320,119	325,578
Pupil transportation	148,423	185,427	160,367	158,838
Central	12,604	-	-	-
Operation of non-instructional services:				
Other non-instructional services	400,116	408,130	433,863	419,623
Food service operations	1,050,942	1,086,465	1,152,071	1,207,150
Extracurricular activities	106,372	97,027	102,053	58,168
Capital grants and contributions:				
Instruction:				
Regular	114,197	255,633	191,768	108,396
Special	6,606	-	-	-
Support services:				
Board of education	-	-	-	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Business	7,244	33,776	-	1,938
Operations and maintenance	1,657	43,210	3,843	14,344
Pupil transportation	130,548	-	-	-
Extracurricular activities	3,489	2,205	5,889	4,109
Total governmental activities program revenues	<u>\$ 14,801,113</u>	<u>\$ 14,935,852</u>	<u>\$ 15,510,644</u>	<u>\$ 13,773,674</u>
<b>Net Revenue/(Expense)</b>	<u>\$ (56,957,142)</u>	<u>\$ (32,632,755)</u>	<u>\$ (65,144,452)</u>	<u>\$ (58,619,863)</u>



	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	2,022,101	\$ 1,847,438	\$ 1,580,078	\$ 1,781,710	\$ 1,988,965	\$ 1,986,350
	76,735	526,559	517,515	672,592	435,144	448,454
	381,012	785,502	743,312	716,532	929,015	1,058,036
	42,285	-	-	-	-	-
	-	-	-	290	-	-
	1,545	-	-	-	-	-
	426,753	-	-	-	-	2
	276	439	-	-	-	-
	10,618	12,099	-	-	-	1,748
	157	123	-	-	-	-
	-	-	-	-	-	-
	421,842	412,041	289,108	160,018	37,051	70,474
	4,313	20,487	7,170	-	-	459
	3,653	7,082	-	-	-	952
	195,906	181,632	159,904	-	-	157,449
	608,977	528,281	520,556	624,541	736,579	894,769
	516,143	688,814	467,293	554,939	520,371	479,054
	567,485	387,026	581,536	546,041	2,119,682	938,302
	5,153,370	4,708,837	3,324,901	3,077,825	3,759,551	1,944,128
	450,782	392,353	393,492	411,411	303,867	381,644
	-	-	-	-	-	86,920
	112,991	184,879	16,800	42,058	242,953	-
	229,965	250,377	244,165	284,880	295,454	309,615
	307,107	290,662	1,019,780	1,008,606	1,254,666	1,072,593
	9,304	11,530	17,956	17,279	17,972	18,939
	308,462	294,957	312,536	314,011	276,576	282,329
	117,438	111,015	100,728	93,044	173,935	73,492
	-	-	-	20,960	5,000	23,485
	425,164	439,458	480,775	429,531	409,875	475,578
	1,196,485	1,114,686	1,068,542	1,239,951	1,108,268	1,217,708
	61,318	52,304	112,994	54,889	706,197	580,973
	120,071	590,524	-	11,000	-	-
	-	-	-	-	-	-
	-	77,678	-	-	-	-
	-	140,845	-	-	-	-
	-	444,078	-	-	-	-
	2,171	-	-	-	-	-
	3,453	-	-	-	-	-
	-	-	-	-	-	-
	1,105	13,540	100,000	-	-	-
\$	<u>13,778,987</u>	<u>\$ 14,515,246</u>	<u>\$ 12,059,141</u>	<u>\$ 12,062,108</u>	<u>\$ 15,321,121</u>	<u>\$ 12,503,453</u>
\$	<u>(56,211,855)</u>	<u>\$ (52,444,848)</u>	<u>\$ (51,942,354)</u>	<u>\$ (53,448,384)</u>	<u>\$ (51,887,151)</u>	<u>\$ (53,884,265)</u>

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

CHANGES IN NET POSITION - (Continued)  
ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

<u>Governmental Activities</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>General Revenues and</b>				
<b><u>Other Changes in Net Position:</u></b>				
Property taxes levied for:				
General purposes	\$ 26,630,634	\$ 24,773,900	\$ 26,466,556	\$ 25,079,958
Debt service	3,080,972	2,857,665	3,041,848	2,861,429
Capital projects	1,777,802	1,651,816	1,770,793	1,701,291
Grants and entitlements				
not restricted to specific programs	28,248,140	28,904,401	29,344,856	28,752,689
Grants and entitlements restricted for				
Ohio School Facilities Commission	-	-	-	-
Investment earnings	293,651	289,133	241,396	269,681
Increase (decrease) in fair value of investments	8,130	(411,200)	47,786	154,578
Payments in-lieu of taxes	269,459	364,507	171,444	170,058
Gain on sale of assets	-	-	-	-
Miscellaneous	542,070	985,231	640,179	772,909
Total governmental activities general revenues	<u>\$ 60,850,858</u>	<u>\$ 59,415,453</u>	<u>\$ 61,724,858</u>	<u>\$ 59,762,593</u>
<b><u>Special Item:</u></b>				
Repayment of OFCC funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (735,957)</u>
<b>Change in Net Position</b>	<u>\$ 3,893,716</u>	<u>\$ 26,782,698</u>	<u>\$ (3,419,594)</u>	<u>\$ 406,773</u>

**Source:** Findlay CSD, Treasurer's Office.

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

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 24,777,271	\$ 25,863,927	\$ 24,466,445	\$ 26,068,254	\$ 25,022,687	\$ 22,896,396
2,835,907	2,978,497	2,864,622	3,148,655	2,891,446	1,702,134
1,684,842	1,770,634	1,687,333	1,825,682	1,743,558	1,622,185
28,843,874	26,971,165	25,516,833	26,451,719	27,200,127	27,944,202
-	-	-	-	-	18,410,485
272,024	314,511	780,537	673,443	788,385	854,036
31,773	165,012	(812,351)	-	-	-
170,693	174,910	-	-	-	-
-	-	-	-	-	144,042
406,403	505,648	905,517	693,998	726,930	560,085
<u>\$ 59,022,787</u>	<u>\$ 58,744,304</u>	<u>\$ 55,408,936</u>	<u>\$ 58,861,751</u>	<u>\$ 58,373,133</u>	<u>\$ 74,133,565</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 2,810,932</u>	<u>\$ 6,299,456</u>	<u>\$ 3,466,582</u>	<u>\$ 5,413,367</u>	<u>\$ 6,485,982</u>	<u>\$ 20,249,300</u>

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

FUND BALANCES - GOVERNMENTAL FUNDS  
MODIFIED ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

<u>Governmental Funds</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>General Fund:</u></b>				
<b>Fund Balance:</b>				
Nonspendable	\$ 147,945	\$ 146,312	\$ 153,880	\$ 124,996
Committed	-	-	189,310	-
Assigned	4,310,710	3,743,852	6,559,230	4,803,067
Unassigned	-	2,810,253	3,972,968	7,840,529
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>\$ 4,458,655</u>	<u>\$ 6,700,417</u>	<u>\$ 10,875,388</u>	<u>\$ 12,768,592</u>
<b><u>Other Governmental Funds:</u></b>				
<b>Fund Balance:</b>				
Nonspendable	\$ 627,186	\$ 627,405	\$ 626,102	\$ 614,910
Restricted	7,719,322	7,499,377	7,332,159	6,508,323
Committed	230,573	225,000	88,000	168,000
Unassigned (deficit)	(118,225)	(168,289)	(152,010)	(255,949)
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Permanent fund	-	-	-	-
Total other governmental funds	<u>\$ 8,458,856</u>	<u>\$ 8,183,493</u>	<u>\$ 7,894,251</u>	<u>\$ 7,035,284</u>
Total governmental funds	<u>\$ 12,917,511</u>	<u>\$ 14,883,910</u>	<u>\$ 18,769,639</u>	<u>\$ 19,803,876</u>

**Source:** Findlay CSD, Treasurer's Office.

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

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 89,854	\$ 88,850	\$ 118,446	\$ 118,456	\$ 153,624	\$ -
-	-	-	-	-	-
3,820,944	2,145,977	3,401,843	1,236,841	1,964,729	-
8,909,353	9,814,605	5,889,856	8,660,868	5,122,427	-
-	-	-	-	-	2,881,936
-	-	-	-	-	3,335,028
<u>\$ 12,820,151</u>	<u>\$ 12,049,432</u>	<u>\$ 9,410,145</u>	<u>\$ 10,016,165</u>	<u>\$ 7,240,780</u>	<u>\$ 6,216,964</u>
\$ 618,000	\$ 637,756	\$ 636,057	\$ 634,886	\$ 641,382	\$ -
9,212,582	11,302,752	12,357,926	36,614,180	70,597,302	-
180,000	100,000	228,736	707,531	200,000	-
(124,702)	(601)	(83,806)	(64,758)	(61,130)	-
-	-	-	-	-	2,807,585
-	-	-	-	-	1,649,729
-	-	-	-	-	54,459,468
-	-	-	-	-	96,811
<u>\$ 9,885,880</u>	<u>\$ 12,039,907</u>	<u>\$ 13,138,913</u>	<u>\$ 37,891,839</u>	<u>\$ 71,377,554</u>	<u>\$ 59,013,593</u>
<u>\$ 22,706,031</u>	<u>\$ 24,089,339</u>	<u>\$ 22,549,058</u>	<u>\$ 47,908,004</u>	<u>\$ 78,618,334</u>	<u>\$ 65,230,557</u>

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

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

LAST TEN FISCAL YEARS

<b>Governmental Funds</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b><u>Revenues:</u></b>				
From local sources:				
Taxes	\$ 30,947,885	\$ 29,299,531	\$ 31,234,489	\$ 29,984,910
Payment in lieu of taxes	269,459	364,507	171,444	170,058
Tuition	3,217,208	3,080,099	3,686,288	2,739,118
Earnings on investments	312,685	281,439	238,155	282,990
Charges for services	561,491	570,330	557,316	574,497
Extracurricular	574,688	670,176	586,282	608,638
Classroom materials and fees	419,093	381,179	383,768	366,140
Rental income	380,200	376,011	393,548	415,064
Contributions and donations	373,078	487,158	445,184	487,956
Contract services	138,531	110,054	165,205	106,306
Other local revenues	1,203,069	1,678,802	1,185,495	1,156,043
Intergovernmental - Intermediate	-	663,186	-	-
Intergovernmental - State	31,094,113	31,500,871	32,465,146	31,652,781
Intergovernmental - Federal	5,209,412	5,395,807	5,578,863	5,277,136
Change in fair value of investments	419,779	(411,200)	47,786	154,578
Total revenues	<u>75,120,691</u>	<u>74,447,950</u>	<u>77,138,969</u>	<u>73,976,215</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	27,155,461	27,094,351	27,347,160	25,120,565
Special	11,004,141	10,695,096	9,963,828	8,741,792
Vocational	3,254,536	3,709,450	3,487,720	3,329,692
Adult/continuing	12,789	17,666	28,000	30,523
Other	5,542,056	6,058,427	6,463,638	5,997,447
Support services:				
Pupil	3,389,781	3,240,635	3,032,569	2,781,717
Instructional staff	2,920,254	2,668,938	3,009,427	2,716,480
Board of education	239,522	190,311	191,696	178,336
Administration	4,398,853	4,365,655	4,218,250	3,931,083
Fiscal	1,281,087	1,386,680	1,320,033	1,262,799
Business	28,539	140,567	253,487	32,028
Operations and maintenance	5,993,944	6,328,177	7,118,322	8,996,967
Pupil transportation	2,972,475	2,476,011	2,858,691	2,215,245
Central	187,972	170,717	160,510	135,994
Operation of non-instructional services:				
Other non-instructional services	590,230	600,086	690,361	589,586
Food service operations	1,659,958	1,598,158	1,756,110	1,747,512
Extracurricular activities	1,683,312	1,582,997	1,651,230	1,557,840
Facilities acquisition and construction	690,004	810,280	451,993	2,773,463
Debt service:				
Principal retirement	1,450,000	687,135	1,395,000	1,245,000
Interest and fiscal charges	2,633,348	2,676,440	2,715,143	2,766,150
Accretion on capital appreciation bonds	-	747,865	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>77,088,262</u>	<u>77,245,642</u>	<u>78,113,168</u>	<u>76,150,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,967,571)</u>	<u>(2,797,692)</u>	<u>(974,199)</u>	<u>(2,174,004)</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers in	44,904	48,471	40,288	2,256,437
Transfers (out)	(44,904)	(1,048,471)	(40,288)	(2,256,437)
Sale of capital assets	-	-	-	-
Sale of bonds	-	-	-	-
Premium on bonds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>
<b><u>Special Item:</u></b>				
Repayment of OFCC funding	-	-	-	(735,957)
<b>Net change in fund balances</b>	<u>\$ (1,967,571)</u>	<u>\$ (3,797,692)</u>	<u>\$ (974,199)</u>	<u>\$ (2,909,961)</u>
Debt service as a percentage of noncapital expenditures	5.30%	5.38%	5.52%	5.69%

Source: Findlay CSD, Treasurer's Office.

	2015	2014	2013	2012	2011	2010
\$	29,366,155	\$ 30,706,695	\$ 29,016,594	\$ 31,115,695	\$ 29,657,440	\$ 26,173,376
	170,693	174,910	202,827	164,014	160,004	-
	2,446,199	2,775,017	2,584,716	2,754,251	2,922,363	3,200,512
	259,501	282,481	797,745	895,844	692,126	692,725
	608,977	528,281	520,556	624,541	736,579	833,365
	526,340	720,617	484,423	565,694	533,387	493,079
	374,768	406,042	367,008	375,215	372,291	400,580
	421,842	412,041	270,014	160,018	165,277	48,655
	430,433	1,581,188	494,554	366,731	377,333	355,576
	105,689	60,069	58,219	30,903	45,454	60,152
	856,912	759,346	756,389	677,759	438,692	557,258
	-	-	-	-	-	-
	31,172,018	29,213,125	28,028,512	29,970,887	41,535,537	30,197,993
	6,075,959	5,801,140	5,649,228	6,410,389	7,994,456	6,884,097
	31,773	165,012	(812,351)	-	-	-
	<u>72,847,259</u>	<u>73,585,964</u>	<u>68,418,434</u>	<u>74,111,941</u>	<u>85,630,939</u>	<u>69,897,368</u>

	24,944,049	24,081,493	23,021,813	23,527,813	24,239,559	24,749,868
	8,533,770	8,068,212	6,773,630	6,842,708	7,860,250	7,685,426
	2,986,698	2,957,248	2,634,910	2,568,092	2,827,020	2,999,561
	49,227	71,287	96,140	92,651	112,271	128,340
	5,911,925	6,202,914	5,561,892	5,028,013	4,233,845	3,399,411
	2,661,930	2,524,652	5,090,474	4,218,995	2,949,238	3,239,492
	2,571,724	2,400,412	4,384,397	4,572,768	4,914,694	4,911,676
	191,883	147,509	135,643	133,632	181,030	162,047
	4,230,431	3,634,690	3,847,219	3,787,213	4,142,449	4,050,210
	1,261,457	1,200,695	1,406,882	1,457,419	1,528,310	1,472,052
	251,543	338,924	-	-	-	-
	6,953,020	5,913,734	5,631,954	5,645,094	5,664,620	5,936,118
	2,123,938	2,600,092	2,076,964	2,057,066	2,375,884	2,029,893
	126,967	173,464	121,610	161,638	183,106	158,250
	589,435	540,297	607,178	549,242	595,773	623,539
	1,738,087	1,638,844	1,625,328	1,879,055	1,839,679	2,089,882
	1,357,825	1,609,160	1,412,382	1,463,091	1,432,812	1,364,871
	3,717,892	3,489,851	25,055,954	36,606,836	2,949,104	3,286,354
	1,220,000	1,560,548	1,499,571	1,295,510	1,258,396	401,812
	2,807,165	2,852,534	2,892,806	2,923,859	2,948,324	1,014,501
	-	-	-	-	-	-
	-	-	-	-	-	500,721
	<u>74,228,966</u>	<u>72,006,560</u>	<u>93,876,747</u>	<u>104,810,695</u>	<u>72,236,364</u>	<u>70,204,024</u>

	<u>(1,381,707)</u>	<u>1,579,404</u>	<u>(25,458,313)</u>	<u>(30,698,754)</u>	<u>13,394,575</u>	<u>(306,656)</u>
--	--------------------	------------------	---------------------	---------------------	-------------------	------------------

	27,167	22,574	150,624	271,394	348,273	39,591,629
	(27,167)	(22,574)	(150,624)	(271,394)	(348,273)	(39,591,629)
	-	-	92,972	-	20	152,500
	-	-	-	-	-	54,192,135
	-	-	-	-	-	509,424
	-	-	<u>92,972</u>	-	<u>20</u>	<u>54,854,059</u>

	-	-	-	-	-	-
\$	<u>(1,381,707)</u>	<u>\$ 1,579,404</u>	<u>\$ (25,365,341)</u>	<u>\$ (30,698,754)</u>	<u>\$ 13,394,595</u>	<u>\$ 54,547,403</u>

5.83%

6.62%

6.80%

6.40%

6.14%

2.87%

**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		Public Utility Tangible Personal Property	
	Assessed Valuation	Estimated Actual Valuation (a)	Assessed Valuation	Estimated Actual Valuation (a)
2019	\$ 777,412,590	2,221,178,829	\$ 48,555,300	\$ 55,176,477
2018	769,150,440	2,197,572,686	48,755,000	55,403,409
2017	772,328,730	2,206,653,514	44,265,910	50,302,170
2016	744,674,000	2,127,640,000	38,702,510	43,980,125
2015	739,502,700	2,112,864,857	33,679,160	38,271,773
2014	736,299,030	2,103,711,514	32,567,900	37,008,977
2013	745,725,300	2,130,643,714	24,973,460	28,378,932
2012	741,894,780	2,119,699,371	23,297,920	26,474,909
2011	745,637,250	2,130,392,143	22,501,820	25,570,250
2010	784,269,630	2,240,770,371	21,541,150	24,478,580

**Source:** Hancock County Auditor.

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

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

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



<b>Total Property</b>		<b>Assessed Valuation as a Percent of Estimated Actual Valuation</b>		<b>Direct Property Tax Rate</b>
<b>Assessed Valuation</b>	<b>Estimated Actual Valuation</b>			
\$ 825,967,890	\$ 2,276,355,306	36.28%	\$	64.95
817,905,440	2,252,976,095	36.30%		64.95
816,594,640	2,256,955,685	36.18%		64.95
783,376,510	2,171,620,125	36.07%		64.94
773,181,860	2,151,136,630	35.94%		64.95
768,866,930	2,140,720,492	35.92%		64.95
770,698,760	2,159,022,646	35.70%		64.95
765,192,700	2,146,174,281	35.65%		64.95
768,139,070	2,155,962,393	35.63%		64.99
805,810,780	2,265,248,951	35.57%		64.18

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

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

LAST TEN CALENDAR YEARS

Calendar Year	Direct Rates					Overlapping Rates					Total
	Voted			Unvoted	Total Direct	City of Findlay	Hancock County	Hancock County Park District	Findlay Hancock Public Library		
	General	Bond	Permanent Improvement								
2019	\$ 52.95	\$ 4.20	\$ 2.50	\$ 5.30	\$ 64.95	\$ 3.20	\$ 8.40	\$ 0.80	\$ 0.50	77.85	
2018	52.95	4.20	2.50	5.30	64.95	3.20	8.40	0.80	0.50	77.85	
2017	52.95	4.20	2.50	5.30	64.95	3.20	7.80	0.80	0.50	77.25	
2016	52.95	4.19	2.50	5.30	64.94	3.20	7.80	0.80	0.50	77.24	
2015	52.95	4.20	2.50	5.30	64.95	3.20	7.80	0.80	0.50	77.25	
2014	52.95	4.20	2.50	5.30	64.95	3.20	7.80	0.80	0.50	77.25	
2013	52.95	4.20	2.50	5.30	64.95	3.20	7.80	0.80	0.50	77.25	
2012	52.95	4.20	2.50	5.30	64.95	3.20	7.80	0.80	0.50	77.25	
2011	52.95	4.24	2.50	5.30	64.99	3.20	7.80	0.80	0.50	77.29	
2010	52.95	3.43	2.50	5.30	64.18	3.20	7.80	0.80	-	75.98	

Source: Hancock County Auditor.

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

PRINCIPAL TAXPAYERS  
REAL ESTATE PROPERTY

DECEMBER 31, 2018 AND DECEMBER 31, 2009

<b>December 31, 2018</b>			
<b>Taxpayer</b>	<b>Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Marathon Petroleum Company LP	\$ 27,473,130	1	3.36%
Findlay Shopping Center, Inc.	13,492,450	2	1.65%
LP Investment Company	9,172,020	3	1.12%
Campbell Soup Supply Company	8,941,550	4	1.09%
Ohio Logistics II, LLC	7,465,210	5	0.91%
DDC Hotels, Inc.	6,557,070	6	0.80%
Lowe's Home Center, Inc.	6,039,560	7	0.74%
Primrose Senior Holdings LLC	6,000,000	8	0.73%
Blanchard Valley Port Authority	5,712,160	9	0.70%
Nickolas II LLC	5,400,430	10	0.66%
	<b>\$ 96,253,580</b>		<b>\$ 817,905,440</b>

<b>December 31, 2009</b>			
<b>Taxpayer</b>	<b>Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Marathon Oil Co.	\$ 10,677,620	1	1.36%
Cooper Tire & Rubber Co.	8,950,190	2	1.14%
Findlay Shopping Center	6,460,380	3	0.82%
Logistics Solutions	3,844,010	4	0.49%
Lowe's Home Center, Inc.	2,348,110	5	0.30%
LP Investment Company	2,285,420	6	0.29%
DDC Hotels, Inc. (Drury Inn)	2,057,460	7	0.26%
Garden, Phillip	1,933,310	8	0.25%
Massillon Apartments	1,858,540	9	0.24%
Arbors of Findlay	1,786,680	10	0.23%
	<b>\$ 42,201,720</b>		<b>\$ 784,269,630</b>

**Source:** Hancock County Auditor.

**Note:** Tax information is available on a calendar year basis. Therefore, principal taxpayer information for real estate property taxes is presented for December 31, 2018 (the most recent information available) and December 31, 2009 (nine years prior, in accordance with GASB Statement No. 44).

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

Calendar Year	Current Taxes Levied	Delinquent Taxes Levied	Total Taxes Levied	Current Taxes Collected	Percent of Current Tax Levy Collected
2018	\$ 30,850,245	\$ 1,197,653	\$ 32,047,898	\$ 30,419,360	98.60%
2017	31,320,194	1,221,822	32,542,016	30,290,535	96.71%
2016	31,124,453	1,151,676	32,276,129	29,466,542	94.67%
2015	30,197,809	1,210,915	31,408,724	28,806,150	95.39%
2014	29,646,307	1,619,180	31,265,486	28,666,392	96.69%
2013	29,426,706	1,928,138	31,354,844	28,088,483	95.45%
2012	29,184,426	1,687,688	30,872,114	28,026,040	96.03%
2011	28,946,533	1,629,467	30,576,000	28,039,998	96.87%
2010	28,973,886	1,787,797	30,761,683	27,474,394	94.82%
2009	25,476,595	1,581,190	27,057,785	24,393,739	95.75%

**Source:** Hancock County Auditor.

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

<b>Delinquent Taxes Collected</b>	<b>Total Taxes Collected</b>	<b>Total Taxes Collected as a Percent of Total Tax Levy</b>
\$ 838,988	\$ 31,258,348	97.54%
795,855	31,086,390	95.53%
871,460	30,338,002	94.00%
929,475	29,735,625	94.67%
1,180,537	29,846,929	95.46%
880,527	28,969,010	92.39%
863,835	28,889,875	93.58%
926,797	28,966,795	94.74%
994,922	28,469,316	92.55%
789,927	25,183,666	93.07%

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

Fiscal Year	Long-Term Debt			Total Long-Term Debt	Total Long-Term Debt Per Student	Total Long-Term Debt Per Capita	Percentage of Total Long-Term Debt to Total Personal Income
	Asbestos Removal Loans	Capital Leases	General Obligation Bonds				
2019	\$ -	\$ -	\$ 44,447,074	\$ 44,447,074	7,860	1,076	4.25%
2018	-	-	45,915,377	45,915,377	8,104	1,102	3.02%
2017	-	-	47,281,362	47,281,362	8,299	1,141	4.68%
2016	-	-	48,543,019	48,543,019	8,316	1,178	4.83%
2015	-	-	49,680,878	49,680,878	8,485	1,209	4.88%
2014	-	-	50,815,409	50,815,409	8,718	1,167	4.70%
2013	-	355,548	51,952,871	52,308,419	9,086	1,260	4.81%
2012	30,700	694,419	53,030,165	53,755,284	9,268	1,305	5.31%
2011	103,101	1,017,528	53,889,727	55,010,356	9,642	1,335	5.43%
2010	203,415	1,325,610	54,709,439	56,238,464	9,610	1,443	5.94%

**Source:** Findlay CSD, Treasurer's Office.



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

Fiscal Year	General Obligation Net Bonded Debt			Percentage of Actual Taxable Value of Property	Net Bonded Debt Per Capita
	General Obligation Bonds	Debt Service Available Balance (a)	Net Bonded Debt		
2019	\$ 44,447,074	\$ 1,287,971	\$ 43,159,103	1.90%	\$ 1,044
2018	45,915,377	1,300,507	44,614,870	1.98%	1,071
2017	47,281,362	1,479,953	45,801,409	2.03%	1,106
2016	48,543,019	1,355,578	47,187,441	2.17%	1,145
2015	49,680,878	1,341,762	48,339,116	2.25%	1,176
2014	50,815,409	1,394,652	49,420,757	2.31%	1,135
2013	51,952,871	1,225,964	50,726,907	2.35%	1,222
2012	53,030,165	1,252,581	51,777,584	2.41%	1,257
2011	53,889,727	1,246,050	52,643,677	2.44%	1,278
2010	54,709,439	1,023,729	53,685,710	2.37%	1,378

**Source:** Findlay CSD, Treasurer's Office.

**(a)** Modified accrual fund balance of the debt service fund.

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

DIRECT AND OVERLAPPING DEBT

JUNE 30, 2019

<u>Government Entity</u>	<u>Governmental Activities Outstanding Debt</u>	<u>Percentage Applicable to the District (a)</u>	<u>Amount Applicable to the District</u>
<u>Direct debt:</u>			
Findlay City School District	\$ 44,447,074	100.00%	\$ 44,447,074
Total direct debt	<u>44,447,074</u>		<u>44,447,074</u>
<u>Overlapping debt:</u>			
City of Findlay	5,445,000	86.39%	4,703,936
Hancock County	9,797,585	41.92%	4,107,148
Total overlapping debt	<u>15,242,585</u>		<u>8,811,083</u>
Total direct and overlapping debt	<u>\$ 59,689,659</u>		<u>\$ 53,258,157</u>

**Sources:** Findlay CSD, Treasurer's Office; City of Findlay; and Hancock County 2018 CAFRs.

(a) Percentages applicable to the District were determined by dividing the 2018 assessed valuation of the government entity located within the boundaries of the District by the 2018 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
2019	\$ 74,337,110	\$ 44,110,000	\$ 1,287,971	\$ 42,822,029	\$ 31,515,081	57.61%
2018	73,611,490	45,560,000	1,300,507	44,259,493	29,351,997	60.13%
2017	73,493,518	46,247,135	1,479,953	44,767,182	28,726,336	60.91%
2016	70,503,886	47,642,135	1,355,578	46,286,557	24,217,329	65.65%
2015	69,586,367	48,887,135	1,341,762	47,545,373	22,040,994	68.33%
2014	69,198,024	50,107,135	1,394,652	48,712,483	20,485,541	70.40%
2013	69,362,888	51,312,135	1,225,964	50,086,171	19,276,717	72.21%
2012	68,867,343	52,442,135	1,252,581	51,189,554	17,677,789	74.33%
2011	69,132,516	53,342,135	1,246,050	52,096,085	17,036,431	75.36%
2010	72,517,597	54,192,135	1,023,729	53,168,406	19,349,191	73.32%

**Source:** Findlay CSD, Treasurer's Office.

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

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

Fiscal Year	Average Daily Membership	Population	Total Personal Income	Per Capita Personal Income	Median Age	Unemployment Rates		
						Hancock County	Ohio	United States
2019	5,655	41,324	\$ 1,046,075,736	\$ 25,314	36.8	3.3%	4.0%	3.7%
2018	5,666	41,652	1,522,172,340	36,545	36.7	3.6%	5.0%	4.4%
2017	5,697	41,422	1,010,406,846	24,393	36.6	4.4%	6.0%	4.8%
2016	5,837	41,200	1,004,991,600	24,393	34.9	4.4%	5.7%	5.1%
2015	5,855	41,098	1,018,531,734	24,783	34.7	4.6%	5.2%	5.5%
2014	5,829	43,537	1,081,676,765	24,845	35.9	4.0%	5.7%	5.9%
2013	5,757	41,526	1,086,693,894	26,169	35.9	5.6%	7.5%	7.3%
2012	5,800	41,202	1,012,291,938	24,569	36.0	8.4%	7.2%	8.2%
2011	5,705	41,202	1,012,291,938	24,569	35.9	8.9%	9.7%	9.7%
2010	5,852	38,967	946,742,232	24,296	34.8	9.5%	10.1%	9.6%

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

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

PRINCIPAL EMPLOYERS

DECEMBER 31, 2018 AND DECEMBER 31, 2009

<b>December 31, 2018</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
Blanchard Valley Health Association	2,600	1	5.74%
Whirlpool Corporation	2,500	2	5.52%
Marathon Petroleum Company LLC	2,280	3	5.03%
Cooper Tire and Rubber Company	1,700	4	3.75%
Hearthside Foods (aka Consolidated Biscuit)	1,226	5	2.70%
Findlay City School District	841	6	1.86%
The University of Findlay	761	7	1.68%
Lowe's Home Centers, Inc	750	8	1.65%
Nissin Brakes (dba Findlex Corporation)	522	9	1.15%
Kohls Distribution Center	520	10	1.15%
<b>Total</b>	<b>13,700</b>		<b>30.23%</b>
<b>Total employment</b>	<b>45,330</b>		

<b>December 31, 2009</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
Cooper Tire & Rubber Company	2,040	1	5.43%
Whirlpool Corporation	1,670	2	4.44%
Marathon Oil Company	1,565	3	4.16%
Blanchard Valley Regional Health Center	1,282	4	3.41%
Consolidated Biscuit	1,100	5	2.93%
Findlay City School District	859	6	2.28%
Nissan Brakes	670	7	1.78%
Hancock County	582	8	1.55%
The University of Findlay	542	9	1.44%
Best Buy	287	10	0.76%
<b>Total</b>	<b>10,597</b>		<b>28.18%</b>
<b>Total employment</b>	<b>37,600</b>		

Source: City of Findlay.

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

STAFFING STATISTICS  
FULL TIME EQUIVALENTS BY TYPE AND FUNCTION

LAST TEN FISCAL YEARS

<b>Staff Type</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Teaching Staff:					
Elementary School	179	177	180	175	155
Middle School	83	86	83	83	81
High School	108	107	111	111	118
Administration:					
District	41	43	43	46	49
Auxiliary Staff:					
Counselors	15	16	16	16	12
Librarians	1	1	1	1	1
Psychologists	6	6	6	6	4
Speech, Physical and Occupational Therapists	11	11	10	10	8
Nurses and Mental Health Specialists	11	10	9	7	1
Support Staff:					
Secretarial, Finance Clerks, EMIS	41	43	42	44	44
Aides	103	102	106	96	80
Program Directors (After / Before School & Alumni)	4	4	5	5	5
Food Services	27	27	32	33	32
Monitors and Security	25	27	29	31	33
Custodial	37	40	44	43	42
Maintenance	6	6	7	8	6
Bus Drivers	32	34	34	33	23
Mechanics	2	2	2	2	2
Extracurricular Coaches (non-teachers effective 2016)	39	43	47	52	101
<b>Total</b>	<b>771</b>	<b>785</b>	<b>807</b>	<b>802</b>	<b>797</b>

<b>Staff Function</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Instruction:					
Regular	370	370	374	372	364
Other	141	143	150	142	110
Support Services:					
Pupil	29	28	26	24	28
Administration	82	86	85	89	83
Fiscal	6	6	6	6	6
Operations and maintenance	70	73	83	82	80
Pupil transportation	34	36	36	35	25
Extracurricular activities	39	43	47	52	101
<b>Total</b>	<b>771</b>	<b>785</b>	<b>807</b>	<b>802</b>	<b>797</b>

**Source:** Findlay CSD, Treasurer's Office.

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
152	149	145	153	180
82	81	80	91	95
106	115	112	118	127
49	49	52	52	53
12	12	12	13	14
1	1	1	1	1
4	4	6	6	6
8	9	8	10	8
1	1	1	1	7
44	45	46	46	47
80	81	87	99	74
5	5	5	5	6
30	38	30	44	33
33	21	21	28	20
42	37	40	43	44
6	6	7	7	8
23	26	25	23	22
2	2	2	3	3
99	110	106	126	96
<u>779</u>	<u>792</u>	<u>786</u>	<u>869</u>	<u>844</u>

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
347	322	315	386	380
115	122	127	87	125
28	31	32	34	38
83	84	83	91	80
6	6	7	7	7
78	83	83	107	89
23	32	31	29	29
99	112	108	128	96
<u>779</u>	<u>792</u>	<u>786</u>	<u>869</u>	<u>844</u>

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

CAPITAL ASSET STATISTICS

LAST TEN FISCAL YEARS

<u>Governmental Activities</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>Capital Assets:</u></b>				
Land	\$ 1,722,570	\$ 1,722,570	\$ 1,722,570	\$ 1,722,570
Land improvements	2,691,717	2,862,819	3,062,421	3,053,071
Buildings and improvements	78,945,500	80,958,992	82,248,233	82,313,846
Equipment and furniture	5,019,358	5,605,590	5,386,509	5,075,369
Vehicles	2,002,715	1,776,411	1,923,352	1,844,232
Infrastructure	1,311,148	1,358,597	-	-
Construction in progress	267,806	-	2,163,908	1,862,968
Total	<u>\$ 91,960,814</u>	<u>\$ 94,284,979</u>	<u>\$ 96,506,993</u>	<u>\$ 95,872,056</u>

**Source:** Findlay CSD, Treasurer's Office.

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



<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$ 1,646,894	\$ 903,313	\$ 903,313	\$ 903,313	\$ 903,313	\$ 903,313
3,238,288	3,352,387	3,468,709	1,337,825	1,114,696	1,173,880
82,557,868	81,068,090	10,487,397	10,837,623	11,050,215	10,707,832
3,728,190	2,974,232	2,237,965	1,933,872	1,782,181	1,793,395
1,869,787	1,893,753	1,534,134	1,635,930	1,747,985	1,549,718
-	-	-	-	-	-
60,955	402,539	68,304,656	42,097,591	4,392,858	2,010,671
<u>\$ 93,101,982</u>	<u>\$ 90,594,314</u>	<u>\$ 86,936,174</u>	<u>\$ 58,746,154</u>	<u>\$ 20,991,248</u>	<u>\$ 18,138,809</u>

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

<b>Building</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<u>High School</u>					
Square footage	246,608	246,608	246,608	246,608	246,608
Student enrollment	1,513	1,465	1,617	1,617	1,887
<u>Central Middle School</u>					
Square footage	-	-	-	-	-
Student enrollment	-	-	-	-	-
<u>Donnell Middle School</u>					
Square footage	116,884	116,884	116,884	116,884	116,884
Student enrollment	554	560	587	587	608
<u>Glenwood Middle School</u>					
Square footage	112,545	112,545	112,545	112,545	112,545
Student enrollment	552	574	603	603	570
<u>Bigelow Hill Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	246	264	250	250	281
<u>Chamberlin Hill Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	336	319	275	275	228
<u>Jacobs Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	247	268	323	323	306
<u>Jefferson Elementary School</u>					
Square footage	25,509	25,509	25,509	25,509	25,509
Student enrollment	320	319	325	325	241
<u>Lincoln Elementary School</u>					
Square footage	57,892	57,892	57,892	57,892	57,892
Student enrollment	324	346	374	374	397
<u>Northview Elementary School</u>					
Square footage	36,246	36,246	36,246	36,246	36,246
Student enrollment	322	305	351	351	355
<u>Washington Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	248	240	203	203	148
<u>Whittier Elementary School</u>					
Square footage	31,930	31,930	31,930	31,930	31,930
Student enrollment	310	329	337	337	428
<u>Wilson Vance Elementary School</u>					
Square footage	38,193	38,193	38,193	38,193	38,193
Student enrollment	316	308	316	316	406
<u>Bus Garage</u>					
Square footage	8,580	8,580	3,000	3,000	3,000
<u>Maintenance Building</u>					
Square footage	5,000	5,000	5,000	5,000	5,000
<u>Millstream East</u>					
Square footage	-	-	-	-	-
<u>Millstream South</u>					
Square footage	-	-	-	-	-
<u>Millstream Career Center</u>					
Square footage	85,467	85,467	85,467	85,467	85,467

Source: Findlay CSD, Treasurer's Office.

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
246,608	246,608	246,608	246,608	246,608
1,895	1,916	2,020	1,859	1,924
-	-	105,912	105,912	105,912
-	-	821	429	435
116,884	116,884	70,605	70,605	70,605
576	595	-	461	467
112,545	112,545	70,605	70,605	70,605
617	620	437	396	383
31,645	31,645	31,645	31,645	31,645
288	202	198	227	266
31,645	31,645	31,645	31,645	31,645
248	249	243	235	253
31,645	31,645	31,645	31,645	31,645
348	276	287	289	271
25,509	25,509	25,509	25,509	25,509
237	224	222	219	221
57,892	57,892	57,892	57,892	57,892
349	334	357	391	432
36,246	36,246	36,246	36,246	36,246
339	370	346	243	253
31,645	31,645	31,645	31,645	31,645
110	211	203	208	228
31,930	31,930	31,930	31,930	31,930
414	395	402	408	372
38,193	38,193	38,193	38,193	38,193
408	365	362	340	346
3,000	3,000	3,000	3,000	3,000
5,000	5,000	5,000	5,000	5,000
-	-	28,152	28,152	28,152
-	-	21,000	21,000	21,000
85,467	85,467	-	-	-

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

Fiscal Year	Governmental Activities		Governmental Funds		Average Daily Membership	ADM Percent Change
	Expenses	Expense Per Pupil	Expenditures	Expenditure Per Pupil		
2019	71,758,255	\$ 12,689	\$ 77,088,262	13,632	5,655	-0.19%
2018	47,568,607	8,395	77,245,642	13,633	5,666	-0.54%
2017	80,655,096	14,157	78,113,168	13,711	5,697	-2.40%
2016	72,393,537	12,403	76,150,219	13,046	5,837	-0.31%
2015	69,990,842	11,954	74,228,966	12,678	5,855	0.45%
2014	66,960,094	11,487	72,006,560	12,353	5,829	1.25%
2013	64,001,495	11,117	93,876,747	16,307	5,757	3.02%
2012	65,528,482	11,726	104,810,695	18,756	5,588	-2.05%
2011	67,208,272	11,781	72,236,364	12,662	5,705	-2.51%
2010	66,387,718	11,344	70,204,024	11,997	5,852	-1.75%

Source: Findlay CSD, Treasurer's Office. Attendance is from ODE Report Card.

<b>Student Attendance Percentage</b>	<b>Students on Free &amp; Reduced Lunches</b>	<b>Percentage of Students on Free &amp; Reduced Lunches</b>	<b>Teaching Staff</b>	<b>Student/Teacher Ratio</b>
96.6%	2,157	38.1%	393	14.39
95.8%	2,170	38.3%	407	13.92
95.4%	2,180	38.3%	403	14.14
95.9%	2,378	40.7%	404	14.45
95.6%	2,544	43.5%	354	16.54
95.7%	2,390	41.0%	340	17.14
95.4%	2,280	39.6%	345	16.69
95.5%	2,488	44.5%	337	16.58
95.6%	2,269	39.8%	362	15.76
95.5%	1,855	31.7%	418	14.00

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
 CERTIFIED STAFF STATISTICS  
 JUNE 30, 2019

<u>Education</u>	<u>Number of Certified Staff</u>	<u>Percentage of Certified Staff</u>	<u>Salary Range</u>	<u>Average Salary</u>
Bachelor's Degree	54	13.74%	\$35,597-\$59,764	\$ 42,638
Bachelor's Degree plus 15 hours	24	6.11%	\$36,462-\$61,885	48,877
Bachelor's Degree plus 30 hours	18	4.58%	\$37,323-\$66,104	55,370
Master's Degree	128	32.57%	\$39,053-\$70,315	57,100
Master's Degree plus 15 hours	52	13.23%	\$47,376-\$75,825	65,709
Master's Degree plus 30 hours	110	27.99%	\$44,891-\$80,303	71,838
Non-Degree	<u>7</u>	<u>1.78%</u>	\$37,793-\$57,575	49,708
Total	<u><u>393</u></u>	<u><u>100.00%</u></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	67	17.05%	\$35,597-\$49,654	\$ 40,613
6 - 10 years	101	25.70%	\$27,412-\$63,939	52,147
11 - 20 years	134	34.10%	\$50,288-\$74,291	65,799
Over 20 years	<u>91</u>	<u>23.16%</u>	\$57,073-\$80,303	71,389
Total	<u><u>393</u></u>	<u><u>100.00%</u></u>		

**Source:** Findlay CSD, Treasurer's Office.

**Note:** Certified staff include teachers, librarians, speech therapists, psychologist and other auxillary positions

OHIO AUDITOR OF STATE  
**KEITH FABER**



**FINDLAY CITY SCHOOL DISTRICT**

**HANCOCK COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 3, 2020**