

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

SUPPLEMENTAL REPORTS

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2009**

MICHAEL T. BARNHART, CPA, TREASURER



Mary Taylor, CPA
Auditor of State

Board of Education
Findlay City School District
1219 W. Main Cross, Suite 101
Findlay, Ohio 45840-3377

We have reviewed the *Independent Auditor's Report* of the Findlay City School District, Hancock County, prepared by Julian & Grube, Inc., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Findlay City School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 16, 2010

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

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Julian & Grube, Inc.

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

Independent Auditor's Report on Supplementary Schedule of Receipts and Expenditures of Federal Awards

Board of Education
Findlay City School District
1219 W. Main Cross, Suite 101
Findlay, OH 45840-3377

We have audited the financial statements of the governmental activities, the discretely presented component unit, its major fund and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio, as of and for the fiscal year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. We did not audit the financial statements of Findlay Digital Academy, which is Findlay City School District's only discretely presented component unit. The accompanying Schedule of Receipts and Expenditures of Federal Awards does not include the operations of the Findlay Digital Academy, the component unit of Findlay City School District. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Findlay City School District's basic financial statements. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 18, 2009

**FINDLAY CITY SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(E) PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL RECEIPTS	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
Nutrition Grant Cluster:				
(C) (D) School Breakfast Program	10.553	2009	\$ 185,376	\$ 185,376
Total School Breakfast Program			<u>185,376</u>	<u>185,376</u>
(C) (D) National School Lunch Program	10.555	2009	921,498	921,498
(B) (C) National School Lunch Program - Food Donation	10.555	2009	105,214	105,214
Total National School Lunch Program			<u>1,026,712</u>	<u>1,026,712</u>
(C) (D) Summer Food Service Program for Children	10.559	2009	6,412	6,412
Total Summer Food Service Program for Children			<u>6,412</u>	<u>6,412</u>
Total U.S. Department of Agriculture and Nutrition Grant Cluste			<u>1,218,500</u>	<u>1,218,500</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
(H) Title I Grants to Local Educational Agencies	84.010	2008	(35,415)	-
(H) Title I Grants to Local Educational Agencies	84.010	2009	882,798	816,255
Total Title I Grants to Local Educational Agencies			<u>847,383</u>	<u>816,255</u>
Special Education Grant Cluster:				
(F) (H) Special Education_Grants to States	84.027	2008	(241,345)	10,453
(F) (H) Special Education_Grants to States	84.027	2009	1,426,623	1,163,803
Total Special Education_Grants to State:			<u>1,185,278</u>	<u>1,174,256</u>
(F) (H) Special Education_Preschool Grants	84.173	2008	(1,336)	-
(F) (H) Special Education_Preschool Grants	84.173	2009	23,872	23,615
Total Special Education_Preschool Grants			<u>22,536</u>	<u>23,615</u>
Total Special Education Grant Cluste:			<u>1,207,814</u>	<u>1,197,871</u>
Career and Technical Education - Basic Grants to States	84.048	2008	22,855	35,064
Career and Technical Education - Basic Grants to States	84.048	2009	209,473	202,152
Total Career and Technical Education - Basic Grants to State			<u>232,328</u>	<u>237,216</u>
Safe and Drug-Free Schools and Communities_State Grants	84.186	2009	20,006	20,006
Total Safe and Drug-Free Schools and Communities_State Grants			<u>20,006</u>	<u>20,006</u>
(H) State Grants for Innovative Programs	84.298	2008	(1,033)	-
(H) State Grants for Innovative Programs	84.298	2009	11,831	11,831
Total State Grants for Innovative Program:			<u>10,798</u>	<u>11,831</u>
Education Technology State Grants	84.318	2008	-	4,485
Education Technology State Grants	84.318	2009	10,066	467
Total Education Technology State Grant:			<u>10,066</u>	<u>4,952</u>
English Language Acquisition Grants	84.365	2009	18,914	18,914
Total English Language Acquisition Grants			<u>18,914</u>	<u>18,914</u>
(H) Improving Teacher Quality State Grants	84.367	2008	(19,736)	-
(H) Improving Teacher Quality State Grants	84.367	2009	295,504	271,249
Total Improving Teacher Quality State Grant:			<u>275,768</u>	<u>271,249</u>
School Improvement Grant	84.377	2009	179,378	127,427
Total School Improvement Grant			<u>179,378</u>	<u>127,427</u>
Total U.S. Department of Education			<u>2,802,455</u>	<u>2,705,721</u>

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**FINDLAY CITY SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(E) PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL RECEIPTS	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE OHIO DEPARTMENT OF MENTAL REDARDATION AND DEVELOPMENTAL DISABILITIES				
(G) Medical Assistance Program	93.778	N/A	\$ 158,765	\$ -
Total Medical Assistance Program			158,765	-
Total U.S. Department of Health and Human Services			158,765	-
U. S. DEPARTMENT OF HOMELAND SECURITY PASSED THROUGH THE OHIO EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF PUBLIC SAFETY				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	2008	291,286	291,286
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			291,286	291,286
Total U.S. Department of Homeland Security			291,286	291,286
Total Federal Financial Assistance			\$ 4,471,006	\$ 4,215,507

- (A) This schedule was prepared on the cash basis of accounting
- (B) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are valued at the entitlement amount
- (C) Included as part of "Nutrition Grant Cluster" in determining major program
- (D) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis
- (E) OAKS did not assign pass-through number for fiscal year 2009
- (F) Included as part of "Special Education Grant Cluster" in determining major program
- (G) CAFS amount relates to settlements for services provided in prior year
- (H) The District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30th and spent by September 30th). However, with Ohio Department of Education ("ODE")'s approval, a District can transfer unspent Federal assistance to the succeeding year, thus allowing the District a total of 27 months to spend the assistance. Schools can document this by using special cost centers for each year's activity, and transferring the amounts ODE approves between the cost centers. During fiscal year 2009, the ODE authorized the following transfers

Program Title	CFDA	Grant Year	Transfers Out	Transfers In
Title I Grants to Local Educational Agencies	84.010	2008	\$ 35,415	
Title I Grants to Local Educational Agencies	84.010	2009		\$ 35,415
Special Education Grants to States	84.027	2008	241,345	
Special Education Grants to States	84.027	2009		241,345
Special Education Preschool Grants	84.173	2008	1,336	
Special Education Preschool Grants	84.173	2009		1,336
State Grants for Innovative Program	84.298	2008	1,033	
State Grants for Innovative Program	84.298	2009		1,033
Improving Teacher Quality State Grant	84.367	2008	37,698	
Improving Teacher Quality State Grant	84.367	2009		37,698
Totals			\$ 316,827	\$ 316,827

Note 1: The Findlay City School District has excluded financial assistance reported for its component unit, the Findlay Digital Academy



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**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Board of Education
Findlay City School District
1219 W. Main Cross, Suite 101
Findlay, Ohio 45840-3377

We have audited the financial statements of the governmental activities, the discretely presented component unit, its major fund, and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio, as of and for the fiscal year ended June 30, 2009, which collectively comprise Findlay City School District's basic financial statements and have issued our report thereon dated December 18, 2009. We did not audit the financial statements of Findlay Digital Academy, Findlay City School District's only discretely presented component unit. Findlay Digital Academy's financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Findlay City School District is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Findlay Digital Academy were audited by other auditors in accordance with auditing standards generally accepted in the United States of America and in accordance with *Government Auditing Standards*. Accordingly, this report does not extend to the Findlay Digital Academy (the discretely presented component unit).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Findlay City School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Findlay City School District's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of Findlay City School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Findlay City School District's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Findlay City School District's financial statements that is more than inconsequential will not be prevented or detected by Findlay City School District's internal control.

Board of Education
Findlay City School District

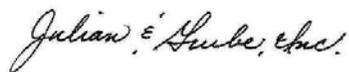
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Findlay City School District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Findlay City School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management and Board of Education of Findlay City School District and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Julian & Grube, Inc.
December 18, 2009



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Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With *OMB Circular A-133*

Board of Education
Findlay City School District
1219 W. Main Cross, Suite 101
Findlay, Ohio 45840-3377

Compliance

We have audited the compliance of Findlay City School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the fiscal year ended June 30, 2009. Findlay City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Findlay City School District's management. Our responsibility is to express an opinion on Findlay City School District's compliance based on our audit.

Findlay City School District's basic financial statements include the operations of Findlay Digital Academy, the component unit of Findlay City School District. Findlay Digital Academy received \$25,095 and expended \$26,522 in federal awards during fiscal year 2009 that are not included in the Schedule of Receipts and Expenditures of Federal Awards for Findlay City School District for the fiscal year ended June 30, 2009. Our audit of federal awards, described below, did not include the operations of Findlay Digital Academy. This component unit expended less than \$500,000 for the fiscal year ended June 30, 2009 and thus was not required to have an audit of its federal awards in accordance with *OMB Circular A-133*.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Findlay City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Findlay City School District's compliance with those requirements.

In our opinion, Findlay City School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2009.

Board of Education
Findlay City School District

Internal Control Over Compliance

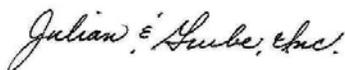
The management of Findlay City School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Findlay City School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Findlay City School District's internal control over compliance.

A control deficiency in Findlay City School District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Findlay City School District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by Findlay City School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Findlay City School District's internal control.

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 that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of management and Board of Education of Findlay City School District and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Julian & Grube, Inc.
December 18, 2009

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2009**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Nutrition Grant Cluster: School Breakfast Program - CFDA #10.553; National School Lunch Program - CFDA #10.555 and Summer Food Service Program for Children - CFDA #10.559; Title I Grants to Local Educational Agencies - CFDA #84.010
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

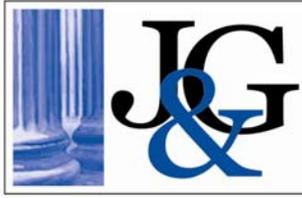
**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2009**

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



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Independent Accountant's Report on Applying Agreed-Upon Procedures

Findlay City School District
Hancock County
1219 W. Main Cross, Suite 101
Findlay, Ohio 45840-3377

To the Board of Education:

Ohio Revised Code Section 117.53 states “the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school”.

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board solely to assist the Board in evaluating whether Findlay City School District has adopted an anti-harassment policy in accordance with Ohio Revised Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board; consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on December 17, 2007.
2. We read the policy, noting it included the following requirements from Ohio Revised Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Revised Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;

- (5) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.
 - (6) A procedure for documenting any prohibited incident that is reported;
 - (7) A procedure for responding to and investigating any reported incident;
 - (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
 - (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States.
3. We read the policy and noted that it did not contain the following procedure in accordance with Ohio Revised Code Section 3313.666(B):
- (1) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education of Findlay City School District and is not intended to be and should not be used by anyone other than this specified party.



Julian & Grube, Inc.
December 18, 2009

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

FINDLAY, OHIO

CITY SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2009

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

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FINDLAY, OHIO 45840**

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INTRODUCTORY SECTION

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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Findlay City Schools

December 30, 2009

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, 2009. The CAFR, which includes an opinion from the Independent Public Accounting Firm that performed the District's audit, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This CAFR will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be made available to the Chamber of Commerce, major taxpayers, the Findlay Public Library, financial rating services, and other interested parties.

In addition to the financial audit, a single audit was performed as required by the Single Audit Act Amendments of 1996 and the provisions of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". The single audit report is not included in the CAFR.

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 2008 CAFR, and the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for the 2008 CAFR.
2. The Financial Section, which includes the Independent Auditor's Report, the Management's Discussion and Analysis, the Basic Financial Statements, the Notes to the Basic Financial Statements, and the Combining Statements and Individual Fund Schedules.
3. The Statistical Section, which is unaudited, includes various tables which reflect financial and demographic information, financial trends, and the fiscal capacity of the District.

SCHOOL DISTRICT ORGANIZATION

Findlay City School District is one of 922 public school districts and community schools in the State of Ohio and one of eight public school districts in Hancock County. It provides education to approximately 5,956 students in grades from 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 of the District, responsible for maintaining records of all financial matters, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, and investing of funds as specified by Ohio law.

THE REPORTING ENTITY

The District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", and as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units. The Findlay Digital Academy is included in the reporting entity as a discretely presented component unit.

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 \$801,827,020 and a tax rate of \$60.75 per \$1,000.00 of assessed valuation, the District has a sound financial base. A sexennial reappraisal of all real property was completed in 2004. Subsequently, property tax revenue increased by approximately eight percent. However, property tax revenue is beginning to decrease and will continue to decrease in the future as the State of Ohio phases out tangible personal property taxes. Also, many property owners suffered damage from the August 2007 flood and another large flood that hit in February 2008. The District is concerned with the ability and willingness of its taxpayers to support future levies given the financial hardships that they may be experiencing as a result of past and future flooding. However, the 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.

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. To begin the 2009-2010 school year, the Governor and the General Assembly passed a new biennium budget in mid-June which adopted a completely new methodology of calculating funding levels for Ohio's school districts. It is known as the Evidence Based Model (EBM). While Findlay, like most other districts, will not see any additional funding due to caps and amounts yet to be phased in, it must be acknowledged that this new method addresses many aspects of school funding such as building population, pupil-teacher ratios, all-day kindergarten, local poverty levels, and local college attainment; none of which were taken into account in the former formula. The District is optimistic about this new EBM method over the former method if the economy and state-level politics ever allow it to be fully funded.

The economy and setbacks to the Governor's original plan of funding sources (i.e., slot machines) prolong the possibility of mid-year funding cuts to loom over the District. As of the date of this CAFR, the State's budget is unbalanced and the District is unable to determine what effect, if any, there will be on future State funding and on its financial operations.

Total budgeted revenues for fiscal year 2010 will remain similar to the previous year with the exception of about \$2 million which was returned to the general fund last year to cover flood expenditures paid until FEMA and other flood aid money was received. Negotiated raises of two and three-quarters percent (2.75%) and estimated health care increases of ten and two-tenths percent (10.2%) are budgeted in fiscal year 2010, which will put the total expected expenditures for fiscal year 2010 at about \$1.1 million greater than the actual expenditures of fiscal year 2009.

Ohio school districts cannot generate significant additional revenue from taxes except by the vote of the people. On May 8, 2007, the voters elected to replace an expiring 4.9 mill levy. Voters will need to renew or replace that levy before the end of calendar year 2012 when collections end. On November 4, 2008, the voters replaced a 5.9 mill levy for which collections will expire in December 2014. Resources of the general fund will be impacted in the future by the struggling economy and past Ohio tax reforms including the eventual elimination of tangible personal property taxes, as well as increasing health care costs.

MAJOR INITIATIVES

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

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

The District continues to 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 as well as the relocation of Washington intermediate school from a 1915 building to a 1969 building. 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 will pay the debt service on \$54,195,000 that is needed to cover the local share and locally funded initiatives to build two (2) middle schools and a career tech building. The District will consolidate the south, north, and east campuses of the Millstream Career and Technology Center into one location. The District will also convert its three (3) small middle schools into two (2) larger, more efficient, newly constructed middle schools. Funding for these building consolidations has been pursued through the Ohio School Facilities Commission (OSFC) under their Exceptional Needs Program (ENP). The ENP helps school districts address specific facility needs within a district rather than the OSFC's usual practice of addressing all of the buildings within a district. Funding will be provided for construction on the OSFC's specifications where the school district must provide a local match based on the district's property values. In the case of our District, the local required match is sixty-eight percent (68%), while the OSFC will provide thirty-two percent (32%). The Millstream career and tech building is expected to be complete for the start of the 2012-2013 school year, while the first middle school will accept students in January 2013 and the second middle school will be ready for the start of the 2013-2014 school year.

RELEVANT FINANCIAL POLICIES

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

FINANCIAL INFORMATION

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

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

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

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

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

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

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

As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond.

The basis of accounting and the 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 2009 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 in net assets of \$(521,573) at June 30, 2009, compared to net assets of \$537,774 at June 30, 2008, reflecting a decrease in net assets of \$1,059,347.

Fiduciary Funds - The fiduciary funds account for assets held by the District in a trustee capacity, or as an agent, for other funds, governments, organizations, or individuals. The District maintains a private-purpose trust fund and an agency fund. The private-purpose trust fund had net assets of \$37,533 at June 30, 2009. The agency fund had assets of \$138,072 at June 30, 2009.

LONG-TERM FINANCIAL PLANNING

The District will continue to implement new courses of study in an ongoing effort to meet, and exceed, the national and state standards to affect student outcomes in the pursuit of the excellence rating on the Ohio Report Card. Part of this effort is the adoption of a more rigorous high school program and the implementation of all day every day kindergarten. However, due to anticipated future budget restraints, the District will not offer courses without sufficient demand and expects that class sizes will need to increase throughout the District.

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

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

USE OF THIS REPORT

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

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

INDEPENDENT AUDIT

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

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Findlay City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2008. 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 eighteen (18) 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, 2008. 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 eighteen (18) 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 Mr. Alexander J. Fait, of Julian & Grube, Inc., who compiled this report in compliance with GAO guidance, and to the auditors of Julian & Grube, Inc., who audited this report.

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

Respectfully,



Michael T. Barnhart, CPA
Treasurer



Dean A. Wittwer
Superintendent

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FINDLAY CITY SCHOOL DISTRICT

LIST OF PRINCIPAL OFFICIALS

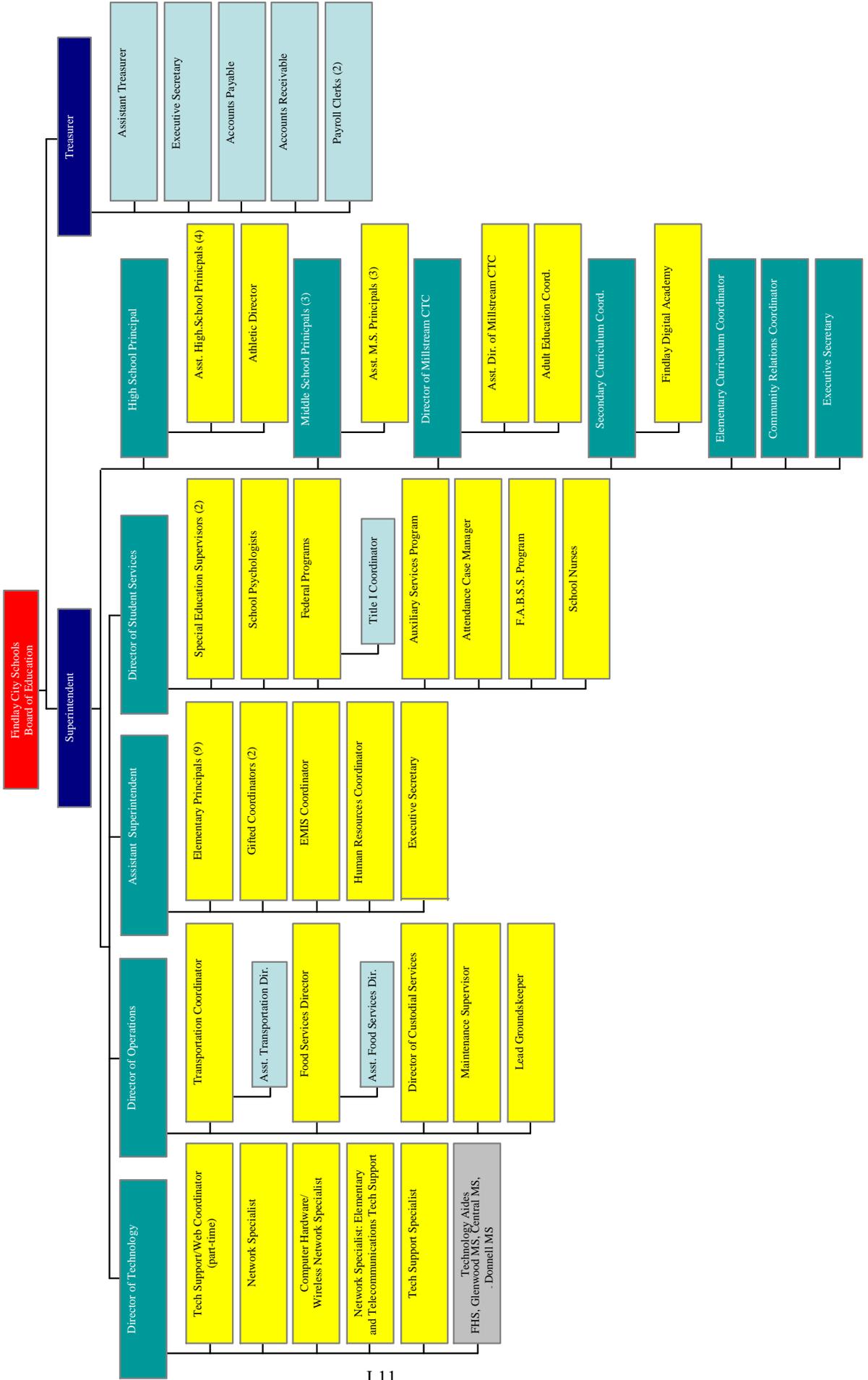
JUNE 30, 2009

BOARD OF EDUCATION

Mrs. Barbara Dysinger. President
Mr. Rick Hoffman. Vice-President
Mrs. Barbara Lockard. Member
Mr. Jeff Shrader. Member
Mr. Shane Pochard. Member

ADMINISTRATION

Mr. Dean A. Wittwer. Superintendent
Mr. Paul Blaine. Assistant Superintendent
Mr. Michael T. Barnhart. Treasurer
Mrs. Jennifer Miller. Assistant Treasurer
Ms. Stephanie Roth. Director of Elementary Curriculum
Mrs. Nancy Allison Director of Secondary Curriculum
Dr. Kathy Crates. Director of Student Services
Mr. Martin White. Director of Technology
Mr. Dennis McPheron. Director of Facilities



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, 2008

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



President

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

FINDLAY CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2008

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

President

Executive Director

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FINANCIAL SECTION

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Julian & Grube, Inc.
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Independent Auditor's Report

Board of Education
Findlay City School District
1219 W. Main Cross, Suite 101
Findlay, Ohio 45840-3377

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, its major fund and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio, as of and for the fiscal year ended June 30, 2009, which collectively comprise Findlay City School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Findlay City School District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Findlay Digital Academy, Findlay City School District's only discretely presented component unit. Findlay Digital Academy financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Findlay City School District is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, its major fund, and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Auditor's Report
Findlay City School District

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2009 on our consideration of Findlay City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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



Julian & Grube, Inc.
December 18, 2009

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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, 2009. 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 2009 are as follows:

- In total, net assets of governmental activities increased \$1,716,717 which represents an 8.48% increase from 2008.
- General revenues accounted for \$53,835,996 in revenue or 80.30% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$13,208,080 or 19.70% of total revenues of \$67,044,076.
- The District had \$65,327,359 in expenses related to governmental activities; only \$13,208,080 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 \$53,835,996 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$58,317,016 in revenues and \$56,905,549 in expenditures and other financing uses. During fiscal 2009, the general fund's fund balance increased \$1,417,921 from a balance of \$5,786,970 to a balance of \$7,204,891.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2009?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund begins on page F9. Fund financial reports provide detailed information about the District's major fund. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant fund. The District's only major governmental fund is the general fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* than can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages F15-F19 of this report.

Proprietary Funds

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

Reporting the District's Fiduciary Responsibilities

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F25-F59 of this report.

The District as a Whole

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

The table below provides a summary of the District's net assets for 2009 and 2008.

	Net Assets	
	Governmental Activities 2009	Governmental Activities 2008
<u>Assets</u>		
Current and other assets	\$ 51,382,335	\$ 52,246,866
Capital assets, net	<u>15,529,294</u>	<u>13,985,134</u>
Total assets	<u>66,911,629</u>	<u>66,232,000</u>
<u>Liabilities</u>		
Current liabilities	39,381,106	40,056,305
Long-term liabilities	<u>5,559,462</u>	<u>5,921,351</u>
Total liabilities	<u>44,940,568</u>	<u>45,977,656</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	13,598,457	11,666,148
Restricted	3,546,125	2,789,266
Unrestricted	<u>4,826,479</u>	<u>5,798,930</u>
Total net assets	<u>\$ 21,971,061</u>	<u>\$ 20,254,344</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2009, the District's assets exceeded liabilities by \$21,971,061.

At year-end, capital assets represented 23.21% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2009, were \$13,598,457. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$3,546,125, represents resources that are subject to external restriction on how they may be used.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

The table below illustrates the District's assets, liabilities and net assets at June 30, 2009 and 2008.

Governmental Activities



The table below shows the change in net assets for fiscal year 2009 and 2008.

Change in Net Assets

	Governmental Activities 2009	Governmental Activities 2008
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 4,916,288	\$ 4,961,552
Operating grants and contributions	7,985,608	7,086,333
Capital grants and contributions	306,184	293,007
General revenues:		
Property taxes	27,185,740	29,460,852
Grants and entitlements	25,247,868	24,497,427
Investment earnings	694,018	509,130
Miscellaneous	708,370	504,321
Total revenues	<u>67,044,076</u>	<u>67,312,622</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Change in Net Assets

	<u>Governmental Activities 2009</u>	<u>Governmental Activities 2008</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 25,159,062	\$ 26,196,394
Special	7,380,789	7,342,020
Vocational	3,589,139	2,974,529
Adult/continuing	154,366	-
Other	2,753,803	2,245,606
Support services:		
Pupil	3,116,136	2,830,187
Instructional staff	4,482,244	3,953,929
Board of education	95,943	172,550
Administration	4,152,921	3,867,750
Fiscal	1,483,958	1,493,860
Business	44,109	-
Operation and maintenance	6,467,052	5,410,595
Pupil transportation	2,165,597	2,151,281
Central	198,870	170,094
Operation of non-instructional services	715,273	487,370
Food service operations	1,876,647	1,884,913
Extracurricular activities	1,404,405	1,357,637
Interest and fiscal charges	87,045	121,236
Total expenses	<u>65,327,359</u>	<u>62,659,951</u>
Change in net assets	1,716,717	4,652,671
Net assets, beginning of year	<u>20,254,344</u>	<u>15,601,673</u>
Net assets, end of year	<u>\$ 21,971,061</u>	<u>\$ 20,254,344</u>

Governmental Activities

Net assets of the District's governmental activities increased \$1,716,717. This increase is primarily due to tax and intergovernmental revenue continuing to exceed expenses. Total governmental expenses of \$65,327,359 were offset by program revenues of \$13,208,080 and general revenues of \$53,835,996. Program revenues supported 20.22% of the total governmental expenses.

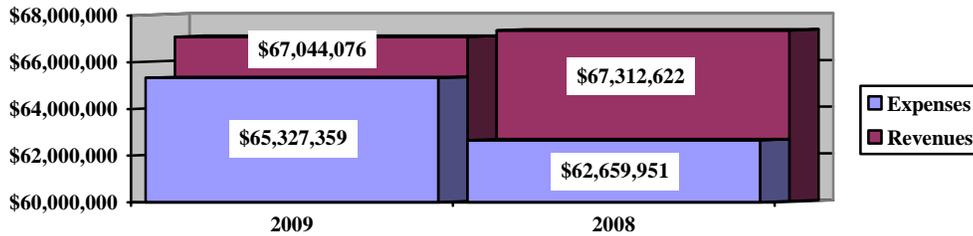
The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 78.21% of total governmental revenue. Real estate property is reappraised every six years. Despite tax revenue decreasing 7.72% from the prior year (partially due to elimination of tangible personal property tax which is being reimbursed by the State of Ohio through intergovernmental revenue), the District's tax base is adequate to support related expenses. The largest expense of the District is for instructional programs. Instruction expenses totaled \$39,037,159 or 59.76% of total governmental expenses for fiscal 2009. Instructional related expenses increased approximately 1% from the prior year.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Operation and maintenance expenses increased as the District continued to improve facilities. Other support services expenses increased as the District provided additional supporting programs in fiscal year 2009. The graph below presents the District's governmental activities revenue and expenses for fiscal years 2009 and 2008.

Governmental Activities - Revenues and Expenses



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

Governmental Activities

	Total Cost of Services <u>2009</u>	Net Cost of Services <u>2009</u>	Total Cost of Services <u>2008</u>	Net Cost of Services <u>2008</u>
Program expenses				
Instruction:				
Regular	\$ 25,159,062	\$ 21,215,929	\$ 26,196,394	\$ 22,906,243
Special	7,380,789	3,944,685	7,342,020	4,012,519
Vocational	3,589,139	2,881,305	2,974,529	1,978,638
Adult/continuing	154,366	154,366	-	-
Other	2,753,803	2,752,958	2,245,606	2,175,598
Support services:				
Pupil	3,116,136	2,806,421	2,830,187	2,490,360
Instructional staff	4,482,244	3,471,429	3,953,929	3,003,549
Board of education	95,943	95,943	172,550	172,550
Administration	4,152,921	4,129,184	3,867,750	3,840,076
Fiscal	1,483,958	1,483,614	1,493,860	1,493,860
Business	44,109	44,109	-	-
Operations and maintenance	6,467,052	6,139,526	5,410,595	4,945,625
Pupil transportation	2,165,597	1,915,326	2,151,281	2,045,395
Central	198,870	144,155	170,094	148,105
Operations of non-instructional services	715,273	51,863	487,370	(29,474)
Food service operations	1,876,647	(67,156)	1,884,913	130,186
Extracurricular activities	1,404,405	868,577	1,357,637	884,593
Interest and fiscal charges	87,045	87,045	121,236	121,236
Total expenses	<u>\$ 65,327,359</u>	<u>\$ 52,119,279</u>	<u>\$ 62,659,951</u>	<u>\$ 50,319,059</u>

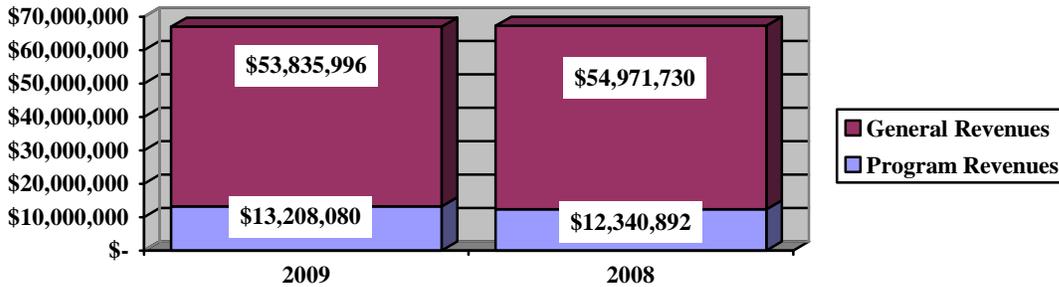
**FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

The dependence upon tax and other general revenues for governmental activities is apparent, 79.28% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 79.78%. The District's taxpayers, as a whole, are by far the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2009 and 2008.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds (as presented on the balance sheet on page F15) reported a combined fund balance of \$10,688,501, which is higher than last year's total of \$8,718,553. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2009 and 2008.

	Fund Balance June 30, 2009	Fund Balance June 30, 2008	Increase
General	\$ 7,204,891	\$ 5,786,970	\$ 1,417,921
Other Governmental	3,483,610	2,931,583	552,027
Total	\$ 10,688,501	\$ 8,718,553	\$ 1,969,948

General Fund

The District's general fund balance increased \$1,417,921. The increase in fund balance can be attributed to increasing revenues still outpacing increased expenditures. Revenues exceeded expenditures by \$1,486,467 in fiscal 2009, for two main reasons. The first reason is that the District had to increase expenditures from fiscal 2008 to fiscal 2009, primarily due to rising wage and health benefit costs for the District. The second reason is that the District was able to increase revenues from fiscal 2008 to fiscal 2009, primarily due to an increase in intergovernmental revenues. The increase in intergovernmental revenues is the result of the District receiving governmental reimbursements for the loss of tangible personal property tax revenue (see Note 6).

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 26,269,328	\$ 27,192,230	(3.39) %
Tuition	2,824,315	2,403,515	17.51 %
Earnings on investments	720,975	535,581	34.62 %
Intergovernmental	27,975,682	26,711,349	4.73 %
Other revenues	<u>526,716</u>	<u>358,137</u>	47.07 %
Total	<u>\$ 58,317,016</u>	<u>\$ 57,200,812</u>	1.95 %
<u>Expenditures</u>			
Instruction	\$ 35,212,460	\$ 35,652,628	(1.23) %
Support services	20,372,562	18,368,553	10.91 %
Extracurricular activities	856,859	800,295	7.07 %
Facilities acquisition and construction	20,361	35,775	(43.09) %
Debt service	<u>368,307</u>	<u>976,134</u>	(62.27) %
Total	<u>\$ 56,830,549</u>	<u>\$ 55,833,385</u>	1.79 %

Tax revenues decreased due to the elimination of tangible personal property tax, however, the District is reimbursed by the State of Ohio for lost taxes which explains the increase in intergovernmental revenue. Interest revenue increased due to higher interest rates on investments and tuition increased due to increased open enrollment and programs offered. Support services increased primarily due to increased operations and maintenance expenditures as the District continues to maintain and improve on current facilities. Other support services increased as the District provided additional supporting programs in fiscal year 2009. Debt service expenditures decreased as the District repaid energy conservation loans in fiscal year 2008.

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 2009, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were \$59,737,237, which was higher than the original budget estimate of \$58,418,115. Actual revenues and other financing sources for fiscal 2009 was \$57,584,721. This represents a \$2,152,516 decrease from final budgeted revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$57,711,007 were increased to \$60,444,982 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2009 totaled \$58,134,045, which was \$2,310,937 less than the final budget appropriations.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2009, the District had \$15,529,294 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles, net of accumulated depreciation. This entire amount is reported in governmental activities.

The following table shows fiscal 2009 balances compared to 2008:

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

	Governmental Activities	
	2009	2008
Land	\$ 416,459	\$ 416,459
Land improvements	775,784	342,671
Building and improvements	10,811,313	10,161,543
Furniture and equipment	1,887,798	1,862,297
Vehicles	1,637,940	1,202,164
Total	\$ 15,529,294	\$ 13,985,134

Total additions to capital assets for 2009 were \$2,381,111. The overall increase in capital assets of \$1,544,160 is primarily due to additions exceeding the recording of \$830,306 in depreciation expense and disposals of \$6,645 (net of accumulated depreciation) for fiscal 2009.

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

Debt Administration

At June 30, 2009, the District had \$1,930,837 in asbestos removal loans and capital lease obligations outstanding. Of this total, \$401,812 is due within one year and \$1,529,025 is due in greater than one year. The following table summarizes the loans and lease obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities <u>2009</u>	Governmental Activities <u>2008</u>
	Asbestos removal loans	\$ 311,476
Capital lease obligations	1,619,361	1,899,449
Total	\$ 1,930,837	\$ 2,318,986

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, 2009**

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 the uncertainty of the economy and the impact it will have on revenues, especially the revenue that comes from the State of Ohio, which amounts to nearly one-third of the District's general fund. The District's ongoing challenge of addressing its facility needs was heightened by two major floods that hit the Findlay community in August 2007 and February 2008. The District suffered major damage to its administrative offices, which were located in the basement of Central Middle School, as well as damage to a lesser extent at seven (7) other buildings. The District has sought reimbursement from FEMA and the State of Ohio for over \$2.5 million in damages and expects to receive enough financial support to cover all but \$600,000 of the costs of the flood.

Although challenging, the aforementioned floods have also brought about some opportunities to the District. The floods moved the District's middle schools and career tech buildings up the list for funding through the Ohio School Facilities Commission's (OSFC) Exceptional Needs Program (ENP). In November 2009, the voters of Findlay approved a 28-year, 4.3 mill bond levy which will finance the construction of two new middle schools and I unified career tech center. The District will replace its three middle schools with two new ones, as well as consolidate the three campuses of the Millstream Career and Technology Center into one new building next to the high school. The OSFC will provide thirty-two percent (32%) of the funding for most portions of the project. The entire project should be completed by the start of the 2013-2014 school year. The District anticipates significant annual operational savings as a result of less staff along with newer buildings that will be more efficient once construction is complete.

In November 2008, the District replaced a five-year 5.9 mill operating levy that is scheduled to expire at the end of calendar year 2009 with another five-year 5.9 mill operating levy where collections will begin in calendar year 2010. This levy will retain present collections of \$4.1 million in addition to another \$0.6 million.

In order to meet past challenges, the District developed and implemented a fiscal health plan for 2006 through 2010. The plan includes strategies for diversifying revenue sources and reducing expenditures. The District will continue to implement and update the plan as it remains fiscally vigilant and works through the present national economic recession. 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, 1219 West Main Cross, Suite 101, Findlay, Ohio 45840.

BASIC
FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities	Component Unit Findlay Digital Academy
Assets:		
Equity in pooled cash, cash equivalents, and investments . . .	\$ 16,108,000	\$ 614,094
Receivables:		
Taxes	34,606,267	-
Accounts	54,913	-
Intergovernmental.	303,043	-
Accrued interest.	139,150	-
Prepayments.	94,737	-
Materials and supplies inventory	76,225	-
Capital assets:		
Land	416,459	-
Depreciable capital assets, net	15,112,835	22,127
Total capital assets, net	15,529,294	22,127
 Total assets	 66,911,629	 636,221
 Liabilities:		
Accounts payable	539,638	644
Accrued wages and benefits.	4,836,093	-
Pension obligation payable	1,374,716	-
Intergovernmental payable	187,882	-
Unearned revenue	30,740,308	-
Claims payable	1,695,682	-
Accrued interest payable	6,787	-
Long-term liabilities:		
Due within one year.	1,303,362	-
Due in more than one year	4,256,100	-
 Total liabilities	 44,940,568	 644
 Net Assets:		
Invested in capital assets, net		
of related debt	13,598,457	22,127
Restricted for:		
Capital projects	1,405,382	-
Locally funded programs	222,042	-
State funded programs.	61,675	-
Federally funded programs	162,498	-
Student activities	365,841	-
Public school support	90,547	-
Scholarships:		
Nonexpendable	618,000	-
Expendable	81,440	-
Other purposes	538,700	-
Unrestricted	4,826,479	613,450
 Total net assets	 \$ 21,971,061	 \$ 635,577

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, 2009

	Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Unit Findlay Digital Academy
Governmental Activities:						
Instruction:						
Regular	\$ 25,159,062	\$ 2,497,334	\$ 1,324,528	\$ 121,271	\$ (21,215,929)	\$ -
Special	7,380,789	488,310	2,947,794	-	(3,944,685)	-
Vocational	3,589,139	304,113	403,721	-	(2,881,305)	-
Adult/continuing	154,366	-	-	-	(154,366)	-
Other	2,753,803	-	845	-	(2,752,958)	-
Support services:						
Pupil	3,116,136	-	301,711	8,004	(2,806,421)	-
Instructional staff	4,482,244	-	1,010,815	-	(3,471,429)	-
Board of education	95,943	-	-	-	(95,943)	-
Administration	4,152,921	5,854	17,883	-	(4,129,184)	-
Fiscal	1,483,958	17	327	-	(1,483,614)	-
Business	44,109	-	-	-	(44,109)	-
Operations and maintenance	6,467,052	56,178	258,053	13,295	(6,139,526)	-
Pupil transportation	2,165,597	2,365	89,528	158,378	(1,915,326)	-
Central	198,870	1,785	52,930	-	(144,155)	-
Operation of non-instructional services	715,273	163,838	499,572	-	(51,863)	-
Food service operations	1,876,647	884,000	1,059,803	-	67,156	-
Extracurricular activities	1,404,405	512,494	18,098	5,236	(868,577)	-
Interest and fiscal charges	87,045	-	-	-	(87,045)	-
Total governmental activities	<u>\$ 65,327,359</u>	<u>\$ 4,916,288</u>	<u>\$ 7,985,608</u>	<u>\$ 306,184</u>	<u>(52,119,279)</u>	<u>-</u>
Component Unit:						
Findlay Digital Academy	\$ 512,864	\$ -	\$ 662,176	\$ -	-	149,312
Total component unit	<u>\$ 512,864</u>	<u>\$ -</u>	<u>\$ 662,176</u>	<u>\$ -</u>	<u>-</u>	<u>149,312</u>
Totals	<u>\$ 65,840,223</u>	<u>\$ 4,916,288</u>	<u>\$ 8,647,784</u>	<u>\$ 306,184</u>	<u>(52,119,279)</u>	<u>-</u>
General Revenues:						
Property taxes levied for:						
General purposes					25,284,305	-
Debt service					108,061	-
Capital projects					1,793,374	-
Grants and entitlements not restricted to specific programs					25,247,868	26,477
Investment earnings					694,018	18,325
Miscellaneous					708,370	350
Total general revenues					<u>53,835,996</u>	<u>45,152</u>
Change in net assets					1,716,717	194,464
Net assets at beginning of year					<u>20,254,344</u>	<u>441,113</u>
Net assets at end of year					<u>\$ 21,971,061</u>	<u>\$ 635,577</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 10,825,955	\$ 4,044,013	\$ 14,869,968
Receivables:			
Property taxes	32,653,056	1,953,211	34,606,267
Accounts	49,203	5,710	54,913
Intergovernmental.	252,882	50,161	303,043
Accrued interest.	139,140	10	139,150
Interfund loans	41,840	-	41,840
Prepayments	94,737	-	94,737
Materials and supplies inventory.	55,811	20,414	76,225
Restricted assets:			
Equity in pooled cash and cash equivalents.	63,923	-	63,923
Total assets.	<u>\$ 44,176,547</u>	<u>\$ 6,073,519</u>	<u>\$ 50,250,066</u>
Liabilities:			
Accounts payable.	\$ 457,546	\$ 82,092	\$ 539,638
Accrued wages and benefits	4,577,404	258,689	4,836,093
Compensated absences payable.	229,108	1,729	230,837
Pension obligation payable	1,280,328	94,388	1,374,716
Intergovernmental payable	171,640	16,242	187,882
Interfund loans payable.	-	41,840	41,840
Deferred revenue	1,528,717	81,534	1,610,251
Unearned revenue.	28,726,913	2,013,395	30,740,308
Total liabilities	<u>36,971,656</u>	<u>2,589,909</u>	<u>39,561,565</u>
Fund Balances:			
Reserved for encumbrances	1,140,272	769,503	1,909,775
Reserved for materials and supplies inventory.	55,811	20,414	76,225
Reserved for tax revenue unavailable for appropriation.	2,456,939	190,000	2,646,939
Reserved for prepayments	94,737	-	94,737
Reserved for school bus purchases	63,923	-	63,923
Reserved for scholarships	-	618,000	618,000
Unreserved, undesignated, reported in:			
General fund	3,393,209	-	3,393,209
Special revenue funds.	-	1,033,743	1,033,743
Capital projects funds.	-	783,510	783,510
Permanent fund	-	68,440	68,440
Total fund balances	<u>7,204,891</u>	<u>3,483,610</u>	<u>10,688,501</u>
Total liabilities and fund balances	<u>\$ 44,176,547</u>	<u>\$ 6,073,519</u>	<u>\$ 50,250,066</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2009

Total governmental fund balances		\$ 10,688,501
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		15,529,294
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	\$ 1,405,237	
Intergovernmental revenue	146,419	
Accrued interest	58,595	
Total		1,610,251
An internal service fund is used by management to charge the costs of health and dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets.		(521,573)
In the statement of activities interest is accrued on capital lease obligations, whereas in governmental funds, interest expenditures are reported when due.		(6,787)
Long-term liabilities, including loans payable and capital lease obligations, are not due and payable in the current period and therefore are not reported in the funds.		
Asbestos removal loans	(311,476)	
Capital lease obligations	(1,619,361)	
Compensated absences	(3,397,788)	
Total		(5,328,625)
Net assets of governmental activities		\$ 21,971,061

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, 2009

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
From local sources:			
Taxes	\$ 26,269,328	\$ 1,956,244	\$ 28,225,572
Tuition	2,824,315	163,863	2,988,178
Earnings on investments	720,975	108,698	829,673
Charges for services	-	884,000	884,000
Extracurricular	-	532,585	532,585
Classroom materials and fees	11,425	394,647	406,072
Rentals	31,470	11,294	42,764
Donations	12,350	382,551	394,901
Contract services	128	62,689	62,817
Other local revenues	471,343	224,549	695,892
Intergovernmental - State	27,616,954	1,106,721	28,723,675
Intergovernmental - Federal	358,728	4,127,744	4,486,472
Total revenue	<u>58,317,016</u>	<u>9,955,585</u>	<u>68,272,601</u>
Expenditures:			
Current:			
Instruction:			
Regular	23,034,050	1,596,800	24,630,850
Special	6,054,911	1,152,161	7,207,072
Vocational	3,212,606	221,392	3,433,998
Adult/continuing	155,179	-	155,179
Other	2,755,714	12,372	2,768,086
Support Services:			
Pupil	2,692,217	365,538	3,057,755
Instructional staff	3,577,326	979,752	4,557,078
Board of education	96,451	-	96,451
Administration	4,073,362	39,605	4,112,967
Fiscal	1,450,372	95	1,450,467
Business	44,346	-	44,346
Operations and maintenance	6,297,179	122,958	6,420,137
Pupil transportation	2,049,143	495,021	2,544,164
Central	92,166	99,589	191,755
Operation of non-instructional services	-	658,433	658,433
Food service operations	-	1,893,068	1,893,068
Extracurricular activities	856,859	556,062	1,412,921
Facilities acquisition and construction	20,361	1,182,143	1,202,504
Debt service:			
Principal retirement	280,088	108,061	388,149
Interest and fiscal charges	88,219	-	88,219
Total expenditures	<u>56,830,549</u>	<u>9,483,050</u>	<u>66,313,599</u>
Excess of revenues over expenditures	<u>1,486,467</u>	<u>472,535</u>	<u>1,959,002</u>
Other financing sources (uses):			
Transfers in	-	75,000	75,000
Transfers (out)	(75,000)	-	(75,000)
Total other financing sources (uses)	<u>(75,000)</u>	<u>75,000</u>	<u>-</u>
Net change in fund balances	1,411,467	547,535	1,959,002
Fund balances at beginning of year	5,786,970	2,931,583	8,718,553
Increase in reserve for inventory	6,454	4,492	10,946
Fund balances at end of year	<u>\$ 7,204,891</u>	<u>\$ 3,483,610</u>	<u>\$ 10,688,501</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Net change in fund balances - total governmental funds	\$	1,959,002
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$2,381,111) exceeds depreciation expense (\$830,306) in the current period.		1,550,805
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals, sales, trade-ins, and donations) is to decrease net assets.		(6,645)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities they are reported as an expense when consumed.		10,946
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(1,272,223)
Repayment of loan and capital lease obligation principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net assets.		388,149
In the statement of activities, interest is accrued on capital lease obligations, whereas in governmental funds, an interest expenditure is reported when due.		1,174
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.		144,856
The internal service fund used by management to charge the costs of health and dental insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		(1,059,347)
Change in net assets of governmental activities	\$	1,716,717

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues:				
From local sources:				
Taxes	\$ 25,408,809	\$ 25,982,558	\$ 25,046,327	\$ (936,231)
Tuition.	2,865,190	2,929,888	2,824,315	(105,573)
Earnings on investments.	534,457	546,525	526,832	(19,693)
Classroom materials and fees	11,590	11,852	11,425	(427)
Rental income	31,925	32,646	31,470	(1,176)
Contributions and donations.	12,529	12,812	12,350	(462)
Contract services.	130	133	128	(5)
Other local revenues.	457,772	468,108	451,241	(16,867)
Intergovernmental - state	28,124,798	28,759,876	27,723,569	(1,036,307)
Intergovernmental - federal.	654,940	669,729	645,597	(24,132)
Total revenue	<u>58,102,140</u>	<u>59,414,127</u>	<u>57,273,254</u>	<u>(2,140,873)</u>
Expenditures:				
Current:				
Instruction:				
Regular	24,471,011	24,222,925	23,266,022	956,903
Special	6,082,523	6,071,135	6,019,884	51,251
Vocational	3,318,395	4,010,546	3,312,745	697,801
Other instruction	2,540,303	3,325,065	3,069,301	255,764
Support Services:				
Pupil	2,624,246	2,916,397	2,687,235	229,162
Instructional staff.	3,334,143	4,255,882	3,595,095	660,787
Board of education.	197,112	197,112	116,215	80,897
Administration.	4,159,720	4,161,481	4,053,661	107,820
Fiscal.	1,601,973	1,601,973	1,498,034	103,939
Operations and maintenance.	7,299,825	7,615,885	7,165,172	450,713
Pupil transportation	2,294,498	2,256,215	2,232,541	23,674
Central	123,057	123,057	90,789	32,268
Extracurricular activities.	902,825	925,933	872,660	53,273
Facilities acquisition and construction.	48,501	48,501	37,851	10,650
Total expenditures	<u>58,998,132</u>	<u>61,732,107</u>	<u>58,017,205</u>	<u>3,714,902</u>
Excess of revenues over (under) expenditures.	<u>(895,992)</u>	<u>(2,317,980)</u>	<u>(743,951)</u>	<u>1,574,029</u>
Other financing sources (uses):				
Transfers (out)	(75,000)	(75,000)	(75,000)	-
Advances in.	311,145	318,171	306,706	(11,465)
Advances (out)	(340,000)	(340,000)	(41,840)	298,160
Proceeds from sale of capital assets	4,441	4,542	4,378	(164)
Refund of prior year expenditure	389	397	383	(14)
Refund of prior year receipts.	(2,500)	(2,500)	-	2,500
Total other financing sources (uses).	<u>(101,525)</u>	<u>(94,390)</u>	<u>194,627</u>	<u>289,017</u>
Net change in fund balance	(997,517)	(2,412,370)	(549,324)	1,863,046
Fund balance at beginning of year.	8,042,376	8,042,376	8,042,376	-
Prior year encumbrances appropriated	1,704,625	1,704,625	1,704,625	-
Fund balance at end of year	<u>\$ 8,749,484</u>	<u>\$ 7,334,631</u>	<u>\$ 9,197,677</u>	<u>\$ 1,863,046</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2009

	Governmental Activities - Internal Service Fund
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	<u>\$ 1,174,109</u>
Total assets	<u>1,174,109</u>
Liabilities:	
Current liabilities:	
Claims payable	<u>1,695,682</u>
Total liabilities	<u>1,695,682</u>
Net assets:	
Unrestricted (deficit)	<u>(521,573)</u>
Total net assets (deficit).	<u><u>\$ (521,573)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 7,314,304
Other	6,279
	7,320,583
Operating expenses:	
Purchased services	769,141
Claims	7,654,487
	8,423,628
Total operating revenues	7,320,583
Total operating expenses	8,423,628
Operating loss	(1,103,045)
Nonoperating revenues:	
Interest revenue	43,698
	43,698
Total nonoperating revenues	43,698
Change in net assets	(1,059,347)
Net assets at beginning of year	537,774
Net assets (deficit) at end of year	\$ (521,573)

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, 2009

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	\$ 7,314,304
Cash received from other operations.	6,279
Cash payments for purchased services	(769,141)
Cash payments for claims.	<u>(7,436,198)</u>
Net cash used in operating activities	<u>(884,756)</u>
Cash flows from investing activities:	
Interest received.	<u>43,698</u>
Net cash provided by investing activities	<u>43,698</u>
Net decrease in cash and cash equivalents	(841,058)
Cash and cash equivalents at beginning of year . . .	<u>2,015,167</u>
Cash and cash equivalents at end of year.	<u><u>\$ 1,174,109</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (1,103,045)
Changes in assets and liabilities:	
Increase in claims payable	<u>218,289</u>
Net cash used in operating activities	<u><u>\$ (884,756)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents.	\$ 37,533	\$ 136,472
Receivables:		
Accounts	-	1,600
	37,533	138,072
Total assets	37,533	\$ 138,072
Liabilities:		
Accounts payable.	-	\$ 3,909
Intergovernmental payable	-	11
Due to students	-	134,152
	-	138,072
Total liabilities	-	\$ 138,072
Net Assets:		
Held in trust for scholarships.	37,533	
Total net assets	\$ 37,533	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Private-Purpose Trust
	Scholarship
Additions:	
Gifts and contributions.	\$ 19,891
Total additions.	19,891
Deductions:	
Scholarships awarded	26,117
Change in net assets	(6,226)
Net assets at beginning of year	43,759
Net assets at end of year.	\$ 37,533

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The District operates under a locally elected, five-member Board and provides educational services as authorized by its charter or further mandated by State and/or federal agencies. The Board controls the District's fourteen instructional facilities and one support facility staffed by 488 certified teaching personnel, 365 classified support personnel, and 51 administrators.

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

The District ranks as the 48th largest (among 922 public school districts and community schools) in terms of total enrollment in the State, and the largest in Hancock County. It currently operates 9 elementary schools, 3 middle schools, 1 high school, and a vocational center, to provide services to approximately 5,956 students in grades K-12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity", and as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The reporting entity is comprised of the primary government 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

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

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

DISCRETELY PRESENTED COMPONENT UNIT

Findlay Digital Academy

The Findlay Digital Academy (the "Academy") is a Conversion Community School established pursuant to Ohio Revised Code, Chapter 3314. The Academy is sponsored by the District to serve ninth through twelfth grade students living in the District. The Academy's mission is to enhance and facilitate student learning by combining state-of-the-art digital curriculum with access to local school resources to complement that instruction and prepare students to become lifelong learners and productive citizens. The Academy is governed by a seven-member Board of Directors, the 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 District'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 Michael Barnhart, Treasurer, Findlay City School District, at 1219 W. Main Cross, Findlay, Ohio 45840.

The Academy is included as a component unit of the District because the 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, should the Academy discontinue operations for any reason, the District is legally entitled to the Academy's resources. Based on the District's relationship with the Academy and due to the 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

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, and Van Wert counties, and the cities of St. Marys and Wapakoneta. The organization was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions among member school districts.

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

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities; (b) activity relating to the repayment of general long-term debt principal, interest and related costs; (c) grants and other resources whose use is restricted to a particular purpose; and (d) food service and uniform school supplies operations.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

PROPRIETARY FUNDS

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

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

FIDUCIARY FUNDS

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

C. Measurement Focus

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenue of the District's internal service fund is charges for services. Operating expenses for the internal service fund includes claims expense and purchased services 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. Agency funds are custodial in nature (assets equal liabilities) and do not have a measurement focus, as they do not report the results of operations.

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).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

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

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2009 are recorded as deferred revenue.

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

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

Tax Budget:

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

Estimated Resources:

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commissions' certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the original and final amended certificates issued during the fiscal year.

Appropriations:

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

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

F. Cash and Investments

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

During fiscal year 2009, investments were limited to nonnegotiable certificates of deposits, federal agency securities, a U.S. treasury money market mutual fund, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2009. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2009.

Under existing Ohio statutes all investment earning 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 2009 amounted to \$720,975, which includes \$192,068 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 that are not purchased from the general pool and have an initial maturity of more than three months are reported as investments.

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

G. Inventory

On government-wide and fund financial statements, purchased inventories for supplies are reported at cost, purchased inventories held for resale are reported at the lower of cost or market, and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis. Inventories are accounted for using the purchase method on the governmental fund financial statements and using the consumption method on the government-wide financial statements.

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

H. Capital Assets

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

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

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

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables”. These amounts are eliminated in the governmental activities column on the statement of net assets.

J. 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. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. The liability is an estimate based on the District’s past experience of making termination payments.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2009, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

K. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Loans are recognized as a liability on the fund financial statements when due.

L. Fund Balance Reserves

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

M. Net Assets

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

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

N. Prepayments

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

O. Estimates

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

P. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include the amount required by State statute to be set-aside for school bus purchases. See Note 16 for details.

Q. Interfund Activity

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

R. Parochial Schools

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2009.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2009, the District has implemented GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations", GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and GASB Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards".

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of GASB Statement No. 49 did not have an effect on the financial statements of the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the District.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the District.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2009 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Special enterprise	\$ 3,992
Poverty aid	4,475
Vocational education	5,332
Limited english proficiency	99
Title I disadvantaged children	24,549
Drug free school grant	238
Improving teacher quality	5,459
<u>Nonmajor proprietary fund</u>	
Internal service fund	521,573

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. These deficit balances are the result of adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasury Asset Reserve of Ohio (STAR Ohio) investment pool;
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Deposits with Financial Institutions

At June 30, 2009, the carrying amount of all District deposits was \$2,451,451. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2009, \$3,131,264 of the District’s bank balance of \$3,317,863 was covered by the Federal Deposit Insurance Corporation, while \$186,599 was exposed to custodial risk as discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the District’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions’ trust department and 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.

B. Investments

As of June 30, 2009, the District had the following investments and maturities:

<u>Investment</u>	<u>Fair Value</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>More than 24 months</u>
FFCB	\$ 708,566	\$ -	\$ -	\$ -	\$ -	\$ 708,566
FHLB	4,328,920	-	-	-	-	4,328,920
FHLMC	5,165,159	-	-	-	501,450	4,663,709
FNMA	2,792,151	-	42,336	-	-	2,749,815
U.S. Treasury Funds	424,903	424,903	-	-	-	-
STAR Ohio	<u>410,855</u>	<u>410,855</u>	-	-	-	-
Total	<u>\$ 13,830,554</u>	<u>\$ 835,758</u>	<u>\$ 42,336</u>	<u>\$ -</u>	<u>\$ 501,450</u>	<u>\$ 12,451,010</u>

The weighted average maturity of investments is 3.97 years.

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

Credit Risk: The District’s investments, except for STAR Ohio and the U.S. Treasury funds, were rated AAA and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively. Standard & Poor’s has assigned STAR Ohio and the U.S. Treasury funds 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 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, 2009

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 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 market value, or by default. However, the District's investment policy does not place any limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2009:

<u>Investment</u>	<u>Fair Value</u>	<u>Percent of Total</u>
FFCB	\$ 708,566	5.12
FHLB	4,328,920	31.30
FHLMC	5,165,159	37.35
FNMA	2,792,151	20.19
U.S. Treasury Funds	424,903	3.07
STAR Ohio	410,855	2.97
Total	<u>\$ 13,830,554</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note disclosure above to cash and investments as reported on the statement of net assets as of June 30, 2009:

<u>Cash and investments per note disclosure</u>	
Carrying amount of deposits	\$ 2,451,451
Investments	<u>13,830,554</u>
Total	<u>\$ 16,282,005</u>
<u>Cash and cash equivalents per statement of net assets</u>	
Governmental activities	\$ 16,108,000
Private-purpose trust funds	37,533
Agency funds	<u>136,472</u>
Total	<u>\$ 16,282,005</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund balances at June 30, 2009 consisted of the following interfund loans receivable and payable, as reported on the fund financial statements:

<u>Interfund loans receivable in the general fund from:</u>	<u>Amount</u>
Nonmajor governmental funds	\$ 41,840

The primary purpose of these interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

- B. Interfund transfers for the fiscal year ended June 30, 2009 consisted of the following transfers, as reported in the fund financial statements:

<u>Transfers from general fund to:</u>	<u>Amount</u>
Nonmajor governmental funds	\$ 75,000

In the fiscal year ended June 30, 2009, the District converted advances outstanding at June 30, 2008 in the amount of \$124,845 to transfers.

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

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property, public utility property and tangible personal (used in business) property located in the District. Real property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market 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 2009 represent the collection of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien on December 31, 2007, were levied after April 1, 2008, 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, 2009

NOTE 6 - PROPERTY TAXES - (Continued)

Tangible personal property tax revenues received in calendar year 2009 (other than public utility property) represent the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

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, 2009, are available to finance fiscal year 2009 operations. The amount available as an advance at June 30, 2009 was \$2,456,939 in the general fund and \$190,000 in the permanent improvement capital projects fund (a nonmajor governmental fund). These amounts are recorded as revenue. The amount available for advance at June 30, 2008 was \$1,375,000 in the general fund and \$101,000 in the permanent improvement capital projects 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 tangible personal property taxes which are measurable as of June 30, 2009 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 unearned revenue.

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 deferred.

The assessed values upon which the fiscal year 2009 taxes were collected are:

	2008 Second Half Collections		2009 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 774,075,810	94.05	\$ 780,240,270	97.31
Public utility personal property	18,881,860	2.29	20,228,090	2.52
Tangible personal property	<u>30,088,700</u>	<u>3.66</u>	<u>1,358,660</u>	<u>0.17</u>
Total	<u>\$ 823,046,370</u>	<u>100.00</u>	<u>\$ 801,827,020</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation:				
General operations	\$ 58.25		\$ 58.25	
Permanent improvement	2.50		2.50	

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 7 - RECEIVABLES

Receivables at June 30, 2009 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the receivables reported on the statement of net assets follows:

Governmental activities:

Taxes	\$ 34,606,267
Accounts	54,913
Intergovernmental	303,043
Accrued interest	<u>139,150</u>
Total	<u>\$ 35,103,373</u>

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

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009 was as follows:

	Balance			Balance
	<u>06/30/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>06/30/09</u>
<u>Governmental activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 416,459	\$ -	\$ -	\$ 416,459
<i>Total capital assets, not being depreciated</i>	<u>416,459</u>	<u>-</u>	<u>-</u>	<u>416,459</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,293,267	474,797	-	1,768,064
Buildings and improvements	26,561,848	1,066,588	-	27,628,436
Equipment and furniture	10,427,074	275,219	(19,972)	10,682,321
Vehicles	<u>2,996,959</u>	<u>564,507</u>	<u>(66,447)</u>	<u>3,495,019</u>
<i>Total capital assets, being depreciated</i>	<u>41,279,148</u>	<u>2,381,111</u>	<u>(86,419)</u>	<u>43,573,840</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(950,596)	(41,684)	-	(992,280)
Buildings and improvements	(16,400,305)	(416,818)	-	(16,817,123)
Equipment and furniture	(8,564,777)	(249,718)	19,972	(8,794,523)
Vehicles	<u>(1,794,795)</u>	<u>(122,086)</u>	<u>59,802</u>	<u>(1,857,079)</u>
<i>Total accumulated depreciation</i>	<u>(27,710,473)</u>	<u>(830,306)</u>	<u>79,774</u>	<u>(28,461,005)</u>
Total capital assets, net	<u>\$ 13,985,134</u>	<u>\$ 1,550,805</u>	<u>\$ (6,645)</u>	<u>\$ 15,529,294</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 298,312
Special	76,919
Vocational	96,749
<u>Support services:</u>	
Pupil	17,328
Instructional staff	21,992
Administration	34,291
Fiscal	15,123
Operations and maintenance	59,476
Pupil transportation	123,730
Other non-instructional services	48,789
Extracurricular activities	11,507
Food service operations	<u>26,090</u>
Total depreciation expense	<u>\$ 830,306</u>

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE

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

Capital assets acquired by capital lease have been capitalized in the amount of \$4,709,477. This amount represents the present value of the minimum lease payments at the time of acquisition. Of this amount, \$3,976,043 is reported in buildings and improvements, \$612,328 in equipment and furniture, and \$121,106 in vehicles. For fiscal year 2009, depreciation expense on capital assets acquired by capital leases totaled \$97,853. At June 30, 2009, accumulated depreciation on capital assets acquired by capital leases equaled \$1,537,337, and net capital assets acquired by capital leases totaled \$3,172,140. A corresponding liability has been recorded on the government-wide financial statements.

Capital lease payments are reported as function/program expenditures in the budgetary statements. These payments have been reclassified and are reflected as debt service expenditures in the governmental fund financial statements. For fiscal year 2009, principal and interest payments in the general fund equaled \$280,088 and \$88,219, respectively.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

The following is a long-term schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2009:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2010	\$ 368,307
2011	368,308
2012	368,307
2013	368,307
2014	<u>368,454</u>
Total minimum lease payments	1,841,683
Less: amount representing interest	<u>(222,322)</u>
Total	<u>\$ 1,619,361</u>

NOTE 10 - LONG-TERM OBLIGATIONS

A. During fiscal year 2009, the following changes occurred in governmental activities long-term obligations:

<u>Governmental activities:</u>	<u>Balance at</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at</u>	<u>Amount</u>
	<u>06/30/08</u>			<u>06/30/09</u>	<u>Due in</u>
					<u>One Year</u>
<u>Loans payable</u>					
Asbestos removal loans	\$ 419,537	\$ -	\$ (108,061)	\$ 311,476	\$ 108,061
Total loans payable	<u>419,537</u>	<u>-</u>	<u>(108,061)</u>	<u>311,476</u>	<u>108,061</u>
<u>Other long-term obligations</u>					
Capital lease obligations	1,899,449	-	(280,088)	1,619,361	293,751
Compensated absences	<u>3,602,365</u>	<u>667,011</u>	<u>(640,751)</u>	<u>3,628,625</u>	<u>901,550</u>
Total other long-term obligations	<u>5,501,814</u>	<u>667,011</u>	<u>(920,839)</u>	<u>5,247,986</u>	<u>1,195,301</u>
Total governmental activities	<u>\$ 5,921,351</u>	<u>\$ 667,011</u>	<u>\$ (1,028,900)</u>	<u>\$ 5,559,462</u>	<u>\$ 1,303,362</u>

The asbestos removal loans were issued in the amount of \$1,945,106 during fiscal year 1993, mature in fiscal year 2013, and are interest-free loans. Principal payments on the asbestos removal loans are made out of the bond retirement debt service fund (a nonmajor governmental fund).

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

- B.** As of June 30, 2009, principal and interest requirements to retire the asbestos removal loans are as follows:

Fiscal Year Ending June 30,	Asbestos Removal Loans		
	Principal	Interest	Total
2010	\$ 108,061	\$ -	\$ 108,061
2011	100,314	-	100,314
2012	72,402	-	72,402
2013	30,699	-	30,699
Total	<u>\$ 311,476</u>	<u>\$ -</u>	<u>\$ 311,476</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, 2009 are a legal voted debt margin of \$70,221,624, a legal unvoted debt margin of \$780,240, and a legal energy conservation debt margin of \$7,022,162.

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 2009, the District contracted with the Indiana Insurance Company for property and general liability insurance.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 11 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

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

C. Employee Health Insurance

The District's health insurance is funded through a self-insurance program. The District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. One plan provides a comprehensive medical/surgical plan with deductibles ranging from \$200 for family coverage and \$100 for single coverage. The District's plan is a Preferred Provider Program through the Anthem network, which has co-pays ranging from \$20 to \$50 and includes a drug card. Deductibles of \$200 for family coverage and \$100 for single coverage apply for out-of-network services only. Maximum out of pocket expenses for employees is \$900 in addition to the deductibles applies to out-of-network services only. The District purchases stop loss coverage of \$125,000 per employee. The District and employees pay into the self-insurance internal service fund. The District's monthly portion for the majority of its employees is \$1,157 for family coverage and \$452 for single coverage. The employee's monthly portion for the majority of employees is \$109 for family coverage and \$34 for single coverage. The premiums are paid by the fund that pays the salary for the employees and is based on historical cost information.

Dental and vision coverage is also provided on self-insured basis through Administrative Service Consultants. Premiums for its coverage are \$91.94 monthly for family coverage and \$35.36 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 \$1,695,682 reported in the Employee Benefits Self Insurance fund at June 30, 2009 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", and as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability be reported for unpaid claims costs, including estimates of costs relating to incurred but not reported claims. The claims liability is based on an estimate supplied by the District's third party administrator. Changes in the claims payable liability for the current and prior fiscal years are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2009	\$ 1,477,393	\$ 7,654,487	\$ (7,436,198)	\$ 1,695,682
2008	1,304,550	6,116,985	(5,944,142)	1,477,393

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under *Employers/Audit Resources*.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008, and 2007, were \$757,681, \$729,881, and \$787,761, respectively; 45.85 percent has been contributed for fiscal year 2009, and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System of Ohio

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 12 - PENSION PLANS - (Continued)

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

Funding Policy - For fiscal year 2009, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007, were \$3,481,650, \$3,405,244, and \$3,435,930, respectively; 83.81 percent has been contributed for fiscal year 2009, and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$47,367 made by the District and \$86,468 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2009, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, the actuarially determined amount was \$35,800.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2009, 2008, and 2007, were \$465,648, \$451,967, and \$380,221, respectively; 45.85 percent has been contributed for fiscal year 2009, and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2009, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007, were \$62,515, \$52,590, and \$53,568, respectively; 45.85 percent has been contributed for fiscal year 2009, and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System of Ohio

Plan Description - The District contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007, were \$267,819, \$261,942, and \$264,302, respectively; 83.81 percent has been contributed for fiscal year 2009, and 100 percent for fiscal years 2008 and 2007.

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of 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);

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (e) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ (549,324)
Net adjustment for revenue accruals	1,043,762
Net adjustment for expenditure accruals	(408,248)
Net adjustment for other financing sources/uses	(269,627)
Adjustment for encumbrances	1,594,904
GAAP basis	\$ 1,411,467

NOTE 15 - CONTINGENCIES

A. Grants

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

B. Litigation

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 16 - STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by Statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2009, the reserve activity was as follows:

	<u>Instructional Materials</u>	<u>Capital Acquisition</u>
Set-aside balance as of June 30, 2008	\$ (4,604,118)	\$ -
Current year set-aside requirement	1,002,794	1,002,794
Current year qualifying expenditures	<u>(2,596,528)</u>	<u>(2,142,618)</u>
Total	<u>\$ (6,197,852)</u>	<u>\$ (1,139,824)</u>
Balance carried forward to FY2010	<u>\$ (6,197,852)</u>	<u>\$ -</u>

The District had qualifying expenditures during the year that reduced the instructional materials set-aside amount below zero. This negative amount can be used to reduce the instructional materials set-aside requirement in future years and therefore is presented as being carried forward to fiscal year 2010.

The District had qualifying expenditures during the year that reduced the capital acquisition set-aside amount below zero. This negative amount may not be used to reduce the capital acquisition set-aside requirement in future years, and therefore is not presented as being carried forward to fiscal year 2010.

In addition to the above statutory reserves, the District has \$63,923 from the State of Ohio that is restricted for school bus purchases. This amount is reported as a restricted asset and a reservation of fund balance in the general fund and as a restricted net asset for other purposes on the statement of net assets.

A schedule of the governmental funds restricted assets at June 30, 2009 is as follows:

Amount restricted for school bus purchases	<u>\$ 63,923</u>
Total	<u>\$ 63,923</u>

NOTE 17 - FINDLAY DIGITAL ACADEMY

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

A. Description of the Digital Academy

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

The Academy is an innovative program operated as a cooperative effort between the Academy's Board of Directors and the District. The Academy was approved for operation under a contract with the District commencing on April 1, 2004 and expiring on June 30, 2008. Another contract was signed in June 2008 to go through June 30, 2013. The Academy enrolled its first students in January 2005. The District is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

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

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

B. Summary of Significant Accounting Policies

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

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

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

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

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

Expenses are recognized at the time they are incurred.

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

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

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

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

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

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

C. Deposits and Investments

Deposits: At fiscal year end, the carrying amount of the Academy's deposits was \$496,142 and the bank balance was \$531,373. The entire bank balance was covered by the Federal Deposit Insurance Corporation.

Investments: At fiscal year end, the Academy had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Percent of Total</u>
STAR Ohio	\$ 117,952	100.00
Total	<u>\$ 117,952</u>	<u>100.00</u>

The weighted maturity of the investment in STAR Ohio is one day.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

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 interest rate risk and declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with the investment policy, the Academy manages its exposure to credit risk by limiting their investment to STAR Ohio and Government Sponsored Enterprises (GSE's). Investments in STAR Ohio were rated AAAM by Standard & Poor's.

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. In accordance with the investment policy, the Academy allows investments in certificates of deposits or in financial institutions within the State of Ohio as designated by the Federal Reserve Board. The Academy has invested monies with no weighted maturity through STAR Ohio. All other investments can be sold on the secondary market if immediate cash flow is needed.

Custodial credit risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit custodial credit risk, all of the Academy's investments are held in the name of the Academy.

D. Intergovernmental Receivables and Payables

There were no intergovernmental receivables or payables at June 30, 2009.

E. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2009:

	Balance			Balance
	<u>07/01/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/09</u>
Furniture and Equipment	\$ 83,174	\$ 2,538	\$ (11,915)	\$ 73,797
Less: Accumulated Depreciation	<u>(45,055)</u>	<u>(15,949)</u>	<u>9,334</u>	<u>(51,670)</u>
Capital Assets, Net	<u>\$ 38,119</u>	<u>\$ (13,411)</u>	<u>\$ (2,581)</u>	<u>\$ 22,127</u>

F. Risk Management

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

Coverages are as follows:

General Liability:	
Per Occurrence	\$ 1,000,000
Aggregate	4,000,000
Personal and Advertising Injury	1,000,000
Property	132,362,478

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

G. Fiscal Agent and Payments to Sponsor

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

- A. Assumes responsibility for receipt, safekeeping and disbursement of all Academy funds;
- B. Directs and manages all financial accounting programs and systems; 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, the Sponsorship Contract states that the Academy shall secure the services of an Executive Director who shall be the chief operating officer of the Academy. This position is filled by the Secondary Curriculum Director of the District.

The District contracts out all employees to the Academy including the Executive Director, Treasurer, EMIS Coordinator, Academy Coordinator, and Teachers. Beginning in August 2008, the Executive Director will be contracted through the Hancock County ESC.

During the fiscal year ended June 30, 2009, the Academy incurred \$82,391 in expenses payable to the District for:

Salaries and benefits	\$ 62,768
Fiscal services	11,186
EMIS services	8,185
Other	<u>252</u>
Total	<u>\$ 82,391</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

H. Contingencies

Grants: The Academy received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions as specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2009.

State Funding: The Ohio Department of Education reviews enrollment data and full time equivalency (FTE) calculations made by the schools. These reviews ensure the schools are reporting accurate student enrollment data to the State, upon which State Foundation Funding is calculated. It is the opinion of management that this calculation for fiscal year 2009 will not be material to the basic financial statements of the Academy.

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

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

House Bill 79: In March 2007, the Ohio General Assembly enacted House Bill 79, which contained confusing language that implied that if a school employee is serving on the Academy's Board of Directors, that school employee's full-time job could be in jeopardy. As a result, the Academy made some changes to its Board of Directors based on advice from legal counsel. The General Assembly has indicated that was not the intent of the legislation and has indicated that corrective legislation would be introduced. As of November 14, 2009, no such corrective legislation has appeared.

I. Related Party Transactions

The Academy's Board of Directors includes three members who are employees of the District and one member who is an employee of the Hancock County Educational Service Center, as contracted out by the District. However, that changed in fiscal year 2007 due to House Bill 79 (see Note 17.H. above). In addition, other employees of the District provide additional services to the Academy; however, no such services were provided in fiscal year 2009. Payments to the following related parties (other than travel reimbursement) were as follows:

Findlay City School District (sponsor)	\$ 96,031
Total	<u>\$ 96,031</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

J. Contract With TRECA

The Academy entered into a contract on June 23, 2008, for fiscal year 2009, with TRECA. Under the contract, the following terms were agreed upon:

- TRECA shall provide the Academy with instructional, administrative, staff training, and technical services sufficient to substantially implement the Academy's educational plan and the Academy's assessment and accountability plan.
- All personnel providing services to the Academy on behalf of TRECA under the agreement shall be employees of TRECA and TRECA shall be solely responsible for all payroll functions, including retirement system contributions and all other legal withholding and/or payroll taxes, with respect to such personnel. All shall possess any certification or licensure which may be required by law.
- The technical services provided by TRECA to the Academy shall include access to, and the use of, computer software, computer hardware, networking hardware, network services, and the services of technical support personnel necessary to implement the plan of operation.
- The Academy shall secure the services of an Executive Director, who shall be the chief operating officer of the Academy, with primary responsibility for day-to-day operation of the Academy.
- Curricular services provided by TRECA shall be limited to the basic standardized curriculum developed by TRECA. Basic services do not include special education and related services.
- In exchange for the services and support (including equipment) provided by TRECA, the Academy shall pay to TRECA \$3,875 per full-time student enrolled in the Academy for the 2008-2009 school year. Part-time students may be enrolled on such terms as agreed to by the parties.
- In the case of students enrolled in the Academy who are Disabled or Suspected Disabled, as defined in the Exhibit entitled "TRECA Enhancement Services and Special Education Obligations of the Academy and TRECA", the Academy shall additionally pay to TRECA the fees and costs described in Section II of such exhibit.

For fiscal year 2009, \$323,688 was paid to TRECA. \$32,357 was payable to TRECA at June 30, 2008. \$450 was payable to TRECA at June 30, 2009.

To obtain TRECA's audited June 30, 2009 financial statements, please contact Scott Armstrong, Treasurer, at scott@treca.org.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

K. Tax Exempt Status

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

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents. . .	\$ 1,846,140	\$ -	\$ 1,498,433	\$ 699,440	\$ 4,044,013
Receivables:					
Property taxes	-	108,062	1,845,149	-	1,953,211
Accounts.	5,710	-	-	-	5,710
Intergovernmental	50,161	-	-	-	50,161
Accrued interest	10	-	-	-	10
Materials and supplies inventory	20,414	-	-	-	20,414
Total assets.	<u>\$ 1,922,435</u>	<u>\$ 108,062</u>	<u>\$ 3,343,582</u>	<u>\$ 699,440</u>	<u>\$ 6,073,519</u>
Liabilities:					
Accounts payable.	\$ 49,225	\$ -	\$ 32,867	\$ -	\$ 82,092
Accrued wages and benefits	258,689	-	-	-	258,689
Compensated absences payable	1,729	-	-	-	1,729
Pension obligation payable.	94,388	-	-	-	94,388
Intergovernmental payable	16,242	-	-	-	16,242
Interfund loans payable.	41,840	-	-	-	41,840
Deferred revenue	4,439	-	77,095	-	81,534
Unearned revenue	-	108,062	1,905,333	-	2,013,395
Total liabilities	<u>466,552</u>	<u>108,062</u>	<u>2,015,295</u>	<u>-</u>	<u>2,589,909</u>
Fund balances:					
Reserved for encumbrances.	401,726	-	354,777	13,000	769,503
Reserved for materials and supplies inventory .	20,414	-	-	-	20,414
Reserved for property tax unavailable for appropriation	-	-	190,000	-	190,000
Reserved for scholarships.	-	-	-	618,000	618,000
Unreserved, undesignated, reported in:					
Special revenue funds	1,033,743	-	-	-	1,033,743
Capital projects funds	-	-	783,510	-	783,510
Permanent fund	-	-	-	68,440	68,440
Total fund balances	<u>1,455,883</u>	<u>-</u>	<u>1,328,287</u>	<u>699,440</u>	<u>3,483,610</u>
Total liabilities and fund balances	<u>\$ 1,922,435</u>	<u>\$ 108,062</u>	<u>\$ 3,343,582</u>	<u>\$ 699,440</u>	<u>\$ 6,073,519</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
From local sources:					
Taxes	\$ -	\$ 108,061	\$ 1,848,183	\$ -	\$ 1,956,244
Tuition	163,863	-	-	-	163,863
Earnings on investments	33,510	-	51,089	24,099	108,698
Charges for services	884,000	-	-	-	884,000
Extracurricular	532,585	-	-	-	532,585
Classroom materials and fees.	394,647	-	-	-	394,647
Rentals	-	-	11,294	-	11,294
Donations.	382,551	-	-	-	382,551
Contract services	62,689	-	-	-	62,689
Other local revenues	146,837	-	77,712	-	224,549
Intergovernmental - State	878,540	-	228,181	-	1,106,721
Intergovernmental - Federal	4,127,744	-	-	-	4,127,744
Total revenues	<u>7,606,966</u>	<u>108,061</u>	<u>2,216,459</u>	<u>24,099</u>	<u>9,955,585</u>
Expenditures:					
Current:					
Instruction:					
Regular	1,135,388	-	436,912	24,500	1,596,800
Special	1,152,161	-	-	-	1,152,161
Vocational	221,392	-	-	-	221,392
Other	12,372	-	-	-	12,372
Support services:					
Pupil	336,700	-	28,838	-	365,538
Instructional staff.	979,752	-	-	-	979,752
Administration	39,605	-	-	-	39,605
Fiscal.	95	-	-	-	95
Operations and maintenance	75,060	-	47,898	-	122,958
Pupil transportation	21,391	-	473,630	-	495,021
Central	99,589	-	-	-	99,589
Operation of non-instructional services	658,433	-	-	-	658,433
Food service operations	1,893,068	-	-	-	1,893,068
Extracurricular activities	537,199	-	18,863	-	556,062
Facilities acquisition and construction.	-	-	1,182,143	-	1,182,143
Debt service:					
Principal retirement	-	108,061	-	-	108,061
Total expenditures	<u>7,162,205</u>	<u>108,061</u>	<u>2,188,284</u>	<u>24,500</u>	<u>9,483,050</u>
Excess of revenues over (under) expenditures	444,761	-	28,175	(401)	472,535
Other financing sources:					
Transfers in	75,000	-	-	-	75,000
Total other financing sources	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,000</u>
Net change in fund balances.	519,761	-	28,175	(401)	547,535
Fund balances					
at beginning of year	931,630	-	1,300,112	699,841	2,931,583
Increase in reserve for inventory	4,492	-	-	-	4,492
Fund balances at end of year.	<u>\$ 1,455,883</u>	<u>\$ -</u>	<u>\$ 1,328,287</u>	<u>\$ 699,440</u>	<u>\$ 3,483,610</u>

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

Nonmajor Special Revenue Funds

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

Food Service Fund Section 3313.81, Revised Code

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

Special Trust Fund Section 5705.09, Revised Code

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

Uniform School Supplies Fund Section 3313.81, Revised Code

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

Special Services Rotary Fund Section 5705.12, Revised Code

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

Public School Support Fund Section 5705.12, Revised Code

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

Other Grants Fund Sections 5705.09 and 5705.13, Revised Code

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

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.

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.

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

Nonmajor Special Revenue Funds

Management Information System Fund

Am. Sub. HB 111

A fund used to account for monies associated with the state-wide requirements of the Education Management Information System (EMIS).

Entry Year Programs Fund

Section 3313.024, Revised Code

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

Data Communication Fund

Section 5705.09, Revised Code

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

SchoolNet Professional Development Fund

Section 5705.09, Revised Code

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

Ohio Reads Fund

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

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

Vocational Education Enhancements Fund

State Line Item Appropriation GRF 200-545

A fund used to account for Vocational Education Enhancements that: 1) expand the number of students enrolled in tech prep programs; 2) enable students to develop career plans, to identify initial educational and career goals, and develop a career passport which provides a clear understanding of the student's knowledge, skills and credentials to present to future employers, universities, and other training institutes, and; 3) replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

Poverty Aid Fund

Current Budget Bill, O.R.C. 3317.029

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

Miscellaneous State Grants Fund

Section 5705.12, Revised Code

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

IDEA Part B Grants Fund

Education of the Handicapped Act, PL 91-230

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

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

Nonmajor Special Revenue Funds

Vocational Education Fund

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

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

Limited English Proficiency Fund

Catalog of Federal Domestic Assistance #84.365

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

Title I Disadvantaged Children Fund

PL 97-35; Title I EESA 1965

A fund used to account for monies which are to: 1) establish or improve programs designed to meet the special educational needs of children of migratory agricultural workers or migratory fisherman, and; 2) enable state education agencies to coordinate their state and local migrant education programs and projects with similar programs and projects in other states, including the transfer of school records and other information about children of migrant workers.

Title V Innovative Education Program Fund

PL 97-35; EESA 1965

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

Drug Free School Grant Fund

Catalog of Federal Domestic Assistance #84-166

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

IDEA Preschool-Handicapped Fund

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

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

Improving Teacher Quality Fund

Catalog of Domestic Assistance #84-340

A fund used to account for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund

Section 5705.12, Revised Code

A fund used to account for various monies received from the federal government directly or through state agencies which are not classified elsewhere.

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform School Supplies</u>	<u>Special Services Rotary</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 321,454	\$ 197,858	\$ 203,760	\$ 42,235
Receivables:				
Accounts.	406	166	17	-
Intergovernmental	-	-	-	-
Accrued Interest	-	-	-	-
Materials and supplies inventory	20,414	-	-	-
Total assets.	<u>\$ 342,274</u>	<u>\$ 198,024</u>	<u>\$ 203,777</u>	<u>\$ 42,235</u>
Liabilities:				
Accounts payable.	\$ 8,264	\$ 7,781	\$ 7,501	\$ -
Accrued wages and benefits	12,391	-	-	-
Compensated absences payable	1,729	-	-	-
Pension obligation payable.	28,718	-	-	-
Intergovernmental payable	2,356	-	4	2
Interfund loans payable.	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities.	<u>53,458</u>	<u>7,781</u>	<u>7,505</u>	<u>2</u>
Fund balances:				
Reserved for encumbrances	143,064	12,097	18,373	2,804
Reserved for materials and supplies inventory	20,414	-	-	-
Unreserved-undesignated (deficit)	125,338	178,146	177,899	39,429
Total fund balances (deficit).	<u>288,816</u>	<u>190,243</u>	<u>196,272</u>	<u>42,233</u>
Total liabilities and fund balances.	<u>\$ 342,274</u>	<u>\$ 198,024</u>	<u>\$ 203,777</u>	<u>\$ 42,235</u>

Public School Support	Other Grants	Special Enterprise	District Managed Activity	Auxiliary Services	Management Information System	Entry Year Programs	SchoolNet Professional Development
\$ 92,856	\$ 33,809	\$ 17,369	\$ 371,842	\$ 56,248	\$ 44,006	\$ 872	\$ 1,131
546	-	4,090	485	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	10	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 93,402</u>	<u>\$ 33,809</u>	<u>\$ 21,459</u>	<u>\$ 372,337</u>	<u>\$ 56,248</u>	<u>\$ 44,006</u>	<u>\$ 872</u>	<u>\$ 1,131</u>
\$ 77	\$ 1,996	\$ 49	\$ 6,484	\$ 13,374	\$ -	\$ -	\$ -
-	-	10,203	-	25,793	3,783	-	-
-	-	-	-	-	-	-	-
-	-	14,654	-	4,848	4,637	140	-
2,778	14	545	12	840	220	65	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,855</u>	<u>2,010</u>	<u>25,451</u>	<u>6,496</u>	<u>44,855</u>	<u>8,640</u>	<u>205</u>	<u>-</u>
30,728	1,215	151	13,388	14,396	-	-	-
-	-	-	-	-	-	-	-
<u>59,819</u>	<u>30,584</u>	<u>(4,143)</u>	<u>352,453</u>	<u>(3,003)</u>	<u>35,366</u>	<u>667</u>	<u>1,131</u>
<u>90,547</u>	<u>31,799</u>	<u>(3,992)</u>	<u>365,841</u>	<u>11,393</u>	<u>35,366</u>	<u>667</u>	<u>1,131</u>
<u>\$ 93,402</u>	<u>\$ 33,809</u>	<u>\$ 21,459</u>	<u>\$ 372,337</u>	<u>\$ 56,248</u>	<u>\$ 44,006</u>	<u>\$ 872</u>	<u>\$ 1,131</u>

(continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009

	<u>Ohio Reads</u>	<u>Vocational Education Enhancements</u>	<u>Poverty Aid</u>	<u>Miscellaneous State Grants</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 45,171	\$ 4	\$ -	\$ 13,382
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	34,721	-	-	1,799
Accrued Interest	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ 79,892</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 15,181</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ 258
Accrued wages and benefits	1,120	-	2,241	-
Compensated absences payable	-	-	-	-
Pension obligation payable.	1,564	-	2,234	512
Intergovernmental payable	183	-	-	250
Interfund loans payable.	38,826	-	-	3,014
Deferred revenue	4,439	-	-	-
Total liabilities.	<u>46,132</u>	<u>-</u>	<u>4,475</u>	<u>4,034</u>
Fund balances:				
Reserved for encumbrances	45,171	-	-	2,415
Reserved for materials and supplies inventory	-	-	-	-
Unreserved-undesignated (deficit)	<u>(11,411)</u>	<u>4</u>	<u>(4,475)</u>	<u>8,732</u>
Total fund balances (deficit).	<u>33,760</u>	<u>4</u>	<u>(4,475)</u>	<u>11,147</u>
Total liabilities and fund balances.	<u>\$ 79,892</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 15,181</u>

IDEA Part B Grants	Vocational Education	Limited English Proficiency	Title I Disadvantaged Children	Drug Free School Grant	IDEA Preschool- Handicapped
\$ 264,894	\$ 7,331	\$ -	\$ 97,557	\$ 250	\$ 257
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 264,894</u>	<u>\$ 7,331</u>	<u>\$ -</u>	<u>\$ 97,557</u>	<u>\$ 250</u>	<u>\$ 257</u>
\$ -	\$ 50	\$ -	\$ 309	\$ -	\$ -
53,463	10,040	-	102,700	-	-
-	-	-	-	-	-
14,314	2,090	-	15,038	487	-
3,013	483	99	4,059	1	70
-	-	-	-	-	-
-	-	-	-	-	-
<u>70,790</u>	<u>12,663</u>	<u>99</u>	<u>122,106</u>	<u>488</u>	<u>70</u>
95,971	7,242	-	7,748	-	-
-	-	-	-	-	-
<u>98,133</u>	<u>(12,574)</u>	<u>(99)</u>	<u>(32,297)</u>	<u>(238)</u>	<u>187</u>
<u>194,104</u>	<u>(5,332)</u>	<u>(99)</u>	<u>(24,549)</u>	<u>(238)</u>	<u>187</u>
<u>\$ 264,894</u>	<u>\$ 7,331</u>	<u>\$ -</u>	<u>\$ 97,557</u>	<u>\$ 250</u>	<u>\$ 257</u>

(continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009

	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Assets:			
Equity in pooled cash and cash equivalents.	\$ 24,255	\$ 9,599	\$ 1,846,140
Receivables:			
Accounts.	-	-	5,710
Intergovernmental	13,641	-	50,161
Accrued Interest	-	-	10
Materials and supplies inventory	-	-	20,414
Total assets.	\$ 37,896	\$ 9,599	\$ 1,922,435
Liabilities:			
Accounts payable.	\$ -	\$ 3,082	\$ 49,225
Accrued wages and benefits	36,955	-	258,689
Compensated absences payable	-	-	1,729
Pension obligation payable.	5,152	-	94,388
Intergovernmental payable	1,248	-	16,242
Interfund loans payable.	-	-	41,840
Deferred revenue	-	-	4,439
Total liabilities.	43,355	3,082	466,552
Fund balances:			
Reserved for encumbrances	450	6,513	401,726
Reserved for materials and supplies inventory	-	-	20,414
Unreserved-undesignated (deficit)	(5,909)	4	1,033,743
Total fund balances (deficit).	(5,459)	6,517	1,455,883
Total liabilities and fund balances.	\$ 37,896	\$ 9,599	\$ 1,922,435

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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, 2009

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform School Supplies</u>	<u>Special Services Rotary</u>
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on investments	10,999	2,013	-	1,434
Charges for services	884,000	-	-	-
Extracurricular	-	1,159	-	-
Classroom materials and fees.	-	18,487	373,654	-
Donations.	-	375,924	-	-
Contract services	-	-	-	62,689
Other local revenues	-	129	20	-
Intergovernmental - State	26,797	-	-	-
Intergovernmental - Federal	1,022,007	-	-	-
Total revenues	<u>1,943,803</u>	<u>397,712</u>	<u>373,674</u>	<u>64,123</u>
Expenditures:				
Current:				
Instruction:				
Regular.	-	21,014	301,986	-
Special	-	2,104	8,438	-
Vocational	-	423	34,112	60,011
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	-	-	-
Administration	-	40	-	-
Fiscal.	-	95	-	-
Operations and maintenance	-	75,060	-	-
Pupil transportation	-	129	-	517
Central	-	9,987	-	-
Operation of non-instructional services	-	-	-	-
Food service operations	1,893,068	-	-	-
Extracurricular activities.	-	1,078	-	-
Total expenditures	<u>1,893,068</u>	<u>109,930</u>	<u>344,536</u>	<u>60,528</u>
Excess of revenues over (under) expenditures	<u>50,735</u>	<u>287,782</u>	<u>29,138</u>	<u>3,595</u>
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances.	50,735	287,782	29,138	3,595
Fund balances (deficit)				
at beginning of year	233,589	(97,539)	167,134	38,638
Increase in reserve for inventory	4,492	-	-	-
Fund balances (deficit) at end of year. . .	<u>\$ 288,816</u>	<u>\$ 190,243</u>	<u>\$ 196,272</u>	<u>\$ 42,233</u>

Public School Support	Other Grants	Special Enterprise	District Managed Activity	Auxiliary Services	Management Information System
\$ -	\$ -	\$ 163,863	\$ -	\$ -	\$ -
3,089	-	450	12,998	2,527	-
-	-	-	-	-	-
19,082	-	-	512,344	-	-
2,506	-	-	-	-	-
-	5,342	-	1,285	-	-
-	-	-	-	-	-
62,415	58,625	-	15,398	-	-
-	-	-	-	371,851	18,595
-	-	-	-	-	-
<u>87,092</u>	<u>63,967</u>	<u>164,313</u>	<u>542,025</u>	<u>374,378</u>	<u>18,595</u>
53,707	47,756	-	-	-	-
-	4,364	-	-	-	-
-	12,106	-	-	-	-
-	12,372	-	-	-	-
-	-	-	-	-	-
-	1,571	-	-	-	-
22,418	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,026	52	24	1,034	-	-
-	-	-	-	-	89,602
-	-	156,421	-	384,930	-
-	-	-	-	-	-
3,647	-	-	532,474	-	-
<u>82,798</u>	<u>78,221</u>	<u>156,445</u>	<u>533,508</u>	<u>384,930</u>	<u>89,602</u>
<u>4,294</u>	<u>(14,254)</u>	<u>7,868</u>	<u>8,517</u>	<u>(10,552)</u>	<u>(71,007)</u>
-	-	-	-	-	75,000
-	-	-	-	-	75,000
4,294	(14,254)	7,868	8,517	(10,552)	3,993
86,253	46,053	(11,860)	357,324	21,945	31,373
-	-	-	-	-	-
<u>\$ 90,547</u>	<u>\$ 31,799</u>	<u>\$ (3,992)</u>	<u>\$ 365,841</u>	<u>\$ 11,393</u>	<u>\$ 35,366</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, 2009

	<u>Entry Year Programs</u>	<u>Data Communication</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees.	-	-	-	-
Donations.	-	-	-	-
Contract services	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - State	14,700	45,000	2,970	239,049
Intergovernmental - Federal	-	-	-	-
Total revenues	<u>14,700</u>	<u>45,000</u>	<u>2,970</u>	<u>239,049</u>
Expenditures:				
Current:				
Instruction:				
Regular.	15,192	45,000	4,162	205,108
Special	-	-	-	-
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	-	-	181
Administration	-	-	-	-
Fiscal.	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	-	-	-	-
Food service operations	-	-	-	-
Extracurricular activities.	-	-	-	-
Total expenditures	<u>15,192</u>	<u>45,000</u>	<u>4,162</u>	<u>205,289</u>
Excess of revenues over (under) expenditures	(492)	-	(1,192)	33,760
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances.	(492)	-	(1,192)	33,760
Fund balances (deficit) at beginning of year	1,159	-	2,323	-
Increase in reserve for inventory	-	-	-	-
Fund balances (deficit) at end of year.	<u>\$ 667</u>	<u>\$ -</u>	<u>\$ 1,131</u>	<u>\$ 33,760</u>

Vocational Education Enhancements	Poverty Aid	Miscellaneous State Grants	IDEA Part B Grants	Vocational Education	Limited English Proficiency	Title I Disadvantaged Children
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	10,000	-	-	-	-
-	37,177	122,401	-	-	-	-
-	-	-	1,426,623	223,106	18,914	1,062,174
-	37,177	132,401	1,426,623	223,106	18,914	1,062,174
-	21,908	30,881	4,770	5,454	17,291	17,102
-	-	56,555	327,833	-	-	743,522
-	-	17,031	-	97,709	-	-
-	-	-	-	-	-	-
-	-	-	193,784	130,076	-	675
-	-	31,351	787,062	-	1,722	157,811
-	-	-	-	10,440	-	6,707
-	-	-	-	-	-	-
-	-	16,609	-	-	-	-
-	-	-	-	-	-	-
-	-	-	71,740	-	-	43,374
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	21,908	152,427	1,385,189	243,679	19,013	969,191
-	15,269	(20,026)	41,434	(20,573)	(99)	92,983
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	15,269	(20,026)	41,434	(20,573)	(99)	92,983
4	(19,744)	31,173	152,670	15,241	-	(117,532)
-	-	-	-	-	-	-
\$ 4	\$ (4,475)	\$ 11,147	\$ 194,104	\$ (5,332)	\$ (99)	\$ (24,549)

(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, 2009

	Title V Innovative Education Program	Drug Free School Grant	IDEA Preschool- Handicapped	Improving Teacher Quality
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees.	-	-	-	-
Donations.	-	-	-	-
Contract services	-	-	-	-
Other local revenues	-	250	-	-
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	11,831	20,006	23,872	309,145
Total revenues	11,831	20,256	23,872	309,145
Expenditures:				
Current:				
Instruction:				
Regular.	12,394	-	24,575	304,006
Special	-	-	-	9,345
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	12,128	37	-
Instructional staff.	-	-	54	-
Administration	-	-	-	-
Fiscal.	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	470	1,031	-	-
Food service operations	-	-	-	-
Extracurricular activities.	-	-	-	-
Total expenditures	12,864	13,159	24,666	313,351
Excess of revenues over (under) expenditures	(1,033)	7,097	(794)	(4,206)
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances.	(1,033)	7,097	(794)	(4,206)
Fund balances (deficit) at beginning of year	1,033	(7,335)	981	(1,253)
Increase in reserve for inventory	-	-	-	-
Fund balances (deficit) at end of year.	\$ -	\$ (238)	\$ 187	\$ (5,459)

<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 163,863
-	33,510
-	884,000
-	532,585
-	394,647
-	382,551
-	62,689
-	146,837
-	878,540
10,066	4,127,744
<u>10,066</u>	<u>7,606,966</u>

3,082	1,135,388
-	1,152,161
-	221,392
-	12,372
-	336,700
-	979,752
-	39,605
-	95
-	75,060
-	21,391
-	99,589
467	658,433
-	1,893,068
-	537,199
<u>3,549</u>	<u>7,162,205</u>

<u>6,517</u>	<u>444,761</u>
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<u>-</u>	<u>75,000</u>
<u>-</u>	<u>75,000</u>

6,517	519,761
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-	931,630
-	4,492
<u>\$ 6,517</u>	<u>\$ 1,455,883</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Food Service Fund</u>				
Total Revenues and Other Financing Sources	\$ 2,000,000	\$ 2,000,000	\$ 2,029,592	\$ 29,592
Total Expenditures and Other Financing Uses	2,104,352	2,104,352	2,006,679	97,673
Net Change in Fund Balance	(104,352)	(104,352)	22,913	127,265
Fund Balance, July 1	44,111	44,111	44,111	-
Prior Year Encumbrances Appropriated	104,352	104,352	104,352	-
Fund Balance, June 30	<u>\$ 44,111</u>	<u>\$ 44,111</u>	<u>\$ 171,376</u>	<u>\$ 127,265</u>
<u>Special Trust Fund</u>				
Total Revenues and Other Financing Sources	\$ 350,000	\$ 400,000	\$ 397,691	\$ (2,309)
Total Expenditures and Other Financing Uses	323,860	523,860	452,252	71,608
Net Change in Fund Balance	26,140	(123,860)	(54,561)	69,299
Fund Balance, July 1	208,876	208,876	208,876	-
Prior Year Encumbrances Appropriated	23,860	23,860	23,860	-
Fund Balance, June 30	<u>\$ 258,876</u>	<u>\$ 108,876</u>	<u>\$ 178,175</u>	<u>\$ 69,299</u>
<u>Uniform School Supplies Fund</u>				
Total Revenues and Other Financing Sources	\$ 300,000	\$ 300,000	\$ 374,224	\$ 74,224
Total Expenditures and Other Financing Uses	367,245	432,245	382,481	49,764
Net Change in Fund Balance	(67,245)	(132,245)	(8,257)	123,988
Fund Balance, July 1	149,120	149,120	149,120	-
Prior Year Encumbrances Appropriated	37,245	37,245	37,245	-
Fund Balance, June 30	<u>\$ 119,120</u>	<u>\$ 54,120</u>	<u>\$ 178,108</u>	<u>\$ 123,988</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Special Services Rotary Fund</u>				
Total Revenues and Other Financing Sources	\$ 60,000	\$ 60,000	\$ 64,123	\$ 4,123
Total Expenditures and Other Financing Uses	65,405	95,905	63,862	32,043
Net Change in Fund Balance	(5,405)	(35,905)	261	36,166
Fund Balance, July 1	33,765	33,765	33,765	-
Prior Year Encumbrances Appropriated	5,405	5,405	5,405	-
Fund Balance, June 30	<u>\$ 33,765</u>	<u>\$ 3,265</u>	<u>\$ 39,431</u>	<u>\$ 36,166</u>
<u>Special Enterprise Fund</u>				
Total Revenues and Other Financing Sources	\$ 180,000	\$ 170,000	\$ 169,753	\$ (247)
Total Expenditures and Other Financing Uses	180,535	170,535	157,891	12,644
Net Change in Fund Balance	(535)	(535)	11,862	12,397
Fund Balance, July 1	4,772	4,772	4,772	-
Prior Year Encumbrances Appropriated	535	535	535	-
Fund Balance, June 30	<u>\$ 4,772</u>	<u>\$ 4,772</u>	<u>\$ 17,169</u>	<u>\$ 12,397</u>
<u>Public School Support Fund</u>				
Total Revenues and Other Financing Sources	\$ 100,000	\$ 100,000	\$ 87,408	\$ (12,592)
Total Expenditures and Other Financing Uses	103,488	111,488	111,426	62
Net Change in Fund Balance	(3,488)	(11,488)	(24,018)	(12,530)
Fund Balance, July 1	82,658	82,658	82,658	-
Prior Year Encumbrances Appropriated	3,488	3,488	3,488	-
Fund Balance, June 30	<u>\$ 82,658</u>	<u>\$ 74,658</u>	<u>\$ 62,128</u>	<u>\$ (12,530)</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Other Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 100,000	\$ 100,000	\$ 63,967	\$ (36,033)
Total Expenditures and Other Financing Uses	132,098	132,098	84,852	47,246
Net Change in Fund Balance	(32,098)	(32,098)	(20,885)	11,213
Fund Balance, July 1	44,385	44,385	44,385	-
Prior Year Encumbrances Appropriated	7,098	7,098	7,098	-
Fund Balance, June 30	<u>\$ 19,385</u>	<u>\$ 19,385</u>	<u>\$ 30,598</u>	<u>\$ 11,213</u>
<u>District Managed Activity Fund</u>				
Total Revenues and Other Financing Sources	\$ 700,000	\$ 801,000	\$ 542,931	\$ (258,069)
Total Expenditures and Other Financing Uses	833,368	633,368	548,302	85,066
Net Change in Fund Balance	(133,368)	167,632	(5,371)	(173,003)
Fund Balance, July 1	327,990	327,990	327,990	-
Prior Year Encumbrances Appropriated	33,368	33,368	33,368	-
Fund Balance, June 30	<u>\$ 227,990</u>	<u>\$ 528,990</u>	<u>\$ 355,987</u>	<u>\$ (173,003)</u>
<u>Auxiliary Services Fund</u>				
Total Revenues and Other Financing Sources	\$ 375,000	\$ 375,000	\$ 374,378	\$ (622)
Total Expenditures and Other Financing Uses	403,634	443,634	414,693	28,941
Net Change in Fund Balance	(28,634)	(68,634)	(40,315)	28,319
Fund Balance, July 1	40,424	40,424	40,424	-
Prior Year Encumbrances Appropriated	28,634	28,634	28,634	-
Fund Balance, June 30	<u>\$ 40,424</u>	<u>\$ 424</u>	<u>\$ 28,743</u>	<u>\$ 28,319</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Management Information System Fund</u>				
Total Revenues and Other Financing Sources	\$ 85,000	\$ 85,000	\$ 93,595	\$ 8,595
Total Expenditures and Other Financing Uses	92,574	94,574	89,631	4,943
Net Change in Fund Balance	(7,574)	(9,574)	3,964	13,538
Fund Balance, July 1	39,468	39,468	39,468	-
Prior Year Encumbrances Appropriated	574	574	574	-
Fund Balance, June 30	<u>\$ 32,468</u>	<u>\$ 30,468</u>	<u>\$ 44,006</u>	<u>\$ 13,538</u>
<u>Entry Year Programs Fund</u>				
Total Revenues and Other Financing Sources	\$ 15,000	\$ 15,000	\$ 14,700	\$ (300)
Total Expenditures and Other Financing Uses	15,000	16,200	15,293	907
Net Change in Fund Balance	-	(1,200)	(593)	607
Fund Balance, July 1	1,465	1,465	1,465	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ 1,465</u>	<u>\$ 265</u>	<u>\$ 872</u>	<u>\$ 607</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Data Communication Fund</u>				
Total Revenues and Other Financing Sources	\$ 48,000	\$ 48,000	\$ 45,000	\$ (3,000)
Total Expenditures and Other Financing Uses	<u>48,000</u>	<u>48,000</u>	<u>45,000</u>	<u>3,000</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>SchoolNet Professional Development Fund</u>				
Total Revenues and Other Financing Sources	\$ 10,000	\$ 10,000	\$ 2,970	\$ (7,030)
Total Expenditures and Other Financing Uses	<u>10,075</u>	<u>10,075</u>	<u>4,162</u>	<u>5,913</u>
Net Change in Fund Balance	(75)	(75)	(1,192)	(1,117)
Fund Balance, July 1	2,248	2,248	2,248	-
Prior Year Encumbrances Appropriated	<u>75</u>	<u>75</u>	<u>75</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2,248</u>	<u>\$ 2,248</u>	<u>\$ 1,131</u>	<u>\$ (1,117)</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Ohio Reads Fund</u>				
Total Revenues and Other Financing Sources	\$ 18,000	\$ 318,000	\$ 247,593	\$ (70,407)
Total Expenditures and Other Financing Uses	<u>18,000</u>	<u>318,000</u>	<u>247,593</u>	<u>70,407</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Vocational Education Enhancements Fund</u>				
Fund Balance, July 1	\$ 4	\$ 4	\$ 4	\$ -
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 4</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Poverty Aid Fund</u>				
Total Revenues and Other Financing Sources	\$ 40,000	\$ 40,000	\$ 37,177	\$ (2,823)
Total Expenditures and Other Financing Uses	40,000	40,000	37,177	2,823
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Miscellaneous State Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 125,000	\$ 180,000	\$ 189,069	\$ 9,069
Total Expenditures and Other Financing Uses	152,271	246,271	245,114	1,157
Net Change in Fund Balance	(27,271)	(66,271)	(56,045)	10,226
Fund Balance, July 1	39,483	39,483	39,483	-
Prior Year Encumbrances Appropriated	27,271	27,271	27,271	-
Fund Balance, June 30	<u>\$ 39,483</u>	<u>\$ 483</u>	<u>\$ 10,709</u>	<u>\$ 10,226</u>
<u>IDEA Part B Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 2,000,000	\$ 2,000,000	\$ 1,426,623	\$ (573,377)
Total Expenditures and Other Financing Uses	2,012,267	2,012,267	1,511,573	500,694
Net Change in Fund Balance	(12,267)	(12,267)	(84,950)	(72,683)
Fund Balance (deficit), July 1	241,606	241,606	241,606	-
Prior Year Encumbrances Appropriated	12,267	12,267	12,267	-
Fund Balance (deficit), June 30	<u>\$ 241,606</u>	<u>\$ 241,606</u>	<u>\$ 168,923</u>	<u>\$ (72,683)</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Vocational Education Fund</u>				
Total Revenues and Other Financing Sources	\$ 225,000	\$ 248,000	\$ 228,753	\$ (19,247)
Total Expenditures and Other Financing Uses	259,099	282,099	263,788	18,311
Net Change in Fund Balance	(34,099)	(34,099)	(35,035)	(936)
Fund Balance, July 1	975	975	975	-
Prior Year Encumbrances Appropriated	34,099	34,099	34,099	-
Fund Balance, June 30	<u>\$ 975</u>	<u>\$ 975</u>	<u>\$ 39</u>	<u>\$ (936)</u>
<u>Limited English Proficiency Fund</u>				
Total Revenues and Other Financing Sources	\$ 25,000	\$ 25,000	\$ 18,914	\$ (6,086)
Total Expenditures and Other Financing Uses	25,000	25,000	18,914	6,086
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Title I Disadvantaged Children Fund</u>				
Total Revenues and Other Financing Sources	\$ 900,000	\$ 1,140,000	\$ 1,062,174	\$ (77,826)
Total Expenditures and Other Financing Uses	902,692	1,142,692	989,896	152,796
Net Change in Fund Balance	(2,692)	(2,692)	72,278	74,970
Fund Balance, July 1	14,530	14,530	14,530	-
Prior Year Encumbrances Appropriated	2,692	2,692	2,692	-
Fund Balance, June 30	<u>\$ 14,530</u>	<u>\$ 14,530</u>	<u>\$ 89,500</u>	<u>\$ 74,970</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Title V Innovative Education Program Fund</u>				
Total Revenues and Other Financing Sources	\$ 9,000	\$ 12,000	\$ 11,831	\$ (169)
Total Expenditures and Other Financing Uses	9,000	13,000	12,864	136
Net Change in Fund Balance	-	(1,000)	(1,033)	(33)
Fund Balance, July 1	1,033	1,033	1,033	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ 1,033</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ (33)</u>
<u>Drug Free School Grant Fund</u>				
Total Revenues and Other Financing Sources	\$ 20,000	\$ 20,006	\$ 20,256	\$ 250
Total Expenditures and Other Financing Uses	20,000	20,006	20,006	-
Net Change in Fund Balance	-	-	250	250
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 250</u>
<u>IDEA Preschool-Handicapped Fund</u>				
Total Revenues and Other Financing Sources	\$ 25,000	\$ 25,000	\$ 23,872	\$ (1,128)
Total Expenditures and Other Financing Uses	25,055	25,055	24,951	104
Net Change in Fund Balance	(55)	(55)	(1,079)	(1,024)
Fund Balance, July 1	1,281	1,281	1,281	-
Prior Year Encumbrances Appropriated	55	55	55	-
Fund Balance, June 30	<u>\$ 1,281</u>	<u>\$ 1,281</u>	<u>\$ 257</u>	<u>\$ (1,024)</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Improving Teacher Quality Fund</u>				
Total Revenues and Other Financing Sources	\$ 270,000	\$ 295,000	\$ 313,466	\$ 18,466
Total Expenditures and Other Financing Uses	<u>270,000</u>	<u>309,574</u>	<u>309,397</u>	<u>177</u>
Net Change in Fund Balance	-	(14,574)	4,069	18,643
Fund Balance, July 1	19,736	19,736	19,736	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 19,736</u>	<u>\$ 5,162</u>	<u>\$ 23,805</u>	<u>\$ 18,643</u>
<u>Miscellaneous Federal Grants Fund</u>				
Total Revenues and Other Financing Sources	\$ 45,000	\$ 45,000	\$ 10,066	\$ (34,934)
Total Expenditures and Other Financing Uses	<u>49,485</u>	<u>49,485</u>	<u>14,547</u>	<u>34,938</u>
Net Change in Fund Balance	(4,485)	(4,485)	(4,481)	4
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>4,485</u>	<u>4,485</u>	<u>4,485</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 4</u>

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

Nonmajor Debt Service Fund

Bond Retirement Fund

Section 5705.09, Revised Code

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

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

Nonmajor Capital Projects Fund

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Since the Permanent Improvement Fund is the only active capital projects fund at June 30, 2009, no combining statements are presented. A description of the District's capital projects fund 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.

**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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Permanent Improvement Fund</u>				
Total Revenues and Other Financing Sources	\$ 1,958,252	\$ 2,008,783	\$ 2,054,738	\$ 45,955
Total Expenditures and Other Financing Uses	<u>3,422,057</u>	<u>3,430,107</u>	<u>2,713,772</u>	<u>716,335</u>
Net Change in Fund Balance	(1,463,805)	(1,421,324)	(659,034)	762,290
Fund Balance, July 1	548,910	548,910	548,910	-
Prior Year Encumbrances Appropriated	<u>1,222,057</u>	<u>1,222,057</u>	<u>1,222,057</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 307,162</u>	<u>\$ 349,643</u>	<u>\$ 1,111,933</u>	<u>\$ 762,290</u>

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

Nonmajor Permanent Fund

Endowment Fund

Section 5705.09, Revised Code

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Endowment Fund</u>				
Total Revenues and Other Financing Sources	\$ 20,000	\$ 20,000	\$ 24,099	\$ 4,099
Total Expenditures and Other Financing Uses	<u>41,000</u>	<u>41,000</u>	<u>37,500</u>	<u>3,500</u>
Net Change in Fund Balance	(21,000)	(21,000)	(13,401)	7,599
Fund Balance, July 1	678,841	678,841	678,841	-
Prior Year Encumbrances Appropriated	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 678,841</u>	<u>\$ 678,841</u>	<u>\$ 686,440</u>	<u>\$ 7,599</u>

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

Nonmajor Internal Service Fund

Employee Benefits Self Insurance Fund

Section 5705.09, Revised Code

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

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Employee Benefits Self Insurance Fund</u>				
Total Revenues and Other Financing Sources	\$ 7,500,000	\$ 7,500,000	\$ 7,364,281	\$ (135,719)
Total Expenses and Other Financing Uses	<u>8,005,375</u>	<u>8,205,375</u>	<u>8,205,339</u>	<u>36</u>
Net Change in Fund Balance	(505,375)	(705,375)	(841,058)	(135,683)
Fund Balance, July 1	2,009,792	2,009,792	2,009,792	-
Prior Year Encumbrances Appropriated	<u>5,375</u>	<u>5,375</u>	<u>5,375</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,509,792</u>	<u>\$ 1,309,792</u>	<u>\$ 1,174,109</u>	<u>\$ (135,683)</u>

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

FIDUCIARY FUNDS

FUND DESCRIPTIONS

Private Purpose Trust Fund

Scholarship Fund

Section 5705.09, Revised Code

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

Agency Fund

Student Managed Activity Fund

Section 3313.062, Revised Code

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Scholarship Fund</u>				
Total Revenues and Other Financing Sources	\$ 24,000	\$ 24,000	\$ 19,891	\$ (4,109)
Total Expenditures and Other Financing Uses	<u>51,403</u>	<u>51,403</u>	<u>32,941</u>	<u>18,462</u>
Net Change in Fund Balance	(27,403)	(27,403)	(13,050)	14,353
Fund Balance, July 1	37,356	37,356	37,356	-
Prior Year Encumbrances Appropriated	<u>6,403</u>	<u>6,403</u>	<u>6,403</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 16,356</u>	<u>\$ 16,356</u>	<u>\$ 30,709</u>	<u>\$ 14,353</u>

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Beginning Balance July 1, 2008	Additions	Deductions	Ending Balance June 30, 2009
<u>Student Managed Activity Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 134,672	\$ 166,086	\$ (164,286)	\$ 136,472
Receivables Accounts	1,899	1,600	(1,899)	1,600
Total assets	<u>\$ 136,571</u>	<u>\$ 167,686</u>	<u>\$ (166,185)</u>	<u>\$ 138,072</u>
Liabilities:				
Accounts payable	\$ 2,609	\$ 3,909	\$ (2,609)	\$ 3,909
Intergovernmental payable.	14	11	(14)	11
Due to students	133,948	163,766	(163,562)	134,152
Total liabilities.	<u>\$ 136,571</u>	<u>\$ 167,686</u>	<u>\$ (166,185)</u>	<u>\$ 138,072</u>

STATISTICAL SECTION

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

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends: These schedules present trend information to demonstrate how the District's financial position and financial performance have changed over time.	S2 - S9
Revenue Capacity: These schedules present information to identify the capacity of the District's most significant local revenue source, property taxes.	S10 - S16
Debt Capacity: These schedules present information to assess the capacity of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	S17 - S19
Demographic and Economic Information: These schedules present information to show demographic and economic indicators of the environment within which the District's financial operations occur.	S20 - S21
Operating Information: These schedules present information about how the District's basic financial statements relate to the programs and services the District provides and the activities it performs.	S22 - S30

Sources: Sources are noted on the individual schedules.

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

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

<u>Governmental Activities</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net Assets:							
Invested in capital assets, net of related debt	\$ 13,598,457	\$ 11,666,148	\$ 8,230,530	\$ 8,719,128	\$ 6,520,579	\$ 6,861,477	\$ 7,530,621
Restricted	3,546,125	2,789,266	1,665,886	1,113,020	632,623	861,334	1,151,527
Unrestricted	4,826,479	5,798,930	5,705,257	157,661	(1,640,249)	(4,655,264)	(2,230,920)
Total governmental activities net assets	<u>\$ 21,971,061</u>	<u>\$ 20,254,344</u>	<u>\$ 15,601,673</u>	<u>\$ 9,989,809</u>	<u>\$ 5,512,953</u>	<u>\$ 3,067,547</u>	<u>\$ 6,451,228</u>

Source: Findlay CSD, Treasurer's Office.

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

CHANGES IN NET ASSETS
ACCRUAL BASIS OF ACCOUNTING
LAST SEVEN FISCAL YEARS

Governmental Activities	2009	2008	2007	2006	2005	2004	2003
Expenses:							
Instruction:							
Regular	\$ 25,159,062	\$ 26,196,394	\$ 23,915,567	\$ 23,318,390	\$ 22,864,137	\$ 23,486,849	\$ 22,375,563
Special	7,380,789	7,342,020	6,799,260	6,535,625	6,587,965	6,885,330	5,956,893
Vocational	3,589,139	2,974,529	2,970,104	2,909,064	2,791,238	2,907,647	2,811,767
Adult	154,366	-	-	140,878	151,540	22,997	-
Other	2,753,803	2,245,606	1,921,675	1,596,879	1,316,933	966,070	866,858
Support services:							
Pupil	3,116,136	2,830,187	2,658,799	2,846,622	2,676,900	2,614,587	2,329,275
Instructional staff	4,482,244	3,953,929	4,240,839	4,029,073	4,106,395	4,316,723	3,820,351
Board of education	95,943	172,550	118,748	99,555	137,083	141,345	183,090
Administration	4,152,921	3,867,750	3,822,352	3,876,566	3,507,561	3,699,470	3,345,715
Fiscal	1,483,958	1,493,860	1,468,975	1,403,653	1,400,700	1,366,159	1,286,047
Business	44,109	-	-	-	-	-	-
Operations and maintenance	6,467,052	5,410,595	5,605,278	4,947,744	5,832,388	5,754,853	5,450,274
Pupil transportation	2,165,597	2,151,281	2,279,652	2,099,169	1,977,385	2,062,403	1,929,180
Central	198,870	170,094	149,859	147,817	119,375	143,826	230,120
Operation of non-instructional services:							
Food service operations	1,876,647	1,884,913	1,720,198	1,685,654	1,759,738	1,707,969	1,711,038
Other non-instructional services	715,273	487,370	636,243	637,088	611,998	685,389	724,093
Extracurricular activities	1,404,405	1,357,637	1,288,164	624,195	1,334,990	1,353,732	1,409,969
Interest and fiscal charges	87,045	121,236	142,348	165,665	140,487	160,153	174,786
Total governmental activities expenses	<u>\$ 65,327,359</u>	<u>\$ 62,659,951</u>	<u>\$ 59,738,061</u>	<u>\$ 57,063,637</u>	<u>\$ 57,316,813</u>	<u>\$ 58,275,502</u>	<u>\$ 54,605,019</u>

(continued)

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

CHANGES IN NET ASSETS
ACCRUAL BASIS OF ACCOUNTING
LAST SEVEN FISCAL YEARS

Governmental Activities	2009	2008	2007	2006	2005	2004	2003
Program Revenues:							
Charges for services:							
Instruction:							
Regular	\$ 2,497,334	\$ 2,452,073	\$ 1,656,483	\$ 1,512,624	\$ 2,374,274	\$ 1,977,485	\$ 1,876,229
Special	488,310	397,500	427,012	299,111	-	274,954	-
Vocational	304,113	603,375	758,526	140,361	262,919	363,625	318,196
Other	-	70,000	70,000	86,361	-	-	47,649
Support services:							
Pupil	-	-	-	126,193	-	-	-
Instructional staff	-	141	-	158,216	-	-	2,114
Board of education	-	-	-	5,110	-	-	-
Administration	5,854	10,327	1,555	193,363	-	-	-
Fiscal	17	-	39	71,657	-	-	-
Operations and maintenance	56,178	79,575	71,215	264,997	4,382	15,978	11,042
Pupil transportation	2,365	969	6	130,801	-	7,834	168
Central	1,785	-	386	6,874	-	-	-
Operation of non-instructional services:							
Food service operations	884,000	851,519	916,764	986,582	959,673	873,692	1,003,356
Other non-instructional services	163,838	48,618	149,192	159,541	563,926	361,729	417,741
Extracurricular activities	512,494	447,455	559,006	460,840	582,406	717,304	636,902
Operating grants and contributions:							
Instruction:							
Regular	1,324,528	604,819	1,876,450	584,900	692,205	494,408	695,115
Special	2,947,794	2,932,001	2,667,431	862,771	907,967	953,117	751,677
Vocational	403,721	392,516	438,074	136,363	87,544	100,482	98,361
Other	845	8	35,954	17	31,655	-	317,813
Support services:							
Pupil	301,711	308,060	343,123	385,658	180,353	176,260	128,264
Instructional staff	1,010,815	950,239	1,177,811	966,238	1,509,883	1,037,155	898,482
Administration	17,883	17,347	21,245	18,281	11,070	11,790	54,724
Fiscal	327	-	-	1,662	-	-	-
Operations and maintenance	258,053	385,098	451,959	43,889	64,827	71,070	455,184
Pupil transportation	89,528	84,846	91,738	-	-	-	-
Central	52,930	21,989	27,108	33,535	20,249	30,131	110,245
Operation of non-instructional services:							
Food service operations	1,059,803	903,208	896,264	814,692	882,758	931,470	580,924
Other non-instructional services	499,572	468,226	454,785	457,241	331,054	340,985	296,409
Extracurricular activities	18,098	17,976	16,055	-	-	-	-
Capital grants and contributions:							
Instruction:							
Regular	121,271	233,259	74,601	-	49,875	-	88,072
Support services:							
Pupil	8,004	31,767	-	-	-	-	-
Operations and maintenance	13,295	297	-	-	-	-	66,667
Pupil transportation	158,378	20,071	16,375	-	-	-	-
Extracurricular activities	5,236	7,613	-	-	-	-	-
Total governmental activities program revenues	\$ 13,208,080	\$ 12,340,892	\$ 13,199,157	\$ 8,907,878	\$ 9,517,020	\$ 8,739,469	\$ 8,855,334
Net Revenue/(Expense)	\$ (52,119,279)	\$ (50,319,059)	\$ (46,538,904)	\$ (48,155,759)	\$ (47,799,793)	\$ (49,536,033)	\$ (45,749,685)

(continued)

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

CHANGES IN NET ASSETS
ACCRUAL BASIS OF ACCOUNTING
LAST SEVEN FISCAL YEARS

Governmental Activities	2009	2008	2007	2006	2005	2004	2003
General Revenues and							
<u>Other Changes in Net Assets:</u>							
Property taxes levied for:							
General purposes	\$ 25,284,305	\$ 27,357,581	\$ 28,441,147	\$ 29,122,910	\$ 28,074,070	\$ 25,610,581	\$ 25,808,314
Debt service	108,061	108,061	106,330	108,061	108,061	108,062	108,061
Capital projects	1,793,374	1,995,210	1,106,943	-	-	-	-
Grants and entitlements							
not restricted to specific programs	25,247,868	24,497,427	20,714,263	21,941,335	21,047,772	20,151,186	19,021,043
Investment earnings	694,018	509,130	1,069,510	489,690	208,720	174,636	275,635
Miscellaneous	708,370	504,321	712,575	970,619	806,576	601,258	389,506
Total governmental activities general revenues	<u>\$ 53,835,996</u>	<u>\$ 54,971,730</u>	<u>\$ 52,150,768</u>	<u>\$ 52,632,615</u>	<u>\$ 50,245,199</u>	<u>\$ 46,645,723</u>	<u>\$ 45,602,559</u>
Change in Net Assets	<u>\$ 1,716,717</u>	<u>\$ 4,652,671</u>	<u>\$ 5,611,864</u>	<u>\$ 4,476,856</u>	<u>\$ 2,445,406</u>	<u>\$ (2,890,310)</u>	<u>\$ (147,126)</u>

Source: Findlay CSD, Treasurer's Office.

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

FUND BALANCES - GOVERNMENTAL FUNDS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

<u>Governmental Funds</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>General Fund:</u>				
Fund Balance:				
Reserved	\$ 3,811,682	\$ 2,971,277	\$ 2,975,065	\$ 3,013,053
Unreserved	3,393,209	2,815,693	2,110,152	(1,710,892)
Total general fund	<u>\$ 7,204,891</u>	<u>\$ 5,786,970</u>	<u>\$ 5,085,217</u>	<u>\$ 1,302,161</u>
<u>Other Governmental Funds:</u>				
Fund Balance:				
Reserved	\$ 1,597,917	\$ 2,059,883	\$ 1,789,430	\$ 1,236,298
Unreserved, reported in:				
Special revenue funds	1,033,743	662,125	438,552	656,201
Capital projects funds	783,510	148,734	(144,932)	(361,931)
Permanent fund	68,440	60,841	54,297	30,273
Total other governmental funds	<u>\$ 3,483,610</u>	<u>\$ 2,931,583</u>	<u>\$ 2,137,347</u>	<u>\$ 1,560,841</u>
Total governmental funds	<u>\$ 10,688,501</u>	<u>\$ 8,718,553</u>	<u>\$ 7,222,564</u>	<u>\$ 2,863,002</u>

Source: Findlay CSD, Treasurer's Office.

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 3,551,749 (4,031,490)	\$ 2,816,147 (3,338,528)	\$ 2,035,148 (638,731)	\$ 2,541,786 (68,669)	\$ 2,087,859 (931,370)	\$ 2,394,613 (251,226)
<u>\$ (479,741)</u>	<u>\$ (522,381)</u>	<u>\$ 1,396,417</u>	<u>\$ 2,473,117</u>	<u>\$ 1,156,489</u>	<u>\$ 2,143,387</u>
\$ 1,562,345	\$ 623,866	\$ 757,149	\$ 138,302	\$ 237,809	\$ 1,361,939
167,442 (1,428,827) 631,738	232,401 (654,172) 178,194	(34,745) (707,584) 175,610	476,846 (775,795) -	489,229 (782,635) -	368,617 (824,472) -
<u>\$ 932,698</u>	<u>\$ 380,289</u>	<u>\$ 190,430</u>	<u>\$ (160,647)</u>	<u>\$ (55,597)</u>	<u>\$ 906,084</u>
<u>\$ 452,957</u>	<u>\$ (142,092)</u>	<u>\$ 1,586,847</u>	<u>\$ 2,312,470</u>	<u>\$ 1,100,892</u>	<u>\$ 3,049,471</u>

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

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

LAST TEN FISCAL YEARS

Governmental Funds	2009	2008	2007	2006
Revenues:				
From local sources:				
Taxes	\$ 28,225,572	\$ 29,267,804	\$ 29,598,094	\$ 29,144,263
Tuition	2,988,178	2,561,600	2,656,155	2,773,147
Earnings on investments	829,673	664,436	835,528	419,503
Charges for services	884,000	851,519	916,764	986,582
Extracurricular	532,585	475,029	573,569	487,563
Classroom materials and fees	406,072	358,127	365,305	355,339
Rental income	42,764	-	-	-
Donations	394,901	-	-	-
Other local revenues	758,709	1,062,082	1,178,209	970,619
Other revenue	-	-	-	-
Intergovernmental - Intermediate	-	-	-	115,870
Intergovernmental - State	28,723,675	26,078,163	24,510,586	22,519,432
Intergovernmental - Federal	4,486,472	5,561,700	4,311,602	3,719,171
Total revenues	68,272,601	66,880,460	64,945,812	61,491,489
Expenditures:				
Current:				
Instruction:				
Regular	24,630,850	26,634,467	23,456,663	23,841,116
Special	7,207,072	7,120,328	6,712,383	6,633,764
Vocational	3,433,998	2,835,411	2,864,128	2,870,132
Adult	155,179	-	-	140,288
Other	2,768,086	2,222,197	1,921,652	1,590,336
Support services:				
Pupil	3,057,755	2,774,078	2,649,120	2,821,732
Instructional staff	4,557,078	3,752,110	4,181,270	4,008,697
Board of education	96,451	170,763	118,748	99,138
Administration	4,112,967	3,743,620	3,816,757	3,766,790
Fiscal	1,450,467	1,457,330	1,443,722	1,383,808
Business	44,346	-	-	-
Operations and maintenance	6,420,137	6,297,877	5,545,420	5,036,278
Pupil transportation	2,544,164	2,138,796	2,191,111	2,002,206
Central	191,755	166,780	147,223	147,729
Operation of non-instructional services:				
Food service operations	1,893,068	1,839,020	1,694,138	1,666,276
Other non-instructional services	658,433	437,777	603,278	616,342
Extracurricular activities	1,412,921	1,348,542	1,276,019	729,828
Facilities acquisition and construction	1,202,504	1,353,395	1,294,927	1,818,243
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	388,149	959,328	514,167	441,312
Interest and fiscal charges	88,219	124,867	144,066	152,355
Total expenditures	66,313,599	65,376,686	60,574,792	59,766,370
Excess (deficiency) of revenues over (under) expenditures	1,959,002	1,503,774	4,371,020	1,725,119
Other Financing Sources (Uses):				
Transfers in	75,000	665,000	1,255,000	1,280,000
Transfers (out)	(75,000)	(665,000)	(1,255,000)	(1,280,000)
Proceeds from sale of capital assets	-	-	-	-
Proceeds of capital lease transaction	-	-	-	-
Proceeds of notes	-	-	-	-
Proceeds of loans	-	-	-	713,611
Total other financing sources (uses)	-	-	-	713,611
Net change in fund balances	\$ 1,959,002	\$ 1,503,774	\$ 4,371,020	\$ 2,438,730
Debt service as a percentage of noncapital expenditures	0.76%	1.76%	1.11%	1.03%

Source: Findlay CSD, Treasurer's Office.

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$	27,278,445	\$ 25,764,840	\$ 24,943,804	\$ 25,584,455	\$ 24,488,752	\$ 24,443,309
	2,528,218	2,344,604	2,097,962	584,678	349,597	364,994
	189,744	181,235	258,138	328,856	726,197	704,121
	961,169	873,692	915,532	-	-	-
	579,910	547,674	641,279	584,164	-	554,553
	326,309	314,614	-	-	-	-
	-	-	-	-	-	46,010
	293,109	-	234,738	-	-	95,440
	864,178	1,113,275	1,445,815	780,918	1,288,634	438,102
	-	-	66,744	-	286,621	-
	1,263	-	-	-	-	-
	21,761,800	20,620,247	19,811,935	19,616,413	16,089,458	14,767,115
	<u>4,086,262</u>	<u>4,001,791</u>	<u>2,674,921</u>	<u>2,225,223</u>	<u>2,278,420</u>	<u>2,091,169</u>
	<u>58,870,407</u>	<u>55,761,972</u>	<u>53,090,868</u>	<u>49,704,707</u>	<u>45,507,679</u>	<u>43,504,813</u>
	22,851,215	22,677,188	22,197,626	20,966,922	20,146,170	18,556,675
	6,562,357	6,698,490	5,876,409	5,367,983	4,786,151	4,903,536
	2,774,174	2,830,388	2,716,560	2,627,251	2,847,382	2,170,232
	151,806	22,115	-	-	-	-
	1,319,245	966,151	870,279	280,148	257,121	183,780
	2,660,619	2,571,763	2,317,505	2,203,531	2,135,479	2,124,614
	4,166,714	4,290,418	3,688,968	3,172,173	2,619,051	2,944,597
	137,324	141,345	183,090	159,968	161,133	161,443
	3,555,187	3,629,330	3,251,163	3,020,575	2,918,664	2,683,610
	1,396,875	1,353,401	1,268,227	1,185,346	1,170,793	924,861
	-	-	-	-	-	-
	5,442,055	5,693,012	5,393,900	4,997,667	4,657,929	8,536,941
	1,869,871	2,099,609	1,795,382	1,781,043	1,419,372	1,377,209
	119,694	140,790	229,529	175,560	214,230	68,024
	1,775,874	1,715,056	1,489,419	-	-	-
	588,603	668,136	694,726	389,418	308,813	354,128
	1,342,774	1,349,432	1,416,183	1,468,230	1,667,247	1,190,931
	573,018	44,188	94,152	53,727	1,458,280	-
	-	-	-	-	-	2,965,128
	403,946	439,334	399,511	457,173	444,152	271,526
	140,487	160,153	174,786	191,226	213,412	177,719
	<u>57,831,838</u>	<u>57,490,299</u>	<u>54,057,415</u>	<u>48,497,941</u>	<u>47,425,379</u>	<u>49,594,954</u>
	1,038,569	(1,728,327)	(966,547)	1,206,766	(1,917,700)	(6,090,141)
	590,000	-	3,212	-	158,235	3,500,000
	(590,000)	-	(3,212)	-	(158,069)	(3,500,000)
	6,375	7,551	17,937	101	21	23,025
	-	-	-	-	-	4,238,320
	-	-	-	-	-	-
	95,651	-	-	-	-	-
	102,026	7,551	17,937	101	187	4,261,345
\$	<u>1,140,595</u>	<u>\$ (1,720,776)</u>	<u>\$ (948,610)</u>	<u>\$ 1,206,867</u>	<u>\$ (1,917,513)</u>	<u>\$ (1,828,796)</u>
	0.95%	1.05%	1.07%	1.36%	1.43%	0.96%

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

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

Calendar Year	Real Estate Property		General Tangible Personal Property		Public Utility Tangible Personal Property	
	Assessed Valuation	Estimated Actual Valuation (a)	Assessed Valuation	Estimated Actual Valuation (a)	Assessed Valuation	Estimated Actual Valuation (a)
2009	\$ 780,240,270	\$ 2,229,257,914	\$ 1,358,660	\$ 5,434,640	\$ 20,228,090	\$ 22,986,466
2008	774,075,810	2,211,645,171	30,088,700	120,354,800	18,881,860	21,456,659
2007	732,408,130	2,092,594,657	61,443,228	245,772,912	22,421,120	25,478,545
2006	721,298,790	2,060,853,686	89,606,733	358,426,932	22,255,930	25,290,830
2005	709,762,130	2,027,891,800	121,231,428	484,925,712	22,704,310	25,800,352
2004	648,032,840	1,851,522,400	119,542,954	478,171,816	22,348,380	25,395,886
2003	628,600,880	1,796,002,514	141,389,687	565,558,748	22,109,380	25,124,295
2002	612,660,110	1,750,457,457	145,107,726	580,430,904	21,725,890	24,688,511
2001	575,436,570	1,644,104,486	137,351,370	549,405,480	28,606,450	32,507,330
2000	565,363,280	1,615,323,657	151,295,302	605,181,208	27,638,130	31,406,966

Source: Hancock County Auditor.

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

Real estate property is assessed at 35 percent of estimated actual value, and has a weighted average direct rate of 30.98% for 2009.

General tangible personal property is assessed at 25 percent of estimated actual value, and has a weighted average direct rate of 2.60% for 2009.

Public utility tangible personal property is assessed at 88 percent of estimated actual value, and has a weighted average direct rate of 0.95% for 2009.

Total Property		Assessed Valuation as a Percent of Estimated Actual Valuation	Direct Property Tax Rate
Assessed Valuation	Estimated Actual Valuation		
\$ 801,827,020	\$ 2,257,679,020	35.52%	\$ 60.75
823,046,370	2,353,456,631	34.97%	60.75
816,272,478	2,363,846,115	34.53%	60.75
833,161,453	2,444,571,447	34.08%	58.25
853,697,868	2,538,617,864	33.63%	58.25
789,924,174	2,355,090,102	33.54%	53.35
792,099,947	2,386,685,558	33.19%	53.35
779,493,726	2,355,576,873	33.09%	53.35
741,394,390	2,226,017,295	33.31%	53.35
744,296,712	2,251,911,831	33.05%	53.35

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

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

LAST TEN CALENDAR YEARS

Calendar Year	Findlay City School District	City of Findlay	Hancock County	Hancock County Park District	Total
2009	\$ 60.75	\$ 3.20	\$ 5.12	\$ 0.80	\$ 69.87
2008	60.75	3.20	7.80	0.80	72.55
2007	60.75	3.20	7.80	0.80	72.55
2006	58.25	3.20	5.00	0.80	67.25
2005	58.25	3.20	5.00	0.80	67.25
2004	53.35	3.20	5.51	0.80	62.86
2003	53.35	3.20	5.51	0.80	62.86
2002	53.35	3.20	5.12	0.80	62.47
2001	53.35	3.20	5.14	0.80	62.49
2000	53.35	3.20	5.15	0.80	62.50

Source: Hancock County Auditor.

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

PRINCIPAL TAXPAYERS
REAL ESTATE PROPERTY

DECEMBER 31, 2008 AND DECEMBER 31, 1999

<u>Taxpayer</u>	<u>December 31, 2008</u>		
	<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Marathon Oil Co.	\$ 10,646,930	1	1.36%
Cooper Tire and Rubber Co.	8,950,190	2	1.15%
Findlay Shopping Center	6,460,380	3	0.83%
Logistic Solutions	3,844,010	4	0.49%
Lowe's	2,348,110	5	0.30%
LP Investment Co.	2,285,420	6	0.29%
Gardner, Philip	1,933,310	7	0.25%
Massillon Apartments	1,858,540	8	0.24%
Arbors of Findlay	1,786,680	9	0.23%
Dow Chemical Co.	1,650,640	10	0.21%
Total	<u>\$ 41,764,210</u>		<u>\$ 780,240,270</u>

<u>Taxpayer</u>	<u>December 31, 1999</u>		
	<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Marathon Oil Co.	\$ 11,133,200	1	2.01%
Cooper Tire and Rubber Co.	7,140,790	2	1.29%
Findlay Shopping Center	5,830,950	3	1.06%
Ohio Logistics, LTD	3,588,720	4	0.65%
GE Subsidiary, Inc.	2,388,040	5	0.43%
LP Investment Co.	2,334,250	6	0.42%
Thrifty Findlay, Inc.	2,196,220	7	0.40%
Total	<u>\$ 34,612,170</u>		<u>\$ 552,595,100</u>

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, 2008 (the most recent information available) and December 31, 1999 (nine years prior, in accordance with GASB Statement No. 44).

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

PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY

DECEMBER 31, 2008 AND DECEMBER 31, 1999

<u>Taxpayer</u>	<u>December 31, 2008</u>		
	<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Cooper Tire and Rubber Co.	\$ 3,907,590	1	18.10%
Nissan Brake Ohio, Inc.	2,606,090	2	12.07%
Marathon Petroleum	1,618,170	3	7.50%
Dow Chemical Co.	1,355,410	4	6.28%
Ohio Bell Telephone	1,340,540	5	6.21%
Marathon Oil Company	1,101,550	6	5.10%
Filtech, Inc.	886,260	7	4.11%
Bridgestone APM Co.	693,780	8	3.21%
Time Warner Cable, LLC	486,520	9	2.25%
Findlay Industries, Inc.	456,940	10	2.12%
Total	<u>\$ 14,452,850</u>		<u>\$ 21,586,750</u>

<u>Taxpayer</u>	<u>December 31, 1999</u>		
	<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Cooper Tire and Rubber Co.	\$ 26,351,660	1	15.36%
Harris Corporation	13,526,380	2	7.88%
Owens	7,268,590	3	4.24%
Dow Chemical Co.	5,417,520	4	3.16%
Findlay Products	4,910,909	5	2.86%
Findlex Corporation	4,910,090	6	2.86%
Findlay Industries, Inc.	3,860,470	7	2.25%
Findlay Ford	2,989,620	8	1.74%
Filtech, Inc.	2,508,654	9	1.46%
Bridgestone APM Co.	2,380,020	10	1.39%
Total	<u>\$ 74,123,913</u>		<u>\$ 171,565,303</u>

Source: Hancock County Auditor.

Note: Tax information is available on a calendar year basis. Therefore, principal taxpayer information for tangible personal property taxes is presented for December 31, 2008 (the most recent information available) and December 31, 1999 (nine years prior, in accordance with GASB Statement No. 44).

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
2009	\$ 25,476,595	\$ 1,581,190	\$ 27,057,785	\$ 24,293,739	95.36%
2008	25,255,090	1,439,707	26,694,797	25,050,955	99.19%
2007	27,606,133	1,425,582	29,031,715	26,762,857	96.95%
2006	25,261,004	1,413,478	26,674,482	24,452,652	96.80%
2005	25,029,980	1,017,364	26,047,344	24,220,645	96.77%
2004	19,877,400	792,485	20,669,885	19,531,217	98.26%
2003	22,087,221	880,588	22,967,809	21,333,848	96.59%
2002	20,020,190	628,528	20,648,718	19,488,041	97.34%
2001	20,559,429	767,855	21,327,284	19,927,521	96.93%
2000	21,349,381	768,653	22,118,034	17,774,665	83.26%

Source: Hancock County Auditor.

Delinquent Taxes Collected	Total Taxes Collected	Total Taxes Collected as a Percent of Total Tax Levy
\$ 789,927	\$ 25,083,666	92.70%
966,563	26,017,518	97.46%
880,735	27,643,592	95.22%
787,587	25,240,239	94.62%
694,439	24,915,084	95.65%
569,908	20,101,125	97.25%
622,508	21,956,356	95.60%
444,321	19,932,362	96.53%
93,904	20,021,425	91.23%
51,751	17,826,416	80.60%

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

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Long-Term Debt			Total Long-Term Debt Per Student	Total Long-Term Debt Per Capita	Ratio of Total Long-Term Debt to Median Income	Percentage of Total Long-Term Debt to Total Personal Income
	Asbestos Removal Loans	Energy Conservation Loans	Total Long-Term Debt				
2009	\$ 311,476	\$ -	\$ 311,476	\$ 52	\$ 8	\$ 6	0.02%
2008	419,537	-	419,537	70	11	9	0.02%
2007	527,598	584,206	1,111,804	169	29	25	0.06%
2006	635,659	735,673	1,371,332	209	36	30	0.08%
2005	743,721	95,651	839,372	129	21	19	0.05%
2004	851,782	-	851,782	133	22	19	0.05%
2003	959,844	-	959,844	149	24	21	0.05%
2002	1,067,905	-	1,067,905	165	27	24	0.06%
2001	1,175,965	-	1,175,965	185	30	26	0.07%
2000	1,284,026	-	1,284,026	200	33	29	0.08%

Source: Findlay CSD, Treasurer's Office.

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

DIRECT AND OVERLAPPING DEBT

JUNE 30, 2009

<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	\$ 1,930,837	100.00%	\$ 1,930,837
Total direct debt	<u>1,930,837</u>		<u>1,930,837</u>
<u>Overlapping debt:</u>			
City of Findlay	10,865,330	94.28%	10,243,619
Hancock County	16,450,974	50.48%	8,303,773
Total overlapping debt	<u>27,316,304</u>		<u>18,547,393</u>
Total direct and overlapping debt	<u>\$ 29,247,141</u>		<u>\$ 20,478,230</u>

Sources: Findlay CSD, Treasurer's Office; City of Findlay; and Hancock County.

(a) Percentages applicable to the District were determined by dividing the 2009 assessed valuation of the government entity located within the boundaries of the District by the 2009 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
2009	\$ 70,221,624	\$ -	\$ -	\$ -	\$ 70,221,624	0.00%
2008	69,666,823	-	-	-	69,666,823	0.00%
2007	65,916,732	-	-	-	65,916,732	0.00%
2006	74,984,531	-	1,731	(1,731)	74,986,262	0.00%
2005	76,832,808	-	365	(365)	76,833,173	0.00%
2004	71,093,176	-	-	-	71,093,176	0.00%
2003	71,288,995	-	-	-	71,288,995	0.00%
2002	70,154,435	-	-	-	70,154,435	0.00%
2001	66,725,495	-	-	-	66,725,495	0.00%
2000	66,986,704	-	-	-	66,986,704	0.00%

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	Median Age	Median Income	Total Personal Income	Unemployment Rates		
						Hancock County	Ohio	United States
2009	5,956	38,375	35.0	\$ 51,910	\$ 1,992,046,250	9.1%	10.5%	10.2%
2008	5,992	37,492	37.6	46,597	1,747,014,724	5.1%	5.7%	3.6%
2007	6,565	38,173	37.2	45,117	1,722,251,241	4.5%	5.6%	4.6%
2006	6,571	39,118	37.2	45,117	1,764,886,806	4.4%	5.4%	4.3%
2005	6,507	40,175	37.2	45,117	1,812,575,475	4.9%	7.4%	5.1%
2004	6,388	39,421	37.2	45,117	1,778,557,257	5.1%	6.0%	5.5%
2003	6,458	39,307	37.2	45,117	1,773,413,919	5.1%	6.1%	6.0%
2002	6,468	39,193	37.2	45,117	1,768,270,581	4.4%	5.9%	5.8%
2001	6,345	39,080	37.2	45,117	1,763,172,360	3.7%	5.1%	4.7%
2000	6,411	38,967	36.0	43,856	1,708,936,752	3.3%	3.2%	4.0%

Sources: Findlay CSD, Treasurer's Office; City of Findlay; Hancock County; Ohio Department of Education; Ohio Department Of Development; and U.S. Census Bureau.

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

PRINCIPAL EMPLOYERS

DECEMBER 31, 2008 AND DECEMBER 31, 1999

December 31, 2008			
Employer	Employees	Rank	Percentage of Total Employment
Blanchard Valley Regional Health Center	2,200	1	10.68%
Cooper Tire and Rubber Co.	2,040	2	9.90%
Whirlpool Corporation	1,800	3	8.74%
Marathon Oil Co.	1,524	4	7.40%
Consolidated Biscuit	1,053	5	5.11%
Findlay City School District	872	6	4.23%
Nissan Brakes (dba Fledlex Corporation)	831	7	4.03%
Findlay Industries	750	8	3.64%
University of Findlay	719	9	3.49%
Hancock County	602	10	2.92%
Total	12,391		60.15%
Total employment (a)	20,600		

December 31, 1999			
Employer	Employees	Rank	Percentage of Total Employment
Cooper Tire and Rubber Co.	2,000	1	n/a
Whirlpool Corporation	1,944	2	n/a
Marathon Oil Co.	1,495	3	n/a
Consolidated Biscuit	1,262	4	n/a
Blanchard Valley Regional Health Center	1,104	5	n/a
Findlay Industries	775	6	n/a
Findlay City School District	700	7	n/a
Hancock County	595	8	n/a
Harris Corporation (Intersel)	586	9	n/a
Nissan Brakes (dba Fledlex Corporation)	580	10	n/a
Total	11,041		n/a
Total employment	n/a		

Source: City of Findlay.

(a) Source: www.findlayhancockchamber.com/demographics

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
 STAFFING STATISTICS
 FULL TIME EQUIVALENTS BY TYPE AND FUNCTION
 LAST TEN FISCAL YEARS

Staff Type	2009	2008	2007	2006	2005
Teaching Staff:					
Elementary School	188	182	189	184	187
Middle School	97	99	97	107	109
High School	128	128	138	140	141
Administration:					
District	50	51	49	50	50
Auxiliary Staff:					
Counselors	14	14	14	14	13
Librarians	1	1	1	1	1
Psychologists	5	4	6	7	7
Speech, Physical and Occupational Therapists	8	8	9	8	8
Nurses and Mental Health Specialists	7	6	7	7	7
Support Staff:					
Secretarial, Finance Clerks, EMIS	49	44	43	43	43
Aides	73	73	65	71	74
Program Directors (After / Before School & Alumni)	5	6	6	7	6
Food Services	33	34	34	36	35
Monitors and Security	25	19	16	12	11
Custodial	46	47	48	51	48
Maintenance	8	10	10	10	10
Bus Drivers	22	24	22	27	28
Mechanics	3	3	3	3	3
Extracurricular Coaches	105	105	105	108	108
Total	867	858	862	886	889

Staff Function	2008	2008	2007	2006	2005
Instruction:					
Regular	389	385	393	399	396
Other	128	123	119	123	133
Support Services:					
Pupil	38	37	40	40	38
Administration	78	73	72	73	74
Fiscal	7	7	7	7	7
Operations and maintenance	91	95	96	101	97
Pupil transportation	29	31	28	33	34
Extracurricular activities	107	107	107	110	110
Total	867	858	862	886	889

Source: Findlay CSD, Treasurer's Office.

2004	2003	2002	2001	2000
199	200	199	193	189
117	118	117	114	113
152	153	155	149	147
48	46	43	43	41
24	24	26	13	13
4	4	6	4	4
11	7	9	4	4
9	8	8	8	8
6	6	6	6	6
45	45	42	47	46
77	80	69	65	59
10	11	13	11	11
33	34	32	32	33
12	10	11	9	10
54	50	54	46	47
10	10	9	10	9
28	27	27	25	27
3	3	2	2	2
103	106	111	103	107
945	942	939	884	876

2004	2003	2002	2001	2000
413	415	403	386	390
154	156	161	155	139
57	53	59	38	38
74	72	66	71	69
7	7	7	7	7
101	98	99	92	92
34	33	32	30	32
105	108	112	105	109
945	942	939	884	876

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

<u>Governmental Activities</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Capital Assets:</u>				
Land	\$ 416,459	\$ 416,459	\$ 416,459	\$ 416,459
Land improvements	775,784	342,671	299,982	313,496
Buildings and improvements	10,811,313	10,161,543	8,574,033	8,843,491
Equipment and furniture	1,887,798	1,862,297	1,085,859	1,038,673
Vehicles	1,637,940	1,202,164	1,132,511	528,158
Construction in progress	-	-	-	-
Total	<u>\$ 15,529,294</u>	<u>\$ 13,985,134</u>	<u>\$ 11,508,844</u>	<u>\$ 11,140,277</u>

Source: Findlay CSD, Treasurer's Office.

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

<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 416,459	\$ 416,459	\$ 416,459
214,037	234,007	257,388
7,530,937	7,853,690	8,177,206
509,283	681,393	903,409
583,970	652,623	590,755
242,588	-	-
<u>\$ 9,497,274</u>	<u>\$ 9,838,172</u>	<u>\$ 10,345,217</u>

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

<u>Building</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>High School</u>				
Square footage	246,608	246,608	246,608	246,608
Student enrollment	2,145	2,121	2,325	2,293
<u>Central Middle School</u>				
Square footage	105,912	105,912	105,912	105,912
Student enrollment	433	449	492	467
<u>Donnell Middle School</u>				
Square footage	70,605	70,605	70,605	70,605
Student enrollment	487	420	460	473
<u>Glenwood Middle School</u>				
Square footage	70,605	70,605	70,605	70,605
Student enrollment	370	391	428	441
<u>Bigelow Hill Elementary School</u>				
Square footage	31,645	31,645	31,645	31,645
Student enrollment	280	230	252	245
<u>Chamberlin Hill Elementary School</u>				
Square footage	31,645	31,645	31,645	31,645
Student enrollment	254	225	247	247
<u>Jacobs Elementary School</u>				
Square footage	31,645	31,645	31,645	31,645
Student enrollment	260	288	315	308
<u>Jefferson Elementary School</u>				
Square footage	25,509	25,509	25,509	25,509
Student enrollment	241	249	273	272
<u>Lincoln Elementary School</u>				
Square footage	57,892	57,892	57,892	57,892
Student enrollment	434	396	434	471
<u>Northview Elementary School</u>				
Square footage	36,246	36,246	36,246	36,246
Student enrollment	252	277	303	319
<u>Washington Elementary School</u>				
Square footage	31,645	40,287	40,287	40,287
Student enrollment	219	203	222	240
<u>Whittier Elementary School</u>				
Square footage	31,930	31,930	31,930	31,930
Student enrollment	346	356	390	383
<u>Wilson Vance Elementary School</u>				
Square footage	38,193	38,193	38,193	38,193
Student enrollment	367	387	424	412
<u>Bus Garage</u>				
Square footage	3,000	3,000	3,000	3,000
<u>Maintenance Building</u>				
Square footage	5,000	5,000	5,000	5,000
<u>Millstream East</u>				
Square footage	28,152	28,152	28,152	28,152
<u>Millstream South</u>				
Square footage	21,000	31,645	31,645	31,645

Source: Findlay CSD, Treasurer's Office.

2005	2004	2003	2002	2001	2000
246,608 2,209	246,608 2,150	246,608 2,162	246,608 2,172	246,608 2,121	246,608 2,177
105,912 487	105,912 536	105,912 536	105,912 514	105,912 473	105,912 451
70,605 467	70,605 480	70,605 480	70,605 455	70,605 466	70,605 455
70,605 440	70,605 417	70,605 417	70,605 429	70,605 395	70,605 416
31,645 245	31,645 264	31,645 277	31,645 291	31,645 292	31,645 280
31,645 264	31,645 258	31,645 264	31,645 243	31,645 232	31,645 258
31,645 297	31,645 283	31,645 299	31,645 305	31,645 297	31,645 319
25,509 244	25,509 244	25,509 259	25,509 281	25,509 270	25,509 249
57,892 490	57,892 478	57,892 478	57,892 489	57,892 497	57,892 524
36,246 308	36,246 278	36,246 286	36,246 297	36,246 309	36,246 215
40,287 265	40,287 224	40,287 224	40,287 244	40,287 260	40,287 269
31,930 384	31,930 402	31,930 402	31,930 393	31,930 393	30,369 369
38,193 407	38,193 374	38,193 374	38,193 355	38,193 340	38,193 329
3,000	3,000	3,000	3,000	3,000	3,000
5,000	5,000	5,000	5,000	5,000	5,000
28,152	28,152	28,152	28,152	28,152	28,152
31,645	31,645	31,645	31,645	31,645	31,645

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

Fiscal Year	Governmental Activities (a)		Governmental Funds		Average Daily Membership	ADM Percent Change
	Expenses	Expense Per Pupil	Expenditures	Expenditure Per Pupil		
2009	\$ 65,327,359	\$ 10,968	\$ 66,313,599	\$ 11,134	5,956	-0.60%
2008	62,659,951	10,457	65,376,686	10,911	5,992	-8.73%
2007	59,738,061	9,099	60,574,792	9,227	6,565	-0.09%
2006	57,063,637	8,684	59,766,370	9,095	6,571	0.98%
2005	57,316,813	8,808	57,831,838	8,888	6,507	1.86%
2004	58,275,502	9,123	57,490,299	9,000	6,388	-1.08%
2003	54,605,019	8,455	54,057,415	8,371	6,458	-0.15%
2002	n/a	n/a	48,497,941	7,498	6,468	1.94%
2001	n/a	n/a	47,425,379	7,474	6,345	-1.03%
2000	n/a	n/a	49,594,954	7,736	6,411	0.39%

Source: Findlay CSD, Treasurer's Office.

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

Student Attendance Percentage	Students on Free & Reduced Lunches	Percentage of Students on Free & Reduced Lunches	Teaching Staff	Student/Teacher Ratio
93.9%	2,330	39.1%	440	13.54
93.9%	2,161	36.1%	454	13.20
95.4%	1,911	29.1%	424	15.48
95.4%	2,037	31.0%	431	15.25
95.4%	1,874	28.8%	437	14.89
95.7%	1,701	26.6%	468	13.65
95.7%	1,459	22.6%	471	13.71
95.9%	1,673	25.9%	471	13.73
95.5%	1,356	21.4%	456	13.91
94.8%	1,631	25.4%	449	14.28

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
 TEACHER STATISTICS
 JUNE 30, 2009

Education	Number of Teachers	Percentage of Teachers	Salary Range	Average Salary
Bachelor's Degree	59	13.41%	\$31,457 - \$53,729	\$ 39,363
Bachelor's Degree plus 15 hours	32	7.27%	32,221 - 55,603	45,459
Bachelor's Degree plus 30 hours	42	9.55%	32,983 - 57,478	51,858
Master's Degree	115	26.14%	54,511 - 63,052	50,267
Master's Degree plus 15 hours	60	13.64%	36,037 - 67,007	59,922
Master's Degree plus 30 hours	125	28.41%	37,566 - 70,964	68,069
Non-Degree	7	1.59%	30,636 - 51,794	48,094
Total	440	100.00%		

Experience	Number of Teachers	Percentage of Teachers	Salary Range	Average Salary
0 - 5 years	107	24.32%	\$32,322 - \$50,481	\$ 38,916
6 - 10 years	77	17.50%	41,320 - 60,219	50,706
11 - 20 years	122	27.73%	58,737 - 68,868	58,737
Over 20 years	134	30.45%	66,732 - 72,915	66,732
Total	440	100.00%		

Source: Findlay CSD, Treasurer's Office.



Mary Taylor, CPA
Auditor of State

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 2, 2010