

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**OF THE**

**FINDLAY, OHIO**

**CITY SCHOOL DISTRICT**

**FOR THE**

**FISCAL YEAR ENDED JUNE 30, 2013**

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

**1100 BROAD AVENUE  
FINDLAY, OHIO 45840**





# Dave Yost • Auditor of State

Board of Education  
Findlay City School District  
1219 West Main Cross  
Findlay, Ohio 45840

We have reviewed the *Independent Auditors' Report* of the Findlay City School District, Hancock County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2012 through June 30, 2013. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

February 18, 2014

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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, 2013

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HANCOCK COUNTY, OHIO**

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

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# Findlay City Schools

December 26, 2013

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, 2013. 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, the Findlay Public Library, financial rating services, and other interested parties.

The Comprehensive Annual Financial Report is presented in three sections:

1. The Introductory Section, which is unaudited, includes a Table of Contents, this Letter of Transmittal, a List of Principal Officials, an Organizational Chart, the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the 2012 CAFR, and the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for the 2012 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 896 public school districts and community schools in the State of Ohio and one of eight school districts in Hancock County. It provides education to approximately 5,800 students in pre-kindergarten through grade 12. The District is located in northwestern Ohio, approximately 65 miles south of the City of Toledo. 98 percent of the District's territory is within the City of Findlay, the county seat. The District serves an area of approximately 37 square miles.

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

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

## THE REPORTING ENTITY

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

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

## **ECONOMIC OUTLOOK**

With a total assessed valuation of \$770,698,760 and a tax rate of \$64.95 per \$1,000.00 of assessed valuation, the District has a sound financial base. A sexennial reappraisal of all real property was completed in 2010. This resulted in a valuation loss of approximately five percent. However, property tax revenue grew due to the recently passed 4.3 mill bond levy complemented by the State of Ohio's HB 920 effect where property taxes do not necessarily increase nor decrease to the same degree as valuation changes. The Findlay community continues to explore solutions to frequent flooding issues that were most notable from the August 2007 flood and another large flood that hit in February 2008. The District is concerned with the ability and willingness of its taxpayers to support future levies given the financial hardships that voters may be experiencing as a result of past and future flooding; however, taxpayers did step up to approve a 5.9 mill replacement levy in November 2008; and a 4.3 mill, 28 year bond levy in November 2009 after a failed attempt in August 2009. Voters also passed a 4.9 mill, 5 year renewal levy in March 2012 by a historically large margin.

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 2013-2014 school year, the Governor and General Assembly passed a new biennium budget which attempted to restructure the funding formula from many past attempts. The District benefited from the new formula which is based on various components; however, Findlay Schools 2013-14 state funding has been capped such that our funding will not increase by more than 6.25% over fiscal year 2013, and no more than 10.5% over fiscal year 2014. The District continues to be locally proactive in cost containment and is not optimistic for any solutions from the State given the current stagnant national and local economies, as well as the history of school funding's susceptibility to political whims.

Total budgeted general fund revenues for fiscal year 2014 are forecast to increase by \$1.7 million primarily due to increased state funding and additional property tax collections. An increase of \$0.8 million is anticipated for fiscal year 2014 as a result of the new formula. The District's total expected expenditures for fiscal year 2014 will be about \$1.5 million more than the actual expenditures of fiscal year 2013. This is due to negotiated salary increases as well as additional costs for school choice where the District must pay \$5,745 for each student going to other districts or charter schools.

Ohio school districts cannot generate significant additional revenue from taxes except by the vote of the people. On March 6, 2012, the voters elected to replace an expiring 4.9 mill levy for five years. On November 4, 2008, the voters replaced a 5.9 mill levy for which collections will expire in December 2014. Voters will be asked to renew that levy in May 2014. Resources of the general fund will be impacted in the future by the struggling economy and past Ohio tax reforms including the recent elimination of tangible personal property taxes, as well as increasing health care costs, although the District continually looks for ways to contain those increasing 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 and reauthorized in 2010:

- 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. 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 consolidated the south, north, and east campuses of Millstream Career Center into one location. The District also converted its three (3) small middle schools into two (2) larger, more efficient, newly constructed middle schools. The Millstream Career Center was completed for the start of the 2012-13 school year, while the new middle schools first accepted students in January 2013.

The District now supports one high school, two middle schools, and eight elementary buildings along with Millstream Career Center for vocational education, and a former elementary school that now serves as a preschool and central administration building. The District also owns and operates a transportation facility. These district buildings range in age from 43 to 87 years old, except for those that are newly built. The District's enrollment is on a steady decline that is projected to continue. This has allowed for building consolidation opportunities.

## **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**

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

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

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

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

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

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

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

As an additional safeguard, all employees are covered by a blanket bond, and 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 year 2013 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 net position balance of \$1,750,077 at June 30, 2013, compared to a net position balance of \$1,642,011 at June 30, 2012, reflecting an increase in net position of \$108,066.

Fiduciary Funds - The fiduciary funds account for assets held by the District in a trustee capacity, or as an agent, for other funds, governments, organizations, or individuals. The District maintains a private-purpose trust fund and an agency fund. The private-purpose trust fund had a net position of \$57,391 at June 30, 2013, compared to a net position of \$58,388 at June 30, 2012.

## **LONG-TERM FINANCIAL PLANNING**

The District will continue to implement new courses of study in an ongoing effort to meet, and exceed, the national and state standards to affect student outcomes in order to achieve an A grade on the Ohio Report Card. Part of this effort is the adoption of a more rigorous high school program and the implementation of all day every day kindergarten. However, the District will remain financially prudent and will not offer courses without sufficient demand and expects that class sizes may slightly 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 are prepared in accordance with GAAP, and the major bond rating agencies review the data presented in such reports before determining a public agency's bond rating. The District's bond rating is Aa3 from Moody's.

## INDEPENDENT AUDIT

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

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

## AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Findlay City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The District has received this award for the past twenty-two (22) 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, 2012. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. The District has received this award for the past twenty-two (22) 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.

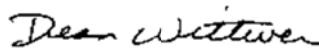
Special appreciation is expressed to Mr. Randy Tucker, of Julian & Grube, Inc., who compiled this report in compliance with GAO guidance, and to the auditors of Charles E. Harris & Associates, Inc., who audited this report.

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

Respectfully,



Michael T. Barnhart, CPA  
Treasurer



Dean A. Wittwer  
Superintendent

**FINDLAY CITY SCHOOL DISTRICT**

**LIST OF PRINCIPAL OFFICIALS**

**JUNE 30, 2013**

**BOARD OF EDUCATION**

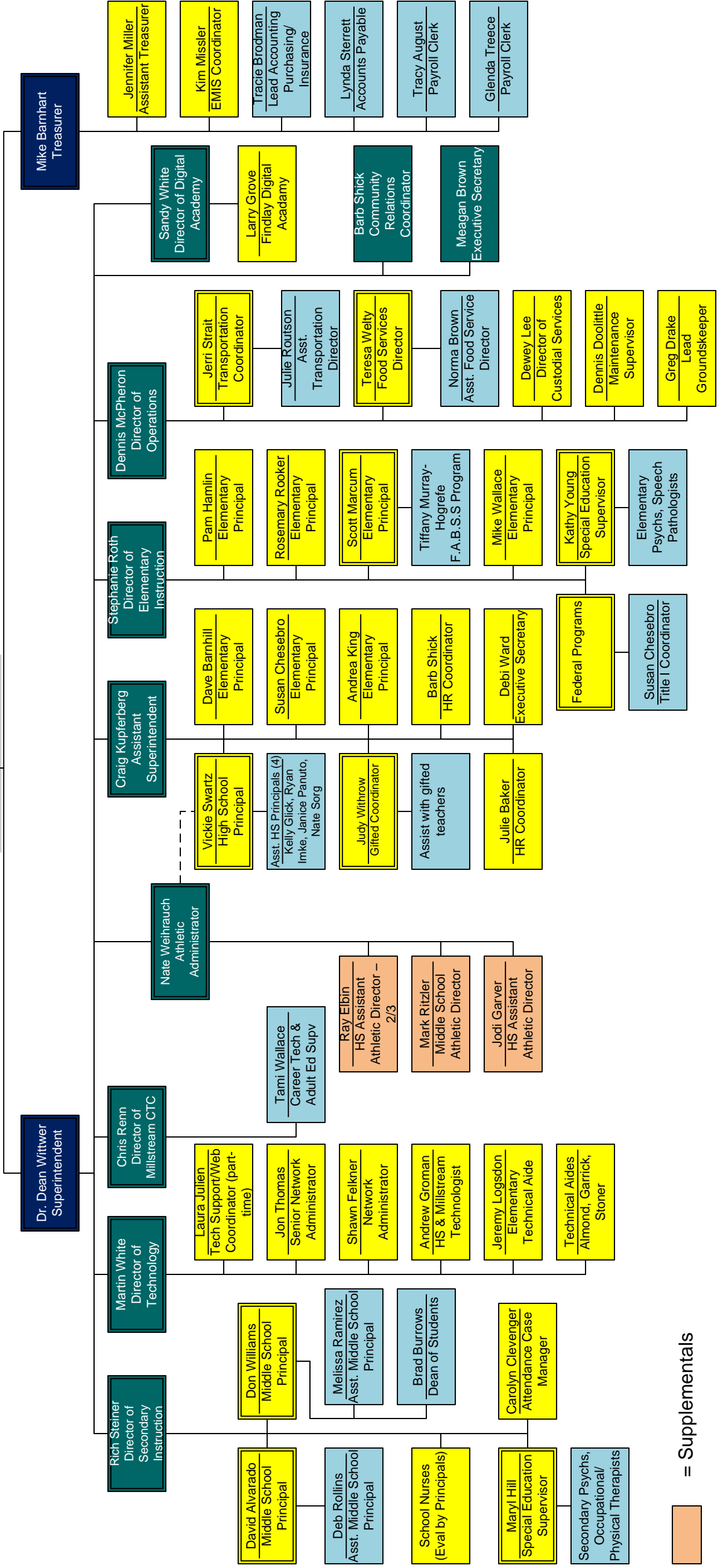
Mr. Shane Pochard. . . . . President  
Dr. Kathy Siebenaler Wilson. . . . . Vice-President  
Mrs. Barbara Dysinger . . . . . Member  
Mrs. Jane Robertson. . . . . Member  
Mrs. Barbara Lockard. . . . . Member

**ADMINISTRATION**

Mr. Dean A. Wittwer. . . . . Superintendent  
Mr. Craig Kupferberg. . . . . Assistant Superintendent  
Mr. Michael T. Barnhart. . . . . Treasurer  
Mrs. Jennifer Miller. . . . . Assistant Treasurer  
Ms. Stephanie Roth. . . . . Director of Elementary Curriculum  
Mr. Richard Steiner . . . . . Director of Secondary Curriculum  
Mr. Martin White. . . . . Director of Technology  
Mr. Dennis McPheron. . . . . Director of Facilities



# Findlay City Schools 2012 – 2013 Leadership Team



= Supplementals



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Findlay City School District**  
**Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## Findlay City School District

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2012*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, appearing to read 'Ron McCulley', written over a horizontal line.

**Ron McCulley, CPPB, RSBO**  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

**John D. Musso, CAE, RSBA**  
Executive Director

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# FINANCIAL SECTION

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Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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## **INDEPENDENT AUDITORS' REPORT**

Findlay City School District  
Hancock County  
1219 West Main Cross  
Suite 101  
Findlay, Ohio 45840

To the Board of Education:

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to opine on these financial statements based on our audit. We did not audit the financial statements of the Findlay Digital Academy, the District's only discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Findlay City School District, is based solely on the report of other auditors. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, 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, each major fund, and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As described in Note 3 to the financial statements, during the fiscal year 2013, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

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

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

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

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



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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
December 26, 2013

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

The management's discussion and analysis of the Findlay City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2013. 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 2013 are as follows:

- In total, net position of governmental activities increased \$3,466,582 which represents a 6.46% increase from 2012, as restated in Note 3.A.
- General revenues accounted for \$55,408,936 in revenue or 82.13% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$12,059,141 or 17.87% of total revenues of \$67,468,077.
- The District had \$64,001,495 in expenses related to governmental activities; only \$12,059,141 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 \$55,408,936 were adequate to provide for these programs.
- The District's major governmental funds are the general fund and the classroom facilities fund. The general fund had \$54,249,095 in revenues and other financing sources and \$54,860,339 in expenditures. During fiscal year 2013, the general fund's fund balance decreased \$606,020 from a balance of \$10,016,165 to a balance of \$9,410,145.
- The classroom facilities fund had \$1,188,936 in revenues and \$22,900,900 in expenditures. During fiscal year 2013, the classroom facilities fund's fund balance decreased \$21,711,964 from a balance of \$25,949,977 to a balance of \$4,238,013. The decrease in fund balance was the result of expenditures related to the OSFC project.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

**Reporting the District as a Whole**

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

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

The District's statement of net position and statement of activities can be found on pages F14-F15 of this report.

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

***Fund Financial Statements***

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

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages F16-F20 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 F21-F23 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

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

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages F24 and F25. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F26-F67 of this report.

**The District as a Whole**

Certain asset, liability, deferred inflow, and net position classifications have been restated by the District for fiscal year 2012 to conform to fiscal year 2013 presentation in accordance with GASB Statements No. 63 and 65. The net position of the District was restated at June 30, 2012 as described in Note 3.A to the basic financial statements. The table below provides a summary of the District's net position at June 30, 2013 and June 30, 2012.

	Net Position	
	Governmental Activities 2013	(Restated) Governmental Activities 2012
<b><u>Assets</u></b>		
Current and other assets	\$ 61,269,768	\$ 87,758,262
Capital assets	<u>86,936,174</u>	<u>58,746,154</u>
Total assets	<u>148,205,942</u>	<u>146,504,416</u>
<b><u>Liabilities</u></b>		
Current liabilities	9,876,479	10,708,819
Long-term liabilities	<u>56,702,784</u>	<u>57,743,291</u>
Total liabilities	<u>66,579,263</u>	<u>68,452,110</u>
<b><u>Deferred inflows</u></b>		
Property taxes levied for the next fiscal year	24,462,950	24,279,929
Payment in lieu of taxes levied for the next fiscal year	<u>52,672</u>	<u>127,902</u>
Total deferred inflows	<u>24,515,622</u>	<u>24,407,831</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	36,707,854	33,870,976
Restricted	11,034,090	9,747,567
Unrestricted	<u>9,369,113</u>	<u>10,025,932</u>
Total net position	<u>\$ 57,111,057</u>	<u>\$ 53,644,475</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

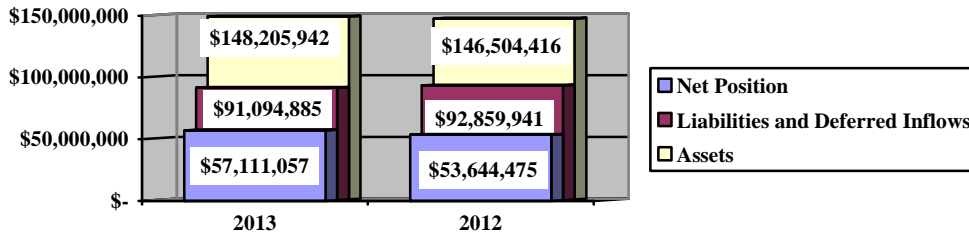
Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2013, the District's assets exceeded liabilities and deferred inflows by \$57,111,057. Of this total \$11,034,090 is restricted in use. This includes \$6,833,512 restricted for capital projects. The changes in current and other assets and capital assets are primarily a result of the District acquiring capital assets related to the OSFC project.

At year-end, capital assets represented 58.66% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment and furniture and vehicles. The District's net investment in capital assets at June 30, 2013, was \$36,707,854. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$9,369,113, represents resources that are subject to external restriction on how they may be used.

The table below illustrates the District's assets, liabilities, deferred inflows and net position at June 30, 2013 and 2012, as restated in Note 3.A.

**Governmental Activities**



The net position of the District was restated at June 30, 2012 as described in Note 3.A to the basic financial statements. This table below shows the changes in net position for governmental activities for fiscal years 2013 and 2012.

	<b>Change in Net Position</b>	
	Governmental Activities 2013	(Restated) Governmental Activities 2012
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 4,284,936	\$ 4,510,622
Operating grants and contributions	7,674,205	7,540,486
Capital grants and contributions	100,000	11,000
General revenues:		
Property taxes	29,018,400	31,042,591
Grants and entitlements	25,516,833	26,451,719
Investment earnings	780,537	673,443
Decrease in fair value of investments	(812,351)	-
Miscellaneous	905,517	693,998
<b>Total revenues</b>	<b>67,468,077</b>	<b>70,923,859</b>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

	<b>Change in Net Position</b>	
	(Restated)	
	Governmental Activities 2013	Governmental Activities 2012
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 22,985,792	\$ 23,783,570
Special	6,886,178	6,927,703
Vocational	2,849,763	2,671,736
Adult/continuing	95,473	92,038
Other	5,561,892	5,027,978
Support services:		
Pupil	3,883,659	2,715,860
Instructional staff	4,451,017	4,571,308
Board of education	135,643	133,632
Administration	3,730,286	3,818,259
Fiscal	1,383,421	1,467,637
Operation and maintenance	3,248,967	5,412,920
Pupil transportation	2,185,744	2,131,581
Central	117,913	151,120
Other non-instructional services	649,898	577,016
Food service operations	1,625,835	1,911,192
Extracurricular activities	1,267,489	1,154,589
Interest and fiscal charges	<u>2,942,525</u>	<u>2,962,353</u>
Total expenses	<u>64,001,495</u>	<u>65,510,492</u>
Change in net position	3,466,582	5,413,367
Net position, beginning of year (restated)	<u>53,644,475</u>	<u>48,231,108</u>
Net position, end of year	<u>\$ 57,111,057</u>	<u>\$ 53,644,475</u>

**Governmental Activities**

Net position of the District's governmental activities increased \$3,466,582. Total governmental expenses of \$64,001,495 were offset by program revenues of \$12,059,141 and general revenues of \$55,408,936. Program revenues supported 18.84% 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 80.83% of total governmental revenue. Real estate property is reappraised every six years.

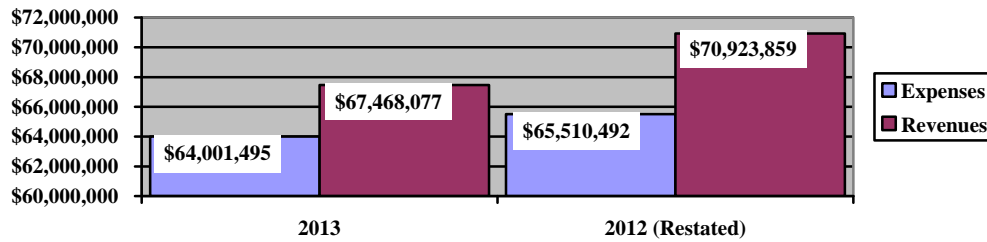
The largest expense of the District is for instructional programs. Instruction expenses totaled \$38,379,098 or 59.97% of total governmental expenses for fiscal year 2013. The decrease in operation and maintenance expenditures can be attributed to a greater amount of expenditures being capitalized during fiscal year 2013. The increase in pupil services can be attributed to an increase in instructional enhancements which fulfill the role of adjuncts to the instructional process for pupils.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

The net position of the District was restated at June 30, 2012 as described in Note 3.A to the basic financial statements. The graph below presents the District's governmental activities revenues and expenses for fiscal years 2013 and 2012.

**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 net position of the District was restated at June 30, 2012 as described in Note 3.A to the basic financial statements. 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>2013</u>	Net Cost of Services <u>2013</u>	(Restated) Total Cost of Services <u>2012</u>	(Restated) Net Cost of Services <u>2012</u>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 22,985,792	\$ 20,824,178	\$ 23,783,570	\$ 21,444,819
Special	6,886,178	3,043,762	6,927,703	3,177,286
Vocational	2,849,763	1,712,959	2,671,736	1,543,793
Adult/continuing	95,473	95,473	92,038	92,038
Other	5,561,892	5,545,092	5,027,978	4,985,630
Support services:				
Pupil	3,883,659	3,639,494	2,715,860	2,430,980
Instructional staff	4,451,017	3,431,237	4,571,308	3,562,702
Board of education	135,643	135,643	133,632	133,632
Administration	3,730,286	3,712,330	3,818,259	3,800,980
Fiscal	1,383,421	1,383,421	1,467,637	1,467,637
Operations and maintenance	3,248,967	2,647,323	5,412,920	4,938,891
Pupil transportation	2,185,744	2,077,846	2,131,581	2,038,537
Central	117,913	117,913	151,120	130,160
Other non-instructional services	649,898	9,219	577,016	147,485
Food service operations	1,625,835	36,737	1,911,192	46,700
Extracurricular activities	1,267,489	587,202	1,154,589	544,761
Interest and fiscal charges	2,942,525	2,942,525	2,962,353	2,962,353
<b>Total expenses</b>	<u>\$ 64,001,495</u>	<u>\$ 51,942,354</u>	<u>\$ 65,510,492</u>	<u>\$ 53,448,384</u>

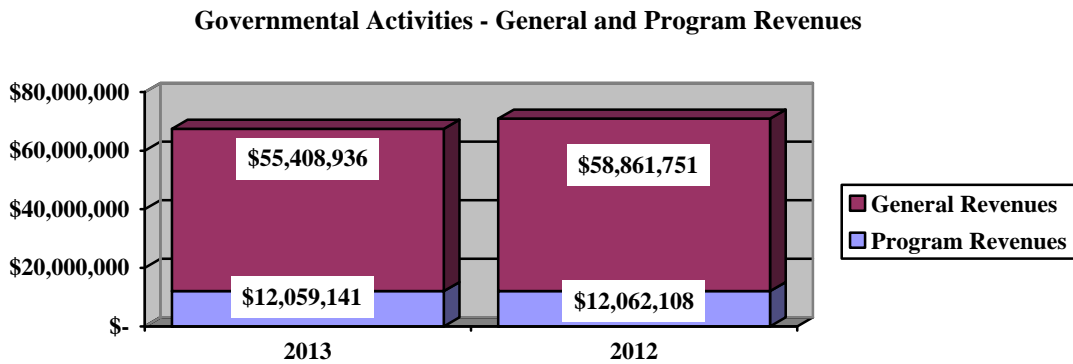


**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

The dependence upon tax and other general revenues for governmental activities is apparent; 81.35% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 81.16%. The District's taxpayers, and unrestricted grants and entitlements are the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2013 and 2012.



**The District's Funds**

The District's governmental funds (as presented on the balance sheet on page F15) reported a combined fund balance of \$22,549,058, which is less than last year's total of \$47,908,004. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2013 and 2012.

	Fund Balance <u>June 30, 2013</u>	Fund Balance <u>June 30, 2012</u>	<u>(Decrease)</u>
General	\$ 9,410,145	\$ 10,016,165	\$ (606,020)
Classroom facilities	4,238,013	25,949,977	(21,711,964)
Other governmental	<u>8,900,900</u>	<u>11,941,862</u>	<u>(3,040,962)</u>
Total	<u>\$ 22,549,058</u>	<u>\$ 47,908,004</u>	<u>\$(25,358,946)</u>

**General Fund**

The District's general fund balance decreased \$606,020. Expenditures exceeded revenues by \$611,244 in fiscal year 2013. This decrease was primarily the result of a decrease in tax revenue and a slight increase in total expenditures.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

	<u>2013</u> <u>Amount</u>	<u>2012</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 24,643,840	\$ 26,271,463	(6.20) %
Tuition	2,584,716	2,754,251	(6.16) %
Earnings on investments	245,909	436,065	(43.61) %
Intergovernmental	26,029,538	26,834,832	(3.00) %
Other revenues	<u>652,120</u>	<u>838,860</u>	(22.26) %
 Total	 <u>\$ 54,156,123</u>	 <u>\$ 57,135,471</u>	 (5.21) %
<b><u>Expenditures</u></b>			
Instruction	\$ 35,454,014	\$ 34,727,002	2.09 %
Support services	18,231,536	18,423,353	(1.04) %
Extracurricular activities	806,482	836,344	(3.57) %
Debt service	<u>368,307</u>	<u>368,307</u>	- %
 Total	 <u>\$ 54,860,339</u>	 <u>\$ 54,355,006</u>	 0.93 %

Tax revenues decreased from fiscal year 2012 to fiscal year 2013 due to a decrease in the amount of tax advances available. The amount of taxes collected and available as an advance is recorded as tax revenue on the modified accrual basis of accounting and can vary depending upon when tax bills are sent out by the County Auditor. Earnings on investments decreased from fiscal year 2012 to fiscal year 2013 due to fair market value adjustments and investments maturing during the available period. Other revenues decreased due to other miscellaneous receipts and fines not previously classified. All other revenues and expenditures remained consistent with the prior fiscal year.

***Classroom Facilities Fund***

The classroom facilities fund had \$1,188,936 in revenues and \$22,900,900 in expenditures. During fiscal year 2013, the classroom facilities fund's fund balance decreased \$21,711,964 from a balance of \$25,949,977 to a balance of \$4,238,013. The decrease in fund balance was the result of expenditures related to the OSFC project.

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2013, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were \$52,929,326, which was lower than the original budget estimate of \$57,251,445. This decrease is due to lower estimates regarding property taxes and intergovernmental revenue. Actual revenues and other financing sources for fiscal year 2013 were \$53,637,921. This represents a \$708,595 increase from final budgeted revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$55,259,764 were increased to \$55,912,263 in the final budget. Actual budget basis expenditures and other financing uses for fiscal year 2013 totaled \$54,969,359, which was \$942,904 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, 2013  
(UNAUDITED)

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2013, the District had \$86,936,174 invested in land, construction in progress, land improvements, buildings and improvements, equipment and furniture and vehicles, net of accumulated depreciation. This entire amount is reported in governmental activities. The following table shows fiscal year 2013 balances compared to 2012:

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

	Governmental Activities	
	2013	2012
Land	\$ 903,313	\$ 903,313
Construction in progress	68,304,656	42,097,591
Land improvements	3,468,709	1,337,825
Buildings and improvements	10,487,397	10,837,623
Equipment and Furniture	2,237,965	1,933,872
Vehicles	1,534,134	1,635,930
Total	\$ 86,936,174	\$ 58,746,154

Total additions to capital assets for fiscal year 2013 were \$29,266,675. The overall increase in capital assets of \$28,190,020 is primarily due to additions relating to the ongoing OSFC project exceeding the recording of \$915,369 in depreciation expense and disposals of \$161,286 (net of accumulated depreciation) for fiscal year 2013. See Note 9 to the basic financial statements for additional information on the District's capital assets.

*Debt Administration*

At June 30, 2013, the District had \$51,861,529 in general obligation bonds, asbestos removal loans and capital lease obligations outstanding. Of this total, \$1,560,548 is due within one year and \$50,300,981 is due in greater than one year. The following table summarizes the debt obligations outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities	Governmental Activities
	2013	2012
General obligation bonds	\$ 51,505,981	\$ 52,564,972
Asbestos removal loans	-	30,700
Capital lease obligations	355,548	694,419
Total	\$ 51,861,529	\$ 53,290,091

See Notes 10 and 11 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, 2013  
(UNAUDITED)**

**Current Financial Related Activities**

The District has carefully managed its finances in order to maximize the dollars spent on educating students; however, unpredictable costs and limited revenue streams continue to make it 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 is also paying special attention to its enrollment to attract and retain students while adjusting operations accordingly. For instance the District consolidated an elementary building with low enrollment into three other buildings while converting the building into both a central administrative office and a centrally located preschool facility.

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

In December 2014 the District's five-year 5.9 mill operating levy collections will end so a renewal levy must be passed in 2014. This levy amounts to \$4.5 million. The District also has a five-year 4.9 mill operating levy for which collections will end in December 2017.

In order to meet ongoing challenges, the District developed and implemented a fiscal health plan in 2006 and continues to update it with the last update taking place in May 2013. 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, 1100 Broad Avenue, Findlay, Ohio 45840.

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
STATEMENT OF NET POSITION  
JUNE 30, 2013

	<b>Governmental Activities</b>	<b>Component Unit</b>
<b>Assets:</b>		
Equity in pooled cash, cash equivalents and investments . . . . .	\$ 28,941,843	\$ 1,309,277
Cash in segregated accounts . . . . .	679,971	-
Receivables:		
Property taxes . . . . .	30,229,479	-
Payment in lieu of taxes . . . . .	52,672	-
Accounts . . . . .	29,500	-
Accrued interest . . . . .	76,661	3,691
Intergovernmental . . . . .	1,123,139	3,283
Prepayments . . . . .	77,624	-
Materials and supplies inventory . . . . .	58,879	-
Capital assets:		
Land and construction in progress . . . . .	69,207,969	-
Depreciable capital assets, net . . . . .	17,728,205	181,174
Capital assets, net . . . . .	86,936,174	181,174
Total assets . . . . .	148,205,942	1,497,425
<b>Liabilities:</b>		
Accounts payable . . . . .	311,498	17,664
Contracts payable . . . . .	1,263,960	-
Retainage payable . . . . .	791,450	-
Accrued wages and benefits . . . . .	4,396,961	-
Pension obligation payable . . . . .	1,105,718	-
Intergovernmental payable . . . . .	179,355	-
Unearned revenue . . . . .	66,666	-
Accrued interest payable . . . . .	227,586	-
Claims payable . . . . .	1,533,285	-
Long-term liabilities:		
Due within one year . . . . .	2,782,576	-
Due in more than one year . . . . .	53,920,208	-
Total liabilities . . . . .	66,579,263	17,664
<b>Deferred inflows of resources:</b>		
Property taxes levied for the next fiscal year . . . . .	24,462,950	-
Payment in lieu of taxes levied for the next fiscal year . . . . .	52,672	-
Total deferred inflows of resources . . . . .	24,515,622	-
<b>Net position:</b>		
Net investment in capital assets . . . . .	36,707,854	181,174
Restricted for:		
Capital projects . . . . .	6,833,512	-
Permanent fund - expendable . . . . .	72,812	-
Permanent fund - nonexpendable . . . . .	618,000	-
Classroom facilities maintenance . . . . .	1,667,234	-
Debt service . . . . .	942,579	-
Locally funded programs . . . . .	75,070	851
State funded programs . . . . .	35,979	-
Federally funded programs . . . . .	52,109	3,283
Student activities . . . . .	339,866	-
Other purposes . . . . .	396,929	-
Unrestricted . . . . .	9,369,113	1,294,453
Total net position . . . . .	\$ 57,111,057	\$ 1,479,761

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, 2013

	Expenses	Program Revenues			Net (Expense) Revenue and Changes Net Position	
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Unit
<b>Governmental activities:</b>						
Instruction:						
Regular . . . . .	\$ 22,985,792	\$ 1,580,078	\$ 581,536	\$ -	\$ (20,824,178)	\$ -
Special . . . . .	6,886,178	517,515	3,324,901	-	(3,043,762)	-
Vocational . . . . .	2,849,763	743,312	393,492	-	(1,712,959)	-
Adult/continuing . . . . .	95,473	-	-	-	(95,473)	-
Other . . . . .	5,561,892	-	16,800	-	(5,545,092)	-
Support services:						
Pupil . . . . .	3,883,659	-	244,165	-	(3,639,494)	-
Instructional staff . . . . .	4,451,017	-	1,019,780	-	(3,431,237)	-
Board of education . . . . .	135,643	-	-	-	(135,643)	-
Administration . . . . .	3,730,286	-	17,956	-	(3,712,330)	-
Fiscal . . . . .	1,383,421	-	-	-	(1,383,421)	-
Operations and maintenance . . . . .	3,248,967	289,108	312,536	-	(2,647,323)	-
Pupil transportation . . . . .	2,185,744	7,170	100,728	-	(2,077,846)	-
Central . . . . .	117,913	-	-	-	(117,913)	-
Operation of non-instructional services:						
Other non-instructional services . . . . .	649,898	159,904	480,775	-	(9,219)	-
Food service operations . . . . .	1,625,835	520,556	1,068,542	-	(36,737)	-
Extracurricular activities . . . . .	1,267,489	467,293	112,994	100,000	(587,202)	-
Interest and fiscal charges . . . . .	2,942,525	-	-	-	(2,942,525)	-
<b>Total governmental activities . . . . .</b>	<b>64,001,495</b>	<b>4,284,936</b>	<b>7,674,205</b>	<b>100,000</b>	<b>(51,942,354)</b>	<b>-</b>
<b>Component unit:</b>						
Findlay Digital Academy . . . . .	893,139	-	832,831	-	-	(60,308)
Total component unit . . . . .	893,139	-	832,831	-	-	(60,308)
<b>Totals . . . . .</b>	<b>\$ 64,894,634</b>	<b>\$ 4,284,936</b>	<b>\$ 8,507,036</b>	<b>\$ 100,000</b>	<b>(51,942,354)</b>	<b>(60,308)</b>
<b>General revenues:</b>						
Property taxes levied for:						
General purposes . . . . .					24,466,445	-
Debt service . . . . .					2,864,622	-
Capital outlay . . . . .					1,687,333	-
Grants and entitlements not restricted						
to specific programs . . . . .					25,516,833	77,485
Investment earnings . . . . .					780,537	7,128
Decrease in fair value of investments . . . . .					(812,351)	-
Loss on disposal of capital assets . . . . .					-	(1,311)
Miscellaneous . . . . .					905,517	-
<b>Total general revenues . . . . .</b>					<b>55,408,936</b>	<b>83,302</b>
<b>Change in net position . . . . .</b>					<b>3,466,582</b>	<b>22,994</b>
<b>Net position at beginning of year (restated) . . . . .</b>					<b>53,644,475</b>	<b>1,456,767</b>
<b>Net position at end of year . . . . .</b>					<b>\$ 57,111,057</b>	<b>\$ 1,479,761</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

	<u>General</u>	<u>Classroom Facilities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 11,658,509	\$ 4,751,586	\$ 9,260,517	\$ 25,670,612
Cash in segregated accounts . . . . .	-	487,055	192,916	679,971
Receivables:				
Property taxes . . . . .	25,466,223	-	4,763,256	30,229,479
Payment in lieu of taxes . . . . .	46,012	-	6,660	52,672
Accounts . . . . .	29,297	-	203	29,500
Accrued interest . . . . .	57,545	13,693	5,423	76,661
Intergovernmental . . . . .	607,497	225,663	289,979	1,123,139
Prepayments . . . . .	77,624	-	-	77,624
Materials and supplies inventory . . . . .	40,822	-	18,057	58,879
Total assets . . . . .	<u>\$ 37,983,529</u>	<u>\$ 5,477,997</u>	<u>\$ 14,537,011</u>	<u>\$ 57,998,537</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 262,368	\$ -	\$ 49,130	\$ 311,498
Contracts payable . . . . .	-	466,586	797,374	1,263,960
Retainage payable . . . . .	-	566,906	224,544	791,450
Accrued wages and benefits . . . . .	4,140,689	-	256,272	4,396,961
Compensated absences payable . . . . .	584,174	-	1,528	585,702
Intergovernmental payable . . . . .	166,028	-	13,327	179,355
Pension obligation payable . . . . .	1,042,876	-	62,842	1,105,718
Unearned revenue . . . . .	-	-	66,666	66,666
Claims payable . . . . .	12,131	-	-	12,131
Total liabilities . . . . .	<u>6,208,266</u>	<u>1,033,492</u>	<u>1,471,683</u>	<u>8,713,441</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	20,642,845	-	3,820,105	24,462,950
Delinquent property tax revenue not available . . . . .	1,161,378	-	220,151	1,381,529
Accrued interest not available . . . . .	29,216	-	-	29,216
Intergovernmental revenue not available . . . . .	485,667	206,492	117,512	809,671
Payment in lieu of taxes levied for the next fiscal year . . . . .	46,012	-	6,660	52,672
Total deferred inflows of resources . . . . .	<u>22,365,118</u>	<u>206,492</u>	<u>4,164,428</u>	<u>26,736,038</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	118,446	-	636,057	754,503
Restricted . . . . .	-	4,238,013	8,119,913	12,357,926
Committed . . . . .	-	-	228,736	228,736
Assigned . . . . .	3,401,843	-	-	3,401,843
Unassigned (deficit) . . . . .	5,889,856	-	(83,806)	5,806,050
Total fund balances . . . . .	<u>9,410,145</u>	<u>4,238,013</u>	<u>8,900,900</u>	<u>22,549,058</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 37,983,529</u>	<u>\$ 5,477,997</u>	<u>\$ 14,537,011</u>	<u>\$ 57,998,537</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2013

<b>Total governmental fund balances</b>		\$	22,549,058
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			86,936,174
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	1,381,529	
Accrued interest receivable		29,216	
Intergovernmental receivable		809,671	
Total			2,220,416
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.			1,750,077
Unamortized premiums on bonds issued are not recognized in the funds.			(446,890)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(227,586)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(51,505,981)	
Capital lease obligations		(355,548)	
Compensated absences		(3,808,663)	
Total			(55,670,192)
<b>Net position of governmental activities</b>		<b>\$</b>	<b>57,111,057</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>General</u>	<u>Classroom Facilities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 24,466,649	\$ -	\$ 4,549,945	\$ 29,016,594
Payment in lieu of taxes . . . . .	177,191	-	25,636	202,827
Tuition . . . . .	2,584,716	-	-	2,584,716
Earnings on investments . . . . .	245,909	360,122	191,714	797,745
Charges for services . . . . .	-	-	520,556	520,556
Extracurricular . . . . .	9,960	-	474,463	484,423
Classroom materials and fees . . . . .	347,889	-	19,119	367,008
Rental income . . . . .	17,179	-	252,835	270,014
Contributions and donations . . . . .	5,141	-	489,413	494,554
Contract services . . . . .	58,219	-	-	58,219
Other local revenues . . . . .	624,755	6,128	125,506	756,389
Intergovernmental - state . . . . .	25,875,478	1,096,872	1,056,162	28,028,512
Intergovernmental - federal . . . . .	154,060	-	5,495,168	5,649,228
Decrease in fair value of investments . . . . .	(411,023)	(274,186)	(127,142)	(812,351)
<b>Total revenues . . . . .</b>	<b>54,156,123</b>	<b>1,188,936</b>	<b>13,073,375</b>	<b>68,418,434</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	22,051,845	-	969,968	23,021,813
Special . . . . .	5,242,745	-	1,530,885	6,773,630
Vocational . . . . .	2,535,969	-	98,941	2,634,910
Adult/continuing . . . . .	96,140	-	-	96,140
Other . . . . .	5,527,315	-	34,577	5,561,892
Support services:				
Pupil . . . . .	2,153,083	2,349,500	587,891	5,090,474
Instructional staff . . . . .	3,380,915	-	1,003,482	4,384,397
Board of education . . . . .	132,684	2,959	-	135,643
Administration . . . . .	3,828,700	-	18,519	3,847,219
Fiscal . . . . .	1,406,882	-	-	1,406,882
Operations and maintenance . . . . .	5,010,082	-	621,872	5,631,954
Pupil transportation . . . . .	2,067,872	-	9,092	2,076,964
Central . . . . .	119,384	-	2,226	121,610
Operation of non-instructional services				
Other non-instructional services . . . . .	131,934	-	475,244	607,178
Food service operations . . . . .	-	-	1,625,328	1,625,328
Extracurricular activities . . . . .	806,482	-	605,900	1,412,382
Facilities acquisition and construction . . . . .	-	20,548,441	4,507,513	25,055,954
Debt service:				
Principal retirement . . . . .	338,871	-	1,160,700	1,499,571
Interest and fiscal charges . . . . .	29,436	-	2,863,370	2,892,806
<b>Total expenditures . . . . .</b>	<b>54,860,339</b>	<b>22,900,900</b>	<b>16,115,508</b>	<b>93,876,747</b>
Excess of expenditures over revenues . . . . .	(704,216)	(21,711,964)	(3,042,133)	(25,458,313)
<b>Other financing sources (uses):</b>				
Sale of capital assets . . . . .	92,972	-	-	92,972
Transfers in . . . . .	-	-	150,624	150,624
Transfers (out) . . . . .	-	-	(150,624)	(150,624)
<b>Total other financing sources (uses) . . . . .</b>	<b>92,972</b>	<b>-</b>	<b>-</b>	<b>92,972</b>
Net change in fund balances . . . . .	(611,244)	(21,711,964)	(3,042,133)	(25,365,341)
<b>Fund balances at beginning of year . . . . .</b>	<b>10,016,165</b>	<b>25,949,977</b>	<b>11,941,862</b>	<b>47,908,004</b>
<b>Increase in reserve for inventory . . . . .</b>	<b>5,224</b>	<b>-</b>	<b>1,171</b>	<b>6,395</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 9,410,145</b>	<b>\$ 4,238,013</b>	<b>\$ 8,900,900</b>	<b>\$ 22,549,058</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**Net change in fund balances - total governmental funds** \$ (25,365,341)

*Amounts reported for governmental activities in the statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital asset additions	\$	29,266,675	
Current year depreciation		(915,369)	
<b>Total</b>		<b>28,351,306</b>	<b>28,351,306</b>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. (161,286)

Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed. 6,395

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes		1,806	
Earnings on investments		(40,167)	
Intergovernmental		(855,377)	
<b>Total</b>		<b>(893,738)</b>	<b>(893,738)</b>

Repayment of loan, capital lease obligation and bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. 1,499,571

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:

Decrease in accrued interest payable		2,987	
Accreted interest on capital appreciation bonds		(71,009)	
Amortization of bond premiums		18,303	
<b>Total</b>		<b>(49,719)</b>	<b>(49,719)</b>

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. (28,672)

An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 108,066

**Change in net position of governmental activities** \$ 3,466,582

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 26,883,065	\$ 24,849,918	\$ 24,661,927	\$ (187,991)
Payment in lieu of taxes. . . . .	177,191	177,191	177,191	-
Tuition. . . . .	2,278,207	2,106,217	1,640,755	(465,462)
Earnings on investments . . . . .	377,008	348,547	326,139	(22,408)
Classroom materials and fees . . . . .	11,849	10,954	7,444	(3,510)
Rental income . . . . .	37,701	34,855	17,179	(17,676)
Contributions and donations . . . . .	5,386	4,979	2,402	(2,577)
Other local revenues . . . . .	167,502	141,480	523,602	382,122
Intergovernmental - state . . . . .	27,082,118	25,037,591	25,828,469	790,878
Intergovernmental - federal . . . . .	183,118	169,294	154,060	(15,234)
<b>Total revenues . . . . .</b>	<b>57,203,145</b>	<b>52,881,026</b>	<b>53,339,168</b>	<b>458,142</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	21,234,495	21,824,370	21,778,314	46,056
Special. . . . .	5,894,522	5,399,629	5,288,130	111,499
Vocational. . . . .	2,559,685	2,547,104	2,510,584	36,520
Other. . . . .	4,880,118	5,676,244	5,603,724	72,520
Support services:				
Pupil. . . . .	2,451,100	2,211,380	2,131,916	79,464
Instructional staff . . . . .	3,050,047	3,105,125	2,935,479	169,646
Board of education . . . . .	192,962	197,263	166,580	30,683
Administration. . . . .	3,837,965	3,799,013	3,774,409	24,604
Fiscal . . . . .	1,499,107	1,528,636	1,437,401	91,235
Operations and maintenance. . . . .	6,138,334	6,179,243	6,096,453	82,790
Pupil transportation . . . . .	2,163,399	2,306,012	2,273,721	32,291
Central. . . . .	87,379	73,100	44,259	28,841
Extracurricular activities. . . . .	867,284	889,267	810,580	78,687
Facilities acquisition and construction . . . . .	25,867	26,377	20,246	6,131
<b>Total expenditures . . . . .</b>	<b>54,882,264</b>	<b>55,762,763</b>	<b>54,871,796</b>	<b>890,967</b>
Excess (deficiency) of revenues over (under) expenditures. . . . .	2,320,881	(2,881,737)	(1,532,628)	1,349,109
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	45,000	45,000	205,781	160,781
Refund of prior year's receipts. . . . .	(2,500)	(24,500)	(22,563)	1,937
Transfers (out). . . . .	(85,000)	(85,000)	(75,000)	10,000
Advances (out) . . . . .	(290,000)	(40,000)	-	40,000
Sale of capital assets . . . . .	3,300	3,300	92,972	89,672
<b>Total other financing sources (uses) . . . . .</b>	<b>(329,200)</b>	<b>(101,200)</b>	<b>201,190</b>	<b>302,390</b>
Net change in fund balance . . . . .	1,991,681	(2,982,937)	(1,331,438)	1,651,499
<b>Fund balance at beginning of year . . . . .</b>	<b>10,155,019</b>	<b>10,155,019</b>	<b>10,155,019</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>1,021,184</b>	<b>1,021,184</b>	<b>1,021,184</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 13,167,884</b>	<b>\$ 8,193,266</b>	<b>\$ 9,844,765</b>	<b>\$ 1,651,499</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 JUNE 30, 2013

	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and investments . . . . .	<u>\$ 3,271,231</u>
Total assets . . . . .	<u>3,271,231</u>
<b>Liabilities:</b>	
Current liabilities:	
Claims payable . . . . .	<u>1,521,154</u>
Total liabilities . . . . .	<u>1,521,154</u>
<b>Net position:</b>	
Unrestricted . . . . .	<u>1,750,077</u>
Total net position . . . . .	<u>\$ 1,750,077</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 PROPRIETARY FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<b>Governmental            Activities -            Internal            Service Fund</b>
<b>Operating revenues:</b>	
Charges for services . . . . .	\$ 6,618,940
Total operating revenues . . . . .	<u>6,618,940</u>
<b>Operating expenses:</b>	
Personal services. . . . .	202,341
Purchased services. . . . .	949,610
Claims . . . . .	<u>5,403,432</u>
Total operating expenses. . . . .	<u>6,555,383</u>
Operating income . . . . .	<u>63,557</u>
<b>Nonoperating revenues:</b>	
Interest revenue . . . . .	<u>44,509</u>
Total nonoperating revenues. . . . .	<u>44,509</u>
Change in net position . . . . .	108,066
<b>Net position at beginning of year. . . . .</b>	<u>1,642,011</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 1,750,077</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services . . . . .	\$ 6,618,940
Cash payments for personal services. . . . .	(202,341)
Cash payments for contractual services . . . . .	(949,610)
Cash payments for claims . . . . .	<u>(5,356,289)</u>
 Net cash provided by operating activities . . . . .	 <u>110,700</u>
<b>Cash flows from investing activities:</b>	
Interest received . . . . .	<u>44,509</u>
 Net cash provided by investing activities . . . . .	 <u>44,509</u>
 Net increase in cash and cash equivalents . . . . .	 155,209
 <b>Cash and cash equivalents at beginning of year . . .</b>	 <u>3,116,022</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<b><u>\$ 3,271,231</u></b>
 <b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income . . . . .	\$ 63,557
Changes in assets and liabilities:	
Increase in claims payable . . . . .	<u>47,143</u>
 Net cash provided by operating activities . . . . .	 <u>\$ 110,700</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2013

	<b>Private Purpose Trust</b>	
	<b>Scholarship</b>	<b>Agency</b>
<b>Assets:</b>		
Equity in pooled cash and investments . . . . .	\$ 57,665	\$ 118,912
Receivables:		
Accounts . . . . .	-	791
Total assets. . . . .	57,665	\$ 119,703
<b>Liabilities:</b>		
Accounts payable. . . . .	274	\$ 37
Intergovernmental payable . . . . .	-	9
Due to students. . . . .	-	119,657
Total liabilities . . . . .	274	\$ 119,703
<b>Net position:</b>		
Held in trust for scholarships . . . . .	57,391	
Total net position. . . . .	\$ 57,391	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<b>Private Purpose Trust</b>
	<b>Scholarship</b>
<b>Additions:</b>	
Interest . . . . .	\$ 677
Gifts and contributions. . . . .	39,553
Total additions. . . . .	40,230
<b>Deductions:</b>	
Scholarships awarded . . . . .	41,227
Change in net position . . . . .	(997)
<b>Net position at beginning of year. . . . .</b>	<b>58,388</b>
<b>Net position at end of year . . . . .</b>	<b>\$ 57,391</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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

The District operates under a locally elected, five-member Board and provides educational services as authorized by its charter or further mandated by State and/or federal agencies. The Board controls the District's fourteen instructional facilities and one support facility staffed by 345 certified teaching personnel, 398 classified support personnel, and 49 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.

It currently operates 9 elementary schools, 2 middle schools, 1 high school, and a vocational center, to provide services to approximately 5,757 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's significant accounting policies are described below.

**A. Reporting Entity**

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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

*DISCRETELY PRESENTED COMPONENT UNIT*

Findlay Digital Academy

The Findlay Digital Academy (the "Academy") is a Conversion Community School established pursuant to Ohio Revised Code, Chapter 3314. The Academy is sponsored by the District to serve ninth through twelfth grade students living in the District. The Academy's mission is to enhance and facilitate student learning by combining state-of-the-art digital curriculum with access to local school resources to complement that instruction and prepare students to become lifelong learners and productive citizens. The Academy is governed by a seven-member Board of Directors, the majority of which are public officials or public sector employees who have a professional interest in furthering the establishment of the Academy, the District's Superintendent, who serves as the non-voting Board President, and can also include one or more parents of enrolled students and community civic leaders. The 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, through contractual arrangements, the District is able to access a significant portion of the Academy's resources. Based on the District's relationship with the Academy and due to the significant resources and services provided by the District to the Academy, it would be misleading to exclude the Academy from the District's financial reporting entity and as such, the Academy warrants inclusion in the District's financial statements as a discretely presented component unit.

*JOINTLY GOVERNED ORGANIZATION*

Northwest Ohio Area Computer Services Cooperative

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

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

*PUBLIC ENTITY RISK POOL*

Workers' Compensation Retrospective Ratings Plan

The District participates in the Bureau of Workers' Compensation Retrospective Rating Plan. See Note 12.B. for further details on this alternative rating plan.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

**B. Fund Accounting**

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

*GOVERNMENTAL FUNDS*

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

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

Classroom facilities fund - The classroom facilities capital projects fund is used to account for financial resources and expenditures related to the school facilities construction project.

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

*PROPRIETARY FUNDS*

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

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

*FIDUCIARY FUNDS*

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

**C. Measurement Focus**

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

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

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

*Fund Financial Statements* - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current deferred outflows and current liabilities and current deferred inflows 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 deferred outflows and all liabilities and deferred inflows associated with the operation of this fund are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

**D. Basis of Accounting**

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

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

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

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

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

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as deferred inflows. Payment in lieu of taxes and grants not received within the available period, grants and entitlements received before the eligibility requirements are met, accrued interest not available and delinquent property taxes due at June 30, 2013, are recorded as deferred inflows on the governmental fund financial statements.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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 first two digits of function level for the general fund and at the fund level for all other funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education.

Tax Budget:

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

Estimated Resources:

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

Appropriations:

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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

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

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

**F. Cash and Investments**

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

During fiscal year 2013, investments were limited to nonnegotiable certificates of deposits, negotiable certificates of deposit, federal agency securities, U.S. Treasury notes, a U.S. Treasury money market fund, a U.S. government 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 2013. 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, 2013.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2013 amounted to \$245,909, which includes \$102,575 assigned from other District funds.

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**G. Inventory**

On government-wide and fund financial statements, purchased inventories are presented 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 position, but are not reported in the fund financial statements.

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

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

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

**I. Compensated Absences**

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



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2013, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, employees age 50 with at least 10 years of service and any employees with at least 15 years of service regardless of their age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2013 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, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. 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.

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

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

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

**K. Fund Balance**

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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

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

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

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

**L. Net Position**

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

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

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

**M. Prepayments**

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

**N. Estimates**

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

**O. Interfund Activity**

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

**P. Parochial Schools**

St. Michael's Elementary, 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.

**Q. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2013.

**R. Bond Premium**

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

On the basic financial statements, issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 11.A.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2013, the District has implemented GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34", GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements", GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", and GASB Statement No. 66, "Technical Corrections-2012".

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the District.

GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Finally, the Statement also clarifies the reporting of equity interests in legally separate organizations. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the District.

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and local governments so that they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the District.

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the District's financial statements to incorporate the concepts of net position, deferred outflows of resources and deferred inflows of resources.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. For the District, the implementation of GASB Statement No. 65 has changed (1) the classification of certain items, including the deferral of property taxes levied for the subsequent fiscal year, previously reported as liabilities to *deferred inflows of resources*, (2) the classification of unamortized deferred charges on debt refunding transactions from a reduction of liabilities to *deferred outflows of resources*, (3) the reporting of debt issuance costs to an expense in the period incurred rather than amortized over the term of the related debt issuance and (4) net assets of the District as previously reported to remove unamortized bond issuance costs previously reported.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

The implementation of GASB Statement No. 65 had the following effect on net assets as previously reported:

	Governmental Activities
Net assets as previously reported	\$ 54,101,720
Removal of unamortized bond issuance costs	(457,245)
Net position at July 1, 2012	\$ 53,644,475

GASB Statement No. 66 enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the District.

**B. Deficit Fund Balances**

Fund balances at June 30, 2013 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
IDEA Part-B	\$ 43,241
Title III Limited english proficiency	32
Improving teacher quality	40,533

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

**A. Cash on Hand**

At fiscal year end, the District had \$2,200 in undeposited cash on hand which is included on the financial statements of the District as part of “equity in pool cash and investments”.

**B. Cash in Segregated Accounts**

At fiscal year end, the District had \$679,971 of cash in segregated accounts, which is not included in “equity in pooled cash and cash equivalents” in the financial statements of the District. This cash in segregated accounts represents amounts held in escrow for retainage related to the OSFC construction project.

**C. Deposits with Financial Institutions**

At June 30, 2013, the carrying amount of all District deposits was \$3,837,571. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2013, \$3,605,997 of the District’s bank balance of \$4,506,704 was covered by the Federal Deposit Insurance Corporation, while \$900,707 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.

**D. Investments**

As of June 30, 2013, 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>
FNMA	\$ 4,518,787	\$ -	\$ -	\$ -	\$ -	\$ 4,518,787
FHLB	5,836,833	-	-	-	-	5,836,833
FFCB	2,743,907	-	-	-	-	2,743,907
FHLMC	5,106,306	-	-	-	400,956	4,705,350
U. S. Treasury notes	305,343	-	-	-	-	305,343
U. S. Treasury money market fund	4,840,342	4,840,342	-	-	-	-
Negotiable CDs	1,918,584	95,065	301,720	-	514,193	1,007,606
STAR Ohio	8,547	8,547	-	-	-	-
<b>Total</b>	<b>\$ 25,278,649</b>	<b>\$ 4,943,954</b>	<b>\$ 301,720</b>	<b>\$ -</b>	<b>\$ 915,149</b>	<b>\$ 19,117,826</b>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

The weighted average maturity of investments is 3.23 years.

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

*Credit Risk:* The District's investments, except for STAR Ohio, were rated AA+ and AAA by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The 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).

*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, 2013:

<u>Investment</u>	<u>Fair Value</u>	<u>Percent of Total</u>
FNMA	\$ 4,518,787	17.88
FHLB	5,836,833	23.09
FFCB	2,743,907	10.85
FHLMC	5,106,306	20.20
U. S. Treasury notes	305,343	1.21
U. S. Treasury money market fund	4,840,342	19.15
Negotiable CDs	1,918,584	7.59
STAR Ohio	<u>8,547</u>	<u>0.03</u>
Total	<u>\$ 25,278,649</u>	<u>100.00</u>



**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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

The following is a reconciliation of cash and investments as reported in the note disclosure above to cash and investments as reported on the statement of net position as of June 30, 2013:

<u>Cash and investments per note disclosure</u>	
Carrying amount of deposits	\$ 3,837,571
Investments	25,278,649
Cash in segregated accounts	679,971
Cash on hand	<u>2,200</u>
Total	<u>\$ 29,798,391</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 29,621,814
Private-purpose trust funds	57,665
Agency funds	<u>118,912</u>
Total	<u>\$ 29,798,391</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

Interfund transfers for the fiscal year ended June 30, 2013 consisted of the following transfers, as reported in the fund financial statements:

	<u>Amount</u>
<u>Transfers from nonmajor governmental fund to:</u>	
Nonmajor governmental fund	<u>\$ 150,624</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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.

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2013 represent the collection of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed values as of January 1, 2012, 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 2013 represent the collection of calendar year 2012 taxes. Public utility real and personal property taxes received in calendar year 2013 became a lien on December 31, 2011, were levied after April 1, 2012, 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.

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, 2013, are available to finance fiscal year 2013 operations. The amount available as an advance at June 30, 2013 was \$3,662,000 in the general fund, \$453,000 in the bond retirement fund (a nonmajor governmental fund) and \$270,000 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2012 was \$3,857,278 in the general fund, \$484,238 in the bond retirement fund (a nonmajor governmental fund) and \$288,237 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2013 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

The assessed values upon which the fiscal year 2013 taxes were collected are:

	2012 Second Half Collections		2013 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 741,894,780	96.96	\$ 745,725,300	96.76
Public utility personal	<u>23,297,920</u>	<u>3.04</u>	<u>24,973,460</u>	<u>3.24</u>
Total	<u>\$ 765,192,700</u>	<u>100.00</u>	<u>\$ 770,698,760</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General operations	\$58.25		\$58.25	
Permanent improvements	2.50		2.50	
Bond retirement	4.20		4.20	

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

According to State law, Hancock County has entered into agreements with property owners under which Hancock County has granted property tax abatements to those property owners and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to Hancock County to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been abated. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners. The District received \$202,827 in payments in lieu of taxes during fiscal year 2013, and a receivable of \$52,672 has been reported on the statement of net position.

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2013 consisted of property taxes, payments in lieu of taxes (PILOT), accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 30,229,479
PILOT	52,672
Accounts	29,500
Intergovernmental	1,123,139
Accrued interest	<u>76,661</u>
Total	<u>\$ 31,511,451</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 8 - RECEIVABLES - (Continued)**

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected in the subsequent year, with the exception of the Ohio School Facilities Commission intergovernmental receivable of \$225,663, which will be collected over the duration of the construction project.

**NOTE 9 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Balance			Balance
<u>Governmental activities:</u>	<u>06/30/12</u>	<u>Additions</u>	<u>Deductions</u>	<u>06/30/13</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 903,313	\$ -	\$ -	\$ 903,313
Construction in progress	42,097,591	26,207,065	-	68,304,656
<i>Total capital assets, not being depreciated</i>	<u>43,000,904</u>	<u>26,207,065</u>	<u>-</u>	<u>69,207,969</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	2,169,913	2,182,154	-	4,352,067
Buildings and improvements	28,983,432	216,884	(1,071,042)	28,129,274
Equipment and furniture	11,279,265	637,539	(3,858,226)	8,058,578
Vehicles	3,659,612	23,033	(104,119)	3,578,526
<i>Total capital assets, being depreciated</i>	<u>46,092,222</u>	<u>3,059,610</u>	<u>(5,033,387)</u>	<u>44,118,445</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(832,088)	(51,270)	-	(883,358)
Buildings and improvements	(18,145,809)	(512,760)	1,016,692	(17,641,877)
Equipment and furniture	(9,345,393)	(241,153)	3,765,933	(5,820,613)
Vehicles	(2,023,682)	(110,186)	89,476	(2,044,392)
<i>Total accumulated depreciation</i>	<u>(30,346,972)</u>	<u>(915,369)</u>	<u>4,872,101</u>	<u>(26,390,240)</u>
Total capital assets, net	<u>\$ 58,746,154</u>	<u>\$ 28,351,306</u>	<u>\$ (161,286)</u>	<u>\$ 86,936,174</u>

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 9 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 334,691
Special	76,732
Vocational	110,930
<u>Support services:</u>	
Pupil	20,595
Instructional staff	31,191
Administration	38,787
Fiscal	17,369
Operations and maintenance	87,798
Pupil transportation	108,065
Other non-instructional services	38,337
Extracurricular activities	37,834
Food service operations	<u>13,040</u>
Total depreciation expense	<u>\$ 915,369</u>

**NOTE 10 - 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 generally accepted accounting principles, 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 2013, depreciation expense on capital assets acquired by capital lease totaled \$97,853. At June 30, 2013, accumulated depreciation on capital assets acquired by capital lease equaled \$1,928,749, and net capital assets acquired by capital lease totaled \$2,780,728. 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 2013, principal and interest payments in the general fund equaled \$338,871 and \$29,436, respectively.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 10 - 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, 2013:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 368,454
Less: amount representing interest	<u>(12,906)</u>
Total	<u>\$ 355,548</u>

**NOTE 11 - LONG-TERM OBLIGATIONS**

A. During fiscal year 2013, the following changes occurred in governmental activities long-term obligations:

<u>Governmental activities:</u>	<u>Balance</u>			<u>Balance</u>	<u>Amount</u>
	<u>06/30/12</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/13</u>	<u>Due in</u>
					<u>One Year</u>
<u>General obligation bonds</u>					
G.O. current interest bonds payable - 2010	\$ 52,225,000	\$ -	\$ (1,130,000)	\$ 51,095,000	\$ 1,205,000
G.O. capital appreciation bonds payable	217,135	-	-	217,135	-
Capital appreciation bonds - accreted interest	122,837	71,009	-	193,846	-
Total general obligation bonds	<u>52,564,972</u>	<u>71,009</u>	<u>(1,130,000)</u>	<u>51,505,981</u>	<u>1,205,000</u>
<u>Loans payable</u>					
Asbestos removal loans	30,700	-	(30,700)	-	-
Total loans payable	<u>30,700</u>	<u>-</u>	<u>(30,700)</u>	<u>-</u>	<u>-</u>
<u>Other long-term obligations</u>					
Capital lease obligation	694,419	-	(338,871)	355,548	355,548
Compensated absences	3,988,007	1,294,525	(888,167)	4,394,365	1,222,028
Total other long-term obligations	<u>4,682,426</u>	<u>1,294,525</u>	<u>(1,227,038)</u>	<u>4,749,913</u>	<u>1,577,576</u>
Total governmental activities	<u>\$ 57,278,098</u>	<u>\$ 1,365,534</u>	<u>\$ (2,387,738)</u>	56,255,894	<u>\$ 2,782,576</u>
				Unamortized premium on bonds	446,890
				Total on statement of net position	<u>\$ 56,702,784</u>

The asbestos removal loans were issued during fiscal year 1993, matured in fiscal year 2013, and were interest-free. Proceeds of the loans were used for capitalized improvements for school buildings throughout the District. Principal payments on the asbestos removal loans are made out of the bond retirement fund (a nonmajor governmental fund).

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

See Note 10 for detailed information on the capital lease obligation.

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

**B. General obligation bonds**

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

This issue was comprised of current interest bonds, present value \$53,975,000, and capital appreciation bonds, par value \$217,135. The capital appreciation bonds mature December 1, 2017 (stated interest 20%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$965,000. Total accreted interest of \$193,846 has been included on the statement of net position at June 30, 2013.

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

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

Fiscal Year Ending June 30,	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 1,205,000	\$ 2,839,627	\$ 4,044,627	\$ -	\$ -	\$ -
2015	1,220,000	2,807,165	4,027,165	-	-	-
2016	1,245,000	2,766,150	4,011,150	-	-	-
2017	1,395,000	2,715,143	4,110,143	-	-	-
2018	470,000	2,676,440	3,146,440	217,135	747,865	965,000
2019 - 2023	8,090,000	12,413,988	20,503,988	-	-	-
2024 - 2028	10,180,000	9,998,187	20,178,187	-	-	-
2029 - 2033	12,300,000	6,654,242	18,954,242	-	-	-
2034 - 2038	14,990,000	2,416,562	17,406,562	-	-	-
<b>Total</b>	<b>\$ 51,095,000</b>	<b>\$45,287,504</b>	<b>\$ 96,382,504</b>	<b>\$ 217,135</b>	<b>\$ 747,865</b>	<b>\$ 965,000</b>

The District had \$1,886,253 in unspent bond proceeds at June 30, 2013.

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

**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, 2013 are a voted debt margin of \$19,276,717 (including available funds of \$1,225,964), and an unvoted debt margin of \$770,699.

**NOTE 12 - 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 2013, the District contracted with the Governmental Underwriters of America for property and general liability insurance.

Professional liability is provided by the Argonaut Insurance Company with a \$7,000,000 annual aggregate (includes \$4,000,000 umbrella coverage) / \$1,000,000 single occurrence limit and a \$5,000 deductible. Vehicles are covered by the Argonaut 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.

**B. Workers' Compensation**

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



**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 12 - RISK MANAGEMENT - (Continued)**

The District's Workers' Compensation program is accounted for in the general fund which pays for all claims, claim reserves and administrative costs of the program. The general fund generates revenues by charging each fund a percentage rate determined by the Bureau for the payroll during the reporting period. The claims liability is recorded based on an actuarial determination of future claims. The claims liability is expected to be paid within one year. Changes in claims activity for current and prior fiscal year 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>
2013	\$ 11,129	\$ 12,378	\$ (11,376)	\$ 12,131
2012	31,315	(7,294)	(12,892)	11,129

**C. Employee Health Insurance**

The District's health insurance is funded through a self-insurance program. The District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The District offers three comprehensive medical/surgical plans: Original Plan, Option B Plan and Option C (HSA) Plan. About half participate in the original plan while the other half participated in Option C and very few are on Option B. The Original Plan retains a deductible of \$200 for family coverage and \$100 for single coverage for all out of network providers. The District's Original Plan is a preferred Provider Program through the Anthem network, which has co-pays ranging from \$20 to \$50. Maximum out-of-pocket expenses for employees are \$900 in addition to the deductibles. 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 of the original plan is \$1,208 for family coverage and \$414 for single coverage. The employee's monthly portion of the majority employees is \$302 for family coverage and \$103 for single coverage. For Option C (HSA) the District's monthly portion is \$1,057 for family coverage and \$362 for single coverage. However, employees are responsible for a \$2,000 per individual deductible with a \$4,000 per family out-of-pocket maximum. The premiums are paid by the fund that pays the salary for the employees and is based on historical cost information.

Dental and vision coverage is also provided on self-insured basis through Employee Benefit Consultants (EBC). Premiums for its coverage are \$94.05 monthly for family coverage and \$31.99 for single coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 12 - RISK MANAGEMENT - (Continued)**

The claims payable liability of \$1,521,154 reported in the Employee Benefits Self Insurance fund at June 30, 2013 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>
2013	\$ 1,474,011	\$ 5,403,432	\$ (5,356,289)	\$ 1,521,154
2012	1,567,658	5,979,819	(6,073,466)	1,474,011

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14. As such, no provisions are required by the District.

**NOTE 13 - 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, disability, survivor 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](http://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 2013, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. 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 and death benefits to SERS for the fiscal years ended June 30, 2013, 2012 and 2011 were \$1,020,119, \$1,020,938 and \$993,308, respectively; 69.34 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 13 - PENSION PLANS - (Continued)**

**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](http://www.strsoh.org), under "Publications".

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.

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 2013, 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, 2013, 2012 and 2011 were \$3,222,398, \$3,335,090 and \$3,524,123, respectively; 83.13 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. Contributions to the DC and Combined Plans for fiscal year 2013 were \$122,479 made by the District and \$87,485 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, 2013, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - 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, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. 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. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under "Employers/Audit Resources".

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 2013, 0.16 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the actuarially determined amount was \$20,525.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2013, 2012 and 2011 were \$145,191, \$171,068 and \$248,163, respectively; 69.34 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2013, this actuarially required allocation was 0.74 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$57,625, \$60,292 and \$63,922, respectively; 69.34 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)**

**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](http://www.strsoh.org), under "Publications" 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 2013, 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, 2013, 2012 and 2011 were \$247,877, \$256,545 and \$271,086, respectively; 83.13 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed 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) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ (1,331,438)
Net adjustment for revenue accruals	(701,093)
Net adjustment for expenditure accruals	(90,578)
Net adjustment for other sources/uses	(108,218)
Funds budgeted elsewhere*	235,691
Adjustment for encumbrances	1,384,392
GAAP basis	\$ (611,244)

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

**NOTE 16 - CONTINGENCIES**

**A. Grants**

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District at June 30, 2013.

**B. Litigation**

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

**NOTE 17 - SET-ASIDES**

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

**FINDLAY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 17 - SET-ASIDES - (Continued)**

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2012	\$ -
Current year set-aside requirement	945,434
Current year offsets	<u>(1,935,820)</u>
Total	<u>\$ (990,386)</u>
Balance carried forward to fiscal year 2014	<u>\$ -</u>
Set-aside balance June 30, 2013	<u>\$ -</u>

**NOTE 18 - CONTRACTUAL COMMITMENTS**

As a result of the Ohio School Facilities Project that was in progress at June 30, 2013, the District had the following outstanding contractual commitments at fiscal year end:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
ACI Construction Co. Inc.	\$ 11,175,043	\$ 10,637,965	\$ 537,078
Burkett and Sons Inc.	265,205	235,766	29,439
C & T Design and Equipment	494,662	269,566	225,096
Charles Construction Services	11,245,825	11,180,412	65,413
Continental Office Environments	359,153	227,789	131,364
Hoffman & Harpst Co. Inc.	1,691,742	1,614,010	77,732
Jackson and Sons Drilling	1,206,572	1,109,372	97,200
Johnson Controls, Inc.	674,983	657,440	17,543
Kelly Bros Roofing	1,690,138	1,405,341	284,797
Koester Electric, Inc.	2,266,467	2,209,527	56,940
L.R. Babcock	2,028,374	1,414,780	613,594
Midwest Environmental Control	47,600	-	47,600
Netech Corporation	1,229,044	1,166,652	62,392
Rame INC	1,175,000	1,107,879	67,121
Slagle Mechanical Contractors	869,315	846,334	22,981
Sollman Electric Company	2,309,092	2,194,394	114,698
Telamon Construction	8,580,353	8,443,315	137,038
Tom Sexton & Associates	789,170	785,418	3,752
Total Environmental Services	29,465	28,291	1,174
Valley Electrical Consolidated	889,658	884,234	5,424
Vaughn Industries LLC	8,201,228	6,595,884	1,605,344
Vulcan Enterprises, Inc.	442,049	415,111	26,938
Total	<u>\$ 57,660,138</u>	<u>\$ 53,429,480</u>	<u>\$ 4,230,658</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 19 - OTHER COMMITMENTS**

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

<u>Fund Type</u>	<u>Year-End Encumbrances</u>
General fund	\$ 1,168,558
Classroom facilities fund	1,831,406
Nonmajor governmental funds	<u>3,091,984</u>
 Total	 <u>\$ 6,091,948</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 20 - FUND BALANCE**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund balance	General	Classroom Facilities	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	\$ 40,822	\$ -	\$ 18,057	\$ 58,879
Prepays	77,624	-	-	77,624
Scholarships	-	-	618,000	618,000
Total nonspendable	<u>118,446</u>	<u>-</u>	<u>636,057</u>	<u>754,503</u>
Restricted:				
Debt service	-	-	1,225,964	1,225,964
Capital improvements	-	4,238,013	4,193,156	8,431,169
Classroom facilities maintenance	-	-	1,667,234	1,667,234
Food service operations	-	-	245,372	245,372
Non-public schools	-	-	19,482	19,482
Special education	-	-	278	278
Targeted academic assistance	-	-	30,643	30,643
Vocational education	-	-	13,803	13,803
Other purposes	-	-	311,303	311,303
Extracurricular activities	-	-	339,866	339,866
Scholarships	-	-	72,812	72,812
Total restricted	<u>-</u>	<u>4,238,013</u>	<u>8,119,913</u>	<u>12,357,926</u>
Committed:				
Capital improvements	-	-	228,736	228,736
Total committed	<u>-</u>	<u>-</u>	<u>228,736</u>	<u>228,736</u>
Assigned:				
Student instruction	400,695	-	-	400,695
Student and staff support	837,033	-	-	837,033
Extracurricular activities	2,021	-	-	2,021
Facilities acquisition and construction	16,914	-	-	16,914
School supplies	211,370	-	-	211,370
Subsequent year appropriations	1,628,894	-	-	1,628,894
Other purposes	304,916	-	-	304,916
Total assigned	<u>3,401,843</u>	<u>-</u>	<u>-</u>	<u>3,401,843</u>
Unassigned (deficit)	<u>5,889,856</u>	<u>-</u>	<u>(83,806)</u>	<u>5,806,050</u>
Total fund balances	<u>\$ 9,410,145</u>	<u>\$ 4,238,013</u>	<u>\$ 8,900,900</u>	<u>\$ 22,549,058</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 21 - FINDLAY DIGITAL ACADEMY**

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

**A. Description of the Digital Academy**

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

The Academy is governed by a seven-member Board of Directors plus the FCS Superintendent who serves as the nonvoting board president. The majority of the Board is composed of public officials or public sector employees who have a professional interest in furthering the establishment of the Academy. The Board may also include one or more parents of enrolled students and community civic leaders. The FCS Treasurer serves as a nonvoting ex officio member of the Board.

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

The Academy has entered into a purchased services agreement contracts with the Tri-Rivers Educational Computer Association (TRECA) for technology and services. See Note 21.K. for detail on Academy’s purchased services agreement contract with TRECA.

**B. Summary of Significant Accounting Policies**

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 21 - FINDLAY DIGITAL ACADEMY - (Continued)**

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

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

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

Expenses are recognized at the time they are incurred.

Budgetary Process: 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 its Sponsor does not prescribe a budgetary process for the Academy; therefore no budgetary information is presented in the financial statements.

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

During fiscal year 2013, investments were limited to Federal Home Loan Bank (FHLB) bonds, Federal National Mortgage Association (FNMA) bonds, FNMA notes, Federal Home Loan Mortgage Corporation (FHLMC) notes, negotiable certificates of deposit (negotiable CD's), and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value which is based on quoted market prices.

The Academy has invested funds in STAR Ohio during fiscal year 2013. 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, 2013.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 21 - FINDLAY DIGITAL ACADEMY - (Continued)**

At June 30, 2013, investments are reported at fair value. The fluctuation in the fair value of investments is reported as a component of interest revenue. From June 30, 2012 to June 30, 2013, the fair value of investments decreased \$19,163 and accrued interest receivable on investments increased \$3,691. Interest revenue reported on the statement of revenue, expenses and changes in net position was \$7,128 while interest receipts reported on the statements of cash flows was \$22,600. Although the fair value of investments can fluctuate, it's the Academy's policy to hold investments till maturity.

An analysis of the Academy's deposits and investments at fiscal year-end is provided in Note 21.D.

Prepaid Items: Payments made to vendors for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed. The Academy had no prepaid items at June 30, 2013.

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 five hundred dollars. The Academy does not possess any infrastructure. Depreciation of furniture and equipment is computed using the straight-line method over an estimated useful life of five years.

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

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

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

Intergovernmental Revenues: The Academy currently participates in the State Foundation Program, the IDEA Part B grant and the Title I School Improvement grant. Revenue from the State Foundation Program is recognized as operating revenue in the accounting period in which all eligibility requirements have been met. Amounts awarded under State Foundation Program for fiscal year 2013 school year, excluding all other State and Federal grants, totaled \$823,429.

Revenues received from the remaining programs are recognized as non-operating revenues in the accompanying financial statements. Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. State and Federal grants revenue for fiscal year 2013 was \$77,485.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 21 - FINDLAY DIGITAL ACADEMY - (Continued)**

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

**C. Changes in Accounting Policies**

For fiscal year 2013, the Academy has implemented GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements", GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", and GASB Statement No. 66, "Technical Corrections-2012".

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the Academy.

GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Finally, the Statement also clarifies the reporting of equity interests in legally separate organizations. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the Academy.

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and local governments so that they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the Academy.

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the Academy's financial statements to incorporate the concepts of net position. The implementation of GASB Statement No. 63 had no other effect on the financial statements of the Academy.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 21 - FINDLAY DIGITAL ACADEMY - (Continued)**

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The implementation of GASB Statement No. 65 did not have an effect on the financial statements of the Academy.

GASB Statement No. 66 enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the Academy.

**D. Deposits and Investments**

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

*Deposits:* At June 30, 2013, the carrying amount of the Academy’s deposits was \$27,238. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2013, the Academy’s entire bank balance of \$28,809 was covered by the Federal Deposit Insurance Corporation (FDIC).

*Investments:* At June 30, 2013, the Academy had the following investment and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>Greater than 24 months</u>
FHLB bonds	\$ 146,631	\$ -	\$ -	\$ 146,631
FNMA notes	200,676	-	-	200,676
FHLMC notes	172,863	-	-	172,863
FNMA bonds	145,368	-	-	145,368
Negotiable CD's	554,190	-	301,864	252,326
STAR Ohio	62,311	62,311	-	-
	<u>\$ 1,282,039</u>	<u>\$ 62,311</u>	<u>\$ 301,864</u>	<u>\$ 917,864</u>

The weighted average maturity of investments is 2.83 years. Investments in negotiable CD’s and federal agency securities can be sold prior to maturity on the secondary market if immediate cash flow is needed.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 21 - FINDLAY DIGITAL ACADEMY - (Continued)**

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

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

*Concentration of Credit Risk* - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Academy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Academy at June 30, 2013:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB bonds	\$ 146,631	11.44
FNMA notes	200,676	15.65
FHLMC notes	172,863	13.48
FNMA bonds	145,368	11.34
Negotiable CD's	554,190	43.23
STAR Ohio	62,311	4.86
	<u>\$ 1,282,039</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2013:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 27,238
Investments	<u>1,282,039</u>
Total	<u>\$ 1,309,277</u>
 <u>Cash and investments per statement of net position</u>	
Cash and cash equivalents	\$ 89,549
Investments - current and noncurrent	<u>1,219,728</u>
Total	<u>\$ 1,309,277</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 21 - FINDLAY DIGITAL ACADEMY - (Continued)**

**E. Receivables**

Receivables at June 30, 2013 consisted of accrued interest and intergovernmental grants in the amounts of \$3,691 and \$3,283, respectively. These receivables are expected to be collected in the subsequent year.

**F. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2013 follows:

	Balance 06/30/12	Additions	Reductions	Balance 06/30/13
<i>Capital assets, being depreciated:</i>				
Furniture and equipment	\$ 255,689	\$ 65,636	\$ (3,337)	\$ 317,988
Less: accumulated depreciation	(83,555)	(55,285)	2,026	(136,814)
Capital assets, net	\$ 172,134	\$ 10,351	\$ (1,311)	\$ 181,174

**G. Risk Management**

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

Insurance coverage for the Academy follows:

Property:	\$ 173,618,737
General Liability:	
Per Occurrence	1,000,000
Aggregate	3,000,000
Educators Legal Liability	3,000,000

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

**H. Purchased Service Expenses**

For fiscal year ended June 30, 2013, purchased services expenses were as follows:

Professional and technical services	\$ 746,619
Property services	11,229
Travel mileage/meeting expenses	6,090
Tuition and similar payments	14,086
Total	\$ 778,024



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 21 - FINDLAY DIGITAL ACADEMY - (Continued)**

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

The Academy has entered into a Sponsorship Contract with the FCSD, its Sponsor, as described in Note 21.A. The Sponsorship Contract states that the FCSD may direct its Treasurer to serve as the Academy's fiscal officer. For fiscal year 2013, the Academy contracted its Treasurer functions from the Hancock County Educational Service Center. The Treasurer of the Academy performs the following functions for the Academy:

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

In addition, 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 retired Secondary Curriculum Director of the Academy's Sponsor, the FCSD.

In addition to the Treasurer, the Academy contracts through the Hancock County Educational Service Center the services of the Academy Coordinator and the EMIS Coordinator.

The Sponsor contracts out all employees to the Academy, including the Teachers, except as mentioned above.

During the year ended June 30, 2013, the Academy incurred \$382,047 in expenses payable to its Sponsor, the FCSD, for:

Salaries and benefits	\$ 240,524
Fiscal services	11,963
Other (computers/rent/supplies)	11,737
Sponsor fees (fiscal years 2009-2013)	<u>117,823</u>
Total	<u>\$ 382,047</u>

**J. Contingencies**

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

State Funding: 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. The Academy does not anticipate an adjustment that would have a material effect on the financial statements as a result of the fiscal year 2013 review which has not been completed as of the date of these financial statements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 21 - FINDLAY DIGITAL ACADEMY - (Continued)**

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

**K. Contract with Treca**

The Academy entered into a contract on July 23, 2012, for fiscal year 2013, 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 \$4,060 per full-time student enrolled in the Academy for the 2012-2013 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 2013, \$171,060 was paid to TRECA. \$15,898 was payable to TRECA at June 30, 2013. \$22,652 was payable to TRECA at June 30, 2012. To obtain TRECA's audited June 30, 2013 financial statements please contact Scott Armstrong, Treasurer, at [scott@treca.org](mailto:scott@treca.org).

**L. Prior Period Adjustment**

The beginning net position of the Academy at July 1, 2012 was adjusted from a balance of \$1,436,877 as previously reported to a balance of \$1,456,767 to account for a prior period adjustment.

COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

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

**MAJOR FUNDS**

**General Fund**

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

**OTHER MAJOR FUNDS**

**Classroom Facilities Fund**

Section 3318.080 and 3318.15, Revised Code

A fund provided to account for monies received and expended in connection with contracts entered into by the school district and the Ohio Department of Education for the building and equipping of classroom facilities.

**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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget-</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Classroom Facilities Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 900,000	\$ 900,000	\$ 1,349,567	\$ 449,567
Total Expenditures and Other Financing Uses	<u>28,517,087</u>	<u>28,517,087</u>	<u>26,020,754</u>	<u>2,496,333</u>
Net Change in Fund Balance	(27,617,087)	(27,617,087)	(24,671,187)	2,945,900
Fund Balance, July 1	5,803,459	5,803,459	5,803,459	-
Prior Year Encumbrances Appropriated	<u>21,817,087</u>	<u>21,817,087</u>	<u>21,817,087</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 3,459</u>	<u>\$ 3,459</u>	<u>\$ 2,949,359</u>	<u>\$ 2,945,900</u>

**FINDLAY CITY SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS**

**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.

**Other Grants Fund** Sections 5705.09 and 5705.13, Revised Code

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

**Classroom Facilities Maintenance Fund** Section 3318.06, Revised Code

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

**District Managed Activity Fund** Section 3313.062, Revised Code

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

**Auxiliary Services Fund** Current Budget Bill. appropriation line item 200-511

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

**Entry Year Programs Fund** Section 3317.024(T) Revised Code

A fund used to account for implement of entry-year programs

**Data Communication Fund** Section 5705.09, Revised Code

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

**SchoolNet Professional Development Fund** State Line Item Appropriations 200-426

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

**Ohio Reads Fund** State Line Item Appropriations 200-566

A fund used to account for monies intended 1) to improve reading outcomes, especially on the fourth grade reading proficiency test and 2) for volunteer coordinators in public school buildings, for educational service centers for costs associated with volunteer coordination, for background checks for 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.

**FINDLAY CITY SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS**

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

**Miscellaneous State Grants Fund**

Section 5705.12, Revised Code

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

**Education Jobs Fund**

CFDA #84.410

This fund accounts for federal monies whose purpose is to create education jobs for the 2010-2011 school year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary and secondary education.

**Race to the Top Fund**

CFDA #84.395A

To establish a new program or expand an existing program aligned to an approved scope of work. An approved scope of work must support Race to the Top initiatives in the areas of Standard and Assessments, Using Data to Improve Instruction, Great Teachers and Leaders, Turning Around the Lowest Achieving Schools.

**IDEA Part B Grants Fund**

Education of the Handicapped Act, PL 91-230  
CFDA #84.027 & CFDA #84.391

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

**Vocational Education Fund**

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

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

**Stimulus Title II D Fund**

American Recovery and Reinvestment Act  
CFDA #84.318

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

**School Improvement Stimulus A Fund**

American Recovery and Reinvestment Act  
CFDA #84.010

To provide supplemental funding to economically disadvantaged districts and some of their eligible schools for improving educational outcomes for students who are failing or at risk of failing to meet State standards.

**Nutrition Education and Training Program Fund**

Catalog of Federal Domestic Assistance #10.564

To encourage the effective dissemination of scientifically valid information to children participating or eligible to participate in the school lunch and related nutrition programs.

**Limited English Proficiency Fund**

CFDA #84.365

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

**Title I Disadvantaged Children Fund**

PL 97-35; Title I EESA 1965  
CFDA #84.010 & CFDA #84.389

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.

**IDEA Preschool-Handicapped Fund**

Education of the Handicapped Act Amendments,  
PL 99-457. Catalog of Federal Domestic Assistance #84.173  
& CFDA #84.392

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

**FINDLAY CITY SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS**

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

**Improving Teacher Quality Fund**

CFDA #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.

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

**Uniform School Supplies Fund**

Section 3313.81, Revised Code

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

**Special Services Rotary Fund**

Section 5705.12, Revised Code

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

**Internal Services Rotary Fund**

Section 5705.12, Revised Code

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

**Public School Support Fund**

Section 5705.12, Revised Code

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

**Special Enterprise Fund**

Section 755.14, Revised Code

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

**Special Trust General Fund**

Section 5705.09, Revised Code

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

**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).

**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  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS**

**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). 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.

**Building Fund**

Section 5705.09, Revised Code

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

**Nonmajor Permanent Fund**

**Endowment Fund**

Section 5705.09, Revised Code

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

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

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and cash equivalents . . . . .	\$ 2,799,010	\$ 772,964	\$ 4,997,731	\$ 690,812	\$ 9,260,517
Cash in segregated accounts . . . . .	-	-	192,916	-	192,916
Receivables:					
Property taxes . . . . .	-	2,986,948	1,776,308	-	4,763,256
Payment in lieu of taxes . . . . .	-	4,180	2,480	-	6,660
Accounts . . . . .	203	-	-	-	203
Intergovernmental . . . . .	289,979	-	-	-	289,979
Accrued interest . . . . .	-	-	5,423	-	5,423
Materials and supplies inventory . . . . .	18,057	-	-	-	18,057
<b>Total assets . . . . .</b>	<b>\$ 3,107,249</b>	<b>\$ 3,764,092</b>	<b>\$ 6,974,858</b>	<b>\$ 690,812</b>	<b>\$ 14,537,011</b>
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 49,130	\$ -	\$ -	\$ -	\$ 49,130
Contracts payable . . . . .	44,406	-	752,968	-	797,374
Retainage payable . . . . .	-	-	224,544	-	224,544
Accrued wages and benefits . . . . .	256,272	-	-	-	256,272
Compensated absences payable . . . . .	1,528	-	-	-	1,528
Pension obligation payable . . . . .	62,842	-	-	-	62,842
Intergovernmental payable . . . . .	13,327	-	-	-	13,327
Unearned revenue . . . . .	-	-	66,666	-	66,666
<b>Total liabilities . . . . .</b>	<b>427,505</b>	<b>-</b>	<b>1,044,178</b>	<b>-</b>	<b>1,471,683</b>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year . . . . .	-	2,395,901	1,424,204	-	3,820,105
Delinquent property tax revenue not available . . . . .	-	138,047	82,104	-	220,151
Payment in lieu of taxes levied for the next fiscal year . . . . .	-	4,180	2,480	-	6,660
Intergovernmental revenue not available . . . . .	117,512	-	-	-	117,512
<b>Total deferred inflows of resources . . . . .</b>	<b>117,512</b>	<b>2,538,128</b>	<b>1,508,788</b>	<b>-</b>	<b>4,164,428</b>
<b>Fund balances:</b>					
<b>Nonspendable:</b>					
Materials and supplies inventory . . . . .	18,057	-	-	-	18,057
Permanent fund . . . . .	-	-	-	618,000	618,000
<b>Restricted:</b>					
Debt service . . . . .	-	1,225,964	-	-	1,225,964
Capital improvements . . . . .	-	-	4,193,156	-	4,193,156
Classroom facilities maintenance . . . . .	1,667,234	-	-	-	1,667,234
Food service operations . . . . .	245,372	-	-	-	245,372
Non-public schools . . . . .	19,482	-	-	-	19,482
Special education . . . . .	278	-	-	-	278
Targeted academic assistance . . . . .	30,643	-	-	-	30,643
Vocational education . . . . .	13,803	-	-	-	13,803
Other purposes . . . . .	311,303	-	-	-	311,303
Extracurricular activities . . . . .	339,866	-	-	-	339,866
Permanent fund . . . . .	-	-	-	72,812	72,812
<b>Committed:</b>					
Capital improvements . . . . .	-	-	228,736	-	228,736
Unassigned (deficit) . . . . .	(83,806)	-	-	-	(83,806)
<b>Total fund balances . . . . .</b>	<b>2,562,232</b>	<b>1,225,964</b>	<b>4,421,892</b>	<b>690,812</b>	<b>8,900,900</b>
<b>Total liabilities, deferred inflows and fund balances . . . . .</b>	<b>\$ 3,107,249</b>	<b>\$ 3,764,092</b>	<b>\$ 6,974,858</b>	<b>\$ 690,812</b>	<b>\$ 14,537,011</b>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
From local sources:					
Property taxes . . . . .	\$ -	\$ 2,863,335	\$ 1,686,610	\$ -	\$ 4,549,945
Payment in lieu of taxes . . . . .	-	16,084	9,552	-	25,636
Earnings on investments . . . . .	11,386	-	170,164	10,164	191,714
Charges for services . . . . .	520,556	-	-	-	520,556
Extracurricular . . . . .	474,463	-	-	-	474,463
Classroom materials and fees . . . . .	19,119	-	-	-	19,119
Rental income . . . . .	249,150	-	3,685	-	252,835
Contributions and donations . . . . .	389,413	-	100,000	-	489,413
Other local revenues . . . . .	58,840	-	66,666	-	125,506
Intergovernmental - state . . . . .	437,155	388,034	230,973	-	1,056,162
Intergovernmental - federal . . . . .	4,536,432	730,000	228,736	-	5,495,168
Decrease in fair market value of investments . . . . .	-	-	(127,142)	-	(127,142)
<b>Total revenues . . . . .</b>	<b>6,696,514</b>	<b>3,997,453</b>	<b>2,369,244</b>	<b>10,164</b>	<b>13,073,375</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	572,702	-	383,544	13,722	969,968
Special . . . . .	1,530,885	-	-	-	1,530,885
Vocational . . . . .	98,941	-	-	-	98,941
Other . . . . .	34,577	-	-	-	34,577
Support services:					
Pupil . . . . .	250,065	-	337,826	-	587,891
Instructional staff . . . . .	1,003,482	-	-	-	1,003,482
Administration . . . . .	18,519	-	-	-	18,519
Operations and maintenance . . . . .	507,382	-	114,490	-	621,872
Pupil transportation . . . . .	9,092	-	-	-	9,092
Central . . . . .	-	-	2,226	-	2,226
Operation of non-instructional services:					
Other non-instructional services . . . . .	475,244	-	-	-	475,244
Food service operations . . . . .	1,625,328	-	-	-	1,625,328
Extracurricular activities . . . . .	592,575	-	13,325	-	605,900
Facilities acquisition and construction . . . . .	50,000	-	4,457,513	-	4,507,513
Debt service:					
Principal retirement . . . . .	-	1,160,700	-	-	1,160,700
Interest and fiscal charges . . . . .	-	2,863,370	-	-	2,863,370
<b>Total expenditures . . . . .</b>	<b>6,768,792</b>	<b>4,024,070</b>	<b>5,308,924</b>	<b>13,722</b>	<b>16,115,508</b>
Excess of expenditures over revenues . . . . .	(72,278)	(26,617)	(2,939,680)	(3,558)	(3,042,133)
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	150,624	-	-	-	150,624
Transfers out . . . . .	-	-	(150,624)	-	(150,624)
<b>Total other financing sources (uses) . . . . .</b>	<b>150,624</b>	<b>-</b>	<b>(150,624)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances . . . . .</b>	<b>78,346</b>	<b>(26,617)</b>	<b>(3,090,304)</b>	<b>(3,558)</b>	<b>(3,042,133)</b>
<b>Fund balances at beginning of year . . . . .</b>	<b>2,482,715</b>	<b>1,252,581</b>	<b>7,512,196</b>	<b>694,370</b>	<b>11,941,862</b>
<b>Increase in reserve for inventory . . . . .</b>	<b>1,171</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,171</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 2,562,232</b>	<b>\$ 1,225,964</b>	<b>\$ 4,421,892</b>	<b>\$ 690,812</b>	<b>\$ 8,900,900</b>

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2013

	<u>Food Service</u>	<u>Special Trust</u>	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 279,392	\$ 255,838	\$ 75,403	\$ 1,667,234
Receivables:				
Accounts. . . . .	99	-	-	-
Intergovernmental . . . . .	3,087	-	-	-
Materials and supplies inventory . . . . .	18,057	-	-	-
Total assets. . . . .	<u>\$ 300,635</u>	<u>\$ 255,838</u>	<u>\$ 75,403</u>	<u>\$ 1,667,234</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 2,152	\$ 3,961	\$ -	\$ -
Contracts payable. . . . .	-	44,406	-	-
Accrued wages and benefits . . . . .	9,851	-	-	-
Compensated absences payable . . . . .	1,528	-	-	-
Pension obligation payable. . . . .	21,381	-	241	-
Intergovernmental payable . . . . .	2,294	-	92	-
Total liabilities. . . . .	<u>37,206</u>	<u>48,367</u>	<u>333</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Intergovernmental revenue not available . . . . .	-	-	-	-
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory. . . . .	18,057	-	-	-
Restricted:				
Classroom facilities maintenance. . . . .	-	-	-	1,667,234
Food service operations. . . . .	245,372	-	-	-
Non-public schools. . . . .	-	-	-	-
Special education. . . . .	-	-	-	-
Targeted academic assistance . . . . .	-	-	-	-
Vocational education . . . . .	-	-	-	-
Other purposes . . . . .	-	207,471	75,070	-
Extracurricular. . . . .	-	-	-	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances (deficit). . . . .	<u>263,429</u>	<u>207,471</u>	<u>75,070</u>	<u>1,667,234</u>
Total liabilities, deferred inflows and fund balances.	<u>\$ 300,635</u>	<u>\$ 255,838</u>	<u>\$ 75,403</u>	<u>\$ 1,667,234</u>

<b>District Managed Activity</b>	<b>Auxillary Services</b>	<b>Vocational Education Enhancements</b>	<b>Miscellaneous State Grants</b>	<b>Race To The Top</b>	<b>IDEA Part B Grants</b>
\$ 353,393	\$ 45,026	\$ 4	\$ 28,784	\$ 972	\$ 54,310
104	-	-	-	-	-
-	646	-	98	20,156	110,971
-	-	-	-	-	-
<u>\$ 353,497</u>	<u>\$ 45,672</u>	<u>\$ 4</u>	<u>\$ 28,882</u>	<u>\$ 21,128</u>	<u>\$ 165,281</u>
\$ 13,152	\$ 15,165	\$ -	\$ -	\$ 199	\$ 259
-	-	-	-	-	-
-	8,730	-	-	1,705	98,190
-	-	-	-	-	-
416	1,928	-	483	898	23,510
63	367	-	65	126	4,843
<u>13,631</u>	<u>26,190</u>	<u>-</u>	<u>548</u>	<u>2,928</u>	<u>126,802</u>
-	-	-	-	17,776	81,720
-	-	-	-	-	-
-	-	-	-	-	-
-	19,482	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4	28,334	424	-
339,866	-	-	-	-	-
-	-	-	-	-	(43,241)
<u>339,866</u>	<u>19,482</u>	<u>4</u>	<u>28,334</u>	<u>424</u>	<u>(43,241)</u>
<u>\$ 353,497</u>	<u>\$ 45,672</u>	<u>\$ 4</u>	<u>\$ 28,882</u>	<u>\$ 21,128</u>	<u>\$ 165,281</u>

(continued)

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2013

	<u>Vocational Education</u>	<u>School Improvement Stimulus A</u>	<u>Limited English Proficiency</u>	<u>Title I Disadvantaged Children</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . .	\$ 11,857	\$ 3,119	\$ -	\$ 23,421
Receivables:				
Accounts. . . . .	-	-	-	-
Intergovernmental . . . . .	2,854	35,951	-	115,598
Materials and supplies inventory . . . . .	-	-	-	-
Total assets. . . . .	<u>\$ 14,711</u>	<u>\$ 39,070</u>	<u>\$ -</u>	<u>\$ 139,019</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ -	\$ 11,909	\$ -	\$ 2,333
Contracts payable. . . . .	-	-	-	-
Accrued wages and benefits . . . . .	-	5,737	-	92,389
Compensated absences payable . . . . .	-	-	-	-
Pension obligation payable. . . . .	528	1,397	-	12,060
Intergovernmental payable . . . . .	380	199	32	3,406
Total liabilities. . . . .	<u>908</u>	<u>19,242</u>	<u>32</u>	<u>110,188</u>
<b>Deferred inflows of resources:</b>				
Intergovernmental revenue not available . . . . .	-	12,754	-	5,262
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory. . . . .	-	-	-	-
Restricted:				
Classroom facilities maintenance. . . . .	-	-	-	-
Food service operations. . . . .	-	-	-	-
Non-public schools. . . . .	-	-	-	-
Special education. . . . .	-	-	-	-
Targeted academic assistance . . . . .	-	7,074	-	23,569
Vocational education . . . . .	13,803	-	-	-
Other purposes . . . . .	-	-	-	-
Extracurricular. . . . .	-	-	-	-
Unassigned (deficit) . . . . .	-	-	(32)	-
Total fund balances (deficit). . . . .	<u>13,803</u>	<u>7,074</u>	<u>(32)</u>	<u>23,569</u>
Total liabilities, deferred inflows and fund balance:	<u>\$ 14,711</u>	<u>\$ 39,070</u>	<u>\$ -</u>	<u>\$ 139,019</u>

<b>IDEA Preschool- Handicapped</b>	<b>Improving Teacher Quality</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ 257	\$ -	\$ 2,799,010
-	-	203
21	597	289,979
-	-	18,057
<u>\$ 278</u>	<u>\$ 597</u>	<u>\$ 3,107,249</u>
\$ -	\$ -	\$ 49,130
-	-	44,406
-	39,670	256,272
-	-	1,528
-	-	62,842
-	1,460	13,327
-	41,130	427,505
-	-	117,512
-	-	18,057
-	-	1,667,234
-	-	245,372
-	-	19,482
278	-	278
-	-	30,643
-	-	13,803
-	-	311,303
-	-	339,866
-	(40,533)	(83,806)
278	(40,533)	2,562,232
<u>\$ 278</u>	<u>\$ 597</u>	<u>\$ 3,107,249</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Food Service</u>	<u>Special Trust</u>	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 3,177	\$ 1,876	\$ -	\$ -
Charges for services . . . . .	520,556	-	-	-
Extracurricular . . . . .	-	-	-	-
Classroom materials and fees . . . . .	-	19,119	-	-
Rental income . . . . .	-	-	-	249,150
Contributions and donations . . . . .	-	309,953	2,817	-
Other local revenues . . . . .	1,200	1,125	23,378	-
Intergovernmental - state . . . . .	31,455	-	-	-
Intergovernmental - federal . . . . .	1,032,710	-	-	-
Total revenues . . . . .	<u>1,589,098</u>	<u>332,073</u>	<u>26,195</u>	<u>249,150</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	150	23,854	-
Special . . . . .	-	-	-	-
Vocational . . . . .	-	470	-	-
Other . . . . .	-	-	33,003	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff . . . . .	-	-	-	-
Administration . . . . .	-	-	-	-
Operations and maintenance . . . . .	-	507,382	-	-
Pupil transportation . . . . .	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services . . . . .	-	-	-	-
Food service operations . . . . .	1,625,328	-	-	-
Extracurricular activities . . . . .	-	-	-	-
Facilities acquisition and construction . . . . .	-	-	50,000	-
Total expenditures . . . . .	<u>1,625,328</u>	<u>508,002</u>	<u>106,857</u>	<u>-</u>
Excess of revenues over (under) expenditures . . . . .	<u>(36,230)</u>	<u>(175,929)</u>	<u>(80,662)</u>	<u>249,150</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	-	-	-	150,624
Net change in fund balances . . . . .	(36,230)	(175,929)	(80,662)	399,774
<b>Fund balances (deficit) at beginning of year . . . . .</b>	298,488	383,400	155,732	1,267,460
<b>Increase in reserve for inventory . . . . .</b>	1,171	-	-	-
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 263,429</u>	<u>\$ 207,471</u>	<u>\$ 75,070</u>	<u>\$ 1,667,234</u>



<u>District Managed</u>	<u>Auxiliary Services</u>	<u>Data Communication</u>	<u>Vocational Education Enhancements</u>	<u>Miscellaneous State Grants</u>	<u>Education Jobs</u>	<u>Race To The Top</u>
\$ 4,948	\$ 1,385	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
474,463	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
76,643	-	-	-	-	-	-
33,137	-	-	-	-	-	-
-	355,585	25,200	-	24,915	-	-
-	-	-	-	-	-	156,253
<u>589,191</u>	<u>356,970</u>	<u>25,200</u>	<u>-</u>	<u>24,915</u>	<u>-</u>	<u>156,253</u>
-	-	25,200	-	-	(1,451)	107,012
-	-	-	-	-	(614)	-
-	-	-	-	-	-	-
-	-	-	-	563	-	-
-	-	-	-	20,193	-	67,212
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,092	-	-	-	-	-	-
-	352,965	-	-	-	-	-
-	-	-	-	-	-	-
592,575	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>601,667</u>	<u>352,965</u>	<u>25,200</u>	<u>-</u>	<u>20,756</u>	<u>(2,065)</u>	<u>174,224</u>
<u>(12,476)</u>	<u>4,005</u>	<u>-</u>	<u>-</u>	<u>4,159</u>	<u>2,065</u>	<u>(17,971)</u>
-	-	-	-	-	-	-
<u>(12,476)</u>	<u>4,005</u>	<u>-</u>	<u>-</u>	<u>4,159</u>	<u>2,065</u>	<u>(17,971)</u>
352,342	15,477	-	4	24,175	(2,065)	18,395
-	-	-	-	-	-	-
<u>\$ 339,866</u>	<u>\$ 19,482</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 28,334</u>	<u>\$ -</u>	<u>\$ 424</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, 2013

	<b>IDEA Part B Grants</b>	<b>Vocational Education</b>	<b>Stimulus Title II D</b>	<b>School Improvement Stimulus A</b>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Classroom materials and fees . . . . .	-	-	-	-
Rental income . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	-
Intergovernmental - state . . . . .	-	-	-	-
Intergovernmental - federal . . . . .	1,341,173	226,397	4,055	249,592
<b>Total revenues . . . . .</b>	<b>1,341,173</b>	<b>226,397</b>	<b>4,055</b>	<b>249,592</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	183	-	4,959	109,763
Special . . . . .	526,313	-	-	66,593
Vocational . . . . .	-	98,471	-	-
Other . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	138,418	110,046	-	-
Instructional staff . . . . .	707,025	-	-	52,568
Administration . . . . .	-	10,034	-	-
Operations and maintenance . . . . .	-	-	-	-
Pupil transportation . . . . .	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services . . . . .	36,682	-	-	-
Food service operations . . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	-	-
Facilities acquisition and construction . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<b>1,408,621</b>	<b>218,551</b>	<b>4,959</b>	<b>228,924</b>
Excess of revenues over (under) expenditures . . . . .	(67,448)	7,846	(904)	20,668
<b>Other financing sources:</b>				
Transfers in . . . . .	-	-	-	-
<b>Net change in fund balances . . . . .</b>	<b>(67,448)</b>	<b>7,846</b>	<b>(904)</b>	<b>20,668</b>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<b>24,207</b>	<b>5,957</b>	<b>904</b>	<b>(13,594)</b>
<b>Increase in reserve for inventory . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ (43,241)</b>	<b>\$ 13,803</b>	<b>\$ -</b>	<b>\$ 7,074</b>

<b>Nutrition Education and Training Program</b>	<b>Limited English Proficiency</b>	<b>Title I Disadvantaged Children</b>	<b>IDEA Preschool- Handicapped</b>	<b>Improving Teacher Quality</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,386
-	-	-	-	-	520,556
-	-	-	-	-	474,463
-	-	-	-	-	19,119
-	-	-	-	-	249,150
-	-	-	-	-	389,413
-	-	-	-	-	58,840
-	-	-	-	-	437,155
(311)	23,123	1,250,016	19,882	233,542	4,536,432
(311)	23,123	1,250,016	19,882	233,542	6,696,514
-	22,523	36,640	19,255	224,614	572,702
-	-	938,593	-	-	1,530,885
-	-	-	-	-	98,941
-	-	1,574	-	-	34,577
-	-	1,038	-	-	250,065
-	632	154,983	507	362	1,003,482
-	-	8,485	-	-	18,519
-	-	-	-	-	507,382
-	-	-	-	-	9,092
-	-	85,597	-	-	475,244
-	-	-	-	-	1,625,328
-	-	-	-	-	592,575
-	-	-	-	-	50,000
-	23,155	1,226,910	19,762	224,976	6,768,792
(311)	(32)	23,106	120	8,566	(72,278)
-	-	-	-	-	150,624
(311)	(32)	23,106	120	8,566	78,346
311	-	463	158	(49,099)	2,482,715
-	-	-	-	-	1,171
\$ -	\$ (32)	\$ 23,569	\$ 278	\$ (40,533)	\$ 2,562,232

**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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Food Service Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 2,100,000	\$ 2,100,000	\$ 1,593,205	\$ (506,795)
Total Expenditures and Other Financing Uses	2,188,233	2,188,233	1,753,399	434,834
Net Change in Fund Balance	(88,233)	(88,233)	(160,194)	(71,961)
Fund Balance, July 1	246,482	246,482	246,482	-
Prior Year Encumbrances Appropriated	88,233	88,233	88,233	-
Fund Balance, June 30	<u>\$ 246,482</u>	<u>\$ 246,482</u>	<u>\$ 174,521</u>	<u>\$ (71,961)</u>
<b><u>Special Trust Fund - Special Revenue</u></b>				
Total Revenues and Other Financing Sources	\$ 269,119	\$ 269,119	\$ 332,073	\$ 62,954
Total Expenditures and Other Financing Uses	832,022	832,022	794,485	37,537
Net Change in Fund Balance	(562,903)	(562,903)	(462,412)	100,491
Fund Balance, July 1	72,646	72,646	72,646	-
Prior Year Encumbrances Appropriated	489,837	489,837	489,837	-
Fund Balance (deficit), June 30	<u>\$ (420)</u>	<u>\$ (420)</u>	<u>\$ 100,071</u>	<u>\$ 100,491</u>
<b><u>Other Grants Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 90,000	\$ 90,000	\$ 26,726	\$ (63,274)
Total Expenditures and Other Financing Uses	102,645	109,645	109,038	607
Net Change in Fund Balance	(12,645)	(19,645)	(82,312)	(62,667)
Fund Balance, July 1	152,605	152,605	152,605	-
Prior Year Encumbrances Appropriated	3,645	3,645	3,645	-
Fund Balance, June 30	<u>\$ 143,605</u>	<u>\$ 136,605</u>	<u>\$ 73,938</u>	<u>\$ (62,667)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Classroom Facilities Maintenance Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 414,021	\$ 414,021	\$ 399,774	\$ (14,247)
Total Expenditures and Other Financing Uses	99,000	99,000	-	99,000
Net Change in Fund Balance	315,021	315,021	399,774	84,753
Fund Balance, July 1	1,267,460	1,267,460	1,267,460	-
Fund Balance, June 30	<u>\$ 1,582,481</u>	<u>\$ 1,582,481</u>	<u>\$ 1,667,234</u>	<u>\$ 84,753</u>
<b><u>District Managed Activity Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 625,000	\$ 625,000	\$ 590,254	\$ (34,746)
Total Expenditures and Other Financing Uses	645,095	685,095	676,039	9,056
Net Change in Fund Balance	(20,095)	(60,095)	(85,785)	(25,690)
Fund Balance, July 1	316,770	316,770	316,770	-
Prior Year Encumbrances Appropriated	45,095	45,095	45,095	-
Fund Balance, June 30	<u>\$ 341,770</u>	<u>\$ 301,770</u>	<u>\$ 276,080</u>	<u>\$ (25,690)</u>
<b><u>Auxiliary Services Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 350,000	\$ 350,000	\$ 356,970	\$ 6,970
Total Expenditures and Other Financing Uses	382,755	382,755	448,408	(65,653)
Net Change in Fund Balance	(32,755)	(32,755)	(91,438)	(58,683)
Fund Balance, July 1	11,030	11,030	11,030	-
Prior Year Encumbrances Appropriated	36,255	36,255	36,255	-
Fund Balance (deficit), June 30	<u>\$ 14,530</u>	<u>\$ 14,530</u>	<u>\$ (44,153)</u>	<u>\$ (58,683)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Entry Year Programs Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Total Expenditures and Other Financing Uses	-	-	-	-
Net Change in Fund Balance	5,000	5,000	-	(5,000)
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ (5,000)</u>
<b><u>Data Communication Fund</u></b>				
Total Revenues and Other Sources	\$ 30,000	\$ 30,000	\$ 25,200	\$ (4,800)
Total Expenditures and Other Uses	30,000	30,000	25,200	4,800
Net Change in Fund Balances	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>School Net Professional Development Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 9,000	\$ 9,000	\$ -	\$ (9,000)
Total Expenditures and Other Financing Uses	1,000	1,000	-	1,000
Net Change in Fund Balance	8,000	8,000	-	(8,000)
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ (8,000)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Ohio Reads Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 18,000	\$ 18,000	\$ -	\$ (18,000)
Total Expenditures and Other Financing Uses	18,000	18,000	-	18,000
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Vocational Education Enhancements Fund</u></b>				
Fund Balance, July 1	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ -</u>
Fund Balance, June 30	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ -</u>
<b><u>Miscellaneous State Grants Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 120,000	\$ 120,000	\$ 25,000	\$ (95,000)
Total Expenditures and Other Financing Uses	99,000	99,000	25,754	73,246
Net Change in Fund Balance	21,000	21,000	(754)	(21,754)
Fund Balance, July 1	29,538	29,538	29,538	-
Fund Balance, June 30	<u>\$ 50,538</u>	<u>\$ 50,538</u>	<u>\$ 28,784</u>	<u>\$ (21,754)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Race To The Top Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 113,500	\$ 333,000	\$ 162,518	\$ (170,482)
Total Expenditures and Other Financing Uses	114,114	358,614	188,315	170,299
Net Change in Fund Balance	(614)	(25,614)	(25,797)	(183)
Fund Balance, July 1	25,236	25,236	25,236	-
Prior Year Encumbrances Appropriated	614	614	614	-
Fund Balance, June 30	<u>\$ 25,236</u>	<u>\$ 236</u>	<u>\$ 53</u>	<u>\$ (183)</u>
<b><u>IDEA Part B Grants Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 1,803,597	\$ 1,803,597	\$ 1,328,264	\$ (475,333)
Total Expenditures and Other Financing Uses	1,510,436	1,510,436	1,440,021	70,415
Net Change in Fund Balance	293,161	293,161	(111,757)	(404,918)
Fund Balance, July 1	130,440	130,440	130,440	-
Prior Year Encumbrances Appropriated	10,436	10,436	10,436	-
Fund Balance, June 30	<u>\$ 434,037</u>	<u>\$ 434,037</u>	<u>\$ 29,119</u>	<u>\$ (404,918)</u>
<b><u>Vocational Education Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 200,000	\$ 230,000	\$ 223,543	\$ (6,457)
Total Expenditures and Other Financing Uses	215,186	245,186	244,824	362
Net Change in Fund Balance	(15,186)	(15,186)	(21,281)	(6,095)
Fund Balance, July 1	3,033	3,033	3,033	-
Prior Year Encumbrances Appropriated	15,186	15,186	15,186	-
Fund Balance (deficit), June 30	<u>\$ 3,033</u>	<u>\$ 3,033</u>	<u>\$ (3,062)</u>	<u>\$ (6,095)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Stimulus Title II D Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 59,000	\$ 15,000	\$ 4,055	\$ (10,945)
Total Expenditures and Other Financing Uses	15,055	15,055	4,959	10,096
Net Change in Fund Balance	43,945	(55)	(904)	(849)
Fund Balance (deficit), July 1	(4,151)	(4,151)	(4,151)	-
Prior Year Encumbrances Appropriated	5,055	5,055	5,055	-
Fund Balance, June 30	<u>\$ 44,849</u>	<u>\$ 849</u>	<u>\$ -</u>	<u>\$ (849)</u>
<b><u>School Improvement Stimulus A Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 150,000	\$ 262,400	\$ 226,395	\$ (36,005)
Total Expenditures and Other Financing Uses	128,011	274,511	247,509	27,002
Net Change in Fund Balance	21,989	(12,111)	(21,114)	(9,003)
Fund Balance (deficit), July 1	(16,853)	(16,853)	(16,853)	-
Prior Year Encumbrances Appropriated	29,011	29,011	29,011	-
Fund Balance (deficit), June 30	<u>\$ 34,147</u>	<u>\$ 47</u>	<u>\$ (8,956)</u>	<u>\$ (9,003)</u>
<b><u>Nutrition Education and Training Program Fund</u></b>				
Total Revenues and Other Financing Sources	\$ -	\$ -	\$ (311)	\$ (311)
Total Expenditures and Other Financing Uses	-	-	-	-
Net Change in Fund Balance	-	-	(311)	(311)
Fund Balance, July 1	311	311	311	-
Fund Balance, June 30	<u>\$ 311</u>	<u>\$ 311</u>	<u>\$ -</u>	<u>\$ (311)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Limited English Proficiency Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 19,000	\$ 23,125	\$ 23,123	\$ (2)
Total Expenditures and Other Financing Uses	19,000	23,125	23,123	2
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Title I Disadvantaged Children Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 1,200,000	\$ 1,425,000	\$ 1,211,523	\$ (213,477)
Total Expenditures and Other Financing Uses	1,224,507	1,449,507	1,374,032	75,475
Net Change in Fund Balance	(24,507)	(24,507)	(162,509)	(138,002)
Fund Balance, July 1	93,715	93,715	93,715	-
Prior Year Encumbrances Appropriated	34,507	34,507	34,507	-
Fund Balance (deficit), June 30	<u>\$ 103,715</u>	<u>\$ 103,715</u>	<u>\$ (34,287)</u>	<u>\$ (138,002)</u>
<b><u>IDEA Preschool-Handicapped Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 21,000	\$ 21,000	\$ 19,882	\$ (1,118)
Total Expenditures and Other Financing Uses	21,000	21,000	19,882	1,118
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	257	257	257	-
Fund Balance, June 30	<u>\$ 257</u>	<u>\$ 257</u>	<u>\$ 257</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Improving Teacher Quality Fund</u></b>				
Total Revenues and Other Sources	\$ 270,000	\$ 270,000	\$ 233,542	\$ (36,458)
Total Expenditures and Other Uses	<u>270,000</u>	<u>270,000</u>	<u>233,542</u>	<u>36,458</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Miscellaneous Federal Grant Fund</u></b>				
Total Revenues and Other Sources	\$ 29,000	\$ 29,000	\$ -	\$ (29,000)
Total Expenditures and Other Uses	<u>29,000</u>	<u>29,000</u>	<u>-</u>	<u>29,000</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Uniform School Supplies Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 300,000	\$ 300,000	\$ 356,848	\$ 56,848
Total Expenditures and Other Financing Uses	<u>363,492</u>	<u>398,492</u>	<u>395,217</u>	<u>3,275</u>
Net Change in Fund Balance	(63,492)	(98,492)	(38,369)	60,123
Fund Balance, July 1	225,165	225,165	225,165	-
Prior Year Encumbrances Appropriated	<u>13,492</u>	<u>13,492</u>	<u>13,492</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 175,165</u>	<u>\$ 140,165</u>	<u>\$ 200,288</u>	<u>\$ 60,123</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Special Services Rotary Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 60,000	\$ 60,000	\$ 58,811	\$ (1,189)
Total Expenditures and Other Financing Uses	73,819	73,819	51,792	22,027
Net Change in Fund Balance	(13,819)	(13,819)	7,019	20,838
Fund Balance, July 1	34,759	34,759	34,759	-
Prior Year Encumbrances Appropriated	3,819	3,819	3,819	-
Fund Balance, June 30	<u>\$ 24,759</u>	<u>\$ 24,759</u>	<u>\$ 45,597</u>	<u>\$ 20,838</u>
<b><u>Internal Services Rotary Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 1,000,000	\$ 1,000,000	\$ 858,098	\$ (141,902)
Total Expenditures and Other Financing Uses	1,027,050	1,027,050	644,493	382,557
Net Change in Fund Balance	(27,050)	(27,050)	213,605	240,655
Fund Balance, July 1	14,724	14,724	14,724	-
Prior Year Encumbrances Appropriated	28,050	28,050	28,050	-
Fund Balance, June 30	<u>\$ 15,724</u>	<u>\$ 15,724</u>	<u>\$ 256,379</u>	<u>\$ 240,655</u>
<b><u>Public School Support Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 80,000	\$ 80,000	\$ 129,333	\$ 49,333
Total Expenditures and Other Financing Uses	101,807	101,807	101,703	104
Net Change in Fund Balance	(21,807)	(21,807)	27,630	49,437
Fund Balance, July 1	85,326	85,326	85,326	-
Prior Year Encumbrances Appropriated	1,807	1,807	1,807	-
Fund Balance, June 30	<u>\$ 65,326</u>	<u>\$ 65,326</u>	<u>\$ 114,763</u>	<u>\$ 49,437</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Special Enterprise Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 170,000	\$ 170,000	\$ 160,094	\$ (9,906)
Total Expenditures and Other Financing Uses	160,000	160,000	139,068	20,932
Net Change in Fund Balance	10,000	10,000	21,026	11,026
Fund Balance, July 1	28,349	28,349	28,349	-
Fund Balance, June 30	<u>\$ 38,349</u>	<u>\$ 38,349</u>	<u>\$ 49,375</u>	<u>\$ 11,026</u>
<b><u>Special Trust General Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 4,881	\$ 4,881	\$ 10,225	\$ 5,344
Total Expenditures and Other Financing Uses	59,913	59,913	32,465	27,448
Net Change in Fund Balance	(55,032)	(55,032)	(22,240)	32,792
Fund Balance, July 1	77,241	77,241	77,241	-
Prior Year Encumbrances Appropriated	5,132	5,132	5,132	-
Fund Balance, June 30	<u>\$ 27,341</u>	<u>\$ 27,341</u>	<u>\$ 60,133</u>	<u>\$ 32,792</u>
<b><u>Management Information System Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 86,000	\$ 86,000	\$ 75,000	\$ (11,000)
Total Expenditures and Other Financing Uses	95,000	95,000	77,757	17,243
Net Change in Fund Balance	(9,000)	(9,000)	(2,757)	6,243
Fund Balance, July 1	14,715	14,715	14,715	-
Fund Balance, June 30	<u>\$ 5,715</u>	<u>\$ 5,715</u>	<u>\$ 11,958</u>	<u>\$ 6,243</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Bond Retirement Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 3,642,276	\$ 3,887,899	\$ 4,028,691	\$ 140,792
Total Expenditures and Other Financing Uses	4,024,071	4,024,071	4,024,070	1
Net Change in Fund Balance	(381,795)	(136,172)	4,621	140,793
Fund Balance, July 1	768,343	768,343	768,343	-
Fund Balance, June 30	<u>\$ 386,548</u>	<u>\$ 632,171</u>	<u>\$ 772,964</u>	<u>\$ 140,793</u>

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

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS  
JUNE 30, 2013

	<b>Permanent Improvement Fund</b>	<b>Building Fund</b>	<b>Total Nonmajor Capital Project Funds</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 3,115,688	\$ 1,882,043	\$ 4,997,731
Cash in segregated accounts . . . . .	-	192,916	192,916
Receivables:			
Taxes . . . . .	1,776,308	-	1,776,308
Payment in lieu of taxes . . . . .	2,480	-	2,480
Accrued interest . . . . .	-	5,423	5,423
<b>Total assets . . . . .</b>	<b>\$ 4,894,476</b>	<b>\$ 2,080,382</b>	<b>\$ 6,974,858</b>
<b>Liabilities:</b>			
Contracts payable . . . . .	\$ 369,604	\$ 383,364	\$ 752,968
Retainage payable . . . . .	-	224,544	224,544
Unearned revenue . . . . .	66,666	-	66,666
<b>Total liabilities . . . . .</b>	<b>436,270</b>	<b>607,908</b>	<b>1,044,178</b>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year . . . . .	1,424,204	-	1,424,204
Delinquent property tax revenue not available . . . . .	82,104	-	82,104
Payment in lieu of taxes levied for the next fiscal year	2,480	-	2,480
<b>Total deferred inflows of resources . . . . .</b>	<b>1,508,788</b>	<b>-</b>	<b>1,508,788</b>
<b>Fund balances:</b>			
Restricted:			
Capital improvements . . . . .	2,720,682	1,472,474	4,193,156
Committed:			
Capital improvements . . . . .	228,736	-	228,736
<b>Total fund balances . . . . .</b>	<b>2,949,418</b>	<b>1,472,474</b>	<b>4,421,892</b>
<b>Total liabilities, deferred inflows and fund balances. . .</b>	<b>\$ 4,894,476</b>	<b>\$ 2,080,382</b>	<b>\$ 6,974,858</b>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<b>Permanent Improvement Fund</b>	<b>Building Fund</b>	<b>Total Nonmajor Capital Project Funds</b>
<b>Revenues:</b>			
From local sources:			
Property taxes . . . . .	\$ 1,686,610	\$ -	\$ 1,686,610
Payment in lieu of taxes . . . . .	9,552	-	9,552
Earnings on investments . . . . .	44,790	125,374	170,164
Rental income . . . . .	3,685	-	3,685
Contributions and donations . . . . .	100,000	-	100,000
Other local revenues . . . . .	66,666	-	66,666
Intergovernmental - state . . . . .	230,973	-	230,973
Intergovernmental - federal . . . . .	228,736	-	228,736
Decrease in fair market value of investments . . . . .	-	(127,142)	(127,142)
<b>Total revenues . . . . .</b>	<b>2,371,012</b>	<b>(1,768)</b>	<b>2,369,244</b>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular . . . . .	383,544	-	383,544
Support services:			
Pupil . . . . .	191,900	145,926	337,826
Operations and maintenance . . . . .	69,984	44,506	114,490
Central . . . . .	-	2,226	2,226
Extracurricular activities . . . . .	13,325	-	13,325
Facilities acquisition and construction . . . . .	2,083,761	2,373,752	4,457,513
<b>Total expenditures . . . . .</b>	<b>2,742,514</b>	<b>2,566,410</b>	<b>5,308,924</b>
Excess of expenditures over revenues . . . . .	(371,502)	(2,568,178)	(2,939,680)
<b>Other financing uses:</b>			
Transfers out . . . . .	(150,624)	-	(150,624)
<b>Net change in fund balances . . . . .</b>	<b>(522,126)</b>	<b>(2,568,178)</b>	<b>(3,090,304)</b>
<b>Fund balances at beginning of year . . . . .</b>	<b>3,471,544</b>	<b>4,040,652</b>	<b>7,512,196</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 2,949,418</b>	<b>\$ 1,472,474</b>	<b>\$ 4,421,892</b>



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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Permanent Improvement Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 2,516,982	\$ 2,283,263	\$ 2,387,584	\$ 104,321
Total Expenditures and Other Financing Uses	<u>5,664,097</u>	<u>5,664,097</u>	<u>4,120,013</u>	<u>1,544,084</u>
Net Change in Fund Balance	(3,147,115)	(3,380,834)	(1,732,429)	1,648,405
Fund Balance, July 1	1,272,612	1,272,612	1,272,612	-
Prior Year Encumbrances Appropriated	<u>2,119,076</u>	<u>2,119,076</u>	<u>2,119,076</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 244,573</u>	<u>\$ 10,854</u>	<u>\$ 1,659,259</u>	<u>\$ 1,648,405</u>
<b><u>Building Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 10,000	\$ 10,000	\$ (7,426)	\$ (17,426)
Total Expenditures and Other Financing Uses	<u>4,153,396</u>	<u>4,153,396</u>	<u>3,919,783</u>	<u>233,613</u>
Net Change in Fund Balance	(4,143,396)	(4,143,396)	(3,927,209)	216,187
Fund Balance, July 1	610,521	610,521	610,521	-
Prior Year Encumbrances Appropriated	<u>3,533,396</u>	<u>3,533,396</u>	<u>3,533,396</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 521</u>	<u>\$ 521</u>	<u>\$ 216,708</u>	<u>\$ 216,187</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Endowment Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 30,000	\$ 30,000	\$ 10,164	\$ (19,836)
Total Expenditures and Other Financing Uses	53,476	53,476	25,226	28,250
Net Change in Fund Balance	(23,476)	(23,476)	(15,062)	8,414
Fund Balance, July 1	670,894	670,894	670,894	-
Prior Year Encumbrances Appropriated	23,476	23,476	23,476	-
Fund Balance, June 30	<u>\$ 670,894</u>	<u>\$ 670,894</u>	<u>\$ 679,308</u>	<u>\$ 8,414</u>

**FINDLAY CITY SCHOOL DISTRICT  
PROPRIETARY FUND DESCRIPTION**

**Nonmajor Internal Service Fund**

**Employee Benefits Self Insurance Fund**

Section 5705.09, Revised Code

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

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Employee Benefits Self Insurance Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 7,500,000	\$ 7,500,000	\$ 6,663,449	\$ (836,551)
Total Expenses and Other Financing Uses	7,500,000	7,500,000	6,508,240	991,760
Net Change in Fund Balance	-	-	155,209	155,209
Fund Balance, July 1	3,116,022	3,116,022	3,116,022	-
Fund Balance, June 30	<u>\$ 3,116,022</u>	<u>\$ 3,116,022</u>	<u>\$ 3,271,231</u>	<u>\$ 155,209</u>

**FINDLAY CITY SCHOOL DISTRICT  
FIDUCIARY FUND DESCRIPTIONS**

**Private Purpose Trust Fund**

**Scholarship Fund**

Section 5705.09, Revised Code

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

**Agency Fund**

**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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Scholarship Fund</u></b>				
Total Revenues and Other Financing Sources	\$ -	\$ -	\$ 40,230	\$ 40,230
Total Expenditures and Other Financing Uses	54,515	54,515	58,136	(3,621)
Net Change in Fund Balance	(54,515)	(54,515)	(17,906)	36,609
Fund Balance, July 1	35,907	35,907	35,907	-
Prior Year Encumbrances Appropriated	22,481	22,481	22,481	-
Fund Balance, June 30	<u>\$ 3,873</u>	<u>\$ 3,873</u>	<u>\$ 40,482</u>	<u>\$ 36,609</u>

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<b>Beginning Balance July 1, 2012</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance June 30, 2013</b>
<b><u>Student Managed Activity Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 117,317	\$ 112,442	\$ (110,847)	\$ 118,912
Receivables				
Accounts . . . . .	-	791	-	791
Total assets . . . . .	<u>\$ 117,317</u>	<u>\$ 113,233</u>	<u>\$ (110,847)</u>	<u>\$ 119,703</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 81	\$ 37	\$ (81)	\$ 37
Intergovernmental payable . . . . .	7	9	(7)	9
Due to students . . . . .	117,229	113,187	(110,759)	119,657
Total liabilities . . . . .	<u>\$ 117,317</u>	<u>\$ 113,233</u>	<u>\$ (110,847)</u>	<u>\$ 119,703</u>

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STATISTICAL SECTION

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

**STATISTICAL SECTION**

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends:</b> These schedules present trend information to demonstrate how the District's financial position and financial performance have changed over time.	<b>S2 - S13</b>
<b>Revenue Capacity:</b> These schedules present information to identify the capacity of the District's most significant local revenue source, property taxes.	<b>S14 - S19</b>
<b>Debt Capacity:</b> These schedules present information to assess the capacity of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	<b>S20 - S23</b>
<b>Demographic and Economic Information:</b> These schedules present information to show demographic and economic indicators of the environment within which the District's financial operations occur.	<b>S24 - S25</b>
<b>Operating Information:</b> These schedules present information about how the District's basic financial statements relate to the programs and services the District provides and the activities it performs.	<b>S26 - S34</b>
<b>Sources:</b> Sources are noted on the individual schedules.	

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
NET POSITION BY COMPONENT  
ACCRUAL BASIS OF ACCOUNTING  
LAST TEN FISCAL YEARS

<u>Governmental Activities</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b><u>Net Position:</u></b>					
Net investment in capital assets	\$ 36,707,854	\$ 33,870,976	\$ 17,194,091	\$ 15,084,461	\$ 13,598,457
Restricted	11,034,090	9,747,567	24,592,513	22,508,530	3,546,125
Unrestricted (deficit)	<u>9,369,113</u>	<u>10,025,932</u>	<u>6,919,739</u>	<u>4,627,370</u>	<u>4,826,479</u>
Total governmental activities net position	<u>\$ 57,111,057</u>	<u>\$ 53,644,475</u>	<u>\$ 48,706,343</u>	<u>\$ 42,220,361</u>	<u>\$ 21,971,061</u>

**Source:** Findlay CSD, Treasurer's Office.

**Note:** 2012 amounts have been restated due to the implementation of GASB Statement No. 65.

<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
\$ 11,666,148	\$ 8,230,530	\$ 8,719,128	\$ 6,520,579	\$ 6,861,477
2,789,266	1,665,886	1,113,020	632,623	861,334
5,798,930	5,705,257	157,661	(1,640,249)	(4,655,264)
<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>

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
 CHANGES IN NET POSITION  
 ACCRUAL BASIS OF ACCOUNTING  
 LAST TEN FISCAL YEARS

<b>Governmental Activities</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b><u>Expenses:</u></b>					
Instruction:					
Regular	\$ 22,985,792	\$ 23,783,570	\$ 24,035,747	\$ 24,815,455	\$ 25,159,062
Special	6,886,178	6,927,703	7,731,994	7,632,767	7,380,789
Vocational	2,849,763	2,671,736	2,847,494	2,980,116	3,589,139
Adult/continuing	95,473	92,038	112,119	128,224	154,366
Other	5,561,892	5,027,978	4,233,845	3,399,411	2,753,803
Support services:					
Pupil	3,883,659	2,715,860	2,945,192	3,148,186	3,116,136
Instructional staff	4,451,017	4,571,308	4,829,089	4,926,352	4,482,244
Board of education	135,643	133,632	181,030	162,047	95,943
Administration	3,730,286	3,818,259	4,209,417	4,105,906	4,152,921
Fiscal	1,383,421	1,467,637	1,543,490	1,488,289	1,483,958
Business	-	-	-	-	44,109
Operations and maintenance	3,248,967	5,412,920	5,365,383	5,958,054	6,467,052
Pupil transportation	2,185,744	2,131,581	2,113,301	2,126,078	2,165,597
Central	117,913	151,120	165,664	156,585	198,870
Operation of non-instructional services:					
Other non-instructional services	649,898	577,016	596,615	659,606	715,273
Food service operations	1,625,835	1,911,192	1,881,937	2,081,952	1,876,647
Extracurricular activities	1,267,489	1,154,589	1,421,284	1,360,886	1,404,405
Interest and fiscal charges	2,942,525	2,962,353	2,994,671	1,257,804	87,045
Total governmental activities expenses	<u>\$ 64,001,495</u>	<u>\$ 65,510,492</u>	<u>\$ 67,208,272</u>	<u>\$ 66,387,718</u>	<u>\$ 65,327,359</u>

**Note:** 2012 amounts have been restated due to the implementation of GASB Statement No. 65.

	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
\$	26,196,394	\$ 23,915,567	\$ 23,318,390	\$ 22,864,137	\$ 23,486,849
	7,342,020	6,799,260	6,535,625	6,587,965	6,885,330
	2,974,529	2,970,104	2,909,064	2,791,238	2,907,647
	-	-	140,878	151,540	22,997
	2,245,606	1,921,675	1,596,879	1,316,933	966,070
	2,830,187	2,658,799	2,846,622	2,676,900	2,614,587
	3,953,929	4,240,839	4,029,073	4,106,395	4,316,723
	172,550	118,748	99,555	137,083	141,345
	3,867,750	3,822,352	3,876,566	3,507,561	3,699,470
	1,493,860	1,468,975	1,403,653	1,400,700	1,366,159
	-	-	-	-	-
	5,410,595	5,605,278	4,947,744	5,832,388	5,754,853
	2,151,281	2,279,652	2,099,169	1,977,385	2,062,403
	170,094	149,859	147,817	119,375	143,826
	487,370	636,243	637,088	611,998	685,389
	1,884,913	1,720,198	1,685,654	1,759,738	1,707,969
	1,357,637	1,288,164	624,195	1,334,990	1,353,732
	121,236	142,348	165,665	140,487	160,153
\$	<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>

(continued)

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

CHANGES IN NET POSITION  
ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

<u>Governmental Activities</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b><u>Program Revenues:</u></b>					
Charges for services:					
Instruction:					
Regular	\$ 1,580,078	\$ 1,781,710	\$ 1,988,965	\$ 1,986,350	\$ 2,497,334
Special	517,515	672,592	435,144	448,454	488,310
Vocational	743,312	716,532	929,015	1,058,036	304,113
Other	-	290	-	-	-
Support services:					
Pupil	-	-	-	-	-
Instructional staff	-	-	-	2	-
Board of education	-	-	-	-	-
Administration	-	-	-	1,748	5,854
Fiscal	-	-	-	-	17
Operations and maintenance	289,108	160,018	37,051	70,474	56,178
Pupil transportation	7,170	-	-	459	2,365
Central	-	-	-	952	1,785
Operation of non-instructional services:					
Other non-instructional services	159,904	-	-	157,449	163,838
Food service operations	520,556	624,541	736,579	894,769	884,000
Extracurricular activities	467,293	554,939	520,371	479,054	512,494
Operating grants and contributions:					
Instruction:					
Regular	581,536	546,041	2,119,682	938,302	1,324,528
Special	3,324,901	3,077,825	3,759,551	1,944,128	2,947,794
Vocational	393,492	411,411	303,867	381,644	403,721
Adult/continuing	-	-	-	86,920	-
Other	16,800	42,058	242,953	-	845
Support services:					
Pupil	244,165	284,880	295,454	309,615	301,711
Instructional staff	1,019,780	1,008,606	1,254,666	1,072,593	1,010,815
Administration	17,956	17,279	17,972	18,939	17,883
Fiscal	-	-	-	-	327
Operations and maintenance	312,536	314,011	276,576	282,329	258,053
Pupil transportation	100,728	93,044	173,935	73,492	89,528
Central	-	20,960	5,000	23,485	52,930
Operation of non-instructional services:					
Other non-instructional services	480,775	429,531	409,875	475,578	499,572
Food service operations	1,068,542	1,239,951	1,108,268	1,217,708	1,059,803
Extracurricular activities	112,994	54,889	706,197	580,973	18,098
Capital grants and contributions:					
Instruction:					
Regular	-	11,000	-	-	121,271
Support services:					
Pupil	-	-	-	-	8,004
Operations and maintenance	-	-	-	-	13,295
Pupil transportation	-	-	-	-	158,378
Extracurricular activities	100,000	-	-	-	5,236
Total governmental activities program revenues	<u>\$ 12,059,141</u>	<u>\$ 12,062,108</u>	<u>\$ 15,321,121</u>	<u>\$ 12,503,453</u>	<u>\$ 13,208,080</u>
<b>Net Revenue/(Expense)</b>	<u>\$ (51,942,354)</u>	<u>\$ (53,448,384)</u>	<u>\$ (51,887,151)</u>	<u>\$ (53,884,265)</u>	<u>\$ (52,119,279)</u>



	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	2,452,073	\$ 1,656,483	\$ 1,512,624	\$ 2,374,274	\$ 1,977,485
	397,500	427,012	299,111	-	274,954
	603,375	758,526	140,361	262,919	363,625
	70,000	70,000	86,361	-	-
	-	-	126,193	-	-
	141	-	158,216	-	-
	-	-	5,110	-	-
	10,327	1,555	193,363	-	-
	-	39	71,657	-	-
	79,575	71,215	264,997	4,382	15,978
	969	6	130,801	-	7,834
	-	386	6,874	-	-
	48,618	149,192	159,541	563,926	361,729
	851,519	916,764	986,582	959,673	873,692
	447,455	559,006	460,840	582,406	717,304
	604,819	1,876,450	584,900	692,205	494,408
	2,932,001	2,667,431	862,771	907,967	953,117
	392,516	438,074	136,363	87,544	100,482
	-	-	-	-	-
	8	35,954	17	31,655	-
	308,060	343,123	385,658	180,353	176,260
	950,239	1,177,811	966,238	1,509,883	1,037,155
	17,347	21,245	18,281	11,070	11,790
	-	-	1,662	-	-
	385,098	451,959	43,889	64,827	71,070
	84,846	91,738	-	-	-
	21,989	27,108	33,535	20,249	30,131
	468,226	454,785	457,241	331,054	340,985
	903,208	896,264	814,692	882,758	931,470
	17,976	16,055	-	-	-
	233,259	74,601	-	49,875	-
	31,767	-	-	-	-
	297	-	-	-	-
	20,071	16,375	-	-	-
	7,613	-	-	-	-
\$	<u>12,340,892</u>	<u>\$ 13,199,157</u>	<u>\$ 8,907,878</u>	<u>\$ 9,517,020</u>	<u>\$ 8,739,469</u>
\$	<u>(50,319,059)</u>	<u>\$ (46,538,904)</u>	<u>\$ (48,155,759)</u>	<u>\$ (47,799,793)</u>	<u>\$ (49,536,033)</u>

(continued)

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
 CHANGES IN NET POSITION  
 ACCRUAL BASIS OF ACCOUNTING  
 LAST TEN FISCAL YEARS

<b>Governmental Activities</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>General Revenues and Other Changes in Net Position:</b>					
Property taxes levied for:					
General purposes	\$ 24,466,445	\$ 26,068,254	\$ 25,022,687	\$ 22,896,396	\$ 25,284,305
Debt service	2,864,622	3,148,655	2,891,446	1,702,134	108,061
Capital projects	1,687,333	1,825,682	1,743,558	1,622,185	1,793,374
Grants and entitlements not restricted to specific programs	25,516,833	26,451,719	27,200,127	27,944,202	25,247,868
Grants and entitlements restricted for Ohio School Facilities Commission	-	-	-	18,410,485	-
Investment earnings	780,537	673,443	788,385	854,036	694,018
Decrease in fair value of investments	(812,351)	-	-	-	-
Gain on sale of assets	-	-	-	144,042	-
Miscellaneous	905,517	693,998	726,930	560,085	708,370
Total governmental activities general revenues	<u>\$ 55,408,936</u>	<u>\$ 58,861,751</u>	<u>\$ 58,373,133</u>	<u>\$ 74,133,565</u>	<u>\$ 53,835,996</u>
<b>Change in Net Position</b>	<u>\$ 3,466,582</u>	<u>\$ 5,413,367</u>	<u>\$ 6,485,982</u>	<u>\$ 20,249,300</u>	<u>\$ 1,716,717</u>

**Source:** Findlay CSD, Treasurer's Office.

**Note:** 2012 amounts have been restated due to the implementation of GASB Statement No. 65.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 27,357,581	\$ 28,441,147	\$ 29,122,910	\$ 28,074,070	\$ 25,610,581
108,061	106,330	108,061	108,061	108,062
1,995,210	1,106,943	-	-	-
24,497,427	20,714,263	21,941,335	21,047,772	20,151,186
-	-	-	-	-
509,130	1,069,510	489,690	208,720	174,636
-	-	-	-	-
-	-	-	-	-
504,321	712,575	970,619	806,576	601,258
<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>\$ 4,652,671</u>	<u>\$ 5,611,864</u>	<u>\$ 4,476,856</u>	<u>\$ 2,445,406</u>	<u>\$ (2,890,310)</u>

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

FUND BALANCES - GOVERNMENTAL FUNDS  
MODIFIED ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

<b>Governmental Funds</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>General Fund:</b>					
<b>Fund Balance:</b>					
Nonspendable	\$ 118,446	\$ 118,456	\$ 153,624	\$ -	\$ -
Assigned	3,401,843	1,236,841	1,964,729	-	-
Unassigned (deficit)	5,889,856	8,660,868	5,122,427	-	-
Reserved	-	-	-	2,881,936	3,811,682
Unreserved	-	-	-	3,335,028	3,393,209
Total general fund	<u>\$ 9,410,145</u>	<u>\$ 10,016,165</u>	<u>\$ 7,240,780</u>	<u>\$ 6,216,964</u>	<u>\$ 7,204,891</u>
<b>Other Governmental Funds:</b>					
<b>Fund Balance:</b>					
Nonspendable	\$ 636,057	\$ 634,886	\$ 641,382	\$ -	\$ -
Restricted	12,357,926	36,614,180	70,597,302	-	-
Committed	228,736	707,531	200,000	-	-
Unassigned (deficit)	(83,806)	(64,758)	(61,130)	-	-
Reserved	-	-	-	2,807,585	1,597,917
Unreserved, reported in:					
Special revenue funds	-	-	-	1,649,729	1,033,743
Capital projects funds	-	-	-	54,459,468	783,510
Permanent fund	-	-	-	96,811	68,440
Total other governmental funds	<u>\$ 13,138,913</u>	<u>\$ 37,891,839</u>	<u>\$ 71,377,554</u>	<u>\$ 59,013,593</u>	<u>\$ 3,483,610</u>
Total governmental funds	<u>\$ 22,549,058</u>	<u>\$ 47,908,004</u>	<u>\$ 78,618,334</u>	<u>\$ 65,230,557</u>	<u>\$ 10,688,501</u>

Source: Findlay CSD, Treasurer's Office.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
2,971,277	2,975,065	3,013,053	3,551,749	2,816,147
<u>2,815,693</u>	<u>2,110,152</u>	<u>(1,710,892)</u>	<u>(4,031,490)</u>	<u>(3,338,528)</u>
<u>\$ 5,786,970</u>	<u>\$ 5,085,217</u>	<u>\$ 1,302,161</u>	<u>\$ (479,741)</u>	<u>\$ (522,381)</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,059,883	1,789,430	1,236,298	1,562,345	623,866
662,125	438,552	656,201	167,442	232,401
148,734	(144,932)	(361,931)	(1,428,827)	(654,172)
60,841	54,297	30,273	631,738	178,194
<u>\$ 2,931,583</u>	<u>\$ 2,137,347</u>	<u>\$ 1,560,841</u>	<u>\$ 932,698</u>	<u>\$ 380,289</u>
<u>\$ 8,718,553</u>	<u>\$ 7,222,564</u>	<u>\$ 2,863,002</u>	<u>\$ 452,957</u>	<u>\$ (142,092)</u>

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

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

LAST TEN FISCAL YEARS

<b>Governmental Funds</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Revenues:</b>					
From local sources:					
Taxes	\$ 29,016,594	\$ 31,115,695	\$ 29,657,440	\$ 26,173,376	\$ 28,225,572
Payment in lieu of taxes	202,827	164,014	160,004	-	-
Tuition	2,584,716	2,754,251	2,922,363	3,200,512	2,988,178
Earnings on investments	797,745	895,844	692,126	692,725	829,673
Charges for services	520,556	624,541	736,579	833,365	884,000
Extracurricular	484,423	565,694	533,387	493,079	532,585
Classroom materials and fees	367,008	375,215	372,291	400,580	406,072
Rental income	270,014	160,018	165,277	48,655	42,764
Contributions and donations	494,554	366,731	377,333	355,576	394,901
Contract services	58,219	30,903	45,454	60,152	-
Other local revenues	756,389	677,759	438,692	557,258	758,709
Intergovernmental - Intermediate	-	-	-	-	-
Intergovernmental - State	28,028,512	29,970,887	41,535,537	30,197,993	28,723,675
Intergovernmental - Federal	5,649,228	6,410,389	7,994,456	6,884,097	4,486,472
Decrease in fair value of investments	(812,351)	-	-	-	-
<b>Total revenues</b>	<b>68,418,434</b>	<b>74,111,941</b>	<b>85,630,939</b>	<b>69,897,368</b>	<b>68,272,601</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	23,021,813	23,527,813	24,239,559	24,749,868	24,630,850
Special	6,773,630	6,842,708	7,860,250	7,685,426	7,207,072
Vocational	2,634,910	2,568,092	2,827,020	2,999,561	3,433,998
Adult/continuing	96,140	92,651	112,271	128,340	155,179
Other	5,561,892	5,028,013	4,233,845	3,399,411	2,768,086
Support services:					
Pupil	5,090,474	4,218,995	2,949,238	3,239,492	3,057,755
Instructional staff	4,384,397	4,572,768	4,914,694	4,911,676	4,557,078
Board of education	135,643	133,632	181,030	162,047	96,451
Administration	3,847,219	3,787,213	4,142,449	4,050,210	4,112,967
Fiscal	1,406,882	1,457,419	1,528,310	1,472,052	1,450,467
Business	-	-	-	-	44,346
Operations and maintenance	5,631,954	5,645,094	5,664,620	5,936,118	6,420,137
Pupil transportation	2,076,964	2,057,066	2,375,884	2,029,893	2,544,164
Central	121,610	161,638	183,106	158,250	191,755
Operation of non-instructional services:					
Other non-instructional services	607,178	549,242	595,773	623,539	658,433
Food service operations	1,625,328	1,879,055	1,839,679	2,089,882	1,893,068
Extracurricular activities	1,412,382	1,463,091	1,432,812	1,364,871	1,412,921
Facilities acquisition and construction	25,055,954	36,606,836	2,949,104	3,286,354	1,202,504
Debt service:					
Principal retirement	1,499,571	1,295,510	1,258,396	401,812	388,149
Interest and fiscal charges	2,892,806	2,923,859	2,948,324	1,014,501	88,219
Bond issuance costs	-	-	-	500,721	-
<b>Total expenditures</b>	<b>93,876,747</b>	<b>104,810,695</b>	<b>72,236,364</b>	<b>70,204,024</b>	<b>66,313,599</b>
Excess (deficiency) of revenues over (under) expenditures	(25,458,313)	(30,698,754)	13,394,575	(306,656)	1,959,002
<b>Other Financing Sources (Uses):</b>					
Transfers in	150,624	271,394	348,273	39,591,629	75,000
Transfers (out)	(150,624)	(271,394)	(348,273)	(39,591,629)	(75,000)
Sale of capital assets	92,972	-	20	152,500	-
Proceeds of loans	-	-	-	-	-
Sale of bonds	-	-	-	54,192,135	-
Premium on bonds	-	-	-	509,424	-
<b>Total other financing sources (uses)</b>	<b>92,972</b>	<b>-</b>	<b>20</b>	<b>54,854,059</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (25,365,341)</b>	<b>\$ (30,698,754)</b>	<b>\$ 13,394,595</b>	<b>\$ 54,547,403</b>	<b>\$ 1,959,002</b>
Debt service as a percentage of noncapital expenditures	6.80%	6.40%	6.14%	2.87%	0.75%

Source: Findlay CSD, Treasurer's Office.

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	29,267,804	\$ 29,598,094	\$ 29,144,263	\$ 27,278,445	\$ 25,764,840
	-	-	-	-	-
	2,561,600	2,656,155	2,773,147	2,528,218	2,344,604
	664,436	835,528	419,503	189,744	181,235
	851,519	916,764	986,582	961,169	873,692
	475,029	573,569	487,563	579,910	547,674
	358,127	365,305	355,339	326,309	314,614
	-	-	-	-	-
	-	-	-	293,109	-
	-	-	-	-	-
	1,062,082	1,178,209	970,619	864,178	1,113,275
	-	-	115,870	1,263	-
	26,078,163	24,510,586	22,519,432	21,761,800	20,620,247
	5,561,700	4,311,602	3,719,171	4,086,262	4,001,791
	-	-	-	-	-
	<u>66,880,460</u>	<u>64,945,812</u>	<u>61,491,489</u>	<u>58,870,407</u>	<u>55,761,972</u>
	26,634,467	23,456,663	23,841,116	22,851,215	22,677,188
	7,120,328	6,712,383	6,633,764	6,562,357	6,698,490
	2,835,411	2,864,128	2,870,132	2,774,174	2,830,388
	-	-	140,288	151,806	22,115
	2,222,197	1,921,652	1,590,336	1,319,245	966,151
	2,774,078	2,649,120	2,821,732	2,660,619	2,571,763
	3,752,110	4,181,270	4,008,697	4,166,714	4,290,418
	170,763	118,748	99,138	137,324	141,345
	3,743,620	3,816,757	3,766,790	3,555,187	3,629,330
	1,457,330	1,443,722	1,383,808	1,396,875	1,353,401
	-	-	-	-	-
	6,297,877	5,545,420	5,036,278	5,442,055	5,693,012
	2,138,796	2,191,111	2,002,206	1,869,871	2,099,609
	166,780	147,223	147,729	119,694	140,790
	437,777	603,278	616,342	588,603	668,136
	1,839,020	1,694,138	1,666,276	1,775,874	1,715,056
	1,348,542	1,276,019	729,828	1,342,774	1,349,432
	1,353,395	1,294,927	1,818,243	573,018	44,188
	959,328	514,167	441,312	403,946	439,334
	124,867	144,066	152,355	140,487	160,153
	-	-	-	-	-
	<u>65,376,686</u>	<u>60,574,792</u>	<u>59,766,370</u>	<u>57,831,838</u>	<u>57,490,299</u>
	1,503,774	4,371,020	1,725,119	1,038,569	(1,728,327)
	665,000	1,255,000	1,280,000	590,000	-
	(665,000)	(1,255,000)	(1,280,000)	(590,000)	-
	-	-	-	6,375	7,551
	-	-	713,611	95,651	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	713,611	102,026	7,551
\$	<u>1,503,774</u>	<u>4,371,020</u>	<u>2,438,730</u>	<u>1,140,595</u>	<u>(1,720,776)</u>
	1.76%	1.11%	1.03%	0.95%	1.05%

**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)
2013	\$ 745,725,300	2,130,643,714	\$ -	\$ -	\$ 24,973,460	\$ 28,378,932
2012	741,894,780	2,119,699,371	-	-	23,297,920	26,474,909
2011	745,637,250	2,130,392,143	-	-	22,501,820	25,570,250
2010	784,269,630	2,240,770,371	-	-	21,541,150	24,478,580
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

**Source:** Hancock County Auditor.

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

Real estate property is assessed at 35 percent of estimated actual value for 2013.

Public utility tangible personal property is assessed at 88 percent of estimated actual value for 2013.



<b>Total Property</b>		<b>Assessed Valuation as a Percent of Estimated Actual Valuation</b>	<b>Direct Property Tax Rate</b>
<b>Assessed Valuation</b>	<b>Estimated Actual Valuation</b>		
\$ 770,698,760	\$ 2,159,022,646	35.70%	\$ 64.95
765,192,700	2,146,174,281	35.65%	64.95
768,139,070	2,155,962,393	35.63%	64.99
805,810,780	2,265,248,951	35.57%	64.18
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

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

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

LAST TEN CALENDAR YEARS

Calendar Year	Direct Rates					Overlapping Rates					Total
	Voted			Unvoted	Total Direct	City of Findlay	Hancock County	Hancock County Park District	Findlay Hancock Public Library		
	General	Bond	Permanent Improvement								
2013	\$ 52.95	\$ 4.20	\$ 2.50	\$ 5.30	\$ 64.95	\$ 3.20	\$ 7.80	\$ 0.80	\$ 0.50	77.25	
2012	52.95	4.20	2.50	5.30	64.95	3.20	7.80	0.80	0.50	77.25	
2011	52.95	4.24	2.50	5.30	64.99	3.20	7.80	0.80	0.50	77.29	
2010	52.95	3.43	2.50	5.30	64.18	3.20	7.80	0.80	-	75.98	
2009	52.95	-	2.50	5.30	60.75	3.20	7.80	0.80	-	72.55	
2008	52.95	-	2.50	5.30	60.75	3.20	7.80	0.80	-	72.55	
2007	52.95	-	2.50	5.30	60.75	3.20	7.80	0.80	-	72.55	
2006	52.95	-	-	5.30	58.25	3.20	5.00	0.80	-	67.25	
2005	52.95	-	-	5.30	58.25	3.20	5.00	0.80	-	67.25	
2004	48.05	-	-	5.30	53.35	3.20	5.51	0.80	-	62.86	

Source: Hancock County Auditor.

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

PRINCIPAL TAXPAYERS  
REAL ESTATE PROPERTY

DECEMBER 31, 2012 AND DECEMBER 31, 2003

<b>December 31, 2012</b>			
<b>Taxpayer</b>	<b>Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Ohio Power	\$ 44,889,620	1	5.82%
Marathon Oil Company	30,566,740	2	3.97%
Wells Fargo Bank	23,999,980	3	3.11%
Best Buy	20,286,000	4	2.63%
Whirlpool	18,498,830	5	2.40%
Ohio Lagistics LTD	16,624,370	6	2.16%
Findlay Shopping Center	15,820,400	7	2.05%
Ball Metal	15,420,260	8	2.00%
Kohl's Department Store	12,466,600	9	1.62%
Hercules Tire & Rubber	11,067,460	10	1.44%
	<b>\$ 209,640,260</b>		<b>\$ 770,698,760</b>

<b>December 31, 2003</b>			
<b>Taxpayer</b>	<b>Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Cooper Tire & Rubber	\$ 32,144,780	1	4.06%
Whirlpool	29,410,210	2	3.71%
Ohio Power	28,181,550	3	3.56%
Best Buy Distribution Center	18,907,460	4	2.39%
Ball Metal	17,640,330	5	2.23%
Marathon Oil Company	15,789,100	6	1.99%
Owens Illinois/Brockway Plastics Company	12,147,600	7	1.53%
Findlex	11,142,840	8	1.41%
Consolidated Biscuit Co.	9,463,570	9	1.19%
Kohls	9,170,940	10	1.16%
	<b>\$ 183,998,380</b>		<b>\$ 792,099,947</b>

**Source:** Hancock County Auditor.

**Note:** Tax information is available on a calendar year basis. Therefore, principal taxpayer information for real estate property taxes is presented for December 31, 2012 (the most recent information available) and December 31, 2003 (nine years prior, in accordance with GASB Statement No. 44).

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

<b>Calendar Year</b>	<b>Current Taxes Levied</b>	<b>Delinquent Taxes Levied</b>	<b>Total Taxes Levied</b>	<b>Current Taxes Collected</b>	<b>Percent of Current Tax Levy Collected</b>
2012	\$ 29,184,426	\$ 1,687,688	\$ 30,872,114	\$ 28,026,040	96.03%
2011	28,946,533	1,629,467	30,576,000	28,039,998	96.87%
2010	28,973,886	1,787,797	30,761,683	27,474,394	94.82%
2009	25,476,595	1,581,190	27,057,785	24,393,739	95.75%
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%

**Source:** Hancock County Auditor.

An adjustment was made to 2009 and 2010 total taxes collected due to an estimate made by the treasurer of amounts paid ahead, Board of Revision adjustments and penalty fees.

<b>Delinquent Taxes Collected</b>	<b>Total Taxes Collected</b>	<b>Total Taxes Collected as a Percent of Total Tax Levy</b>
\$ 863,835	\$ 28,889,875	93.58%
926,797	28,966,795	94.74%
994,922	28,469,316	92.55%
789,927	25,183,666	93.07%
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%

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

Fiscal Year	Long-Term Debt				Total Long-Term Debt	Total Long-Term Debt Per Student	Total Long-Term Debt Per Capita	Percentage of Total Long-Term Debt to Total Personal Income
	Asbestos Removal Loans	Capital Leases	General Obligation Bonds	Energy Conservation Loans				
2013	\$ -	\$ 355,548	\$ 51,952,871	\$ -	\$ 52,308,419	\$ 9,086	\$ 1,260	4.81%
2012	30,700	694,419	53,030,165	-	53,755,284	9,268	1,305	5.31%
2011	103,101	1,017,528	53,889,727	-	55,010,356	9,642	1,335	5.43%
2010	203,415	1,325,610	54,709,439	-	56,238,464	9,610	1,443	5.94%
2009	311,476	1,619,361	-	-	1,930,837	324	50	0.20%
2008	419,537	1,899,449	-	-	2,318,986	387	62	0.24%
2007	527,598	2,166,510	-	584,206	3,278,314	499	86	0.34%
2006	635,659	2,421,149	-	735,673	3,792,481	577	98	0.39%
2005	743,721	2,680,810	-	95,651	3,520,182	541	88	0.36%
2004	851,782	2,976,695	-	-	3,828,477	599	97	0.41%

Source: Findlay CSD, Treasurer's Office.



**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST FOUR FISCAL YEARS

<b>Fiscal Year</b>	<b>General Obligation Bonded Debt</b>			<b>Percentage of Actual Taxable Value of Property</b>	<b>Net Bonded Debt Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Debt Service Available Balance</b>	<b>Net Bonded Debt</b>		
2013	\$ 51,952,871	\$ 1,225,964	\$ 50,726,907	2.35%	\$ 1,222
2012	53,030,165	1,252,581	51,777,584	2.41%	1,257
2011	53,889,727	1,246,050	52,643,677	2.44%	1,278
2010	54,709,439	1,023,729	53,685,710	2.37%	1,378

**Source:** Findlay CSD, Treasurer's Office.

The District did not have general obligation bonds outstanding prior to fiscal year 2010.

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

DIRECT AND OVERLAPPING DEBT

JUNE 30, 2013

<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	\$ 52,308,419	100.00%	\$ 52,308,419
Total direct debt	<u>52,308,419</u>		<u>52,308,419</u>
<u>Overlapping debt:</u>			
City of Findlay	7,780,000	87.77%	6,828,506
Hancock County	9,071,955	48.24%	4,376,311
Total overlapping debt	<u>16,851,955</u>		<u>11,204,817</u>
Total direct and overlapping debt	<u>\$ 69,160,374</u>		<u>\$ 63,513,236</u>

**Sources:** Findlay CSD, Treasurer's Office; City of Findlay; and Hancock County 2012 CAFRs.

(a) Percentages applicable to the District were determined by dividing the 2012 assessed valuation of the government entity located within the boundaries of the District by the 2012 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
2013	\$ 69,362,888	\$ 51,312,135	\$ 1,225,964	\$ 50,086,171	\$ 19,276,717	72.21%
2012	68,867,343	52,442,135	1,252,581	51,189,554	17,677,789	74.33%
2011	69,132,516	53,342,135	1,246,050	52,096,085	17,036,431	75.36%
2010	72,517,597	54,192,135	844,729	53,347,406	19,170,191	73.56%
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%

Source: Findlay CSD, Treasurer's Office.

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

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

Fiscal Year	Average Daily Membership	Population	Total Personal Income	Per Capita Personal Income (1)	Median Age	Unemployment Rates		
						Hancock County	Ohio	United States
2013	5,757	41,526	\$ 1,086,693,894	\$ 26,169	35.9	5.6%	7.5%	7.3%
2012	5,800	41,202	1,012,291,938	24,569	36.0	8.4%	7.2%	8.2%
2011	5,705	41,202	1,012,291,938	24,569	35.9	8.9%	9.7%	9.7%
2010	5,852	38,967	946,742,232	24,296	34.8	9.5%	10.1%	9.6%
2009	5,956	38,375	974,456,375	25,393	35.0	9.1%	10.5%	10.2%
2008	5,992	37,492	979,703,452	26,131	37.6	5.1%	5.7%	3.6%
2007	6,565	38,173	978,106,779	25,623	37.2	4.5%	5.6%	4.6%
2006	6,571	39,118	974,351,144	24,908	37.2	4.4%	5.4%	4.3%
2005	6,507	40,175	966,891,725	24,067	37.2	4.9%	7.4%	5.1%
2004	6,388	39,421	939,757,219	23,839	37.2	5.1%	6.0%	5.5%

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

**(1)** Per capita personal income information was not available to the Findlay CSD. The information was obtained from the City of Findlay CAFR.

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

PRINCIPAL EMPLOYERS

DECEMBER 31, 2012 AND DECEMBER 31, 2003

<b>December 31, 2012</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
Cooper Tire and Rubber Co.	2,040	1	5.48%
Whirlpool Corporation	1,670	2	4.49%
Marathon Oil Co.	1,565	3	4.21%
Blanchard Valley Health	1,282	4	3.45%
Consolidated Biscuit	1,100	5	2.96%
Findlay City School District	859	6	2.31%
Nissan Brakes (dba Fledlex Corporation)	670	7	1.80%
Lowe's Distribution Center	600	9	1.61%
University of Findlay	542	8	1.46%
Kohls Distribution	450	10	1.21%
<b>Total</b>	<b>10,778</b>		<b>28.98%</b>
<b>Total employment (a)</b>	<b>37,200</b>		

<b>December 31, 2003</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
Whirlpool Corporation	2,204	1	n/a
Cooper Tire and Rubber Co.	2,050	2	n/a
Blanchard Valley Regional Health Center	1,635	5	n/a
Marathon Oil Co.	1,561	3	n/a
Kohls Distribution	950	4	n/a
DTR Industries	914	6	n/a
Consolidated Biscuit Co.	811	7	n/a
Kohls Distribution	796	8	n/a
Findlex Corporation	652	9	n/a
Hancock County	615	10	n/a
<b>Total</b>	<b>12,188</b>		<b>n/a</b>
<b>Total employment</b>	<b>n/a</b>		

**Source:** City of Findlay.

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

<b>Staff Type</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Teaching Staff:					
Elementary School	149	145	153	180	188
Middle School	81	80	91	95	97
High School	115	112	118	127	128
Administration:					
District	49	52	52	53	50
Auxiliary Staff:					
Counselors	12	12	13	14	14
Librarians	1	1	1	1	1
Psychologists	4	6	6	6	5
Speech, Physical and Occupational Therapists	9	8	10	8	8
Nurses and Mental Health Specialists	1	1	1	7	7
Support Staff:					
Secretarial, Finance Clerks, EMIS	45	46	46	47	49
Aides	81	87	99	74	73
Program Directors (After / Before School & Alumni)	5	5	5	6	5
Food Services	38	30	44	33	33
Monitors and Security	21	21	28	20	25
Custodial	37	40	43	44	46
Maintenance	6	7	7	8	8
Bus Drivers	26	25	23	22	22
Mechanics	2	2	3	3	3
Extracurricular Coaches	110	106	126	96	105
<b>Total</b>	<b>792</b>	<b>786</b>	<b>869</b>	<b>844</b>	<b>867</b>

<b>Staff Function</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Instruction:					
Regular	322	315	386	380	389
Other	122	127	87	125	128
Support Services:					
Pupil	31	32	34	38	38
Administration	84	83	91	80	78
Fiscal	6	7	7	7	7
Operations and maintenance	83	83	107	89	91
Pupil transportation	32	31	29	29	29
Extracurricular activities	112	108	128	96	107
<b>Total</b>	<b>792</b>	<b>786</b>	<b>869</b>	<b>844</b>	<b>867</b>

**Source:** Findlay CSD, Treasurer's Office.

<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
182	189	184	187	199
99	97	107	109	117
128	138	140	141	152
51	49	50	50	48
14	14	14	13	24
1	1	1	1	4
4	6	7	7	11
8	9	8	8	9
6	7	7	7	6
44	43	43	43	45
73	65	71	74	77
6	6	7	6	10
34	34	36	35	33
19	16	12	11	12
47	48	51	48	54
10	10	10	10	10
24	22	27	28	28
3	3	3	3	3
105	105	108	108	103
<b>858</b>	<b>862</b>	<b>886</b>	<b>889</b>	<b>945</b>

<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
385	393	399	396	413
123	119	123	133	154
37	40	40	38	57
73	72	73	74	74
7	7	7	7	7
95	96	101	97	101
31	28	33	34	34
107	107	110	110	105
<b>858</b>	<b>862</b>	<b>886</b>	<b>889</b>	<b>945</b>

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

<u>Governmental Activities</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>Capital Assets:</u></b>				
Land	\$ 903,313	\$ 903,313	\$ 903,313	\$ 903,313
Land improvements	3,468,709	1,337,825	1,114,696	1,173,880
Buildings and improvements	10,487,397	10,837,623	11,050,215	10,707,832
Equipment and furniture	2,237,965	1,933,872	1,782,181	1,793,395
Vehicles	1,534,134	1,635,930	1,747,985	1,549,718
Construction in progress	68,304,656	42,097,591	4,392,858	2,010,671
Total	<u>\$ 86,936,174</u>	<u>\$ 58,746,154</u>	<u>\$ 20,991,248</u>	<u>\$ 18,138,809</u>

**Source:** Findlay CSD, Treasurer's Office.

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



<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 416,459	\$ 416,459	\$ 416,459	\$ 416,459	\$ 416,459	\$ 416,459
775,784	342,671	299,982	313,496	214,037	234,007
10,811,313	10,161,543	8,574,033	8,843,491	7,530,937	7,853,690
1,887,798	1,862,297	1,085,859	1,038,673	509,283	681,393
1,637,940	1,202,164	1,132,511	528,158	583,970	652,623
-	-	-	-	242,588	-
<u>\$ 15,529,294</u>	<u>\$ 13,985,134</u>	<u>\$ 11,508,844</u>	<u>\$ 11,140,277</u>	<u>\$ 9,497,274</u>	<u>\$ 9,838,172</u>

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

<u>Building</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>High School</u>					
Square footage	246,608	246,608	246,608	246,608	246,608
Student enrollment	1,916	2,020	1,859	1,924	2,145
<u>Central Middle School</u>					
Square footage	-	105,912	105,912	105,912	105,912
Student enrollment	-	821	429	435	433
<u>Donnell Middle School</u>					
Square footage	116,884	70,605	70,605	70,605	70,605
Student enrollment	595	-	461	467	487
<u>Glenwood Middle School</u>					
Square footage	112,545	70,605	70,605	70,605	70,605
Student enrollment	620	437	396	383	370
<u>Bigelow Hill Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	202	198	227	266	280
<u>Chamberlin Hill Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	249	243	235	253	254
<u>Jacobs Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	276	287	289	271	260
<u>Jefferson Elementary School</u>					
Square footage	25,509	25,509	25,509	25,509	25,509
Student enrollment	224	222	219	221	241
<u>Lincoln Elementary School</u>					
Square footage	57,892	57,892	57,892	57,892	57,892
Student enrollment	334	357	391	432	434
<u>Northview Elementary School</u>					
Square footage	36,246	36,246	36,246	36,246	36,246
Student enrollment	370	346	243	253	252
<u>Washington Elementary School</u>					
Square footage	31,645	31,645	31,645	31,645	31,645
Student enrollment	211	203	208	228	219
<u>Whittier Elementary School</u>					
Square footage	31,930	31,930	31,930	31,930	31,930
Student enrollment	395	402	408	372	346
<u>Wilson Vance Elementary School</u>					
Square footage	38,193	38,193	38,193	38,193	38,193
Student enrollment	365	362	340	346	367
<u>Bus Garage</u>					
Square footage	3,000	3,000	3,000	3,000	3,000
<u>Maintenance Building</u>					
Square footage	5,000	5,000	5,000	5,000	5,000
<u>Millstream East</u>					
Square footage	-	28,152	28,152	28,152	28,152
<u>Millstream South</u>					
Square footage	-	21,000	21,000	21,000	21,000
<u>Millstream Career Center</u>					
Square footage	85,467	-	-	-	-

Source: Findlay CSD, Treasurer's Office.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
246,608	246,608	246,608	246,608	246,608
2,121	2,325	2,293	2,209	2,150
105,912	105,912	105,912	105,912	105,912
449	492	467	487	536
70,605	70,605	70,605	70,605	70,605
420	460	473	467	480
70,605	70,605	70,605	70,605	70,605
391	428	441	440	417
31,645	31,645	31,645	31,645	31,645
230	252	245	245	264
31,645	31,645	31,645	31,645	31,645
225	247	247	264	258
31,645	31,645	31,645	31,645	31,645
288	315	308	297	283
25,509	25,509	25,509	25,509	25,509
249	273	272	244	244
57,892	57,892	57,892	57,892	57,892
396	434	471	490	478
36,246	36,246	36,246	36,246	36,246
277	303	319	308	278
40,287	40,287	40,287	40,287	40,287
203	222	240	265	224
31,930	31,930	31,930	31,930	31,930
356	390	383	384	402
38,193	38,193	38,193	38,193	38,193
387	424	412	407	374
3,000	3,000	3,000	3,000	3,000
5,000	5,000	5,000	5,000	5,000
28,152	28,152	28,152	28,152	28,152
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		Governmental Funds		Average Daily Membership	ADM Percent Change
	Expenses	Expense Per Pupil	Expenditures	Expenditure Per Pupil		
2013	\$ 64,001,495	\$ 11,117	\$ 93,876,747	\$ 16,307	5,757	3.02%
2012	65,528,482	11,726	104,810,695	18,756	5,588	-2.05%
2011	67,208,272	11,781	72,236,364	12,662	5,705	-2.51%
2010	66,387,718	11,344	70,204,024	11,997	5,852	-1.75%
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%

Source: Findlay CSD, Treasurer's Office.

<b>Student Attendance Percentage</b>	<b>Students on Free &amp; Reduced Lunches</b>	<b>Percentage of Students on Free &amp; Reduced Lunches</b>	<b>Teaching Staff</b>	<b>Student/Teacher Ratio</b>
95.4%	2,280	39.6%	345	16.69
91.2%	2,488	44.5%	337	16.58
93.1%	2,269	39.8%	362	15.76
95.5%	1,855	31.7%	418	14.00
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

**FINDLAY CITY SCHOOL DISTRICT**  
**HANCOCK COUNTY, OHIO**  
 CERTIFIED STAFF STATISTICS  
 JUNE 30, 2013

<b>Education</b>	<b>Number of Certified Staff</b>	<b>Percentage of Certified Staff</b>	<b>Salary Range</b>	<b>Average Salary</b>
Bachelor's Degree	33	8.76%	\$21,839.50-\$55,350	\$ 42,303
Bachelor's Degree plus 15 hours	21	5.57%	35,381-56,352	47,366
Bachelor's Degree plus 30 hours	25	6.63%	39,657-60,239	52,584
Master's Degree	132	35.01%	24,615.50-66,081	51,245
Master's Degree plus 15 hours	53	14.06%	19,805-70,225	60,923
Master's Degree plus 30 hours	107	28.38%	34,020-74,373	68,954
Non-Degree	6	1.59%	40,788-52,363	48,873
<b>Total</b>	<b>377</b>	<b>100.00%</b>		

<b>Experience</b>	<b>Number of Teachers</b>	<b>Percentage of Teachers</b>	<b>Salary Range</b>	<b>Average Salary</b>
0 - 5 years	67	17.77%	\$19,804.99-\$50,398	\$ 40,668
6 - 10 years	78	20.69%	21,839.50-59,217	50,234
11 - 20 years	132	35.01%	29,280.50-70,245	60,190
Over 20 years	100	26.53%	28,521-74,373	67,818
<b>Total</b>	<b>377</b>	<b>100.00%</b>		

**Source:** Findlay CSD, Treasurer's Office.

***FINDLAY CITY SCHOOL DISTRICT***

***HANCOCK COUNTY***

**Audit Report**

**For the Year Ended June 30, 2013**



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**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY  
AUDIT REPORT  
For the Year Ending June 30, 2013**

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**FINDLAY CITY SCHOOL DISTRICT**  
Schedule of Federal Awards Expenditures  
For the Year Ending June 30, 2013

Federal Grantor/Pass Through Grantor Number/Program Title	CFDA Number	Federal Receipts	Federal Disbursements
<b><u>U.S. Department of Agriculture</u></b>			
Nutrition Cluster:			
Pass through Ohio Department of Education:			
National School Lunch Program	10.555	\$881,897	\$881,897
Breakfast Program	10.553	159,455	159,455
Non-Cash Assistance:			
National School Lunch Program - Food Commodities - Note 2	10.555	113,171	113,171
<b>Total Nutrition Cluster</b>		1,154,523	1,154,523
Pass through Ohio Department of Education:			
Team Nutrition - FY12	10.574	(311)	0
<b>Total U.S. Department of Agriculture</b>		1,154,212	1,154,523
<b><u>U.S. Department of Education</u></b>			
Pass through Ohio Department of Education			
Race to the Top Grant			
Race to the Top Grant - FY12	84.395	0	17,298
Race to the Top Grant - FY13	84.395	153,966	161,546
<b>Total Race to the Top Grant</b>		153,966	178,844
ESEA Title I, Part A, Title I Grants to Local Education Agencies			
Title I Subsidy A - FY12	84.010	97,623	109,781
Title I Subsidy A - FY13	84.010	128,772	125,653
Title I FY 12	84.010	11,833	71,177
Title I FY 13	84.010	1,130,852	1,176,310
<b>Total Title I - Grants to Local Education Agencies</b>		1,369,080	1,482,921
Title VI - B, Special Education - Assistance to States for Education of Handicapped Children			
Title VI - B - FY 12	84.027	0	126,709
Title VI - B - FY 13	84.027	1,316,173	1,276,029
IDEA Early Childhood - FY 13	84.173	19,882	19,882
<b>Total Title VI - B</b>		1,336,055	1,422,620
Title II-A - FY 13			
Title II-A - FY 13	84.367	233,542	233,542
Title II-D Technology - FY 12			
Title II-D Technology - FY 12	84.318	4,055	4,960
Title III - FY 13			
Title III - FY 13	84.365	23,123	23,123
Career and Technical Education -- Basic Grants to States			
Perkins Grant - FY12	84.048	22,599	40,808
Perkins Grant - FY13	84.048	200,944	189,097
<b>Total Career and Technical Education</b>		223,543	229,905
<b>Total U.S. Department of Education</b>		3,343,364	3,575,915
<b><u>U.S. Department of Health &amp; Human Services</u></b>			
Pass through Ohio Department of Administrative Services			
Medicaid Reimbursement	93.778	154,060	154,060
<b>Total U.S. Department of Health &amp; Human Services</b>		154,060	154,060
<b>Total Federal Awards</b>		<u>\$4,651,636</u>	<u>\$4,884,498</u>

See accompanying Notes to the Schedule of Federal Awards Expenditures

**FINDLAY CITY SCHOOL DISTRICT**  
**Hancock County, Ohio**  
**Notes to the Schedule of Federal Awards Expenditures**  
**For the Year Ended June 30, 2013**

**1. Significant Accounting Policies**

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred.

**2. Food Distribution**

Nonmonetary assistance is reported in the schedule at the entitlement value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2013, the District had food commodities in inventory.

**3. Transfer of Funds**

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. These transfers resulted in certain grants reporting negative receipts.

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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

Findlay City School District  
Hancock County  
1219 West Main Cross  
Suite 101  
Findlay, Ohio 45840

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Findlay City School District, Hancock County, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 26, 2013. We noted the District implemented Governmental Accounting Standards Board (GASB) Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*. Our report refers to other auditors who audited the financial statements of the Findlay Digital Academy, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 26, 2013.

***Purpose of this Report***

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



***Charles E. Harris & Associates, Inc.***  
December 26, 2013

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***

*Certified Public Accountants*

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Findlay City School District  
Hancock County  
1219 West Main Cross  
Suite 101  
Findlay, Ohio 45840

To the Board of Education:

***Report on Compliance for Each Major Federal Program***

We have audited the Findlay City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the District's major federal program for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal program.

***Management's Responsibility***

The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

The District's basic financial statements include the operations of the Findlay Digital Academy, which received and expended \$71,396 in federal awards which is not included in the District's Schedule of Federal Awards Expenditures for the year ended June 30, 2013. Our audit of federal awards, described below, did not include the operations of the Findlay Digital Academy because the component unit is legally separate from the primary government which this report addresses, and because it expended less than \$500,000 of Federal awards for the year ended June 30, 2013, it was not subject to OMB Circular A-133 audit requirements.

***Opinion on the Major Federal Program***

In our opinion, the Findlay City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2013.

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

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

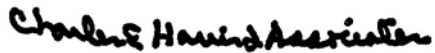
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance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

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Federal Awards Expenditures***

We have also audited the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 26, 2013. We conducted our audit to opine on the District's basic financial statements. The accompanying schedule of federal awards expenditures presents additional analysis required by the 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. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



***Charles E. Harris & Associates, Inc.***  
December 26, 2013



**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 SECTION .505**

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY  
June 30, 2013**

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

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unmodified
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any significant deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any significant deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
(d)(1)(vi)	<i>Are there any reportable findings</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	Special Education Cluster - CFDA #84.027 & CFDA #84.173
(d)(1)(viii)	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY  
JUNE 30, 2013**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

The prior audit report, for the year ending June 30, 2012, reported no material citations or recommendations.

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***

*Certified Public Accountants*

**Independent Accountants' Report on Applying Agreed-Upon Procedures**

Findlay City School District  
Hancock County  
1219 West Main Cross  
Suite 101  
Findlay, Ohio 45840

To the Board of Education:

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

1. We noted the Board amended its anti-harassment policy at its meeting on July 16, 2012 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

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 and is not intended to be and should not be used by anyone other than these specified parties.

*Charles Harris Associates*

***Charles E. Harris & Associates, Inc.***

December 26, 2013

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# Dave Yost • 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 4, 2014**