COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

FINDLAY, OHIO

CITY SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2003

PREPARED BY
TREASURER'S DEPARTMENT
PAMELA S. BARBER, TREASURER

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FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

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Findlay City Schools

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Board of Education
President Jeffery C. Shrader
Vice President Thomas P. Adams
Lauree Miller
Paul Miserlian
Martha F. Rothey

December 26, 2003

Members of the Board of Education and Residents of the Findlay City School District:

We are pleased to submit to you the Findlay City School District's Comprehensive Annual Financial Report (CAFR). This report provides full disclosure of the financial operation of the Findlay City School District (the "District") for the fiscal year ended June 30, 2003. This 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 report will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be made available to the Chamber of Commerce, major taxpayers, the Findlay Public Library, financial rating services, and other interested parties.

The comprehensive annual financial report is presented in three sections:

1. The Introductory Section, which is unaudited, includes this Letter of Transmittal, a Table of Contents, List of Principal Officials, Organizational Chart, and awards received from the Government Finance Officers Association and the Association of School Business Officials International for the 2002 CAFR report.

2. The Financial Section, which includes the Independent Auditor's Report, the Management's Discussion and Analysis, the Basic Financial Statements and Notes, 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 740 public and community school districts in the State of Ohio and one of eight school districts in Hancock County. It provides education to approximately 6,476 students in kindergarten through grade 12. The District is located in northwestern Ohio, approximately 65 miles south of the City of Toledo. 98 percent of the District's territory is within the City of Findlay, the county seat. The District serves an area of approximately 37 square miles.

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

The Board of Education serves as the taxing authority, contracting body, and policy maker for the District. The Board adopts the annual operating budget and approves all expenditures of District monies.

The superintendent is the chief administrative officer of the District, responsible for both education and support operations. The treasurer is the chief financial officer of the District, responsible for maintaining records of all financial matters, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, and investing of funds as specified by Ohio law.

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The Reporting Entity

The District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. 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. The District also participates in NOACSC's Workers' Compensation Group Rating Program, an insurance purchasing pool.

Economic Outlook

With a total assessed valuation of $792,099,947 and a tax rate of $53.35 per $1,000.00 of assessed valuation, the District has a sound financial base. A sexennial reappraisal of all real property was completed in 1999. Subsequently, property tax revenue increased by approximately four percent.

The District's financial condition continues to be an area of focus for the Board of Education and Administration. In litigation now referred to as the "DeRolph Case", the Perry County Court of Common Pleas in 1995 declared the State's method of funding school districts to be unconstitutional. On March 24, 1997, the Ohio Supreme Court upheld most of the Perry County ruling by declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's school foundation program, which provides significant amounts of monetary support to the District.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined that they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Supreme Court. The Supreme Court upheld their initial ruling in May, 2000, and after further modifications to the funding plan by the legislature, the Court issued an opinion on September 6, 2001 that listed areas which required further modification if the funding plan was to be considered constitutional. On September 17, 2001, the State of Ohio petitioned the Court to reconsider and clarify its decision. On November 2, 2001, the Court granted this request. On December 1, 2002, the Ohio Supreme Court again ruled that the State's school foundation program is unconstitutional. School districts will continue to operate under the laws that the Common Pleas Court declared unconstitutional.

As of the date of these financial statements, the District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations. See Note 15 to the Basic Financial Statements for further details on the State school funding decision.

Most areas of the budget for fiscal 2004 will remain constant, with little difference in revenues or expenditures. There will be no millage increase for the budget. The budget requires no increase in the total property tax rate. Ohio school districts cannot generate significant additional revenue from taxes except by the vote of the people. On November 4, 2003, the voters elected to renew an expiring 5.9 mill levy, beginning in January 2005. Resources of the general fund will be impacted in the future by the need for additional classrooms and the need to renovate the three middle schools, which were built in 1925, and one elementary school, which was built in 1915.

Major Initiatives

The 2002-2003 school year was an excellent one for Findlay City Schools. The District has made remarkable progress with its Strategic Plan, which was developed in 1999. The District spent the year focusing on the seven goals approved by the Board of Education:

- Goal 1-Implement Site Plans – Strategy 1 to involve parents, community members and staff to create site plans for continuous academic improvement.
- Goal 2-Emphasize the Nine Virtues – Strategy 2 to involve parents, community members and staff in teaching, modeling and reinforcing the virtues throughout the school environment.
- Goal 3-Improvement of Instructional Practices – Strategy 3 will identify and implement the instructional practices which are most likely to result in the greatest increase in student achievement.
- Goal 4-Plan Community Service Projects – Strategy 4 will develop and implement plans to incorporate annual service projects at all levels of the organization.
- Goal 5-Develop and Implement Plans to Seek Alternative Sources of Funding – Strategy 5 will develop and implement plans to seek alternative sources of funding as well as assure all expenditures are making an optimum contribution toward achieving our mission and objectives.
- Goal 6-Enhance Technology in the Classroom – Strategy 6 will integrate technology into all aspects of the schools to help us best meet our mission and objectives.
- Goal 7-Improve Communication – Strategy 7 will continue to improve communication among all members of the school and community partnership in order to improve the understanding and commitment needed to achieve the mission and objectives.

A committee was established during the 2001-2002 school year to review facilities and focus groups met during August 2002. The District placed a bond issue for $39,000,000 on the ballot May 6, 2003. The bond issue failed on the first attempt. Therefore, the Board of Education invited a diverse group of community representatives to join with school personnel for a Building and Financial Needs Committee. The efforts of this committee will be incorporated with the District's future application to the Ohio School Facilities Commission (OSFC), which will request state assistance under the Classroom Facilities Assistance Program (CFAP).

FINANCIAL INFORMATION

Internal Accounting and Budgetary Control. The District's accounting system is organized on a fund basis. Each fund is a distinct self-balancing accounting entity. Governmental 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 private-purpose trust 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 and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

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

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

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

Cash Management. The Board has an aggressive cash management program, which consists of expediting the receipt of revenues and prudently depositing cash, which is insured by the Federal Deposit Insurance Corporation or collateralized by a securities pool. The District invests available cash in instruments issued by the United States Government, the State Treasurer's Investment Pool (STAR Ohio), and other investments authorized by Chapter 135 of the Ohio Revised Code. Except for nonparticipating investment contracts such as certificates of deposit, investments at June 30, 2003 have been reported at fair value, which is based upon quoted market prices. This cash management program is beneficial because of access to daily balances, which enables the Board to maintain minimum balance accounts and invest available cash to the maximum extent.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Risk Management. The District operates and manages the group health, vision, dental, and prescription drug benefits for employees on a self-insured basis. A third party administrator processes and pays the claims. The total benefits liability is limited by reinsurance that caps the individual liability at $100,000 per employee. The advantages of the self-insurance arrangement include the retention of reserves by the District, as well as savings on administrative costs. The control of the plan rests with the District.

The District participates in the Northwest Ohio Area Computer Service Cooperative Workers' Compensation Group Rating Plan (the "GRP") for workers' compensation as established under Ohio Revised Code Section 4123.29. The premium is based on a rate of $.004974 per $100 of salaries. The GRP's business and affairs are conducted by a twenty-five member Board of Directors consisting of two representatives from each county elected by a majority vote of all charter member schools within each county, plus one representative from the fiscal agency DAS-site. The District contracts for general liability, vehicle, and property insurance. See Note 11 to the Basic Financial Statements for additional risk management information.

USE OF THIS REPORT

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

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

INDEPENDENT AUDIT

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

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Findlay City School District for its CAFR for the fiscal year ended June 30, 2002. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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 (ASBO) for the District's CAFR for the fiscal year ended June 30, 2002. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

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

Special appreciation is expressed to Ms. Nicole Duling, Assistant Treasurer, who compiled this report; to Mr. Alexander J. Fait, of Trimble, Julian & Grube, Inc., who assisted in the preparation of this report in compliance with the GAO guidance; and to Mr. Brad Smith, of Trimble, Julian & Grube, Inc., who audited this report.

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

Respectfully,

Pamela S. Barber
Treasurer

Robert J. Lotz
Superintendent

FINDLAY CITY SCHOOL DISTRICT

Principal Officials

June 30, 2003

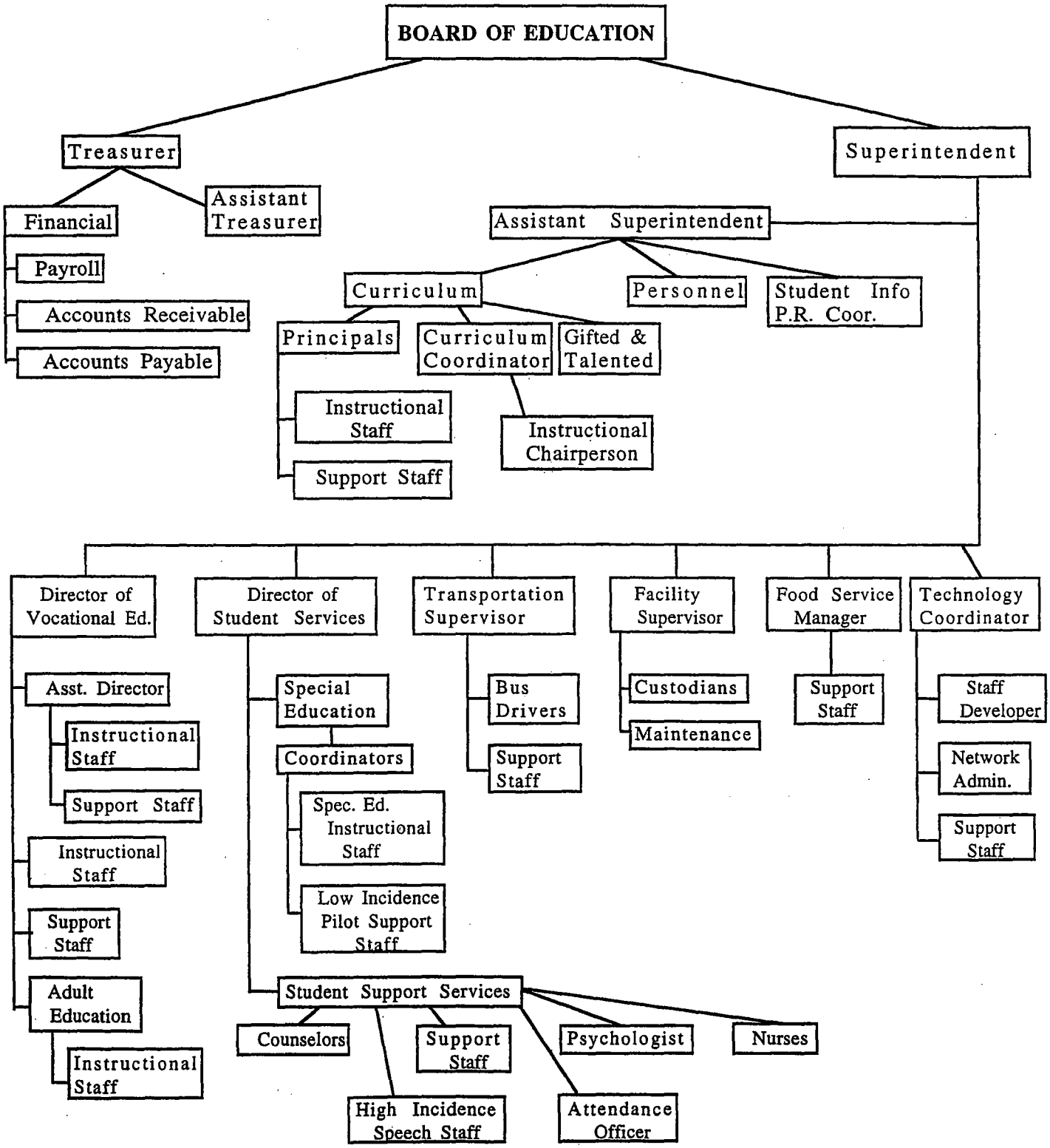
Board of Education

Mr. Jeffery Shrader.....President
Mr. Thomas Adams.....Vice-President
Mrs. Lauree Miller.....Member
Mr. Paul Miserlian.....Member
Mrs. Martha Rothey.....Member

Administration

Mr. Robert J. Lotz.....Superintendent
Dr. Mary Anne Ashworth.....Assistant Superintendent
Mrs. Pamela S. Barber.....Treasurer
Mrs. Nicole Duling.....Assistant Treasurer
Mr. Mark Froning.....Director Student Services
Dr. Kathy Siebenaler Wilson.....Director Vocational Education

FINDLAY CITY SCHOOL DISTRICT



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, 2002

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

President

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

This Certificate of Excellence in Financial Reporting is presented to

FINDLAY CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2002

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

President

Executive Director

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, its major fund and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio, (the "District"), as of and for the fiscal year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, its major fund, and the aggregate remaining fund information of the Findlay City School District, Hancock County, Ohio, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 3 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, GASB Statement No. 37, Basic Financial Statements for State and Local Governments: Omnibus, GASB Statement No. 38, Certain Financial Statement Note Disclosures GASB Interpretation No. 6 Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, and GASB Statement No. 41, Budgetary Comparison Schedule - Perspective Differences for the fiscal year ended June 30, 2003. In addition, the District had a change in accounting principle for its capitalization threshold for fixed assets as disclosed in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2003, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

Trimble, Julian & Grube, Inc.

Trimble, Julian & Grube, Inc.
December 19, 2003

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED

The 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, 2003. 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 financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2003 are as follows:

- In total, net assets of governmental activities decreased $147,126 which represents a 2.23% decrease from 2002.

- General revenues accounted for $45,602,559 in revenue or 83.74% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $8,855,334 or 16.26% of total revenues of $54,457,893.

- The District had $54,605,019 in expenses related to governmental activities; only $8,855,334 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $45,602,559 were not adequate to provide for these programs.

- The District's only major governmental fund is the general fund. The general fund had $46,377,810 in revenues and other financing sources and $47,309,168 in expenditures and other financing uses. During fiscal 2003, the general fund's fund balance decreased $926,012 from $2,322,429 to $1,396,417.

Using the Comprehensive Annual Financial Report (CAFR)

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

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

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets*, *liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes 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 assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund begins on page F 9. Fund financial reports provide detailed information about the District's major fund. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant fund. The District's only major governmental fund is the general fund.

Governmental Funds

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

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages F 23 and F 24. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

The District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole. This is the first year for government-wide financial statements using the full accrual basis of accounting, therefore a comparison with prior years is not available. A comparative analysis will be provided in future years when prior year information is available.

The table below provides a summary of the District's net assets for 2003.

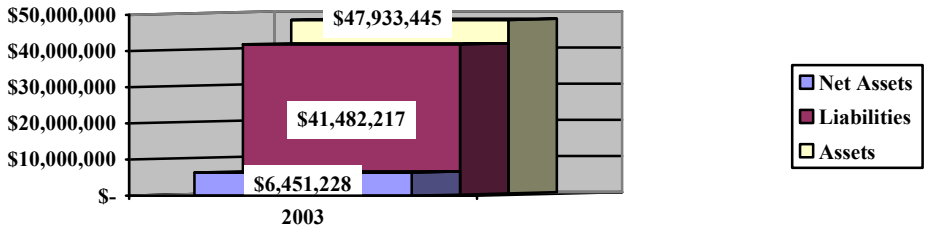
	Net Assets
	Governmental Activities 2003
Assets	
Current and other assets	$ 37,094,857
Capital assets	10,838,588
Total assets	47,933,445
Liabilities	
Current liabilities	33,975,438
Long-term liabilities	7,506,779
Total liabilities	41,482,217
Net Assets	
Invested in capital assets, net of related debt	7,530,621
Restricted	1,151,527
Unrestricted	(2,230,920)
Total net assets	$ 6,451,228

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2003, the District's assets exceeded liabilities by $6,451,228.

At year-end, capital assets represented 22.61% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2003, was $7,530,621. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, $1,151,527, represents resources that are subject to external restriction on how they may be used.

Governmental Activities



The table below shows the change in net assets for fiscal year 2003. Since this is the first year the District has prepared government-wide financial statements using the full accrual basis of accounting, revenue and expense comparisons to fiscal year 2002 are not available. A comparative analysis will be provided in future years when prior year information is available.

Change in Net Assets

	Governmental Activities 2003
Revenues	
Program revenues:	
Charges for services and sales	$ 4,313,397
Operating grants and contributions	4,387,198
Capital grants and contributions	154,739
General revenues:	
Property taxes	25,916,375
Grants and entitlements	19,021,043
Investment earnings	275,635
Miscellaneous	389,506
Total revenues	54,457,893

Change in Net Assets

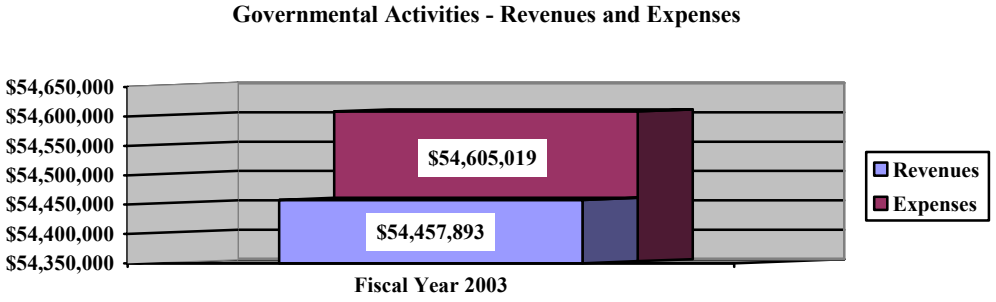
	Governmental Activities 2003
Expenses	
Program expenses:	
Instruction:	
Regular	$ 22,375,563
Special	5,956,893
Vocational	2,811,767
Other	866,858
Support services:	
Pupil	2,329,275
Instructional staff	3,820,351
Board of education	183,090
Administration	3,345,715
Fiscal	1,286,047
Operation and maintenance	5,450,274
Pupil transportation	1,929,180
Central	230,120
Operation of non-instructional services	724,093
Extracurricular activities	1,409,969
Food service operations	1,711,038
Interest and fiscal charges	174,786
Total expenses	54,605,019
Decrease in net assets	$ (147,126)

Governmental Activities

Net assets of the District's governmental activities decreased by $147,126. Total governmental expenses of $54,605,019 were more than program revenues of $8,855,334 and general revenues of $45,602,559. Program revenues supported 16.22% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 82.52% of total governmental revenue. Real estate property is reappraised every six years.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2003.



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. Comparisons to 2002 have not been presented since they are not available.

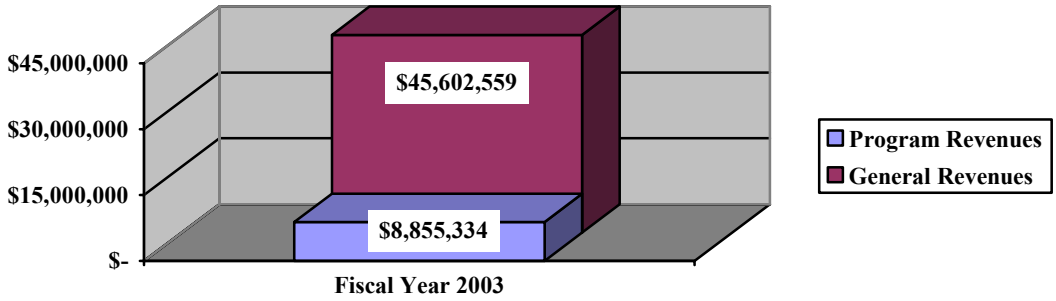
Governmental Activities

	Total Cost of Services 2003	Net Cost of Services 2003
Program expenses		
Instruction:		
Regular	$22,375,563	$19,716,147
Special	5,956,893	5,205,216
Vocational	2,811,767	2,395,210
Other	866,858	501,396
Support services:		
Pupil	2,329,275	2,201,011
Instructional staff	3,820,351	2,919,755
Board of education	183,090	183,090
Administration	3,345,715	3,290,991
Fiscal	1,286,047	1,286,047
Operations and maintenance	5,450,274	4,917,381
Pupil transportation	1,929,180	1,929,012
Central	230,120	119,875
Operations of non-instructional services	724,093	9,943
Extracurricular activities	1,409,969	773,067
Food service operations	1,711,038	126,758
Interest and fiscal charges	174,786	174,786
Total expenses	$54,605,019	$45,749,685

The dependence upon tax and other general revenues for governmental activities is apparent, 86.90% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 83.51%. The District's taxpayers, as a whole, are by far the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal year 2003.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds (as presented on the balance sheet on page F 15) reported a combined fund balance of $1,586,847, which is lower than last year's total of $2,495,826. The June 30, 2002 fund balances have been restated as described in Note 3.A. to the basic financial statements. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2003 and 2002.

	Fund Balance June 30, 2003	Restated Fund Balance June 30, 2002	Increase (Decrease)
General	$ 1,396,417	$ 2,322,429	$ (926,012)
Other Governmental	190,430	173,397	17,033
Total	$ 1,586,847	$ 2,495,826	$ (908,979)

General Fund

The District's general fund balance decreased by $926,012 (after a restatement to the June 30, 2002, fund balance which is detailed in Note 3.A. to the basic financial statement). The decrease in fund balance can be attributed to property tax and intergovernmental decreases. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2003 Amount	Restated 2002 Amount	Percentage Change
Revenues			
Taxes	$ 24,835,743	$ 25,476,395	(2.51)%
Tuition	1,542,989	1,521,146	1.44%
Earnings on investments	237,858	315,102	(24.51)%
Intergovernmental	19,021,043	19,081,448	(0.32)%
Other revenues	722,240	534,964	35.01%
Total	$ 46,359,873	$ 46,929,055	(1.21)%
Expenditures			
Instruction	$ 29,553,176	$ 27,648,576	6.89%
Support services	16,427,858	16,318,723	0.67%
Extracurricular activities	786,978	811,686	(3.04)%
Facilities acquisition and construction	89,454	53,727	66.50%
Debt service	448,490	540,339	(17.00)%
Total	$ 47,305,956	$ 45,373,051	4.26%

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 2003, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were $46,700,903, which approximates the original budget estimate of $45,308,478. Actual revenues and other financing sources for fiscal 2003 was $47,523,806. This represents a $822,903 increase over final budgeted revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of $48,496,103 were increased to $48,521,037 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2003 totaled $48,112,102, which was $408,935 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2003, the District had $10,838,588 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2003 balances compared to 2002:

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2003	2002
Land	$ 416,459	$ 416,459
Land improvements	226,447	248,388
Building and improvements	8,177,206	8,596,409
Furniture and equipment	1,427,721	1,905,000
Vehicles	590,755	648,859
Total	$ 10,838,588	$ 11,815,115

Total additions to capital assets for 2003 were $137,320 and total disposals were $8,199. The overall decrease in capital assets of $976,527 is primarily due to the recording of $1,113,847 in depreciation expense for fiscal 2003.

Debt Administration

At June 30, 2003, the District had $959,844 in an asbestos removal loans outstanding. Of this total, $108,062 is due within one year and $851,782 is due in greater than one year. The following table summarizes the loans outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2003	Governmental Activities 2002
Asbestos removal loans	$ 959,844	$ 1,067,905
Total	$ 959,844	$ 1,067,905

The asbestos removal loans were received in prior years. These loans are scheduled to mature in fiscal year 2013 and are interest free as long as the District remains current on repayment. Payment of the asbestos removal loans are being made from the debt service fund.

Current Financial Related Activities

The District has carefully managed its finances in order to maximize dollars spent on educating students. The District currently faces two challenges which will have a financial impact and require voter approval.

Many of the District's facilities need updated to enhance learning opportunities for students. Findlay's three middle schools currently serve nearly 1,500 students in grades 6, 7 and 8. The Donnell and Glenwood Middle Schools were constructed in 1925, with the Central Middle School being replaced in 1939. These structures have served thousands of students, however, learning methods and state mandates have changed.

A committee was established during the 2001-02 school year to review facilities and focus groups met during August 2002. The District placed a bond issue for $39,000,000 on the ballot May 6, 2003. In order to pay the interest and retire the principal over a 28-year period (as required by law), the annual property tax was estimated at $.306 per $100 of tax valuation. A real estate purchase option was executed for 48.946 acres for a future building site. The option expires March 24, 2004, with an additional twelve-month extension available.

The bond issue failed (62% opposed/38% favored) on the first attempt. Therefore, the Board of Education invited a diverse group of community representatives to join with school personnel for a Building and Financial Needs Committee. This assembly of community members and school personnel has been commissioned to help District administrators and Board members understand exactly how the community wishes to address these facility needs. The committee began meeting in November 2003.

The second challenge for the District is the need for additional operating funds as outlined in the District's Five-Year Forecast. On November 4, 2003 voters passed a 5.9 mill replacement-operating levy that generates approximately $4.7 million, or 10% of the District's current operating budget. The passage provided assurance that the District could continue the current educational services. Several factors will make it necessary for the District to seek additional operating monies by fiscal year 2006.

With personal property taxes accounting for 28% of all property taxes, the recent passage of State legislation will impact the District significantly; acceleration of the inventory tax reduction, elimination of the $10,000 exemption payment, and elimination of the deregulation reimbursement. Additional state funding reductions of the per pupil formula from 2.8% to 2.2% and additional local assessment fees to fund the State Department of Taxation's cost of administering the District's property taxes will also erode the District's future revenues.

Although the District has been able to maintain moderate increases (under 3% annually) in operating expenditures during the past three years, increased costs of employee benefits will drive the District's expenditures higher in fiscal year 2004-05.

The District has committed itself to educational and financial excellence and the District's Board and management team will work with the community it serves to provide adequate resources to support the education program and challenges of the future.

Contacting the District's Financial Management

This financial report is designed to provide our citizen's taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Pamela Barber, Treasurer, Findlay City School District, 227 S. West Street, Findlay, Ohio 45840-3377.

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

STATEMENT OF NET ASSETS
JUNE 30, 2003

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	$ 9,099,777
Receivables:	
Taxes	27,070,321
Accounts	192,688
Intergovernmental	495,429
Accrued interest	85,710
Prepayments	94,957
Materials and supplies inventory	55,975
Capital assets:	
Land	416,459
Depreciable capital assets, net	10,422,129
Total capital assets	10,838,588
Total assets	47,933,445
Liabilities:	
Accounts payable	448,271
Accrued wages and benefits	5,300,800
Pension obligation payable	1,469,098
Intergovernmental payable	233,470
Deferred revenue	25,532,156
Claims payable	991,643
Long-term liabilities:	
Due within one year	1,219,706
Due in more than one year	6,287,073
Total liabilities	41,482,217
Net Assets:	
Invested in capital assets, net of related debt	7,530,621
Restricted for:	
Other purposes	514,302
Perpetual care:	
Nonexpendable	461,615
Expendable	175,610
Unrestricted (deficit)	(2,230,920)
Total net assets	$ 6,451,228

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, 2003

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Expense and Changes in Net Assets: Governmental Activities
Governmental activities:					
Instruction:					
Regular	$ 22,375,563	$ 1,876,229	$ 695,115	$ 88,072	$ (19,716,147)
Special	5,956,893	-	751,677	-	(5,205,216)
Vocational	2,811,767	318,196	98,361	-	(2,395,210)
Other	866,858	47,649	317,813	-	(501,396)
Support services:					
Pupil	2,329,275	-	128,264	-	(2,201,011)
Instructional staff	3,820,351	2,114	898,482	-	(2,919,755)
Board of education	183,090	-	-	-	(183,090)
Administration	3,345,715	-	54,724	-	(3,290,991)
Fiscal	1,286,047	-	-	-	(1,286,047)
Operations and maintenance	5,450,274	11,042	455,184	66,667	(4,917,381)
Pupil transportation	1,929,180	168	-	-	(1,929,012)
Central	230,120	-	110,245	-	(119,875)
Operation of non-instructional services	724,093	417,741	296,409	-	(9,943)
Extracurricular activities	1,409,969	636,902	-	-	(773,067)
Food service operations	1,711,038	1,003,356	580,924	-	(126,758)
Interest and fiscal charges	174,786	-	-	-	(174,786)
Totals	$ 54,605,019	$ 4,313,397	$ 4,387,198	$ 154,739	(45,749,685)

General Revenues:	
Property taxes levied for:	
General purposes	25,808,314
Debt service	108,061
Grants and entitlements not restricted to specific programs	19,021,043
Investment earnings	275,635
Miscellaneous	389,506
Total general revenues	45,602,559
Change in net assets	(147,126)
Net assets at beginning of year	6,598,354
Net assets at end of year	$ 6,451,228

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	$ 6,327,644	$ 1,556,677	$ 7,884,321
Receivables:			
Property taxes	26,962,260	108,061	27,070,321
Accounts	68,104	124,584	192,688
Intergovernmental	-	495,429	495,429
Accrued interest	85,710	-	85,710
Interfund loans	437,570	-	437,570
Prepayments	90,784	4,173	94,957
Materials and supplies inventory	14,558	41,417	55,975
Restricted assets:			
Equity in pooled cash and cash equivalents	270,696	-	270,696
Total assets	$ 34,257,326	$ 2,330,341	$ 36,587,667
Liabilities:			
Accounts payable	$ 377,083	$ 71,188	$ 448,271
Accrued wages and benefits	5,069,053	231,747	5,300,800
Compensated absences payable	464,571	-	464,571
Pension obligation payable	765,258	67,420	832,678
Intergovernmental payable	216,090	17,380	233,470
Interfund loans payable	-	437,570	437,570
Deferred revenue	25,968,854	1,314,606	27,283,460
Total liabilities	32,860,909	2,139,911	35,000,820
Fund Balances:			
Reserved for encumbrances	639,110	249,944	889,054
Reserved for prepayments	90,784	4,173	94,957
Reserved for materials and supplies inventory	14,558	41,417	55,975
Reserved for tax revenue unavailable for appropriation	1,020,000	-	1,020,000
Reserved for BWC refunds	270,696	-	270,696
Reserved for perpetual care	-	461,615	461,615
Unreserved, undesignated, reported in:			
General fund	(638,731)	-	(638,731)
Special revenue funds	-	(34,745)	(34,745)
Capital projects funds	-	(707,584)	(707,584)
Permanent fund	-	175,610	175,610
Total fund balances	1,396,417	190,430	1,586,847
Total liabilities and fund balances	$ 34,257,326	$ 2,330,341	$ 36,587,667

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2003

Total governmental fund balances			$	1,586,847
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				10,838,588
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.				
Taxes	$	1,251,498		
Intergovernmental revenue		473,212		
Accrued interest		26,594		
Total				1,751,304
An internal service fund is used by management to charge the costs of medical insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.				(46,883)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.				
Asbestos removal loans		959,844		
Capital lease obligation		3,307,967		
Compensated absences		2,774,397		
Pension obligation		636,420		
Total				(7,678,628)
Net assets of governmental activities			$	6,451,228

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, 2003

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
From local sources:			
Taxes	$ 24,835,743	$ 108,061	$ 24,943,804
Tuition	1,542,989	554,973	2,097,962
Charges for services	-	915,532	915,532
Earnings on investments	237,858	20,280	258,138
Extracurricular	-	641,279	641,279
Other local revenues	722,163	723,652	1,445,815
Donations	-	234,738	234,738
Other revenue	77	66,667	66,744
Intergovernmental - State	18,862,646	949,289	19,811,935
Intergovernmental - Federal	158,397	2,516,524	2,674,921
Total revenues	46,359,873	6,730,995	53,090,868
Expenditures:			
Current:			
Instruction:			
Regular	21,138,923	1,058,703	22,197,626
Special	5,151,083	725,326	5,876,409
Vocational	2,495,750	220,810	2,716,560
Other	767,420	102,859	870,279
Support Services:			
Pupil	2,087,044	230,461	2,317,505
Instructional staff	2,800,480	888,488	3,688,968
Board of education	183,090	-	183,090
Administration	3,189,274	61,889	3,251,163
Fiscal	1,268,050	177	1,268,227
Operations and maintenance	5,009,492	384,408	5,393,900
Pupil transportation	1,792,756	2,626	1,795,382
Central	97,672	131,857	229,529
Operation of non-instructional services	-	694,726	694,726
Extracurricular activities	786,978	629,205	1,416,183
Facilities acquisition and construction	89,454	4,698	94,152
Food service operations	-	1,489,419	1,489,419
Debt service:			
Principal retirement	276,989	122,522	399,511
Interest and fiscal charges	171,501	3,285	174,786
Total expenditures	47,305,956	6,751,459	54,057,415
Excess of revenues under expenditures	(946,083)	(20,464)	(966,547)
Other financing sources (uses):			
Transfers in	-	3,212	3,212
Transfers (out)	(3,212)	-	(3,212)
Proceeds from sale of capital assets	17,937	-	17,937
Total other financing sources (uses)	14,725	3,212	17,937
Net change in fund balances	(931,358)	(17,252)	(948,610)
Fund balances at beginning of year (restated)	2,322,429	173,397	2,495,826
Increase in reserve for inventory	5,346	34,285	39,631
Fund balances at end of year	$ 1,396,417	$ 190,430	$ 1,586,847

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, 2003

Net change in fund balances - total governmental funds	$	(948,610)
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. This is the amount by which capital outlays exceed depreciation expense in the current period.		(976,527)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities they are reported as an expense when consumed.		39,631
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,136,522
Repayments of capital lease principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net assets.		399,511
Some expenses reported in the statement of activities, such as compensated absences and pension obligations, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		265,694
The internal service fund used by management to charge the costs of medical insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue of the internal service fund is allocated among the governmental activities.		(63,347)
Change in net assets of governmental activities	$	(147,126)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues:				
From local sources:				
Taxes	$ 27,660,984	$ 27,733,121	$ 25,217,743	$ (2,515,378)
Tuition	1,518,517	1,632,124	1,919,374	287,250
Earnings on investments	231,568	248,893	292,697	43,804
Other local revenues	551,567	592,832	697,169	104,337
Intergovernmental - State	14,891,564	16,005,669	18,822,626	2,816,957
Intergovernmental - Federal	125,317	134,692	158,397	23,705
Total revenues	44,979,517	46,347,331	47,108,006	760,675
Expenditures:				
Current:				
Instruction:				
Regular	21,303,000	20,817,810	20,726,635	91,175
Special	5,271,000	5,300,972	5,259,141	41,831
Vocational	2,704,824	2,675,134	2,575,695	99,439
Other instruction	434,488	789,201	770,493	18,708
Support Services:				
Pupil	2,337,750	2,140,612	2,063,962	76,650
Instructional staff	3,149,636	3,158,195	3,041,254	116,941
Board of education	190,900	201,200	171,414	29,786
Administration	3,383,900	3,318,055	3,236,140	81,915
Fiscal	1,251,400	1,286,360	1,286,327	33
Operations and maintenance	5,861,907	5,889,070	5,744,434	144,636
Pupil transportation	1,669,148	1,873,395	1,842,935	30,460
Central	156,500	122,000	102,741	19,259
Extracurricular activities	731,650	778,600	763,351	15,249
Facilities acquisition and construction	50,000	150,000	104,509	45,491
Total expenditures	48,496,103	48,500,604	47,689,031	811,573
Excess of revenues under expenditures	(3,516,586)	(2,153,273)	(581,025)	1,572,248
Other financing sources (uses):				
Refund of prior year receipts	-	(2,300)	(2,213)	87
Refund of prior year expenditures	30,555	32,841	38,621	5,780
Transfers in	10,064	10,817	12,721	1,904
Transfers (out)	-	(18,133)	(18,133)	-
Advances in	274,151	294,661	346,521	51,860
Advances (out)	-	-	(402,725)	(402,725)
Proceeds from sale of capital assets	14,191	15,253	17,937	2,684
Total other financing sources (uses)	328,961	333,139	(7,271)	(340,410)
Net change in fund balance	(3,187,625)	(1,820,134)	(588,296)	1,231,838
Fund balance at beginning of year (restated)	5,513,869	5,513,869	5,513,869	-
Prior year encumbrances appropriated. (restated)	739,036	739,036	739,036	-
Fund balance at end of year	$ 2,326,244	$ 3,693,735	$ 4,925,573	$ 1,231,838

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2003

	Governmental Activities - Internal Service Fund
Assets:	
Equity in pooled cash and cash equivalents	$ 944,760
Total assets	944,760
Liabilities:	
Claims payable	991,643
Total liabilities	991,643
Net assets:	
Unrestricted	(46,883)
Total net assets	$ (46,883)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services.	$ 5,212,016
Total operating revenues	5,212,016
Operating expenses:	
Purchased services	381,172
Claims.	4,910,955
Total operating expenses	5,292,127
Operating loss.	(80,111)
Nonoperating revenues:	
Interest revenue.	16,764
Total nonoperating revenues	16,764
Change in net assets	(63,347)
Net assets at beginning of year	16,464
Net assets at end of year	$ (46,883)

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, 2003

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	$ 5,213,235
Cash payments for purchased services	(381,729)
Cash payments for claims	(4,843,571)
Net cash used in operating activities	(12,065)
Cash flows from investing activities:	
Interest received	16,764
Net cash provided by investing activities	16,764
Net increase in cash and cash equivalents	4,699
Cash and cash equivalents at beginning of year	940,061
Cash and cash equivalents at end of year	$ 944,760
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (80,111)
Changes in assets and liabilities:	
Decrease in accounts receivable	1,219
Decrease in accounts payable	(557)
Increase in claims payable	67,384
Net cash used in operating activities	$ (12,065)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2003

	Private Purpose Trust	
	Scholarship	**Agency**
Assets:		
Equity in pooled cash and cash equivalents	$ 52,207	$ 85,245
Receivables:		
Accounts	-	2,271
Total assets	52,207	87,516
Liabilities:		
Accounts payable	-	150
Intergovernmental payable	-	10
Due to students	-	87,356
Total liabilities	-	$ 87,516
Net Assets:		
Held in trust for scholarships	52,207	
Total net assets	$ 52,207	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Private Purpose Trust
	Scholarship
Additions:	
Interest	$ 808
Gifts and contributions	26,071
Total additions	26,879
Deductions:	
Scholarships awarded	25,297
Change in net assets	1,582
Net assets at beginning of year	50,625
Net assets at end of year	$ 52,207

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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FINDLAY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The District operates under a locally elected, five-member Board and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. The Board controls the District's fourteen instructional facilities and one support facility staffed by 583 certified teaching personnel, 297 non-certified support personnel, and 39 administrators.

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

The District ranks as the 46th largest (among 740 public and community school districts) in terms of total enrollment in the state, and the largest in Hancock County. It currently operates 9 elementary schools, 3 middle schools, a vocational center, and 1 high school to provide services to approximately 6,476 students in grades K-12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity". The reporting entity is comprised of the primary government, component units and other organization that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, foods service, preschool 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 organizations' governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organizations resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based upon the application of this criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government). The following organizations are described due to their relationship to the District:

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

JOINTLY GOVERNED ORGANIZATIONS

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

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

PUBLIC ENTITY RISK POOLS

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

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

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

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

PROPRIETARY FUNDS

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

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

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to 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 own programs. The District's only trust fund is a private purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student activities.

C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the Statement of Net Assets.

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

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

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

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

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

D. Basis of Accounting

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

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

Nonexhange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donation. 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 Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operation, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the Statement of Activities as an expense with a like amount reported as revenue. The ending inventory balance of the donated commodities are reported on the Statement of Net Assets.

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

E. Budgets

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

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased tax rates). By no later than January 20, the Board-adopted budget is filed with the Hancock County Budget Commission for rate determination.

Estimated Resources:

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

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

Appropriations:

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

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

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

F. Cash and Investments

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the basic financial statements.

During fiscal year 2003, investments were limited to overnight repurchase agreements, nonnegotiable certificates of deposits, federal agency securities, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements and nonnegotiable certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal 2003. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2003.

Under existing Ohio statutes all investment earning are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2003 amounted to $237,858, which includes $47,265 assigned from other District funds.

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

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 Treasurer's investment account at year-end is provided in Note 4.

G. Inventory

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

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

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. During fiscal 2003, the District increased its capitalization threshold from $1,000 to $2,500. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Description	Governmental Activities Estimated Lives
Land improvements	20 years
Buildings and improvements	25 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	5 - 10 years

I. Interfund Balances

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

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

J. Compensated Absences

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

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Fund Balance Reserves

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

M. Net Assets

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

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

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

N. Prepayments

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

O. Estimates

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

P. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set-aside for Bureau of Workers' Compensation (BWC) refunds. See Note 16 for details.

Q. Interfund Activity

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

R. Parochial Schools

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2003.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Changes in Accounting Principles and Restatement of Fund Balance

For fiscal year 2003, the District has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus", GASB Statement No. 38, "Certain Financial Statement Note Disclosures", GASB Statement No. 41, "Budgetary Comparison Schedule - Perspective Differences", and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements". At June 30, 2002, there was no effect on fund balance as a result of implementing GASB Statements 37, 38 and 41.

GASB Statement No. 34 creates new basic financial statements for reporting on the District's financial activities. The basic financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

GASB Statement No. 37 clarifies certain provisions of GASB Statement No. 34, including the required content of the Management Discussion and Analysis, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38, modifies, establishes and rescinds certain financial statement note disclosures.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the District not being able to present budgetary comparison for the general fund.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

The government-wide financial statements show the District's programs for governmental activities. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at June 30, 2002, caused by fund reclassifications and the conversion to the accrual basis of accounting.

Governmental Activities - Fund Reclassification and Restatement of Fund Balance - Certain funds have been reclassified to properly reflect their intended purpose in accordance with the Standards of GASB Statement No. 34. Certain funds previously reported as internal service funds, enterprise funds and expendable trust funds have been reclassified and are now part of the general fund and other nonmajor governmental funds. It was also determined that GASB Interpretation No. 6 had an effect on fund balance as previously reported at June 30, 2002.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

The fund reclassifications and the implementation of GASB Interpretation No. 6 had the following effect on the District's governmental fund balances as previously reported:

	General	Nonmajor	Total
Fund balance June 30, 2002	$ 2,473,117	$ (160,647)	$ 2,312,470
Fund reclassifications	223,155	276,744	499,899
Implementation of GASB Interpretation No. 6	(373,843)	57,300	(316,543)
Adjusted fund balance, June 30, 2003	$ 2,322,429	$ 173,397	$ 2,495,826

The transition from governmental fund balance to net assets of the governmental activities is presented as follows:

	Total
Adjusted fund balance, June 30, 2002	$ 2,495,826
GASB 34 adjustments:	
Long-term (deferred) assets	614,782
Capital assets	11,815,115
Long-term liabilities	(8,343,833)
Internal service fund	16,464
Governmental activities net assets, June 30, 2002	$ 6,598,354

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances/Net Assets

Fund balances/net assets at June 30, 2003 included the following individual fund deficits:

	Deficit
Food Service	$ 41,001
Special Trust	39,917
Auxiliary Services	6,356
Management Information Systems	115
Entry Year Programs	47
Disadvantaged Pupil Impact Aid	11,866
Vocational Education Enhancements	5,898
Extended Learning Opportunity	98
Miscellaneous State Grants	93
IDEA Part B Grants	29,738
Vocational Education	37,089
Title I Disadvantaged Children	53,723
Drug-Free School Grant	6,593
Improving Teacher Quality	19,654
Permanent Improvement	707,584
Employee Benefits Self-Insurance	46,883

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

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the basic financial statements as "Equity in Pooled Cash and Cash Equivalents". Statutes require the classification of 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 the Board of Education has identified as not required for use within the current two-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 one year from the date of deposit or by savings accounts, including passbook accounts.

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the finance 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.

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 or 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 2% and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasury Asset Reserve of Ohio (STAR Ohio);

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not the exceed 25% of the interim monies available for investment at any one time; and

8. Under limited circumstances, corporate debt instrument rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Cash on hand: At fiscal year-end, the District had $1,777 in undeposited cash on hand which is included on the basic financial statements of the District as part of "Equity in Pooled Cash and Cash Equivalents".

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

The following information classifies deposits and investments by categories of custodial credit risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reserve Repurchase Agreements".

Deposits: At fiscal year-end, the carrying amount of the District's deposits was $4,219,243 and the bank balance was $4,490,056. These balances included $2,000,000 in nonnegotiable certificates of deposit. Of the bank balance:

1. $300,000 was covered by federal depository insurance; and

2. $4,190,056 was uninsured and uncollateralized as defined by GASB although it was secured by collateral held by third party trustees, pursuant to section 135.181 Ohio Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions; these securities not being in the name of the District. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

Collateral is required for demand deposits and certificates of deposit in excess of all deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State of Ohio and its municipalities, and obligations of the other states. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required.

Investments: The District's investments are categorized below to give an indication of the level of custodial credit risk assumed by the entity at fiscal year-end. Category 1 includes investments that are insured or registered or securities held by the District. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department, but not in the District's name. Investments in STAR Ohio and money market mutual funds are not categorized as they are not evidenced by securities that exist in physical or book entry form.

	Category 2	Category 3	Reported Amount	Fair Value
Repurchase agreements	$ -	$ 92,473	$ 92,473	$ 92,473
Federal agency securities	4,888,986	-	4,888,986	4,888,986
Money market mutual fund	-	-	11,839	11,839
Investment in STAR Ohio	-	-	22,911	22,911
Total investments	$ 4,888,986	$ 92,473	$ 5,016,209	$ 5,016,209

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the basic financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	$ 9,237,229	$ -
Investments of the cash management pool:		
Repurchase agreements	(92,473)	92,473
Investment in STAR Ohio	(22,911)	22,911
Federal agency securities	(4,888,986)	4,888,986
Money market mutual fund	(11,839)	11,839
Cash on hand	(1,777)	-
GASB Statement No. 3	$ 4,219,243	$ 5,016,209

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund balances at June 30, 2003 as reported on the fund financial statements, consist of the following individual interfund loans receivable and payable:

Receivable Fund	Payable Fund	Amount
General	Food Service	$ 200,000
General	Special Trust	124,845
General	Other Grants	10,750
General	Auxiliary Services	26,166
General	Vocational Education Enhancements	15,898
General	Vocational Education	32,183
General	Emergency School Repair	11,751
General	Improving Teacher Quality	15,977
Total		$ 437,570

All payable funds are nonmajor governmental funds. The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

B. Interfund transfers for the year ended June 30, 2003, consisted of the following, as reported on the fund financial statements:

	Amount
Transfers from general fund to:	
Nonmajor Governmental Funds	$ 3,212

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between governmental funds are eliminated on the government-wide financials.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the District. Property tax revenue received during calendar 2003 for real and public utility property taxes represent collections of calendar 2002 taxes. Property tax payments received during calendar 2003 for tangible personal property (other than public utility property) are for calendar 2003 taxes.

2003 real property taxes are levied after April 1, 2002 on the assessed value listed as of the prior January 1, 2003 the lien date. Assessed values are established by state law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true values; public utility real property is assessed at thirty-five percent of true value. 2003 public utility property taxes became a lien December 31, 2002, are levied after April 1, 2003 and are collected in 2004 with real property taxes.

2003 tangible personal property taxes are levied after April 1, 2003, on the values as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are twenty-five percent of true value, with the exception of inventories, which are currently assessed at twenty-three percent of true value.

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2003 taxes were collected are:

	2002 Second Half Collections		2003 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 612,660,110	78.59	$ 628,600,880	79.36
Public utility personal property	145,107,726	18.62	141,389,687	17.85
Tangible personal property	21,725,890	2.79	22,109,380	2.79
Total	$ 779,493,726	100.00	$ 792,099,947	100.00
Tax rate per $1,000 of assessed valuation	$ 53.35		$ 53.35	

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, state statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. This year, the June 2003 tangible personal property tax settlement was received prior to fiscal year-end.

The Hancock County Treasurer collects property tax on behalf of the District. The Hancock County Auditor periodically remits to the District its portion of the taxes collected. These tax "advances" are based on statutory cash flow collection rates. Final "settlements" are made each February and August. The amounts available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, personal property and public utility taxes which became measurable as of June 30, 2003 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current fiscal year operations. The late settlement of tangible personal property taxes and the amount available as an advance at June 30 are recognized as revenue.

The amount available as an advance at June 30, 2003, was $1,020,000 and is recognized as revenue in the general fund. The amount available as an advance for the general fund at June 30, 2002 was $1,402,000. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2003 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, internal loans 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 principal items of receivables reported on the Statement of Net Assets follows:

Governmental Activities	
Property taxes	$ 27,070,321
Accounts	192,688
Intergovernmental	495,429
Accrued interest	85,710
Total	$ 27,844,148

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

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	Restated Balance 06/30/02	Additions	Deductions	Balance 06/30/03
Capital assets, not being depreciated:				
Land	$ 416,459	$ -	$ -	$ 416,459
Capital assets, being depreciated:				
Land improvements	1,008,409	-	-	1,008,409
Building and improvements	22,451,380	-	-	22,451,380
Furniture and equipment	9,207,083	74,520	(8,199)	9,273,404
Vehicles	2,044,402	62,800	-	2,107,202
Total capital assets, being depreciated	34,711,274	137,320	(8,199)	34,840,395
Less: accumulated depreciation				
Land improvements	(760,021)	(21,941)	-	(781,962)
Building and improvements	(13,854,971)	(419,203)	-	(14,274,174)
Furniture and equipment	(7,302,083)	(551,799)	8,199	(7,845,683)
Vehicles	(1,395,543)	(120,904)	-	(1,516,447)
Total accumulated depreciation	(23,312,618)	(1,113,847)	8,199	(24,418,266)
Governmental activities capital assets, net	$ 11,815,115	$ (976,527)	$ -	$ 10,838,588

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 529,848
Special	58,195
Vocational	113,495
Support Services:	
Pupil	14,425
Instructional Staff	32,194
Administration	105,186
Fiscal	13,278
Operations and Maintenance	43,059
Pupil Transportation	135,241
Operation of Non-Instructional	29,380
Extracurricular Activities	6,309
Food Service Operations	33,237
Total depreciation expense	$ 1,113,847

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the District entered into capitalized leases for the acquisition of buildings, vehicles, equipment and musical instruments. These lease agreements met the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets acquired by capital lease have been capitalized in the amount of $4,673,210. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2003 totaled $276,989 paid by the general fund and $14,461 paid by the Special Trust nonmajor governmental fund.

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

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2003:

Fiscal Year Ending June 30,	Amount
2004	$ 466,239
2005	461,558
2006	386,054
2007	368,306
2008	368,307
2009 - 2013	1,841,536
2014	368,454
Total minimum lease payments	4,260,454
Less amount representing interest	(952,487)
Total	$ 3,307,967

NOTE 10 - LONG-TERM OBLIGATIONS

A. The balance of the District's governmental activities long-term obligations at June 30, 2002 has been restated. The compensated absences liability increased $91,350 from $3,414,971 to $3,506,321 due to the implementation of GASB Interpretation No. 6 and fund reclassifications described in Note 3.A. In addition, pension obligations of $436,844 at June 30, 2002 are not reported as a component of governmental activities long-term obligations as they are paid within one year of fiscal year-end. Pension obligations are reported separately on the statement of net assets. The effect on the total governmental activities long-term obligations at July 1, 2002 was a decrease of $345,494 from $8,519,137 to $8,173,643. During the fiscal year 2003, the following changes occurred in governmental activities long-term obligations:

	Restated Balance at 07/01/02	Increases	Decreases	Balance at 06/30/03	Amounts Due in One Year
Governmental Activities:					
Loan Payable:					
Asbestos removal loan	$ 1,067,905	$ -	$ (108,061)	$ 959,844	$ 108,062
Total loans payable	1,067,905	-	(108,061)	959,844	108,062
Other Long-Term Obligations:					
Capital lease obligation	3,599,417	-	(291,450)	3,307,967	307,456
Compensated absences	3,506,321	-	(267,353)	3,238,968	804,188
Total other long-term obligations	7,105,738	-	(558,803)	6,546,935	1,111,644
Total governmental activities	$ 8,173,643	$ -	$ (666,864)	$ 7,506,779	$ 1,219,706

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

B. Principal and interest requirements to retire the asbestos removal loans outstanding at June 30, 2003, are as follows:

Fiscal Year Ending June 30	Asbestos Loan
2004	$ 108,061
2005	108,061
2006	108,061
2007	108,061
2008	108,061
2009 - 2013	419,539
Total	959,844
Less: interest	-
Total	$ 959,844

C. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtness shall not exceed 1/10 of 1% of the property valuation of the District.

The effects of these debt limitations at June 30, 2003 are a voted debt margin of $71,288,995 and an unvoted debt margin of $792,100.

NOTE 11 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2003, the District contracted with Utica National Insurance Group for property and general liability insurance. Utica National Insurance Group also covers boiler and machinery with a $19,000,000 aggregate limit and a $1,000 deductible.

Professional liability is provided by the Utica National Insurance Group with a $5,000,000 annual aggregate/$1,000,000 single occurrence limit and a $5,000 deductible. Vehicles are covered by Utica National Insurance Group and carry no deductible for comprehensive and a $100 deductible for collision. Automobile liability has a $2,000,000 combined single limit of liability.

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

NOTE 11 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

The District participates in the Northwest Ohio Area Computer Services Cooperative Workers' Compensation Group Rating Program (the "Plan"), an insurance purchasing pool. The Plan is intended to reduce premiums for the participants. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the state based on the rate for the Plan rather than its individual rate. Participation in the Plan is limited to educational entities that can meet the Plan's selection criteria. Each participant must apply annually. The Plan provides the participants with a centralized program for processing, analysis and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement. The GRP's business and affairs are conducted by a twenty-five member Board of Directors consisting of two representatives from each county elected by a majority vote of all charter member schools within each county plus one representative from the fiscal agency data acquisition site (NOACSC; see Note 2.A.). The Treasurer of the District serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

C. Employee Health Insurance

The District has elected to provide two options for employee medical/surgical benefits, each funded through a self-insurance program. The District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. One plan provides a comprehensive medical/surgical plan with deductibles ranging from $200 for family coverage and $100 for single coverage. The other plan is a Preferred Provider Program, which has co-pays ranging from $10 to $25 and includes a drug card. Deductibles above apply to the PPO Plan for out-of-network services only. Maximum out of pocket expenses for employees is $900 in addition to the deductibles; this will apply to the PPO Plan for out-of-network services only. A third party administrator, (either) Medical Mutual of Ohio or Mutual Health Services, reviews all claims, which are then paid by the District. The District purchases stop loss coverage of $100,000 per employee. The District and employees pay into the self-insurance internal service fund. The District's monthly portion ranges from $597.44 for family coverage to $229.70 single coverage. The employee's monthly portion ranges from $15.00 for family coverage to $4.95 for single coverage. The premiums are paid by the fund that pays the salary for the employees and is based on historical cost information.

Dental and vision coverage is also provided on self-insured basis through Administrative Service Consultants. Premiums for its coverage are $60.19 monthly for family coverage and $23.06 for single coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document.

NOTE 11 - RISK MANAGEMENT - (Continued)

The claims liability of $991,643 reported in the fund at June 30, 2003, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the District's third party administrator. Changes in the fund's claims liability for the current and prior fiscal year are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2003	$924,259	$4,910,955	$(4,843,571)	$991,643
2002	840,656	4,397,504	(4,313,901)	924,259

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statute Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476, or by calling (614) 222-5853.

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% 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 2003, 8.17% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The adequacy of the contribution rates is determined annually. The District's required contributions to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were $1,070,605, $994,811, and $904,509, respectively; 41.60% has been contributed for fiscal year 2003 and 100% for the fiscal years 2002 and 2001. $625,248, represents the unpaid contribution for fiscal year 2003.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% 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 2003, 13% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 9.5% of annual covered salary was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employee contributions. The District's required contributions to STRS for the fiscal years ended June 30, 2003, 2002, and 2001 were $3,541,606, $3,391,185, and $3,258,782, respectively; 83.74% has been contributed for fiscal year 2003 and 100% for the fiscal years 2002 and 2001. $575,824, represents the unpaid contribution for fiscal year 2003.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. As of June 30, 2003, certain members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through STRS, and to retired non-certified employees and their dependents through SERS. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligations to contribute are established by STRS and SERS based on authority granted by state statute. Both STRS and SERS are funded on a pay-as-you-go-basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For this fiscal year, the State Teachers Retirement Board allocated employer contributions equal to 1% of covered payroll to the Health Care Reserve fund. For the District, this amount equaled $252,972 during fiscal 2003.

STRS pays health care benefits from the Health Care Reserve fund. The balance in the Health Care Reserve fund was $3.011 billion at June 30, 2002 (the latest information available). For the fiscal year ended June 30, 2002 (the latest information available), net health care costs paid by STRS were $354.697 million and STRS had 105,300 eligible benefit recipients.

For SERS, coverage is made available to service retirees with 10 or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 5.83% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established at $14,500. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2003 were $204,930,737 and the target level was $307.4 million. At June 30, 2003 SERS had net assets available for payment of health care benefits of $303.6 million and SERS had approximately 50,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled $607,364 during the 2003 fiscal year.

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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 are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).

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

Net Change in Fund Balance

	General Fund
Budget basis	$ (588,296)
Net adjustment for revenue accruals	(748,133)
Net adjustment for expenditure accruals	(612,039)
Net adjustment for other sources/uses	21,996
Adjustment for encumbrances	995,114
GAAP basis	$ (931,358)

NOTE 15 - CONTINGENCIES

A. Grants

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

B. Litigation

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

NOTE 15 – CONTINGENCIES - (Continued)

C. State School Funding Decision

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

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

NOTE 16 - STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by Statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2003, the reserve activity was as follows:

	Instructional Materials	Capital Acquisition	BWC Refunds
Set-aside cash balance as of June 30, 2002	$ (732,468)	$ -	$ 270,696
Current year set-aside requirement	874,950	874,950	-
Qualifying disbursements	(1,126,070)	(1,591,083)	-
Total	$ (983,588)	$ (716,133)	$ 270,696
Balance carried forward to FY 2004	$ (983,588)	$ -	$ 270,696

Monies representing BWC refunds that were received prior to April 10, 2001, have been shown as a restricted asset and reserved fund balance in the general fund since allowable expenditures are restricted by state statute. The District is still required by state law to maintain the textbook reserve and the capital acquisition reserve. The Board of Education resolved to maintain the budget reserve, which will be shown as designated fund balance in the general fund.

Although the District had qualifying disbursements during the year that reduced the set-aside amounts below zero for the capital acquisition reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

A schedule of the governmental fund restricted assets at June 30, 2003 follows:

Amount restricted for BWC refunds	$ 270,696
Total restricted assets	$ 270,696

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

Nonmajor Special Revenue Funds

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

Food Service Fund — Section 3313.81, Revised Code

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

Special Trust Fund — Section 5705.09, Revised Code

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

Uniform School Supplies Fund — Section 3313.81, Revised Code

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

Special Services Rotary Fund — Section 5705.12, Revised Code

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

Special Enterprise Fund — Section 755.14, Revised Code

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

Public School Support Fund — Section 5705.12, Revised Code

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

Other Grants Fund — Sections 5705.09 and 5705.13, Revised Code

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

District Managed Activity Fund — Section 3313.062, Revised Code

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

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

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

Career Development Fund — Current Budget Bill, appropriation line item 200-524

A fund used to account for State monies intended to support programs encouraging achievement in science and math through teacher in-service and instructional enhancements; to implement mandated competency based instruction in the areas of written expression, math and reading; to support the implementation of energy conservation measures; or to supplement the local acquisition of textbooks, instructional supplies, or computer equipment and software.

Nonmajor Special Revenue Funds

Teacher Development Fund — Current Budget Bill, appropriation line item 200-527

A fund used to account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs for professional staff.

Management Information Systems Fund — Am. Sub. HB 111

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

Entry Year Programs Fund — Section 3313.024, Revised Code

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

Disadvantaged Pupil Impact Aid Fund — Current Budget Bill

A fund used to account for monies received for disadvantaged pupil impact aid.

Data Communication Fund — Section 5705.09, Revised Code

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

SchoolNet Professional Development Fund — Section 5705.09, Revised Code

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

Ohio Reads Fund — State Line Item Appropriation GRF 200-455 and 200-566

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

Summer Intervention Fund — State Line Item Appropriation GRF 200-513

A fund used to account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Ohio Revised Code.

Vocational Education Enhancements Fund — State Line Item Appropriation GRF 200-545

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

Extended Learning Opportunity Fund — Current Budget Bill, appropriation line item 200-513

A fund used to account for a grant from the Ohio Department of Education, which is intended to assist the District with the costs of remedial instruction for those students identified as 'at risk' of not passing the Forth-Grade Proficiency Test.

Nonmajor Special Revenue Funds

Miscellaneous State Grants Fund — Section 5705.12, Revised Code

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

Eisenhower Professional Development Fund — National Defense Education Act, 1958

A fund used to account for Federal monies received through the Ohio Department of Education for the purpose of improving the skills of teachers (science, foreign languages, and computer learning), and increasing the access of all students to that instruction.

IDEA Part B Grants Fund — Education of the Handicapped Act, PL 91-230

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

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

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

Title I Disadvantaged Children Fund — PL 97-35; Title I EESA 1965

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

Title V Innovative Education Program Fund — PL 97-35; EESA 1965

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

Emergency Immigrant Education Assistance Fund — Emergency Immigrant Education Act of 1984, Catalog of Federal Domestic Assistance #84-162

A fund used to account for financial assistance to state educational agencies for educational services and costs for eligible immigrant children enrolled in elementary and secondary public and non-profit private schools.

Emergency School Repair Fund — Catalog of Federal Domestic Assistance #84-155

A fund used to account for financial assistance to State educational agencies, and through them, local educational agencies, and intermediate educational units to pay for all or part of the costs of altering existing buildings and equipment to remove architectural barriers to the handicapped.

Drug Free School Grant Fund — Catalog of Federal Domestic Assistance #84-166

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

FINDLAY CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR FUNDS

Nonmajor Special Revenue Funds

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

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

Telecommunications Act Grant Fund — Catalog of Federal Domestic Assistance #88-001

A fund used to account for a federal grant which is paid directly to the telecommunication service provider.

Improving Teacher Quality Fund — Catalog of Domestic Assistance #84-340

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

Miscellaneous Federal Grants Fund — Section 5705.12, Revised Code

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

Nonmajor Debt Service 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.

Nonmajor Capital Projects Funds

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's capital projects funds follows:

Permanent Improvement Fund — Section 5705.10, Revised Code

A fund used to account for all transactions related to the acquisition or construction of such permanent improvements as are authorized by Chapter 5705 of the Revised Code.

SchoolNet Equipment/Infrastructure Fund — Section 5705.09, Revised Code

A fund used to account for State grants to provide classroom wiring, which will support the transmission of voice, video, and data; to provide a computer workstation and related technology for every classroom in low-wealth districts.

Nonmajor Permanent 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.

Nonmajor Internal Service 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.

Nonmajor Private Purpose Fund

Section 5705.09, Revised Code

The scholarship fund is used to account for local revenues donated to support scholarships.

FINDLAY LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	$ 890,915	$ -	$ 28,537	$ 637,225	$ 1,556,677
Receivables:					
Property taxes	-	108,061	-	-	108,061
Accounts	124,584	-	-	-	124,584
Intergovernmental	495,429	-	-	-	495,429
Prepayments	4,173	-	-	-	4,173
Materials and supplies inventory	41,417	-	-	-	41,417
Total assets	$ 1,556,518	$ 108,061	$ 28,537	$ 637,225	$ 2,330,341
Liabilities:					
Accounts payable	$ 68,400	$ -	$ 2,788	$ -	$ 71,188
Accrued wages and benefits	231,747	-	-	-	231,747
Pension obligation payable	67,420	-	-	-	67,420
Intergovernmental payable	17,380	-	-	-	17,380
Interfund loan payable	437,570	-	-	-	437,570
Deferred revenue	473,212	108,061	733,333	-	1,314,606
Total liabilities	1,295,729	108,061	736,121	-	2,139,911
Fund balances (deficits):					
Reserved for encumbrances	249,944	-	-	-	249,944
Reserved for prepayments	4,173	-	-	-	4,173
Reserved for materials and supplies inventory	41,417	-	-	-	41,417
Reserved for perpetual care	-	-	-	461,615	461,615
Unreserved:					
Undesignated, reported in:					
Special revenue funds	(34,745)	-	-	-	(34,745)
Capital projects funds	-	-	(707,584)	-	(707,584)
Pemanent fund	-	-	-	175,610	175,610
Total fund balances (deficits)	260,789	-	(707,584)	637,225	190,430
Total liabilities and fund balances	$ 1,556,518	$ 108,061	$ 28,537	$ 637,225	$ 2,330,341

FINDLAY LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
From local sources:					
Taxes	$ -	$ 108,061	$ -	$ -	$ 108,061
Tuition	554,973	-	-	-	554,973
Charges for services	915,532	-	-	-	915,532
Earnings on investments	11,629	-	-	8,651	20,280
Extracurricular	641,279	-	-	-	641,279
Other local revenues	712,610	-	11,042	-	723,652
Donations	-	-	-	234,738	234,738
Other revenues	-	-	66,667	-	66,667
Intergovernmental - state	861,217	-	88,072	-	949,289
Intergovernmental - federal	2,516,524	-	-	-	2,516,524
Total revenue	6,213,764	108,061	165,781	243,389	6,730,995
Expenditures:					
Current:					
Instruction:					
Regular	973,419	-	85,284	-	1,058,703
Special	725,326	-	-	-	725,326
Vocational	220,810	-	-	-	220,810
Other	95,109	-	-	7,750	102,859
Support services:					
Pupil	227,673	-	2,788	-	230,461
Instructional staff	888,488	-	-	-	888,488
Administration	61,889	-	-	-	61,889
Fiscal	177	-	-	-	177
Operations and maintenance	378,408	-	6,000	-	384,408
Pupil transportation	2,626	-	-	-	2,626
Central	131,857	-	-	-	131,857
Operation of non-instructional services	694,726	-	-	-	694,726
Extracurricular activities	629,205	-	-	-	629,205
Facilities acquisition and construction	1,200	-	3,498	-	4,698
Food service operations	1,489,419	-	-	-	1,489,419
Debt service:					
Principal retirement	14,461	108,061	-	-	122,522
Interest and fiscal charges	3,285	-	-	-	3,285
Total expenditures	6,538,078	108,061	97,570	7,750	6,751,459
Excess of revenues over (under) expenditures	(324,314)	-	68,211	235,639	(20,464)
Other financing sources:					
Transfers in	3,212	-	-	-	3,212
Total other financing sources	3,212	-	-	-	3,212
Net change in fund balances	(321,102)	-	68,211	235,639	(17,252)
Restated fund balances (deficits), July 1	547,606	-	(775,795)	401,586	173,397
Increase in reserve for inventory	34,285	-	-	-	34,285
Fund balances (deficits), June 30	$ 260,789	$ -	$ (707,584)	$ 637,225	$ 190,430

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2003

	Food Service	Special Trust	Uniform School Supplies	Special Services Rotary
Assets:				
Equity in pooled cash and cash equivalents	$ 77,413	$ 85,804	$ 115,179	$ 23,434
Receivables:				
Accounts	87,824	206	1,286	-
Intergovernmental	-	-	-	-
Prepayments	900	-	-	-
Materials and supplies inventory	41,417	-	-	-
Total assets	$ 207,554	$ 86,010	$ 116,465	$ 23,434
Liabilities:				
Accounts payable	$ 1,276	$ 958	$ 5,039	$ 317
Accrued wages and benefits	10,355	-	-	-
Pension obligation payable	33,665	-	-	-
Intergovernmental payable	3,259	124	-	1
Interfund loan payable	200,000	124,845	-	-
Deferred revenue	-	-	-	-
Total liabilities	248,555	125,927	5,039	318
Fund balances (deficits):				
Reserved for encumbrances	70,405	37,764	15,783	447
Reserved for prepayments	900	-	-	-
Reserved for materials and supplies inventory	41,417	-	-	-
Unreserved-undesignated (deficit)	(153,723)	(77,681)	95,643	22,669
Total fund balances (deficits)	(41,001)	(39,917)	111,426	23,116
Total liabilities and fund balances	$ 207,554	$ 86,010	$ 116,465	$ 23,434

Special Enterprise	Public School Support	Other Grants	District Managed Activity	Auxiliary Services	Management Information Systems
$ 12,376	$ 60,362	$ 14,669	$ 218,246	$ 57,233	$ -
13,779	1,302	9,983	10,204	-	-
-	-	-	-	-	-
-	-	-	-	231	-
-	-	-	-	-	-
$ 26,155	$ 61,664	$ 24,652	$ 228,450	$ 57,464	$ -
$ -	$ 185	$ 2,021	$ 5,006	$ 5,491	$ -
11,718	-	-	-	27,435	-
7,288	-	-	-	3,636	-
1,314	-	148	25	1,092	115
-	-	10,750	-	26,166	-
-	-	-	-	-	-
20,320	185	12,919	5,031	63,820	115
1,149	2,466	791	11,281	52,611	-
-	-	-	-	231	-
-	-	-	-	-	-
4,686	59,013	10,942	212,138	(59,198)	(115)
5,835	61,479	11,733	223,419	(6,356)	(115)
$ 26,155	$ 61,664	$ 24,652	$ 228,450	$ 57,464	$ -

-continued

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2003

	Entry Year Programs	Disadvantaged Pupil Impact Aid	SchoolNet Professional Development	Ohio Reads
Assets:				
Equity in pooled cash and cash equivalents	$ -	$ -	$ 2,367	$ 4,615
Receivables:				
Accounts	-	-	-	-
Intergovernmental	-	-	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	$ -	$ -	$ 2,367	$ 4,615
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Accrued wages and benefits	-	11,350	-	-
Pension obligation payable	-	-	-	-
Intergovernmental payable	47	516	33	630
Interfund loan payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	47	11,866	33	630
Fund balances (deficits):				
Reserved for encumbrances	-	-	-	4,615
Reserved for prepayments	-	-	-	-
Reserved for materials and supplies inventory	-	-	-	-
Unreserved-undesignated (deficit)	(47)	(11,866)	2,334	(630)
Total fund balances (deficits)	(47)	(11,866)	2,334	3,985
Total liabilities and fund balances	$ -	$ -	$ 2,367	$ 4,615

Vocational Education Enhancements	Extended Learning Opportunity	Miscellaneous State Grants	Eisenhower Professional Development	IDEA Part B Grants	Vocational Education
$ 7,169	$ -	$ -	$ 2,850	$ -	$ 30,670
-	-	-	-	-	-
10,000	-	-	12,217	-	35,976
-	-	-	-	915	130
-	-	-	-	-	-
$ 17,169	$ -	$ -	$ 15,067	$ 915	$ 66,776
$ 7,169	$ -	$ -	$ -	$ -	$ 24,775
-	-	-	-	23,378	9,347
-	-	-	-	3,745	998
-	98	93	-	3,530	586
15,898	-	-	-	-	32,183
-	-	-	-	-	35,976
23,067	98	93	-	30,653	103,865
-	-	-	2,850	-	5,895
-	-	-	-	915	130
-	-	-	-	-	-
(5,898)	(98)	(93)	12,217	(30,653)	(43,114)
(5,898)	(98)	(93)	15,067	(29,738)	(37,089)
$ 17,169	$ -	$ -	$ 15,067	$ 915	$ 66,776

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FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2003

	Title I Disadvantaged Children	Title V Innovative Education Program	Emergency Immigrant Education Assistance	Emergency School Repair
Assets:				
Equity in pooled cash and cash equivalents	$ 56,050	$ 4,517	$ 528	$ 19,100
Receivables:				
Accounts	-	-	-	-
Intergovernmental	133,488	16,031	-	28,145
Prepayments	1,480	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	$ 191,018	$ 20,548	$ 528	$ 47,245
Liabilities:				
Accounts payable	$ 53	$ -	$ -	$ -
Accrued wages and benefits	97,168	-	-	-
Pension obligation payable	10,350	-	-	-
Intergovernmental payable	3,682	12	-	-
Interfund loan payable	-	-	-	11,751
Deferred revenue	133,488	16,031	-	28,145
Total liabilities	244,741	16,043	-	39,896
Fund balances (deficits):				
Reserved for encumbrances	882	2,732	528	19,100
Reserved for prepayments	1,480	-	-	-
Reserved for materials and supplies inventory	-	-	-	-
Unreserved-undesignated (deficit)	(56,085)	1,773	-	(11,751)
Total fund balances (deficits)	(53,723)	4,505	528	7,349
Total liabilities and fund balances	$ 191,018	$ 20,548	$ 528	$ 47,245

Drug Free School Grant	IDEA Preschool-Handicapped	Telecommunications Act Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
$ 100	$ 1,994	$ 11,905	$ 1,048	$ 83,286	$ 890,915
-	-	-	-	-	124,584
-	-	-	68,461	191,111	495,429
187	-	-	296	34	4,173
-	-	-	-	-	41,417
$ 287	$ 1,994	$ 11,905	$ 69,805	$ 274,431	$ 1,556,518
$ -	$ -	$ -	$ -	$ 16,110	$ 68,400
6,051	-	-	918	34,027	231,747
600	-	-	3,458	3,680	67,420
229	81	-	645	1,120	17,380
-	-	-	15,977	-	437,570
-	-	-	68,461	191,111	473,212
6,880	81	-	89,459	246,048	1,295,729
-	-	11,286	950	8,409	249,944
187	-	-	296	34	4,173
-	-	-	-	-	41,417
(6,780)	1,913	619	(20,900)	19,940	(34,745)
(6,593)	1,913	11,905	(19,654)	28,383	260,789
$ 287	$ 1,994	$ 11,905	$ 69,805	$ 274,431	$ 1,556,518

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Food Service	Special Trust	Uniform School Supplies	Special Services Rotary
Revenues:				
From local sources:				
Tuition	$ -	$ -	$ 268,738	$ -
Charges for services	915,532	-	-	-
Earnings on investments	1,960	1,509	-	528
Extracurricular	-	884	-	-
Other local revenues	87,824	414,716	-	51,059
Intergovernmental - state	27,430	-	-	-
Intergovernmental - federal	470,227	-	-	-
Total revenues	1,502,973	417,109	268,738	51,587
Expenditures:				
Current:				
Instruction:				
Regular	-	8,788	231,080	-
Special	-	-	-	-
Vocational	-	270	34,453	55,911
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	4	-	-
Administration	-	236	-	-
Fiscal	-	177	-	-
Operations and maintenance	-	285,636	-	-
Pupil transportation	-	679	-	211
Central	-	19,572	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities	-	800	-	-
Facilities acquisition and construction	-	-	-	-
Food service operations	1,489,419	-	-	-
Debt service:				
Principal retirement	-	14,461	-	-
Interest and fiscal charges	-	3,285	-	-
Total expenditures	1,489,419	333,908	265,533	56,122
Excess of revenues over (under) expenditures	13,554	83,201	3,205	(4,535)
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	13,554	83,201	3,205	(4,535)
Fund balances (deficits), (restated) July 1	(88,840)	(123,118)	108,221	27,651
Increase in reserve for inventory	34,285	-	-	-
Fund balances (deficits), June 30	$ (41,001)	$ (39,917)	$ 111,426	$ 23,116

Special Enterprise	Public School Support	Other Grants	District Managed Activity	Auxiliary Services	Teacher Development	Management Information Systems
$ 286,235	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
251	1,315	-	5,150	916	-	-
-	19,193	-	621,202	-	-	-
11,272	59,657	72,283	15,700	-	-	-
-	-	-		296,409	-	23,100
-	-	-	-	-	-	-
297,758	80,165	72,283	642,052	297,325	-	23,100
-	70,695	22,364	-	-	-	-
-	-	-	-	-	-	-
-	-	27,263	-	-	-	-
-	-	181	-	-	226	-
-	-	-	-	-	-	-
-	-	3,000	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
676	30	238	792	-	-	-
-	-	-	-	-	-	23,076
299,791	-	49,510	-	308,266	-	-
-	17,471	-	610,934	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
300,467	88,196	102,556	611,726	308,266	226	23,076
(2,709)	(8,031)	(30,273)	30,326	(10,941)	(226)	24
-	1,012	-	2,200	-	-	-
-	1,012	-	2,200	-	-	-
(2,709)	(7,019)	(30,273)	32,526	(10,941)	(226)	24
8,544	68,498	42,006	190,893	4,585	226	(139)
-	-	-	-	-	-	-
$ 5,835	$ 61,479	$ 11,733	$ 223,419	$ (6,356)	$ -	$ (115)

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FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Entry Year Programs	Disadvantaged Pupil Impact Aid	Data Communication	SchoolNet Professional Development
Revenues:				
From local sources:				
Tuition	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-
Earnings on investments	-	-	-	-
Extracurricular	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	12,000	59,051	49,000	4,600
Intergovernmental - federal	-	-	-	-
Total revenues	12,000	59,051	49,000	4,600
Expenditures:				
Current:				
Instruction:				
Regular	-	58,881	49,000	8,971
Special	-	-	-	-
Vocational	-	-	-	-
Other	1,165	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Administration	13,756	-	-	-
Fiscal	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Food service operations	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	14,921	58,881	49,000	8,971
Excess of revenues over (under) expenditures	(2,921)	170	-	(4,371)
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	(2,921)	170	-	(4,371)
Fund balances (deficits), (restated) July 1	2,874	(12,036)	-	6,705
Increase in reserve for inventory	-	-	-	-
Fund balances (deficits), June 30	$ (47)	$ (11,866)	$ -	$ 2,334

Ohio Reads	Summer Intervention	Vocational Education Enhancements	Extended Learning Opportunity	Miscellaneous State Grants	Eisenhower Professional Development	IDEA Part B Grants
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	99	-	-	-	-	-
260,500	-	89,964	-	30,614	-	-
-	-	-	-	-	12,217	721,967
260,500	99	89,964	-	30,614	12,217	721,967
183,611	-	-	30,913	5,863	-	-
-	-	-	-	-	-	37,542
-	-	56,540	-	-	-	-
14,776	-	-	-	-	1,184	-
-	-	39,322	-	-	8,797	74,575
104,119	-	-	-	29,894	1,306	637,936
-	-	-	-	1,604	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	11,812
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
302,506	-	95,862	30,913	37,361	11,287	761,865
(42,006)	99	(5,898)	(30,913)	(6,747)	930	(39,898)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(42,006)	99	(5,898)	(30,913)	(6,747)	930	(39,898)
45,991	(99)	-	30,815	6,654	14,137	10,160
-	-	-	-	-	-	-
$ 3,985	$ -	$ (5,898)	$ (98)	$ (93)	$ 15,067	$ (29,738)

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FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Vocational Education	Title I Disadvantaged Children	Title V Innovative Education Program	Emergency Immigrant Education Assistance	Emergency School Repair
Revenues:					
From local sources:					
Tuition	$ -	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-	-
Earnings on investments	-	-	-	-	-
Extracurricular	-	-	-	-	-
Other local revenues	-	-	-	-	-
Intergovernmental - state	-	-	-	-	8,549
Intergovernmental - federal	213,557	551,024	22,139	18,016	-
Total revenues	213,557	551,024	22,139	18,016	8,549
Expenditures:					
Current:					
Instruction:					
Regular	-	-	22,906	17,618	-
Special	-	609,605	-	-	-
Vocational	46,373	-	-	-	-
Other	-	-	-	-	-
Support services:					
Pupil	66,202	-	-	-	-
Instructional staff	7,257	16,174	-	-	-
Administration	10,597	-	-	-	-
Fiscal	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Central	89,209	-	-	-	-
Operation of non-instructional services	-	21,503	2,691	-	-
Extracurricular activities	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	1,200
Food service operations	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	219,638	647,282	25,597	17,618	1,200
Excess of revenues over (under) expenditures	(6,081)	(96,258)	(3,458)	398	7,349
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balances	(6,081)	(96,258)	(3,458)	398	7,349
Fund balances (deficits), (restated) July 1	(31,008)	42,535	7,963	130	-
Increase in reserve for inventory	-	-	-	-	-
Fund balances (deficits), June 30	$ (37,089)	$ (53,723)	$ 4,505	$ 528	$ 7,349

Drug Free School Grant	IDEA Preschool-Handicapped	Telecommunications Act Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
$ -	$ -	$ -	$ -	$ -	$ 554,973
-	-	-	-	-	915,532
-	-	-	-	-	11,629
-	-	-	-	-	641,279
-	-	-	-	-	712,610
-	-	-	-	-	861,217
32,520	20,564	39,584	179,432	235,277	2,516,524
32,520	20,564	39,584	179,432	235,277	6,213,764
-	4,544	-	166,135	92,050	973,419
-	13,936	-	-	64,243	725,326
-	-	-	-	-	220,810
-	-	-	-	77,577	95,109
37,850	21	-	-	906	227,673
-	60	-	32,951	55,787	888,488
-	-	-	-	35,696	61,889
-	-	-	-	-	177
-	-	92,772	-	-	378,408
-	-	-	-	-	2,626
-	-	-	-	-	131,857
1,153	-	-	-	-	694,726
-	-	-	-	-	629,205
-	-	-	-	-	1,200
-	-	-	-	-	1,489,419
-	-	-	-	-	14,461
-	-	-	-	-	3,285
39,003	18,561	92,772	199,086	326,259	6,538,078
(6,483)	2,003	(53,188)	(19,654)	(90,982)	(324,314)
-	-	-	-	-	3,212
-	-	-	-	-	3,212
(6,483)	2,003	(53,188)	(19,654)	(90,982)	(321,102)
(110)	(90)	65,093	-	119,365	547,606
-	-	-	-	-	34,285
$ (6,593)	$ 1,913	$ 11,905	$ (19,654)	$ 28,383	$ 260,789

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2003

	Permanent Improvement	SchoolNet Equipment/ Infrastructure	Total Nonmajor Capital Projects Funds
Assets:			
Equity in pooled cash and cash equivalents	$ 25,749	$ 2,788	$ 28,537
Total assets	$ 25,749	$ 2,788	$ 28,537
Liabilities:			
Accounts payable	$ -	$ 2,788	$ 2,788
Deferred revenue	733,333	-	733,333
Total liabilities	733,333	2,788	736,121
Fund balances (deficit):			
Unreserved-undesignated (deficit)	(707,584)	-	(707,584)
Total fund balances (deficit)	(707,584)	-	(707,584)
Total liabilities and fund balances	$ 25,749	$ 2,788	$ 28,537

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Permanent Improvement	SchoolNet Equipment/ Infrastructure	Total Nonmajor Capital Projects Funds
Revenues:			
From local sources:			
Other local revenue	$ 11,042	$ -	$ 11,042
Other revenues	66,667	-	66,667
Intergovernmental - state	-	88,072	88,072
Total revenues	77,709	88,072	165,781
Expenditures:			
Current:			
Instruction:			
Regular	-	85,284	85,284
Support services:			
Pupil	-	2,788	2,788
Operations and maintenance	6,000	-	6,000
Facilities acquisition and construction	3,498	-	3,498
Total expenditures	9,498	88,072	97,570
Net change in fund balances	68,211	-	68,211
Fund balances (deficit), July 1	(775,795)	-	(775,795)
Fund balances (deficit), June 30	$ (707,584)	$ -	$ (707,584)

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
Food Service Fund				
Total Revenues and Other Financing Sources	$ 1,515,000	$ 1,658,631	$ 1,665,366	$ 6,735
Total Expenditures and Other Financing Uses	1,695,209	1,925,393	1,925,392	1
Net Change in Fund Balance	(180,209)	(266,762)	(260,026)	6,736
Fund Balance, July 1	86,553	86,553	86,553	-
Prior Year Encumbrances Appropriated	180,209	180,209	180,209	-
Fund Balance, June 30	$ 86,553	$ -	$ 6,736	$ 6,736
Special Trust Fund				
Total Revenues and Other Financing Sources	$ 312,614	$ 182,604	$ 174,983	$ (7,621)
Total Expenditures and Other Financing Uses	475,047	468,009	414,360	53,649
Net Change in Fund Balance	(162,433)	(285,405)	(239,377)	46,028
Fund Balance, July 1	132,049	132,049	132,049	-
Prior Year Encumbrances Appropriated	154,410	154,410	154,410	-
Fund Balance, June 30	$ 124,026	$ 1,054	$ 47,082	$ 46,028
Uniform School Supplies Fund				
Total Revenues and Other Financing Sources	$ 249,159	$ 288,038	$ 269,310	$ (18,728)
Total Expenditures and Other Financing Uses	279,678	319,678	285,155	34,523
Net Change in Fund Balance	(30,519)	(31,640)	(15,845)	15,795
Fund Balance, July 1	86,524	86,524	86,524	-
Prior Year Encumbrances Appropriated	23,678	23,678	23,678	-
Fund Balance, June 30	$ 79,683	$ 78,562	$ 94,357	$ 15,795

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
Special Services Rotary Fund				
Total Revenues and Other Financing Sources	$ 55,620	$ 55,620	$ 51,662	$ (3,958)
Total Expenditures and Other Financing Uses	82,424	82,424	56,550	25,874
Net Change in Fund Balance	(26,804)	(26,804)	(4,888)	21,916
Fund Balance, July 1	27,170	27,170	27,170	-
Prior Year Encumbrances Appropriated	424	424	424	-
Fund Balance, June 30	$ 790	$ 790	$ 22,706	$ 21,916
Special Enterprise Fund				
Total Revenues and Other Financing Sources	$ 315,000	$ 315,000	$ 293,695	$ (21,305)
Total Expenditures and Other Financing Uses	340,000	340,000	308,707	31,293
Net Change in Fund Balance	(25,000)	(25,000)	(15,012)	9,988
Fund Balance, July 1	26,239	26,239	26,239	-
Fund Balance, June 30	$ 1,239	$ 1,239	$ 11,227	$ 9,988
Public School Support Fund				
Total Revenues and Other Financing Sources	$ 87,353	$ 88,364	$ 81,032	$ (7,332)
Total Expenditures and Other Financing Uses	116,997	116,997	95,228	21,769
Net Change in Fund Balance	(29,644)	(28,633)	(14,196)	14,437
Fund Balance, July 1	54,910	54,910	54,910	-
Prior Year Encumbrances Appropriated	16,997	16,997	16,997	-
Fund Balance, June 30	$ 42,263	$ 43,274	$ 57,711	$ 14,437

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
Other Grants Fund				
Total Revenues and Other Financing Sources	$ 112,236	$ 80,274	$ 88,616	$ 8,342
Total Expenditures and Other Financing Uses	72,056	140,021	135,598	4,423
Net Change in Fund Balance	40,180	(59,747)	(46,982)	12,765
Fund Balance, July 1	37,691	37,691	37,691	-
Prior Year Encumbrances Appropriated	22,056	22,056	22,056	-
Fund Balance, June 30	$ 99,927	$ -	$ 12,765	$ 12,765
District Managed Activity Fund				
Total Revenues and Other Financing Sources	$ 578,076	$ 580,276	$ 635,253	$ 54,977
Total Expenditures and Other Financing Uses	642,039	662,039	639,490	22,549
Net Change in Fund Balance	(63,963)	(81,763)	(4,237)	77,526
Fund Balance, July 1	199,504	199,504	199,504	-
Prior Year Encumbrances Appropriated	7,039	7,039	7,039	-
Fund Balance, June 30	$ 142,580	$ 124,780	$ 202,306	$ 77,526
Auxiliary Services Fund				
Total Revenues and Other Financing Sources	$ 282,445	$ 322,575	$ 323,491	$ 916
Total Expenditures and Other Financing Uses	286,760	355,849	355,849	-
Net Change in Fund Balance	(4,315)	(33,274)	(32,358)	916
Fund Balance, July 1	26,513	26,513	26,513	-
Prior Year Encumbrances Appropriated	6,761	6,761	6,761	-
Fund Balance, June 30	$ 28,959	$ -	$ 916	$ 916

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
Career Development Fund				
Total Revenues and Other Financing Sources	$ 46,000	$ -	$ -	$ -
Total Expenditures and Other Financing Uses	47,693	1,693	1,693	-
Net Change in Fund Balance	(1,693)	(1,693)	(1,693)	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	1,693	1,693	1,693	-
Fund Balance, June 30	$ -	$ -	$ -	$ -
Teacher Development Fund				
Total Revenues and Other Financing Sources	$ -	$ -	$ -	$ -
Total Expenditures and Other Financing Uses	150	226	226	-
Net Change in Fund Balance	(150)	(226)	(226)	-
Fund Balance, July 1	76	76	76	-
Prior Year Encumbrances Appropriated	150	150	150	-
Fund Balance, June 30	$ 76	$ -	$ -	$ -
Management Information Systems Fund				
Total Revenues and Other Financing Sources	$ 25,000	$ 23,100	$ 23,100	$ -
Total Expenditures and Other Financing Uses	25,000	23,100	23,100	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
Entry Year Programs Fund				
Total Revenues and Other Financing Sources	$ 3,000	$ 12,000	$ 12,000	$ -
Total Expenditures and Other Financing Uses	3,000	14,874	14,874	-
Net Change in Fund Balance	-	(2,874)	(2,874)	-
Fund Balance, July 1	2,874	2,874	2,874	-
Fund Balance, June 30	$ 2,874	$ -	$ -	$ -
Disadvantaged Pupil Impact Aid Fund				
Total Revenues and Other Financing Sources	$ 59,000	$ 59,051	$ 59,051	$ -
Total Expenditures and Other Financing Uses	59,000	59,274	59,274	-
Net Change in Fund Balance	-	(223)	(223)	-
Fund Balance, July 1	223	223	223	-
Fund Balance, June 30	$ 223	$ -	$ -	$ -
Data Communication Fund				
Total Revenues and Other Financing Sources	$ -	$ 49,000	$ 49,000	$ -
Total Expenditures and Other Financing Uses	-	49,000	49,000	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
SchoolNet Professional Development Fund				
Total Revenues and Other Financing Sources	$ -	$ 4,600	$ 4,600	$ -
Total Expenditures and Other Financing Uses	-	11,334	8,967	2,367
Net Change in Fund Balance	-	(6,734)	(4,367)	2,367
Fund Balance, July 1	6,734	6,734	6,734	-
Fund Balance, June 30	$ 6,734	$ -	$ 2,367	$ 2,367
Ohio Reads Fund				
Total Revenues and Other Financing Sources	$ 295,500	$ 260,500	$ 260,500	$ -
Total Expenditures and Other Financing Uses	326,380	347,581	347,581	-
Net Change in Fund Balance	(30,880)	(87,081)	(87,081)	-
Fund Balance, July 1	26,201	26,201	26,201	-
Prior Year Encumbrances Appropriated	60,880	60,880	60,880	-
Fund Balance, June 30	$ 56,201	$ -	$ -	$ -
Vocational Education Enhancements Fund				
Total Revenues and Other Financing Sources	$ -	$ 95,862	$ 95,862	$ -
Total Expenditures and Other Financing Uses	-	95,862	95,862	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
Extended Learning Opportunity Fund				
Total Revenues and Other Financing Sources	$ -	$ -	$ -	$ -
Total Expenditures and Other Financing Uses	-	30,817	30,817	-
Net Change in Fund Balance	-	(30,817)	(30,817)	-
Fund Balance, July 1	30,817	30,817	30,817	-
Fund Balance, June 30	$ 30,817	$ -	$ -	$ -
Miscellaneous State Grants Fund				
Total Revenues and Other Financing Sources	$ 31,000	$ 30,615	$ 30,614	$ (1)
Total Expenditures and Other Financing Uses	37,796	39,222	39,221	1
Net Change in Fund Balance	(6,796)	(8,607)	(8,607)	-
Fund Balance, July 1	1,811	1,811	1,811	-
Prior Year Encumbrances Appropriated	6,796	6,796	6,796	-
Fund Balance, June 30	$ 1,811	$ -	$ -	$ -
Eisenhower Professional Development Fund				
Total Revenues and Other Financing Sources	$ 50,863	$ 18,868	$ -	$ (18,868)
Total Expenditures and Other Financing Uses	36,944	37,390	18,522	18,868
Net Change in Fund Balance	13,919	(18,522)	(18,522)	-
Fund Balance, July 1	13,578	13,578	13,578	-
Prior Year Encumbrances Appropriated	4,944	4,944	4,944	-
Fund Balance, June 30	$ 32,441	$ -	$ -	$ -

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
IDEA Part B Grants Fund				
Total Revenues and Other Financing Sources	$ 530,000	$ 721,967	$ 721,967	$ -
Total Expenditures and Other Financing Uses	565,526	759,962	759,962	-
Net Change in Fund Balance	(35,526)	(37,995)	(37,995)	-
Fund Balance, July 1	37,903	37,903	37,903	-
Prior Year Encumbrances Appropriated	92	92	92	-
Fund Balance, June 30	$ 2,469	$ -	$ -	$ -
Vocational Education Fund				
Total Revenues and Other Financing Sources	$ 289,132	$ 245,740	$ 245,740	$ -
Total Expenditures and Other Financing Uses	286,973	282,713	282,713	-
Net Change in Fund Balance	2,159	(36,973)	(36,973)	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	36,973	36,973	36,973	-
Fund Balance, June 30	$ 39,132	$ -	$ -	$ -
Title I Disadvantaged Children Fund				
Total Revenues and Other Financing Sources	$ 573,999	$ 691,853	$ 558,364	$ (133,489)
Total Expenditures and Other Financing Uses	555,000	804,135	615,531	188,604
Net Change in Fund Balance	18,999	(112,282)	(57,167)	55,115
Fund Balance, July 1	112,282	112,282	112,282	-
Fund Balance, June 30	$ 131,281	$ -	$ 55,115	$ 55,115

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
Title V Innovative Education Program Fund				
Total Revenues and Other Financing Sources	$ 31,000	$ 38,170	$ 22,138	$ (16,032)
Total Expenditures and Other Financing Uses	38,750	46,133	28,316	17,817
Net Change in Fund Balance	(7,750)	(7,963)	(6,178)	1,785
Fund Balance, July 1	5,213	5,213	5,213	-
Prior Year Encumbrances Appropriated	2,750	2,750	2,750	-
Fund Balance, June 30	$ 213	$ -	$ 1,785	$ 1,785
Emergency Immigrant Education Assistance Fund				
Total Revenues and Other Financing Sources	$ 3,000	$ 18,016	$ 18,016	$ -
Total Expenditures and Other Financing Uses	3,000	18,146	18,146	-
Net Change in Fund Balance	-	(130)	(130)	-
Fund Balance, July 1	130	130	130	-
Fund Balance, June 30	$ 130	$ -	$ -	$ -
Emergency School Repair Fund				
Total Revenues and Other Financing Sources	$ -	$ 28,497	$ 20,300	$ (8,197)
Total Expenditures and Other Financing Uses	-	28,497	20,300	8,197
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
Drug Free School Grant Fund				
Total Revenues and Other Financing Sources	$ 27,000	$ 32,520	$ 32,520	$ -
Total Expenditures and Other Financing Uses	27,000	32,520	32,420	100
Net Change in Fund Balance	-	-	100	100
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ 100	$ 100
IDEA Preschool-Handicapped Fund				
Total Revenues and Other Financing Sources	$ 24,000	$ 20,564	$ 20,564	$ -
Total Expenditures and Other Financing Uses	23,000	20,564	18,570	1,994
Net Change in Fund Balance	1,000	-	1,994	1,994
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ 1,000	$ -	$ 1,994	$ 1,994
Telecommunications Act Grant Fund				
Total Revenues and Other Financing Sources	$ 85,000	$ 44,741	$ 44,742	$ 1
Total Expenditures and Other Financing Uses	86,350	104,676	104,058	618
Net Change in Fund Balance	(1,350)	(59,935)	(59,316)	619
Fund Balance, July 1	58,585	58,585	58,585	-
Prior Year Encumbrances Appropriated	1,350	1,350	1,350	-
Fund Balance, June 30	$ 58,585	$ -	$ 619	$ 619

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
Improving Teacher Quality Fund				
Total Revenues and Other Financing Sources	$ -	$ 263,871	$ 195,410	$ (68,461)
Total Expenditures and Other Financing Uses	-	263,871	195,312	68,559
Net Change in Fund Balance	-	-	98	98
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ 98	$ 98
Miscellaneous Federal Grants Fund				
Total Revenues and Other Financing Sources	$ 317,948	$ 326,170	$ 265,165	$ (61,005)
Total Expenditures and Other Financing Uses	350,036	479,780	356,093	123,687
Net Change in Fund Balance	(32,088)	(153,610)	(90,928)	62,682
Fund Balance, July 1	93,634	93,634	93,634	-
Prior Year Encumbrances Appropriated	59,976	59,976	59,976	-
Fund Balance, June 30	$ 121,522	$ -	$ 62,682	$ 62,682

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
Bond Retirement Fund				
Total Revenues and Other Financing Sources	$ 108,061	$ 108,061	$ 108,061	$ -
Total Expenditures and Other Financing Uses	108,061	108,061	108,061	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
Permanent Improvement Fund				
Total Revenues and Other Financing Sources	$ 14,000	$ 14,000	$ 15,002	$ 1,002
Total Expenditures and Other Financing Uses	14,000	34,245	9,498	24,747
Net Change in Fund Balance	-	(20,245)	5,504	25,749
Fund Balance, July 1	20,245	20,245	20,245	-
Fund Balance, June 30	$ 20,245	$ -	$ 25,749	$ 25,749
SchoolNet Equipment/Infrastructure Fund				
Total Revenues and Other Financing Sources	$ -	$ 88,072	$ 88,072	$ -
Total Expenditures and Other Financing Uses	-	88,072	88,072	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
Endowment Fund				
Total Revenues and Other Financing Sources	$ 11,149	$ 11,149	$ 243,389	$ 232,240
Total Expenditures and Other Financing Uses	8,000	37,473	7,750	29,723
Net Change in Fund Balance	3,149	(26,324)	235,639	261,963
Fund Balance, July 1	401,312	401,312	401,312	-
Prior Year Encumbrances Appropriated	274	274	274	-
Fund Balance, June 30	$ 404,735	$ 375,262	$ 637,225	$ 261,963

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
Employee Benefits Self Insurance Fund				
Total Revenues and Other Financing Sources	$ 6,375,000	$ 6,375,000	$ 5,229,998	$ (1,145,002)
Total Expenses and Other Financing Uses	5,322,984	5,322,984	5,228,394	94,590
Net Change in Fund Balance	1,052,016	1,052,016	1,604	(1,050,412)
Fund Balance, July 1	929,576	929,576	929,576	-
Prior Year Encumbrances Appropriated	10,485	10,485	10,485	-
Fund Balance, June 30	$ 1,992,077	$ 1,992,077	$ 941,665	$ (1,050,412)

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, 2003

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
Scholarship Fund				
Total Revenues and Other Financing Sources	$ 48,379	$ 28,260	$ 27,080	$ (1,180)
Total Expenditures and Other Financing Uses	32,363	58,587	28,229	30,358
Net Change in Fund Balance	16,016	(30,327)	(1,149)	29,178
Fund Balance, July 1	53,356	53,356	53,356	-
Fund Balance, June 30	$ 69,372	$ 23,029	$ 52,207	$ 29,178

TABLE 1

FINDLAY CITY SCHOOL DISTRICT
General Fund Expenditures by Function
Last Ten Fiscal Years

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Instruction:										
[illegible]	$21,138,923	$19,971,753	$19,014,188	$17,942,563	$16,701,247	$15,991,803	$15,383,566	$14,860,942	$14,145,554	$14,104,703
Special	5,151,083	4,941,397	4,672,979	4,420,789	4,133,119	3,873,984	3,667,224	3,476,323	3,359,931	3,223,432
Vocational	2,495,750	2,483,246	2,248,995	1,977,505	2,382,456	2,389,945	2,340,991	2,200,197	2,099,190	2,270,165
Adult/Continuing	-	-	-	-	-	-	-	-	526	-
[illegible]	767,420	252,180	251,695	183,780	143,565	86,659	90,954	72,532	69,963	87,054
Support Services:										
[illegible]	2,087,044	1,955,732	1,939,613	1,919,114	1,776,873	1,716,136	1,657,213	1,569,529	1,501,925	1,475,820
Instructional Staff	2,800,480	2,364,395	2,112,782	2,463,465	2,400,937	2,180,993	1,995,493	1,871,615	1,744,486	1,566,360
Board of Education	183,090	159,968	161,133	161,443	117,511	141,499	94,717	124,734	120,805	122,156
Administration	3,189,274	3,007,013	2,905,566	2,672,400	2,569,290	2,433,345	2,260,445	2,203,079	2,056,648	2,144,369
Fiscal	1,268,050	1,185,346	1,170,793	907,028	832,979	800,238	784,296	787,179	707,666	647,812
Business	-	-	-	-	-	-	-	75,068	67,530	76,488
Operations and Maintenance	5,009,492	4,907,948	4,603,293	8,484,122	4,235,864	3,890,721	3,941,409	3,731,584	3,322,752	3,759,083
Pupil Transportation	1,792,756	1,780,993	1,419,056	1,377,209	1,407,436	1,103,197	1,418,002	1,076,375	962,908	1,230,279
Central	97,672	105,749	161,444	41,799	12,735	12,498	-	-	-	-
Extracurricular Activities	786,978	811,686	1,096,001	619,623	587,564	533,797	497,340	446,576	423,263	433,666
Facilities Acquisition and Construction	89,454	53,727	163	-	-	-	-	-	-	-
Capital Outlay	-	-	-	7,250	10,000	-	-	-	-	2,278
Debt Service	448,490	540,339	453,075	341,184	14,046	57,953	78,080	86,483	-	-
Total Expenditures	$47,305,956	$44,521,472	$42,210,776	$43,519,274	$37,325,622	$35,212,768	$34,209,730	$32,582,216	$30,583,147	$31,143,665

Source: School District Financial Records

TABLE 2

FINDLAY CITY SCHOOL DISTRICT

General Fund Revenues by Source

Last Ten Fiscal Years

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994 (a)
Taxes	$24,835,743	$25,476,395	$24,380,691	$24,335,248	$24,271,803	$23,480,162	$20,883,311	$20,761,563	$18,048,291	$16,624,460
Tuition	1,542,989	584,678	349,597	364,994	845,136	618,284	917,752	715,460	795,058	775,030
Earnings on investments	237,858	310,512	707,789	659,325	543,369	543,134	474,839	297,740	265,716	140,596
Other local revenues	722,163	457,373	627,221	370,875	268,222	310,859	309,744	331,941	578,076	486,302
Intergovernmental	19,021,120	19,007,730	15,347,695	14,487,514	14,342,639	13,507,278	12,864,428	12,526,045	11,627,676	11,710,488
Total Revenues	$46,359,873	$45,836,688	$41,412,993	$40,217,956	$40,271,169	$38,459,717	$35,450,074	$34,632,749	$31,314,817	$29,736,876

Source: School District Financial Records

(a) Adjusted for prior period restatement.

FINDLAY CITY SCHOOL DISTRICT

Property Tax Levies and Collections
Real and Public Utility Real Property Taxes (a)
Last Ten Collection Years

Collection Year (b)	Current Taxes Levied	Delinquent Levy (c)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
2002	$18,652,688	$511,072	$19,163,760	$16,936,095	90.8%	$161,847	$17,097,942	89.2%
2001	20,559,429	767,855	21,327,284	19,927,521	96.9%	93,904	20,021,425	93.9%
2000	21,349,381	768,653	22,118,034	17,774,665	83.3%	51,751	17,826,416	80.6%
1999	20,702,645	554,703	21,257,348	17,077,965	82.5%	81,158	17,159,123	80.7%
1998	19,189,586	410,586	19,600,172	16,381,485	85.4%	57,449	16,438,934	83.9%
1997	18,395,084	381,176	18,776,260	17,355,052	94.3%	223,098	17,578,150	93.6%
1996	18,082,431	487,283	18,569,714	17,048,194	94.3%	254,668	17,302,862	93.2%
1995	17,645,884	496,436	18,142,320	16,581,199	94.0%	242,475	16,823,674	92.7%
1994	17,167,480	405,569	17,573,049	16,341,216	95.2%	223,989	16,565,205	94.3%
1993	14,782,272	327,387	15,109,659	13,937,554	94.3%	228,128	14,165,682	93.8%

Source: Hancock County Auditor -- Data is presented on a calendar year basis because the tax levy year and the tax collection year are on a calendar year basis.

(a) Includes state-mandated tax-reduction amounts, which are subsequently reimbursed to the District by the State and reported as Intergovernmental revenue.

(b) Fiscal year 2001 information cannot be presented because all collections have not been made as of the District's June 30 fiscal year end.

(c) This amount cannot be calculated from other data in this table because of retroactive additions and deletions.

FINDLAY CITY SCHOOL DISTRICT

Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Tax Collection Year	Agricultural and Residential Real Estate	Other Real Estate	General Tangible Personal Property	Public Utility Tangible Personal Property	Total Assessed Value	Estimated Actual Value (a)	Assessed Value as a Percent of Actual Value
2003	$473,218,080	$155,382,800	$22,109,380	$141,389,687	$792,099,947	$2,323,075,062	34.10%
2002	461,949,680	150,710,430	21,725,890	145,107,726	779,493,726	2,290,425,226	34.03%
2001	429,683,030	145,753,540	28,606,450	137,351,370	741,394,390	2,163,251,543	34.27%
2000	420,128,190	145,235,090	27,638,130	151,295,302	744,296,712	2,183,302,151	34.09%
1999	409,083,090	143,512,010	30,406,010	141,159,293	724,160,403	2,113,389,485	34.27%
1998	347,336,590	130,330,170	30,015,680	138,399,321	646,081,761	1,889,061,141	34.20%
1997	338,211,750	130,095,930	30,165,800	122,724,525	621,198,005	1,806,489,618	34.39%
1996	329,917,900	127,456,390	30,264,910	110,080,996	597,720,196	1,730,195,010	34.55%
1995	285,122,330	125,865,660	32,758,220	108,541,736	552,287,946	1,594,658,677	34.63%
1994	279,872,620	121,734,390	32,797,610	99,063,795	533,468,415	1,534,045,478	34.78%

on a calendar year basis.

Source: Hancock County Auditor -- Data is presented on a calendar year basis because the tax levy year and the tax collection year are

(a) This amount is calculated based on the following percentages for tax year 2000:
Real property is assessed at 35% of actual value.
General tangible personal property is assessed at 25% of actual value.
Public utility tangible personal property is assessed at 88% of actual value.

FINDLAY CITY SCHOOL DISTRICT

Property Tax Rates - Direct and Overlapping Governments
(per $1,000 of Assessed Valuation)
Last Ten Collection Years

Tax Collection Year	City of Findlay	Hancock County	Hancock County Park District	Findlay City School District	Total
2003	$3.20	$5.51	$0.80	$53.35	$62.86
2002	3.20	5.12	0.80	53.35	62.47
2001	3.20	5.14	0.80	53.35	62.49
2000	3.20	5.15	0.80	53.35	62.50
1999	3.20	5.14	0.80	53.35	62.49
1998	3.20	5.18	0.80	53.35	62.53
1997	3.20	5.18	0.80	53.35	62.53
1996	3.20	4.90	0.80	53.35	62.25
1995	3.20	4.91	0.80	53.35	62.26
1994	3.20	4.95	0.80	48.65	57.60

Source: Hancock County Auditor

FINDLAY CITY SCHOOL DISTRICT

Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net General Obligation Bonded Debt Per Capita and Per Student
Last Ten Fiscal Years

Fiscal Year	Total Assessed Valuation	Gross Bonded Debt (a)	Less : Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Population (b)	Net Bonded Debt Per Capita	Enrollment	Net Bonded Debt Per Student
2003	$792,099,947	$0	$0	$0	N/A	39,307	$0	6,476	$0
2002	779,493,726	0	0	0	N/A	39,193	0	6,468	0
2001	741,394,390	0	0	0	N/A	39,080	0	6,345	0
2000	744,296,712	0	0	0	N/A	38,967	0	6,411	0
1999	724,160,403	0	0	0	N/A	37,132	0	6,386	0
1998	646,081,761	0	0	0	N/A	37,025	0	6,315	0
1997	621,198,005	0	0	0	N/A	36,910	0	6,378	0
1996	597,720,196	0	0	0	N/A	36,809	0	6,216	0
1995	552,287,946	0	(4,576)	0	0.00%	36,692	0	6,183	0
1994	533,468,415	140,000	(119,489)	20,511	0.00%	36,562	1	6,177	3

Source: Hancock County Auditor and School District Financial Records

(a) Gross Bonded Debt does not include asbestos loans, capital lease obligations or compensated absences.
(b) Years 1994-1999 and 2001-2003 are estimated; year 2000 is actual; U.S. Census Bureau.

FINDLAY CITY SCHOOL DISTRICT

Computation of Legal Debt Margin
June 30, 2003

Assessed Valuation (2003)	792,099,947
Voted Debt Limit - 9% of Assessed Value (a)	71,288,995
Amount of Debt Applicable to Debt Limit:	
Net Bonded Debt	-
Amount Available in Debt Service Fund	-
Voted Debt Margin	71,288,995
Bonded Debt Limit - .1% of Assessed Value (a)	792,100
Amount of Debt Applicable to Debt Limit:	-
Unvoted Debt Margin	792,100

Source: Hancock County Auditor and School District Financial Records

(a) Ohio Bond Law sets a limit of 9% of assessed value for voted debt and .1% for unvoted debt.

FINDLAY CITY SCHOOL DISTRICT
Computation of Direct and All Overlapping General Obligation Debt
December 31, 2002

Jurisdiction	Assessed Valuation	General Obligation Debt Outstanding	Percentage Applicable to School District	Amount Applicable to School District
Findlay City Schools	$792,099,947	$0	N/A	$0
Hancock County	1,498,193,933	14,590,925	52.87%	7,714,269
Total		$14,590,925		$7,714,269

Source: Hancock County Auditor -- Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

FINDLAY CITY SCHOOL DISTRICT

Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total General Fund Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest (a)	Total Debt Service (b)	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentage)
2003	$0	$0	$0	$47,305,956	N/A
2002	0	0	0	44,521,472	N/A
2001	0	0	0	42,210,776	N/A
2000	0	0	0	43,519,274	N/A
1999	0	0	0	37,325,622	N/A
1998	0	0	0	35,212,768	N/A
1997	0	0	0	34,209,730	N/A
1996	0	0	0	32,582,216	N/A
1995	140,000	26,239	166,239	30,583,147	0.54%
1994	140,000	10,237	150,237	31,143,665	0.48%

Source: School District Financial Records

(a) Includes interest on Tax Anticipation Note.

(b) Total Debt Service does not include Asbestos Removal Loans.

FINDLAY CITY SCHOOL DISTRICT

Student Enrollment Information
Last Ten Fiscal Years

Building	2002/03	2001/02	2000/01	1999/00	1998/99	1997/98	1996/97	1995/96	1994/95	1993/94
Elementaries:										
Bigelow	277	291	292	280	284	288	302	296	302	299
Chamberlin	264	243	232	258	259	247	225	246	257	253
Jacobs	299	305	297	319	348	340	378	353	334	330
Jefferson	259	281	270	249	227	233	264	261	253	229
Lincoln	478	489	497	524	509	504	492	456	432	467
Northview	286	297	309	315	333	328	306	319	332	336
Wilson Vance	374	355	340	329	317	298	292	270	291	262
Washington	224	244	260	269	253	244	265	291	310	320
Whittier	402	393	393	369	368	339	340	328	319	311
Total Elementary enrollment	2,863	2,898	2,890	2,912	2,898	2,821	2,864	2,820	2,830	2,807
Middle Schools:										
Central	536	514	473	451	442	441	437	457	432	465
Donnell	480	455	466	455	478	479	475	449	443	450
Glenwood	417	429	395	416	445	459	484	472	467	478
Total Middle School enrollment	1,433	1,398	1,334	1,322	1,365	1,379	1,396	1,378	1,342	1,393
High School										
Total High School enrollment	2,162	2,172	2,121	2,177	2,123	2,115	2,118	2,018	2,011	1,977
Total Enrollment	6,458	6,468	6,345	6,411	6,386	6,315	6,378	6,216	6,183	6,177

Source: School District Attendance Records

FINDLAY CITY SCHOOL DISTRICT

Real Property Value, New Construction, and Financial Institution Deposits
Last Ten Calendar Years

Year	Estimated Actual Real Property Value (a)	New Commercial & Industrial Construction		New Residential Construction		Financial Institution Deposits (c)
		Number of Units	Value (b)	Number of Units	Value (b)	
2002	$1,746,886,086	87	$17,930,974	680	$27,836,181	$870,754,000
2001	1,640,402,942	97	19,521,233	649	41,728,176	716,662,000
2000	1,644,104,486	111	78,267,638	525	24,194,546	796,580,000
1999	1,615,323,657	137	32,084,295	540	25,894,507	736,464,000
1998	1,578,843,143	163	34,823,784	657	37,219,838	725,770,000
1997	1,364,762,171	117	28,332,110	562	27,885,972	708,092,000
1996	1,338,021,943	102	16,832,097	377	21,463,137	666,501,000
1995	1,306,783,686	99	32,092,584	392	21,094,213	677,990,000
1994	1,174,251,400	127	15,708,458	325	13,745,571	676,286,000
1993	1,147,448,600	123	16,045,106	367	23,706,705	655,619,000

(a) Actual value is estimated from assessed value, which is 35% of appraised value.
(b) Source: City of Findlay Engineering Department.
(c) Source: Federal Reserve Bank of Cleveland; includes all of Hancock County.

FINDLAY CITY SCHOOL DISTRICT

Principal Taxpayers
December 31, 2002

	REAL PROPERTY		
Name of Taxpayer	**Assessed Valuation**	**Percentage of Real Property Valuation**	**Percentage of Total Property Valuation**
Ohio Power Company	$12,965,040	2.06%	1.64%
Marathon Oil Company	11,621,930	1.85%	1.47%
Cooper Tire & Rubber Co.	7,798,900	1.24%	0.98%
Findlay Shopping Center	5,830,950	0.93%	0.74%
Ohio Bell Telephone Co.	5,337,050	0.85%	0.67%
Logistics Solutions of Ohio	3,588,720	0.57%	0.45%
Best Buy Distribution Center	2,768,240	0.44%	0.35%
Owens Illinois/Brockway Plastics Company	2,511,150	0.40%	0.32%
LP Investment Company	2,402,160	0.38%	0.30%
Findstrial I (Intersil)	2,388,040	0.38%	0.30%
Total	$57,212,180	9.10%	7.22%

	PERSONAL PROPERTY		
Name of Taxpayer	**Assessed Valuation**	**Percentage of Personal Property Valuation**	**Percentage of Total Property Valuation**
Cooper Tire & Rubber Company	$26,359,260	16.12%	3.33%
Findlex	8,526,560	5.22%	1.08%
Intersil	6,189,440	3.79%	0.78%
Dow Chemical	6,034,180	3.69%	0.76%
Findlay Products	3,816,270	2.33%	0.48%
Findlay Industries	3,169,960	1.94%	0.40%
Marathon Oil Company	3,165,890	1.94%	0.40%
Bridgestone APM	2,700,200	1.65%	0.34%
Hercules Rubber	2,699,260	1.65%	0.34%
Findlay Ford	2,675,690	1.64%	0.34%
Hisan Inc.	2,538,900	1.55%	0.32%
Marathon Ashland Petroleum	2,479,500	1.52%	0.31%
Total	$70,355,110	43.04%	8.88%

Source: Hancock County Auditor

FINDLAY CITY SCHOOL DISTRICT

General Fund Expenditures, Average Daily Membership, and Expenditure Per Pupil
Last Ten Fiscal Years

Fiscal Year	General Fund Expenditures	Average Daily Membership	General Fund Expenditure Per Pupil
2003	$47,305,956	6,458	$7,325
2002	44,521,472	6,468	6,883
2001	42,210,776	6,345	6,653
2000	43,519,274	6,411	6,788
1999	37,325,622	6,386	5,845
1998	35,212,768	6,315	5,576
1997	34,209,730	6,378	5,364
1996	32,582,216	6,216	5,242
1995	30,583,147	6,183	4,946
1994	31,143,665	6,177	5,042

Source: School District Financial Records

FINDLAY CITY SCHOOL DISTRICT

Teacher Education and Experience
June 30, 2003

Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	84	17.9%
Bachelor's Degree + 15 hours	46	9.8%
Bachelor's Degree + 30 hours	57	12.1%
Master's Degree	109	23.2%
Master's Degree + 15 hours	55	11.7%
Master's Degree + 30 hours	119	25.3%
Total	470	100.0%

Years of Experience		
0 - 5	121	25.7%
6 - 10	76	16.2%
11 and Over	273	58.1%
Total	470	100.0%

Source: School District Personnel Records