COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

FINDLAY, OHIO

CITY SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2008

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

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INTRODUCTORY SECTION

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FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

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Findlay City Schools

December 30, 2008

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

We are pleased to submit to you the Comprehensive Annual Financial Report of the Findlay City School District. This Comprehensive Annual Financial Report (CAFR) provides full disclosure of the financial operation of the Findlay City School District (the "District") for the fiscal year ended June 30, 2008. The CAFR, which includes an opinion from the Independent Public Accounting Firm that performed the District's audit, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This CAFR will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be made available to the Chamber of Commerce, major taxpayers, the Findlay Public Library, financial rating services, and other interested parties.

The Comprehensive Annual Financial Report is presented in three sections:

1. The Introductory Section, which is unaudited, includes a Table of Contents, this Letter of Transmittal, a List of Principal Officials, an Organizational Chart, the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the 2007 CAFR, and the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for the 2007 CAFR.

2. The Financial Section, which includes the Independent Auditor's Report, the Management's Discussion and Analysis, the Basic Financial Statements, the Notes to the Basic Financial Statements, and the Combining Statements and Individual Fund Schedules.

3. The Statistical Section, which is unaudited, includes various tables which reflect financial and demographic information, financial trends, and the fiscal capacity of the District.

SCHOOL DISTRICT ORGANIZATION

Findlay City School District is one of 896 public school districts and community schools in the State of Ohio and one of eight school districts in Hancock County. It provides education to approximately 5,992 students in kindergarten through grade 12. The District is located in northwestern Ohio, approximately 65 miles south of the City of Toledo. 98 percent of the District's territory is within the City of Findlay, the county seat. The District serves an area of approximately 37 square miles.

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

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

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

THE REPORTING ENTITY

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

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

ECONOMIC OUTLOOK

With a total assessed valuation of $823,046,370 and a tax rate of $60.75 per $1,000.00 of assessed valuation, the District has a sound financial base. A sexennial reappraisal of all real property was completed in 2004. Subsequently, property tax revenue increased by approximately eight percent. However, property tax revenue is beginning to decrease and will continue to decrease in the future as the State of Ohio phases out tangible personal property taxes. Also, many property owners suffered damage from the August 2007 flood and another large flood that hit in February 2008. The District is concerned with the ability and willingness of its taxpayers to support future levies given the financial hardships that they may be experiencing as a result of past and future flooding.

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

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

As of the date of these financial statements, the District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

Total budgeted revenues for fiscal year 2009 will remain similar to the previous year with the exception of about $2 million which will be returned to the general fund to cover last year's advance of funds that were used to cover flood expenditures until FEMA and other flood aid money was received. Although negotiated raises of three percent (3%) and estimated health care increases of twelve percent (12%) are budgeted in fiscal year 2009, the total expenditures for fiscal year 2009 are expected to be about the same as fiscal year 2008. This is because fiscal year 2008 was when the general fund made a one time expenditure of about $2 million to advance funds needed to cover flood expenditures until FEMA and other flood aid arrived.

Ohio school districts cannot generate significant additional revenue from taxes except by the vote of the people. On May 8, 2007, the voters elected to replace an expiring 4.9 mill levy. Voters will need to renew or replace that levy before the end of calendar year 2012 when collections end. On November 4, 2008, the voters replaced a 5.9 mill levy for which collections will expire in December 2014. Resources of the general fund will be impacted in the future by the struggling economy and past Ohio tax reforms including the eventual elimination of tangible personal property taxes, as well as increasing health care costs, and the need to renovate and/or combine the three middle schools, which were built in 1925. The District also needs to create a facility that will unite its vocational programs instead of housing it in three different locations.

MAJOR INITIATIVES

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

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

The District continues to seek solutions to its facility needs. The passage of a 2.5 mill permanent improvement levy in May 2006 has helped to alleviate many facility needs as well as the relocation of Washington intermediate school from a 1915 building to a 1969 building. However, the three middle schools need serious renovations, especially after recent flooding. The District also hopes to eventually consolidate the south, north, and east campuses of Millstream Career and Technology Center into one location. The District has been approved to participate in the Ohio School Facilities Commission's (OSFC) Exceptional Needs Program (ENP). The ENP helps the District address specific facility needs within the District rather than the OSFC's usual practice of addressing all of the buildings within a district. Funding will be provided for construction at the OSFC's specifications and the District must provide a local match based on the District's property values. In the case of our District, the local required match is currently sixty eight percent (68%), while the OSFC will provide thirty two percent (32%). In order to provide that much funding for new buildings, the District will have to put a bond levy on the ballot and pass it in 2009. The District will actively seek community input as to how to proceed by holding public forums and has created a facilities committee with community stakeholders.

RELEVANT FINANCIAL POLICIES

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

FINANCIAL INFORMATION

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

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

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

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

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

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

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

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

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

FINANCIAL HIGHLIGHTS

Management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for fiscal 2008 and the outlook for the future. Because that discussion focuses on major funds, the financial highlights provided in this letter focus on certain nonmajor funds of the District.

Internal Service Fund - The only internal service fund of the District is the Employee Benefits Self Insurance Fund. This internal service fund had net assets of $537,774 at June 30, 2008, compared to net assets of $696,970 at June 30, 2007, reflecting a decrease in net assets of $159,196.

Fiduciary Funds - The fiduciary funds account for assets held by the District in a trustee capacity, or as an agent, for other funds, governments, organizations, or individuals. The District maintains a private-purpose trust fund and an agency fund. The private-purpose trust fund had net assets of $43,759 at June 30, 2008. The agency fund had assets of $136,571 at June 30, 2008.

LONG-TERM FINANCIAL PLANNING

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

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

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

USE OF THIS REPORT

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

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

INDEPENDENT AUDIT

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

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Findlay City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The District has received this award for the past seventeen (17) years. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The District has also received a Certificate of Excellence in Financial Reporting in School Districts from the Association of School Business Officials International (ASBO) for the District's CAFR for the fiscal year ended June 30, 2007. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. The District has received this award for the past seventeen (17) years. We believe that our current report continues to conform to the Certificate of Excellence program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

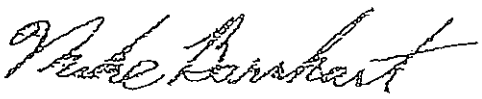
ACKNOWLEDGMENTS

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

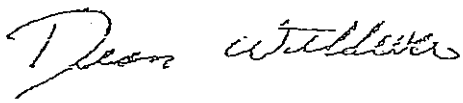
Special appreciation is expressed to Mr. Alexander J. Fait, of Julian & Grube, Inc., who compiled this report in compliance with GAO guidance, and to the auditors of Julian & Grube, Inc., who audited this report.

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

Respectfully,



Michael T. Barnhart, CPA
Treasurer



Dean A. Wittwer
Superintendent

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FINDLAY CITY SCHOOL DISTRICT

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2008

BOARD OF EDUCATION

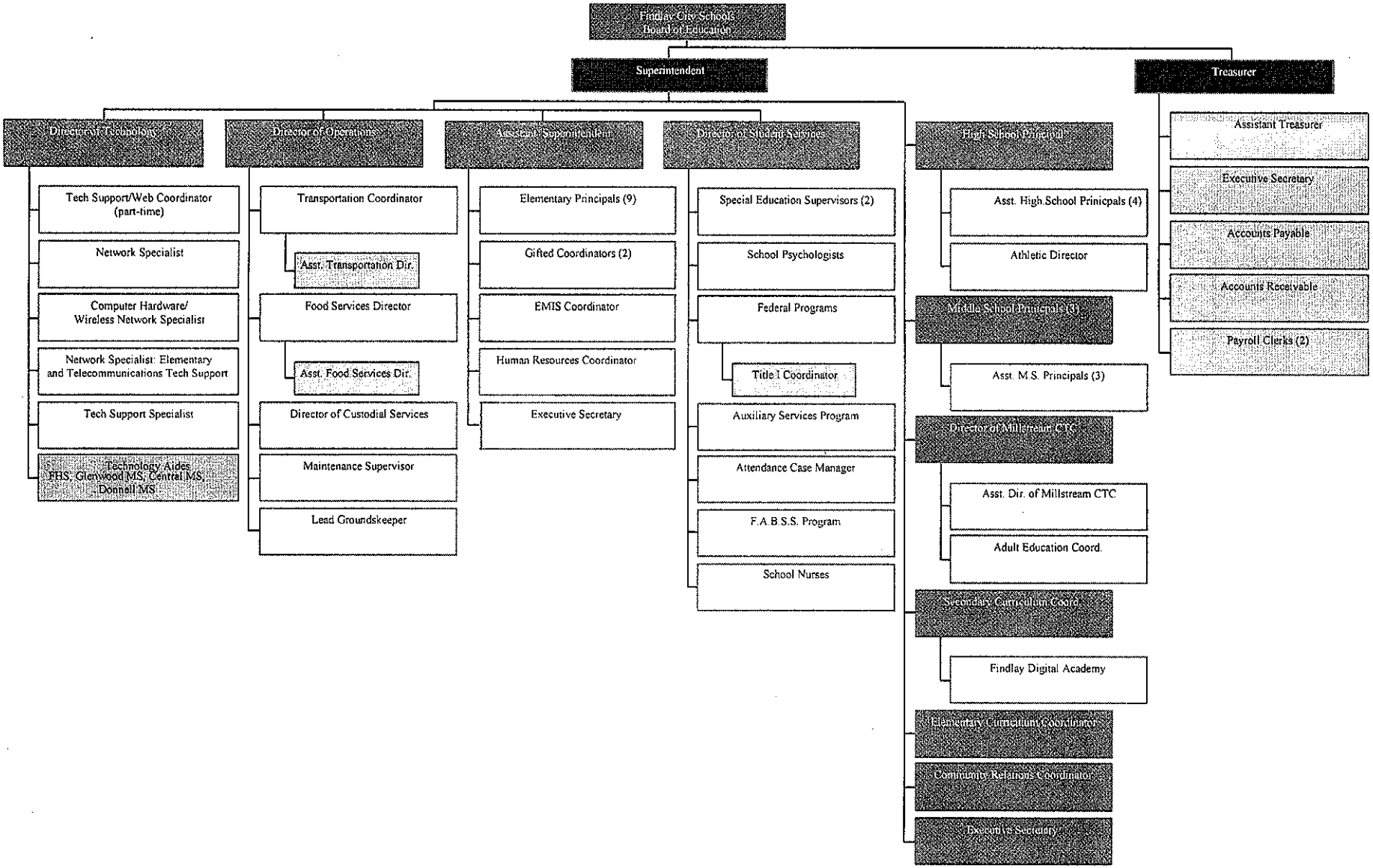
Mrs. Barbara Dysinger. . . . . President
Mr. Rick Hoffman. . . . . Vice-President
Mrs. Barbara Lockard. . . . . .Member
Mr. Jeff Shrader. . . . . Member
Mr. Shane Pochard. . . . . .Member

(Board of Education member Mr. Shane Pochard effective as of July 21, 2008)

ADMINISTRATION

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

Findlay City Schools
Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

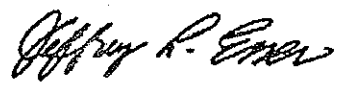
Presented to

Findlay City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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, 2007

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

Jerome E. Brendel

President

John D. Musso

Executive Director

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FINANCIAL SECTION

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Julian & Grube, Inc.
Serving Ohio Local Governments
333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, its major fund and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio, as of and for the fiscal year ended June 30, 2008, which collectively comprise Findlay City School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Findlay City School District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Findlay Digital Academy, Findlay City School District's only discretely presented component unit. Findlay Digital Academy financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Findlay City School District is based on the report of the other auditors.

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

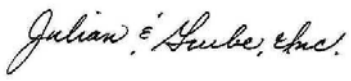
In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, its major fund, and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Auditor's Report
Findlay City School District

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2008 on our consideration of Findlay City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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



Julian & Grube, Inc.
December 26, 2008

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

The management's discussion and analysis of the Findlay City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- In total, net assets of governmental activities increased $4,652,671 which represents a 29.82% increase from 2007.

- General revenues accounted for $54,971,730 in revenue or 81.67% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $12,340,892 or 18.33% of total revenues of $67,312,622.

- The District had $62,659,951 in expenses related to governmental activities; only $12,340,892 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $54,971,730 were adequate to provide for these programs.

- The District's only major governmental fund is the general fund. The general fund had $57,200,812 in revenues and $56,498,385 in expenditures and other financing uses. During fiscal 2008, the general fund's fund balance increased $701,753 from a balance of $5,085,217 to a balance of $5,786,970.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2008?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Reporting the District's Fiduciary Responsibilities

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F25-F58 of this report.

The District as a Whole

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

The table below provides a summary of the District's net assets for 2008 and 2007.

Net Assets

	Governmental Activities 2008	Governmental Activities 2007
Assets		
Current and other assets	$ 52,246,866	$ 50,755,804
Capital assets	13,985,134	11,508,844
Total assets	66,232,000	62,264,648
Liabilities		
Current liabilities	40,056,305	39,801,931
Long-term liabilities	5,921,351	6,861,044
Total liabilities	45,977,656	46,662,975
Net Assets		
Invested in capital assets, net of related debt	11,666,148	8,230,530
Restricted	2,789,266	1,665,886
Unrestricted (deficit)	5,798,930	5,705,257
Total net assets	$ 20,254,344	$ 15,601,673

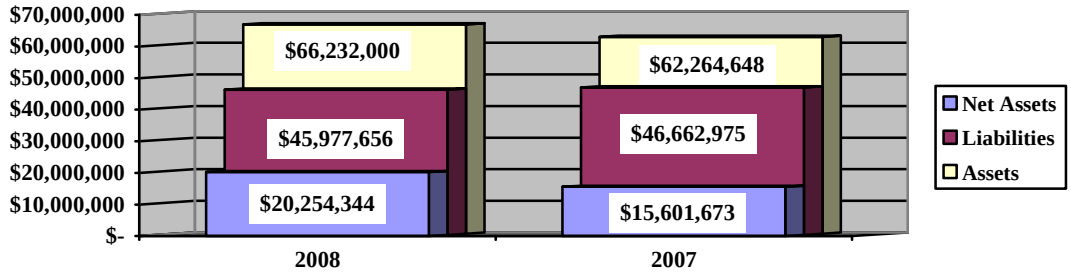
Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2008, the District's assets exceeded liabilities by $20,254,344.

At year-end, capital assets represented 21.12% 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, 2008, were $11,666,148. 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, $2,789,266, represents resources that are subject to external restriction on how they may be used.

The table below illustrates the District's assets, liabilities and net assets at June 30, 2008 and 2007.

Governmental Activities



The table below shows the change in net assets for fiscal year 2008 and 2007.

Change in Net Assets

	Governmental Activities 2008	Governmental Activities 2007
Revenues		
Program revenues:		
Charges for services and sales	$ 4,961,552	$ 4,610,184
Operating grants and contributions	7,086,333	8,497,997
Capital grants and contributions	293,007	90,976
General revenues:		
Property taxes	29,460,852	29,654,420
Grants and entitlements	24,497,427	20,714,263
Investment earnings	509,130	1,069,510
Miscellaneous	504,321	712,575
Total revenues	67,312,622	65,349,925

Change in Net Assets

	Governmental Activities 2008	Governmental Activities 2007
Expenses		
Program expenses:		
Instruction:		
Regular	$ 26,196,394	$ 23,915,567
Special	7,342,020	6,799,260
Vocational	2,974,529	2,970,104
Other	2,245,606	1,921,675
Support services:		
Pupil	2,830,187	2,658,799
Instructional staff	3,953,929	4,240,839
Board of education	172,550	118,748
Administration	3,867,750	3,822,352
Fiscal	1,493,860	1,468,975
Operation and maintenance	5,410,595	5,605,278
Pupil transportation	2,151,281	2,279,652
Central	170,094	149,859
Operation of non-instructional services	487,370	636,243
Extracurricular activities	1,357,637	1,288,164
Food service operations	1,884,913	1,720,198
Interest and fiscal charges	121,236	142,348
Total expenses	62,659,951	59,738,061
Change in net assets	4,652,671	5,611,864
Net assets, beginning of year	15,601,673	9,989,809
Net assets, end of year	$ 20,254,344	$ 15,601,673

Governmental Activities

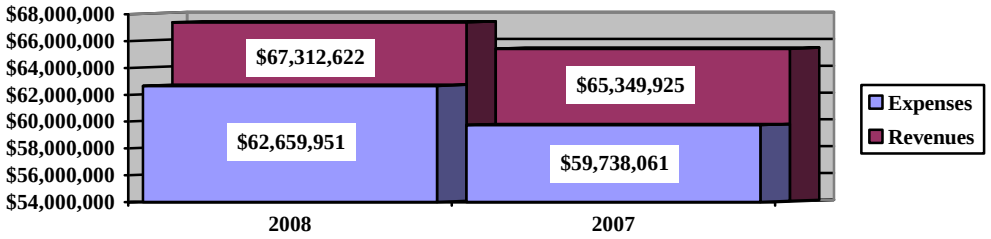
Net assets of the District's governmental activities increased $4,652,671. This increase in net assets is primarily due to an increase in property tax revenues, which is the result of a sexennial reappraisal of all real property that was completed in 2006 and took effect with the 2007 valuation. Total governmental expenses of $62,659,951 were offset by program revenues of $12,340,892 and general revenues of $54,971,730. Program revenues supported 19.70% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 80.16% of total governmental revenue. Real estate property is reappraised every six years.

The largest expense of the District is for instructional programs. Instruction expenses totaled $38,758,549 or 61.86% of total governmental expenses for fiscal 2008.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2008 and 2007.

Governmental Activities - Revenues and Expenses



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

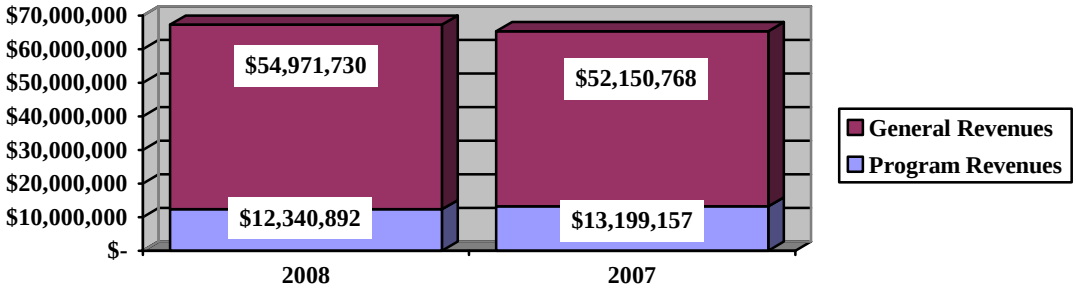
Governmental Activities

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
Program expenses				
Instruction:				
Regular	$ 26,196,394	$ 22,906,243	$ 23,915,567	$ 20,308,033
Special	7,342,020	4,012,519	6,799,260	3,704,817
Vocational	2,974,529	1,978,638	2,970,104	1,773,504
Other	2,245,606	2,175,598	1,921,675	1,815,721
Support services:				
Pupil	2,830,187	2,490,360	2,658,799	2,315,676
Instructional staff	3,953,929	3,003,549	4,240,839	3,063,028
Board of education	172,550	172,550	118,748	118,748
Administration	3,867,750	3,840,076	3,822,352	3,799,552
Fiscal	1,493,860	1,493,860	1,468,975	1,468,936
Operations and maintenance	5,410,595	4,945,625	5,605,278	5,082,104
Pupil transportation	2,151,281	2,045,395	2,279,652	2,171,533
Central	170,094	148,105	149,859	122,365
Operations of non-instructional services	487,370	(29,474)	636,243	32,266
Extracurricular activities	1,357,637	884,593	1,288,164	713,103
Food service operations	1,884,913	130,186	1,720,198	(92,830)
Interest and fiscal charges	121,236	121,236	142,348	142,348
Total expenses	$ 62,659,951	$ 50,319,059	$ 59,738,061	$ 46,538,904

The dependence upon tax and other general revenues for governmental activities is apparent, 80.17% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 80.30%. The District's taxpayers, as a whole, are by far the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2008 and 2007.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of $8,718,553, which is higher than last year's total of $7,222,564. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2008 and 2007.

	Fund Balance June 30, 2008	Fund Balance June 30, 2007	Increase
General	$ 5,786,970	$ 5,085,217	$ 701,753
Other Governmental	2,931,583	2,137,347	794,236
Total	$ 8,718,553	$ 7,222,564	$ 1,495,989

General Fund

The District's general fund balance increased $701,753. The increase in fund balance can be attributed to a 2.42% increase in revenues versus a 9.89% increase in expenditures. Revenues exceeded expenditures by $1,367,427 in fiscal 2008, for two main reasons. The first reason is that the District had to increase expenditures from fiscal 2007 to fiscal 2008, primarily due to rising wage and health benefit costs for the District. The second reason is that the District was able to increase revenues from fiscal 2007 to fiscal 2008, primarily due to an increase in intergovernmental revenues. The increase in intergovernmental revenues is the result of the District receiving governmental reimbursements for the loss of tangible personal property tax revenue (see Note 6). The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2008 Amount	2007 Amount	Percentage Change
Revenues			
Taxes	$ 27,192,230	$ 28,489,028	(4.55) %
Tuition	2,403,515	2,506,963	(4.13) %
Earnings on investments	535,581	713,802	(24.97) %
Intergovernmental	26,711,349	23,726,082	12.58 %
Other revenues	358,137	415,386	(13.78) %
Total	$ 57,200,812	$ 55,851,261	2.42 %
Expenditures			
Instruction	$ 35,652,628	$ 31,764,576	12.24 %
Support services	18,368,553	17,706,344	3.74 %
Extracurricular activities	800,295	785,508	1.88 %
Facilities acquisition and construction	35,775	-	100.00 %
Debt service	976,134	550,172	77.42 %
Total	$ 55,833,385	$ 50,806,600	9.89 %

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 2008, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were $56,841,782, which was higher than the original budget estimate of $52,100,260. Actual revenues and other financing sources for fiscal 2008 was $57,374,849. This represents a $533,067 increase over final budgeted revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of $59,956,627 were increased to $61,397,628 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2008 totaled $58,471,740, which was $2,925,888 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2008, the District had $13,985,134 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles, net of accumulated depreciation. This entire amount is reported in governmental activities.

The following table shows fiscal 2008 balances compared to 2007:

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2008	2007
Land	$ 416,459	$ 416,459
Land improvements	342,671	299,982
Building and improvements	10,161,543	8,574,033
Furniture and equipment	1,862,297	1,085,859
Vehicles	1,202,164	1,132,511
Total	$ 13,985,134	$ 11,508,844

Total additions to capital assets for 2008 were $3,694,190. The overall increase in capital assets of $2,476,290 is primarily due to additions exceeding the recording of $1,168,776 in depreciation expense and disposals of $49,124 (net of accumulated depreciation) for fiscal 2008.

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

Debt Administration

At June 30, 2008, the District had $2,318,986 in asbestos removal loans and capital lease obligations outstanding. Of this total, $388,149 is due within one year and $1,930,837 is due in greater than one year. The following table summarizes the loans and lease obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2008	Governmental Activities 2007
Asbestos removal loans	$ 419,537	$ 527,598
Energy conservation loans	-	584,206
Capital lease obligations	1,899,449	2,166,510
Total	$ 2,318,986	$ 3,278,314

See Note 10 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

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

The passage of a 2.5 mill permanent improvement levy in May 2006 has helped to alleviate many facility needs. The District hopes to eventually consolidate the south, north, and east campuses of Millstream Career and Technology Center into one location. The District also hopes to convert its three (3) small middle schools into two (2) larger, more efficient, newly constructed middle schools. Funding for these building consolidations has been pursued through the Ohio School Facilities Committee (OSFC) under their Exceptional Needs Program (ENP) and Emergency Assistance Program (EAP). The ENP helps school districts address specific facility needs within a district rather than the OSFC's usual practice of addressing all of the buildings within a district. The District has been approved for participation in this program. Funding will be provided for construction based on the OSFC's specifications where the school district must provide a local match based on the district's property values. In the case of Findlay City Schools, the local required match is sixty eight percent (68%) while OSFC will provide thirty-two percent (32%). In order to provide that much funding for new buildings, the District will have to put a bond levy on the ballot and pass it before December 2009.

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

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

Contacting the District's Financial Management

This financial report is designed to provide our citizen's taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Michael T. Barnhart, Treasurer, Findlay City School District, 1219 West Main Cross, Suite 101, Findlay, Ohio 45840.

BASIC
FINANCIAL STATEMENTS

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

STATEMENT OF NET ASSETS
JUNE 30, 2008

	Governmental Activities	Component Unit Findlay Digital Academy
Assets:		
Equity in pooled cash and cash equivalents	$ 15,840,069	$ 451,982
Receivables:		
Taxes	35,065,555	-
Accounts	47,965	-
Intergovernmental	1,000,680	-
Accrued interest	129,361	-
Prepayments	97,957	-
Materials and supplies inventory	65,279	-
Capital assets:		
Land	416,459	-
Depreciable capital assets, net	13,568,675	38,119
Total capital assets, net	13,985,134	38,119
Total assets	66,232,000	490,101
Liabilities:		
Accounts payable	552,478	46,540
Accrued wages and benefits	4,628,994	-
Pension obligation payable	1,425,340	-
Intergovernmental payable	419,653	2,448
Unearned revenue	31,544,486	-
Claims payable	1,477,393	-
Accrued interest payable	7,961	-
Long-term liabilities:		
Due within one year	1,125,416	-
Due in more than one year	4,795,935	-
Total liabilities	45,977,656	48,988
Net Assets:		
Invested in capital assets, net of related debt	11,666,148	38,119
Restricted for:		
Capital projects	1,432,016	-
Locally funded programs	46,053	-
State funded programs	48,130	-
Federally funded programs	154,399	-
Student activities	357,324	-
Scholarships:		
Nonexpendable	618,000	-
Expendable	81,841	-
Other purposes	51,503	-
Unrestricted	5,798,930	402,994
Total net assets	$ 20,254,344	$ 441,113

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, 2008

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Assets: Governmental Activities	Net Revenue (Expense) and Changes in Net Assets: Component Unit Findlay Digital Academy
Governmental Activities:						
Instruction:						
Regular	$ 26,196,394	$ 2,452,073	$ 604,819	$ 233,259	$ (22,906,243)	$ -
Special	7,342,020	397,500	2,932,001	-	(4,012,519)	-
Vocational	2,974,529	603,375	392,516	-	(1,978,638)	-
Other	2,245,606	70,000	8	-	(2,175,598)	-
Support services:						
Pupil	2,830,187	-	308,060	31,767	(2,490,360)	-
Instructional staff	3,953,929	141	950,239	-	(3,003,549)	-
Board of education	172,550	-	-	-	(172,550)	-
Administration	3,867,750	10,327	17,347	-	(3,840,076)	-
Fiscal	1,493,860	-	-	-	(1,493,860)	-
Operations and maintenance	5,410,595	79,575	385,098	297	(4,945,625)	-
Pupil transportation	2,151,281	969	84,846	20,071	(2,045,395)	-
Central	170,094	-	21,989	-	(148,105)	-
Operation of non-instructional services	487,370	48,618	468,226	-	29,474	-
Extracurricular activities	1,357,637	447,455	17,976	7,613	(884,593)	-
Food service operations	1,884,913	851,519	903,208	-	(130,186)	-
Interest and fiscal charges	121,236	-	-	-	(121,236)	-
Total governmental activities	$ 62,659,951	$ 4,961,552	$ 7,086,333	$ 293,007	(50,319,059)	-
Component Unit:						
Findlay Digital Academy	$ 392,292	$ -	$ 440,727	$ -	-	48,435
Total component unit	$ 392,292	$ -	$ 440,727	$ -	-	48,435
Totals	$ 63,052,243	$ 4,961,552	$ 7,527,060	$ 293,007	(50,319,059)	
General Revenues:						
Property taxes levied for:						
General purposes					27,357,581	-
Debt service					108,061	-
Capital projects					1,995,210	-
Grants and entitlements not restricted to specific programs					24,497,427	30,578
Investment earnings					509,130	14,138
Miscellaneous					504,321	-
Total general revenues					54,971,730	44,716
Change in net assets					4,652,671	93,151
Net assets at beginning of year					15,601,673	347,962
Net assets at end of year					$ 20,254,344	$ 441,113

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	$ 9,679,158	$ 4,094,241	$ 13,773,399
Receivables:			
Property taxes	33,017,337	2,048,218	35,065,555
Accounts	33,862	14,103	47,965
Intergovernmental	773,052	227,628	1,000,680
Accrued interest	129,289	72	129,361
Interfund loans	431,551	-	431,551
Prepayments	97,957	-	97,957
Materials and supplies inventory	49,357	15,922	65,279
Restricted assets:			
Equity in pooled cash and cash equivalents	51,503	-	51,503
Total assets	$ 44,263,066	$ 6,400,184	$ 50,663,250
Liabilities:			
Accounts payable	$ 304,691	$ 247,787	$ 552,478
Accrued wages and benefits	4,346,149	282,845	4,628,994
Compensated absences payable	59,721	-	59,721
Pension obligation payable	1,341,019	84,321	1,425,340
Intergovernmental payable	384,263	35,390	419,653
Interfund loans payable	-	431,551	431,551
Deferred revenue	2,711,081	171,393	2,882,474
Unearned revenue	29,329,172	2,215,314	31,544,486
Total liabilities	38,476,096	3,468,601	41,944,697
Fund Balances:			
Reserved for encumbrances	1,397,460	1,324,961	2,722,421
Reserved for materials and supplies inventory	49,357	15,922	65,279
Reserved for tax revenue unavailable for appropriation	1,375,000	101,000	1,476,000
Reserved for prepayments	97,957	-	97,957
Reserved for school bus purchases	51,503	-	51,503
Reserved for scholarships	-	618,000	618,000
Unreserved, undesignated (deficit), reported in:			
General fund	2,815,693	-	2,815,693
Special revenue funds	-	662,125	662,125
Capital projects funds	-	148,734	148,734
Permanent fund	-	60,841	60,841
Total fund balances	5,786,970	2,931,583	8,718,553
Total liabilities and fund balances	$ 44,263,066	$ 6,400,184	$ 50,663,250

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, 2008

Total governmental fund balances			$	8,718,553
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.				13,985,134
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.				
Taxes	$	2,445,069		
Intergovernmental revenue		308,155		
Accrued interest		129,250		
Total				2,882,474
An internal service fund is used by management to charge the costs of health and dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets.				537,774
In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are reported when due.				(7,961)
Long-term liabilities, including loans payable and capital lease obligation, are not due and payable in the current period and therefore are not reported in the funds.				
Asbestos removal loans		419,537		
Capital lease obligation		1,899,449		
Compensated absences		3,542,644		
Total				(5,861,630)
Net assets of governmental activities			$	20,254,344

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, 2008

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
From local sources:			
Taxes	$ 27,192,230	$ 2,075,574	$ 29,267,804
Tuition	2,403,515	158,085	2,561,600
Earnings on investments	535,581	128,855	664,436
Charges for services	-	851,519	851,519
Extracurricular	-	475,029	475,029
Classroom materials and fees	10,814	347,313	358,127
Other local revenues	347,323	714,759	1,062,082
Intergovernmental - State	25,138,076	940,087	26,078,163
Intergovernmental - Federal	1,573,273	3,988,427	5,561,700
Total revenue	57,200,812	9,679,648	66,880,460
Expenditures:			
Current:			
Instruction:			
Regular	25,032,506	1,601,961	26,634,467
Special	5,702,150	1,418,178	7,120,328
Vocational	2,703,361	132,050	2,835,411
Other	2,214,611	7,586	2,222,197
Support Services:			
Pupil	2,380,882	393,196	2,774,078
Instructional staff	2,800,970	951,140	3,752,110
Board of education	170,763	-	170,763
Administration	3,696,600	47,020	3,743,620
Fiscal	1,455,936	1,394	1,457,330
Operations and maintenance	5,669,309	628,568	6,297,877
Pupil transportation	2,117,311	21,485	2,138,796
Central	76,782	89,998	166,780
Operation of non-instructional services	-	437,777	437,777
Extracurricular activities	800,295	548,247	1,348,542
Facilities acquisition and construction	35,775	1,317,620	1,353,395
Food service operations	-	1,839,020	1,839,020
Debt service:			
Principal retirement	851,267	108,061	959,328
Interest and fiscal charges	124,867	-	124,867
Total expenditures	55,833,385	9,543,301	65,376,686
Excess of revenues over expenditures	1,367,427	136,347	1,503,774
Other financing sources (uses):			
Transfers in	-	665,000	665,000
Transfers (out)	(665,000)	-	(665,000)
Total other financing sources (uses)	(665,000)	665,000	-
Net change in fund balances	702,427	801,347	1,503,774
Fund balances at beginning of year	5,085,217	2,137,347	7,222,564
Decrease in reserve for inventory	(674)	(7,111)	(7,785)
Fund balances at end of year	$ 5,786,970	$ 2,931,583	$ 8,718,553

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, 2008

Net change in fund balances - total governmental funds	$	1,503,774
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 ($3,694,190) exceeds depreciation expense ($1,168,776) in the current period.		2,525,414
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals, sales, trade-ins, and donations) is to decrease net assets.		(49,124)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities they are reported as an expense when consumed.		(7,785)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		344,171
Repayment of loan and capital lease obligation principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net assets.		959,328
In the statement of activities, interest is accrued on outstanding loans, whereas in governmental funds, an interest expenditure is reported when due.		3,631
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(467,542)
The internal service fund used by management to charge the costs of health and dental insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net loss of the internal service fund is allocated among the governmental activities.		(159,196)
Change in net assets of governmental activities	$	4,652,671

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, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
From local sources:				
Taxes	$ 24,588,498	$ 26,741,523	$ 27,037,230	$ 295,707
Tuition	2,417,333	2,629,000	2,620,429	(8,571)
Earnings on investments	619,275	673,500	665,293	(8,207)
Classroom materials and fees	7,356	8,000	12,740	4,740
Other local revenues	262,514	285,500	353,351	67,851
Intergovernmental - state	22,964,774	24,975,623	24,924,976	(50,647)
Intergovernmental - federal	781,564	850,000	1,281,987	431,987
Total revenue	51,641,314	56,163,146	56,896,006	732,860
Expenditures:				
Current:				
Instruction:				
Regular	24,341,539	27,093,465	25,491,344	1,602,121
Special	5,829,179	5,828,509	5,760,176	68,333
Vocational	2,948,532	2,838,532	2,729,689	108,843
Other instruction	2,461,052	2,461,053	2,410,460	50,593
Support Services:				
Pupil	2,491,040	2,491,040	2,367,337	123,703
Instructional staff	2,689,196	2,799,196	2,785,755	13,441
Board of education	187,575	202,575	185,194	17,381
Administration	3,947,861	3,923,577	3,772,642	150,935
Fiscal	1,569,078	1,569,078	1,472,264	96,814
Operations and maintenance	8,712,487	6,962,487	6,882,921	79,566
Pupil transportation	2,581,642	2,572,031	2,297,461	274,570
Central	71,900	96,900	87,456	9,444
Extracurricular activities	896,180	903,819	808,708	95,111
Facilities acquisition and construction	40,000	40,000	40,000	-
Debt Service:				
Principal retirement	158,033	584,206	584,206	-
Interest and fiscal charges	23,833	23,660	23,621	39
Total expenditures	58,949,127	60,390,128	57,699,234	2,690,894
Excess of revenues over (under) expenditures	(7,307,813)	(4,226,982)	(803,228)	3,423,754
Other financing sources (uses):				
Transfers (out)	(665,000)	(665,000)	(665,000)	-
Advances in	454,993	674,336	474,336	(200,000)
Advances (out)	(340,000)	(340,000)	(106,706)	233,294
Proceeds from sale of capital assets	3,034	3,300	4,203	903
Refund of prior year expenditure	919	1,000	304	(696)
Refund of prior year receipts	(2,500)	(2,500)	(800)	1,700
Total other financing sources (uses)	(548,554)	(328,864)	(293,663)	35,201
Net change in fund balance	(7,856,367)	(4,555,846)	(1,096,891)	3,458,955
Fund balance at beginning of year	7,145,488	7,145,488	7,145,488	-
Prior year encumbrances appropriated	1,993,779	1,993,779	1,993,779	-
Fund balance at end of year	$ 1,282,900	$ 4,583,421	$ 8,042,376	$ 3,458,955

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2008

	Governmental Activities - Internal Service Fund
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	$ 2,015,167
Total assets	2,015,167
Liabilities:	
Current liabilities:	
Claims payable	1,477,393
Total liabilities	1,477,393
Net assets:	
Unrestricted	537,774
Total net assets	$ 537,774

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, 2008

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services.	$ 6,461,323
Total operating revenues	6,461,323
Operating expenses:	
Purchased services.	591,525
Claims	6,116,985
Total operating expenses	6,708,510
Operating loss	(247,187)
Nonoperating revenues:	
Interest revenue	87,991
Total nonoperating revenues	87,991
Change in net assets.	(159,196)
Net assets at beginning of year.	696,970
Net assets at end of year	$ 537,774

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, 2008

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	$ 6,533,223
Cash payments for purchased services	(591,525)
Cash payments for claims.	(5,944,142)
Net cash used in operating activities	(2,444)
Cash flows from investing activities:	
Interest received.	87,991
Net cash provided by investing activities	87,991
Net decrease in cash and cash equivalents	85,547
Cash and cash equivalents at beginning of year	1,929,620
Cash and cash equivalents at end of year.	$ 2,015,167
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (247,187)
Changes in assets and liabilities:	
Decrease in accounts receivable.	71,900
Increase in claims payable	172,843
Net cash used in operating activities	$ (2,444)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	Private-Purpose Trust	
	Scholarship	**Agency**
Assets:		
Equity in pooled cash and cash equivalents	$ 43,759	$ 134,672
Receivables:		
Accounts	-	1,899
Total assets	43,759	$ 136,571
Liabilities:		
Accounts payable	-	$ 2,609
Intergovernmental payable	-	14
Due to students	-	133,948
Total liabilities	-	$ 136,571
Net Assets:		
Held in trust for scholarships	43,759	
Total net assets	$ 43,759	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	$ 2,327
Gifts and contributions	19,842
Total additions	22,169
Deductions:	
Scholarships awarded	29,781
Change in net assets	(7,612)
Net assets at beginning of year	51,371
Net assets at end of year	$ 43,759

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

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

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

The District ranks as the 48th largest (among 896 public school districts and community schools) in terms of total enrollment in the State, and the largest in Hancock County. It currently operates 9 elementary schools, 3 middle schools, 1 high school, and a vocational center, to provide services to approximately 5,992 students in grades K-12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity", and as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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

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

DISCRETELY PRESENTED COMPONENT UNIT

Findlay Digital Academy

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

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

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.

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

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

PUBLIC ENTITY RISK POOLS

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

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

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

PROPRIETARY FUNDS

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

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

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

FIDUCIARY FUNDS

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

C. Measurement Focus

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

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

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

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

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

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

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

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

D. Basis of Accounting

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

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

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

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

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2008 are recorded as deferred revenue.

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

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

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

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

E. Budgets

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

Tax Budget:

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

Estimated Resources:

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

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

Appropriations:

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

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

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

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

F. Cash and Investments

To improve cash management, cash received by the District is pooled in 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 2008, investments were limited to nonnegotiable certificates of deposits, federal agency securities, a U.S. treasury money market mutual fund, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2008. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2008.

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

Under existing Ohio statutes all investment earning are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2008 amounted to $535,581, which includes $126,387 assigned from other District funds.

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

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

G. Inventory

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

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

H. Capital Assets

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

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

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

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

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

I. Interfund Balances

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

J. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. The liability is an estimate based on the District's past experience of making termination payments.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2008, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

K. Accrued Liabilities and Long-Term Obligations

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

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

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

L. Fund Balance Reserves

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

M. Net Assets

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

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

N. Prepayments

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

O. Estimates

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

P. Restricted Assets

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

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

Q. Interfund Activity

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

R. Parochial Schools

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2008.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2008, the District has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the District; however, certain disclosures related to postemployment benefits (see Note 13) have been modified to conform to the new reporting requirements.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings, as well as disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the District.

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the District.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2008 included the following individual fund deficits:

Nonmajor governmental funds	Deficit
Private purpose special revenue	$ 97,539
Special enterprise	11,860
Poverty aid	19,744
Title I disadvantaged children	117,532
Drug free school grant	7,335
Improving teacher quality	1,253

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

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

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

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

7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time, and;

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

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

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

A. Deposits with Financial Institutions

At June 30, 2008, the carrying amount of all District deposits was $4,535,928. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2008, $3,366,000 of the District's bank balance of $5,223,209 was covered by the Federal Deposit Insurance Corporation, while $1,857,209 was exposed to custodial risk as discussed below.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

B. Investments

As of June 30, 2008, the District had the following investments and maturities:

		Investment Maturities				
Investment	Fair Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	More than 24 months
FFCB	$ 296,532	$ -	$ -	$ -	$ -	$ 296,532
FHLB	3,292,008	-	252,658	-	-	3,039,350
FHLMC	2,651,295	-	-	-	-	2,651,295
FNMA	4,666,754	-	-	-	1,521,921	3,144,833
U.S. Treasury fund	47,045	47,045	-	-	-	-
STAR Ohio	528,938	528,938	-	-	-	-
Total	$ 11,482,572	$ 575,983	$ 252,658	$ -	$ 1,521,921	$ 9,132,010

The weighted average maturity of investments is 3.58 years.

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

Credit Risk: The District's investments, except for STAR Ohio, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. The District's investment policy does not specifically address credit risk beyond the adherence to Chapter 135 of the Ohio Revised Code, of which all relevant provisions are described previously in this note disclosure (Note 4).

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the District's name. State statute prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The District's investment policy does not specifically address custodial credit risk beyond the adherence to this requirement.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District's investment policy addresses concentration of credit risk by requiring investments to be diversified in order to reduce the risk of loss resulting from the over concentration of assets in a specific type of security, the erosion of market value, or by default. However, the District's investment policy does not place any limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2008:

Investment	Fair Value	Percent of Total
FFCB	$ 296,532	2.58
FHLB	3,292,008	28.67
FHLMC	2,651,295	23.09
FNMA	4,666,754	40.64
U.S. Treasury fund	47,045	0.41
STAR Ohio	528,938	4.61
Total	$ 11,482,572	100.00

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

The following is a reconciliation of cash and investments as reported in the note disclosure above to cash and investments as reported on the statement of net assets as of June 30, 2008:

Cash and investments per note disclosure	
Carrying amount of deposits	$ 4,535,928
Investments	11,482,572
Total	$ 16,018,500
Cash and investments per statement of net assets	
Governmental activities	$ 15,840,069
Private-purpose trust funds	43,759
Agency funds	134,672
Total	$ 16,018,500

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund balances at June 30, 2008 consisted of the following interfund loans receivable and payable, as reported on the fund financial statements:

Interfund loans receivable in the general fund from:	Amount
Nonmajor governmental funds	$ 431,551

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

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

B. Interfund transfers for the fiscal year ended June 30, 2008 consisted of the following transfers, as reported in the fund financial statements:

Transfers from general fund to:	Amount
Nonmajor governmental funds	$ 665,000

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

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. Tangible personal property tax is being phased out. For 2007, tangible personal property was assessed at 12.50% for property, including inventory. This percentage was reduced to 6.25% for 2008 and will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

NOTE 6 - PROPERTY TAXES - (Continued)

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2007-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The District receives property taxes from Hancock County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available as an advance at June 30, 2008 was $1,375,000 in the general fund and $101,000 in the permanent improvement capital projects fund (a nonmajor governmental fund). These amounts are reported as revenue. The amount available for advance at June 30, 2007 was $1,220,000 in the general fund and $90,000 in the permanent improvement capital projects fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary depending upon when the tax bills are sent by the County Auditor.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

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

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second Half Collections		2008 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 732,408,130	89.72	$ 774,075,810	94.05
Public utility personal property	22,421,120	2.75	18,881,860	2.29
Tangible personal property	61,443,228	7.53	30,088,700	3.66
Total	$ 816,272,478	100.00	$ 823,046,370	100.00

Tax rate per $1,000 of assessed valuation:

General operations	$ 58.25	$ 58.25
Permanent improvement	2.50	2.50

NOTE 7 - RECEIVABLES

Receivables at June 30, 2008 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the receivables reported on the statement of net assets follows:

Governmental activities	
Taxes	$ 35,065,555
Accounts	47,965
Intergovernmental	1,000,680
Accrued interest	129,361
Total	$ 36,243,561

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

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

Governmental activities	Balance 06/30/07	Additions	Deductions	Balance 06/30/08
Capital assets, not being depreciated:				
Land	$ 416,459	$ -	$ -	$ 416,459
Total capital assets, not being depreciated	416,459	-	-	416,459
Capital assets, being depreciated:				
Land improvements	1,173,832	119,435	-	1,293,267
Buildings and improvements	24,202,397	2,366,730	(7,279)	26,561,848
Equipment and furniture	9,609,514	975,004	(157,444)	10,427,074
Vehicles	2,978,072	233,021	(214,134)	2,996,959
Total capital assets, being depreciated	37,963,815	3,694,190	(378,857)	41,279,148
Less: accumulated depreciation:				
Land improvements	(873,850)	(76,746)	-	(950,596)
Buildings and improvements	(15,628,364)	(772,871)	930	(16,400,305)
Equipment and furniture	(8,523,655)	(177,206)	136,084	(8,564,777)
Vehicles	(1,845,561)	(141,953)	192,719	(1,794,795)
Total accumulated depreciation	(26,871,430)	(1,168,776)	329,733	(27,710,473)
Total capital assets, net	$ 11,508,844	$ 2,525,414	$ (49,124)	$ 13,985,134

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 664,582
Special	70,393
Vocational	88,263
Support services:	
Pupil	16,231
Instructional staff	20,442
Administration	32,298
Fiscal	14,353
Operations and maintenance	50,159
Pupil transportation	141,021
Other non-instructional services	42,634
Extracurricular activities	9,886
Food service operations	18,514
Total depreciation expense	$ 1,168,776

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE

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

Capital assets acquired by capital lease have been capitalized in the amount of $4,709,477. This amount represents the present value of the minimum lease payments at the time of acquisition. Of this amount, $3,976,043 is reported in buildings and improvements, $612,328 in equipment and furniture, and $121,106 in vehicles. For fiscal year 2008, depreciation expense on capital assets acquired by capital lease totaled $97,853. At June 30, 2008, accumulated depreciation on capital assets acquired by capital lease equaled $1,439,484, and net capital assets acquired by capital lease totaled $3,269,993. A corresponding liability has been recorded on the government-wide financial statements.

Capital lease payments are reported as function/program expenditures in the budgetary statements. These payments have been reclassified and are reflected as debt service expenditures in the governmental fund financial statements. For fiscal year 2008, principal and interest payments in the general fund equaled $267,061 and $101,246, respectively.

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

The following is a long-term schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2008:

Fiscal Year Ending June 30,	Amount
2009	$ 368,307
2010	368,307
2011	368,308
2012	368,307
2013	368,307
2014	368,454
Total minimum lease payments	2,209,990
Less: amount representing interest	(310,541)
Total	$ 1,899,449

NOTE 10 - LONG-TERM OBLIGATIONS

A. During fiscal year 2008, the following changes occurred in governmental activities long-term obligations:

Governmental activities	Balance at 06/30/07	Increases	Decreases	Balance at 06/30/08	Amount Due in One Year
Loans payable					
Asbestos removal loans	$ 527,598	$ -	$ (108,061)	$ 419,537	$ 108,061
Energy conservation loans	584,206	-	(584,206)	-	-
Total loans payable	1,111,804	-	(692,267)	419,537	108,061
Other long-term obligations					
Capital lease obligation	2,166,510	-	(267,061)	1,899,449	280,088
Compensated absences	3,582,730	780,973	(761,338)	3,602,365	737,267
Total other long-term obligations	5,749,240	780,973	(1,028,399)	5,501,814	1,017,355
Total governmental activities	$ 6,861,044	$ 780,973	$ (1,720,666)	$ 5,921,351	$ 1,125,416

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

The energy conservation loans were issued during fiscal years 2005 and 2006, were retired early in fiscal year 2008, and carried an interest rate of 4.297%. Principal payments on the energy conservation loans were made out of the General fund.

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

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

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

B. As of June 30, 2008, principal and interest requirements to retire the asbestos removal loans are as follows:

Fiscal Year Ending June 30,	Asbestos Removal Loans Principal	Interest	Total
2009	$ 108,061	$ -	$ 108,061
2010	108,061	-	108,061
2011	100,314	-	100,314
2012	100,314	-	100,314
2013	2,787	-	2,787
Total	$ 419,537	$ -	$ 419,537

C. Legal Debt Margins

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

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

The effects of these debt limitations at June 30, 2008 are a legal voted debt margin of $69,666,823, a legal unvoted debt margin of $774,076, and a legal energy conservation debt margin of $6,966,682.

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 2008, the District contracted with the Indiana Insurance Company for property and general liability insurance.

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

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

NOTE 11 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

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

C. Employee Health Insurance

The District's health insurance is funded through a self-insurance program. The District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. One plan provides a comprehensive medical/surgical plan with deductibles ranging from $200 for family coverage and $100 for single coverage. The District's plan is a Preferred Provider Program through the Anthem network, which has co-pays ranging from $20 to $50 and includes a drug card. Deductibles of $200 for family coverage and $100 for single coverage apply for out-of-network services only. Maximum out of pocket expenses for employees is $900 in addition to the deductibles applies to out-of-network services only. The District purchases stop loss coverage of $125,000 per employee. The District and employees pay into the self-insurance internal service fund. The District's monthly portion for the majority of its employees is $1,044 for family coverage and $408 for single coverage. The employee's monthly portion for the majority of employees is $98 for family coverage and $31 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 $76.77 monthly for family coverage and $29.53 for single coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document.

The claims payable liability of $1,477,393 reported in the Employee Benefits Self Insurance fund at June 30, 2008 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", and as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability be reported for unpaid claims costs, including estimates of costs relating to incurred but not reported claims. The claims liability is based on an estimate supplied by the District's third party administrator. Changes in the claims payable liability for the current and prior fiscal years are as follows:

Fiscal Year	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Year
2008	$ 1,304,550	$ 6,116,985	$ (5,944,142)	$ 1,477,393
2007	1,330,647	5,703,376	(5,729,473)	1,304,550

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

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007, and 2006, were $729,881, $787,761, and $771,315, respectively; 42.84 percent has been contributed for fiscal year 2008, and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

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

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

NOTE 12 - PENSION PLANS - (Continued)

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

Funding Policy - For fiscal year 2008, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006, were $3,405,244, $3,435,930, and $3,477,344, respectively; 81.83 percent has been contributed for fiscal year 2008, and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were $44,795 made by the District and $77,896 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2008, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was $35,800.

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

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

The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006, were $451,967, $380,221, and $390,256, respectively; 42.84 percent has been contributed for fiscal year 2008, and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2008, this actuarially required allocation was 0.66 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006, were $52,590, $53,568, and $61,390, respectively; 42.84 percent has been contributed for fiscal year 2008, and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006, were $261,942, $264,302, and $267,488, respectively; 81.83 percent has been contributed for fiscal year 2008, and 100 percent for fiscal years 2007 and 2006.

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

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

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

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

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

(d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis);

(e) Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

Net Change in Fund Balance

	General fund
Budget basis	$ (1,096,891)
Net adjustment for revenue accruals	304,806
Net adjustment for expenditure accruals	161,224
Net adjustment for other financing sources/uses	(371,337)
Adjustment for encumbrances	1,704,625
GAAP basis	$ 702,427

NOTE 15 - CONTINGENCIES

A. Grants

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

B. Litigation

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

NOTE 16 - STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by Statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2008, the reserve activity was as follows:

	Instructional Materials	Capital Acquisition
Set-aside balance as of June 30, 2007	$ (3,574,647)	$ -
Current year set-aside requirement	987,071	987,071
Current year qualifying expenditures	(2,016,542)	(2,451,556)
Total	$ (4,604,118)	$ (1,464,485)
Balance carried forward to FY2009	$ (4,604,118)	$ -

The District had qualifying expenditures during the year that reduced the instructional materials set-aside amount below zero. This negative amount can be used to reduce the instructional materials set-aside requirement in future years and therefore is presented as being carried forward to fiscal year 2009.

The District had qualifying expenditures during the year that reduced the capital acquisition set-aside amount below zero. This negative amount cannot be used to reduce the capital acquisition set-aside requirement in future years, and therefore is not presented as being carried forward to fiscal year 2009.

A schedule of the governmental funds restricted assets at June 30, 2008 is as follows:

Amount restricted for school bus purchases	$ 51,503
Total	$ 51,503

NOTE 17 - FINDLAY DIGITAL ACADEMY

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

A. Description of the Digital Academy

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

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

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

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

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

B. Summary of Significant Accounting Policies

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

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

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

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

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

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

Expenses are recognized at the time they are incurred.

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

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

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

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

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

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

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

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

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

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

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

C. Deposits and Investments

Deposits: At fiscal year end, the carrying amount of the Academy's deposits was $3,131 and the bank balance was $13,163. Of the bank balance, $13,163 was covered by the Federal Deposit Insurance Corporation (Category 1).

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

Investment	Fair Value	Percent of Total
STAR Ohio	$ 248,518	55.37
FNMA	200,333	44.63
Total	$ 448,851	100.00

The weighted maturity of the investment in STAR Ohio is one day and the weighted maturity of the investment in FNMA is 4.67 years.

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the Academy manages its exposure to interest rate risk and declines in fair values by limiting the weighted average maturity of its investment portfolio.

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

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. In accordance with the investment policy, the Academy allows investments in certificates of deposits or in financial institutions within the State of Ohio as designated by the Federal Reserve Board. The Academy has invested 55.37% in investments with no weighted maturity through STAR Ohio. All other investments can be sold on the secondary market if immediate cash flow is needed.

Custodial credit risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Academy can access $500,000 of net equity protection from the Securities Investor Protection Corporation through Ridge Clearing, which is the custodian of our non-STAR Ohio investments. All of the Academy's investments are held in the name of the Academy.

D. Intergovernmental Receivables and Payables

There were no intergovernmental receivables at June 30, 2008. There was an intergovernmental payable of $2,448 at June 30, 2008 for excess state foundation payments.

E. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008:

	Balance 07/01/07	Additions	Deletions	Balance 06/30/08
Furniture and Equipment	$ 86,587	$ -	$ (3,413)	$ 83,174
Less: Accumulated Depreciation	(29,219)	(16,714)	878	(45,055)
Capital Assets, Net	$ 57,368	$ (16,714)	$ (2,535)	$ 38,119

F. Risk Management

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

Coverages are as follows:

General Liability:	
Per Occurrence	$ 1,000,000
Aggregate	4,000,000
Personal and Advertising Injury	1,000,000
Property:	129,762,478

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

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

G. Fiscal Agent and Payments to Sponsor

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

A. Assumes responsibility for receipt, safekeeping and disbursement of all Academy funds;

B. Directs and manages all financial accounting programs and systems;

C. Completes and files all forms, reports, papers and other requirements as prescribed by the Auditor of State, Department of Education, or other State or local agencies.

In addition, the Sponsorship Contract states that the Academy shall secure the services of an Executive Director who shall be the chief operating officer of the Academy. This position is filled by the Secondary Curriculum Director of the District.

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

During the fiscal year ended June 30, 2008, the Academy incurred $73,432 in expenses payable to the District for:

Salaries and benefits	$	53,497
Fiscal services		10,864
EMIS services		7,950
Other		1,121
Total	$	73,432

H. Contingencies

Grants: The Academy received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions as specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2008.

State Funding: The Ohio Department of Education reviews enrollment data and full time equivalency (FTE) calculations made by the schools. These reviews ensure the schools are reporting accurate student enrollment data to the State, upon which State Foundation Funding is calculated. For fiscal year 2008, the review was completed in October 2008. As a result of said review, the Academy's State Foundation Funding will be decreased by $2,448 for fiscal year 2008.

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

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

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

House Bill 79: In March 2007, the Ohio General Assembly enacted House Bill 79, which contained confusing language that implied that if a school employee is serving on the Academy's Board of Directors, that school employee's full-time job could be in jeopardy. As a result, the Academy made some changes to its Board of Directors based on advice from legal counsel. The General Assembly has indicated that was not the intent of the legislation and has indicated that corrective legislation would be introduced. As of October 31, 2008, no such corrective legislation has appeared.

I. Purchased Service Expenses

For the fiscal year ended June 30, 2008, purchased service expenses were payments for services rendered by various vendors, as follows:

Tri-Rivers Educational Computer Association (TRECA)	$ 230,832
Sponsor, Management Fees and Expenses	88,474
Hancock County ESC	11,881
Western Buckeye ESC	6,666
Balestra, Harr & Scherer, CPAs	5,200
Other	3,098
Total	$ 346,151

J. Related Party Transactions

The Academy's Board of Directors includes three members who are employees of the District and one member who is an employee of the Hancock County Educational Service Center, as contracted out by the District. However, that changed in fiscal year 2007 due to House Bill 79 (see Note 17.H. above). In addition, other employees of the District provide additional services to the Academy. Payments to the following related parties (other than travel reimbursement) were as follows:

Findlay City School District (Sponsor)	$ 88,474
Jon Thomas (Employee of Sponsor)	25
Total	$ 88,499

NOTE 17 - FINDLAY DIGITAL ACADEMY - (Continued)

K. Contract With TRECA

The Academy entered into a contract on June 30, 2007, for fiscal year 2008, with TRECA. Under the contract, the following terms were agreed upon:

- TRECA shall provide the Academy with instructional, administrative, staff training, and technical services sufficient to substantially implement the Academy's educational plan and the Academy's assessment and accountability plan.

- All personnel providing services to the Academy on behalf of TRECA under the agreement shall be employees of TRECA and TRECA shall be solely responsible for all payroll functions, including retirement system contributions and all other legal withholding and/or payroll taxes, with respect to such personnel. All shall possess any certification or licensure which may be required by law.

- The technical services provided by TRECA to the Academy shall include access to, and the use of, computer software, computer hardware, networking hardware, network services, and the services of technical support personnel necessary to implement the plan of operation.

- The Academy shall secure the services of an Executive Director, who shall be the chief operating officer of the Academy, with primary responsibility for day-to-day operation of the Academy.

- Curricular services provided by TRECA shall be limited to the basic standardized curriculum developed by TRECA. Basic services do not include special education and related services.

- In exchange for the services and support (including equipment) provided by TRECA, the Academy shall pay to TRECA $3,750 per full-time student enrolled in the Academy for the 2007-2008 school year. Part-time students may be enrolled on such terms as agreed to by the parties.

- In the case of students enrolled in the Academy who are Disabled or Suspected Disabled, as defined in the Exhibit entitled "TRECA Enhancement Services and Special Education Obligations of the Academy and TRECA", the Academy shall additionally pay to TRECA the fees and costs described in Section II of such exhibit.

For fiscal year 2008, $230,832 was paid to TRECA. $9,500 was payable to TRECA at June 30, 2007. $32,357 was payable to TRECA at June 30, 2008.

To obtain TRECA's audited June 30, 2008 financial statements, please contact Scott Armstrong, Treasurer, at scott@treca.org.

L. Tax Exempt Status

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

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	$ 1,623,433	$ -	$ 1,770,967	$ 699,841	$ 4,094,241
Receivables:					
Property taxes	-	108,062	1,940,156	-	2,048,218
Accounts	14,103	-	-	-	14,103
Intergovernmental	227,628	-	-	-	227,628
Accrued interest	72	-	-	-	72
Materials and supplies inventory	15,922	-	-	-	15,922
Total assets	$ 1,881,158	$ 108,062	$ 3,711,123	$ 699,841	$ 6,400,184
Liabilities:					
Accounts payable	$ 75,932	$ -	$ 171,855	$ -	$ 247,787
Accrued wages and benefits	282,845	-	-	-	282,845
Pension obligation payable	84,321	-	-	-	84,321
Intergovernmental payable	35,390	-	-	-	35,390
Interfund loans payable	431,551	-	-	-	431,551
Deferred revenue	39,489	-	131,904	-	171,393
Unearned revenue	-	108,062	2,107,252	-	2,215,314
Total liabilities	949,528	108,062	2,411,011	-	3,468,601
Fund balances:					
Reserved for encumbrances	253,583	-	1,050,378	21,000	1,324,961
Reserved for materials and supplies inventory	15,922	-	-	-	15,922
Reserved for property tax unavailable for appropriation	-	-	101,000	-	101,000
Reserved for scholarships	-	-	-	618,000	618,000
Unreserved, undesignated, reported in:					
Special revenue funds	662,125	-	-	-	662,125
Capital projects funds	-	-	148,734	-	148,734
Permanent fund	-	-	-	60,841	60,841
Total fund balances	931,630	-	1,300,112	699,841	2,931,583
Total liabilities and fund balances	$ 1,881,158	$ 108,062	$ 3,711,123	$ 699,841	$ 6,400,184

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
From local sources:					
Taxes	$ -	$ 108,061	$ 1,967,513	$ -	$ 2,075,574
Tuition	158,085	-	-	-	158,085
Earnings on investments	38,643	-	65,668	24,544	128,855
Charges for services	851,519	-	-	-	851,519
Extracurricular	475,029	-	-	-	475,029
Classroom materials and fees	347,313	-	-	-	347,313
Other local revenues	633,245	-	81,514	-	714,759
Intergovernmental - State	732,819	-	207,268	-	940,087
Intergovernmental - Federal	3,988,427	-	-	-	3,988,427
Total revenues	7,225,080	108,061	2,321,963	24,544	9,679,648
Expenditures:					
Current:					
Instruction:					
Regular	1,181,301	-	415,160	5,500	1,601,961
Special	1,418,178	-	-	-	1,418,178
Vocational	132,050	-	-	-	132,050
Other	7,586	-	-	-	7,586
Support services:					
Pupil	314,503	-	78,693	-	393,196
Instructional staff	951,140	-	-	-	951,140
Administration	47,020	-	-	-	47,020
Fiscal	1,394	-	-	-	1,394
Operations and maintenance	627,831	-	737	-	628,568
Pupil transportation	21,485	-	-	-	21,485
Central	89,998	-	-	-	89,998
Operation of non-instructional services	437,777	-	-	-	437,777
Extracurricular activities	529,387	-	18,860	-	548,247
Facilities acquisition and construction	-	-	1,317,620	-	1,317,620
Food service operations	1,839,020	-	-	-	1,839,020
Debt service:					
Principal retirement	-	108,061	-	-	108,061
Total expenditures	7,598,670	108,061	1,831,070	5,500	9,543,301
Excess of revenues over (under) expenditures	(373,590)	-	490,893	19,044	136,347
Other financing sources:					
Transfers in	75,000	-	590,000	-	665,000
Total other financing sources	75,000	-	590,000	-	665,000
Net change in fund balances	(298,590)	-	1,080,893	19,044	801,347
Fund balances (deficit) at beginning of year	1,237,331	-	219,219	680,797	2,137,347
Decrease in reserve for inventory	(7,111)	-	-	-	(7,111)
Fund balances (deficit) at end of year	$ 931,630	$ -	$ 1,300,112	$ 699,841	$ 2,931,583

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Nonmajor Special Revenue Funds

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

Food Service Fund Section 3313.81, Revised Code

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

Special Trust Fund Section 5705.09, Revised Code

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

Uniform School Supplies Fund Section 3313.81, Revised Code

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

Special Services Rotary Fund Section 5705.12, Revised Code

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

Special Enterprise Fund Section 755.14, Revised Code

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

Public School Support Fund Section 5705.12, Revised Code

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

Other Grants Fund Sections 5705.09 and 5705.13, Revised Code

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

District Managed Activity Fund Section 3313.062, Revised Code

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

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

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

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

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

Nonmajor Special Revenue Funds

Management Information System Fund — Am. Sub. HB 111

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

Entry Year Programs Fund — Section 3313.024, Revised Code

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

Data Communication Fund — Section 5705.09, Revised Code

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

SchoolNet Professional Development Fund — Section 5705.09, Revised Code

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

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

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

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

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

Poverty Aid Fund — Current Budget Bill, O.R.C. 3317.029

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

Miscellaneous State Grants Fund — Section 5705.12, Revised Code

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

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

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

Nonmajor Special Revenue Funds

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

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

Limited English Proficiency Fund — Catalog of Federal Domestic Assistance #84.365

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

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

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

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

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

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

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

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

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

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

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

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

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

Miscellaneous Federal Grants Fund — Section 5705.12, Revised Code

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

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Food Service	Special Trust	Uniform School Supplies	Special Services Rotary
Assets:				
Equity in pooled cash and cash equivalents	$ 148,463	$ 232,736	$ 186,365	$ 39,170
Receivables:				
Accounts	1,328	145	567	-
Intergovernmental	109,419	-	-	-
Accrued Interest	-	-	-	-
Materials and supplies inventory	15,922	-	-	-
Total assets	$ 275,132	$ 232,881	$ 186,932	$ 39,170
Liabilities:				
Accounts payable	$ 6,888	$ 5,063	$ 19,798	$ 532
Accrued wages and benefits	12,216	-	-	-
Pension obligation payable	15,123	-	-	-
Intergovernmental payable	7,316	512	-	-
Interfund loans payable	-	324,845	-	-
Deferred revenue	-	-	-	-
Total liabilities	41,543	330,420	19,798	532
Fund balances:				
Reserved for encumbrances	97,488	18,870	17,941	5,400
Reserved for materials and supplies inventory	15,922	-	-	-
Unreserved-undesignated (deficit)	120,179	(116,409)	149,193	33,238
Total fund balances (deficit)	233,589	(97,539)	167,134	38,638
Total liabilities and fund balances	$ 275,132	$ 232,881	$ 186,932	$ 39,170

Public School Support	Other Grants	Special Enterprise	District Managed Activity	Auxiliary Services	Management Information System	Entry Year Programs
$ 86,146	$ 51,483	$ 5,307	$ 361,358	$ 69,058	$ 40,042	$ 1,465
862	-	9,530	1,329	-	-	-
-	-	-	-	-	-	-
-	-	-	72	-	-	-
-	-	-	-	-	-	-
$ 87,008	$ 51,483	$ 14,837	$ 362,759	$ 69,058	$ 40,042	$ 1,465
$ 713	$ 4,341	$ -	$ 5,346	$ 15,283	$ -	$ -
-	-	11,477	-	25,133	3,930	-
-	932	13,868	-	4,728	4,170	-
42	157	1,352	89	1,969	569	306
-	-	-	-	-	-	-
-	-	-	-	-	-	-
755	5,430	26,697	5,435	47,113	8,669	306
3,488	2,757	535	30,103	13,451	574	-
-	-	-	-	-	-	-
82,765	43,296	(12,395)	327,221	8,494	30,799	1,159
86,253	46,053	(11,860)	357,324	21,945	31,373	1,159
$ 87,008	$ 51,483	$ 14,837	$ 362,759	$ 69,058	$ 40,042	$ 1,465

(continued)

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	SchoolNet Professional Development	Vocational Education Enhancements	Poverty Aid	Miscellaneous State Grants
Assets:				
Equity in pooled cash and cash equivalents	$ 2,323	$ 4	$ -	$ 66,754
Receivables:				
Accounts	-	-	-	342
Intergovernmental	-	-	-	58,424
Accrued Interest	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	$ 2,323	$ 4	$ -	$ 125,520
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 4,189
Accrued wages and benefits	-	-	17,196	-
Pension obligation payable	-	-	2,088	2,223
Intergovernmental payable	-	-	460	770
Interfund loans payable	-	-	-	83,852
Deferred revenue	-	-	-	3,313
Total liabilities	-	-	19,744	94,347
Fund balances:				
Reserved for encumbrances	75	-	-	23,082
Reserved for materials and supplies inventory	-	-	-	-
Unreserved-undesignated (deficit)	2,248	4	(19,744)	8,091
Total fund balances (deficit)	2,323	4	(19,744)	31,173
Total liabilities and fund balances	$ 2,323	$ 4	$ -	$ 125,520

IDEA Part B Grants	Vocational Education	Title I Disadvantaged Children	Title V Innovative Education Program	Drug Free School Grant	IDEA Preschool-Handicapped
$ 253,873	$ 35,074	$ 17,222	$ 1,033	$ -	$ 1,336
-	-	-	-	-	-
-	41,823	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 253,873	$ 76,897	$ 17,222	$ 1,033	$ -	$ 1,336
$ 8,170	$ -	$ 1,124	$ -	$ -	$ -
63,619	-	111,729	-	4,887	-
19,304	1,434	14,164	-	2,177	-
10,110	1,192	7,737	-	271	355
-	22,854	-	-	-	-
-	36,176	-	-	-	-
101,203	61,656	134,754	-	7,335	355
4,097	34,099	1,568	-	-	55
-	-	-	-	-	-
148,573	(18,858)	(119,100)	1,033	(7,335)	926
152,670	15,241	(117,532)	1,033	(7,335)	981
$ 253,873	$ 76,897	$ 17,222	$ 1,033	$ -	$ 1,336

(continued)

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Assets:			
Equity in pooled cash and cash equivalents	$ 19,736	$ 4,485	$ 1,623,433
Receivables:			
Accounts	-	-	14,103
Intergovernmental	17,962	-	227,628
Accrued Interest	-	-	72
Materials and supplies inventory	-	-	15,922
Total assets	$ 37,698	$ 4,485	$ 1,881,158
Liabilities:			
Accounts payable	$ -	$ 4,485	$ 75,932
Accrued wages and benefits	32,658	-	282,845
Pension obligation payable	4,110	-	84,321
Intergovernmental payable	2,183	-	35,390
Interfund loans payable	-	-	431,551
Deferred revenue	-	-	39,489
Total liabilities	38,951	4,485	949,528
Fund balances:			
Reserved for encumbrances	-	-	253,583
Reserved for materials and supplies inventory	-	-	15,922
Unreserved-undesignated (deficit)	(1,253)	-	662,125
Total fund balances (deficit)	(1,253)	-	931,630
Total liabilities and fund balances	$ 37,698	$ 4,485	$ 1,881,158

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FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Food Service	Special Trust	Uniform School Supplies	Special Services Rotary
Revenues:				
From local sources:				
Tuition	$ -	$ -	$ -	$ -
Earnings on investments	9,976	2,677	-	1,674
Charges for services	851,519	-	-	-
Extracurricular	-	1,194	-	-
Classroom materials and fees.	-	27,452	317,101	-
Other local revenues	-	382,421	46	57,670
Intergovernmental - State	32,402	-	-	-
Intergovernmental - Federal	860,830	-	-	-
Total revenues	1,754,727	413,744	317,147	59,344
Expenditures:				
Current:				
Instruction:				
Regular.	-	33,941	328,295	51,296
Special	-	590	40	-
Vocational	-	156	28	532
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	-	-	-
Administration	-	37	-	-
Fiscal.	-	-	-	-
Operations and maintenance	-	627,831	-	-
Pupil transportation	-	202	-	-
Central	-	-	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities.	-	850	-	-
Food service operations	1,839,020	-	-	-
Total expenditures	1,839,020	663,607	328,363	51,828
Excess of revenues over (under) expenditures	(84,293)	(249,863)	(11,216)	7,516
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances.	(84,293)	(249,863)	(11,216)	7,516
Fund balances (deficit) at beginning of year	324,993	152,324	178,350	31,122
Decrease in reserve for inventory	(7,111)	-	-	-
Fund balances (deficit) at end of year.	$ 233,589	$ (97,539)	$ 167,134	$ 38,638

Public School Support	Other Grants	Special Enterprise	District Managed Activity	Auxiliary Services	Teacher Development	Management Information System
$ -	$ -	$ 158,085	$ -	$ -	$ -	$ -
4,083	-	55	17,944	2,234	-	-
-	-	-	-	-	-	-
28,622	-	-	445,213	-	-	-
2,760	-	-	-	-	-	-
54,847	114,884	-	9,285	-	-	-
-	150	-	-	359,817	-	21,989
-	-	-	-	-	-	-
90,312	115,034	158,140	472,442	362,051	-	21,989
49,992	78,497	149,261	-	-	-	-
-	5,871	-	-	-	-	-
-	17,326	-	-	-	-	-
-	7,586	-	-	-	-	-
-	-	-	-	-	-	-
398	5,557	-	-	-	-	-
29,075	-	-	-	-	-	-
-	-	-	-	-	1,394	-
-	-	-	-	-	-	-
2,704	330	-	570	-	-	-
-	-	-	-	-	-	89,998
-	-	6,140	-	325,590	-	-
6,208	32,175	-	490,154	-	-	-
-	-	-	-	-	-	-
88,377	147,342	155,401	490,724	325,590	1,394	89,998
1,935	(32,308)	2,739	(18,282)	36,461	(1,394)	(68,009)
-	-	-	-	-	-	75,000
-	-	-	-	-	-	75,000
1,935	(32,308)	2,739	(18,282)	36,461	(1,394)	6,991
84,318	78,361	(14,599)	375,606	(14,516)	1,394	24,382
-	-	-	-	-	-	-
$ 86,253	$ 46,053	$ (11,860)	$ 357,324	$ 21,945	$ -	$ 31,373

(continued)

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Entry Year Programs	Data Communication	SchoolNet Professional Development	Ohio Reads
Revenues:				
From local sources:				
Tuition	$ -	$ -	$ -	$ -
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - State	23,200	45,000	2,970	-
Intergovernmental - Federal	-	-	-	-
Total revenues	23,200	45,000	2,970	-
Expenditures:				
Current:				
Instruction:				
Regular	24,361	45,000	798	2,130
Special	-	-	-	-
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities	-	-	-	-
Food service operations	-	-	-	-
Total expenditures	24,361	45,000	798	2,130
Excess of revenues over (under) expenditures	(1,161)	-	2,172	(2,130)
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	(1,161)	-	2,172	(2,130)
Fund balances (deficit) at beginning of year	2,320	-	151	2,130
Decrease in reserve for inventory	-	-	-	-
Fund balances (deficit) at end of year	$ 1,159	$ -	$ 2,323	$ -

Vocational Education Enhancements	Poverty Aid	Miscellaneous State Grants	IDEA Part B Grants	Vocational Education	Limited English Proficiency	Title I Disadvantaged Children
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	14,092	-	-	-	-
-	39,438	207,853	-	-	-	-
-	-	-	1,561,710	250,009	26,112	952,509
-	39,438	221,945	1,561,710	250,009	26,112	952,509
-	54,302	32,857	4,102	46,539	25,939	1,050
-	-	22,292	506,247	-	-	883,138
-	-	14,185	-	99,823	-	-
-	-	-	-	-	-	-
-	-	1,123	165,688	108,883	-	-
-	-	102,827	829,882	-	-	12,372
-	-	-	-	10,540	-	7,368
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	17,679	-	-	-	-
-	-	-	-	-	-	-
-	-	-	63,658	-	-	40,230
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	54,302	190,963	1,569,577	265,785	25,939	944,158
-	(14,864)	30,982	(7,867)	(15,776)	173	8,351
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(14,864)	30,982	(7,867)	(15,776)	173	8,351
4	(4,880)	191	160,537	31,017	(173)	(125,883)
-	-	-	-	-	-	-
$ 4	$ (19,744)	$ 31,173	$ 152,670	$ 15,241	$ -	$ (117,532)

(continued)

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Title V Innovative Education Program	Drug Free School Grant	IDEA Preschool-Handicapped	Improving Teacher Quality
Revenues:				
From local sources:				
Tuition	$ -	$ -	$ -	$ -
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	11,261	23,457	26,947	271,037
Total revenues	11,261	23,457	26,947	271,037
Expenditures:				
Current:				
Instruction:				
Regular	9,589	-	9,086	229,204
Special	-	-	-	-
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	21,613	17,196	-
Instructional staff	-	-	104	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	727	1,432	-	-
Extracurricular activities	-	-	-	-
Food service operations	-	-	-	-
Total expenditures	10,316	23,045	26,386	229,204
Excess of revenues over (under) expenditures	945	412	561	41,833
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	945	412	561	41,833
Fund balances (deficit) at beginning of year	88	(7,747)	420	(43,086)
Decrease in reserve for inventory	-	-	-	-
Fund balances (deficit) at end of year	$ 1,033	$ (7,335)	$ 981	$ (1,253)

Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
$ -	$ 158,085
-	38,643
-	851,519
-	475,029
-	347,313
-	633,245
-	732,819
4,555	3,988,427
4,555	7,225,080
5,062	1,181,301
-	1,418,178
-	132,050
-	7,586
-	314,503
-	951,140
-	47,020
-	1,394
-	627,831
-	21,485
-	89,998
-	437,777
-	529,387
-	1,839,020
5,062	7,598,670
(507)	(373,590)
-	75,000
-	75,000
(507)	(298,590)
507	1,237,331
-	(7,111)
$ -	$ 931,630

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, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Food Service Fund				
Total Revenues and Other Financing Sources	$ 2,000,000	$ 2,000,000	$ 1,692,986	$ (307,014)
Total Expenditures and Other Financing Uses	2,126,610	2,126,610	1,863,234	263,376
Net Change in Fund Balance	(126,610)	(126,610)	(170,248)	(43,638)
Fund Balance, July 1	87,749	87,749	87,749	-
Prior Year Encumbrances Appropriated	126,610	126,610	126,610	-
Fund Balance, June 30	$ 87,749	$ 87,749	$ 44,111	$ (43,638)
Special Trust Fund				
Total Revenues and Other Financing Sources	$ 780,000	$ 780,000	$ 413,832	$ (366,168)
Total Expenditures and Other Financing Uses	1,684,898	1,684,898	1,175,320	509,578
Net Change in Fund Balance	(904,898)	(904,898)	(761,488)	143,410
Fund Balance, July 1	265,466	265,466	265,466	-
Prior Year Encumbrances Appropriated	704,898	704,898	704,898	-
Fund Balance, June 30	$ 65,466	$ 65,466	$ 208,876	$ 143,410
Uniform School Supplies Fund				
Total Revenues and Other Financing Sources	$ 300,000	$ 300,000	$ 318,740	$ 18,740
Total Expenditures and Other Financing Uses	361,634	361,634	349,369	12,265
Net Change in Fund Balance	(61,634)	(61,634)	(30,629)	31,005
Fund Balance, July 1	148,115	148,115	148,115	-
Prior Year Encumbrances Appropriated	31,634	31,634	31,634	-
Fund Balance, June 30	$ 118,115	$ 118,115	$ 149,120	$ 31,005

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, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Special Services Rotary Fund				
Total Revenues and Other Financing Sources	$ 60,000	$ 60,000	$ 59,344	$ (656)
Total Expenditures and Other Financing Uses	63,489	63,489	56,701	6,788
Net Change in Fund Balance	(3,489)	(3,489)	2,643	6,132
Fund Balance, July 1	27,633	27,633	27,633	-
Prior Year Encumbrances Appropriated	3,489	3,489	3,489	-
Fund Balance, June 30	$ 27,633	$ 27,633	$ 33,765	$ 6,132
Special Enterprise Fund				
Total Revenues and Other Financing Sources	$ 200,000	$ 165,000	$ 150,173	$ (14,827)
Total Expenditures and Other Financing Uses	180,543	165,543	149,796	15,747
Net Change in Fund Balance	19,457	(543)	377	920
Fund Balance, July 1	3,852	3,852	3,852	-
Prior Year Encumbrances Appropriated	543	543	543	-
Fund Balance, June 30	$ 23,852	$ 3,852	$ 4,772	$ 920
Public School Support Fund				
Total Revenues and Other Financing Sources	$ 100,000	$ 100,000	$ 90,394	$ (9,606)
Total Expenditures and Other Financing Uses	100,477	100,477	92,052	8,425
Net Change in Fund Balance	(477)	(477)	(1,658)	(1,181)
Fund Balance, July 1	83,839	83,839	83,839	-
Prior Year Encumbrances Appropriated	477	477	477	-
Fund Balance, June 30	$ 83,839	$ 83,839	$ 82,658	$ (1,181)

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, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Other Grants Fund				
Total Revenues and Other Financing Sources	$ 82,000	$ 110,000	$ 115,034	$ 5,034
Total Expenditures and Other Financing Uses	129,841	189,841	152,838	37,003
Net Change in Fund Balance	(47,841)	(79,841)	(37,804)	42,037
Fund Balance, July 1	77,348	77,348	77,348	-
Prior Year Encumbrances Appropriated	4,841	4,841	4,841	-
Fund Balance, June 30	$ 34,348	$ 2,348	$ 44,385	$ 42,037
District Managed Activity Fund				
Total Revenues and Other Financing Sources	$ 800,000	$ 800,000	$ 472,458	$ (327,542)
Total Expenditures and Other Financing Uses	882,449	882,449	523,589	358,860
Net Change in Fund Balance	(82,449)	(82,449)	(51,131)	31,318
Fund Balance, July 1	331,672	331,672	331,672	-
Prior Year Encumbrances Appropriated	47,449	47,449	47,449	-
Fund Balance, June 30	$ 296,672	$ 296,672	$ 327,990	$ 31,318
Auxiliary Services Fund				
Total Revenues and Other Financing Sources	$ 375,000	$ 375,000	$ 362,051	$ (12,949)
Total Expenditures and Other Financing Uses	428,959	428,959	375,586	53,373
Net Change in Fund Balance	(53,959)	(53,959)	(13,535)	40,424
Fund Balance (deficit), July 1	-	-	-	-
Prior Year Encumbrances Appropriated	53,959	53,959	53,959	-
Fund Balance, June 30	$ -	$ -	$ 40,424	$ 40,424

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, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Teacher Development Fund				
Total Revenues and Other Financing Sources	$ 5,000	$ -	$ -	$ -
Total Expenditures and Other Financing Uses	1,394	1,394	1,394	-
Net Change in Fund Balance	3,606	(1,394)	(1,394)	-
Fund Balance, July 1	1,394	1,394	1,394	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	$ 5,000	$ -	$ -	$ -
Management Information System Fund				
Total Revenues and Other Financing Sources	$ 85,000	$ 85,000	$ 96,989	$ 11,989
Total Expenditures and Other Financing Uses	88,000	90,000	89,550	450
Net Change in Fund Balance	(3,000)	(5,000)	7,439	12,439
Fund Balance, July 1	32,029	32,029	32,029	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	$ 29,029	$ 27,029	$ 39,468	$ 12,439
Entry Year Programs Fund				
Total Revenues and Other Financing Sources	$ 14,000	$ 23,200	$ 23,200	$ -
Total Expenditures and Other Financing Uses	16,320	25,520	24,055	1,465
Net Change in Fund Balance	(2,320)	(2,320)	(855)	1,465
Fund Balance, July 1	2,320	2,320	2,320	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ 1,465	$ 1,465

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, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Data Communication Fund				
Total Revenues and Other Financing Sources	$ 48,000	$ 48,000	$ 45,000	$ (3,000)
Total Expenditures and Other Financing Uses	48,000	48,000	45,000	3,000
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -
SchoolNet Professional Development Fund				
Total Revenues and Other Financing Sources	$ 10,000	$ 10,000	$ 2,970	$ (7,030)
Total Expenditures and Other Financing Uses	10,151	10,151	873	9,278
Net Change in Fund Balance	(151)	(151)	2,097	2,248
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	151	151	151	-
Fund Balance, June 30	$ -	$ -	$ 2,248	$ 2,248

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, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Ohio Reads Fund				
Total Revenues and Other Financing Sources	$ 158,000	$ 35,000	$ 16,960	$ (18,040)
Total Expenditures and Other Financing Uses	30,802	30,802	19,762	11,040
Net Change in Fund Balance	127,198	4,198	(2,802)	(7,000)
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	2,802	2,802	2,802	-
Fund Balance, June 30	$ 130,000	$ 7,000	$ -	$ (7,000)
Vocational Education Enhancements Fund				
Fund Balance, July 1	$ 4	$ 4	$ 4	$ -
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	$ 4	$ 4	$ 4	$ -

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, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Poverty Aid Fund				
Total Revenues and Other Financing Sources	$ 84,359	$ 40,538	$ 39,438	$ (1,100)
Total Expenditures and Other Financing Uses	40,537	40,538	39,438	1,100
Net Change in Fund Balance	43,822	-	-	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	$ 43,822	$ -	$ -	$ -
Miscellaneous State Grants Fund				
Total Revenues and Other Financing Sources	$ 160,000	$ 265,200	$ 286,737	$ 21,537
Total Expenditures and Other Financing Uses	129,324	234,646	218,790	15,856
Net Change in Fund Balance	30,676	30,554	67,947	37,393
Fund Balance, July 1	(32,788)	(32,788)	(32,788)	-
Prior Year Encumbrances Appropriated	4,324	4,324	4,324	-
Fund Balance, June 30	$ 2,212	$ 2,090	$ 39,483	$ 37,393
IDEA Part B Grants Fund				
Total Revenues and Other Financing Sources	$ 2,000,000	$ 2,060,507	$ 1,907,427	$ (153,080)
Total Expenditures and Other Financing Uses	2,014,161	2,014,161	1,679,982	334,179
Net Change in Fund Balance	(14,161)	46,346	227,445	181,099
Fund Balance (deficit), July 1	-	-	-	-
Prior Year Encumbrances Appropriated	14,161	14,161	14,161	-
Fund Balance (deficit), June 30	$ -	$ 60,507	$ 241,606	$ 181,099

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, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Vocational Education Fund				
Total Revenues and Other Financing Sources	$ 250,000	$ 268,245	$ 267,216	$ (1,029)
Total Expenditures and Other Financing Uses	245,249	299,721	298,584	1,137
Net Change in Fund Balance	4,751	(31,476)	(31,368)	108
Fund Balance, July 1	12,094	12,094	12,094	-
Prior Year Encumbrances Appropriated	20,249	20,249	20,249	-
Fund Balance, June 30	$ 37,094	$ 867	$ 975	$ 108
Limited English Proficiency Fund				
Total Revenues and Other Financing Sources	$ 26,112	$ 26,112	$ 26,112	$ -
Total Expenditures and Other Financing Uses	26,112	26,112	26,112	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -
Title I Disadvantaged Children Fund				
Total Revenues and Other Financing Sources	$ 900,000	$ 939,634	$ 952,509	$ 12,875
Total Expenditures and Other Financing Uses	902,926	952,926	952,389	537
Net Change in Fund Balance	(2,926)	(13,292)	120	13,412
Fund Balance, July 1	11,484	11,484	11,484	-
Prior Year Encumbrances Appropriated	2,926	2,926	2,926	-
Fund Balance, June 30	$ 11,484	$ 1,118	$ 14,530	$ 13,412

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, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Title V Innovative Education Program Fund				
Total Revenues and Other Financing Sources	$ 12,000	$ 12,105	$ 11,817	$ (288)
Total Expenditures and Other Financing Uses	10,065	11,801	10,784	1,017
Net Change in Fund Balance	1,935	304	1,033	729
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	$ 1,935	$ 304	$ 1,033	$ 729
Drug Free School Grant Fund				
Total Revenues and Other Financing Sources	$ 28,000	$ 28,337	$ 28,337	$ -
Total Expenditures and Other Financing Uses	28,000	28,337	28,337	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -
IDEA Preschool-Handicapped Fund				
Total Revenues and Other Financing Sources	$ 28,000	$ 26,510	$ 26,947	$ 437
Total Expenditures and Other Financing Uses	25,633	27,070	26,426	644
Net Change in Fund Balance	2,367	(560)	521	1,081
Fund Balance, July 1	760	760	760	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	$ 3,127	$ 200	$ 1,281	$ 1,081

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, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Telecommunications Act Grant Fund				
Total Revenues and Other Financing Sources	$ 60,000	$ -	$ -	$ -
Total Expenditures and Other Financing Uses	5,400	5,400	5,400	-
Net Change in Fund Balance	54,600	(5,400)	(5,400)	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	5,400	5,400	5,400	-
Fund Balance, June 30	$ 60,000	$ -	$ -	$ -
Improving Teacher Quality Fund				
Total Revenues and Other Financing Sources	$ 290,000	$ 268,737	$ 253,075	$ (15,662)
Total Expenditures and Other Financing Uses	270,000	270,000	234,617	35,383
Net Change in Fund Balance	20,000	(1,263)	18,458	19,721
Fund Balance, July 1	1,278	1,278	1,278	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	$ 21,278	$ 15	$ 19,736	$ 19,721
Miscellaneous Federal Grants Fund				
Total Revenues and Other Financing Sources	$ 49,000	$ 49,000	$ 4,555	$ (44,445)
Total Expenditures and Other Financing Uses	45,000	45,000	5,062	39,938
Net Change in Fund Balance	4,000	4,000	(507)	(4,507)
Fund Balance, July 1	507	507	507	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	$ 4,507	$ 4,507	$ -	$ (4,507)

Nonmajor Debt Service Fund

Bond Retirement Fund Section 5705.09, Revised Code

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

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	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	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -

Nonmajor Capital Projects Funds

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Since the Permanent Improvement Fund is the only active capital projects fund at June 30, 2008, no combining statements are presented. A description of the District's capital projects fund follows:

Permanent Improvement Fund Section 5705.10, Revised Code

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

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Permanent Improvement Fund				
Total Revenues and Other Financing Sources	$ 2,617,432	$ 2,620,662	$ 2,839,296	$ 218,634
Total Expenditures and Other Financing Uses	3,068,993	3,073,493	2,914,610	158,883
Net Change in Fund Balance	(451,561)	(452,831)	(75,314)	377,517
Fund Balance, July 1	316,735	316,735	316,735	-
Prior Year Encumbrances Appropriated	307,489	307,489	307,489	-
Fund Balance, June 30	$ 172,663	$ 171,393	$ 548,910	$ 377,517

Nonmajor Permanent Fund

Endowment Fund Section 5705.09, Revised Code

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

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Endowment Fund				
Total Revenues and Other Financing Sources	$ 20,000	$ 20,000	$ 24,544	$ 4,544
Total Expenditures and Other Financing Uses	30,500	30,500	26,500	4,000
Net Change in Fund Balance	(10,500)	(10,500)	(1,956)	8,544
Fund Balance, July 1	670,297	670,297	670,297	-
Prior Year Encumbrances Appropriated	10,500	10,500	10,500	-
Fund Balance, June 30	$ 670,297	$ 670,297	$ 678,841	$ 8,544

Nonmajor Internal Service Fund

Employee Benefits Self Insurance Fund Section 5705.09, Revised Code

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

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Employee Benefits Self Insurance Fund				
Total Revenues and Other Financing Sources	$ 7,500,000	$ 6,655,000	$ 6,621,214	$ (33,786)
Total Expenses and Other Financing Uses	7,207,617	7,207,617	6,541,042	666,575
Net Change in Fund Balance	292,383	(552,617)	80,172	632,789
Fund Balance, July 1	1,922,003	1,922,003	1,922,003	-
Prior Year Encumbrances Appropriated	7,617	7,617	7,617	-
Fund Balance, June 30	$ 2,222,003	$ 1,377,003	$ 2,009,792	$ 632,789

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FINDLAY CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR FUNDS

FIDUCIARY FUNDS

FUND DESCRIPTIONS

Private Purpose Trust Fund

Scholarship Fund Section 5705.09, Revised Code

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

Agency Fund

Student Managed Activity Fund Section 3313.062, Revised Code

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

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Scholarship Fund				
Total Revenues and Other Financing Sources	$ 24,000	$ 24,000	$ 22,169	$ (1,831)
Total Expenditures and Other Financing Uses	49,424	49,424	36,184	13,240
Net Change in Fund Balance	(25,424)	(25,424)	(14,015)	11,409
Fund Balance, July 1	46,947	46,947	46,947	-
Prior Year Encumbrances Appropriated	4,424	4,424	4,424	-
Fund Balance, June 30	$ 25,947	$ 25,947	$ 37,356	$ 11,409

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Beginning Balance July 1, 2007	Additions	Deductions	Ending Balance June 30, 2008
Student Managed Activity Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 128,089	$ 169,509	$ (162,926)	$ 134,672
Receivables				
Accounts	2,756	1,899	(2,756)	1,899
Total assets	$ 130,845	$ 171,408	$ (165,682)	$ 136,571
Liabilities:				
Accounts payable	$ 31	$ 2,609	$ (31)	$ 2,609
Intergovernmental payable	9	14	(9)	14
Due to students	130,805	168,785	(165,642)	133,948
Total liabilities	$ 130,845	$ 171,408	$ (165,682)	$ 136,571

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STATISTICAL SECTION

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FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

STATISTICAL SECTION

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

Contents **Page**

Financial Trends: **S2 - S9**
These schedules present trend information to demonstrate how the District's financial position and financial performance have changed over time.

Revenue Capacity: **S10 - S16**
These schedules present information to identify the capacity of the District's most significant local revenue source, property taxes.

Debt Capacity: **S17 - S19**
These schedules present information to assess the capacity of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information: **S20 - S21**
These schedules present information to show demographic and economic indicators of the environment within which the District's financial operations occur.

Operating Information: **S22 - S29**
These schedules present information about how the District's basic financial statements relate to the programs and services the District provides and the activities it performs.

Sources: Sources are noted on the individual schedules.

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

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FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

NET ASSETS BY COMPONENT
ACCRUAL BASIS OF ACCOUNTING

LAST SIX FISCAL YEARS

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

Source: Findlay CSD, Treasurer's Office.

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FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

CHANGES IN NET ASSETS
ACCRUAL BASIS OF ACCOUNTING

LAST SIX FISCAL YEARS

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

(continued)

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

CHANGES IN NET ASSETS
ACCRUAL BASIS OF ACCOUNTING

LAST SIX FISCAL YEARS

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

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

CHANGES IN NET ASSETS
ACCRUAL BASIS OF ACCOUNTING

LAST SIX FISCAL YEARS

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

Source: Findlay CSD, Treasurer's Office.

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

FUND BALANCES - GOVERNMENTAL FUNDS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

LAST TEN FISCAL YEARS

Governmental Funds	2008	2007	2006	2005
General Fund:				
Fund Balance:				
Reserved	$ 2,971,277	$ 2,975,065	$ 3,013,053	$ 3,551,749
Unreserved	2,815,693	2,110,152	(1,710,892)	(4,031,490)
Total general fund	$ 5,786,970	$ 5,085,217	$ 1,302,161	$ (479,741)
Other Governmental Funds:				
Fund Balance:				
Reserved	$ 2,059,883	$ 1,789,430	$ 1,236,298	$ 1,562,345
Unreserved, reported in:				
Special revenue funds	662,125	438,552	656,201	167,442
Capital projects funds	148,734	(144,932)	(361,931)	(1,428,827)
Permanent fund	60,841	54,297	30,273	631,738
Total other governmental funds	$ 2,931,583	$ 2,137,347	$ 1,560,841	$ 932,698
Total governmental funds	$ 8,718,553	$ 7,222,564	$ 2,863,002	$ 452,957

Source: Findlay CSD, Treasurer's Office.

2004	2003	2002	2001	2000	1999
$ 2,816,147	$ 2,035,148	$ 2,541,786	$ 2,087,859	$ 2,394,613	$ 2,384,896
(3,338,528)	(638,731)	(68,669)	(931,370)	(251,226)	2,315,282
$ (522,381)	$ 1,396,417	$ 2,473,117	$ 1,156,489	$ 2,143,387	$ 4,700,178
$ 623,866	$ 757,149	$ 138,302	$ 237,809	$ 1,361,939	$ 1,535,395
232,401	(34,745)	476,846	489,229	368,617	128
(654,172)	(707,584)	(775,795)	(782,635)	(824,472)	(1,335,539)
178,194	175,610	-	-	-	-
$ 380,289	$ 190,430	$ (160,647)	$ (55,597)	$ 906,084	$ 199,984
$ (142,092)	$ 1,586,847	$ 2,312,470	$ 1,100,892	$ 3,049,471	$ 4,900,162

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

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

LAST TEN FISCAL YEARS

Governmental Funds	2008	2007	2006	2005
Revenues:				
From local sources:				
Taxes	$ 29,267,804	$ 29,598,094	$ 29,144,263	$ 27,278,445
Tuition	2,561,600	2,656,155	2,773,147	2,528,218
Earnings on investments	664,436	835,528	419,503	189,744
Charges for services	851,519	916,764	986,582	961,169
Extracurricular	475,029	573,569	487,563	579,910
Classroom materials and fees	358,127	365,305	355,339	326,309
Rental income	-	-	-	-
Donations	-	-	-	293,109
Other local revenues	1,062,082	1,178,209	970,619	864,178
Other revenue	-	-	-	-
Intergovernmental - Intermediate	-	-	115,870	1,263
Intergovernmental - State	26,078,163	24,510,586	22,519,432	21,761,800
Intergovernmental - Federal	5,561,700	4,311,602	3,719,171	4,086,262
Total revenues	66,880,460	64,945,812	61,491,489	58,870,407
Expenditures:				
Current:				
Instruction:				
Regular	26,634,467	23,456,663	23,841,116	22,851,215
Special	7,120,328	6,712,383	6,633,764	6,562,357
Vocational	2,835,411	2,864,128	2,870,132	2,774,174
Adult	-	-	140,288	151,806
Other	2,222,197	1,921,652	1,590,336	1,319,245
Support services:				
Pupil	2,774,078	2,649,120	2,821,732	2,660,619
Instructional staff	3,752,110	4,181,270	4,008,697	4,166,714
Board of education	170,763	118,748	99,138	137,324
Administration	3,743,620	3,816,757	3,766,790	3,555,187
Fiscal	1,457,330	1,443,722	1,383,808	1,396,875
Operations and maintenance	6,297,877	5,545,420	5,036,278	5,442,055
Pupil transportation	2,138,796	2,191,111	2,002,206	1,869,871
Central	166,780	147,223	147,729	119,694
Operation of non-instructional services:				
Food service operations	1,839,020	1,694,138	1,666,276	1,775,874
Other non-instructional services	437,777	603,278	616,342	588,603
Extracurricular activities	1,348,542	1,276,019	729,828	1,342,774
Facilities acquisition and construction	1,353,395	1,294,927	1,818,243	573,018
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	959,328	514,167	441,312	403,946
Interest and fiscal charges	124,867	144,066	152,355	140,487
Total expenditures	65,376,686	60,574,792	59,766,370	57,831,838
Excess (deficiency) of revenues over (under) expenditures	1,503,774	4,371,020	1,725,119	1,038,569
Other Financing Sources (Uses):				
Transfers in	665,000	1,255,000	1,280,000	590,000
Transfers (out)	(665,000)	(1,255,000)	(1,280,000)	(590,000)
Proceeds from sale of capital assets	-	-	-	6,375
Proceeds of capital lease transaction	-	-	-	-
Proceeds of notes	-	-	-	-
Proceeds of loans	-	-	713,611	95,651
Total other financing sources (uses)	-	-	713,611	102,026
Net change in fund balances	$ 1,503,774	$ 4,371,020	$ 2,438,730	$ 1,140,595
Debt service as a percentage of noncapital expenditures	1.76%	1.11%	1.03%	0.95%

Source: Findlay CSD, Treasurer's Office.

2004	2003	2002	2001	2000	1999
$ 25,764,840	$ 24,943,804	$ 25,584,455	$ 24,488,752	$ 24,443,309	$ 24,379,865
2,344,604	2,097,962	584,678	349,597	364,994	845,136
181,235	258,138	328,856	726,197	704,121	575,776
873,692	915,532	-	-	-	-
547,674	641,279	584,164	-	554,553	424,922
314,614	-	-	-	-	-
-	-	-	-	46,010	23,867
-	234,738	-	-	95,440	73,638
1,113,275	1,445,815	780,918	1,288,634	438,102	313,809
-	66,744	-	286,621	-	-
-	-	-	-	-	-
20,620,247	19,811,935	19,616,413	16,089,458	14,767,115	14,560,650
4,001,791	2,674,921	2,225,223	2,278,420	2,091,169	2,061,932
55,761,972	53,090,868	49,704,707	45,507,679	43,504,813	43,259,595
22,677,188	22,197,626	20,966,922	20,146,170	18,556,675	17,547,349
6,698,490	5,876,409	5,367,983	4,786,151	4,903,536	4,667,489
2,830,388	2,716,560	2,627,251	2,847,382	2,170,232	2,574,877
22,115	-	-	-	-	27,802
966,151	870,279	280,148	257,121	183,780	143,565
2,571,763	2,317,505	2,203,531	2,135,479	2,124,614	1,923,321
4,290,418	3,688,968	3,172,173	2,619,051	2,944,597	2,938,580
141,345	183,090	159,968	161,133	161,443	117,511
3,629,330	3,251,163	3,020,575	2,918,664	2,683,610	2,580,603
1,353,401	1,268,227	1,185,346	1,170,793	924,861	850,279
5,693,012	5,393,900	4,997,667	4,657,929	8,536,941	4,243,421
2,099,609	1,795,382	1,781,043	1,419,372	1,377,209	1,407,436
140,790	229,529	175,560	214,230	68,024	19,175
1,715,056	1,489,419	-	-	-	-
668,136	694,726	389,418	308,813	354,128	284,624
1,349,432	1,416,183	1,468,230	1,667,247	1,190,931	1,057,718
44,188	94,152	53,727	1,458,280	-	-
-	-	-	-	2,965,128	1,298,498
439,334	399,511	457,173	444,152	271,526	119,882
160,153	174,786	191,226	213,412	177,719	2,226
57,490,299	54,057,415	48,497,941	47,425,379	49,594,954	41,804,356
(1,728,327)	(966,547)	1,206,766	(1,917,700)	(6,090,141)	1,455,239
-	3,212	-	158,235	3,500,000	1,000,000
-	(3,212)	-	(158,069)	(3,500,000)	(1,000,000)
7,551	17,937	101	21	23,025	1,476
-	-	-	-	4,238,320	-
-	-	-	-	-	-
-	-	-	-	-	-
7,551	17,937	101	187	4,261,345	1,476
$ (1,720,776)	$ (948,610)	$ 1,206,867	$ (1,917,513)	$ (1,828,796)	$ 1,456,715
1.05%	1.07%	1.36%	1.43%	0.96%	0.30%

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUATION OF TAXABLE PROPERTY

LAST TEN CALENDAR YEARS

Calendar Year	Real Estate Property		General Tangible Personal Property		Public Utility Tangible Personal Property	
	Assessed Valuation	Estimated Actual Valuation (a)	Assessed Valuation	Estimated Actual Valuation (a)	Assessed Valuation	Estimated Actual Valuation (a)
2008	$ 774,075,810	$ 2,211,645,171	$ 30,088,700	$ 120,354,800	$ 18,881,860	$ 21,456,659
2007	732,408,130	2,092,594,657	61,443,228	245,772,912	22,421,120	25,478,545
2006	721,298,790	2,060,853,686	89,606,733	358,426,932	22,255,930	25,290,830
2005	709,762,130	2,027,891,800	121,231,428	484,925,712	22,704,310	25,800,352
2004	648,032,840	1,851,522,400	119,542,954	478,171,816	22,348,380	25,395,886
2003	628,600,880	1,796,002,514	141,389,687	565,558,748	22,109,380	25,124,295
2002	612,660,110	1,750,457,457	145,107,726	580,430,904	21,725,890	24,688,511
2001	575,436,570	1,644,104,486	137,351,370	549,405,480	28,606,450	32,507,330
2000	565,363,280	1,615,323,657	151,295,302	605,181,208	27,638,130	31,406,966
1999	552,595,100	1,578,843,143	141,159,293	564,637,172	30,406,010	34,552,284

Source: Hancock County Auditor.

(a) These amounts are calculated based on the following percentages:
Real estate property is assessed at 35 percent of estimated actual value, and has a weighted average direct rate of 30.98% for 2007.
General tangible personal property is assessed at 25 percent of estimated actual value, and has a weighted average direct rate of 2.60% for 2007.
Public utility tangible personal property is assessed at 88 percent of estimated actual value, and has a weighted average direct rate of 0.95% for 2007.

Total Property		Assessed Valuation as a Percent of Estimated Actual Valuation	Direct Property Tax Rate
Assessed Valuation	Estimated Actual Valuation		
$ 823,046,370	$ 2,353,456,631	34.97%	$ 60.75
816,272,478	2,363,846,115	34.53%	60.75
833,161,453	2,444,571,447	34.08%	58.25
853,697,868	2,538,617,864	33.63%	58.25
789,924,174	2,355,090,102	33.54%	53.35
792,099,947	2,386,685,558	33.19%	53.35
779,493,726	2,355,576,873	33.09%	53.35
741,394,390	2,226,017,295	33.31%	53.35
744,296,712	2,251,911,831	33.05%	53.35
724,160,403	2,178,032,599	33.25%	53.35

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FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

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

LAST TEN CALENDAR YEARS

Calendar Year	Findlay City School District	City of Findlay	Hancock County	Hancock County Park District	Total
2008	$ 60.75	$ 3.20	$ 7.80	$ 0.80	$ 72.55
2007	60.75	3.20	7.80	0.80	72.55
2006	58.25	3.20	5.00	0.80	67.25
2005	58.25	3.20	5.00	0.80	67.25
2004	53.35	3.20	5.51	0.80	62.86
2003	53.35	3.20	5.51	0.80	62.86
2002	53.35	3.20	5.12	0.80	62.47
2001	53.35	3.20	5.14	0.80	62.49
2000	53.35	3.20	5.15	0.80	62.50
1999	53.35	3.20	5.14	0.80	62.49

Source: Hancock County Auditor.

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

PRINCIPAL TAXPAYERS
REAL ESTATE PROPERTY

DECEMBER 31, 2007 AND DECEMBER 31, 1998

	December 31, 2007		
Taxpayer	**Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**
Marathon Oil Co.	$ 10,646,930	1	1.45%
Cooper Tire and Rubber Co.	8,950,190	2	1.22%
Findlay Shopping Center	6,460,380	3	0.88%
Ohio Power Co.	5,921,580	4	0.81%
Logistic Solutions	3,844,010	5	0.52%
Lowes	2,348,110	6	0.32%
LP Investment Co.	2,285,420	7	0.31%
Gardner, Philip	1,933,310	8	0.26%
Massillon Apartments	1,858,540	9	0.25%
Arbors of Findlay	1,786,680	10	0.24%
Total	$ 46,035,150		$ 732,408,130

	December 31, 1998		
Taxpayer	**Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**
Ohio Power Co.	$ 15,324,520	1	3.21%
Marathon Oil Co.	11,083,400	2	2.32%
Ohio Bell Telephone Co.	9,496,940	3	1.99%
Cooper Tire and Rubber Co.	7,862,650	4	1.65%
Columbia Gas of Ohio	6,392,810	5	1.34%
Findlay Shopping Center	5,830,950	6	1.22%
Ohio Logistics, LTD	3,293,310	7	0.69%
GE Subsidiary, Inc.	2,351,200	8	0.49%
LP Investment Co.	2,323,330	9	0.49%
Findlex	1,623,020	10	0.34%
Total	$ 65,582,130		$ 477,666,760

Source: Hancock County Auditor.

Note: Tax information is available on a calendar year basis. Therefore, principal taxpayer information for real estate property taxes is presented for December 31, 2007 (the most recent information available) and December 31, 1998 (nine years prior, in accordance with GASB Statement No. 44).

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY

DECEMBER 31, 2007 AND DECEMBER 31, 1998

	December 31, 2007		
Taxpayer	**Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**
Cooper Tire and Rubber Co.	$ 3,907,590	1	4.66%
Nissan Brake	2,606,090	2	3.11%
Dow Chemical Co.	1,355,410	3	1.62%
Ohio Bell Telephone Co.	1,340,540	4	1.60%
Marathon Oil Co.	1,101,550	5	1.31%
Filtech, Inc.	886,260	6	1.06%
Findlay Products	613,840	7	0.73%
Bridgestone APM	693,780	8	0.83%
Cummins	454,980	9	0.54%
Findlay Industries, Inc.	456,940	10	0.54%
Total	$ 13,416,980		$ 83,864,348

	December 31, 1998		
Taxpayer	**Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**
Cooper Tire and Rubber Co.	$ 24,086,450	1	14.30%
Harris Corporation	14,319,560	2	8.50%
Findlex	6,850,600	3	4.07%
Dow Chemical Co.	6,187,080	4	3.67%
Findlay Products	4,908,700	5	2.91%
Findlay Ford	3,656,740	6	2.17%
Findlay Industries, Inc.	3,334,300	7	1.98%
Hisan	2,614,170	8	1.55%
Bridgestone APM	2,554,010	9	1.52%
Filtech, Inc.	2,507,710	10	1.49%
Total	$ 71,019,320		$ 168,415,001

Source: Hancock County Auditor.

Note: Tax information is available on a calendar year basis. Therefore, principal taxpayer information for tangible personal property taxes is presented for December 31, 2007 (the most recent information available) and December 31, 1998 (nine years prior, in accordance with GASB Statement No. 44).

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN CALENDAR YEARS

Calendar Year	Current Taxes Levied	Delinquent Taxes Levied	Total Taxes Levied	Current Taxes Collected	Percent of Current Tax Levy Collected
2008	$ 25,255,090	$ 1,439,707	$ 26,694,797	$ 25,050,955	99.19%
2007	27,606,133	1,425,582	29,031,715	26,762,857	96.95%
2006	25,261,004	1,413,478	26,674,482	24,452,652	96.80%
2005	25,029,980	1,017,364	26,047,344	24,220,645	96.77%
2004	19,877,400	792,485	20,669,885	19,531,217	98.26%
2003	22,087,221	880,588	22,967,809	21,333,848	96.59%
2002	20,020,190	628,528	20,648,718	19,488,041	97.34%
2001	20,559,429	767,855	21,327,284	19,927,521	96.93%
2000	21,349,381	768,653	22,118,034	17,774,665	83.26%
1999	20,702,645	554,703	21,257,348	17,077,965	82.49%

Source: Hancock County Auditor.

Delinquent Taxes Collected	Total Taxes Collected	Total Taxes Collected as a Percent of Total Tax Levy
$ 966,563	$ 26,017,518	97.46%
880,735	27,643,592	95.22%
787,587	25,240,239	94.62%
694,439	24,915,084	95.65%
569,908	20,101,125	97.25%
622,508	21,956,356	95.60%
444,321	19,932,362	96.53%
93,904	20,021,425	91.23%
51,751	17,826,416	80.60%
81,158	17,159,123	80.72%

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FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Long-Term Debt		Total Long-Term Debt	Total Long-Term Debt Per Student	Total Long-Term Debt Per Capita	Ratio of Total Long-Term Debt to Median Income	Percentage of Total Long-Term Debt to Total Personal Income
	Asbestos Removal Loans	Energy Conservation Loans					
2008	$ 419,537	$ -	$ 419,537	$ 70	$ 11	$ 9	0.02%
2007	527,598	584,206	1,111,804	169	29	25	0.06%
2006	635,659	735,673	1,371,332	209	36	30	0.08%
2005	743,721	95,651	839,372	129	21	19	0.05%
2004	851,782	-	851,782	133	22	19	0.05%
2003	959,844	-	959,844	149	24	21	0.05%
2002	1,067,905	-	1,067,905	165	27	24	0.06%
2001	1,175,965	-	1,175,965	185	30	26	0.07%
2000	1,284,026	-	1,284,026	200	33	29	0.08%
1999	1,392,088	-	1,392,088	218	37	32	0.09%

Source: Findlay CSD, Treasurer's Office.

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

DIRECT AND OVERLAPPING DEBT

JUNE 30, 2008

Government Entity	Governmental Activities Outstanding Debt	Percentage Applicable to the District (a)	Amount Applicable to the District
Direct debt:			
Findlay City School District	$ 2,318,986	100.00%	$ 2,318,986
Total direct debt	2,318,986		2,318,986
Overlapping debt:			
City of Findlay	3,129,075	96.77%	3,027,997
Hancock County	15,939,711	52.56%	8,377,828
Total overlapping debt	19,068,786		11,405,825
Total direct and overlapping debt	$ 21,387,772		$ 13,724,811

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

(a) Percentages applicable to the District were determined by dividing the 2008 assessed valuation of the government entity located within the boundaries of the District by the 2008 assessed valuation of the government entity in total.

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

LEGAL VOTED DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

Fiscal Year	Legal Voted Debt Limitation (a)	Total Debt Applicable to Limitation	Debt Service Available Balance	Net Debt Applicable to Limitation	Legal Voted Debt Margin	Net Debt Applicable to Limitation as a Percent of Voted Debt Limitation
2008	$ 69,666,823	$ -	$ -	$ -	$ 69,666,823	0.00%
2007	65,916,732	-	-	-	65,916,732	0.00%
2006	74,984,531	-	1,731	(1,731)	74,986,262	0.00%
2005	76,832,808	-	365	(365)	76,833,173	0.00%
2004	71,093,176	-	-	-	71,093,176	0.00%
2003	71,288,995	-	-	-	71,288,995	0.00%
2002	70,154,435	-	-	-	70,154,435	0.00%
2001	66,725,495	-	-	-	66,725,495	0.00%
2000	66,986,704	-	-	-	66,986,704	0.00%
1999	65,174,436	-	-	-	65,174,436	0.00%

Source: Findlay CSD, Treasurer's Office.

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

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Average Daily Membership	Population	Median Age	Median Income	Total Personal Income	Unemployment Rates		
						Hancock County	Ohio	United States
2008	5,992	37,492	37.6	$ 46,597	$ 1,747,014,724	5.1%	5.7%	3.6%
2007	6,565	38,173	37.2	45,117	1,722,251,241	4.5%	5.6%	4.6%
2006	6,571	39,118	37.2	45,117	1,764,886,806	4.4%	5.4%	4.3%
2005	6,507	40,175	37.2	45,117	1,812,575,475	4.9%	7.4%	5.1%
2004	6,388	39,421	37.2	45,117	1,778,557,257	5.1%	6.0%	5.5%
2003	6,458	39,307	37.2	45,117	1,773,413,919	5.1%	6.1%	6.0%
2002	6,468	39,193	37.2	45,117	1,768,270,581	4.4%	5.9%	5.8%
2001	6,345	39,080	37.2	45,117	1,763,172,360	3.7%	5.1%	4.7%
2000	6,411	38,967	36.0	43,856	1,708,936,752	3.3%	3.2%	4.0%
1999	6,386	37,132	36.0	43,856	1,628,460,992	2.8%	4.1%	4.2%

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

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

PRINCIPAL EMPLOYERS

DECEMBER 31, 2007 AND DECEMBER 31, 1998

	December 31, 2007		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**
Whirlpool Corporation	2,000	1	17.15%
Blanchard Valley Regional Health Center	1,956	2	16.77%
Cooper Tire and Rubber Co.	1,913	3	16.40%
Marathon Oil Co.	1,528	4	13.10%
Nissan Brake	831	5	7.12%
Findlay City School District	804	6	6.89%
Lowes	785	7	6.73%
Wal-Mart Stores	633	8	5.43%
Hancock County	625	9	5.36%
Sanoh America, Inc.	589	10	5.05%
Total	11,664		100.00%

	December 31, 1998		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**
Cooper Tire and Rubber Co.	1,928	1	19.33%
Whirlpool Corporation	1,750	2	17.55%
Blanchard Valley Regional Health Center	1,200	3	12.03%
Marathon Oil Co.	966	4	9.69%
Findlay Industries, Inc.	802	5	8.04%
Kohl's Distribution Center	802	6	8.04%
Findlay City School District	750	7	7.52%
Harris Corporation	636	8	6.38%
Hancock County	580	9	5.82%
Findlex	558	10	5.60%
Total	9,972		100.00%

Source: City of Findlay.

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

STAFFING STATISTICS
FULL TIME EQUIVALENTS BY TYPE AND FUNCTION

LAST TEN FISCAL YEARS

Staff Type	2008	2007	2006	2005	2004
Teaching Staff:					
Elementary School	187	189	184	187	199
Middle School	115	97	107	109	117
High School	152	138	140	141	152
Administration:					
District	51	46	47	47	45
Auxiliary Staff:					
Counselors	15	15	14	13	24
Librarians	1	1	1	1	4
Psychologists	4	6	7	7	11
Speech, Physical and Occupational Therapists	8	9	8	8	9
Nurses and Mental Health Specialists	6	7	7	7	6
Support Staff:					
Secretarial, Finance Clerks, EMIS	44	43	43	43	45
Aides	73	65	71	74	77
Program Directors (After / Before School & Alumni)	6	6	7	6	10
Food Services	34	34	36	35	33
Monitors and Security	19	16	12	11	12
Custodial	47	48	51	48	54
Maintenance	10	10	10	10	10
Bus Drivers	24	22	27	28	28
Mechanics	3	3	3	3	3
Extracurricular Coaches	105	105	108	108	103
Total	904	860	883	886	942

Staff Function	2008	2007	2006	2005	2004
Instruction:					
Regular	463	393	399	396	413
Other	144	119	123	133	154
Support Services:					
Pupil	37	41	40	38	57
Administration	22	69	70	71	71
Fiscal	7	7	7	7	7
Operations and maintenance	94	96	101	97	101
Pupil transportation	30	28	33	34	34
Extracurricular activities	107	107	110	110	105
Total	904	860	883	886	942

Source: Findlay CSD, Treasurer's Office.

2003	2002	2001	2000	1999
200	199	193	189	176
118	117	114	113	109
153	155	149	147	143
43	40	40	38	37
24	26	13	13	13
4	6	4	4	5
7	9	4	4	3
8	8	8	8	8
6	6	6	6	3
45	42	47	46	43
80	69	65	59	52
11	13	11	11	3
34	32	32	33	31
10	11	9	10	10
50	54	46	47	48
10	9	10	9	10
27	27	25	27	23
3	2	2	2	2
106	111	103	107	96
939	936	881	873	815

2003	2002	2001	2000	1999
415	403	386	390	361
156	161	155	139	131
53	59	38	38	35
69	63	68	66	62
7	7	7	7	7
98	99	92	92	93
33	32	30	32	28
108	112	105	109	98
939	936	881	873	815

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FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

CAPITAL ASSET STATISTICS

LAST SIX FISCAL YEARS

Governmental Activities	2008	2007	2006	2005	2004	2003
Capital Assets:						
Land	$ 416,459	$ 416,459	$ 416,459	$ 416,459	$ 416,459	$ 416,459
Land improvements	342,671	299,982	313,496	214,037	234,007	257,388
Buildings and improvements	10,161,543	8,574,033	8,843,491	7,530,937	7,853,690	8,177,206
Equipment and furniture	1,862,297	1,085,859	1,038,673	509,283	681,393	903,409
Vehicles	1,202,164	1,132,511	528,158	583,970	652,623	590,755
Construction in progress	-	-	-	242,588	-	-
Total	$ 13,985,134	$ 11,508,844	$ 11,140,277	$ 9,497,274	$ 9,838,172	$ 10,345,217

Source: Findlay CSD, Treasurer's Office.

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

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building	2008	2007	2006	2005
High School				
Square footage	246,608	246,608	246,608	246,608
Student enrollment	2,121	2,325	2,293	2,209
Central Middle School				
Square footage	105,912	105,912	105,912	105,912
Student enrollment	449	492	467	487
Donnell Middle School				
Square footage	70,605	70,605	70,605	70,605
Student enrollment	420	460	473	467
Glenwood Middle School				
Square footage	70,605	70,605	70,605	70,605
Student enrollment	391	428	441	440
Bigelow Hill Elementary School				
Square footage	31,645	31,645	31,645	31,645
Student enrollment	230	252	245	245
Chamberlin Hill Elementary School				
Square footage	31,645	31,645	31,645	31,645
Student enrollment	225	247	247	264
Jacobs Elementary School				
Square footage	31,645	31,645	31,645	31,645
Student enrollment	288	315	308	297
Jefferson Elementary School				
Square footage	25,509	25,509	25,509	25,509
Student enrollment	249	273	272	244
Lincoln Elementary School				
Square footage	57,892	57,892	57,892	57,892
Student enrollment	396	434	471	490
Northview Elementary School				
Square footage	36,246	36,246	36,246	36,246
Student enrollment	277	303	319	308
Washington Elementary School				
Square footage	40,287	40,287	40,287	40,287
Student enrollment	203	222	240	265
Whittier Elementary School				
Square footage	31,930	31,930	31,930	31,930
Student enrollment	356	390	383	384
Wilson Vance Elementary School				
Square footage	38,193	38,193	38,193	38,193
Student enrollment	387	424	412	407
Bus Garage				
Square footage	3,000	3,000	3,000	3,000
Maintenance Building				
Square footage	5,000	5,000	5,000	5,000
Millstream East				
Square footage	28,152	28,152	28,152	28,152
Millstream South				
Square footage	31,645	31,645	31,645	31,645

Source: Findlay CSD, Treasurer's Office.

2004	2003	2002	2001	2000	1999
246,608	246,608	246,608	246,608	246,608	226,782
2,150	2,162	2,172	2,121	2,177	2,123
105,912	105,912	105,912	105,912	105,912	105,912
536	536	514	473	451	442
70,605	70,605	70,605	70,605	70,605	70,605
480	480	455	466	455	478
70,605	70,605	70,605	70,605	70,605	70,605
417	417	429	395	416	445
31,645	31,645	31,645	31,645	31,645	31,645
264	277	291	292	280	284
31,645	31,645	31,645	31,645	31,645	31,645
258	264	243	232	258	259
31,645	31,645	31,645	31,645	31,645	31,645
283	299	305	297	319	348
25,509	25,509	25,509	25,509	25,509	25,509
244	259	281	270	249	227
57,892	57,892	57,892	57,892	57,892	57,892
478	478	489	497	524	509
36,246	36,246	36,246	36,246	36,246	36,246
278	286	297	309	215	333
40,287	40,287	40,287	40,287	40,287	40,287
224	224	244	260	269	253
31,930	31,930	31,930	31,930	30,369	30,369
402	402	393	393	369	368
38,193	38,193	38,193	38,193	38,193	38,193
374	374	355	340	329	317
3,000	3,000	3,000	3,000	3,000	3,000
5,000	5,000	5,000	5,000	5,000	5,000
28,152	28,152	28,152	28,152	28,152	28,152
31,645	31,645	31,645	31,645	31,645	31,645

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

OPERATING STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities (a)		Governmental Funds		Average Daily Membership	ADM Percent Change
	Expenses	Expense Per Pupil	Expenditures	Expenditure Per Pupil		
2008	$ 62,659,951	$ 10,457	$ 65,376,686	$ 10,911	5,992	-8.73%
2007	59,738,061	9,099	60,574,792	9,227	6,565	-0.09%
2006	57,063,637	8,684	59,766,370	9,095	6,571	0.98%
2005	57,316,813	8,808	57,831,838	8,888	6,507	1.86%
2004	58,275,502	9,123	57,490,299	9,000	6,388	-1.08%
2003	54,605,019	8,455	54,057,415	8,371	6,458	-0.15%
2002	n/a	n/a	48,497,941	7,498	6,468	1.94%
2001	n/a	n/a	47,425,379	7,474	6,345	-1.03%
2000	n/a	n/a	49,594,954	7,736	6,411	0.39%
1999	n/a	n/a	41,804,356	6,546	6,386	1.12%

Source: Findlay CSD, Treasurer's Office.

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

Student Attendance Percentage	Students on Free & Reduced Lunches	Percentage of Students on Free & Reduced Lunches	Teaching Staff	Student/Teacher Ratio
93.9%	2,161	36.1%	454	13.20
95.4%	1,911	29.1%	424	15.48
95.4%	2,037	31.0%	431	15.25
95.4%	1,874	28.8%	437	14.89
95.7%	1,701	26.6%	468	13.65
95.7%	1,459	22.6%	471	13.71
95.9%	1,673	25.9%	471	13.73
95.5%	1,356	21.4%	456	13.91
94.8%	1,631	25.4%	449	14.28
94.7%	1,332	20.9%	428	14.92

FINDLAY CITY SCHOOL DISTRICT
HANCOCK COUNTY, OHIO

TEACHER STATISTICS

JUNE 30, 2008

Education	Number of Teachers	Percentage of Teachers	Salary Range	Average Salary
Bachelor's Degree	75	16.52%	$29,747 - $51,895	$ 37,205
Bachelor's Degree plus 15 hours	35	7.71%	43,908 - 54,688	43,908
Bachelor's Degree plus 30 hours	45	9.91%	49,412 - 57,478	49,912
Master's Degree	111	24.45%	48,486 - 64,160	48,486
Master's Degree plus 15 hours	58	12.78%	58,187 - 67,007	58,187
Master's Degree plus 30 hours	122	26.87%	66,184 - 70,964	66,184
Non-Degree	8	1.76%	40,300 - 49,963	46,775
Total	454	100.00%		

Experience	Number of Teachers	Percentage of Teachers	Salary Range	Average Salary
0 - 5 years	112	24.67%	$22,492 - $48,088	$ 36,364
6 - 10 years	88	19.38%	30,129 - 58,608	48,700
11 - 20 years	118	25.99%	56,835 - 67,025	56,835
Over 20 years	136	29.96%	64,072 - 70,964	64,072
Total	454	100.00%		

Source: Findlay CSD, Treasurer's Office.