

Piqua City School District

Miami County

Single Audit

July 01, 2007 through June 30, 2008

Fiscal Year Audited Under GAGAS: 2008



**Balestra, Harr & Scherer, CPAs, Inc.**

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528 South West St, P.O. Box 687, Piketon, Ohio 45661 Phone: 740.289.4131 Fax: 740.289.3639





Mary Taylor, CPA  
Auditor of State

Board of Education  
Piqua City School District  
719 East Ash Street  
Piqua, Ohio 45356

We have reviewed the *Independent Auditor's Report* of the Piqua City School District, Miami County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

December 30, 2008

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**Piqua City School District**  
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*For the Fiscal Year Ended June 30, 2008*

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**Piqua City School District**  
*Schedule of Federal Awards Expenditures*  
*For the Fiscal Year Ended June 30, 2008*

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. Department of Agriculture</b>						
<i>Passed through the Ohio Department of Education</i>						
Nutrition Cluster:						
School Breakfast Program	05-PU	10.553	\$ 256,222	\$ -	\$ 256,222	\$ -
National School Lunch Program	LL-PI	10.555	665,989	-	665,989	-
Total Nutrition Cluster			922,211	-	922,211	-
Food Donation Program	N/A	10.550	-	162,848	-	162,848
<b>Total U.S. Department of Agriculture</b>			922,211	162,848	922,211	162,848
<b>U.S. Department of Education</b>						
<i>Passed through the Ohio Department of Education</i>						
Title I Grants to Local Education Agencies	C1-S1	84.010	955,236	-	1,004,746	-
Special Education Grants to States	6B-SF	84.027	1,088,080	-	1,061,245	-
Safe and Drug-Free Schools and Communities State Grants	DR-S1	84.186	49,542	-	13,900	-
State Grants for Innovative Programs	C2-S1	84.298	12,123	-	12,607	-
Education Technology State Grants	TJ-S1	84.318	30,696	-	22,775	-
Improving Teacher Quality State Grants	TR-S1	84.367	277,367	-	293,314	-
<b>Total U.S. Department of Education</b>			2,413,044	-	2,408,587	-
<b>Total Federal Assistance</b>			\$ 3,335,255	\$ 162,848	\$ 3,330,798	\$ 162,848

N/A - pass through entity number not available.

See accompanying notes to the schedule of federal awards expenditures.

**Piqua City School District**  
*Notes to the Schedule of Federal Awards Expenditures*  
*For the Fiscal Year Ended June 30, 2008*

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**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B – NATIONAL SCHOOL LUNCH AND BREAKFAST PROGRAMS**

Federal funds received from the National School Lunch and Breakfast Programs were commingled with state subsidy and local revenue from the sale of meals. It was assumed that federal dollars were expended first.

**NOTE C – FOOD DONATION**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the entitlement value of the commodities received.

**NOTE D – MATCHING REQUIREMENTS**

Certain Federal programs require that the District contribute non-federal funds (matching funds) to support the Federally-funded programs. The expenditures of non-federal matching funds are not included on the Schedule.



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Ohio Society of Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board  
Piqua City School District  
719 East Ash Street  
Piqua, Ohio 45356

To the Board of Education:

We have audited the accompanying financial statements of the government activities, each major fund, and the aggregate remaining fund information of the Piqua City School District (the School District), Miami County, as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 12, 2008 in which we noted that the School District adopted Governmental Accounting Standards Board Statement No. 45 and Statement No. 50. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

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

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

### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of the School District in a separate letter dated December 12, 2008.

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



Balestra, Harr & Scherer, CPAs, Inc.  
December 12, 2008

# BALESTRA, HARR & SCHERER, CPAs, INC.

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## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Members of the Board  
Piqua City School District  
719 East Ash Street  
Piqua, Ohio 45356

### **Compliance**

We have audited the compliance of the Piqua City School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2008. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program are the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2008.

### **Internal Control Over Compliance**

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

Members of the Board  
Piqua City School District

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Page 2

**Internal Control Over Compliance (Continued)**

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

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

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

**Schedule of Federal Awards Expenditures**

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2008, and have issued our report thereon dated December 12, 2008 in which we noted that the School District adopted Governmental Accounting Standards Board Statement No. 45 and Statement No. 50. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Balestra, Harr & Scherer, CPAs, Inc.

December 12, 2008

**PIQUA CITY SCHOOL DISTRICT**  
*SCHEDULE OF FINDINGS AND QUESTIONED COSTS*  
*OMB CIRCULAR A-133 SECTION .505*  
*FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

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

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant internal control deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Program' s Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Grants to States, CFDA # 84.027
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**PIQUA CITY SCHOOL DISTRICT**  
*SCHEDULE OF FINDINGS AND QUESTIONED COSTS*  
*OMB CIRCULAR A-133 SECTION .505*  
*FOR THE FISCAL YEAR ENDED JUNE 30, 2008*  
*(CONTINUED)*

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

# ***PIQUA CITY SCHOOL DISTRICT***

*Miami County, Ohio*



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





***PIQUA CITY SCHOOL DISTRICT***

---

*Miami County, Ohio*

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2008**

*Prepared by:*  
Jeffrey W. Price  
Treasurer



**PIQUA CITY SCHOOL DISTRICT**

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## *INTRODUCTORY SECTION*

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# **PIQUA CITY SCHOOL DISTRICT**

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Treasurer's Office: phone (937) 778-4512

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December 12, 2008

Board of Education Members and Citizens of the Piqua City School District:

As the Superintendent and Treasurer of the Piqua City School District (the District), we are pleased to submit to you this Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the year ended June 30, 2008 is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Piqua City School District's MD&A can be found immediately following the report of the independent accountants.

The District provides a full range of education programs and services to 3,737 students. These include elementary and secondary curriculum offerings at the general, college preparatory, and vocational levels, a broad range of co-curricular and extracurricular activities, and special education services. In addition, the District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a special revenue fund. The non-public school operations have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

# ***PIQUA CITY SCHOOL DISTRICT***

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## ***Letter of Transmittal For the Fiscal Year Ended June 30, 2008***

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### **THE DISTRICT AND ITS FACILITIES**

The District serves an area of approximately 55 square miles in and around the City of Piqua. It is located in Miami County in the Southwestern part of the state, comprised of the City of Piqua, Washington Township and Springcreek Township, and is residential, agricultural and industrial. It has a diversified industrial base with over 90 industries and 1,000,000 square feet of commercial space. The City of Piqua is a community of 21,000 people, 45 churches and 200 businesses and manufacturers. It is located on Interstate 75, 50 miles south of Lima, Ohio and 20 miles north of Dayton, Ohio, near the intersection of Interstate 75 and Interstate 70, a significant road intersection in the Midwestern part of the United States.

The District's facilities include 1 kindergarten center, 3 primary schools (grades 1 through 3), 3 intermediate schools (grades 4 through 6), 1 junior high school (grades 7 through 8), one high school (grades 9 through 12), a bus garage, the administrative building and several athletic complexes.

The Board of Education of the Piqua City School District (the Board) is a five-member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars and approves the annual appropriation resolution and tax budget.

Good schools are important to the quality of life in Piqua and also to maintaining property values. But beyond these considerations, the educational program itself is of primary importance.

It is therefore appropriate to review briefly some quality indicators because they are the foundation on which our programs are built.

**CURRICULUM DEVELOPMENT** -- The Piqua City School District provides a comprehensive K-12 academic program based upon meeting the needs and challenging the skills of Piqua students. Piqua's curriculum includes a wide range of electives in college preparatory, liberal arts and vocational programs. The curriculum is based upon the Ohio Academic Content Standards and national standards. Faculty at each level is supported by a curriculum department with efforts to continuously improve teaching and learning.

**INSTRUCTION MATERIALS** -- Piqua City School District instructional materials are selected on a five-year replacement. Materials include print, manipulatives and computer software that provide learning activities for students.

**STAFF DEVELOPMENT** -- Locally provided staff development is an extremely important part of professional renewal in Piqua Schools. The In-service Committee assesses staff needs and plans after school sessions, in-service days and summer sessions for certified staff. The emphasis on these activities is to provide professional staff the skills to improve student achievement. Follow-up training and coaching is provided throughout the school year. Effectiveness of all staff development is measured by the change in teacher's instructional practices and, ultimately, by its impact on student achievement.

In addition to locally provided staff development, the Piqua City School District financially supports staff members going to professional meetings out of district and reimburses professional staff for approved graduate hours.

## ***PIQUA CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2008***

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**INTERVENTION AND SPECIAL PROGRAMS** -- The Piqua City School District recognizes its responsibility to serve students who are at risk of not achieving in school. Intervention for these students includes teams of professionals who meet with the individual student to provide support through an established Intervention Assistance Team.

Special programs provided for students who need additional support include an elementary guidance program, elementary and secondary intervention school, a high school night school program, Junior Naval ROTC, and Jobs for Ohio Graduates. As of June 2008, over one hundred students have graduated from Piqua High School due to the availability of the night school program.

**GIFTED AND TALENTED PROGRAMMING AND ADVANCED PLACEMENT COURSES** -- Piqua City Schools recognizes its responsibility to provide appropriate programming for its most capable students. The gifted program offers a continuum of services for students determined eligible by criteria established by Ohio's Department of Education. All identified students have a Written Education Plan that is updated yearly. Services may include whole class instruction, small group investigations, academies, independent studies, and gifted tutorials. The program provides enrolled students enrichment, opportunities for advanced thinking skills development and independent research.

Piqua High School offers advanced placement courses in Art, Biology, Calculus, Chemistry, Economics, English Literature and Composition, Government, and Physics. During the 2007-08 school year more than 120 students were enrolled in these college level courses.

**SPECIAL EDUCATION** -- In 2007-08 there were over 700 students on Individualized Education Programs for special education services. The district takes pride in serving these students in-district with a variety of programming structured to provide a continuum of services that allow intervention specialists to be resources to the students and staff.

### **ECONOMIC CONDITIONS AND OUTLOOK**

During calendar year 2007 the county's six-year reappraisal of property valuations was completed. In accordance with millage rollback provisions of HB920, the District has assessed millage at the 20 mill-floor, the lowest millage permitted by Ohio Revised Code. As a result of this, the District is able to benefit financially from increased assessed valuations. The benefits of any growth were realized by the district during the second half of the 2007-08 school year and were fully realized during the 2008-09 school year. A Triennial update will be performed during 2010 by the Miami County Auditor's office. This will take effect during calendar year 2011.

A 1/2% School District Income Tax was approved by the voters of Piqua in 1990. This tax generates over \$2,000,000 annually for general operations of the District. In Fiscal Year 1995, the district began to feel growth in the income tax revenues and has experienced average increases of 4.9% until 2001-02. The overall decline in the economy impacted the District's income tax collections and a decrease of 7% was realized in Fiscal Year 2002, a 2% decrease in Fiscal Year 2003, and another 2% decrease in Fiscal Year 2004.

## ***PIQUA CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2008***

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However, in Fiscal Year 2005, the district realized a slight recovery of a 2.3% increase from the prior year. For Fiscal Year 2006, the District realized a 10.7% increase from the 2005 collections and a 2.66% increase in Fiscal Year 2007 collections over the Fiscal Year 2006 collections. As we ended the 2008 fiscal year, collections increased from 2007 collections by 13.25%. A large portion of this increase was due to the Ohio Department of Taxation releasing some of the holdings from past years collections due to those years audits being completed.

The District is currently in the second year of a taxpayer approved 1.8 mill five year Permanent Improvements Levy which allows the District to spend approximately \$800,000 annually on repairs, renovations and capital equipment expenditures to maintain the District's facilities. Revenue generated through this levy takes financial strain off the General Fund by making the expenditures for capital repairs through the Permanent Improvement Fund.

### **RECENT SIGNIFICANT ACCOMPLISHMENTS**

The Ohio Department of Education recognized Piqua City Schools with an "Excellent" rating on the district 2008 report card. The district academic profile showed the attainment of academic milestones in the district's history. State test scores reflect continual growth across the board. The state graduation rate indicator was reached on the district report card for the first time. All buildings achieved the "Excellent" or "Effective" rating for the first time. The Average Yearly Progress indicator was met for the second year in a row. College bound ACT College entrance exam results showed the highest results in the past five years across the board in all content areas. Student opportunities have been expanded by refocusing and changing honor courses into Advanced Placement courses. Advanced Placement opportunities have been increased from seven to fifteen. Partnerships have been expanded to further student opportunities. By teaming with College Board and China, Mandarin Chinese is being offered at the high school level. A partnership with Council on Rural Services has lead to an Early Learning Initiative program at High Street. A credit recovery program piloted in the spring has developed into a strong program for reclassified students at the high school level.

The District's Board of Education and Administration are very concerned about long-term financial planning for Piqua City Schools. They have in the past and will continue in the future to update their long range plan with students, parents, community and businesses as they look 5, 10 and 20 years down the road.

The District's facilities continue to be upgraded and modernized. Revenues from the Capital Improvement Levy were used for new roofs, new windows, floor coverings, plumbing, heat plants and many other improvements. Voters first approved this levy in 1994 as a 3.5 mill levy. We are currently collecting this levy as a 1.8 mill levy.

### **MAJOR INITIATIVES FOR THE FUTURE**

Piqua City Schools continues to improve student performance on state achievement. Value-added indicators helped propel the district to reach the Excellent Rating. Once again the district met Average Yearly Progress to comply with "No Child Left Behind" legislation.

# ***PIQUA CITY SCHOOL DISTRICT***

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## ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2008***

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In December, 2007 and January, 2008 the district engaged stakeholders in a phone survey and a series of six focus groups. The input from these tools combined with performance data helped, staff, administrators and board of education members review the district strategic plan and refocus on objectives in academic performance, school facilities, high quality staff, school/community relations and finance. The board of education and administrative team also completed board policy review and revision processes which lead to a complete policy revision. Combined together, the refocused strategic plan and the revised board policy manual helped the district stakeholders to identify future initiatives including:

### **Piqua City Schools Strategic Plan for 2008-2009**

**Mission Statement-** The faculty, staff, administration and parents of the Piqua City Schools accept the responsibility to provide our students with the best possible opportunities for the intellectual, moral and physical development necessary to become informed, ethical and responsible citizens. The Piqua City Schools will use the proper curriculum, proven instructional strategies and appropriate resources to ensure the success of all Piqua students in their educational program.

#### **Academic Performance Objectives:**

- To continue and strengthen staff, parent and community involvement in and support of the student learning process.
- To continue curriculum alignment with state standards.
- To continue utilizing student achievement data to drive instruction and monitor student progress.
- To continue implementation of all day kindergarten.
- To continue to update instructional materials including interactive technology.
- To sustain a comprehensive literacy program to identify and promote district-wide instructional “best practices”.
- To expand instructional opportunities for high achieving and gifted students.
- To promote student participation in extra-curricular and co-curricular activities.

#### **School Facilities Objectives:**

- To align the facility improvement process with District financial resources.
- To improve and maintain district facilities to a level which meet local and state standards/codes.
- To communicate facility improvement needs and processes.
- To consider the implementation of the long-range master plan.

#### **High Quality Staff Objectives:**

- To recruit, select and retain quality staff.
- To provide staffing to support District objectives.
- To provide appropriate staff development for all personnel.
- To recognize staff contributions and accomplishments.
- To continue positive staff relations.
- To encourage staff to become an active member of the Piqua community.

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2008***

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#### School/Community Relations Objectives:

- To expand opportunities for individual volunteerism.
- To maintain quality school/business partnerships.
- To explore opportunities for the development of future school/business partnerships.
- To increase information flow with stakeholders.

#### Finance Objectives:

- To provide a low cost delivery system with no duplication.
- To provide sound fiscal forecasting and use of resources/funding available to the District.
- To continue the Superintendent's Executive Advisory Council meetings with the Superintendent and Treasurer on a quarterly basis to review all District operations.
- To participate in external audits beyond state requirements.
- To be transparent in financial dealings.

### **ACCOUNTING INFORMATION**

**ACCOUNTING SYSTEM --** The District's accounting system is organized on a fund basis. Each fund is a separate self-balancing accounting entity. The 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.

**INTERNAL CONTROLS --** The Treasurer of the District is responsible for establishing an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Management Team is responsible for assisting with implementation of the established internal controls.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefit requires estimates and judgments by management.

**SINGLE AUDIT --** As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation and audit by the Treasurer, Management Team and staff of the District.

As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion relating to federal financial assistance programs, as well as to verify that the District has complied with applicable laws and regulations.

## ***PIQUA CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2008***

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**BUDGETARY CONTROLS** -- All governmental fund types are subject to annual expenditure budgets. The procedures below outline the District's budgetary procedures:

A tax budget of estimated cash receipts and disbursements is submitted to the county auditor as secretary of the county budget commission by January 20 of each year for the fiscal year commencing the following July 1. The District's Board of Education (the Board) adopts the tax budget at its January Organizational Meeting.

The county budget commission certifies its actions to the District by March 1. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year.

An annual appropriations measure is passed upon receipt of the county auditor's final tax revenue estimates, in October or November of each year for the period July 1 to June 30. Unencumbered appropriations lapse at year-end and encumbered appropriations are reported as expenditures in the current year. The Board adopts temporary appropriations at its June Board meeting to cover expenditures until the adoption of the permanent appropriations. The appropriations measure may be amended or supplemented during the year as new information becomes available. Individual buildings and/or departments are given building budgeting funds for instructional supplies, custodial supplies, meeting and mileage expenses, and equipment. Buildings and/or departments may move funds within their budgets with approval of the Superintendent and Treasurer. Appropriations may not exceed estimated resources and expenditures may not exceed appropriations in any fund.

Additionally, the District maintains an encumbrance accounting system as a useful technique of accomplishing budgetary control. Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation.

**CASH MANAGEMENT** -- It is the policy of the Piqua City School District, that with due regard to the safety and risk of investments, all available funds shall be invested in conformance with existing legal requirements and Board-adopted policy guidelines, to the maximum extent possible, at the highest rates obtainable at the time of investment. Effective cash management is recognized as essential to good fiscal management. An investment policy has been formulated to take advantage of investment interest as a viable and material source of revenue to all funds involved. The District's investments are designed and managed in a manner responsive to public trust and consistent with state and local laws.

Investments are made with the primary objectives of:

- Preservation of capital and protection of principal.
- Maintenance of liquidity to meet cash flow requirements.
- Diversification of assets to avoid undue credit and liquidity risks.
- Optimization of portfolio returns within objectives outlined above.
- Use of good judgment and care to provide safety to the District's assets.

## ***PIQUA CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2008***

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Administrative guidelines and investment policies apply to all financial assets of the District contained in the Comprehensive Annual Financial Report (CAFR). The investment portfolio shall consist of investment securities, permissible by law, recognizing that all participants involved in the process shall act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might impair public confidence in the District's ability to govern effectively.

**RISK MANAGEMENT** -- The District is adequately insured in all areas including buildings, contents, vehicles, equipment and general liability. The District is also covered under the State Workers' Compensation Fund. The District makes every effort to monitor insurance costs and related risk of accident to ensure proper fiscal management in this area. Detailed information regarding the risk management activities of the District can be found in footnote 13 of the basic financial statements included within the financial section of this report.

### **OTHER INFORMATION**

**INDEPENDENT AUDIT** -- State statutes require an annual audit. Balestra, Harr and Scherer, Certified Public Accountants Incorporated conducted the audit for the fiscal year ended June 30, 2008. The auditor's unqualified opinion on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

**NOTES TO THE BASIC FINANCIAL STATEMENTS** -- The notes to the basic financial statements which follow the basic financial statements contain additional information and are an integral part of such statements.

**AWARDS** -- The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities who qualify.

To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year only. The District has received a Certificate of Achievement for the last eleven consecutive years (fiscal years ended 1997-2007). We believe this current Comprehensive Annual Financial Report meets the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting and we are submitting it to GFOA.



## *PIQUA CITY SCHOOL DISTRICT*

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*Letter of Transmittal  
For the Fiscal Year Ended June 30, 2008*

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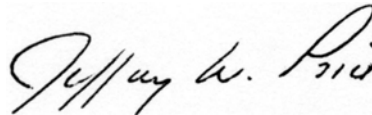
**ACKNOWLEDGMENTS** -- The preparation of this Comprehensive Annual Financial Report was made possible by the diligence of the Treasurer's staff under the coordination of Sarah Deavours, Assistant to the Treasurer. We are also grateful for the services of Donald J. Schonhardt & Associates, Inc. for their assistance in preparing this report. We truly appreciate the contribution made by each staff member in the preparation of this report.

In closing, without the patience and support of the Treasurer's Office Staff, the Administrative Team and the Board of Education, preparation of this report would not have been possible.

Respectfully submitted,



Richard A. Hanes, Superintendent



Jeffrey W. Price, Treasurer

## **PIQUA CITY SCHOOL DISTRICT**

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***Members of the Board of Education, Superintendent of Schools and Treasurer  
For the Fiscal Year Ended June, 30, 2008***

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### ***Members of the Board of Education***

The Board of Education is a body politic and corporate with the responsibility of managing and controlling affairs of the District and is, together with the District, governed by laws of the State of Ohio. The Board is comprised of five members who are elected for overlapping four-year terms. The members of the Board of Education of the Piqua City School District, during the current fiscal year, are:

<b>December 2007 Board</b>	<b>Began Service as A Board Member</b>	<b>Present Term Expires</b>
Marjorie Zimpher, President	January 2004	December 31, 2007
Mimi Crawford, Vice President	January 2006	December 31, 2009
Andy Hite	January 2006	December 31, 2009
Bob Luby	January 2006	December 31, 2009
Lori S. Webster	September 2002	December 31, 2007

<b>December 2008 Board</b>	<b>Began Service as A Board Member</b>	<b>Present Term Expires</b>
Marjorie Zimpher, President	January 2004	December 31, 2011
Mimi Crawford, Vice President	January 2006	December 31, 2009
Andy Hite	January 2006	December 31, 2009
Bob Luby	January 2006	December 31, 2009
Lori S. Webster	September 2002	December 31, 2011

### ***Superintendent of Schools***

The Superintendent is the executive officer of the District and is responsible for administering policies adopted by the Board of Education. The Superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board on all aspects of the educational program and total operation of the District. The Board appointed Mr. Richard A. Hanes, Superintendent of the Piqua City School District effective April 16, 2007. His term of office expires on July 31, 2010.

### ***Treasurer***

The Treasurer serves as the fiscal officer of the District and, with the Board President, executes all conveyances made by the Board of Education. The Treasurer, Jeffrey Price has held the position since August, 2004. His term expires at the organizational meeting in January, 2010.

# ***PIQUA CITY SCHOOL DISTRICT***

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## ***Management Team Members and Treasurer's Office Staff For the Fiscal Year Ended June, 30, 2008***

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### ***Management Team Members***

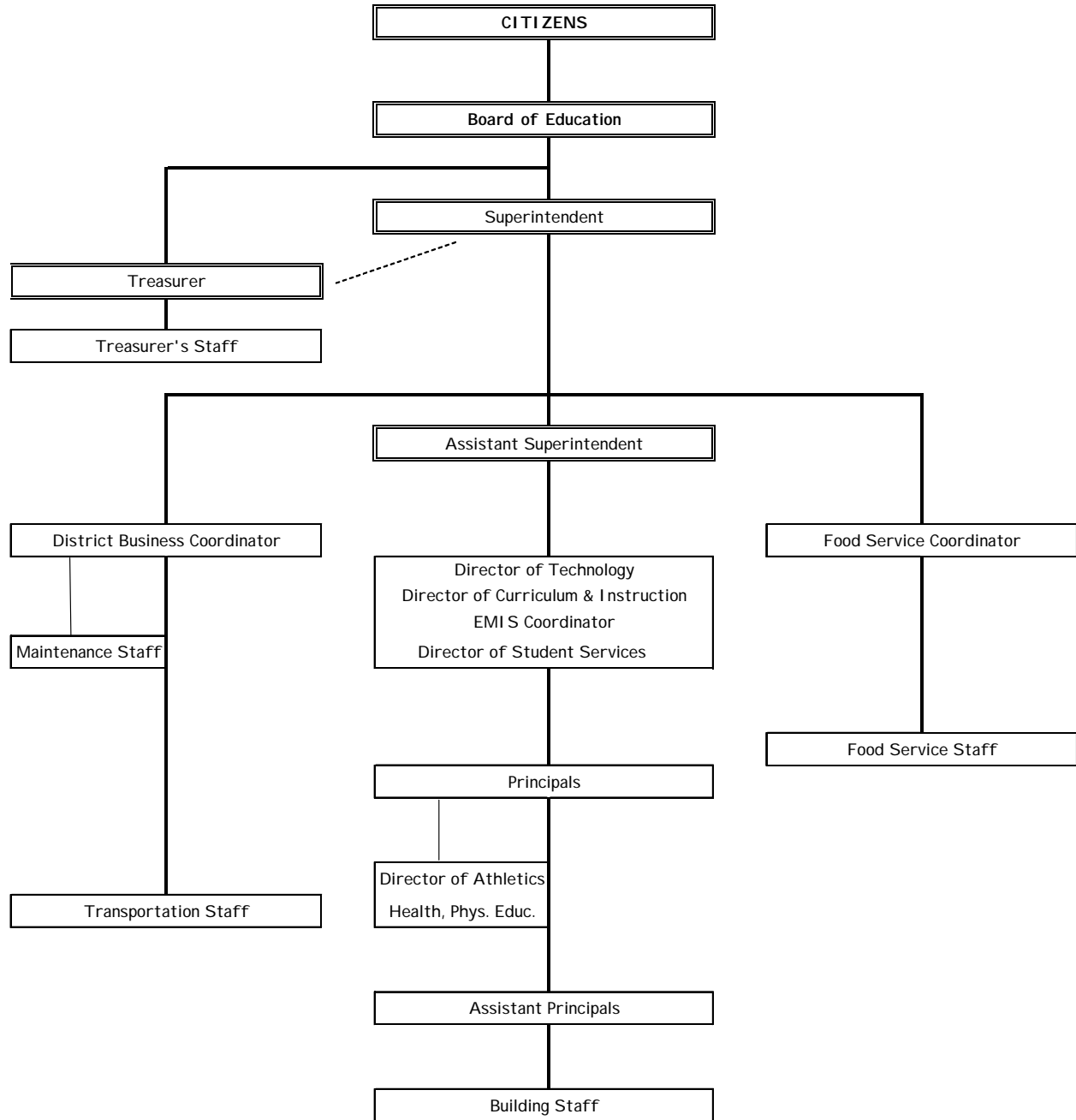
Richard A. Hanes	Superintendent of Schools
Jeffrey W. Price	Treasurer
Dr. Wendy Halar	Assistant Superintendent
Nonda Harvey	Coordinator of Community/School Relations
Jean Hill	EMIS Coordinator
Tim Reed	District Business Coordinator
Dave Palmer	Athletic Director
Terri Meyer	Food Service Coordinator
Neil Long, Judy Kaster	Director of Curriculum and Instruction
Jim Conley	District Technology Coordinator
Krista Foley	Director of Student Services
Thomas Roeser, Ph.D.	School Psychologist
Daryl Boyd	School Psychologist
James Daniel	Transportation Supervisor
Katherine V. Davisson	Principal, Piqua High School
Darrell Hite	Assistant Principal, Piqua High School
Tony Lyons	Assistant Principal, Piqua High School
Ed McCord	Principal, Piqua Junior High School
Jeff Clark	Assistant Principal, Piqua Junior High School
Dwayne Thompson	Principal, Favorite Hill Primary School
Rick E. Fry	Principal, High Street Primary School
Teresa Anderson	Principal, Nicklin Learning Center
Stephanie Klingshirn	Principal, Springcreek Primary School
Rebecca Holthaus	Principal, Washington Intermediate School
Bradley Hall	Principal, Bennett Intermediate School
Curt Montgomery	Principal, Wilder Intermediate School

### ***Treasurer's Office Staff***

Sarah Deavours	Assistant to the Treasurer
Jeannie Ervin	Budgetary/Financial Clerk
Karen Magoteaux	Budgetary/Financial Clerk
Cathy Hood & Ami Fashner	Payroll Clerk

# PIQUA CITY SCHOOL DISTRICT

## School District Organizational Chart For the Fiscal Year Ended June, 30, 2008



## ***PIQUA CITY SCHOOL DISTRICT***

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***Job Description Listing  
For the Fiscal Year Ended June, 30, 2008***

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<u><b>Position:</b></u>	<u><b>Responsible To:</b></u>
Superintendent	Board of Education
Treasurer	Board of Education
Assistant Superintendent	Superintendent
District Business Coordinator	Superintendent
Director - Information Services	Superintendent & Assistant Superintendent
Director - Curriculum & Instruction	Superintendent & Assistant Superintendent
Director - Student Services	Superintendent & Assistant Superintendent
Food Service Director	Superintendent
Principal (Sr. High, Jr. High, Elem.)	Superintendent & Assistant Superintendent
Assistant Senior High School Principal	Senior High School Principal
Assistant Junior High School Principal	Junior High School Principal
Director - Health, P.E. & Interscholastic Athletics	Superintendent Athletics - Secondary Principals
Transportation Supervisor	District Business Coordinator
School Psychologist	Assistant Superintendent
Speech, Language & Hearing Therapist	Assistant Superintendent
Teacher	Building Principal
Guidance Counselor	Building Principal
Librarian	Building Principal
School Nurse	Assistant Superintendent
Substitute Teacher	Building Principal
Assistant to Treasurer, Payroll Clerk	Treasurer
Budgetary Clerk, Financial Clerk	Treasurer
Secretary	Immediate Supervisor (See Job Analysis Handbook)
Copy Center Operator	District Business Coordinator
Warehouse Secretary	District Business Coordinator
Head Cook	Building Principal, Food Service Coordinator
Assistant Head Cook, Cook, Sub Cook	Head Cook
Bus Driver, Substitute Bus Driver	Transportation Supervisor
Bus Mechanic	Transportation Supervisor
Athletic Complex Custodian/ Mechanic's Helper	District Business Coordinator/ Athletic Director
Sub Custodian	District Business Coordinator/ Building Principal
Library Aide	Building Principal/Librarian
Classroom Aide	Building Principal/Assigned Teacher
Study Hall Aide	Building Principal/Assistant Principal

*PIQUA CITY SCHOOL DISTRICT*

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*Government Finance Officers Association of the United States and Canada  
Certificate of Achievement for Excellence in Financial Reporting*

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Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

Piqua City Schools  
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.



*Charles S. Cox*

President

*Jeffrey R. Emmer*

Executive Director

## *FINANCIAL SECTION*

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# BALESTRA, HARR & SCHERER CPAs, INC.

528 South West Street, P.O. Box 687  
Piketon, Ohio 45661

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Telephone (740) 289-4131  
Fax (740) 289-3639  
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

## Independent Auditor's Report

Piqua City School District  
Miami County  
719 East Ash Street  
Piqua, Ohio 45356

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Piqua City School District, Miami County, Ohio (the School District), as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

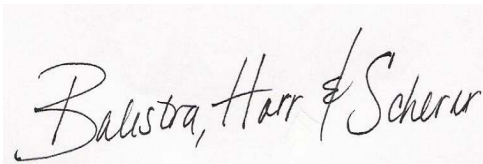
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2008, and the respective changes in financial position thereof, and the respective budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2008, on our consideration of the 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. While we did not opine on the internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management discussion and analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding methods of measuring and presenting 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 the 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. The combining and individual nonmajor fund financial statements and schedules on pages 64-108 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.

As described in Note 18, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 50, *Pension Disclosures – an amendment of GASB statement No. 25 and No. 27* and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in dark ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.

December 12, 2008

# PIQUA CITY SCHOOL DISTRICT

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*Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2008*

*Unaudited*

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The discussion and analysis of Piqua City School District's 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, notes to the basic financial statements and 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 increased \$1,398,684. Net assets of governmental activities increased \$1,288,804, which represents a 5.4% increase from 2007. Net assets of business-type activities increased \$109,880 from 2007.
- ❑ General revenues accounted for \$29,614,472 in revenue or 85% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5,173,705 or 15% of total revenues of \$34,788,177.
- ❑ The District had \$31,706,813 in expenses related to governmental activities; only \$3,381,145 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$29,614,472 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$27,256,600 in revenues and \$26,620,917 in expenditures. The general fund's fund balance increased from a balance of \$1,191,559 to an ending balance of \$1,834,857.
- ❑ Net assets for the enterprise fund increased \$109,880. This increase can mostly be attributed to increases in operating grants.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the District:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

# PIQUA CITY SCHOOL DISTRICT

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*Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2008*

*Unaudited*

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## **Government-wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net-assets (the difference between the District's assets and liabilities) is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, student enrollment growth and facility conditions.

The government-wide financial statements of the District are divided into two categories:

- Governmental Activities – Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District food service fund is reported as business type activities.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

**Governmental Funds** – Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund 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 financial statements.

## PIQUA CITY SCHOOL DISTRICT

*Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2008*

*Unaudited*

**Proprietary Funds** – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

**Fiduciary Funds** – The District is the trustee, or fiduciary, for various student managed activity programs, various scholarship programs and other items listed as agency and private purpose. It is also responsible for other assets that, due to a trust arrangement can only be used for the trust beneficiaries. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

### FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The following table provides a summary of the District's net assets for 2008 compared to 2007:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$27,141,975	\$24,004,159	\$1,102,611	\$997,632	\$28,244,586	\$25,001,791
Capital assets, Net	26,425,412	27,216,772	342,971	366,053	26,768,383	27,582,825
Total assets	<u>53,567,387</u>	<u>51,220,931</u>	<u>1,445,582</u>	<u>1,363,685</u>	<u>55,012,969</u>	<u>52,584,616</u>
Long-term debt outstanding	11,745,900	12,387,105	81,365	71,750	11,827,265	12,458,855
Other liabilities	16,813,767	15,114,910	143,421	181,019	16,957,188	15,295,929
Total liabilities	<u>28,559,667</u>	<u>27,502,015</u>	<u>224,786</u>	<u>252,769</u>	<u>28,784,453</u>	<u>27,754,784</u>
Net assets						
Invested in capital assets, net of related debt	17,911,256	18,301,335	342,971	366,053	18,254,227	18,667,388
Restricted	2,832,729	2,224,980	0	0	2,832,729	2,224,980
Unrestricted	<u>4,263,735</u>	<u>3,192,601</u>	<u>877,825</u>	<u>744,863</u>	<u>5,141,560</u>	<u>3,937,464</u>
Total net assets	<u><u>\$25,007,720</u></u>	<u><u>\$23,718,916</u></u>	<u><u>\$1,220,796</u></u>	<u><u>\$1,110,916</u></u>	<u><u>\$26,228,516</u></u>	<u><u>\$24,829,832</u></u>

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## **PIQUA CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2008**

**Unaudited**

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2008 compared to 2007:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenues</b>						
Program revenues:						
Charges for Services	\$646,542	\$713,801	\$679,999	\$702,248	\$1,326,541	\$1,416,049
Operating Grants	2,711,846	2,888,699	1,112,561	861,842	3,824,407	3,750,541
Capital Grants	22,757	27,060	0	0	22,757	27,060
Total Program Revenues	<u>3,381,145</u>	<u>3,629,560</u>	<u>1,792,560</u>	<u>1,564,090</u>	<u>5,173,705</u>	<u>5,193,650</u>
General Revenues:						
Property Taxes	11,947,222	12,152,358	0	0	11,947,222	12,152,358
Income Taxes	2,260,523	2,253,023	0	0	2,260,523	2,253,023
Intergovernmental, Unrestricted	14,538,480	13,915,936	0	0	14,538,480	13,915,936
Other	868,247	738,972	0	0	868,247	738,972
Total General Revenues	<u>29,614,472</u>	<u>29,060,289</u>	<u>0</u>	<u>0</u>	<u>29,614,472</u>	<u>29,060,289</u>
Total Revenues	<u>32,995,617</u>	<u>32,689,849</u>	<u>1,792,560</u>	<u>1,564,090</u>	<u>34,788,177</u>	<u>34,253,939</u>
<b>Program Expenses</b>						
Instruction	19,105,320	19,061,767	0	0	19,105,320	19,061,767
Support Services:						
Pupils	1,549,456	1,505,043	0	0	1,549,456	1,505,043
Instructional Staff	2,085,124	2,061,205	0	0	2,085,124	2,061,205
Board of Education	20,339	23,042	0	0	20,339	23,042
Administration	2,361,191	2,454,192	0	0	2,361,191	2,454,192
Fiscal Services	401,055	390,832	0	0	401,055	390,832
Business	52,433	101,989	0	0	52,433	101,989
Operation and Maintenance of Plant	2,882,505	3,065,299	0	0	2,882,505	3,065,299
Pupil Transportation	1,442,206	1,545,489	0	0	1,442,206	1,545,489
Central	192,486	162,793	0	0	192,486	162,793
Operation of Non-Instructional Services	289,838	375,228	0	0	289,838	375,228
Extracurricular Activities	717,482	861,632	0	0	717,482	861,632
Interest and Fiscal Charges	607,378	481,096	0	0	607,378	481,096
Food Service	0	0	1,682,680	1,684,194	1,682,680	1,684,194
Total Expenses	<u>31,706,813</u>	<u>32,089,607</u>	<u>1,682,680</u>	<u>1,684,194</u>	<u>33,389,493</u>	<u>33,773,801</u>
Change in Net Assets	1,288,804	600,242	109,880	(120,104)	1,398,684	480,138
Beginning Net Assets	23,718,916	23,118,674	1,110,916	1,231,020	24,829,832	24,349,694
Ending Net Assets	<u>\$25,007,720</u>	<u>\$23,718,916</u>	<u>\$1,220,796</u>	<u>\$1,110,916</u>	<u>\$26,228,516</u>	<u>\$24,829,832</u>

### **Governmental Activities**

Net assets of the District's governmental activities increased \$1,288,804. Property taxes decreased due to the phase out of the tangible personal property tax. Reimbursements from the State related to the personal property tax phase out resulted in the increase in unrestricted governmental revenues. Overall, expenditures remained very stable, decreasing approximately 1%. Operation and Maintenance of Plant decreased 6% due to decreases in salaries and fuel costs.

## **PIQUA CITY SCHOOL DISTRICT**

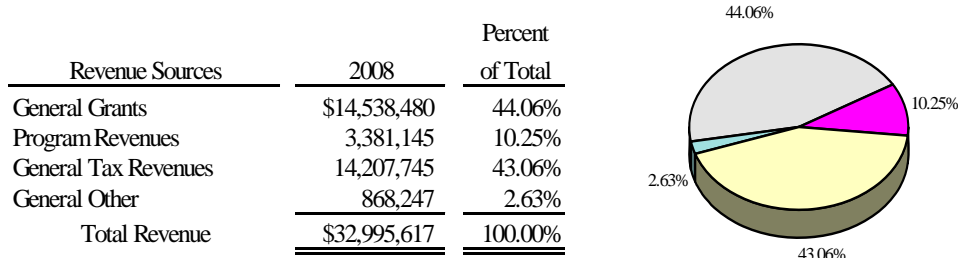
**Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2008**

**Unaudited**

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00. However, the assessed millage cannot be reduced below 20 mills, according to state statutes. The District's assessed millage has already been reduced to the 20 mill floor. Consequently, the District will receive some increased revenues as property values increase with reappraisals.

The District also receives an income tax, which is based on .5% of all salaries, wages, commissions and other compensation and on net profits earned from residents living within the District.

Property taxes and income taxes made up 36% and 7% respectively of revenues for governmental activities for Piqua City Schools in fiscal year 2008. The District's reliance upon tax revenues is demonstrated by the following graph indicating 43% of total revenues from general tax revenues:



### ***Business-Type Activities***

Net assets of the business-type activities increased \$109,880 or 10%, which can mostly be attributed to increases in food service receipts. These programs had revenues of \$1,792,560 and expenses of \$1,682,680 for fiscal year 2008. Business-type activities receive no support from tax revenues and remain self-supporting.

## PIQUA CITY SCHOOL DISTRICT

*Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2008*

*Unaudited*

### FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$4,938,795, which is above last year's total of \$3,593,869. 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 (Decrease)
General	\$1,834,857	\$1,191,559	\$643,298
Bond Retirement	779,667	718,046	61,621
Permanent Improvement	1,424,383	797,814	626,569
Other Governmental	899,888	886,450	13,438
Total	\$4,938,795	\$3,593,869	\$1,344,926

*Bond Retirement Fund* – The Bond Retirement Fund increased \$61,621 or approximately 9%. Expenditures remained consistent with the previous year. Taxes decreased due to a lower advance of taxes available.

*Permanent Improvement Fund* – The Permanent Improvement Fund reported an increase in fund balance of \$626,569. Revenues remained consistent with the previous year while expenditures decreased substantially due to decreases in capital outlays for building improvements.

*General Fund* – The District's General Fund balance increase is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2008 Revenues	2007 Revenues	Increase (Decrease)
Taxes	\$12,246,165	\$12,339,408	(\$93,243)
Tuition	7,460	3,196	4,264
Transportation Fees	37,531	54,717	(17,186)
Investment Earnings	186,225	189,325	(3,100)
Class Materials and Fees	143,340	149,604	(6,264)
Intermediate Sources	9,278	0	9,278
Intergovernmental - State	14,129,292	13,747,909	381,383
Intergovernmental - Federal	79,304	115,698	(36,394)
All Other Revenue	418,005	187,181	230,824
Total	\$27,256,600	\$26,787,038	\$469,562



## ***PIQUA CITY SCHOOL DISTRICT***

***Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2008***

***Unaudited***

General Fund revenues in 2008 increased less than 2% when compared to revenues in fiscal year 2007. Property taxes decreased due to a phase out of the tangible personal property tax. Reimbursements from the State related to the personal property tax phase out resulted in the increase in state grant revenues.

	2008 Expenditures	2007 Expenditures	Increase (Decrease)
Instruction	\$15,705,154	\$16,091,628	(\$386,474)
Supporting Services:			
Pupils	1,459,326	1,392,158	67,168
Instructional Staff	1,928,671	1,908,726	19,945
Board of Education	20,339	23,042	(2,703)
Administration	2,225,680	2,348,426	(122,746)
Fiscal Services	404,047	375,270	28,777
Business	54,748	100,888	(46,140)
Operation & Maintenance of Plant	2,813,312	2,948,950	(135,638)
Pupil Transportation	1,365,370	1,326,053	39,317
Central	190,672	161,425	29,247
Extracurricular Activities	318,807	304,694	14,113
Principal Retirement	117,636	109,456	8,180
Interest and Fiscal Charges	17,155	25,867	(8,712)
Total	\$26,620,917	\$27,116,583	(\$495,666)

Expenditures decreased \$495,666 or about 2% from the prior year. Textbook purchases in 2007 not repeated in 2008 resulted in the decrease in instruction. The decrease in operation and maintenance of plant can be attributed to decreases in salaries and fuel costs.

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

During the course of fiscal year 2008 the District amended its General Fund budget several times, none significant.

For the General Fund, actual budget basis revenue of \$27.0 million was not significantly different from the original or final budget. Budget basis expenditures were lower than final budgeted amounts due primarily to decreases in costs for staff, transportation and extracurricular activities. The General Fund had an adequate fund balance to cover expenditures.

## PIQUA CITY SCHOOL DISTRICT

*Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2008*

*Unaudited*

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### *Capital Assets*

At the end of fiscal year 2008 the School District had \$26,768,383 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, equipment and vehicles. Of this total, \$26,425,412 was related to governmental activities and \$342,971 to the business-type activities. The following table shows fiscal year 2008 and 2007 balances:

	Governmental Activities		Increase (Decrease)
	2008	2007	
Land	\$323,722	\$323,722	\$0
Construction in Progress	92,008	90,727	1,281
Land Improvements	2,226,185	2,195,566	30,619
Buildings and Improvements	31,352,739	31,338,447	14,292
Machinery and Equipment	4,812,674	5,228,713	(416,039)
Vehicles	2,030,268	2,030,268	0
Less: Accumulated Depreciation	(14,412,184)	(13,990,671)	(421,513)
Totals	\$26,425,412	\$27,216,772	(\$791,360)

	Business-Type Activities		Increase (Decrease)
	2008	2007	
Machinery and Equipment	\$913,736	\$907,440	\$6,296
Less: Accumulated Depreciation	(570,765)	(541,387)	(29,378)
Totals	\$342,971	\$366,053	(\$23,082)

The disposal of computers contributed to the decrease in machinery and equipment in governmental activities. Additional information on the District's capital assets can be found in Note 7.

# **PIQUA CITY SCHOOL DISTRICT**

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**Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2008**

**Unaudited**

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## **Debt**

At June 30, 2008, the School District had \$9.3 million in bonds outstanding, \$270,141 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2008:

	<u>2008</u>	<u>2007</u>
Governmental Activities:		
General Obligation Bond:		
School Improvement	\$985,565	\$1,395,650
School Improvement Refunding	8,305,208	8,323,878
Capital Leases Payable	163,075	280,711
Compensated Absences	2,292,052	2,386,866
Total Governmental Activities	<u>11,745,900</u>	<u>12,387,105</u>
Business-Type Activities:		
Compensated Absences	81,365	71,750
Totals	<u>\$11,827,265</u>	<u>\$12,458,855</u>

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2008, the School District's overall legal debt margin was below the legal limit. Additional information on the District's long-term debt can be found in Note 11.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Like most public school districts in Ohio, the Piqua City School District relies on its property and income taxes and state aide to provide the funds necessary to maintain its educational programs. In recent years residential growth in Piqua has been moderate, the economy of the community has been impacted by the closure of several key industries and the school district income tax has been effected by a stagnate economy. As a result, the school district has been forced to reduce costs and generate additional income. As the District headed into the 2007-2008 school year, costs were reduced by a major staff reduction resulting in savings of 758,000 dollars along with 1.85 million dollars of cuts effective on June 11, 2008. Additional income was generated by passage, on the third attempt in March of 2008, of a .75% increase to our current .50% income tax levy. The Board of Education's willingness to confront difficult decisions regarding the instructional programs and staffing coupled with the community's willingness to provide additional funding has resulted in the stabilization of the district's financial condition. In order to maintain the District's commitment to a strong educational program, we asked our community to renew our expiring 5 year emergency levy on November 4, 2008. The approval of this levy renewal allows Piqua City Schools to maintain our Commitment to Excellence.

A challenge facing the District is the future of state funding. On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including a change in the school districts that are used as the basis for determining the base cost support amount and fully funding parity aid no later than the beginning of fiscal year 2004. In November 2001, the Court granted the state's motion for reconsideration but also ordered the parties to participate in a settlement conference with a court appointed mediator.

## ***PIQUA CITY SCHOOL DISTRICT***

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2008***

***Unaudited***

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On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. 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 decision 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..." As of the date of these financial statements, the District is unable to determine what effect, if any, the decision and the reconsideration will have on its future state funding and on its financial operations.

In conclusion, the Piqua City School District has committed itself to financial excellence for many years.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, 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 Jeffrey Price, Treasurer of Piqua City School District.

**PIQUA CITY SCHOOL DISTRICT**

**Statement of Net Assets**  
**June 30, 2008**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 8,813,351	\$ 692,372	\$ 9,505,723
Investments	2,876,835	0	2,876,835
Receivables:			
Taxes	15,195,689	0	15,195,689
Accounts	67,322	0	67,322
Intergovernmental	453,110	0	453,110
Interest	5,659	0	5,659
Internal Balance	(387,466)	387,466	0
Inventory of Supplies at Cost	23,197	22,773	45,970
Restricted Assets:			
Cash with Fiscal Agent	762	0	762
Unamortized Bond Issuance Cost	93,516	0	93,516
Non-Depreciable Capital Assets	415,730	0	415,730
Depreciable Capital Assets, Net	26,009,682	342,971	26,352,653
<b>Total Assets</b>	<u>53,567,387</u>	<u>1,445,582</u>	<u>55,012,969</u>
<b>Liabilities:</b>			
Accounts Payable	86,383	3,158	89,541
Accrued Wages and Benefits	2,457,949	76,442	2,534,391
Intergovernmental Payable	793,590	63,821	857,411
Matured Bonds and Interest Payable	762	0	762
Unearned Revenue	13,130,503	0	13,130,503
Compensated Absences Payable	317,995	0	317,995
Accrued Interest Payable	26,585	0	26,585
Long Term Liabilities:			
Due Within One Year	600,384	19,136	619,520
Due in More Than One Year	11,145,516	62,229	11,207,745
<b>Total Liabilities</b>	<u>28,559,667</u>	<u>224,786</u>	<u>28,784,453</u>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	17,911,256	342,971	18,254,227
Restricted For:			
Capital Projects	1,560,221	0	1,560,221
Debt Service	788,458	0	788,458
Other Purposes	416,859	0	416,859
Permanent Fund:			
Expendable	28,582	0	28,582
Nonexpendable	38,609	0	38,609
Unrestricted	4,263,735	877,825	5,141,560
<b>Total Net Assets</b>	<u>\$ 25,007,720</u>	<u>\$ 1,220,796</u>	<u>\$ 26,228,516</u>

See accompanying notes to the basic financial statements

## PIQUA CITY SCHOOL DISTRICT

### Statement of Activities For the Fiscal Year Ended June 30, 2008

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Instruction	\$ 19,105,320	\$ 286,554	\$ 2,057,234	\$ 0
Support Services:				
Pupils	1,549,456	1,151	114,985	0
Instructional Staff	2,085,124	0	138,258	0
Board of Education	20,339	0	0	0
Administration	2,361,191	0	41,124	0
Fiscal Services	401,055	0	0	0
Business	52,433	0	0	0
Operation and Maintenance of Plant	2,882,505	0	0	0
Pupil Transportation	1,442,206	37,531	0	22,757
Central	192,486	0	747	0
Operation of Non-Instructional Services	289,838	0	295,941	0
Extracurricular Activities	717,482	321,306	63,557	0
Interest and Fiscal Charges	607,378	0	0	0
<b>Total Governmental Activities</b>	31,706,813	646,542	2,711,846	22,757
<b>Business-Type Activities:</b>				
Food Service	1,682,680	679,999	1,112,561	0
<b>Total Business-Type Activities</b>	1,682,680	679,999	1,112,561	0
<b>Totals</b>	\$ 33,389,493	\$ 1,326,541	\$ 3,824,407	\$ 22,757

#### General Revenues

##### Taxes:

Property Taxes levied for: General Purposes

Property Taxes levied for: Debt Service

Property Taxes levied for: Capital Outlay

Income Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

**PIQUA CITY SCHOOL DISTRICT**

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Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (16,761,532)	\$ 0	\$ (16,761,532)
(1,433,320)	0	(1,433,320)
(1,946,866)	0	(1,946,866)
(20,339)	0	(20,339)
(2,320,067)	0	(2,320,067)
(401,055)	0	(401,055)
(52,433)	0	(52,433)
(2,882,505)	0	(2,882,505)
(1,381,918)	0	(1,381,918)
(191,739)	0	(191,739)
6,103	0	6,103
(332,619)	0	(332,619)
(607,378)	0	(607,378)
(28,325,668)	0	(28,325,668)
0	109,880	109,880
0	109,880	109,880
(28,325,668)	109,880	(28,215,788)
10,045,856	0	10,045,856
874,031	0	874,031
1,027,335	0	1,027,335
2,260,523	0	2,260,523
14,538,480	0	14,538,480
370,748	0	370,748
497,499	0	497,499
29,614,472	0	29,614,472
1,288,804	109,880	1,398,684
23,718,916	1,110,916	24,829,832
\$ 25,007,720	\$ 1,220,796	\$ 26,228,516

**PIQUA CITY SCHOOL DISTRICT**

**Balance Sheet  
Governmental Funds  
June 30, 2008**

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 922,579	\$ 734,492	\$ 1,398,725	\$ 859,881	\$ 3,915,677
Investments	2,876,835	0	0	0	2,876,835
Receivables:					
Taxes	12,744,871	1,171,624	1,279,194	0	15,195,689
Accounts	67,312	0	0	10	67,322
Intergovernmental	0	0	0	453,110	453,110
Interest	5,659	0	0	0	5,659
Inventory of Supplies at Cost	23,197	0	0	0	23,197
Restricted Assets:					
Cash with Fiscal Agent	0	762	0	0	762
<b>Total Assets</b>	<b>\$ 16,640,453</b>	<b>\$ 1,906,878</b>	<b>\$ 2,677,919</b>	<b>\$ 1,313,001</b>	<b>\$ 22,538,251</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 46,632	\$ 0	\$ 25,843	\$ 13,908	\$ 86,383
Accrued Wages and Benefits	2,278,765	0	0	179,184	2,457,949
Intergovernmental Payable	761,946	0	0	31,644	793,590
Matured Bonds and Interest Payable	0	762	0	0	762
Deferred Revenue - Taxes	11,400,258	1,126,449	1,227,693	0	13,754,400
Deferred Revenue	0	0	0	188,377	188,377
Compensated Absences Payable	317,995	0	0	0	317,995
<b>Total Liabilities</b>	<b>14,805,596</b>	<b>1,127,211</b>	<b>1,253,536</b>	<b>413,113</b>	<b>17,599,456</b>
<b>Fund Balance:</b>					
Reserved for Encumbrances	605,899	0	53,401	35,462	694,762
Reserved for Supplies Inventory	23,197	0	0	0	23,197
Reserved for Debt Service	0	739,740	0	0	739,740
Reserved for Property Taxes	452,386	39,927	45,598	0	537,911
Reserved for Endowments	0	0	0	65,791	65,791
Unreserved, Undesignated in:					
General Fund	753,375	0	0	0	753,375
Special Revenue Funds	0	0	0	705,088	705,088
Capital Projects Funds	0	0	1,325,384	93,547	1,418,931
<b>Total Fund Balance</b>	<b>1,834,857</b>	<b>779,667</b>	<b>1,424,383</b>	<b>899,888</b>	<b>4,938,795</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 16,640,453</b>	<b>\$ 1,906,878</b>	<b>\$ 2,677,919</b>	<b>\$ 1,313,001</b>	<b>\$ 22,538,251</b>

See accompanying notes to the basic financial statements



## *PIQUA CITY SCHOOL DISTRICT*

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### *Reconciliation Of Total Governmental Fund Balances To Net Assets Of Governmental Activities June 30, 2008*

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**Total Governmental Fund Balances** \$ 4,938,795

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

Capital Assets used in governmental activities are not  
resources and therefore are not reported in the funds. 26,425,412

Other long-term assets are not available to pay for current-  
period expenditures and therefore are deferred in the funds. 812,274

Internal service funds are used by management to charge  
the costs of insurance to individual funds. The assets  
and liabilities of the internal service funds are included in  
governmental activities in the statement of net assets. 4,510,208

Long-term liabilities, including bonds payable, are not due  
and payable in the current period and therefore are not  
reported in the funds.

General Obligation Bonds Payable	(8,817,928)	
Deferred Loss on Early Retirement of Debt	466,847	
Unamortized Bond Issuance Cost	93,516	
Interest Accretion on Capital Appreciation Bonds	(939,692)	
Capital Leases Payable	(163,075)	
Compensated Absences Payable	(2,292,052)	
Accrued Interest Payable	(26,585)	
	<u>(11,678,969)</u>	<u>(11,678,969)</u>

***Net Assets of Governmental Activities*** **\$ 25,007,720**

See accompanying notes to the basic financial statements

## PIQUA CITY SCHOOL DISTRICT

### Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2008

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Local Sources:					
Taxes	\$ 12,246,165	\$ 877,967	\$ 1,026,299	\$ 0	\$ 14,150,431
Tuition	7,460	0	0	0	7,460
Transportation Fees	37,531	0	0	0	37,531
Investment Earnings	186,225	9,073	10,846	8,830	214,974
Extracurricular Activities	0	0	0	457,060	457,060
Class Materials and Fees	143,340	0	0	0	143,340
Intermediate Sources	9,278	0	0	21,284	30,562
Intergovernmental - State	14,129,292	185,349	200,287	341,794	14,856,722
Intergovernmental - Federal	79,304	0	0	2,342,408	2,421,712
All Other Revenue	418,005	0	2,840	76,654	497,499
<b>Total Revenue</b>	<b>27,256,600</b>	<b>1,072,389</b>	<b>1,240,272</b>	<b>3,248,030</b>	<b>32,817,291</b>
<b>Expenditures:</b>					
Current:					
Instruction	15,705,154	0	252,118	2,289,773	18,247,045
Supporting Services:					
Pupils	1,459,326	0	0	114,730	1,574,056
Instructional Staff	1,928,671	0	0	146,616	2,075,287
Board of Education	20,339	0	0	0	20,339
Administration	2,225,680	0	9,720	39,043	2,274,443
Fiscal Services	404,047	0	0	0	404,047
Business	54,748	0	0	0	54,748
Operation and Maintenance of Plant	2,813,312	0	2,663	7,376	2,823,351
Pupil Transportation	1,365,370	0	0	4,059	1,369,429
Central	190,672	0	0	650	191,322
Operation of Non-Instructional Services	0	0	0	286,744	286,744
Extracurricular Activities	318,807	0	0	345,246	664,053
Capital Outlay	0	0	349,202	355	349,557
Debt Service:					
Principal Retirement	117,636	690,001	0	0	807,637
Interest and Fiscal Charges	17,155	320,767	0	0	337,922
<b>Total Expenditures</b>	<b>26,620,917</b>	<b>1,010,768</b>	<b>613,703</b>	<b>3,234,592</b>	<b>31,479,980</b>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	635,683	61,621	626,569	13,438	1,337,311
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	900	0	0	0	900
<b>Total Other Financing Sources (Uses)</b>	<b>900</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>900</b>
Net Change in Fund Balance	636,583	61,621	626,569	13,438	1,338,211
<b>Fund Balance at Beginning of Year</b>	<b>1,191,559</b>	<b>718,046</b>	<b>797,814</b>	<b>886,450</b>	<b>3,593,869</b>
Increase in Inventory Reserve	6,715	0	0	0	6,715
<b>Fund Balance End of Year</b>	<b>\$ 1,834,857</b>	<b>\$ 779,667</b>	<b>\$ 1,424,383</b>	<b>\$ 899,888</b>	<b>\$ 4,938,795</b>

See accompanying notes to the basic financial statements

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## *PIQUA CITY SCHOOL DISTRICT*

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***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***

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 1,338,211
<b><i>Amounts reported for governmental activities in the statement of activities are different because</i></b>	
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 depreciation exceeded capital outlays in the current period.	(775,311)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received.	(16,049)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	21,401
The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets. In addition, repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	537,889
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	292
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 the governmental funds.	25,446
The internal service funds are used by management to charge the costs of services to individual funds and is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.	156,925
<b><i>Change in Net Assets of Governmental Activities</i></b>	<u><u>\$ 1,288,804</u></u>

See accompanying notes to the basic financial statements

## *PIQUA CITY SCHOOL DISTRICT*

***Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2008***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 12,076,144	\$ 12,072,926	\$ 12,362,819	\$ 289,893
Tuition	7,502	7,500	9,496	1,996
Transportation Fees	55,015	55,000	36,921	(18,079)
Investment Earnings	125,033	125,000	79,033	(45,967)
Class Material and Fees	159,989	159,946	143,582	(16,364)
Intermediate Sources	0	0	9,278	9,278
Intergovernmental - State	14,088,754	14,085,000	14,129,292	44,292
Intergovernmental - Federal	60,016	60,000	63,557	3,557
All Other Revenues	123,533	123,500	219,472	95,972
Total Revenues	26,695,986	26,688,872	27,053,450	364,578
<b>Expenditures:</b>				
Current:				
Instructional Services:				
Regular	12,475,133	12,299,205	12,622,364	(323,159)
Special	2,429,749	3,650,854	3,427,411	223,443
Other	54,615	61,127	103,041	(41,914)
Support Services:				
Pupils	1,422,422	1,549,829	1,451,583	98,246
Instructional Staff	1,991,458	2,277,913	2,019,027	258,886
Board of Education	32,675	35,175	30,229	4,946
Administration	2,339,402	2,432,786	2,343,774	89,012
Fiscal Services	489,170	419,435	402,910	16,525
Business	112,370	89,745	62,175	27,570
Operation and Maintenance of Plant	3,210,022	3,047,598	3,015,880	31,718
Pupil Transportation	1,368,057	1,538,182	1,390,062	148,120
Central	125,586	242,421	205,043	37,378
Extracurricular Activities	325,528	473,928	318,303	155,625
Total Expenditures	26,376,187	28,118,198	27,391,802	726,396
Excess (Deficiency) of Revenues Over (Under) Expenditures	319,799	(1,429,326)	(338,352)	1,090,974

**PIQUA CITY SCHOOL DISTRICT**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Proceeds from the Sale of Capital Assets	2,280	0	900	900
Transfers In	21,000	0	0	0
Advances In	0	0	1,981	1,981
Refund of Prior Year's Expenditures	70,965	174,260	195,668	21,408
Refund of Prior Year's Receipts	0	0	(329)	(329)
Total Other Financing Sources (Uses):	<u>94,245</u>	<u>174,260</u>	<u>198,220</u>	<u>23,960</u>
Net Change in Fund Balance	414,044	(1,255,066)	(140,132)	1,114,934
Fund Balance at Beginning of Year	1,493,069	1,493,069	1,493,069	0
Prior Year Encumbrances	<u>1,656,969</u>	<u>1,656,969</u>	<u>1,656,969</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,564,082</u>	<u>\$ 1,894,972</u>	<u>\$ 3,009,906</u>	<u>\$ 1,114,934</u>

See accompanying notes to the basic financial statements

**PIQUA CITY SCHOOL DISTRICT**

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**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2008**

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	Business-Type Activities	Governmental Activities -
	Enterprise Fund - Food Service	Internal Service Funds
<b>Assets:</b>		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 692,372	\$ 4,897,674
Inventory of Supplies at Cost	22,773	0
<i>Total Current Assets</i>	715,145	4,897,674
<i>Non Current Assets:</i>		
Capital Assets, Net	342,971	0
<b>Total Assets</b>	1,058,116	4,897,674
<b>Liabilities:</b>		
<i>Current Liabilities:</i>		
Accounts Payable	3,158	0
Accrued Wages and Benefits	76,442	0
Intergovernmental Payable	63,821	0
Compensated Absences - Current	19,136	0
<i>Total Current Liabilities</i>	162,557	0
<i>Long Term Liabilities:</i>		
Compensated Absences Payable	62,229	0
<b>Total Liabilities</b>	224,786	0
<b>Net Assets:</b>		
Invested in Capital Assets	342,971	0
Unrestricted	490,359	4,897,674
<b>Total Net Assets</b>	\$ 833,330	\$ 4,897,674
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	387,466	
Net Assets of Business-type Activities	\$ 1,220,796	

See accompanying notes to the basic financial statements

**PIQUA CITY SCHOOL DISTRICT**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2008**

	Business-Type Activities	Governmental Activities -
	Enterprise Fund - Food Service	Internal Service Funds
<b>Operating Revenues:</b>		
Sales	\$ 672,608	\$ 0
<b>Total Operating Revenues</b>	672,608	0
<b>Operating Expenses:</b>		
Salaries and Wages	609,859	0
Fringe Benefits	232,171	0
Contractual Services	29,202	0
Supplies and Materials	782,070	0
Depreciation	29,378	0
<b>Total Operating Expenses</b>	1,682,680	0
Operating Loss	(1,010,072)	0
<b>Nonoperating Revenue (Expenses):</b>		
Operating Grants	1,112,561	0
Investment Earnings	7,391	156,925
<b>Total Nonoperating Revenues (Expenses)</b>	1,119,952	156,925
<b>Change in Net Assets</b>	109,880	156,925
Net Assets Beginning of Year	723,450	4,740,749
Net Assets End of Year	\$ 833,330	\$ 4,897,674
Change in Net Assets - Total Enterprise Funds	109,880	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	0	
Change in Net Assets - Total Business-type Activities	\$ 109,880	

See accompanying notes to the basic financial statements

**PIQUA CITY SCHOOL DISTRICT**

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2008**

	<u>Business-Type</u> <u>Activities</u>	<u>Governmental</u> <u>Activities</u>
	Enterprise Funds	Internal Service
	<u>Food Service</u>	<u>Service</u>
<u>Cash Flows from Operating Activities:</u>		
Cash Received from Customers	\$672,703	\$0
Cash Payments for Goods and Services	(647,876)	0
Cash Payments to Employees for Services and Benefits	(873,171)	0
Net Cash Used by Operating Activities	<u>(848,344)</u>	<u>0</u>
<u>Cash Flows from Noncapital Financing Activities:</u>		
Operating Grants Received	949,713	0
Net Cash Provided by Noncapital Financing Activities	<u>949,713</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Acquisition of Equipment	(6,296)	0
Net Cash Used by Capital and Related Financing Activities	<u>(6,296)</u>	<u>0</u>
<u>Cash Flows from Investing Activities:</u>		
Receipts of Interest	7,391	156,925
Net Cash Provided by Investing Activities	<u>7,391</u>	<u>156,925</u>
Net Increase in Cash and Cash Equivalents	102,464	156,925
Cash and Cash Equivalents at Beginning of Year	589,908	4,740,749
Cash and Cash Equivalents at End of Year	<u>\$692,372</u>	<u>\$4,897,674</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>    Provided (Used) by Operating Activities:</u>		
Operating Income (Loss)	(\$1,010,072)	\$0
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	29,378	0
Donated Commodities Used During the Year	162,848	0
Changes in Assets and Liabilities:		
Decrease in Accounts Receivable	95	0
Increase in Inventory	(2,610)	0
Increase in Accounts Payable	3,158	0
Decrease in Accrued Wages and Benefits	(36,008)	0
Decrease in Intergovernmental Payables	(4,748)	0
Increase in Compensated Absences	9,615	0
Total Adjustments	<u>161,728</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$848,344)</u>	<u>\$0</u>

See accompanying notes to the basic financial statements



**PIQUA CITY SCHOOL DISTRICT**

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**Statement of Net Assets**  
**Fiduciary Funds**  
**June 30, 2008**

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	Private Purpose Trust	
	Special Trust Fund	Agency
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 322,790	\$ 38,713
Investments	91,864	0
<b>Total Assets</b>	<u>414,654</u>	<u>38,713</u>
<b>Liabilities:</b>		
Accounts Payable	20	0
Due to Students	0	38,713
<b>Total Liabilities</b>	<u>20</u>	<u>38,713</u>
<b>Net Assets:</b>		
Unrestricted	414,634	0
<b>Total Net Assets</b>	<u>\$ 414,634</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**PIQUA CITY SCHOOL DISTRICT**

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**Statement of Changes in Net Assets**  
**Fiduciary Fund**  
**For the Fiscal Year Ended June 30, 2008**

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	Private Purpose Trust
	Special Trust Fund
<b>Additions:</b>	
Contributions:	
Sales	\$          516
Private Donations	17,028
Total Contributions	<u>          17,544</u>
Investment Earnings:	
Interest	25,157
Net Decrease in the Fair Value of Investments	<u>        (267,020)</u>
Total Investment Earnings	<u>        (241,863)</u>
Total Additions	<u>        (224,319)</u>
<b>Deductions:</b>	
Administrative Expenses	1,990
Community Gifts, Awards and Scholarships	<u>         19,391</u>
Total Deductions	<u>          21,381</u>
Change in Net Assets	(245,700)
Net Assets at Beginning of Year	<u>         660,334</u>
Net Assets End of Year	<u><u>         \$  414,634</u></u>

See accompanying notes to the basic financial statements

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

Piqua City School District, Ohio (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by approximately 144 noncertified and approximately 227 certified teaching personnel and administrative employees providing education to 3,737 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing board and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on the District. There were no potential component units that met the criteria imposed by GASB Statement No. 14 to be included in the District's reporting entity. The District is a member of the Metropolitan Dayton Educational Cooperative Association, the Southwestern Ohio Educational Purchasing Council, the Southwestern Ohio Instructional Technology Association, the Upper Valley Joint Vocational School, and the Educational Regional Service System Region 10. All of the aforementioned entities are jointly governed organizations that provide various services to member school districts, see Note 15 "Jointly Governed Organizations." Sometimes a government may appoint the voting majority of board members for another entity without establishing a bond of financial accountability with that entity that would justify its inclusion as a component unit. Generally accepted accounting principles refer to entities that meet this description as related organizations. The Flesh Public Library was determined to be a related organization, see Note 16. Based on the foregoing, the reporting entity of the District includes the following services: instructional (regular, special education, vocational), student guidance, extracurricular activities, food service, pupil transportation and care and upkeep of grounds and buildings.

The accounting policies and financial reporting practices of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

#### **B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are grouped into the categories governmental, proprietary and fiduciary.

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **B. Basis of Presentation - Fund Accounting** (Continued)

***Governmental Funds*** - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

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

**Bond Retirement Fund** - This fund is used for the accumulation of resources for, and the payment of, long-term debt principal and interest.

**Permanent Improvement Fund** - The permanent improvement capital projects fund accounts for financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

***Proprietary Funds*** - The proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

**Enterprise Funds** - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises in which the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District's major enterprise fund is:

**Food Services Fund** - This fund accounts for the financial transactions related to the food service operations of the District.

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **B. Basis of Presentation - Fund Accounting** (Continued)

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District or to other governments on a cost-reimbursement basis. The Liability Self Insurance Fund accounts for the 10% risk premium applicable to the employee health and dental plans.

*Fiduciary Funds* – Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary category is split into two classifications: private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations or other governments and therefore not available to support the District's own programs. The District's only trust fund is a private purpose trust that accounts for scholarship programs, gifts and awards for specific students. State law permits the District to appropriate for purposes consistent with the endowment's intent, net appreciation, both realized and unrealized. The agency fund accounts for student managed activities, is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operation.

#### **C. Basis of Presentation – Financial Statements**

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. Other interfund services provided and used are not eliminated. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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 segment of the business-type activities of the District and 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 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, with certain limited exceptions. 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.

# ***PIQUA CITY SCHOOL DISTRICT***

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **C. Basis of Presentation – Financial Statements** (Continued)

**Fund Financial Statements** – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of 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 activities.

Private purpose trust funds are reported using the economic resources measurement focus.

#### **D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Under the modified accrual basis, the following revenue sources are considered susceptible to accrual at year end: property taxes, income taxes, tuition, grants and entitlements, student fees, and interest on investments.

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **D. Basis of Accounting (Continued)**

Current property taxes measurable at June 30, 2008, and which are not intended to finance fiscal year 2008 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2008 are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, proprietary funds and the fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The District has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

**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.

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

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **E. Budgetary Process**

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 basis of budgeting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only the General Fund is required to be reported. The primary level of budgetary control is at the fund level. Supplemental budgetary modifications may only be made by resolution of the Board of Education.

##### **1. Tax Budget**

By January 15, the Superintendent and Treasurer submit an annual operating budget for the following fiscal year to the Board of Education for consideration and passage. The adopted budget 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 fiscal year.

##### **2. Estimated Resources**

Prior to April 1, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement as final budget reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2008.



# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **E. Budgetary Process (Continued)**

##### **3. Appropriations**

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the fund level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations may be modified during the year. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual" are provided on the budgetary basis to provide a comparison of actual results to the final budget. All amendments and modifications are included in final budget amounts presented.

##### **4. Lapsing of Appropriations**

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

##### **5. Basis of Budgeting**

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures (budgetary basis) as opposed to reservations of fund balance (GAAP basis).

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **E. Budgetary Process (Continued)**

##### **5. Basis of Budgeting (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statement for the General Fund:

	Net Change in Fund Balance
	General Fund
GAAP Basis (as reported)	\$636,583
Increase (Decrease):	
Accrued Revenues at June 30, 2008, received during FY 2009	(1,564,095)
Accrued Revenues at June 30, 2007, received during FY 2008	1,535,187
Accrued Expenditures at June 30, 2008, paid during FY 2009	3,405,338
Accrued Expenditures at June 30, 2007, paid during FY 2008	(3,512,129)
Encumbrances Outstanding	(641,016)
Budget Basis	<u>(\$140,132)</u>

##### **F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits and investments with original maturities of less than three months.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 4, "Cash, Cash Equivalents and Investments."

# PIQUA CITY SCHOOL DISTRICT

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## *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008*

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value. See Note 4, "Cash, Cash Equivalents and Investments."

#### **H. Inventory**

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased.

#### **I. Capital Assets and Depreciation**

Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life threshold of five or more years.

##### **1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. The District does not possess any infrastructure. Estimated historical costs for governmental activities capital asset values were initially determined in 1993 by utilizing the services of Industrial Appraisal Company or by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

**PIQUA CITY SCHOOL DISTRICT**

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*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008*

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Capital Assets and Depreciation** (Continued)

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in years)</u>
Land Improvements	25
Building Improvements	25 - 75
Machinery, Equipment, Vehicles, Furniture and Fixtures	5 - 25

**J. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bond	Debt Service Fund
Capital Leases	General Fund
Compensated Absences	General Fund, Auxiliary Services Fund, Title I Fund, Food Services Fund

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **K. Compensated Absences**

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation benefits are accrued as a liability when an employee's right to receive compensation is attributable to services already rendered, and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Administrators and classified staff who work twelve month contracts are granted vacation leave based on length of service and position. Sick leave benefits are accrued as a liability using the vesting method. Employees may earn 15 days of sick leave per year up to a maximum of 270 days. Upon retirement, employees will receive twenty-five percent of the accumulated sick leave up to a maximum of 67.5 days. The employees are also eligible to receive payment for "earned days", one additional day of pay for each fiscal year the employee has perfect attendance. The payment for these "earned days" are in addition to the maximum of 67.5 days. Employees who retire at the end of the year in which they reach a total of thirty years with the state retirement system will receive a bonus equal to 23% of their base salary. The aforementioned severance is added to the bonus and paid over three years. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. In the government wide statement of net assets, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

##### **L. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists 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 adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes represents balances in special revenue funds which are restricted in use per grant agreement.

Of the District's \$2,832,729 in restricted net assets, none is restricted by enabling legislation.

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

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **M. Pensions**

The provision for pension cost is recorded when the related payroll is accrued and the obligation is incurred.

##### **N. Interfund Activity**

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

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

##### **O. Restricted Assets**

Restricted assets in the debt service fund represent cash and cash equivalents set aside for outstanding bonds and coupons not yet redeemed.

##### **P. Reservations of Fund Balance**

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for debt service, endowments, supplies, property taxes, and encumbered amounts which have not been accrued at year end. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles, but not available for appropriation under State statute.

##### **Q. Estimates**

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

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **R. Operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales for food service and interfund charges for the internal service funds. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### **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. The District had no extraordinary or special items during fiscal year 2008.

#### **NOTE 2 - ACCOUNTABILITY**

***Fund Deficits*** - The fund deficits at June 30, 2008 of \$344 in the Poverty Based Assistance Fund and \$10,039 in the Title II-A Fund (special revenue funds) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The deficits do not exist under the budgetary/cash basis of accounting. The General Fund provides transfers when cash is required, not when accruals occur.

## ***PIQUA CITY SCHOOL DISTRICT***

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### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008*

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#### **NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

*Amount by which depreciation exceeded capital outlay in the current period:*

Capital Outlay	\$146,392
Depreciation Expense	(921,703)
	<u>(\$775,311)</u>

*Amount of loss on disposal of capital assets net of proceeds received:*

Loss on Disposal of Capital Asset	(\$15,149)
Proceeds Received	(900)
	<u>(\$16,049)</u>

*Governmental revenues not reported in the funds:*

Increase in Delinquent Tax Revenue	\$57,314
Decrease in Grants Receivable	(35,913)
	<u>\$21,401</u>

*Net amount of long-term debt issuance and bond and lease principal payments:*

Bond Principal Payment	\$275,142
Capital Lease Payment	117,636
Deferred Loss on Early Retirement of Debt	(42,440)
Deferred Bond Issuance Cost	(8,502)
Bond Premium Amortization	50,943
Reduction in Accreted Interest	414,859
Interest Accretion on Capital Appreciation Bonds	(269,749)
	<u>\$537,889</u>

*Expenses not requiring the use of current financial resources:*

Decrease in Compensated Absences Payable	\$18,731
Increase in Supplies Inventory	6,715
	<u>\$25,446</u>



## ***PIQUA CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- 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;
- 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;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**PIQUA CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of District cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions. The District's policy is to deposit funds with banking institutions which collateralize public monies in accordance with the Ohio Revised Code.

At year end the carrying amount of the District's deposits was \$10,340,313 and the bank balance was \$10,097,464. Federal depository insurance covered \$130,065 of the bank balance and \$9,967,399 was collateralized by the financial institutions public entity deposit pools in the manner described above.

**B. Investments**

The District's investments at June 30, 2008 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Common Stocks	\$91,864	N/A	\$91,864	\$0	\$0
FNMA	352,609	AAA <sup>1,2</sup>	352,609	0	0
FHLB	1,197,985	AAA <sup>1,2</sup>	503,047	199,563	495,375
FHLMC	853,916	AAA <sup>1,2</sup>	452,908	0	401,008
Total Investments	<u>\$2,496,374</u>		<u>\$1,400,428</u>	<u>\$199,563</u>	<u>\$896,383</u>

a  
b

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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### **NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

#### **B. Investments (Continued)**

<sup>1</sup> Standard & Poor's

<sup>2</sup> Moody's Investor Service

<sup>a</sup> Call Option – January 2009 and semiannually thereafter

<sup>b</sup> Call Option – November 2008 and semiannually thereafter

*Interest Rate Risk* – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date.

*Investment Credit Risk* – The District has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

*Concentration of Credit Risk* – The District places no limit on the amount the District may invest in one issuer. Of the District's total investments, 14.1% are FNMA, 47.9% are FHLB, 34.3% are FHLMC and 3.7% is common stock.

*Custodial Credit Risk* – The District's balance of investments are held by the trust department of its banking institution in the District's name. The District has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

#### **C. Reconciliation of Cash, Cash Equivalents and Investments**

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$9,867,988	\$2,968,699
Certificates of Deposit (with maturities of more than 3 months)	<u>472,325</u>	<u>(472,325)</u>
Per GASB Statement No. 3	<u>\$10,340,313</u>	<u>\$2,496,374</u>

## ***PIQUA CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 5 - TAXES**

##### **A. Property Tax**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2008 were levied after April 1, 2007 on assessed values as of January 1, 2007, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last revaluation was completed in 2007. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. In prior years, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at 25 percent of its true value. As part of a phase out of the personal property tax, the assessment percentage for personal property was reduced to 6.25 percent in 2008. The rate will be reduced to zero in 2009. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30; with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Piqua City School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values for collection in 2008 were as follows:

	2007 Second Half Collections	2008 First Half Collections
Agricultural/Residential and Other Real Estate	\$374,683,270	\$406,911,920
Public Utility Personal	6,323,530	4,459,970
Tangible Personal Property	53,859,240	36,592,810
Total Assessed Value	<u>\$434,866,040</u>	<u>\$447,964,700</u>
Tax rate per \$1,000 of assessed valuation	\$45.25	\$44.50

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 5 – TAXES (Continued)**

##### **B. Income Tax**

The District levies a voted tax of 1/2 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1991 and is for a continuing period. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

#### **NOTE 6 – INTERFUND TRANSACTIONS**

On the Statement of Net Assets, the Business-Type Activities reported an internal balance at June 30, 2008 of \$387,466 which is offset in the Governmental Activities by the same amount.

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**PIQUA CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

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**NOTE 7 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at June 30, 2008:

**Historical Cost:**

Class	June 30, 2007	Additions	Deletions	June 30, 2008
<b>Capital assets not being depreciated:</b>				
Land	\$323,722	\$0	\$0	\$323,722
Construction in Progress	90,727	1,281	0	92,008
	<u>414,449</u>	<u>1,281</u>	<u>0</u>	<u>415,730</u>
<b>Capital assets being depreciated:</b>				
Land Improvements	2,195,566	30,619	0	2,226,185
Buildings and Improvements	31,338,447	14,292	0	31,352,739
Machinery and Equipment	5,228,713	100,200	(516,239)	4,812,674
Vehicles	2,030,268	0	0	2,030,268
Total Cost	<u>\$41,207,443</u>	<u>\$146,392</u>	<u>(\$516,239)</u>	<u>\$40,837,596</u>

**Accumulated Depreciation:**

Class	June 30, 2007	Additions	Deletions	June 30, 2008
Land Improvements	(\$239,931)	(\$45,388)	\$0	(\$285,319)
Buildings and Improvements	(8,867,953)	(470,833)	0	(9,338,786)
Machinery and Equipment	(3,615,211)	(290,711)	500,190	(3,405,732)
Vehicles	(1,267,576)	(114,771)	0	(1,382,347)
Total Depreciation	<u>(\$13,990,671)</u>	<u>(\$921,703) *</u>	<u>\$500,190</u>	<u>(\$14,412,184)</u>
<b>Net Value:</b>	<u>\$27,216,772</u>			<u>\$26,425,412</u>

\* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$654,790
Support Services:	
Pupils	165
Instructional Staff	806
Administration	74,301
Operations & Maintenance of Plant	38,901
Pupil Transportation	97,930
Auxiliary Services	1,381
Extracurricular Activities	53,429
Total Depreciation Expense	<u>\$921,703</u>

## **PIQUA CITY SCHOOL DISTRICT**

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

#### **NOTE 7 - CAPITAL ASSETS (Continued)**

##### **B. Business-Type Activities Capital Assets**

Summary by Category at June 30, 2008:

##### ***Historical Cost:***

<u>Class</u>	<u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2008</u>
Machinery and Equipment	\$907,440	\$6,296	\$0	\$913,736
Total Cost	<u>\$907,440</u>	<u>\$6,296</u>	<u>\$0</u>	<u>\$913,736</u>

##### ***Accumulated Depreciation:***

<u>Class</u>	<u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2008</u>
Machinery and Equipment	(\$541,387)	(\$29,378)	\$0	(\$570,765)
Total Depreciation	<u>(\$541,387)</u>	<u>(\$29,378)</u>	<u>\$0</u>	<u>(\$570,765)</u>
<b><i>Net Value:</i></b>	<u>\$366,053</u>			<u>\$342,971</u>

#### **NOTE 8 - RECEIVABLES**

Receivables at June 30, 2008 consisted of taxes, accounts, intergovernmental, and interest receivable.

#### **NOTE 9 - DEFINED BENEFIT PENSION PLANS**

All of the District's full-time employees participate in one of two separate retirement systems which are cost-sharing, multiple-employer defined benefit pension plans.

##### **A. School Employees Retirement System of Ohio**

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer 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. Interested parties may obtain a copy by making a written request to SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (800) 878-5853. It is also posted on SERS' website, [www.ohsers.org](http://www.ohsers.org), under Forms and Publications.

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

##### **A. School Employees Retirement System of Ohio (Continued)**

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 \$480,193, \$492,069 and \$434,146 respectively, which were equal to the required contributions for each year.

##### **B. State Teachers Retirement System**

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](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. 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.



## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

##### **B. State Teachers Retirement System (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 the fiscal year ended June 30, 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. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. 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 \$1,903,311, \$1,792,529, and \$1,676,131 respectively; which were equal to the required contributions for each year. Contributions to the DC and Combined Plans for fiscal year 2008 were \$26,659 made by the District and \$41,393 made by the plan members.

##### **C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2008, no employees or members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

## ***PIQUA CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 10 - POSTEMPLOYMENT BENEFITS**

##### **A. School Employee Retirement System**

Plan Description – The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System 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.

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 \$219,128, \$163,367, and \$151,508 respectively; which were equal to the required contributions for each year.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 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 \$34,599, \$33,461, and \$34,554 respectively; which were equal to the required contributions for each year.

**PIQUA CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)**

**B. State Teachers Retirement System**

Plan Description – The District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians’ fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) 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 \$146,409, \$137,887, and \$128,933 respectively; which were equal to the required contributions for each year.

**NOTE 11 - LONG-TERM DEBT AND OTHER OBLIGATIONS**

Detail of the changes in the bonds, compensated absences, and capital leases of the District for the year ended June 30, 2008 is as follows:

		Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008	Amount Due Within One Year
<b>Governmental Activities:</b>						
General Obligation Bonds:						
School Improvement	4.75-12.5%	\$467,711	\$0	(\$175,142)	\$292,569	\$155,141
School Improvement Refunding	3.00-4.2%	8,064,990	0	(100,000)	7,964,990	115,000
Bond Premium		611,312	0	(50,943)	560,369	0
Deferred Loss on Early Retirement		(509,287)	42,440	0	(466,847)	0
		8,634,726	42,440	(326,085)	8,351,081	270,141
Interest Accretion		1,084,802	269,749	(414,859)	939,692	0
Total General Obligation Bonds:		9,719,528	312,189	(740,944)	9,290,773	270,141
Capital Leases Payable		280,711	0	(117,636)	163,075	124,274
Compensated Absences		2,386,866	2,292,052	(2,386,866)	2,292,052	205,969
Total Governmental Activities		12,387,105	2,604,241	(3,245,446)	11,745,900	600,384
<b>Business-Type Activities:</b>						
Compensated Absences		71,750	81,365	(71,750)	81,365	19,136
Total Long-Term Debt and Other Obligations		\$12,458,855	\$2,685,606	(\$3,317,196)	\$11,827,265	\$619,520

## ***PIQUA CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 11 - LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)**

##### **A. Principal and Interest Requirements**

A summary of the District's future long-term debt funding requirements including principal and interest payments as of June 30, 2008, follows:

Years	General Obligation Bonds		
	Principal	Interest	Total
2009	\$270,141	\$751,864	\$1,022,005
2010	262,429	765,375	1,027,804
2011	710,000	292,868	1,002,868
2012	745,000	260,683	1,005,683
2013	775,000	226,873	1,001,873
2014-2018	3,094,989	1,955,206	5,050,195
2019-2021	2,400,000	133,910	2,533,910
Totals	<u>\$8,257,559</u>	<u>\$4,386,779</u>	<u>\$12,644,338</u>

##### **B. Defeased Debt**

In April 2005, the District defeased \$8,390,000 of General Obligation Bonds for School Building Improvements, dated November 15, 1997, through the issuance of \$8,389,990 of General Obligation Bonds. The net proceeds of the 2005 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$8,390,000 at June 30, 2008, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 12 - CAPITAL LEASE COMMITMENTS**

The District is obligated under several leases accounted for as capital leases. The cost of the leased assets (Machinery and Equipment - copiers) is accounted for in the Governmental Activities Capital Assets and the related liability in the Governmental Activities Other Long-Term Obligations. The original cost of the assets under capital lease was \$538,893.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2008:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2009	\$132,119
2010	40,977
Minimum Lease Payments	173,096
Less: Amount representing interest at the District's incremental borrowing rate of interest	(10,021)
Present value of minimum lease payments	<u>\$163,075</u>

#### **NOTE 13 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

The District participates in the Ohio School Risk Sharing Authority (the Plan), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a nine member board consisting of superintendents, treasurers and business managers.

The Frank Gates Service Company is responsible for processing claims. Willis Pooling serves as the Plan's administrator, sales representative, and marketing representative which establishes agreements between the Plan and its members. Financial information can be obtained from Willis Pooling, 655 Metro Place South, Suite 900, Dublin, Ohio 43017.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

**PIQUA CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

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**NOTE 13 - RISK MANAGEMENT (Continued)**

Workers' compensation claims are covered through the District's participation in the State of Ohio's program. The District pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

The District established the Self Insurance Fund during fiscal year 1997 to account for the proceeds of the contingent premium program administered by Anthem Blue Cross and Blue Shield. The program allows the District to limit the risk of loss to a pre-determined level while benefiting from cash flow advantages and sharing in gains for positive claims experience. Under the contingent premium program, the District remits to Anthem a reduced insurance premium, 90% of the normal fully insured premium, during the twelve month rating period. The District deposits the difference between the contingent premium and the risk premium, 110% of the normal fully insured premium, into the Self Insurance Fund. The risk premium is the maximum liability rate established at the beginning of the contract year. Incurred claims and administrative expenses are calculated at the end of every twelve month period. If the total expenses for the year are equal to or below the amount paid in the contingent premium, no additional payment is due. If total expenses exceed the contingent premium, the District must pay the excess, but only up to the risk premium. Settlement has not yet occurred for fiscal year end 2008, but the maximum amount of additional premium that may be levied against the District is \$741,809.

**NOTE 14 – STATUTORY RESERVES**

As stated in House Bill 412 and revised in House Bill 345, school districts are required to maintain two reserves; one for capital acquisition and maintenance and one for textbooks and other instructional materials. A reserve represents resources whose use is limited because of contractual or statutory restrictions.

The following demonstrates the District's compliance with set-aside requirements in House Bill 412:

	Textbook Reserve	Capital Acquisition Reserve
Set-aside Cash Balance as of June 30, 2007	(\$162,838)	\$0
Current Year Set-Aside Requirement	543,841	543,841
Current Year Offset Credits	0	(1,026,911)
Qualifying Disbursements	(384,601)	(217,032)
Total	(\$3,598)	(\$700,102)
Set-aside Cash Balance		
Carried Forward to FY 2009	(\$3,598)	\$0

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 14 – STATUTORY RESERVES (Continued)**

Although the District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero, the extra amount for capital acquisition may not be used to reduce the set-aside requirements of future years. Negative amounts for capital acquisition are therefore not presented as being carried forward to the next fiscal year.

#### **NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS**

##### **A. Metropolitan Dayton Educational Cooperative Association**

The Metropolitan Dayton Educational Cooperative Association (MDECA) is a not-for-profit computer service organization, whose primary function is to provide information technology services to its member school districts with some emphasis being placed on accounting, payroll, personnel records and inventory control services. Other areas of service provided by MDECA include student scheduling, attendance reporting, grade reporting, internet services and curriculum technology support.

The MDECA is one of twenty-three regional service organizations serving over 600 public school districts in the State of Ohio that make up the Ohio Educational Computer Network (OECN). These service organizations are known as “Data Acquisition Sites.” The OECN is a collective group of Data Acquisition Sites, authorized pursuant to Section 3301.075 of the Revised Code, and their member school districts. Such sites, in conjunction with the Ohio Department of Education, comprise a statewide delivery system to provide comprehensive, cost-effective accounting and other administrative and instructional computer services for participating Ohio school districts. Funding for this network and for the MDECA is derived from the State of Ohio and from user fees.

There are currently twenty-seven consortium members (member school districts) in the Ohio counties of Darke, Greene, Miami and Montgomery. These consortium members are comprised of public school districts and educational service centers and are voting members of the MDECA.

The laws governing the Ohio Educational Computer Network require that a board of education serve as a fiscal agent for Data Acquisition Sites receiving state funds. Specifically, Revised Code Section 3301.075 requires MDECA to conform to Revised Code Section 3313.92 in order for the MDECA to receive Ohio Educational Computer Network funds from the State Department of Education. Agreements entered into pursuant to Revised Code Section 3313.92 must be approved by the State Superintendent of Public Instruction, who has interpreted this Revised Code Section to require a board of education to serve as a fiscal agent for a Data Acquisition Site receiving funds from the Ohio Education Computer Network.

## ***PIQUA CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS (Continued)**

##### **A. Metropolitan Dayton Educational Cooperative Association (Continued)**

For this reason, the Montgomery Education Service Center serves as the fiscal agent for the MDECA and performs certain functions that might otherwise be performed by the MDECA Board of Directors in order to ensure receipt of funds from the Ohio Educational Computer Network. Essentially, these functions are to apply for and maintain the Data Acquisition Site permit for the central data processing equipment and to hold legal title to the central data processing equipment. During fiscal year 2008, the Piqua City School District paid \$152,850 to MDECA. The MDECA's office is located in Dayton, Ohio, 225 Linwood Drive, 45405.

##### **B. Southwestern Ohio Educational Purchasing Council**

The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing cooperative made up of nearly 100 school districts in 12 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges or other assessments as established by the SOEPC.

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to the SOEPC are made from the General Fund. During fiscal year 2008, the Piqua City School District paid \$5,959 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Cooperative, Robert Brown, Director, 1831 Harshman Road, Dayton, Ohio 45424.

##### **C. Southwestern Ohio Instructional Technology Association**

The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation formed under Section 1702.01 of the Ohio Revised Code. The purpose of this corporation is to serve the educational needs of the area through television programming for the advancement of educational programs.

The Board of Trustees is comprised of twenty-one representatives of SOITA member schools or institutions. Nineteen representatives are elected from within the counties, i.e. Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby and Warren. Montgomery, Greene and Butler Counties shall elect two representatives per area. All superintendents except for those from educational service centers vote on the representatives after the remaining committee nominates run. One at-large non-public representative shall be elected by the non-public school SOITA members as the State assigned SOITA service area. One at-large higher educational representative shall be elected by higher education SOITA members from within the State assigned SOITA service area.



## ***PIQUA CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS (Continued)**

##### **C. Southwestern Ohio Instructional Technology Association (Continued)**

All member districts are obligated to pay fees, charges or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the General Fund. During fiscal year 2008, the Piqua City School District paid \$2,639 to the SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Steve Strouse, Director, 150 East Sixth Street, Franklin, Ohio 45005.

##### **D. Upper Valley Joint Vocational School**

The Upper Valley Joint Vocational School (JVS) is a distinct political subdivision of the State of Ohio which provides vocational education. The JVS operates under the direction of a Board consisting of one representative from each participating School District's elected board. The Board possesses its own budgeting and taxing authority. The degree of control exercised by the District is limited to its representation on the Board. Financial information can be obtained from William Stump, who serves as Treasurer, 8811 Career Drive, Piqua, Ohio 45356.

##### **E. Educational Regional Service System Region 10**

The School District participates in the Educational Regional Service System (ERSS) Region 10, a jointly governed organization consisting of educational entities within Clark, Darke, Greene, Miami, Montgomery, and Preble counties. The purpose of the ERSS is to provide support services to school districts, community schools, and chartered nonpublic schools within the region by supporting State and school initiatives and efforts to improve school effectiveness and student achievement with a specific reference to the provision of special education and related services. The ERSS is governed by an advisory council, which is the policymaking body for the educational entities within the region, who identifies regional needs and priorities for educational services and develops corresponding policies to coordinate the delivery of services. They are also charged with the responsibility of monitoring the implementation of State and regional initiatives and school improvement efforts. The Advisory Council is made up of the director of the ERSS, the superintendent of each educational service center within the region, the superintendent of the region's largest and smallest school district, the director and an employee from each education technology center, one representative of a four-year institution of higher education and appointed by the Ohio Board of Regents, one representative of a two-year institution of higher education and appointed by the Ohio Association of Community Colleges, three board of education members (one each from a city, exempted village, and local school district within the region), and one business representative. The degree of control exercised by any participating educational entity is limited to its representation on the Advisory Council. Financial information can be obtained from the Montgomery County Educational Service Center, 200 South Keowee Street, Dayton, Ohio, 45402.

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008***

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#### **NOTE 16 – RELATED ORGANIZATION**

The Flesh Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Piqua City School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Flesh Public Library, William H. Stump, Clerk/Treasurer, 124 W. Greene Street, Piqua, Ohio 45356.

#### **NOTE 17 - CONTINGENCIES**

##### **A. Grants**

The District receives 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 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 general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2008.

##### **B. Litigation**

The District is not a party to any legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2008.

#### **NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLE**

The District implemented GASB Statement No. 45 “*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*” and GASB Statement No. 50, “*Pension Disclosures*”.

Statement No. 45 establishes standards of accounting and financial reporting for Other Postemployment Benefits (OPEB), note disclosures and required supplementary information. The application of this new standard did not have an effect on the financial statements, nor did implementation require a restatement of prior year balances.

GASB Statement No. 50 requires employers contributing to defined pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any changes to the financial statements.

*PIQUA CITY SCHOOL DISTRICT*

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*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE  
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS*



# *PIQUA CITY SCHOOL DISTRICT*

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## *Nonmajor Governmental Funds*

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### *Special Revenue Funds*

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Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to private purpose trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**Public School Support Fund**

To account for specific local revenue sources, other than taxes that are restricted to expenditures for specified purposes, curricular and extracurricular, approved by board resolutions.

**Other Grant Fund**

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**

To account for student activity programs which have student participation in the activity without involvement in the management of the program. Typically this includes athletic programs, band, cheerleaders and other similar activities.

**Auxiliary Services Fund**

To account for monies which provide services and materials to pupils attending non-public schools within the District.

**Management Information System Fund**

To account for costs related to hardware and software development or other costs associated with the requirements of the management information system.

**SchoolNet Professional Development Fund**

To account for funds from a State grant to provide professional development for staff in technology.

**OhioReads Fund**

To account for grant monies to be used for improving reading outcomes, especially on the fourth grade reading proficiency test and for operating expenditures associated with administering the program. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

(Continued)

# *PIQUA CITY SCHOOL DISTRICT*

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## *Special Revenue Funds*

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### **School Conflict Management Grant Fund**

To account for monies received to provide programs in the junior high schools dealing with conflict resolution.

### **Individual Academic and Career Plan Fund**

To account for state grant monies received to assist students with academic and career planning decisions.

### **IDEA-B Fund**

To account for monies received through grants to assist in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

### **Title I Fund**

To account for financial assistance received from federal program to meet the special needs of educationally deprived children.

### **Title V Fund**

To account for federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service training and staff development.

### **Title IV-A Fund**

To account for grant funds to be used for drug abuse prevention, early intervention, rehabilitation referral and education.

### **Poverty Based Assistance Fund**

To account for disadvantaged pupil aid.

### **2004 One Net Fund**

To account for grant monies to help implement internet technologies into the teaching and learning process (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

### **Title II-A Fund**

To account for federal revenues which support class reduction in grades 1-3 through employment of teachers in fiscal year 2002.

### **Miscellaneous Federal Grant Fund**

To account for federal revenues which support class reduction in grades 1-3 through employment of teachers in fiscal year 2004.

(Continued)

# *PIQUA CITY SCHOOL DISTRICT*

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## *Capital Projects Funds*

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The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

### **Replacement Fund**

To account for monies used in the rebuilding, restoration or improvement of property which has been totally or partially destroyed due to any cause.

### **SchoolNet Plus Fund**

To account for monies received from state grant to provide computer workstations for all classrooms, grades K-4. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

## *Permanent Fund*

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The Permanent Fund is used to account for the financial resources that are legally restricted in that only the earnings, not the principal, may be used to support the District's programs.

### **Permanent Fund**

To account for monies, securities or lands which have been set aside as an investment for public school purposes. The income from this fund is used for purposes as designated by the donor.

**PIQUA CITY SCHOOL DISTRICT**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 699,143	\$ 93,547	\$ 67,191	\$ 859,881
Receivables:				
Accounts	10	0	0	10
Intergovernmental	453,110	0	0	453,110
<b>Total Assets</b>	<b>\$ 1,152,263</b>	<b>\$ 93,547</b>	<b>\$ 67,191</b>	<b>\$ 1,313,001</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 13,908	\$ 0	\$ 0	\$ 13,908
Accrued Wages and Benefits	179,184	0	0	179,184
Intergovernmental Payable	31,644	0	0	31,644
Deferred Revenue	188,377	0	0	188,377
<b>Total Liabilities</b>	<b>413,113</b>	<b>0</b>	<b>0</b>	<b>413,113</b>
<b>Fund Balance:</b>				
Reserved for Encumbrances	34,062	0	1,400	35,462
Reserved for Endowments	0	0	65,791	65,791
Unreserved, Undesignated in:				
Special Revenue Funds	705,088	0	0	705,088
Capital Projects Funds	0	93,547	0	93,547
<b>Total Fund Balance</b>	<b>739,150</b>	<b>93,547</b>	<b>67,191</b>	<b>899,888</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,152,263</b>	<b>\$ 93,547</b>	<b>\$ 67,191</b>	<b>\$ 1,313,001</b>



**PIQUA CITY SCHOOL DISTRICT**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues:</b>				
Local Sources:				
Investment Earnings	\$ 6,507	\$ 1,172	\$ 1,151	\$ 8,830
Extracurricular Activities	457,060	0	0	457,060
Intermediate Sources	21,284	0	0	21,284
Intergovernmental - State	341,794	0	0	341,794
Intergovernmental - Federal	2,342,408	0	0	2,342,408
All Other Revenue	75,967	0	687	76,654
<b>Total Revenue</b>	<u>3,245,020</u>	<u>1,172</u>	<u>1,838</u>	<u>3,248,030</u>
<b>Expenditures:</b>				
Current:				
Instruction	2,284,193	5,580	0	2,289,773
Supporting Services:				
Pupils	112,730	0	2,000	114,730
Instructional Staff	146,616	0	0	146,616
Administration	39,043	0	0	39,043
Operation and Maintenance of Plant	7,376	0	0	7,376
Pupil Transportation	4,059	0	0	4,059
Central	650	0	0	650
Operation of Non-Instructional Services	286,744	0	0	286,744
Extracurricular Activities	345,246	0	0	345,246
Capital Outlay	355	0	0	355
<b>Total Expenditures</b>	<u>3,227,012</u>	<u>5,580</u>	<u>2,000</u>	<u>3,234,592</u>
Net Change in Fund Balance	18,008	(4,408)	(162)	13,438
<b>Fund Balance at Beginning of Year</b>	<u>721,142</u>	<u>97,955</u>	<u>67,353</u>	<u>886,450</u>
<b>Fund Balance End of Year</b>	<u>\$ 739,150</u>	<u>\$ 93,547</u>	<u>\$ 67,191</u>	<u>\$ 899,888</u>

**PIQUA CITY SCHOOL DISTRICT**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2008**

	Public School Support	Other Grant	District Managed Activity	Auxiliary Services	Management Information System
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 119,804	\$ 10,840	\$ 332,286	\$ 32,402	\$ 86,491
Receivables:					
Accounts	0	0	10	0	0
Intergovernmental	0	0	0	0	0
<b>Total Assets</b>	<u>\$ 119,804</u>	<u>\$ 10,840</u>	<u>\$ 332,296</u>	<u>\$ 32,402</u>	<u>\$ 86,491</u>
<b>Liabilities:</b>					
Accounts Payable	\$ 1,109	\$ 633	\$ 7,088	\$ 4,888	\$ 0
Accrued Wages and Benefits	0	0	0	2,038	0
Intergovernmental Payable	0	0	0	1,311	0
Deferred Revenue	0	0	0	0	0
<b>Total Liabilities</b>	<u>1,109</u>	<u>633</u>	<u>7,088</u>	<u>8,237</u>	<u>0</u>
<b>Fund Balance:</b>					
Reserved for Encumbrances	6,129	623	10,786	2,507	111
Unreserved, Undesignated in:					
Special Revenue Funds (Deficit)	112,566	9,584	314,422	21,658	86,380
<b>Total Fund Balance (Deficit)</b>	<u>118,695</u>	<u>10,207</u>	<u>325,208</u>	<u>24,165</u>	<u>86,491</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 119,804</u>	<u>\$ 10,840</u>	<u>\$ 332,296</u>	<u>\$ 32,402</u>	<u>\$ 86,491</u>

**PIQUA CITY SCHOOL DISTRICT**

Schoolnet Professional Development	School Conflict Management Grant	Individual Academic and Career Plan	IDEA-B	Title I	Title V	Title IV-A
\$ 2,970	\$ 9,488	\$ 2,000	\$ 32,476	\$ 51,827	\$ 466	\$ 5,816
0	0	0	0	0	0	0
0	0	0	114,044	313,495	0	95
<u>\$ 2,970</u>	<u>\$ 9,488</u>	<u>\$ 2,000</u>	<u>\$ 146,520</u>	<u>\$ 365,322</u>	<u>\$ 466</u>	<u>\$ 5,911</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 190	\$ 0
0	0	0	29,990	114,978	0	0
0	64	0	6,458	18,349	0	0
0	0	0	2,044	186,333	0	0
<u>0</u>	<u>64</u>	<u>0</u>	<u>38,492</u>	<u>319,660</u>	<u>190</u>	<u>0</u>
0	0	0	0	3,268	241	0
<u>2,970</u>	<u>9,424</u>	<u>2,000</u>	<u>108,028</u>	<u>42,394</u>	<u>35</u>	<u>5,911</u>
<u>2,970</u>	<u>9,424</u>	<u>2,000</u>	<u>108,028</u>	<u>45,662</u>	<u>276</u>	<u>5,911</u>
<u>\$ 2,970</u>	<u>\$ 9,488</u>	<u>\$ 2,000</u>	<u>\$ 146,520</u>	<u>\$ 365,322</u>	<u>\$ 466</u>	<u>\$ 5,911</u>

(Continued)

**PIQUA CITY SCHOOL DISTRICT**

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2008**

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	Poverty Based Assistance	Title II-A	Miscellaneous Federal Grant	Total Nonmajor Special Revenue Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 0	\$ 1,781	\$ 10,496	\$ 699,143
Receivables:				
Accounts	0	0	0	10
Intergovernmental	0	25,476	0	453,110
<b>Total Assets</b>	<u>\$ 0</u>	<u>\$ 27,257</u>	<u>\$ 10,496</u>	<u>\$ 1,152,263</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 13,908
Accrued Wages and Benefits	0	32,178	0	179,184
Intergovernmental Payable	344	5,118	0	31,644
Deferred Revenue	0	0	0	188,377
<b>Total Liabilities</b>	<u>344</u>	<u>37,296</u>	<u>0</u>	<u>413,113</u>
<b>Fund Balance:</b>				
Reserved for Encumbrances	0	0	10,397	34,062
Unreserved, Undesignated in:				
Special Revenue Funds (Deficit)	(344)	(10,039)	99	705,088
<b>Total Fund Balance (Deficit)</b>	<u>(344)</u>	<u>(10,039)</u>	<u>10,496</u>	<u>739,150</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 0</u>	<u>\$ 27,257</u>	<u>\$ 10,496</u>	<u>\$ 1,152,263</u>



**PIQUA CITY SCHOOL DISTRICT**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008**

	<u>Public School Support</u>	<u>Other Grant</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>
<b>Revenues:</b>				
Local Sources:				
Investment Earnings	\$ 1,526	\$ 0	\$ 4,512	\$ 469
Extracurricular Activities	135,754	0	321,306	0
Intermediate Sources	0	21,284	0	0
Intergovernmental - State	0	0	0	197,442
Intergovernmental - Federal	0	0	0	0
All Other Revenue	25,691	706	49,570	0
<b>Total Revenue</b>	<u>162,971</u>	<u>21,990</u>	<u>375,388</u>	<u>197,911</u>
<b>Expenditures:</b>				
Current:				
Instruction	118,321	16,765	0	0
Supporting Services:				
Pupils	0	570	1,855	0
Instructional Staff	3,619	1,903	0	0
Administration	2,339	0	0	0
Operation and Maintenance of Plant	0	0	7,376	0
Pupil Transportation	2,373	954	732	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	229	0	187,256
Extracurricular Activities	0	500	344,746	0
Capital Outlay	0	0	355	0
<b>Total Expenditures</b>	<u>126,652</u>	<u>20,921</u>	<u>355,064</u>	<u>187,256</u>
Net Change in Fund Balance	36,319	1,069	20,324	10,655
<b>Fund Balance (Deficit) at Beginning of Year</b>	<u>82,376</u>	<u>9,138</u>	<u>304,884</u>	<u>13,510</u>
<b>Fund Balance (Deficit) End of Year</b>	<u>\$ 118,695</u>	<u>\$ 10,207</u>	<u>\$ 325,208</u>	<u>\$ 24,165</u>

**PIQUA CITY SCHOOL DISTRICT**

Management Information System	SchoolNet Professional Development	OhioReads	School Conflict Management Grant	Individual Academic and Career Plan	IDEA-B	Title I
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
11,901	2,970	2,296	37,271	2,000	0	0
0	0	0	0	0	1,061,564	975,583
0	0	0	0	0	0	0
<u>11,901</u>	<u>2,970</u>	<u>2,296</u>	<u>37,271</u>	<u>2,000</u>	<u>1,061,564</u>	<u>975,583</u>
0	0	1,220	29,690	0	802,519	923,825
0	0	0	0	0	80,260	30,045
0	0	694	9,388	0	92,780	18,340
9,704	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
650	0	0	0	0	0	0
0	0	47	0	0	74,748	22,967
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>10,354</u>	<u>0</u>	<u>1,961</u>	<u>39,078</u>	<u>0</u>	<u>1,050,307</u>	<u>995,177</u>
1,547	2,970	335	(1,807)	2,000	11,257	(19,594)
84,944	0	(335)	11,231	0	96,771	65,256
<u>\$ 86,491</u>	<u>\$ 2,970</u>	<u>\$ 0</u>	<u>\$ 9,424</u>	<u>\$ 2,000</u>	<u>\$ 108,028</u>	<u>\$ 45,662</u>

(Continued)

**PIQUA CITY SCHOOL DISTRICT**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008**

	<u>Title V</u>	<u>Title IV-A</u>	<u>Poverty Based Assistance</u>	<u>2004 One Net</u>
<b>Revenues:</b>				
Local Sources:				
Investment Earnings	\$ 0	\$ 0	\$ 0	\$ 0
Extracurricular Activities	0	0	0	0
Intermediate Sources	0	0	0	0
Intergovernmental - State	0	0	60,914	27,000
Intergovernmental - Federal	12,124	16,638	0	0
All Other Revenue	0	0	0	0
<b>Total Revenue</b>	<u>12,124</u>	<u>16,638</u>	<u>60,914</u>	<u>27,000</u>
<b>Expenditures:</b>				
Current:				
Instruction	12,299	13,900	60,090	0
Supporting Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	27,000
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	397	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<b>Total Expenditures</b>	<u>12,696</u>	<u>13,900</u>	<u>60,090</u>	<u>27,000</u>
Net Change in Fund Balance	(572)	2,738	824	0
<b>Fund Balance (Deficit) at Beginning of Year</b>	<u>848</u>	<u>3,173</u>	<u>(1,168)</u>	<u>0</u>
<b>Fund Balance (Deficit) End of Year</b>	<u>\$ 276</u>	<u>\$ 5,911</u>	<u>\$ (344)</u>	<u>\$ 0</u>



**PIQUA CITY SCHOOL DISTRICT**

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<u>Title II-A</u>	<u>Miscellaneous Federal Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 6,507
0	0	457,060
0	0	21,284
0	0	341,794
261,139	15,360	2,342,408
<u>0</u>	<u>0</u>	<u>75,967</u>
<u>261,139</u>	<u>15,360</u>	<u>3,245,020</u>
291,850	13,714	2,284,193
0	0	112,730
11,140	8,752	146,616
0	0	39,043
0	0	7,376
0	0	4,059
0	0	650
800	300	286,744
0	0	345,246
<u>0</u>	<u>0</u>	<u>355</u>
<u>303,790</u>	<u>22,766</u>	<u>3,227,012</u>
(42,651)	(7,406)	18,008
<u>32,612</u>	<u>17,902</u>	<u>721,142</u>
<u>\$ (10,039)</u>	<u>\$ 10,496</u>	<u>\$ 739,150</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2008***

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	<u>Replacement</u>	<u>SchoolNet Plus</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues:</b>			
Local Sources:			
Investment Earnings	\$ 1,172	\$ 0	\$ 1,172
<b>Total Revenue</b>	<u>1,172</u>	<u>0</u>	<u>1,172</u>
<b>Expenditures:</b>			
Current:			
Instruction	<u>0</u>	<u>5,580</u>	<u>5,580</u>
<b>Total Expenditures</b>	<u>0</u>	<u>5,580</u>	<u>5,580</u>
Net Change in Fund Balance	1,172	(5,580)	(4,408)
<b>Fund Balance at Beginning of Year</b>	<u>92,375</u>	<u>5,580</u>	<u>97,955</u>
<b>Fund Balance End of Year</b>	<u>\$ 93,547</u>	<u>\$ 0</u>	<u>\$ 93,547</u>

## PIQUA CITY SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds - General Fund  
For the Fiscal Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 12,076,144	\$ 12,072,926	\$ 12,362,819	\$ 289,893
Tuition	7,502	7,500	9,496	1,996
Transportation Fees	55,015	55,000	36,921	(18,079)
Investment Earnings	125,033	125,000	79,033	(45,967)
Class Material and Fees	159,989	159,946	143,582	(16,364)
Intermediate Sources	0	0	9,278	9,278
Intergovernmental - State	14,088,754	14,085,000	14,129,292	44,292
Intergovernmental - Federal	60,016	60,000	63,557	3,557
All Other Revenues	123,533	123,500	219,472	95,972
Total Revenues	<u>26,695,986</u>	<u>26,688,872</u>	<u>27,053,450</u>	<u>364,578</u>
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Salaries and Wages	8,481,850	8,929,125	9,114,065	(184,940)
Fringe Benefits	2,948,370	2,158,370	2,741,730	(583,360)
Purchased Services	512,499	389,084	391,186	(2,102)
Supplies and Materials	501,298	778,010	353,766	424,244
Other Expenditures	6,500	15,000	8,000	7,000
Capital Outlay	24,616	29,616	13,617	15,999
Total Regular	<u>12,475,133</u>	<u>12,299,205</u>	<u>12,622,364</u>	<u>(323,159)</u>
Special:				
Salaries and Wages	1,010,625	1,272,500	1,067,080	205,420
Fringe Benefits	429,660	429,660	436,086	(6,426)
Purchased Services	989,065	1,946,815	1,915,444	31,371
Supplies and Materials	399	1,879	6,537	(4,658)
Capital Outlay	0	0	2,264	(2,264)
Total Special	<u>2,429,749</u>	<u>3,650,854</u>	<u>3,427,411</u>	<u>223,443</u>

(Continued)

**PIQUA CITY SCHOOL DISTRICT**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds - General Fund  
For the Fiscal Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other:				
Salaries and Wages	25,000	11,387	33,151	(21,764)
Fringe Benefits	4,875	0	5,392	(5,392)
Purchased Services	5,000	5,000	0	5,000
Supplies and Materials	19,740	44,740	64,498	(19,758)
Total Other	<u>54,615</u>	<u>61,127</u>	<u>103,041</u>	<u>(41,914)</u>
Total Instructional Services	<u>14,959,497</u>	<u>16,011,186</u>	<u>16,152,816</u>	<u>(141,630)</u>
Support Services:				
Pupils:				
Salaries and Wages	1,063,475	1,180,125	1,076,283	103,842
Fringe Benefits	351,305	351,305	362,292	(10,987)
Purchased Services	4,975	10,500	10,124	376
Supplies and Materials	2,667	7,899	2,884	5,015
Total Pupils	<u>1,422,422</u>	<u>1,549,829</u>	<u>1,451,583</u>	<u>98,246</u>
Instructional Staff:				
Salaries and Wages	1,275,086	1,537,161	1,275,431	261,730
Fringe Benefits	642,654	642,654	677,122	(34,468)
Purchased Services	30,944	48,324	37,436	10,888
Supplies and Materials	39,649	47,274	28,549	18,725
Capital Outlay	3,125	2,500	489	2,011
Total Instructional Staff	<u>1,991,458</u>	<u>2,277,913</u>	<u>2,019,027</u>	<u>258,886</u>
Board of Education:				
Salaries and Wages	8,125	8,125	8,125	0
Fringe Benefits	1,600	1,600	1,686	(86)
Purchased Services	22,950	25,450	20,418	5,032
Total Board of Education	<u>32,675</u>	<u>35,175</u>	<u>30,229</u>	<u>4,946</u>

(Continued)

**PIQUA CITY SCHOOL DISTRICT**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds - General Fund  
For the Fiscal Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Administration:</b>				
Salaries and Wages	1,368,200	1,428,950	1,336,859	92,091
Fringe Benefits	505,815	493,224	511,690	(18,466)
Purchased Services	437,925	456,775	451,785	4,990
Supplies and Materials	11,507	22,382	18,025	4,357
Other Expenditures	8,875	25,500	24,955	545
Capital Outlay	7,080	5,955	460	5,495
Total Administration	<u>2,339,402</u>	<u>2,432,786</u>	<u>2,343,774</u>	<u>89,012</u>
<b>Fiscal Services:</b>				
Salaries and Wages	258,600	261,975	237,905	24,070
Fringe Benefits	104,460	104,460	108,626	(4,166)
Purchased Services	22,735	45,150	42,025	3,125
Supplies and Materials	0	6,000	5,460	540
Other Expenditures	103,375	1,850	8,894	(7,044)
Total Fiscal Services	<u>489,170</u>	<u>419,435</u>	<u>402,910</u>	<u>16,525</u>
<b>Business:</b>				
Salaries and Wages	75,700	53,075	39,627	13,448
Fringe Benefits	36,670	36,670	22,548	14,122
Total Business	<u>112,370</u>	<u>89,745</u>	<u>62,175</u>	<u>27,570</u>
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	1,254,525	1,163,525	1,131,929	31,596
Fringe Benefits	479,505	479,505	484,643	(5,138)
Purchased Services	1,297,839	1,226,415	1,208,268	18,147
Supplies and Materials	152,647	152,647	166,316	(13,669)
Capital Outlay	25,506	25,506	24,724	782
Total Operation and Maintenance Of Plant	<u>3,210,022</u>	<u>3,047,598</u>	<u>3,015,880</u>	<u>31,718</u>
<b>Pupil Transportation:</b>				
Salaries and Wages	788,250	940,125	740,977	199,148
Fringe Benefits	293,320	293,320	311,168	(17,848)
Purchased Services	65,144	83,394	80,714	2,680
Supplies and Materials	217,318	217,318	257,203	(39,885)
Other Expenditures	25	25	0	25
Capital Outlay	4,000	4,000	0	4,000
Total Pupil Transportation	<u>1,368,057</u>	<u>1,538,182</u>	<u>1,390,062</u>	<u>148,120</u>

(Continued)

**PIQUA CITY SCHOOL DISTRICT**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds - General Fund  
For the Fiscal Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Central:				
Salaries and Wages	67,450	106,550	69,615	36,935
Fringe Benefits	31,070	31,070	56,172	(25,102)
Purchased Services	27,066	104,801	79,256	25,545
Total Central	<u>125,586</u>	<u>242,421</u>	<u>205,043</u>	<u>37,378</u>
Total Support Services	<u>11,091,162</u>	<u>11,633,084</u>	<u>10,920,683</u>	<u>712,401</u>
Extracurricular Activities:				
Salaries and Wages	281,300	428,875	269,160	159,715
Fringe Benefits	41,630	41,630	47,682	(6,052)
Purchased Services	2,598	3,423	1,461	1,962
Total Extracurricular Activities	<u>325,528</u>	<u>473,928</u>	<u>318,303</u>	<u>155,625</u>
Total Expenditures	<u>26,376,187</u>	<u>28,118,198</u>	<u>27,391,802</u>	<u>726,396</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	319,799	(1,429,326)	(338,352)	1,090,974
<b>Other Financing Sources (Uses):</b>				
Proceeds from the Sale of Capital Assets	2,280	0	900	900
Transfers In	21,000	0	0	0
Advances In	0	0	1,981	1,981
Refund of Prior Year's Expenditures	70,965	174,260	195,668	21,408
Refund of Prior Year's Receipts	0	0	(329)	(329)
Total Other Financing Sources (Uses):	<u>94,245</u>	<u>174,260</u>	<u>198,220</u>	<u>23,960</u>
Net Change in Fund Balance	414,044	(1,255,066)	(140,132)	1,114,934
Fund Balance at Beginning of Year	1,493,069	1,493,069	1,493,069	0
Prior Year Encumbrances	1,656,969	1,656,969	1,656,969	0
Fund Balance at End of Year	<u>\$ 3,564,082</u>	<u>\$ 1,894,972</u>	<u>\$ 3,009,906</u>	<u>\$ 1,114,934</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds - Debt Service Fund  
For the Fiscal Year Ended June 30, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 1,138,200	\$ 1,143,582	\$ 5,382
Total Expenditures and Other Financing Uses	<u>1,015,142</u>	<u>1,010,768</u>	<u>4,374</u>
Net Change in Fund Balance	123,058	132,814	9,756
Fund Balance at Beginning of Year	<u>601,678</u>	<u>601,678</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 724,736</u></u>	<u><u>\$ 734,492</u></u>	<u><u>\$ 9,756</u></u>

## **PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds - Capital Projects Fund  
For the Fiscal Year Ended June 30, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 1,180,500	\$ 1,240,884	\$ 60,384
Total Expenditures and Other Financing Uses	979,529	710,924	268,605
Net Change in Fund Balance	200,971	529,960	328,989
Fund Balance at Beginning of Year	428,446	428,446	0
Prior Year Encumbrances	361,075	361,075	0
Fund Balance at End of Year	<u>\$ 990,492</u>	<u>\$ 1,319,481</u>	<u>\$ 328,989</u>



**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 180,928	\$ 174,493	\$ (6,435)
Total Expenditures and Other Financing Uses	<u>179,906</u>	<u>144,502</u>	<u>35,404</u>
Net Change in Fund Balance	1,022	29,991	28,969
Fund Balance at Beginning of Year	77,025	77,025	0
Prior Year Encumbrances	<u>5,812</u>	<u>5,812</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 83,859</u></u>	<u><u>\$ 112,828</u></u>	<u><u>\$ 28,969</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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	<b>OTHER GRANT FUND</b>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>                    </u>
Total Revenues and Other Financing Sources	\$ 22,536	\$ 21,990	\$ (546)
Total Expenditures and Other Financing Uses	<u>27,399</u>	<u>23,617</u>	<u>3,782</u>
Net Change in Fund Balance	(4,863)	(1,627)	3,236
Fund Balance at Beginning of Year	6,138	6,138	0
Prior Year Encumbrances	<u>5,074</u>	<u>5,074</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,349</u>	<u>\$ 9,585</u>	<u>\$ 3,236</u>

## **PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 559,118	\$ 380,146	\$ (178,972)
Total Expenditures and Other Financing Uses	<u>809,217</u>	<u>371,592</u>	<u>437,625</u>
Net Change in Fund Balance	(250,099)	8,554	258,653
Fund Balance at Beginning of Year	284,136	284,136	0
Prior Year Encumbrances	<u>24,238</u>	<u>24,238</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 58,275</u>	<u>\$ 316,928</u>	<u>\$ 258,653</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 209,784</u>	<u>\$ 197,979</u>	<u>\$ (11,805)</u>
Total Expenditures and Other Financing Uses	<u>237,766</u>	<u>209,109</u>	<u>28,657</u>
Net Change in Fund Balance	(27,982)	(11,130)	16,852
Fund Balance at Beginning of Year	86	86	0
Prior Year Encumbrances	<u>36,051</u>	<u>36,051</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 8,155</u></u>	<u><u>\$ 25,007</u></u>	<u><u>\$ 16,852</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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**MANAGEMENT INFORMATION SYSTEM FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 11,901	\$ 11,901	\$ 0
Total Expenditures and Other Financing Uses	84,944	10,465	74,479
Net Change in Fund Balance	(73,043)	1,436	74,479
Fund Balance at Beginning of Year	84,944	84,944	0
Fund Balance at End of Year	<u>\$ 11,901</u>	<u>\$ 86,380</u>	<u>\$ 74,479</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 2,970	\$ 2,970	\$ 0
Total Expenditures and Other Financing Uses	<u>2,970</u>	<u>0</u>	<u>2,970</u>
Net Change in Fund Balance	0	2,970	2,970
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 2,970</u></u>	<u><u>\$ 2,970</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 2,296	\$ 2,296	\$ 0
Total Expenditures and Other Financing Uses	<u>5,731</u>	<u>5,729</u>	<u>2</u>
Net Change in Fund Balance	(3,435)	(3,433)	2
Fund Balance at Beginning of Year	<u>3,433</u>	<u>3,433</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (2)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 2</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 37,271	\$ 37,271	\$ 0
Total Expenditures and Other Financing Uses	48,480	39,014	9,466
Net Change in Fund Balance	(11,209)	(1,743)	9,466
Fund Balance at Beginning of Year	11,231	11,231	0
Fund Balance at End of Year	<u>\$ 22</u>	<u>\$ 9,488</u>	<u>\$ 9,466</u>



**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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**INDIVIDUAL ACADEMIC AND CAREER PLAN FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 2,000	\$ 2,000	\$ 0
Total Expenditures and Other Financing Uses	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	2,000	2,000	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 2,000</u></u>	<u><u>\$ 2,000</u></u>	<u><u>\$ 0</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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	<b>IDEA-B FUND</b>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	\$ 1,286,207	\$ 1,110,017	\$ (176,190)
Total Expenditures and Other Financing Uses	<u>1,176,707</u>	<u>1,108,183</u>	<u>68,524</u>
Net Change in Fund Balance	109,500	1,834	(107,666)
Fund Balance at Beginning of Year	21,673	21,673	0
Prior Year Encumbrances	<u>8,969</u>	<u>8,969</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 140,142</u>	<u>\$ 32,476</u>	<u>\$ (107,666)</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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	TITLE I FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	\$ 1,264,490	\$ 955,237	\$ (309,253)
Total Expenditures and Other Financing Uses	<u>1,341,541</u>	<u>1,008,014</u>	<u>333,527</u>
Net Change in Fund Balance	(77,051)	(52,777)	24,274
Fund Balance at Beginning of Year	82,435	82,435	0
Prior Year Encumbrances	<u>18,901</u>	<u>18,901</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,285</u>	<u>\$ 48,559</u>	<u>\$ 24,274</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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	TITLE V FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>                    </u>
Total Revenues and Other Financing Sources	\$ 8,588	\$ 12,124	\$ 3,536
Total Expenditures and Other Financing Uses	<u>9,423</u>	<u>13,039</u>	<u>(3,616)</u>
Net Change in Fund Balance	(835)	(915)	(80)
Fund Balance at Beginning of Year	850	850	0
Prior Year Encumbrances	<u>100</u>	<u>100</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 115</u>	<u>\$ 35</u>	<u>\$ (80)</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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	TITLE IV-A FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Total Revenues and Other Financing Sources	<u>\$ 49,636</u>	<u>\$ 49,541</u>	<u>\$ (95)</u>
Total Expenditures and Other Financing Uses	<u>48,480</u>	<u>43,725</u>	<u>4,755</u>
Net Change in Fund Balance	1,156	5,816	4,660
Fund Balance at Beginning of Year	(10,421)	(10,421)	0
Prior Year Encumbrances	<u>10,421</u>	<u>10,421</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 1,156</u></u>	<u><u>\$ 5,816</u></u>	<u><u>\$ 4,660</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 61,645	\$ 60,914	\$ (731)
Total Expenditures and Other Financing Uses	<u>61,645</u>	<u>60,914</u>	<u>731</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 27,000	\$ 27,000	\$ 0
Total Expenditures and Other Financing Uses	<u>27,000</u>	<u>27,000</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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	TITLE II-A FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	\$ 307,489	\$ 277,279	\$ (30,210)
Total Expenditures and Other Financing Uses	<u>328,856</u>	<u>304,421</u>	<u>24,435</u>
Net Change in Fund Balance	(21,367)	(27,142)	(5,775)
Fund Balance at Beginning of Year	21,678	21,678	0
Prior Year Encumbrances	<u>7,245</u>	<u>7,245</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,556</u>	<u>\$ 1,781</u>	<u>\$ (5,775)</u>



**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2008***

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**MISCELLANEOUS FEDERAL GRANT FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 30,811	\$ 30,695	\$ (116)
Total Expenditures and Other Financing Uses	<u>29,088</u>	<u>33,173</u>	<u>(4,085)</u>
Net Change in Fund Balance	1,723	(2,478)	(4,201)
Fund Balance at Beginning of Year	(11,751)	(11,751)	0
Prior Year Encumbrances	<u>14,328</u>	<u>14,328</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,300</u>	<u>\$ 99</u>	<u>\$ (4,201)</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 2,200	\$ 1,172	\$ (1,028)
Total Expenditures and Other Financing Uses	<u>94,575</u>	<u>0</u>	<u>94,575</u>
Net Change in Fund Balance	(92,375)	1,172	93,547
Fund Balance at Beginning of Year	<u>92,375</u>	<u>92,375</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 93,547</u></u>	<u><u>\$ 93,547</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>5,580</u>	<u>5,580</u>	<u>0</u>
Net Change in Fund Balance	(5,580)	(5,580)	0
Fund Balance at Beginning of Year	<u>5,580</u>	<u>5,580</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Fund  
For the Fiscal Year Ended June 30, 2008***

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	<b>PERMANENT FUND</b>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>                    </u>
Total Revenues and Other Financing Sources	\$ 3,884	\$ 1,838	\$ (2,046)
Total Expenditures and Other Financing Uses	<u>36,741</u>	<u>3,400</u>	<u>33,341</u>
Net Change in Fund Balance	(32,857)	(1,562)	31,295
Fund Balance at Beginning of Year	65,540	65,540	0
Prior Year Encumbrances	<u>1,813</u>	<u>1,813</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 34,496</u></u>	<u><u>\$ 65,791</u></u>	<u><u>\$ 31,295</u></u>



## *PIQUA CITY SCHOOL DISTRICT*

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### *Fiduciary Fund*

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Fiduciary fund types are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

### *Agency Fund*

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#### **Student Managed Activity Fund**

To account for resources that belong to the student bodies of the various schools for sales and other revenue generating activities.

**PIQUA CITY SCHOOL DISTRICT**

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***Statement Of Changes In Assets And Liabilities  
Agency Fund  
For the Fiscal Year Ended June 30, 2008***

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	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
<b><u>Student Managed Activity Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$32,817	\$58,169	(\$52,273)	\$38,713
Total Assets	<u>\$32,817</u>	<u>\$58,169</u>	<u>(\$52,273)</u>	<u>\$38,713</u>
Liabilities:				
Due to Students	\$32,817	\$58,169	(\$52,273)	\$38,713
Total Liabilities	<u>\$32,817</u>	<u>\$58,169</u>	<u>(\$52,273)</u>	<u>\$38,713</u>

*PIQUA CITY SCHOOL DISTRICT*

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*CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS*

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**PIQUA CITY SCHOOL DISTRICT**

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Source  
June 30, 2008***

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Capital Assets

Land	\$323,722
Construction in Progress	92,008
Land Improvements	2,226,185
Buildings and Improvements	31,352,739
Machinery and Equipment	4,812,674
Vehicles	2,030,268
	<hr/>
Total Capital Assets	<u><u>\$40,837,596</u></u>

Investment in Capital Assets from:

Acquisitions Prior to 1996	\$3,218,709
General Fund	28,247,680
Special Revenue Fund	520,652
Capital Project Funds	5,080,592
Fiduciary Funds	20,872
Capital Leases	538,890
Donations	3,210,201
	<hr/>
Total Investment in Capital Assets	<u><u>\$40,837,596</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
June 30, 2008***

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<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Land Improvements</u>
Instructional Services	\$0	\$24,998	\$0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Administration	0	0	0
Fiscal Services	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Auxiliary Services	0	0	0
Extracurricular Activities	0	0	1,530,691
Facility Acquisition and Improvement	<u>323,722</u>	<u>67,010</u>	<u>695,494</u>
Total Capital Assets	<u><u>\$323,722</u></u>	<u><u>\$92,008</u></u>	<u><u>\$2,226,185</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
\$3,524	\$2,632,294	\$0	\$2,660,816
0	9,676	0	9,676
0	121,638	0	121,638
0	665,651	0	665,651
0	1,195	0	1,195
29,210	315,337	229,561	574,108
55,789	106,140	1,782,907	1,944,836
0	35,113	0	35,113
1,602,330	463,230	0	3,596,251
<u>29,661,886</u>	<u>462,400</u>	<u>17,800</u>	<u>31,228,312</u>
<u><u>\$31,352,739</u></u>	<u><u>\$4,812,674</u></u>	<u><u>\$2,030,268</u></u>	<u><u>\$40,837,596</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes by Function and Activity  
For the Fiscal Year Ended June 30, 2008***

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Function and Activity	June 30, 2007	Additions	Deletions	June 30, 2008
Instructional Services	\$3,095,810	\$73,701	(\$508,695)	\$2,660,816
Support Services:				
Pupils	13,726	0	(4,050)	9,676
Instructional Staff	121,638	0	0	121,638
Administration	659,950	8,195	(2,494)	665,651
Fiscal Services	1,195	0	0	1,195
Operation and Maintenance of Plant	574,108	0	0	574,108
Pupil Transportation	1,944,836	0	0	1,944,836
Auxiliary Services	36,113	0	(1,000)	35,113
Extracurricular Activities	3,596,251	0	0	3,596,251
Facility Acquisition and Improvement	31,163,816	64,496	0	31,228,312
Total Capital Assets	<u>\$41,207,443</u>	<u>\$146,392</u>	<u>(\$516,239)</u>	<u>\$40,837,596</u>

*STATISTICAL SECTION*

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*STATISTICAL TABLES*

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This part of the District's 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 health.

*Contents*

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<b>Financial Trends</b>	S 2– S 13
These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
<b>Revenue Capacity</b>	S 14 – S 23
These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	S 24 – S 31
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	S 32 – S 34
These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	S 35 – S 47
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

**Sources Note:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.

***Piqua City School District***

*Net Assets by Component  
Last Eight Years  
(accrual basis of accounting)*

	2001	2002	2003
<b>Governmental Activities:</b>			
Invested in Capital Assets, Net of Related Debt	\$13,670,807	\$16,466,243	\$16,509,571
Restricted for:			
Capital Projects	695,274	1,477,057	1,637,564
Debt Service	312,135	352,802	482,876
Other Purposes	775,957	806,691	0
Permanent Fund:			
Expendable	0	0	0
Nonexpendable	0	0	0
Unrestricted (Deficit)	(886,168)	(96,861)	(399,114)
Total Governmental Activities Net Assets	<u>\$14,568,005</u>	<u>\$19,005,932</u>	<u>\$18,230,897</u>
<b>Business-type Activities:</b>			
Invested in Capital Assets, Net of Related Debt	\$437,108	\$410,407	\$388,091
Unrestricted (Deficit)	518,235	767,568	790,300
Total Business-type Activities Net Assets	<u>\$955,343</u>	<u>\$1,177,975</u>	<u>\$1,178,391</u>
<b>Primary Government:</b>			
Invested in Capital Assets, Net of Related Debt	\$14,107,915	\$16,876,650	\$16,897,662
Restricted	1,783,366	2,636,550	2,120,440
Unrestricted (Deficit)	(367,933)	670,707	391,186
Total Primary Government Net Assets	<u>\$15,523,348</u>	<u>\$20,183,907</u>	<u>\$19,409,288</u>

\* As Restated

Source: District Treasurer's Office



*Piqua City School District*

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2004	2005	2006	2007	2008
\$16,731,185	\$17,469,998	\$18,034,488	\$18,301,335	\$17,911,256
1,966,516	1,336,198	1,076,537	937,024	1,560,221
380,838	577,311	509,255	730,481	788,458
114,806	288,660	362,554	490,122	416,859
0	0	0	31,044	28,582
0	0	0	36,309	38,609
990,003	3,299,555	3,135,840	3,192,601	4,263,735
<u>\$20,183,348</u>	<u>\$22,971,722</u>	<u>\$23,118,674</u>	<u>\$23,718,916</u>	<u>\$25,007,720</u>
\$372,947	\$360,100	\$343,706	\$366,053	\$342,971
823,085	869,537	887,314	744,863	877,825
<u>\$1,196,032</u>	<u>\$1,229,637</u>	<u>\$1,231,020</u>	<u>\$1,110,916</u>	<u>\$1,220,796</u>
\$17,104,132	\$17,830,098	\$18,378,194	\$18,667,388	\$18,254,227
2,462,160	2,202,169	1,948,346	2,224,980	2,832,729
1,813,088	4,169,092	4,023,154	3,937,464	5,141,560
<u>\$21,379,380</u>	<u>\$24,201,359</u>	<u>\$24,349,694</u>	<u>\$24,829,832</u>	<u>\$26,228,516</u>

## *Piqua City School District*

*Changes in Net Assets  
Last Eight Years  
(accrual basis of accounting)*

	2001	2002	2003
<b>Expenses</b>			
Governmental Activities:			
Instruction	\$16,546,273	\$15,484,610	\$16,881,816
Support Services:			
Pupils	1,377,129	1,373,246	1,485,305
Instructional Staff	1,637,131	1,496,558	1,670,861
Board of Education	8,042	7,669	7,655
Administration	1,856,279	1,841,957	1,989,454
Fiscal Services	494,672	528,655	563,651
Business	66,874	88,768	84,935
Operation and Maintenance of Plant	2,225,755	2,439,177	2,323,836
Pupil Transportation	1,024,551	1,087,088	1,114,543
Central	41,318	30,539	28,787
Operation of Non-Instructional Services	313,795	290,074	277,923
Extracurricular Activities	654,479	829,544	720,679
Interest and Fiscal Charges	566,626	544,837	564,356
<i>Total Governmental Activities Expenses</i>	<u>26,812,924</u>	<u>26,042,722</u>	<u>27,713,801</u>
Business-type Activities:			
Food Service	1,237,209	1,116,316	1,391,897
<i>Total Business-type Activities Expenses</i>	<u>1,237,209</u>	<u>1,116,316</u>	<u>1,391,897</u>
<i>Total Primary Government Expenses</i>	<u>\$28,050,133</u>	<u>\$27,159,038</u>	<u>\$29,105,698</u>
<b>Program Revenues</b>			
Governmental Activities:			
Charges for Services			
Instruction	\$516,400	\$548,260	\$397,793
Support Services:			
Pupils	5,325	3,646	803
Operation and Maintenance of Plant	2,222	1,020	0
Pupil Transportation	39,669	37,215	38,122
Extracurricular Activities	424,590	451,141	277,957
Operating Grants and Contributions	1,944,212	2,202,968	1,917,459
Capital Grants and Contributions	39,000	3,348,034	11,132
<i>Total Governmental Activities Program Revenues</i>	<u>2,971,418</u>	<u>6,592,284</u>	<u>2,643,266</u>

*Piqua City School District*

2004	2005	2006	2007	2008
\$16,736,129	\$17,846,789	\$18,811,951	\$19,061,767	\$19,105,320
1,443,477	1,606,509	1,445,687	1,505,043	1,549,456
1,672,048	1,856,368	2,041,532	2,061,205	2,085,124
9,288	10,002	19,669	23,042	20,339
2,090,822	2,281,690	2,266,873	2,454,192	2,361,191
669,152	597,052	407,123	390,832	401,055
74,505	85,456	100,937	101,989	52,433
2,519,590	2,778,643	2,866,955	3,065,299	2,882,505
1,175,222	1,296,336	1,378,564	1,545,489	1,442,206
64,643	129,257	160,049	162,793	192,486
316,379	304,911	298,992	375,228	289,838
679,708	638,177	671,020	861,632	717,482
522,049	286,314	473,938	481,096	607,378
<u>27,973,012</u>	<u>29,717,504</u>	<u>30,943,290</u>	<u>32,089,607</u>	<u>31,706,813</u>
<u>1,496,069</u>	<u>1,577,204</u>	<u>1,617,780</u>	<u>1,684,194</u>	<u>1,682,680</u>
<u>1,496,069</u>	<u>1,577,204</u>	<u>1,617,780</u>	<u>1,684,194</u>	<u>1,682,680</u>
<u>\$29,469,081</u>	<u>\$31,294,708</u>	<u>\$32,561,070</u>	<u>\$33,773,801</u>	<u>\$33,389,493</u>
\$277,325	\$295,514	\$305,864	\$224,647	\$286,554
468	776	1,263	1,525	1,151
0	0	0	0	0
35,848	37,911	54,948	54,717	37,531
261,546	336,562	292,169	432,912	321,306
2,551,904	2,646,302	2,722,204	2,888,699	2,711,846
0	32,550	0	27,060	22,757
<u>3,127,091</u>	<u>3,349,615</u>	<u>3,376,448</u>	<u>3,629,560</u>	<u>3,381,145</u>

(Continued)

## *Piqua City School District*

*Changes in Net Assets  
Last Eight Years  
(accrual basis of accounting)*

	2001	2002	2003
Business-type Activities:			
Charges for Services			
Food Service	635,981	644,566	643,831
Operating Grants and Contributions	682,951	694,382	757,534
<i>Total Business-type Activities Program Revenues</i>	<u>1,318,932</u>	<u>1,338,948</u>	<u>1,401,365</u>
<i>Total Primary Government Program Revenues</i>	<u>4,290,350</u>	<u>7,931,232</u>	<u>4,044,631</u>
<b>Net (Expense)/Revenue</b>			
Governmental Activities	(23,841,506)	(19,450,438)	(25,070,535)
Business-type Activities	81,723	222,632	9,468
<i>Total Primary Government Net (Expense)/Revenue</i>	<u><u>(\$23,759,783)</u></u>	<u><u>(\$19,227,806)</u></u>	<u><u>(\$25,061,067)</u></u>
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$8,196,580	\$8,983,634	\$8,599,770
Debt Service	912,697	936,914	909,637
Capital Outlay	1,045,711	1,112,927	1,084,584
Income Taxes	2,040,034	1,731,104	1,818,714
Intergovernmental, Unrestricted	10,571,598	11,165,388	11,520,196
Investment Earnings	340,827	167,372	120,779
Miscellaneous	87,504	53,576	235,352
Loss on Disposal of Capital Assets	(146,416)	(153,317)	(2,584)
Transfers	0	0	9,052
<i>Total Governmental Activities</i>	<u>23,048,535</u>	<u>23,997,598</u>	<u>24,295,500</u>
Business-type Activities:			
Transfers	0	0	(9,052)
<i>Total Business-type Activities</i>	<u>0</u>	<u>0</u>	<u>(9,052)</u>
<i>Total Primary Government</i>	<u><u>\$23,048,535</u></u>	<u><u>\$23,997,598</u></u>	<u><u>\$24,286,448</u></u>
<b>Change in Net Assets</b>			
Governmental Activities	(\$792,971)	\$4,547,160	(\$775,035)
Business-type Activities	81,723	222,632	416
<i>Total Primary Government Change in Net Assets</i>	<u><u>(\$711,248)</u></u>	<u><u>\$4,769,792</u></u>	<u><u>(\$774,619)</u></u>

Source: District Treasurer's Office

*Piqua City School District*

2004	2005	2006	2007	2008
683,775	688,474	681,810	702,248	679,999
829,935	922,335	937,353	861,842	1,112,561
<u>1,513,710</u>	<u>1,610,809</u>	<u>1,619,163</u>	<u>1,564,090</u>	<u>1,792,560</u>
<u>4,640,801</u>	<u>4,960,424</u>	<u>4,995,611</u>	<u>5,193,650</u>	<u>5,173,705</u>
(24,845,921)	(26,367,889)	(27,566,842)	(28,460,047)	(28,325,668)
17,641	33,605	1,383	(120,104)	109,880
<u>(\$24,828,280)</u>	<u>(\$26,334,284)</u>	<u>(\$27,565,459)</u>	<u>(\$28,580,151)</u>	<u>(\$28,215,788)</u>
\$9,849,084	\$11,202,378	\$10,805,308	\$10,065,680	\$10,045,856
915,618	973,504	999,966	1,060,120	874,031
1,107,446	1,138,834	1,075,099	1,026,558	1,027,335
1,809,227	1,938,151	2,063,347	2,253,023	2,260,523
12,752,599	13,300,568	13,308,075	13,915,936	14,538,480
68,934	163,025	296,912	451,410	370,748
295,464	439,803	368,501	287,562	497,499
0	0	0	0	0
0	0	0	0	0
<u>26,798,372</u>	<u>29,156,263</u>	<u>28,917,208</u>	<u>29,060,289</u>	<u>29,614,472</u>
0	0	0	0	0
0	0	0	0	0
<u>\$26,798,372</u>	<u>\$29,156,263</u>	<u>\$28,917,208</u>	<u>\$29,060,289</u>	<u>\$29,614,472</u>
\$1,952,451	\$2,788,374	\$1,350,366	\$600,242	\$1,288,804
17,641	33,605	1,383	(120,104)	109,880
<u>\$1,970,092</u>	<u>\$2,821,979</u>	<u>\$1,351,749</u>	<u>\$480,138</u>	<u>\$1,398,684</u>

***Piqua City School District***

*Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General Fund				
Reserved	\$1,807,056	\$1,763,158	\$1,785,904	\$1,410,741
Unreserved (Deficit)	<u>57,600</u>	<u>(247,314)</u>	<u>(1,367,827)</u>	<u>(1,977,685)</u>
<i>Total General Fund</i>	<u>1,864,656</u>	<u>1,515,844</u>	<u>418,077</u>	<u>(566,944)</u>
All Other Governmental Funds				
Reserved	2,949,939	1,320,299	718,907	660,562
Unreserved, Undesignated in:				
Special Revenue Funds	260,922	133,329	568,841	486,775
Capital Projects Funds	<u>408,049</u>	<u>534,836</u>	<u>463,351</u>	<u>1,302,054</u>
Total All Other Governmental Funds	<u>3,618,910</u>	<u>1,988,464</u>	<u>1,751,099</u>	<u>2,449,391</u>
<i>Total Governmental Funds</i>	<u><u>\$5,483,566</u></u>	<u><u>\$3,504,308</u></u>	<u><u>\$2,169,176</u></u>	<u><u>\$1,882,447</u></u>

Source: District Treasurer's Office

*Piqua City School District*

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<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$908,531	\$795,741	\$1,456,423	\$1,410,729	\$1,946,237	\$1,081,482
<u>(2,375,623)</u>	<u>(1,286,924)</u>	<u>124,232</u>	<u>47,121</u>	<u>(754,678)</u>	<u>753,375</u>
<u>(1,467,092)</u>	<u>(491,183)</u>	<u>1,580,655</u>	<u>1,457,850</u>	<u>1,191,559</u>	<u>1,834,857</u>
628,775	742,935	1,353,394	1,195,149	1,267,544	979,919
184,770	305,494	583,840	299,023	604,671	705,088
<u>1,488,380</u>	<u>1,733,102</u>	<u>726,819</u>	<u>606,341</u>	<u>530,095</u>	<u>1,418,931</u>
<u>2,301,925</u>	<u>2,781,531</u>	<u>2,664,053</u>	<u>2,100,513</u>	<u>2,402,310</u>	<u>3,103,938</u>
<u>\$834,833</u>	<u>\$2,290,348</u>	<u>\$4,244,708</u>	<u>\$3,558,363</u>	<u>\$3,593,869</u>	<u>\$4,938,795</u>

## *Piqua City School District*

*Changes in Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	1999	2000	2001	2002
<b>Revenues:</b>				
Local Sources:				
Taxes	\$11,388,378	\$11,732,374	\$12,209,859	\$12,588,015
Tuition	22,167	35,083	24,263	35,940
Transportation Fees	26,829	22,972	39,669	33,836
Investment Earnings	726,545	331,646	296,578	130,558
Extracurricular Activities	247,761	261,283	393,741	455,162
Class Materials and Fees	143,113	135,185	155,626	157,204
Intermediate Sources	0	0	2,680	0
Intergovernmental - State	10,353,710	10,526,125	11,189,950	11,770,392
Intergovernmental - Federal	1,302,481	910,749	1,386,556	1,698,000
All Other Revenue	182,184	185,414	467,196	411,390
<b>Total Revenue</b>	<u>24,393,168</u>	<u>24,140,831</u>	<u>26,166,118</u>	<u>27,280,497</u>
<b>Expenditures:</b>				
Current:				
Instruction	13,609,330	14,249,804	15,576,121	16,388,979
Supporting Services:				
Pupils	1,123,829	1,442,993	1,381,888	1,492,034
Instructional Staff	1,295,774	1,438,537	1,616,903	1,715,646
Board of Education	7,865	8,553	8,042	7,669
Administration	1,687,586	1,754,447	1,891,308	1,975,554
Fiscal Services	459,478	469,476	490,768	542,155
Business	47,670	85,214	67,022	97,136
Operation and Maintenance of Plant	2,068,994	2,265,892	2,253,092	2,418,031
Pupil Transportation	881,502	947,298	1,115,349	1,086,408
Central	39,507	37,555	41,318	30,539
Operation of Non-Instructional Services	269,070	249,384	297,395	271,086
Extracurricular Activities	435,478	393,257	606,210	741,995
Capital Outlay	10,602,119	1,709,889	994,131	868,120
Debt Service:				
Principal Retirement	457,500	694,000	415,000	455,000
Interest and Fiscal Charges	682,931	624,355	568,269	547,607
<b>Total Expenditures</b>	<u>33,668,633</u>	<u>26,370,654</u>	<u>27,322,816</u>	<u>28,637,959</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,275,465)	(2,229,823)	(1,156,698)	(1,357,462)



*Piqua City School District*

2003	2004	2005	2006	2007	2008
\$12,424,401	\$13,464,803	\$15,296,945	\$14,990,760	\$14,419,517	\$14,150,431
137,043	18,666	33,062	49,074	3,196	7,460
38,122	35,848	37,911	54,948	54,717	37,531
68,486	42,006	93,786	139,379	239,887	214,974
370,617	353,985	440,335	392,676	504,759	457,060
168,090	166,220	158,679	156,283	149,604	143,340
0	0	8,842	14,137	10,710	30,562
11,843,762	13,188,158	13,766,336	13,640,495	14,424,266	14,856,722
1,554,911	2,296,840	2,204,242	2,024,983	2,523,093	2,421,712
235,355	295,464	439,803	368,501	287,562	497,499
<u>26,840,787</u>	<u>29,861,990</u>	<u>32,479,941</u>	<u>31,831,236</u>	<u>32,617,311</u>	<u>32,817,291</u>
16,183,138	16,358,199	17,403,012	18,391,170	18,570,721	18,247,045
1,485,538	1,463,501	1,632,401	1,513,694	1,496,885	1,574,056
1,680,677	1,676,962	1,954,669	2,200,140	2,067,550	2,075,287
7,655	9,288	10,002	19,669	23,042	20,339
1,985,134	2,127,764	2,484,897	2,317,642	2,416,263	2,274,443
592,978	619,032	624,953	457,939	375,270	404,047
90,036	77,078	88,423	105,655	100,888	54,748
2,365,280	2,494,020	2,897,305	2,963,996	2,982,253	2,823,351
1,089,645	1,157,741	1,484,669	1,308,677	1,463,409	1,369,429
28,787	62,856	128,722	159,645	161,456	191,322
256,590	290,601	299,653	294,329	371,664	286,744
621,347	572,846	603,368	621,321	807,362	664,053
327,019	145,684	684,360	908,969	661,705	349,557
840,000	850,000	875,000	881,401	799,456	807,637
553,413	524,077	428,301	376,603	350,135	337,922
<u>28,107,237</u>	<u>28,429,649</u>	<u>31,599,735</u>	<u>32,520,850</u>	<u>32,648,059</u>	<u>31,479,980</u>
(1,266,450)	1,432,341	880,206	(689,614)	(30,748)	1,337,311

(Continued)

**Piqua City School District**

*Changes in Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	1999	2000	2001	2002
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	140,799	7,707	26,725	20,733
General Obligation Notes Issued	0	0	0	1,050,000
General Obligation Bonds Issued	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0
Refunding Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Other Financing Sources - Capital Leases	0	242,858	0	0
Transfers In	334,689	289,063	0	0
Transfers Out	(334,689)	(289,063)	0	0
Refund of Prior Year Expenditures	0	0	0	0
Refund of Prior Year Receipts	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>140,799</u>	<u>250,565</u>	<u>26,725</u>	<u>1,070,733</u>
<b>Net Change in Fund Balance</b>	<u><u>(\$9,134,666)</u></u>	<u><u>(\$1,979,258)</u></u>	<u><u>(\$1,129,973)</u></u>	<u><u>(\$286,729)</u></u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	5.20%	5.65%	3.73%	3.61%

Source: District Treasurer's Office

*Piqua City School District*

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2003	2004	2005	2006	2007	2008
2,784	1,579	5,940	3,269	7,560	900
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	9,154,131	0	0	0
0	0	(9,026,607)	0	0	0
0	21,595	538,893	0	0	0
216,809	4,078	423,951	0	42,212	0
(757)	(4,078)	(22,154)	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
218,836	23,174	1,074,154	3,269	49,772	900
(\$1,047,614)	\$1,455,515	\$1,954,360	(\$686,345)	\$19,024	\$1,338,211
5.02%	4.86%	4.22%	4.15%	3.74%	3.79%

## *Piqua City School District*

*Assessed Valuations and Estimated True Values of Taxable Property*  
(per \$1,000 of assessed value)  
*Last Ten Calendar Years*

<b>Tax year</b>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<b>Real Property</b>				
Assessed	\$293,663,630	\$300,735,930	\$310,878,670	\$333,483,290
Actual	839,038,943	859,245,514	888,224,771	952,809,400
<b>Public Utility</b>				
Assessed	10,998,270	10,586,630	10,154,970	7,357,810
Actual	10,998,270	10,586,630	10,154,970	7,357,810
<b>Tangible Personal Property</b>				
Assessed	72,797,510	81,577,010	80,763,908	82,471,680
Actual	291,190,040	326,308,040	323,055,632	329,886,720
<b>Total</b>				
Assessed	377,459,410	392,899,570	401,797,548	423,312,780
Actual	1,141,227,253	1,196,140,184	1,221,435,373	1,290,053,930
<b>Assessed Value as a</b>				
<b>Percentage of Actual Value</b>	33.07%	32.85%	32.90%	32.81%
<b>Total Direct Tax Rate</b>				
	40.62	40.56	40.60	40.50

Source: Miami County Auditor

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.

All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal.

*Piqua City School District*

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2002	2003	2004	2005	2006	2007
\$338,895,480	\$344,418,880	\$362,252,930	\$367,838,530	\$374,683,270	\$406,911,920
968,272,800	984,053,943	1,035,008,371	1,050,967,229	1,070,523,629	1,162,605,486
7,755,360	7,417,100	7,340,430	6,919,730	6,323,530	4,459,970
7,755,360	7,417,100	7,340,430	6,919,730	6,323,530	4,459,970
85,311,390	78,654,750	67,163,130	65,430,770	53,859,240	36,592,810
341,245,560	314,619,000	268,652,520	261,723,080	287,249,280	292,742,480
431,962,230	430,490,730	436,756,490	440,189,030	434,866,040	447,964,700
1,317,273,720	1,306,090,043	1,311,001,321	1,319,610,039	1,364,096,439	1,459,807,936
32.79%	32.96%	33.31%	33.36%	31.88%	30.69%
40.42	40.42	45.31	45.05	45.25	44.50

## *Piqua City School District*

*Property Tax Rates of Direct and Overlapping Governments  
(per \$1,000 of assessed value)  
Last Ten Calendar Years*

	1998	1999	2000	2001	2002
<b>Direct District Rates</b>					
General Fund	35.00	35.00	35.00	35.00	35.00
Bond Retirement Fund	1.12	2.56	2.60	2.50	2.42
Permanent Improvement Fund	4.50	3.00	3.00	3.00	3.00
Total	<u>40.62</u>	<u>40.56</u>	<u>40.60</u>	<u>40.50</u>	<u>40.42</u>
<b>Overlapping Rates</b>					
City of Piqua	4.43	4.41	4.45	4.45	4.43
Joint Vocational School	4.90	4.90	4.90	4.90	4.90
Miami County	8.82	8.81	8.83	8.43	9.13
Special Taxing Districts	0.50	0.50	0.50	0.50	0.50

Ohio Revised Code Sections 5705.02 and 5705.07 require a vote of the people for any millage exceeding the "unvoted" or "inside" millage.

Source:

Miami County Auditor's Office  
Miami County Treasurer's Office

*Piqua City School District*

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<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
35.00	39.89	39.85	39.80	39.40
2.42	2.42	2.40	2.65	2.30
3.00	3.00	2.80	2.80	2.80
<u>40.42</u>	<u>45.31</u>	<u>45.05</u>	<u>45.25</u>	<u>44.50</u>
4.43	4.43	4.40	4.40	4.40
4.90	5.46	5.45	5.45	5.35
9.13	9.13	9.11	8.81	8.80
0.50	0.50	0.50	0.50	0.50

## *Piqua City School District*

*Principal Taxpayers  
Tangible Personal Property Tax  
Current Year and Nine Years Ago*

Name of Taxpayer	Nature of Business	Calendar Year 2007		
		Assessed Value	Rank	Percent of Total Assessed Value
Jackson Tube	Manufacturer - Steel Tubing	\$3,297,350	1	9.01%
Charter Aerospace Partners Inc.	Manufacturer - Aircraft Propellers	2,752,250	2	7.52%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	2,390,340	3	6.53%
Crane Pumps and Systems	Manufacturer - Industrial Pumps	2,189,720	4	5.98%
Miami Valley Steel	Manufacturer - Steel Processing	1,463,200	5	4.00%
Hartzell Hardwoods	Manufacturer - Hard Lumber	1,021,040	6	2.79%
Crayex Corporation	Manufacturer - Polyethylene Bags	927,370	7	2.53%
Hartzell Fan Inc.	Manufacturer - Industrial Air Handlers	896,850	8	2.45%
Berwick Steel Company	Manufacturer - Steel	893,750	9	2.44%
Ohio Bell Telephone	Telephone	859,420	10	2.35%
Subtotal		16,691,290		45.60%
All Others		19,901,520		54.40%
Total		<u>\$36,592,810</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 1998		
		Assessed Value	Rank	Percent of Total Assessed Value
Hartzell Propeller	Manufacturer - Aircraft Propellers	\$6,325,970	1	8.69%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	6,304,500	2	8.66%
Jackson Tube	Manufacturer - Steel Tubing	4,288,170	3	5.89%
Miami Acquisition Corporation	Manufacturer - Steel Tubing	4,165,750	4	5.72%
French Oil Mill	Manufacturer - Presses for Oilseed Industry	2,523,710	5	3.47%
Crane Pumps and Systems	Manufacturer - Industrial Pumps	2,341,580	6	3.22%
Paul Sherry Chevrolet	Automobile Retailer	2,285,090	7	3.14%
Hobart Brothers Company	Manufacturer - Welding/Wire	2,204,370	8	3.03%
Hartzell Fan Inc.	Manufacturer - Industrial Air Handlers	1,845,480	9	2.54%
Orr Felt Company	Manufacturer - Papermaker Felts	1,735,300	10	2.38%
Subtotal		34,019,920		46.74%
All Others		38,777,590		53.26%
Total		<u>\$72,797,510</u>		<u>100.00%</u>

Source: Miami County Auditor - Land and Buildings  
Based on valuation of property in 2007 and 1998

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.



## Piqua City School District

Principal Taxpayers  
Real Estate Tax  
Current Year and Seven Years Ago

Name of Taxpayer	Nature of Business	Calendar Year 2007		
		Assessed Value	Rank	Percent of Total Assessed Value
Midamco	Hospitality	\$8,973,950	1	2.21%
Harvey A Tolson Enterprises	Real Estate	3,724,630	2	0.92%
Wal-Mart	Retail	3,230,090	3	0.79%
Jackson Tube	Manufacturer - Steel Tubing	2,662,390	4	0.65%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	2,349,210	5	0.58%
Miami Valley Realty	Real Estate	2,324,010	6	0.57%
Med-Terra Inc.	Real Estate	2,227,090	7	0.55%
HK New Plan Exchange	Shopping Mall	2,120,300	8	0.52%
Home Depot Inc.	Retail	2,096,970	9	0.52%
HCF Reality of Garbry	Senior Housing	1,431,820	10	0.35%
Subtotal		31,140,460		7.66%
All Others		375,771,460		92.34%
Total		<u>\$406,911,920</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2000		
		Assessed Value	Rank	Percent of Total Assessed Value
Midamco	Hospitality	\$10,305,870	1	3.32%
Troy Piqua Housing Inc.	Real Estate	5,453,550	2	1.75%
I-75 Associates	Real Estate	2,998,670	3	0.96%
Jackson Tube	Manufacturer - Steel Tubing	2,297,370	4	0.74%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	2,138,610	5	0.69%
Med-Terra Inc.	Real Estate	1,991,180	6	0.64%
HK New Plan Exchange	Shopping Mall	1,578,410	7	0.51%
Miami Valley Steel	Manufacturer - Steel Processing	1,382,120	8	0.44%
HCF Reality of Garbry	Senior Housing	1,123,510	9	0.36%
HCF Reality of Piqua	Senior Housing	1,085,000	10	0.35%
Subtotal		30,354,290		9.76%
All Others		280,524,380		90.24%
Total		<u>\$310,878,670</u>		<u>100.00%</u>

Source: Miami County Auditor - Land and Buildings  
Based on valuation of property in 2007 and 2000

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.



**Piqua City School District**

*Principal Taxpayers  
Public Utilities Property Tax  
Current Year and Seven Years Ago*

		Calendar Year 2007		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Dayton Power and Light Co.	Electricity	\$1,846,610	1	41.40%
Pioneer Rural Electric	Electricity	1,761,290	2	39.49%
Subtotal		3,607,900		80.89%
All Others		852,070		19.11%
Total		<u>\$4,459,970</u>		<u>100.00%</u>

		Calendar Year 2000		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Dayton Power and Light Co.	Electricity	\$6,036,360	1	59.44%
Subtotal		6,036,360		59.44%
All Others		4,118,610		40.56%
Total		<u>\$10,154,970</u>		<u>100.00%</u>

Source: Miami County Auditor - Land and Buildings  
Based on valuation of property in 2007 and 2000

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

***Piqua City School District***

*Property Tax Levies and Collections  
Last Ten Years*

<b>Collection Year</b>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<b>Total Tax Levy</b>	\$10,202,843	\$10,910,366	\$11,341,840	\$11,758,537
<b>Collections within the Fiscal Year of the Levy</b>				
Current Tax Collections	9,472,029	10,232,213	10,991,532	11,128,261
Percent of Levy Collected	92.84%	93.78%	96.91%	94.64%
Delinquent Tax Collections (1)	<u>276,586</u>	<u>291,602</u>	<u>252,431</u>	<u>214,775</u>
Total Tax Collections	9,748,615	10,523,815	11,243,963	11,343,036
<b>Percent of Total Tax Collections To Tax Levy</b>	95.55%	96.46%	99.14%	96.47%
<b>Accumulated Outstanding Delinquent Taxes</b>	418,622	331,366	496,884	818,370
<b>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</b>	4.10%	3.04%	4.38%	6.96%

(1) The County does not identify delinquent tax collections by tax year.

Source: Miami County Auditor's Office

Presented on a calendar year basis because that is the manner  
in which the information is maintained by the County.

*Piqua City School District*

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<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$12,134,631	\$12,017,350	\$14,122,098	\$14,192,530	\$14,177,788	\$13,678,615
11,692,681	11,686,585	13,777,100	13,882,416	13,844,988	13,147,245
96.36%	97.25%	97.56%	97.81%	97.65%	96.12%
<u>287,621</u>	<u>248,690</u>	<u>525,669</u>	<u>607,446</u>	<u>581,075</u>	<u>402,960</u>
11,980,302	11,935,275	14,302,769	14,489,862	14,426,063	13,550,205
98.73%	99.32%	101.28%	102.09%	101.75%	99.06%
965,901	1,107,525	1,093,320	1,184,242	1,253,166	2,357,109
7.96%	9.22%	7.74%	8.34%	8.84%	17.23%

***Piqua City School District***

*Ratio of Outstanding Debt By Type  
Last Ten Years*

	1999	2000	2001	2002
<b>Governmental Activities</b> (1)				
Installment Notes Payable	\$0	\$0	\$0	\$1,050,000
General Obligation Bonds Payable	12,689,432	11,995,432	11,580,432	11,125,432
Capital Leases	111,021	221,114	166,443	111,772
Total Primary Government	<u>\$12,800,453</u>	<u>\$12,216,546</u>	<u>\$11,746,875</u>	<u>\$12,287,204</u>
<b>Population</b> (2)				
Piqua City	20,612	20,612	20,738	20,738
Outstanding Debt Per Capita	\$621	\$593	\$566	\$592
<b>Income</b> (3)				
Personal (in thousands)	\$533,933	\$547,434	\$578,092	\$575,728
Percentage of Personal Income	2.40%	2.23%	2.03%	2.13%

\* As Restated

Sources:

- (1) District Treasurer's Office
- (2) US Bureau of Census of Population
- (3) US Department of Commerce, Bureau of Economic Analysis
  - (a) Per Capita Income is only available by County, Total Personal Income is a calculation based on previous calendar year.

*Piqua City School District*

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*					
2003	2004	2005	2006	2007	2008
\$700,000	\$350,000	\$0	\$0	\$0	\$0
10,635,432	10,135,432	9,735,546	10,221,398	9,719,528	9,290,773
58,506	20,605	491,568	390,167	280,711	163,075
<u>\$11,393,938</u>	<u>\$10,506,037</u>	<u>\$10,227,114</u>	<u>\$10,611,565</u>	<u>\$10,000,239</u>	<u>\$9,453,848</u>
20,738	20,738	20,738	20,738	20,738	20,738
\$549	\$507	\$493	\$512	\$482	\$456
\$587,383	\$612,061	\$630,663	\$635,516	\$665,628	\$665,628
1.94%	1.72%	1.62%	1.67%	1.50%	1.42%

***Piqua City School District***

*Ratios of General Bonded Debt Outstanding  
Last Ten Years*

Year	1999	2000	2001	2002
<b>Population</b> <sup>(1)</sup>	20,612	20,612	20,738	20,738
<b>Estimated Actual Value</b>	1,141,227,253	1,196,140,184	1,221,435,373	1,290,053,930
<b>General Bonded Debt</b> <sup>(2)</sup>				
General Obligation Bonds	12,689,432	11,995,432	11,580,432	11,125,432
<b>Resources Available to Pay Principal</b> <sup>(3)</sup>	259,982	191,193	215,874	229,055
<b>Net General Bonded Debt</b>	12,429,450	11,804,239	11,364,558	10,896,377
<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>	1.09%	0.99%	0.93%	0.84%
<b>Net Bonded Debt per Capita</b>	603.02	572.69	548.01	525.43

\* As Restated

Source:

(1) U.S. Bureau of Census of Population

(2) Includes all general obligation bonded debt supported by property taxes

(3) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.



*Piqua City School District*

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2003	2004	2005	*	2006	2007	2008
20,738	20,738	20,738	20,738	20,738	20,738	20,738
1,317,273,720	1,306,090,043	1,311,001,321	1,319,610,039	1,364,096,439	1,459,807,936	
10,635,432	10,135,432	9,735,546	10,221,398	9,719,528	9,290,773	
262,134	318,529	578,706	565,738	718,046	779,667	
10,373,298	9,816,903	9,156,840	9,655,660	9,001,482	8,511,106	
0.79%	0.75%	0.70%	0.73%	0.66%	0.58%	
500.21	473.38	441.55	465.60	434.06	410.41	



***Piqua City School District***

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2008*

<b>Jurisdiction</b>	<b>Gross Debt Outstanding</b>	<b>Percentage Applicable to Piqua City School District</b>	<b>Amount Applicable to Piqua City School District</b>
<b>Direct:</b>			
Piqua City School District	\$9,290,773	100.00%	\$9,290,773
<b>Overlapping:</b>			
Miami County	5,445,000	20.61%	1,122,215
City of Piqua	1,440,977	100.00%	1,440,977
		Subtotal	2,563,192
		Total	\$11,853,965

Source: Ohio Municipal Advisory Council, June 2008

**Piqua City School District**

*Debt Limitations  
Last Ten Years*

	1999	2000	2001	2002
Net Assessed Valuation	\$377,459,410	\$392,899,570	\$401,797,548	\$423,312,780
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	33,971,347	35,360,961	36,161,779	38,098,150
Applicable District Debt Outstanding	12,689,432	11,995,432	11,580,432	11,125,432
Less: Applicable Debt Service Fund Amounts (2)	(259,982)	(191,193)	(215,874)	(229,055)
Net Indebtedness Subject to Limitation	12,429,450	11,804,239	11,364,558	10,896,377
Overall Legal Debt Margin	<u>\$21,541,897</u>	<u>\$23,556,722</u>	<u>\$24,797,221</u>	<u>\$27,201,773</u>
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	377,459	392,900	401,798	423,313
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	<u>\$377,459</u>	<u>\$392,900</u>	<u>\$401,798</u>	<u>\$423,313</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	3,397,135	3,536,096	3,616,178	3,809,815
Applicable District Debt Outstanding	0	0	0	(1,050,000)
Unvoted Energy Conservation				
Loans Legal Debt Margin	<u>\$3,397,135</u>	<u>\$3,536,096</u>	<u>\$3,616,178</u>	<u>\$2,759,815</u>

\* As Restated

(1) Ohio Bond Law sets a limit of 9% for overall debt, 1/10 of 1% for unvoted debt, and 9/10 of 1% for energy conservation debt.

(2) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

*Piqua City School District*

*					
2003	2004	2005	2006	2007	2008
\$431,962,230	\$430,490,730	\$436,756,490	\$440,189,030	\$434,866,040	\$447,964,700
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
38,876,601	38,744,166	39,308,084	39,617,013	39,137,944	40,316,823
10,635,432	10,135,432	9,735,546	10,221,398	9,719,528	9,290,773
(262,134)	(318,529)	(578,706)	(565,738)	(718,046)	(779,667)
10,373,298	9,816,903	9,156,840	9,655,660	9,001,482	8,511,106
<u>\$28,503,303</u>	<u>\$28,927,263</u>	<u>\$30,151,244</u>	<u>\$29,961,353</u>	<u>\$30,136,462</u>	<u>\$31,805,717</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
431,962	430,491	436,756	440,189	434,866	447,965
0	0	0	0	0	0
<u>\$431,962</u>	<u>\$430,491</u>	<u>\$436,756</u>	<u>\$440,189</u>	<u>\$434,866</u>	<u>\$447,965</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
3,887,660	3,874,417	3,930,808	3,961,701	3,913,794	4,031,682
(700,000)	(350,000)	0	0	0	0
<u>\$3,187,660</u>	<u>\$3,524,417</u>	<u>\$3,930,808</u>	<u>\$3,961,701</u>	<u>\$3,913,794</u>	<u>\$4,031,682</u>

## *Piqua City School District*

### *Demographic and Economic Statistics Last Ten Years*

Calendar Year	1998	1999	2000	2001	2002
<b>Population</b> (1)					
Piqua City	20,612	20,612	20,738	20,738	20,738
Miami County	93,182	93,182	93,868	98,868	98,868
<b>Income</b> (2) (a)					
Total Personal (in thousands)	533,933	547,434	578,092	575,728	587,383
Per Capita	25,904	26,559	27,876	27,762	28,324
<b>Unemployment Rate</b> (3)					
Federal	4.5%	4.2%	3.8%	4.8%	5.8%
State	4.3%	4.3%	3.7%	4.3%	5.7%
Miami County	3.6%	3.9%	3.0%	4.6%	4.3%
Fiscal Year	1999	2000	2001	2002	2003
<b>School Enrollment</b> (4)					
Grades K - 3	1,211	1,201	1,143	1,125	1,126
Grades 4 - 6	884	909	901	916	879
Grades 7 - 8	620	653	638	598	614
Grades 9 - 12	1,233	1,252	1,229	1,207	1,241
Total	<u>3,948</u>	<u>4,015</u>	<u>3,911</u>	<u>3,846</u>	<u>3,860</u>

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County (2007 not available),

Total Personal Income is a calculation

(3) State Department of Labor Statistics

(4) District Treasurer's Office

*Piqua City School District*

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2003	2004	2005	2006	2007
20,738	20,738	20,738	20,738	20,738
98,868	100,797	100,797	100,797	101,914
612,061	630,663	635,516	665,628	665,628
29,514	30,411	30,645	32,097	32,097
6.0%	5.5%	5.0%	4.6%	4.8%
6.1%	6.0%	5.9%	5.5%	5.7%
5.3%	5.5%	5.7%	5.5%	5.0%
2004	2005	2006	2007	2008
1,203	1,197	1,148	1,093	1,096
804	829	825	868	850
660	644	586	557	572
1,265	1,252	1,233	1,248	1,219
3,932	3,922	3,792	3,766	3,737

**Piqua City School District**

*Principal Employers  
Current Year and Nine Years Ago*

Employer	Nature of Business	2008		
		Number of Employees	Rank	Percentage of Total Employment
Industry Products	Die Cutting, Dilk Screening	350	1	3.44%
Hartzell Propeller	Manufacturer - Aircraft Propellers	339	2	3.33%
Evenflo Company	Manufacturer - Juvenile Furniture	315	3	3.09%
Crane Pumps and Systems	Manufacturer - Industrial Pumps	310	4	3.04%
Jackson Tube	Manufacturer - Steel Tubing	310	5	3.04%
Piqua Technologies	Manufacturer - Auto Industry Seals	165	6	1.62%
Miami Valley Steel	Manufacturer - Steel Products	150	7	1.47%
ITW Hobart Brothers	Manufacturer - Welding Wire	120	8	1.18%
Hartzell Fan Inc.	Manufacturer - Industrial Air Handlers	104	9	1.02%
Apex Aluminum Die Casting	Aluminum Die Casting	100	10	0.98%
Total		<u>2,263</u>		
Total Employment within the District (1)		<u>10,186</u>		

Employer	Nature of Business	1999		
		Number of Employees	Rank	Percentage of Total Employment
Hartzell Propeller	Manufacturer - Aircraft Propellers	650	1	6.38%
Crane Pumps and Systems	Manufacturer - Industrial Pumps	625	2	6.14%
Coppweld Miami Division	Manufacturer - Steel Tubing	620	3	6.09%
Evenflo Company	Manufacturer - Juvenile Furniture	600	4	5.89%
Jackson Tube	Manufacturer - Steel Tubing	334	5	3.28%
Industry Products	Die Cutting, Silk Sceening	289	6	2.84%
Hartzell Fan Inc.	Manufacturer - Industrial Air Handlers	283	7	2.78%
Piqua Technologies	Manufacturer - Auto Industry Seals	151	8	1.48%
Miami Valley Steel	Manufacturer - Steel Products	140	9	1.37%
Hammer Graphics, Inc.	Printing, Mailing, Computer Services	135	10	1.33%
Total		<u>3,827</u>		
Total Employment within the District (1)		<u>10,186</u>		

Sources: District Treasurer's Office  
(1) 2000 Census



## *Piqua City School District*

### *School District Employees by Type Last Three Years*

	2006	2007	2008
<b>Supervisory</b>			
Instructional Administrators	4.00	4.00	4.00
Noninstructional Administrators	6.00	6.00	4.00
Consultants/Supervisors of Instruction	1.00	2.00	2.00
Principals	9.00	9.00	9.00
Assistant Principals	3.00	3.00	3.00
<b>Instruction</b>			
Classroom Teachers:			
Kindergarten Center	10.00	10.00	9.00
Primary: Grades 1-3	47.00	47.00	45.00
Intermediate: Grades 4-6	47.00	45.00	43.00
Junior High School	41.00	27.00	27.00
High School	52.00	45.00	43.00
<b>Student Services</b>			
Guidance Counselors	8.00	8.00	8.00
Psychologists	2.00	2.00	2.00
Librarians	2.00	1.00	1.00
Speech and Hearing Specialists	N/A	3.00	3.00
Nurses	N/A	2.00	2.00
Physical Education	N/A	7.00	7.00
Fine Arts	N/A	15.00	15.00
Other Professionals (noninstructional)	2.00	0.00	0.00
<b>Support Services</b>			
Clerical/Secretaries	26.00	24.00	23.00
EMIS Coordinator	1.00	1.00	1.00
Food Service	45.00	43.00	40.00
Library Aides	8.00	10.00	9.00
Maintenance/Grounds	28.00	28.00	24.00
Parents as Teachers	4.00	3.00	3.00
Transportation	22.00	22.00	22.00
Tutors/Aides	33.00	31.00	16.00
Technology	0.00	2.00	2.00
Warehouse	1.00	1.00	0.00
<i>Total Employees</i>	<u>402.00</u>	<u>401.00</u>	<u>367.00</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: District Treasurer's Office

Note: Information not available prior to 2006.

***Piqua City School District***

*Operating Indicators - Cost per Pupil  
Last Ten Years*

Fiscal Year	1999	2000	2001	2002	2003
Enrollment	3,948	4,015	3,911	3,846	3,860
Modified Accrual Basis					
Operating Expenditures	22,225,664	23,689,963	27,322,816	28,637,959	28,107,237
Cost per Pupil	5,630	5,900	6,986	7,446	7,282
Percentage of Change	13.8%	4.8%	18.4%	6.6%	(2.2%)
Accrual Basis					
Expenses	N/A	N/A	\$26,812,924	\$26,042,722	27,713,801
Cost per Pupil	N/A	N/A	6,856	6,771	7,180
Percentage of Change	N/A	N/A	N/A	(1.2%)	6.0%
Teaching Staff	218	223	223	217	213
Pupil to Teacher Ratio					
Piqua City School District	18.1	18.0	17.5	17.7	18.1
State Average	18.6	18.1	18.0	16.9	16.9

Source: District Treasurer's Office and Ohio Department of Education

N/A - not available

*Piqua City School District*

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2004	2005	2006	2007	2008
3,932	3,922	3,792	3,766	3,737
28,429,649	31,599,735	32,520,850	32,648,059	31,479,980
7,230	8,057	8,576	8,669	8,424
(0.7%)	11.4%	6.4%	1.1%	(2.83%)
27,973,012	29,717,504	30,943,290	32,089,607	31,706,813
7,114	7,577	8,160	8,521	8,485
(0.9%)	6.5%	7.7%	4.4%	(0.43%)
212	207	207	217	204
18.5	18.9	18.3	17.4	18.3
18.5	18.5	18.6	19.6	19.5

**Piqua City School District**

*Operating Indicators by Function  
Last Ten Years*

	1999	2000	2001	2002
<b>Governmental Activities</b>				
Support Services				
Pupils				
Enrollment	3,948	4,015	3,911	3,846
Graduates	266	244	227	243
Percent of Students with Disabilities	10.50%	13.80%	14.90%	15.30%
Percent of Students with English as Second Language	N/A	N/A	N/A	N/A
Administration				
School Attendance Rate	96.9%	96.2%	96.5%	96.5%
Operation and Maintenance of Plant				
District Square Footage Maintained	607,115	607,115	607,115	607,115
Pupil Transportation				
Average Daily Students Transported	2,123	2,679	2,783	2,520
Average Miles Driven per Day	1,489	1,598	1,489	2,007
Average Miles per Bus	14,258	14,656	12,093	17,351
Number of Buses	19	20	27	21
<b>Business-Type Activities</b>				
Food Service				
Student Meals Served Daily	2,268	2,334	2,332	2,356
Free/Reduced Price Meals Daily	884	906	943	1,068
Percentage of Free/Reduced Price Meals Daily	38.98%	38.82%	40.44%	45.33%
Student Breakfasts Served Daily	542	723	807	876
Free/Reduced Price Breakfasts Daily	398	487	579	599
Percentage of Free/Reduced Price Breakfasts Daily	73.43%	67.36%	71.75%	68.38%

Source: District Treasurer's Office

N/A - not available

*Piqua City School District*

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2003	2004	2005	2006	2007	2008
3,860	3,932	3,922	3,792	3,766	3,737
226	271	262	280	244	255
14.80%	15.50%	15.80%	15.50%	15.80%	15.60%
0.3%	0.3%	0.6%	0.6%	0.8%	0.7%
96.1%	96.0%	96.0%	96.0%	95.2%	95.0%
607,115	607,115	607,115	607,115	608,145	608,145
2,829	2,814	2,542	2,691	2,625	2,474
1,782	1,931	2,140	2,129	2,147	2,053
15,274	16,552	18,342	17,419	16,013	15,311
21	21	21	22	24	24
2,407	2,434	2,521	2,498	2,498	2,510
1,139	1,191	1,291	1,294	1,296	1,340
47.32%	48.93%	51.21%	51.80%	51.88%	53.39%
893	1,022	1,147	1,094	1,148	1,143
642	734	837	802	848	864
71.89%	71.82%	72.97%	73.31%	73.87%	75.59%

***Piqua City School District***

*Operating Indicators - Teacher Base Salaries  
Last Ten Years*

Fiscal Year	1998	1999	2000	2001	2002
District Average Salary	\$37,622	40,335	41,745	44,501	45,303
County Average Salary	\$38,717	39,867	41,155	42,134	43,188
State Average Salary	\$39,714	40,746	41,713	42,892	44,266

Source: District Treasurer's Office and Ohio Department of Education

*Operating Indicators - Teacher by Education  
Last Ten Years*

Fiscal Year	1999	2000	2001	2002	2003
Bachelor's Degree	70	30	23	29	25
Bachelor + 15	4	4	3	2	2
Bachelor + 30	0	50	53	60	39
Master's Degree	78	59	56	45	68
Master's Degree + 10	66	80	88	81	68
Master's Degree + 30	0	0	0	0	11
Total	218	223	223	217	213

Source: District Treasurer's Office

*Piqua City School District*

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2003	2004	2005	2006	2007
47,871	49,730	49,642	51,291	52,983
45,146	46,851	48,691	47,569	49,212
45,515	47,495	49,342	51,346	52,596

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2004	2005	2006	2007	2008
30	27	26	24	17
3	6	1	4	10
36	34	35	33	25
63	64	73	84	84
70	65	61	57	53
10	11	11	15	15
212	207	207	217	204

## *Piqua City School District*

### *Capital Asset Statistics by Building Last Ten Years*

	1999	2000	2001	2002
<b>Secondary</b>				
Piqua Senior High School				
Square Footage	185,375	185,375	185,375	185,375
Capacity (students)	12,000	12,000	12,000	12,000
Enrollment	1,125	1,110	1,068	1,100
Piqua Junior High School				
Square Footage	126,000	126,000	126,000	126,000
Capacity (students)	800	800	800	800
Enrollment	653	638	598	614
<b>Intermediate</b>				
Bennett Intermediate School				
Square Footage	48,739	48,739	48,739	48,739
Capacity (students)	800	800	800	800
Enrollment	310	272	295	260
Wilder Intermediate School				
Square Footage	47,651	47,651	47,651	47,651
Capacity (students)	800	800	800	800
Enrollment	309	327	298	300
Washington Intermediate School				
Square Footage	35,523	35,523	35,523	35,523
Capacity (students)	360	360	360	360
Enrollment	290	302	323	319
<b>Primary</b>				
Favorite Hill Primary School				
Square Footage	40,366	40,366	40,366	40,366
Capacity (students)	400	400	400	400
Enrollment	298	245	287	289
High Street Primary School				
Square Footage	20,816	20,816	20,816	20,816
Capacity (students)	360	360	360	360
Enrollment	318	289	268	273



*Piqua City School District*

2003	2004	2005	2006	2007	2008
185,375	185,375	185,375	185,375	185,375	185,375
12,000	12,000	12,000	12,000	12,000	12,000
1,100	1,120	1,077	1,050	1,248	1,219
126,000	126,000	126,000	126,000	126,000	126,000
800	800	800	800	800	800
660	644	590	557	557	572
48,739	48,739	48,739	48,739	48,739	48,739
800	800	800	800	800	800
232	252	248	249	249	242
47,651	47,651	47,651	47,651	47,651	47,651
800	800	800	800	800	800
292	283	275	293	293	299
35,523	35,523	35,523	35,523	35,523	35,523
360	360	360	360	360	360
280	294	312	326	326	305
40,366	40,366	40,366	40,366	40,366	40,366
400	400	400	400	400	400
303	324	325	306	306	282
20,816	20,816	20,816	20,816	20,816	20,816
360	360	360	360	360	360
269	288	275	259	259	253

(Continued)

*Piqua City School District*

*Capital Asset Statistics by Building  
Last Ten Years*

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Springcreek Primary School				
Square Footage	25,326	25,326	25,326	25,326
Capacity (students)	360	360	360	360
Enrollment	296	291	245	245
Nicklin Avenue Learning Center				
Square Footage	21,519	21,519	21,519	21,519
Capacity (students)	375	375	375	375
Enrollment	289	318	325	319
<b>All Other</b>				
Central Administration Building				
Square Footage	12,800	12,800	12,800	12,800
Transportation Building				
Square Footage	16,000	16,000	16,000	16,000
Maintenance Building				
Square Footage	27,000	27,000	27,000	27,000

Source: District Treasurer's Office

*Piqua City School District*

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2003	2004	2005	2006	2007	2008
25,326	25,326	25,326	25,326	25,326	25,326
360	360	360	360	360	360
264	260	271	260	260	268
21,519	21,519	21,519	21,519	21,519	21,519
375	375	375	375	375	375
367	325	298	268	268	297
12,800	12,800	12,800	12,800	13,830	13,830
16,000	16,000	16,000	16,000	16,000	16,000
27,000	27,000	27,000	27,000	27,000	27,000

*Piqua City School District*

*Educational and Operating Statistics  
Last Ten Years*

	1999	2000	2001	2002	2003
<b>Cost per Student (ODE) (1)</b>					
Piqua	6,595	6,506	6,964	7,186	7,211
Ohio (Average)	6,642	7,057	7,602	8,073	8,441
<b>Attendance Rate</b>					
Piqua	93.40%	93.40%	93.50%	94.10%	94.40%
Ohio (Average)	94.20%	97.20%	94.70%	95.00%	94.90%
<b>Graduation Rate</b>					
Piqua	76.70%	72.20%	79.90%	84.50%	84.90%
Ohio (Average)	81.40%	80.70%	81.20%	82.80%	83.90%

Source:

District's Student Records and Ohio Department of Education

(1) ODE calculation is not based on GAAP financial reports.

*Piqua City School District*

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2004	2005	2006	2007	2008
7,092	7,855	8,348	8,893	8,654
8,768	9,028	9,343	9,586	9,939
94.50%	94.70%	94.90%	95.20%	95.00%
95.30%	95.20%	94.10%	94.10%	94.20%
88.20%	83.80%	83.80%	87.90%	92.40%
84.30%	85.90%	86.20%	86.10%	86.90%





**Mary Taylor, CPA**  
Auditor of State

**PIQUA CITY SCHOOL DISTRICT**

**MIAMI COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 13, 2009**